

**Q(h)ubeka Trust
(IT001242/2016(G))
Financial statements
for the period ended 31 May 2023**

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

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
Auditors	Nolands Inc
Trust registration number	IT001242/2016(G)

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

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The reports and statements set out below comprise the 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 financial statements of Q(h)ubeka Trust set out on pages 7 to 14, which comprise the statement of financial position as at 31 May 2023, the statement of income and expenditure for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present, in all material respects, the financial position of Q(h)ubeka Trust as at 31 May 2023, and its financial performance for the period then ended in accordance with the basis of accounting described in Note 1 to the 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 financial statements, which describes the basis of accounting. The 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 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements

The trustees are responsible for the preparation and presentation of the financial statements in accordance with the basis of accounting described 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 auditors
Practice number: 900583e
Per: Craig Stansfield CA(SA), RA
Director

Cape Town
30 June 2023

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements present in all material respects the state of affairs of the trust as at the end of the financial period and the results of its operations for the period then ended, in conformity with the basis of accounting described in Note 1 to the financial statements and in the manner required by the Trust Deed. The external auditors are engaged to express an independent opinion on the financial statements.

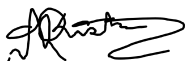
The financial statements are prepared in accordance with the basis of accounting described in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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 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 financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on pages 3 and 4.

The financial statements set out on pages 6 to 14 were approved by the board of trustees and signed on their behalf by:



Trustee



Trustee

Johannesburg
30 June 2023

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023
Trustees' Report

The trustees submit their report on the financial statements of Q(h)ubeka Trust for the period ended 31 May 2023.

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 period.

3. Review of financial results and activities

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

6. Going concern

The financial statements have been prepared on a going concern basis as the trustee's view is that the going concern basis is not materially different from the liquidation basis.

The trustees draw attention to note 13 of the financial statements.

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023
Statement of Financial Position as at 31 May 2023

Figures in Rand	Note(s)	31 May 2023	28 February 2023
Assets			
Current Assets			
Fixed assets	2	-	25 000
Investments	3	-	6 430
Accounts receivable	4	-	4 848
Funds held with Fairheads Umbrella Trust	5	-	-
Cash resources	6	-	5 806 631
Funds held with TwinOaks Investment Management	7	-	-
		<u>-</u>	<u>5 842 909</u>
Total Assets		<u>-</u>	<u>5 842 909</u>
Trust Capital and Liabilities			
Trust Capital			
Contribution made by founder	8	-	200
Trust administration reserve	9	-	1 694 715
		<u>-</u>	<u>1 694 915</u>
Liabilities			
Current Liabilities			
Accounts payable	10	-	418 292
Approved claims for distribution to beneficiaries	11	-	3 729 702
		<u>-</u>	<u>4 147 994</u>
Total Capital and Liabilities		<u>-</u>	<u>5 842 909</u>

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

Statement of Income and Expenditure

Figures in Rand	Note(s)	3 months ended 31 May 2023	28 February 2023
Revenue			
Interest received		31	1 192 565
Other income			
Insurance proceeds received		-	7 660
Relinquishment of accounts payable		-	23 008
		<u>-</u>	<u>30 668</u>
Trust administration expenses			
Auditors' remuneration		99 850	126 500
Bank charges		3 483	45 389
Catering services		-	9 672
Computer expenses		59 809	126 118
Consulting fees		30 153	331 304
Database expenses		-	377 288
Depreciation on property, plant and equipment		1 606	29 741
Employee costs		339 198	3 272 966
Insurance		46 400	54 527
Lease rentals on operating lease		-	164 541
Legal expenses		42 774	14 000
Loss on disposal of property, plant and equipment		14 455	928
Municipal expenses		-	19 217
Office sundries		41 648	38 341
Outreach workers		78 948	3 335 183
Printing, postage and stationery		358	20 371
Royalties and license fees		-	5 591
Small capital items		-	10 534
Telephone and fax		2 258	52 405
Tracing costs		-	9 660
Travel - local		422	229 136
Trustees' fees		105 000	720 000
		<u>866 362</u>	<u>8 993 412</u>
Deficit before taxation		<u>(866 331)</u>	<u>(7 770 179)</u>
Taxation	12	-	(530 639)
Deficit after taxation, before transfers and distributions		<u>(866 331)</u>	<u>(8 300 818)</u>
Transfer from trust administration reserve		866 331	8 300 818
		<u>-</u>	<u>-</u>
Surplus for the period / year		<u>-</u>	<u>-</u>

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

Accounting Policies

1. Presentation of financial statements

The 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 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 period they arise.

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

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Financial Statements for the period ended 31 May 2023

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.

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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
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Notes to the Financial Statements

Figures in Rand	3 months ended	
	31 May 2023	28 February 2023

2. Fixed assets

	31 May 2023			28 February 2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	-	-	-	208 111	(183 111)	25 000

Reconciliation of fixed assets - 31 May 2023

	Opening balance	Disposals	Depreciation	Closing balance
Computer equipment	25 000	(23 394)	(1 606)	-

Reconciliation of fixed assets - 28 February 2023

	Opening balance	Disposals	Depreciation	Closing balance
Computer equipment	50 179	(1 134)	(24 045)	25 000
Furniture and fixtures	6 624	(928)	(5 696)	-
	56 803	(2 062)	(29 741)	25 000

3. Investments

Taquanta Asset Managers (Pty) Ltd	-	6 430
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4. Accounts receivable

Prepayments	-	4 848
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5. Funds held with Fairheads Umbrella Trust

The Fairheads Umbrella Trust	3 503 660	-
Less: Approved claims for distribution to beneficiaries*	(3 503 660)	-
	-	-

* Refer to note 11 for details regarding the approved claims for distribution to beneficiaries.

6. Cash resources

Cash resources consist of:

Bank balances	-	5 806 631
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Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

Notes to the Financial Statements

Figures in Rand	3 months ended 31 May 2023	28 February 2023
7. Funds held with TwinOaks Investment Management		
<p>The Trustees resolved, as provided for in the amended Deed of Trust, the remaining funds upon termination would be offered in three equal parts as a donation to the following organisations:</p> <ul style="list-style-type: none"> • The Foundation for Human Rights, Registration No: 95/08044/08 • Layita Foundation, PBO reference: 930050933 • The Jabulani Rural Health Foundation, PBO reference: 930027691 <p>All three public benefit organisations have formally accepted the donations and have provided their relevant banking details.</p> <p>The funds have been paid into a Nedbank trust account, managed by TwinOaks Investment Management. The account will be operated subject to the Trustees instructions. Following the settlement of all incidental expenses post closure and upon receipt of the tax clearance certificate from SARS, the remaining funds will be paid to the aforementioned organisations.</p>		
8. Trust capital		
Trust capital		
Settlors contribution	-	200
9. Trust administration reserve		
Opening balance	1 694 717	11 435 094
Current period / year trust administration expenses	(866 362)	(8 993 412)
Taxation for the period / year	-	(530 639)
Current period / year investment returns	31	1 192 565
Other income	-	30 668
Capital award to qualifying claimants	-	(1 439 561)
Funds held with TwinOaks Investment Management (refer: note 7)	(828 386)	-
	<u>-</u>	<u>1 694 715</u>
10. Accounts payable		
Accrued expenses	-	135 900
Other payables	-	282 392
	<u>-</u>	<u>418 292</u>
11. Approved claims for distribution to beneficiaries		
Opening balance	3 729 702	54 666 394
Capital award to qualifying claimants	-	1 439 561
Amounts paid to beneficiaries	(226 042)	(52 376 253)
Funds held with Fairheads Umbrella Trust	(3 503 660)	-
	<u>-</u>	<u>3 729 702</u>

Q(h)ubeka Trust
Financial Statements for the period ended 31 May 2023

Notes to the Financial Statements

Figures in Rand	3 months ended 31 May 2023	28 February 2023
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12. Taxation

Major components of the tax expense

Current taxation

South African normal tax - current period

-	530 639
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13. Closure of trust

Subsequent to the reporting period, the intention of the trustees is to commence the winding down process of the trust.