

**THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST**  
**(Registration Number IT 243/2018)**  
**Annual Financial Statements**  
**for the year ended 28 February 2021**

**Audited Financial Statements**

These annual financial statements were externally prepared by: SA Mukadam Chartered Accountant CA (SA)

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Annual Financial Statements for the year ended 28 February 2021

## Index

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

General Information	1
Trustees' Responsibilities and Approval	2
Independent Auditor's Report	3 - 4
Trustees Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 15

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# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Annual Financial Statements for the year ended 28 February 2021

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	The carrying on of one or more public benefit activities to support or facilitate black economic empowerment, education, and community development in South Africa.
<b>Trustees</b>	R Omar GC Solanki ZB Ebrahim
<b>Registered address</b>	Level 4 Montclare Place 23 Main Road Claremont Cape Town 7708
<b>Income Tax Registration Number</b>	1664/474/18/4
<b>PBO Registration Number</b>	930062491
<b>Independent Auditors</b>	Nexia SAB&T Chartered Accountants (SA)
<b>Preparer</b>	SA Mukadam Chartered Accountant CA (SA)
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Deed.

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Annual Financial Statements for the year ended 28 February 2021

## Trustees's Responsibilities and Approval

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The trustees are required by the Trust Deed 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 satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the trust, and explain the transactions and financial position of the business of the trust at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the trust 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 Trustees 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 trusts 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 financial statements have been audited by the independent auditing firm Nexia SAB&T, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The trustees believe that all representations made to the independent auditors during the audit were valid and appropriate. The external auditors' audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 6 to 15 were approved by the Trustees on 13/09/2021 and were signed on its behalf by:



R Omar



GC Solanki



ZB Ebrahim

## INDEPENDENT AUDITOR'S REPORT

### To the Trustees of The Willis Towers Watson (South Africa) Development Trust

#### Opinion

We have audited the financial statements of The Willis Towers Watson (South Africa) Development Trust set out on pages 6 to 15, which comprise the statement of financial position as at 28 February 2021, and the statement of comprehensive income, statement of changes in trust funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material aspects, the financial position of The Willis Towers Watson (South Africa) Development Trust as at 28 February 2021, and its financial performance and cash flow for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

#### 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 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.

#### Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Willis Towers Watson (South Africa) Development Trust Annual Financial Statements for the year ended 28 February 2021", which includes the Trustees' Report. The 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.

## Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, 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 ISAs 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 ISAs, 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.
- 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 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 financial statements, including the disclosures, and whether the 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.

*Nexia SAB&T*

**Nexia SAB&T**  
**H. Kajie**  
**Director**  
**Registered Auditor**  
**14 September 2021**

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Annual Financial Statements for the year ended 28 February 2021

## Trustees' Report

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The Trustees present their report for the year ended 28 February 2021.

### 1. Review of activities

#### Main business and operations

The principal activity of the trust is the carrying on of one or more public benefit activities to support or facilitate black economic empowerment, education, and community development in South Africa. There were no major changes herein during the year. The trust distributed R3,066,805 (2020: R1,250,000) during the financial year to 6 beneficiaries (2020: 4 beneficiaries).

### 2. 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.

The trustees have given due consideration to the potential impact of the COVID-19 pandemic on the trust's ability to continue as a going concern. The trustees believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the trustees are of the view that the trust has sufficient resources to continue as a going concern.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

### 4. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

R Omar  
GC Solanki  
ZB Ebrahim

There have been no changes to the Trustees during the financial year.

### 5. Independent Auditors

Nexia SAB&T were the independent auditors for the Trust for the year.

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Statement of Financial Position

Figures in R	Notes	2021	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investments	3	<u>105,523,003</u>	<u>105,523,003</u>
<b>Current Assets</b>			
Trade and other receivables	4	1,000	1,000
Cash and cash equivalents	5	<u>1,537,172</u>	<u>3,175,011</u>
		<b><u>1,538,172</u></b>	<b><u>3,176,011</u></b>
<b>Total Assets</b>		<b><u>107,061,175</u></b>	<b><u>108,699,014</u></b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Trust capital	6	1,000	1,000
Accumulated surplus		<u>23,107,524</u>	<u>21,086,734</u>
		<b><u>23,108,524</u></b>	<b><u>21,087,734</u></b>
<b>Non-Current Liabilities</b>			
Loan from related party	7	<u>83,865,501</u>	<u>87,583,680</u>
<b>Current Liabilities</b>			
Trade and other payables	8	<u>87,150</u>	<u>27,600</u>
<b>Total Reserves and Liabilities</b>		<b><u>107,061,175</u></b>	<b><u>108,699,014</u></b>



# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Statement of Comprehensive Income

Figures in R	Notes	2021	2020
<b>Revenue</b>			
Dividends received	9	4,647,723	22,424,153
Donations received	9	608,640	-
Interest received	9	719	59,292
		<u>5,257,082</u>	<u>22,483,445</u>
<b>Expenditure</b>			
Accounting and taxation fees		24,150	24,150
Audit fee - 2020		82,800	-
Audit fee - 2021		40,000	-
Bank charges		4,137	4,115
Grants	10	3,066,805	1,250,000
Trust administration	11	18,400	27,600
		<u>3,236,292</u>	<u>1,305,865</u>
<b>Surplus for the year</b>		<u>2,020,790</u>	<u>21,177,580</u>

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Statement of Changes in Trust Funds

Figures in R	Trust Capital	Accumulated surplus	Total
<b>Balance at 1 March 2019</b>	1,000	(90,846)	(89,846)
Surplus for the year		21,177,580	21,177,580
<b>Total comprehensive deficit for the year</b>	-	21,177,580	21,177,580
<b>Balance at 29 February 2020</b>	<b>1,000</b>	<b>21,086,734</b>	<b>21,087,734</b>
<b>Balance at 1 March 2020</b>	1,000	21,086,734	21,087,734
Surplus for the year		2,020,790	2,020,790
<b>Total comprehensive surplus for the year</b>	-	2,020,790	2,020,790
<b>Balance at 28 February 2021</b>	<b>1,000</b>	<b>23,107,524</b>	<b>23,108,524</b>

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Statement of Cash Flows

Figures in R	2021	2020
<b>Cash flows from operating activities</b>		
Surplus for the year	2,020,790	21,177,580
<b>Operating cash flow before working capital changes</b>	<b>2,020,790</b>	<b>21,177,580</b>
<i>Working capital changes</i>		
Increase in trade and other receivables	-	(1,000)
Increase / (decrease) in trade and other payables	59,550	(63,250)
<b>Net cash flows from operations</b>	<b>2,080,340</b>	<b>21,113,330</b>
<b>Net cash flows from operating activities</b>	<b>2,080,340</b>	<b>21,113,330</b>
<b>Cash flows used in financing activities</b>		
Net movement in related party loans repaid	(3,718,179)	(17,939,323)
<b>Net cash flows used in financing activities</b>	<b>(3,718,179)</b>	<b>(17,939,323)</b>
Net (decrease) / increase in cash and cash equivalents	(1,637,839)	3,174,007
Cash and cash equivalents at beginning of the year	3,175,011	1,004
<b>Cash and cash equivalents at end of the year</b>	<b>1,537,172</b>	<b>3,175,011</b>

5

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Accounting Policies

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### 1. General information

The Willis Towers Watson (South Africa) Development Trust is a non-profit organisation.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Basis of preparation

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board.

#### 2.2 Revenue recognition

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the trust. Revenue is measured at the fair value of consideration received or receivable.

Revenue represents interest and dividends. Such revenue is recognised on the following bases:

- Interest income is recognised when received.
- Dividends are recognised when received.
- Donations received are recognised when received.

#### 2.3 Income taxes

The trust has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (1958)(the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

The trust has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act.

#### 2.4 Cash and cash equivalents

Cash and cash equivalents includes bank balances.

#### 2.5 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

#### 2.6 Loans from related parties

Loans from related parties are recognised on the basis of the effective interest rate method.

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Accounting Policies

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*Summary of significant accounting policies continued...*

### 2.7 Investments

Investment that are not publicly traded and whose fair value cannot otherwise be measured reliably without due cost or effort are measured at cost less impairment.

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Notes to the Annual Financial Statements

Figures in R	2021	2020
<b>3. Investments</b>		
Investment in Towers Watson SA Holdings (Pty) Ltd 14,727 shares @ R5,988.14 per share	88,187,338	88,187,338
Investment in Actuary Online (Pty) Ltd 579 shares @ R29,940.70 per share	17,335,665	17,335,665
	<u>105,523,003</u>	<u>105,523,003</u>
<p>The Trust's shares in Towers Watson SA Holdings (Pty) Ltd and Actuary Online (Pty) Ltd are security for the loan through a pledge and cession as referred to in note 7.</p>		
<b>4. Trade and other receivables</b>		
Towers Watson SA Holdings (Pty) Ltd	<u>1,000</u>	<u>1,000</u>
<b>5. Cash and cash equivalents</b>		
Bank balance	<u>1,537,172</u>	<u>3,175,011</u>
<b>6. Trust capital</b>		
Donation made in terms of the Trust Deed	<u>1,000</u>	<u>1,000</u>

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Notes to the Annual Financial Statements

Figures in R

	2021	2020
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### 7. Loan from related party

#### Non - current liability

#### Willis Group Limited

Opening balance	87,583,680	105,523,003
Repayment of loan	(3,718,179)	(17,939,323)
	83,865,501	87,583,680

The loan term is 10 years from signature date at 0% interest. Repayment of loan is by means of 80% of dividends received. The loan was utilised to acquire the investments, see note 3.

The loan is secured by a pledge and cession of the Trust's shares in Towers Watson SA Holdings (Pty) Ltd and Actuary Online (Pty) Ltd as referred to in note 3.

### 8. Trade and other payables

Legacy Fiduciary Services & Estate Planners (SA) Pty Ltd	47,150	27,600
Nexia SAB&T	40,000	-
	87,150	27,600

### 9. Revenue

An analysis of revenue is as follows:

Dividends received - Tower Watson SA Holdings (Pty) Ltd	3,884,180	18,740,240
Dividends received - Actuary Online (Pty) Ltd	763,543	3,683,913
Interest received on bank balance	719	59,292
Donations received - R Omar	50,000	-
Donations received - M Jenkins	37,500	-
Donations received - EJ Potgieter	120,000	-
Donations received - Towers Watson Limited	401,140	-
	5,257,082	22,483,445

# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Notes to the Annual Financial Statements

Figures in R	2021	2020
<b>10. Grants</b>		
The Amy Foundation	250,000	250,000
Bulungula Incubator	1,567,250	-
DG Murray Trust - Ntokozweni Village	-	500,000
The Foundation for Community Work	200,000	250,000
Gift of the Givers Foundation	200,000	-
RX Radio SA Red Cross War Memorial Children's Hospital	250,000	250,000
University of Cape Town Development & Alumni Department	599,555	-
	<u>3,066,805</u>	<u>1,250,000</u>

## 11. Trust administration

Trust administration fee 2020	-	27,600
Trust administration fee 2021	23,000	-
Trust administration fee over provision 2020	(4,600)	-
	<u>18,400</u>	<u>27,600</u>

## 12. Income tax expense

No provision has been made for tax as the trust is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act (1958).



# THE WILLIS TOWERS WATSON (SOUTH AFRICA) DEVELOPMENT TRUST

(Registration Number IT 243/2018)

Financial Statements for the year ended 28 February 2021

## Notes to the Annual Financial Statements

Figures in R

2021

2020

### 13. Related parties

Name	Relationship		
Willis Group Limited	Founder		
Towers Watson SA Holdings (Pty) Ltd	Associate (subsidiary of Founder)		
Actuary Online (Pty) Ltd	Associate (subsidiary of Founder)		
Rustum Omar	Trustee		
Zohra Ebrahim	Trustee		
Geetesh Chandrakant Solanki	Trustee		
<b>Related party balances</b>			
<b>Loan account - Owing to related party</b>			
Willis Group Limited		83,865,501	87,583,680
<b>Investments - Related parties</b>			
Towers Watson SA Holdings (Pty) Ltd		88,187,338	88,187,338
Actuary Online (Pty) Ltd		17,335,665	17,335,665
<b>Dividends received</b>			
Towers Watson SA Holdings (Pty) Ltd		3,884,180	18,740,240
Actuary Online (Pty) Ltd		763,543	3,683,913
<b>Donations received</b>			
Donations received - R Omar		50,000	-
Donations received - Towers Watson Limited		401,140	-

### 14. Trustees remuneration

No remuneration has been paid to any trustees or any individual holding a prescribed office.