axium

EDUCATION

Growing talent and opportunity in rural Africa.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2019

Axium Education NPC

Annual Financial Statements

for the year ended 31 December 2019

Registration number 2009/005913/08

Axium Education NPC
(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2019

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 N.A. Petse 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 2019

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

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Liedon Chartered Accountants (Pty) Ltd
Reg. No. 2002/030890/07

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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 2019, 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 2019 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

EAST LONDON
24 April 2020

Axium Education NPC
(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2019

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 2020 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 2019 set out on pages 6 to 23 were approved by the board of directors on 24 April 2020 and are signed on its behalf by:

....

E.B. Torrance **Chairman**

Axium Education NPC

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors have pleasure in presenting their report for the year ended 31 December 2019.

1. Business activities

The company's activities are geared towards the provision of quality education for rural learners, across the full range of grades and subjects. The geographic focus of operations is in the areas surrounding the villages of Zithulele (near Mqanduli) and Jingqi (near Willowvale) - both in the Eastern Cape Province of South Africa. The 2019 financial year represents the ninth year of full-time operation, supporting teachers and students at six senior secondary schools and nine junior secondary schools, as well as being the School Operating Partner to a group of eight 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 did not meet during 2019, but many of its members remain active members of the broader Axium community. The SSS Network for school senior management teams had two very successful retreats during the course of 2019, and from the evidence of improving matric results for most schools at the end of the year, this network seems to be providing effective encouragement and support to school leadership.

Axium also operates the Ekukhuleni Centre, an after-school support programme for motivated students from six senior secondary schools. Approximately 100 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 eighth class of Grade 12 students graduated at the end of 2019, with record numbers of students achieving bachelors passes with maths and science, including several students now enrolled in fully-funded degrees in accounting and the health sciences.

The Masakhane Programme makes use of computer guided maths instruction and an English literacy programme aimed at students in Grades 6-9 from four local schools. The programmes are designed to encourage English language acquisition and strengthen maths foundations ahead of the final three years of senior school.

2019 saw continued growth in 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 Nobalisa (or storytellers) and thus far have made a remarkable impact on the young children they have worked with. There is now data from eight rounds of the Early Grade Reading Assessment, run at eleven local schools and providing excellent baseline literacy data for the expansion of the Community Readers Programme in coming years. Our partnership with the Community Work Programme added two new Nobalisa schools since 2017 through their structures. In 2019, a Teaching at the Right Level (TaRL) approach was piloted in six schools, with promising results.

Finally, in December 2017 we were appointed as the School Operating Partner to a group of eight schools in the jurisdiction of the AmaJingqi Royal Council for an initial four-year pilot until the end of 2021. The project launched in January 2018 and has been well received by schools in the area. Our mandate is to significantly improve the quality of learning in these schools, and we have adopted a holistic approach to do so – including teacher coaching, infrastructure development, technology and other resourcing. During the 2019 year our team based at the PSP site experienced some instability; however, by the end of the academic year we had managed to appoint a strong team, with strong plans for 2020. 2019 matric results held on to most of the gains made in 2018.

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).

Our thanks to donors from around the world who enabled 2019 to be another productive year of growth.

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 091 438 (2018: R880 266), details thereof are fully disclosed in the statement of comprehensive income on page 9.

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
N.A. Petse
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.

Axium Education NPC
(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position

	Note	2019 R	2018 R
Assets			
Non-current assets			
Property, plant and equipment	2	**1 897 528**	1 677 646
Current assets			
Trade and other receivables	3	**83 427**	8 548
Cash and cash equivalents	4	**5 648 588**	5 670 740
		5 732 015	5 679 288
Total assets		**7 629 543**	7 356 934
Equity and liabilities			
Equity			
Accumulated funds		**3 874 470**	2 783 032
Current liabilities			
Trade and other payables	5	**747 937**	40 007
Deferred income	6	**3 007 136**	4 533 895
		3 755 073	4 573 902
Total equity and liabilities		**7 629 543**	7 356 934

Statement of Comprehensive Income

	Note	**2019** **R**	2018 R
Revenue		**13 466 003**	9 460 879
Operating expenses		**(12 724 624)**	(8 755 931)
Operating surplus	*8*	**741 379**	704 948
Investment revenue	*9*	**350 059**	175 318
Finance costs		**-**	-
Surplus for the year		**1 091 438**	880 266

Statement of Changes in Equity

	Accumulated funds R	Total funds R
Balance at 1 January 2018	**1 902 766**	**1 902 766**
Changes in funds		
Total comprehensive surplus for the year	880 266	880 266
Balance at 1 January 2019	**2 783 032**	**2 783 032**
Changes in funds		
Total comprehensive surplus for the year	1 091 438	1 091 438
Total changes	1 091 438	1 091 438
Balance at 31 December 2019	**3 874 470**	**3 874 470**

Statement of Cash Flows

		2019 R	2018 R
Cash flows from operating activities		**621 686**	5 575 824
Cash receipts from donors and customers		**13 391 124**	9 642 765
Cash paid to suppliers and employees		**13 119 497**	4 242 259
Cash generated / (utilised) by operations	11	**271 627**	5 400 506
Finance costs		-	-
Interest received		**350 059**	175 318
Cash flows from investing activities		**(643 838)**	(874 380)
Additions to property, plant and equipment	2	**(643 838)**	(874 380)
Total cash movement for the year		**(22 152)**	4 701 444
Cash and cash equivalents at the beginning of year		**5 670 740**	969 296
Total cash at end of the year	4	**5 648 588**	5 670 740

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

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.

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 fiancial 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 valu(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, probablility 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 effective interest rate computed at intial recognition.

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.

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 are 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.

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).

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 repayble. 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.

2. Property, plant and equipment

	2019 R			2018 R		
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying Value
Leasehold property	**1 477 046**	**(291 596)**	**1 185 450**	887 808	(169 333)	718 475
Motor vehicles	**1 280 270**	**(629 585)**	**650 685**	1 280 270	(373 532)	906 738
Computer equipment	**245 519**	**(184 126)**	**61 393**	190 920	(138 487)	52 433
	3 002 835	**(1 105 307)**	**1 897 528**	2 358 998	(681 352)	1 677 646

Reconciliation of property, plant and equipment - 2019

	Opening carrying value	Additions	Disposals	Depreciation	Closing carrying value
Leasehold property	718 475	589 238	-	(122 262)	1 185 451
Motor vehicles	906 738	-	-	(256 054)	650 684
Computer equipment	52 433	54 600	-	(45 640)	61 393
	1 677 646	643 838	-	(423 956)	1 897 528

Reconciliation of property, plant and equipment - 2018

	Opening carrying value	Additions	Disposals	Depreciation	Closing carrying value
Leasehold property	656 862	137 765	-	(76 152)	718 475
Motor vehicles	417 077	694 057	-	(204 396)	906 738
Computer equipment	44 827	42 558	-	(34 952)	52 433
	1 118 766	874 380	-	(315 500)	1 677 646

	2019 R	2018 R

3. Trade and other receivables

	2019	2018
Trade receivables	**15 069**	5 382
Other receivables	**9 365**	-
SARS - VAT	**58 993**	109
SARS - EMP201	-	70
Staff loans	-	2 987
	83 427	8 548

4. Cash and cash equivalents

Cash and cash equivalents consists of:

	2019	2018
Cash on hand	**2 229**	2 824
Bank balances	**5 646 359**	5 667 916
	5 648 588	5 670 740

5. Trade and other payables

	2019	2018
Trade payables	**513 605**	16 672
SARS - EMP201	**205 847**	-
Calculator fund	**4 056**	5 535
African Scholars Holdings	**24 429**	10 350
Staff savings	-	4 450
Jump Start Holdings	-	3 000
	747 937	40 007

6. Deferred income

Grants received in advance

Donor	2019	2018
The DG Murray Trust - Partnership Schools Partnership	**1 096 477**	4 071 895
Ubuntu Global Connections	**312 327**	-
Weaver Family Foundation	**1 342 282**	-
Zenex Foundation	**256 050**	-
The R.B. Hagart Trust	-	250 000
Axium Scholars	-	20 000
C.K. Harris Trust	-	49 000
Anglo American Chairman's Fund Trust	-	143 000
	3 007 136	4 533 895

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

7. Restricted donations

	2019 R	2018 R
Homestay	**351 987**	71 061
Touch rugby tours and coaching	**36 410**	39 522
	388 397	110 583

8. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	**423 956**	315 500
Employee costs	**7 646 114**	5 009 166

9. Investment revenue

Interest revenue		
Bank	**350 059**	175 318

10. Auditor's remuneration

Annual audit	**15 750**	22 655

11. Cash generated / (utilised) by operations

Surplus for the year	**1 091 438**	880 266
Adjustments for:		
Depreciation	**423 956**	315 500
Finance costs	**-**	-
Interest received	**(350 059)**	(175 318)
Changes in working capital :		
Trade and other receivables	**(74 879)**	181 886
Trade and other payables	**707 930**	(14 847)
Deferred income	**(1 526 759)**	4 213 019
	271 627	5 400 506

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.

	2019 R	2018 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

	2019 R	2018 R
Trade and other payables - Zithulele Independent School NPC	**(51 188)**	-
Trade and other payables - M.L. Paxton	-	(63)
Trade and other payables - C.R. Paxton	**(2 124)**	(533)
	(53 312)	(596)

Related party transactions

	2019 R	2018 R
Donation income - C.R. Paxton	**(36 000)**	(24 000)
Director's remuneration - M.L. Paxton	**351 000**	320 359
Director's remuneration - C.R. Paxton	**416 000**	397 688
	731 000	694 047

14. List of major funders

Allan and Jill Gray Philanthropy
Anglo American Chairman's Fund
Desmond Leech Bequest
DG Murray Trust
Edgar Droste Trust
Freddie Marincowitz Foundation
Kamvalethu
Mones Michaels Trust
Public Schools Partnerships
R.B. Hagart Trust
Solon Foundation South Africa
Younger Family Foundation (USA)
Zenex Foundation

15. Reserve funds

	2019 R	2018 R
Accumulated surplus	**3 874 470**	2 783 032
Carrying value of property, plant and equipment	**(1 897 528)**	(1 677 646)
Closing balance	**1 976 942**	1 105 386

(3 months of operations)

16. Directors' emoluments

Executive

2019 In connection with affairs of the company	Emoluments R	Pension paid or receivables R	Compensation for loss of office R	Gain on exercise of options R	Total R
C.R. Paxton	416 000	-	-	-	416 000
M.L. Paxton	351 000	-	-	-	351 000
	767 000	-	-	-	767 000

Non-executive

2019	Emoluments R	Pension paid or receivables R	Compensation for loss of office R	Gain on exercise of options R	Total R
For services as directors	-	-	-	-	-

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.

Detailed Income Statement

	Notes	2019 R	2018 R
Revenue			
Funding received		**12 187 235**	8 689 307
Donations received - Restricted	7	**388 397**	110 583
Donations received - Unrestricted		**890 371**	660 989
		13 466 003	9 460 879
Other income			
Interest received	9	**350 059**	175 318
		350 059	175 318
Operating expenses (refer to page 23)		**(12 724 624)**	(8 755 931)
Surplus for the year		**1 091 438**	880 266

Detailed Income Statement (continued)

	2019 **R**	2018 R
Expenditure		
Amajingqi	-	187 553
Careers and bridging	**43 810**	49 447
Depreciation of property, plant and equipment	**423 956**	315 500
Employee costs	**7 646 114**	5 009 166
Finance costs	-	-
General office expenses	**362 804**	340 520
Literacy	**171 367**	85 963
Masakhane	**150 990**	107 350
Numeracy	**16 655**	11 158
Public Schools Partnership	**3 347 616**	2 165 065
Senior School programmes	**382 172**	321 480
Sport	**90 503**	55 928
Teachers and SMT	**41 318**	76 936
Technology	**47 319**	29 865
	12 724 624	8 755 931