



Growing talent and opportunity in rural Africa.

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

General Information

| | |
|----------------------------------------------------|-------------------------------------------------------------------------|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Provision of quality education for rural learners |
| Directors | C.R. Paxton M.L. Paxton E.B. Torrance P. Moyo G.R. Coe |
| Registered office | Church Grounds Zithulele Village Mqanduli Eastern Cape 5080 |
| Business address | Church Grounds Zithulele Village Mqanduli Eastern Cape 5080 |
| Postal address | P.O. Box 803 Mqanduli Eastern Cape 5080 |
| Bankers | Nedbank |
| Auditor | L. Dart Chartered Accountant (S.A) Registered Auditor |
| Secretary | |
| Company registration number | 2009/005913/08 |

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Index

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

| Index | <i>Page</i> |
|------------------------------------------|-------------|
| Independent Auditor's Report | 3 - 4 |
| Directors' Responsibilities and Approval | 5 |
| Directors' Report | 6 - 7 |
| Statement of Financial Position | 8 |
| Statement of Comprehensive Income | 9 |
| Statement of Changes in Equity | 10 |
| Statement of Cash Flows | 11 |
| Accounting Policies | 12 - 16 |
| Notes to the Annual Financial Statements | 17 - 21 |
| Detailed Income Statement | 22 - 23 |

Independent Auditor's Report

To the members of Axium Education NPC

We have audited the annual financial statements of Axium Education NPC which comprises of the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 21.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 2008. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Axium Education NPC as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act in South Africa.

Cash income received

Without qualifying our opinion above, in common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond receipts actually recorded.



L.F. Dart
Chartered Accountant (S.A.)
Registered Auditor
Tax Practitioner

EAST LONDON
15 June 2023

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Directors' Responsibilities and Approval

The directors are required by the South African Companies Act 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financials statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet their responsibilities, the board of directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The annual financial statements for the year ended 31 December 2022 set out on pages 6 to 23 were approved by the board of directors on 15 June 2023 and are signed on its behalf by:



.....
E.B. Torrance

Chairperson

Annual Financial Statements for the year ended 31 December 2022

Directors' Report

The directors have pleasure in presenting their report for the year ended 31 December 2022.

1. Business activities

2022 was a hugely exciting year for Axium Education. Not only were we able to put the uncertainty, disruption and loss of the COVID years behind us, but the careful growth planning we had done during this period finally found a launchpad. Back in 2019 a group of our senior leaders had a memorable planning day at Hole in the Wall, which profoundly shaped the direction of our next five years. We were in the midst of a difficult set of growing pains after our expansion to AmaJingqi the previous year, and so for most of us the thought of further growth felt like a stretch. Yet we all saw the huge potential in our early literacy (the Nobalisa Programme) and rural schools (Public School Partnerships) work and wanted to see it grow. The directional impetus from this day eventually turned into a strategic growth plan that allowed us two years to consolidate and plan for ambitious expansion from 2022-2025.

As the first of these years of growth, in 2022 we added a new Public School Partnerships school, Sea View SPS, at our Zithulele site, as well as four new schools working with the Nobalisa Programme - increasing our reach by 900 learners. Two developments underpinned the success of this expansion: a new partnership with the Social Employment Fund (SEF), a government mass employment scheme, through whom we employed 65 part-time staff on government stipends; and, the new leadership opportunities for existing staff that were created by the growth. The latter brought huge amounts of energy to our team, as we saw many new leaders step up and lead significant new teams and projects.

At the heart of our motivation for growth was the belief that as we grew we could become both bigger *and* better - and this has certainly been supported by our experience thus far. Across the majority of the Seven Questions we define our success by, we have seen solid gains during the 2022 year. At our PSP schools, since we started in 2018: the dropout rate has decreased; the matric pass and tertiary access rates have increased; in the early grades, learners are reading and doing basic maths well above comparable schools; maths, English and science remain a challenge. At our Nobalisa schools: implementation of the programme appears strong even within a month of a new site launching; there are early signs of significant learning gains on Teaching at the Right Level (TARL) assessments (although COVID has made causation hard to attribute). Our Senior Schools programme continues to create a pathway for motivated science and maths students at the six high schools around Zithulele towards tertiary study.

At the same time, we've advanced important pieces of work that we believe will make our work stronger in the long run, such as our planning infrastructure and a TARL model for older grades. There is a strong internal pipeline of leadership talent that we plan to develop more intentionally in 2023 and we have made a number of excellent external hires, who seem to have the potential for long term commitment. Our operating model continues to improve in cost effectiveness, with per learner costs for the PSP model coming in under R6000 per learner, and for the Nobalisa at under R2000 per learner. Financially, we remain sound, with a healthy three month reserve and a number of new multi-year funding partnerships in the pipeline.

Finally, 2022 was also marked by transition. With founders Craig and Michelle Paxton moving to Cape Town at the end of the year, a plan was created with the Axium board to manage the change process. Craig will remain as Executive Director, with regular visits to site, while Michelle has stepped down from her role as Chief Operating Officer, with Sithembele Zondeka joining late in the year for a period of handover preparing him to take up the full role from January 2023. Michelle remains available to support, particularly on finances, until the transition has settled.

With further exciting growth planned for 2023, Axium Education continues to advance its vision of "every rural student leaving school with purpose, agency and options".

2. Financial review

Main business and operations

The results of the company and the state of affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

The company's net surplus for the year amounted to R1 245 685 (2021: R1 688 368), details thereof are fully disclosed in the statement of comprehensive income on page 9. This surplus is utilised for building accommodation.

3. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The financial future of the entity is dependent upon continued support from donations and fundraising. The directors confirm that active fundraising is taking place.

4. Events after the reporting period

The directors are not aware of any matter or circumstance arising between balance sheet date and the date of this report.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

C.R. Paxton

M.L. Paxton

E.B. Torrance

P. Moyo

G.R. Coe

6. Secretary

The secretary of the company is Nicola Husemeyer.

7. Auditors

L. Dart will continue in office in accordance with section 90 of the Companies Act, 71 of 2008.

8. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act.

Annual Financial Statements for the year ended 31 December 2022

Statement of Financial Position

| | <i>Note</i> | 2022 R | 2021 R |
|-------------------------------------|-------------|--------------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | <u>5 187 863</u> | <u>3 708 332</u> |
| Current assets | | | |
| Trade and other receivables | 3 | 251 240 | 190 148 |
| Cash and cash equivalents | 4 | <u>7 005 013</u> | <u>5 587 947</u> |
| | | <u>7 256 253</u> | <u>5 778 095</u> |
| Total assets | | <u>12 444 116</u> | <u>9 486 427</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Accumulated funds | | <u>8 792 565</u> | <u>7 546 880</u> |
| Current liabilities | | | |
| Trade and other payables | 5 | 500 586 | 536 784 |
| Deferred income | 6 | <u>3 150 965</u> | <u>1 402 763</u> |
| | | <u>3 651 551</u> | <u>1 939 547</u> |
| Total equity and liabilities | | <u>12 444 116</u> | <u>9 486 427</u> |

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Statement of Comprehensive Income

| | <i>Note</i> | 2022 R | 2021 R |
|-----------------------------|-------------|-------------------------|------------------|
| Revenue | | 19 696 583 | 18 867 399 |
| Operating expenses | | (18 885 679) | (17 432 761) |
| Operating surplus | 8 | 810 904 | 1 434 638 |
| Investment revenue | 9 | 434 781 | 265 555 |
| Finance costs | | - | (11 825) |
| Surplus for the year | | <u>1 245 685</u> | <u>1 688 368</u> |

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Statement of Changes in Equity

| | Accumulated funds R | Total funds R |
|------------------------------------------|---------------------------|-------------------------|
| Balance at 1 January 2021 | 5 858 512 | 5 858 512 |
| Changes in funds | | |
| Total comprehensive surplus for the year | <u>1 688 368</u> | <u>1 688 368</u> |
| Balance at 1 January 2022 | 7 546 880 | 7 546 880 |
| Changes in funds | | |
| Total comprehensive surplus for the year | <u>1 245 685</u> | <u>1 245 685</u> |
| Total changes | <u>1 245 685</u> | <u>1 245 685</u> |
| Balance at 31 December 2022 | <u>8 792 565</u> | <u>8 792 565</u> |

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Statement of Cash Flows

| | | 2022 | 2021 |
|----------------------------------------------------|-----------|--------------------|-------------|
| | | R | R |
| Cash flows from operating activities | | 3 710 579 | (276 011) |
| Cash receipts from donors and customers | | 19 635 491 | 18 834 489 |
| Cash paid to suppliers and employees | | 16 359 693 | 19 364 230 |
| Cash generated / (utilised) by operations | <i>11</i> | 3 275 798 | (529 741) |
| Finance costs | | - | (11 825) |
| Interest received | | 434 781 | 265 555 |
| Cash flows from investing activities | | (2 293 513) | (962 293) |
| Additions to property, plant and equipment | <i>2</i> | (2 293 513) | (1 108 336) |
| Disposals to property, plant and equipment | <i>2</i> | - | 146 043 |
| Total cash movement for the year | | 1 417 066 | (1 238 304) |
| Cash and cash equivalents at the beginning of year | | 5 587 947 | 6 826 251 |
| Total cash at end of the year | <i>4</i> | 7 005 013 | 5 587 947 |

Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company;
and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on a straight line basis over the expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Average useful life |
|--------------------|----------------------------|
| Leasehold property | 10 years |
| Motor vehicles | 5 years |
| Computer equipment | 3 years |
| Solar system | 5 years |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between net disposal proceeds, if any, and the carrying amount of the item.

Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equal instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Loans to/(from) related parties

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to related parties are classified as loans and receivables.

Loans from related parties are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables are impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

1.2 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss is recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.5 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- a reliable estimate of the obligation can be made.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is vitually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

1.6 Grants and donations

Grants and donations are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received

Grants and donations are recognised as income over periods necessary to match them with related costs that they are intended to compensate.

Grants and donations related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants and donations related to income are presented as a credit in the profit and loss (seperately).

Axiom Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

1.6 Grants and donations (continued)

Repayments of grants and donations related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayments of grants and donations related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.7 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the balance sheet date can be measured reliably;
- and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in the profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Axiom Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022**Notes to the Annual Financial Statements****2. Property, plant and equipment**

| | 2022 | | | 2021 | | |
|--------------------|---------------------|-----------------------------|-------------------|---------------------|-----------------------------|-------------------|
| | R | | | R | | |
| | Cost / Valuation | Accumulated depreciation | Carrying Value | Cost / Valuation | Accumulated depreciation | Carrying Value |
| Leasehold property | 4 531 880 | (993 957) | 3 537 923 | 2 611 305 | (708 035) | 1 903 270 |
| Motor vehicles | 2 600 940 | (1 054 644) | 1 546 296 | 2 255 136 | (574 800) | 1 680 336 |
| Computer equipment | 326 561 | (281 068) | 45 493 | 299 427 | (256 914) | 42 513 |
| Solar system | 120 311 | (62 160) | 58 151 | 120 311 | (38 098) | 82 213 |
| | 7 579 692 | (2 391 829) | 5 187 863 | 5 286 179 | (1 577 847) | 3 708 332 |

Reconciliation of property, plant and equipment - 2022

| | Opening carrying value | Additions | Disposals | Depreciation | Closing carrying value |
|--------------------|---------------------------|------------------|-----------|-------------------|---------------------------|
| Leasehold property | 1 903 270 | 1 920 575 | - | (285 922) | 3 537 923 |
| Motor vehicles | 1 680 336 | 345 804 | - | (479 844) | 1 546 296 |
| Computer equipment | 42 513 | 27 134 | - | (24 154) | 45 493 |
| Solar system | 82 213 | - | - | (24 062) | 58 151 |
| | 3 708 332 | 2 293 513 | - | (813 982) | 5 187 863 |

Reconciliation of property, plant and equipment - 2021

| | Opening carrying value | Additions | Disposals | Depreciation | Closing carrying value |
|--------------------|---------------------------|------------------|------------------|-------------------|---------------------------|
| Leasehold property | 2 094 522 | 68 603 | - | (259 855) | 1 903 270 |
| Motor vehicles | 1 234 283 | 993 650 | (146 043) | (401 554) | 1 680 336 |
| Computer equipment | 29 807 | 46 083 | - | (33 377) | 42 513 |
| Solar system | 106 275 | - | - | (24 062) | 82 213 |
| | 3 464 887 | 1 108 336 | (146 043) | (718 848) | 3 708 332 |

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

| | 2022 R | 2021 R |
|----------------------------------------|------------------|------------------|
| 3. Trade and other receivables | | |
| Trade receivables | 87 905 | 51 976 |
| Other receivables | 15 638 | 10 732 |
| Staff loans | 15 000 | - |
| SARS - VAT | 132 697 | 127 440 |
| | <u>251 240</u> | <u>190 148</u> |
| 4. Cash and cash equivalents | | |
| Cash and cash equivalents consists of: | | |
| Cash on hand | 1 642 | 7 806 |
| Bank balances | 7 003 371 | 5 580 141 |
| | <u>7 005 013</u> | <u>5 587 947</u> |
| 5. Trade and other payables | | |
| Trade payables | 160 036 | 180 201 |
| Other payables | 1 300 | 13 000 |
| SARS - EMP201 | 307 189 | 308 025 |
| Calculator fund | 1 940 | 650 |
| African Scholars Holdings | 21 621 | 34 908 |
| Staff savings | 8 500 | - |
| | <u>500 586</u> | <u>536 784</u> |
| 6. Deferred income | | |
| Grants received in advance | | |
| Donor | | |
| Edgar Droste | 20 000 | 20 000 |
| Paypal | - | 11 984 |
| Ubuntu Global Connections | 2 028 509 | 1 120 779 |
| Partnerships School Programme | 1 102 456 | - |
| The R.B. Hagart Trust | - | 250 000 |
| | <u>3 150 965</u> | <u>1 402 763</u> |

Grants and donations received in the current year, to fund next year's expenditure.

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

| | 2022 R | 2021 R |
|------------------------------------------------------------------------------|-------------------|-------------------|
| 7. Restricted donations | | |
| Homestay | - | 200 000 |
| Touch rugby tours and coaching | - | - |
| | <u>-</u> | <u>200 000</u> |
| 8. Operating surplus | | |
| Operating surplus for the year is stated after accounting for the following: | | |
| Depreciation on property, plant and equipment | 813 982 | 718 848 |
| Employee costs | 12 866 287 | 12 387 072 |
| | <u>12 866 287</u> | <u>12 387 072</u> |
| 9. Investment revenue | | |
| Interest revenue | | |
| Bank | 434 781 | 265 555 |
| | <u>434 781</u> | <u>265 555</u> |
| 10. Auditor's remuneration | | |
| Annual audit | 22 385 | 20 350 |
| | <u>22 385</u> | <u>20 350</u> |
| 11. Cash generated / (utilised) by operations | | |
| Surplus for the year | 1 245 685 | 1 688 368 |
| Adjustments for: | | |
| Depreciation | 813 982 | 718 848 |
| Finance costs | - | 11 825 |
| Interest received | (434 781) | (265 555) |
| Changes in working capital : | | |
| Trade and other receivables | (61 092) | (32 910) |
| Trade and other payables | (36 198) | (200 692) |
| Deferred income | 1 748 202 | (2 449 625) |
| | <u>3 275 798</u> | <u>(529 741)</u> |

12. Taxation

No provision for taxation has been made for the company as it is exempt from taxation in terms of section 30 and 10(1)(cN) of the Income Tax Act, 58 of 1962.

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

| | 2022 R | 2021 R |
|---------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 13. Related parties | | |
| Relationships | | |
| The directors are identified in the director's report. Zithulele Independent School NPC - Common director: C.R. Paxton | | |
| Related party balances | | |
| Trade and other payables - Zithulele Independent School NPC | - | - |
| Trade and other payables - C.R. Paxton | - | - |
| | <u>-</u> | <u>-</u> |
| Related party transactions | | |
| Director's remuneration - M.L. Paxton | 498 333 | 394 810 |
| Director's remuneration - C.R. Paxton | 684 667 | 507 520 |
| | <u>1 183 000</u> | <u>902 330</u> |
| 14. List of major funders | | |
| Desmond Leech Bequest | | |
| DG Murray Trust | | |
| Edgar Droste Trust | | |
| Freddie Marincowitz Foundation | | |
| Kamvalethu | | |
| Mones Michaels Trust | | |
| Nedbank Private Wealth | | |
| Public Schools Partnerships | | |
| R.B. Hagart Trust | | |
| Sebring-Lewis Foundation | | |
| Solon Foundation South Africa | | |
| Stonehage Fleming Charitable Foundation | | |
| Weaver Family Foundation (USA) | | |
| Younger Family Foundation (USA) | | |
| Zenex Foundation | | |
| 15. Reserve funds | | |
| Accumulated surplus | 8 792 565 | 7 546 880 |
| Carrying value of property, plant and equipment | (5 187 863) | (3 708 332) |
| Closing balance | <u>3 604 702</u> | <u>3 838 548</u> |
| (3 months of operations) | | |

Axiom Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

16. Directors' emoluments

Executive

| 2022 | Emoluments | Pension paid or receivables | Compensation for loss of office | Gain on exercise of options | Total |
|----------------------------------------------|------------|--------------------------------|---------------------------------------|-----------------------------------|-----------|
| In connection with affairs of the company | R | R | R | R | R |
| C.R. Paxton | 684 667 | - | - | - | 684 667 |
| M.L. Paxton | 498 333 | - | - | - | 498 333 |
| | <hr/> | | | | |
| | 1 183 000 | - | - | - | 1 183 000 |

Non-executive

| 2022 | Emoluments | Pension paid or receivables | Compensation for loss of office | Gain on exercise of options | Total |
|---------------------------|------------|--------------------------------|---------------------------------------|-----------------------------------|-------|
| For services as directors | R | R | R | R | R |
| | - | - | - | - | - |

17. Risk management

Financial risk management

The company's activities expose it to financial risks arising from market risk (including cash flow and interest rate risk) and credit risk.

Interest rate risk

The company generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Reputable financial institutions are used for investing and cash handling purposes.

At balance sheet date there were no significant concentrations of credit risk.

Annual Financial Statements for the year ended 31 December 2022

Detailed Income Statement

| | Notes | 2022 R | 2021 R |
|-----------------------------------------------------|-------|---------------------|---------------------|
| Revenue | | | |
| Funding received | | 19 106 035 | 17 306 650 |
| Donations received - Restricted | 7 | - | 200 000 |
| Donations received - Unrestricted | | 518 253 | 955 583 |
| | | <u>19 624 288</u> | <u>18 462 233</u> |
| Other income | | | |
| Insurance proceeds received | | 72 295 | 203 209 |
| Interest received | 9 | 434 781 | 265 555 |
| Profit on disposal of property, plant and equipment | | - | 201 957 |
| | | <u>507 076</u> | <u>670 721</u> |
| Operating expenses (refer to page 23) | | <u>(18 885 679)</u> | <u>(17 444 586)</u> |
| Surplus for the year | | <u>1 245 685</u> | <u>1 688 368</u> |

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2022

Detailed Income Statement (continued)

| | 2022 | 2021 |
|-----------------------------------------------|-------------------|-------------------|
| | R | R |
| Expenditure | | |
| Amajingqi | - | - |
| Careers and bridging | 71 303 | 87 805 |
| Depreciation of property, plant and equipment | 813 982 | 718 848 |
| Employee costs | 12 866 287 | 12 387 072 |
| Finance costs | - | 11 825 |
| General office expenses | 1 208 129 | 796 003 |
| Literacy | 88 474 | 70 046 |
| Masakhane | 170 028 | 167 574 |
| Numeracy | - | - |
| Public Schools Partnership | 2 818 214 | 2 811 423 |
| Social Employment Fund | 205 583 | - |
| Senior School programmes | 559 436 | 378 148 |
| Sport | - | - |
| Teachers and SMT | 40 099 | 15 842 |
| Technology | - | - |
| Yenzokuhle | 44 144 | - |
| | 18 885 679 | 17 444 586 |

Employee costs consists mainly of in-school programmatic staff costs.