

**AXIUM EDUCATION
(ASSOCIATION INCORPORATED UNDER SECTION 21)
(Registration number 2009/005913/08)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2015**



Axium Education

(Association incorporated under Section 21)

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of quality education for rural learners.
Directors	Craig Paxton Michelle Paxton Evan Torrance Mbulungeni Madiba John Gibbon
Registered office	Suite 201 200 On Main Claremont 7708
Business address	Church Grounds Zithulele Village Mqanduli 5080
Postal address	PO Box 23502 Claremont 7735
Bankers	Nedbank Limited
Auditors	BDV Platinum Chartered Accountants (S.A.)
Company registration number	2009/005913/08

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

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 period 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 financial 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 judgements 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 these responsibilities, the board of directors 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 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 endeavours 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 29 February 2016 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.



Craig Paxton

Westlake

Date: 09/09/2015

Independent Auditors' Report

To the shareholders of Axium Education

We have audited the annual financial statements of Axium Education, as set out on pages 8 to 14, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' 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 auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or 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 we have obtained 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 as at 28 February 2015, 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 International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Independent Auditors' Report

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



BDV Platinum
Braam De Vries
Chartered Accountants (S.A.)
Registered Auditors

Westlake
49 Bell Crescent
Westlake Business Park
Westlake
7945

Date: 09/09/2015

BDV Platinum Professional Services Incorporated
Company Reg No: 2014/122738/21 | VAT No: 4140184244
Physical Address: 49 Bell Crescent, | Westlake Business Park | Westlake 7945
Postal Address: PO Box 31408 | Tokai 7868 | Email: admin@bdvplatinum.com
Telephone: 021 701 7620 | Fax: 086 638 8572 | Web: www.bdvplatinum.com
Directors: Braam de Vries, Mark Dawson | Practice No: 903104

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Directors' Report

The directors have pleasure in submitting their report for the year ended 28 February 2015.

1. Nature of business

The company's activities are geared towards the provision of quality education for rural learners, particularly in physical science, mathematics and English. The geographic focus of operations is the area surrounding Zithulele Village in the Eastern Cape Province of South Africa. The 2014/15 financial year represents the fourth year of full-time operation, supporting teachers and students at six senior secondary schools and a much larger number of junior secondary schools.

Axium supports several networks of teachers designed to improve the quality of instruction in schools. The Bomvana Physical Science Network consists of physical science teachers from six senior secondary schools. The group met at roughly fortnightly intervals throughout the year to discuss difficult teaching topics, work with physical apparatus and organise equipment, laboratories and an inter-school science competition. Similar teacher development groups exist for the support of maths and science teachers in the Senior Phase (Grades 7-9) and Intermediate Phase (Grades 4-6). In October 2012, the SSS Network was launched in support of school management teams in the area and this group met monthly during 2014, culminating in a Team Building Retreat in November.

Axium also operates the Ekukhuleni Centre, an after-school support programme for motivated students from six senior secondary schools. Approximately 90 students (30 each in Grades 10 – 12) are now supported by the programme. Students receive additional tuition in science, maths, English and leadership on Saturdays and during school holidays. They also receive career guidance and job shadowing opportunities throughout the year. Our third class of Grade 12 students graduated at the end of 2014 and there were a number of notable successes, including several students enrolled in fully-funded degrees in the health sciences.

The Masakhane Programme is now in its third year. This programme makes use of offline Khan Academy for maths and an English literacy programme aimed at students in Grades 7-9 from three junior secondary schools. The programmes are designed to encourage English language acquisition and strengthen maths foundations ahead of the final three years of senior school. The Khan Academy is an online mathematics platform.

Finally, 2014 marked the launch of our Community Readers programme, which aims to grow literacy in the community and in schools. Young people from the community are trained and deployed as Readers and thus far have made a remarkable impact on the young children they have worked with.

Axium Education started operations in June 2009 and is registered with the South African Revenue Service as a Public Benefit Organisation (PBO) and with the Department of Social Development as a non-profit organisation (NPO).

2. Review of financial results and activities

The financial statements adequately reflect the results of the operations of the company for the year ended 28 February 2015, and no further explanation is considered necessary.

It is however important to note that a lot of our donation income gets received in January or February for the calendar year which explains why the cash balance in February is so high. We also had one funder pay us two years in advance and so some of this money is only accessible in 2016.

3. Directors

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

Craig Paxton
Michelle Paxton
Evan Torrance
Mbulungeni Madiba
John Gibbon

4. Events after the reporting period

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

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Directors' Report

5. Auditors

BDV Platinum will continue in office in accordance with Section 90 of the Companies Act 71 of 2008.

6. Secretary

The secretary of the company is Nicola Husemeyer.

Business address

29 Talana Road
Claremoont
7708
Cape Town

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Annual Financial Statements for the year ended 28 February 2015

Statement of Financial Position as at 28 February 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	166,806	131,274
Current Assets			
Trade and other receivables	3	1,288	655
Cash	4	1,912,531	492,215
		1,913,819	492,870
Total Assets		2,080,625	624,144
Equity and Liabilities			
Equity			
Accumulated surplus		400,412	129,391
Liabilities			
Current Liabilities			
Trade and other payables	5	1,680,213	494,753
Total Equity and Liabilities		2,080,625	624,144

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Other income		1,638,376	1,026,989
Operating expenses		(1,368,269)	(901,789)
Operating surplus		270,107	125,200
Investment revenue		914	-
Surplus for the year		271,021	125,200

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2013	4,191	4,191
Surplus for the year	125,200	125,200
Balance at 01 March 2014	129,391	129,391
Surplus for the year	271,021	271,021
Balance at 28 February 2015	400,412	400,412

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	8	1,473,102	617,400
Interest income		914	-
Net cash from operating activities		1,474,016	617,400
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(55,700)	(129,841)
Sale of property, plant and equipment	2	2,000	1,310
Net cash from investing activities		(53,700)	(128,531)
Cash flows from financing activities			
Repayment of directors loan		-	(66,721)
Net cash from financing activities		-	(66,721)
Total cash movement for the year		1,420,316	422,149
Cash at the beginning of the year		492,215	70,066
Total cash at end of the year	4	1,912,531	492,215

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Annual Financial Statements for the year ended 28 February 2015

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 71 of 2008. The annual financial statements have been prepared on the historical cost basis, 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

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Computer equipment	3 years
Leasehold improvements	20 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Income

Income comprises of funding received from grants and donations.

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Notes to the Annual Financial Statements

Figures in Rand

2015

2014

2. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Computer equipment	82,766	(24,957)	57,809	31,365	(20,115)	11,250
Leasehold improvements	121,543	(12,546)	108,997	121,543	(1,519)	120,024
Total	204,309	(37,503)	166,806	152,908	(21,634)	131,274

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	11,250	55,700	(2,000)	(7,141)	57,809
Leasehold improvements	120,024	-	-	(11,027)	108,997
	131,274	55,700	(2,000)	(18,168)	166,806

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Computer equipment	9,272	8,298	(6,320)	11,250
Buildings	-	121,543	(1,519)	120,024
	9,272	129,841	(7,839)	131,274

3. Trade and other receivables

Prepayments	-	655
Youth wage subsidy	1,288	-
	1,288	655

4. Cash

Cash and cash equivalents consist of:

Cash on hand	7,799	4,108
Bank balances	903,818	488,107
Nedbank money trader	1,000,914	-
	1,912,531	492,215

5. Trade and other payables

Income received in advance	1,659,166	489,500
Accruals	3,788	465
Ngcwanguba store	11,844	-
Audit fee accrual	5,415	4,788
	1,680,213	494,753

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Figures in Rand	2015	2014
6. Restricted donations		
- Bursary/bridging finance for grade 12's	17,000	3,250
- Grade 12 applicants	-	10,325
- Tablet program	14,490	14,974
- Touch rugby tours and coaching	60,520	72,109
- Jump start	36,190	-
- Axium scholar fund	3,300	-
	131,500	100,658
7. Taxation		
Major components of the tax expense		
No provision for taxation has been made as the organisation is exempt from tax in terms of Section 30 and 10(1)(cN) of the Income Tax Act, The organisation's NPO number is 76728.		
8. Cash generated from operations		
Surplus before taxation	271,021	125,200
Adjustments for:		
Depreciation	18,168	7,839
Profit on sale of assets	-	(1,310)
Interest received - investment	(914)	-
Changes in working capital:		
Trade and other receivables	(633)	10,887
Trade and other payables	1,185,460	474,784
	1,473,102	617,400

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Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014
Income			
Funding		1,370,089	804,900
Interest received		914	-
Private donations		136,787	120,121
Profit on disposal of asset		-	1,310
Restricted donations	6	131,500	100,658
		1,639,290	1,026,989
Expenses			
Accommodation		1,200	-
Audit fees		5,415	5,016
Axium scholar fund	6	800	-
Bank charges		3,906	3,399
Bursary/bridging finance for grade 12's	6	4,250	3,250
Depreciation		18,168	7,839
Ekukhuleni food		25,499	18,014
Ekukhuleni materials		13,845	15,071
Ekukhuleni other costs		29,387	11,676
Ekukhuleni transport		146,227	118,762
Employee costs		591,932	429,311
Entertainment and funding efforts		6,603	15,969
Festivals/events		7,107	-
Grade 11 and 12 job shadow		1,068	1,322
Grade 12 applicants		11,417	12,832
Grade 12 camp costs		3,285	4,293
Jump start	6	14,480	-
Khan academy program expenses		41,721	21,546
Literacy program costs		49,573	7,837
Office and telephone		27,212	35,331
Rent paid		2,800	-
SARS interest and penalties		1,638	-
Senior management teams		52,123	27,602
Staff development		17,693	-
Tablet program	6	12,755	5,277
Teachers network		9,892	17,472
Touch rugby tours and coaching	6	69,803	75,216
Travel expenses		3,787	17,320
Volunteers and part-time staff stipends		194,683	47,434
		1,368,269	901,789
Surplus for the year		271,021	125,200