

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

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
29 FEBRUARY 2012**

Axium Education

(Association incorporated under Section 21)

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 29 February 2012

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of quality education for rural learners.
Directors	Craig Robert Paxton Michelle Louise Paxton Evan Bradley Torrance John Gibbon Mbulungeni Ronald Madiba
Registered office	49 Bell Crescent Westlake Business Park Westlake 7945
Business address	Church Grounds Zithulele Village Mqanduli 5080
Postal address	PO Box 31406 Tokai 7966
Bankers	Nedbank Limited
Auditors	BDV Platinum Chartered Accountants (S.A.) Registered Accountants and Auditors
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 association 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 Standards. 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 Standards 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 association 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association 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 association's cash flow forecast for the year to 28 February 2013 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of directors on 23 August 2012 and were signed on its behalf by:



Craig Robert Paxton



Michelle Louise Paxton

Westlake
23 August 2012

Independent Auditors' Report

To the directors of Axiom Education

We have audited the annual financial statements of Axiom Education, which comprise the statement of financial position as at 29 February 2012, 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, and the directors' report, as set out on pages 5 to 12.

Directors' Responsibility for the Annual Financial Statements

The association's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the 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 Axiom Education as at 29 February 2012, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 13 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
Chartered Accountants (S.A.)
Registered Accountants and Auditors

23 August 2012

49 Bell Crescent
Westlake Business Park
Westlake
7945

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Directors' Report

The directors have pleasure in presenting their report for the year ended 29 February 2012.

1. Review of activities

Main business and operations

The association'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 2011/12 financial year represents the first year of full-time operation, supporting teachers and students at seven senior secondary schools and a larger number of junior secondary schools.

Axium supports two networks of teachers designed to improve the quality of instruction in schools. The Bomvana Physical Science Network consists of a dozen physical science teachers from seven senior secondary schools. The group met four times during the year to discuss difficult teaching topics, work with physical apparatus and organise equipment and laboratories. The other, younger, group consists of a group of Junior Secondary Maths teachers and these teachers met three times during the year.

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. The first class of Grade 12 students will finish at the end of 2012.

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).

The financial statements adequately reflect the results of the operations of the organisation for the year ended 29 February 2012, and no further explanation is considered necessary.

Net loss of the association was R 68,288 (2011: profit R 26,830).

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

3. Directors

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

Name

Craig Robert Paxton

Michelle Louise Paxton

Evan Bradley Torrance

John Gibbon

Mbulungeni Ronald Madiba

4. Secretary

The secretary of the association is Nicola Husemeyer.

5. Auditors

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

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Statement of Financial Position

Figures in Rand	Note(s)	2012	2011
Assets			
Non-Current Assets			
Property, plant and equipment	2	7,937	6,890
Current Assets			
Trade and other receivables	4	2,809	35,773
Cash	5	42,506	73,853
		45,315	109,626
Total Assets		53,252	116,516
Equity and Liabilities			
Equity			
Accumulated loss		(38,857)	29,431
Liabilities			
Non-Current Liabilities			
Loans from director	3	79,721	16,872
Current Liabilities			
Trade and other payables	6	12,388	70,213
Total Liabilities		92,109	87,085
Total Equity and Liabilities		53,252	116,516

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2012	2011
Other income		462,088	230,277
Operating expenses		(530,377)	(203,447)
Operating (loss) profit		(68,288)	26,830
(Loss) profit for the year		(68,288)	26,830
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(68,288)	26,830

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Statement of Changes in Equity

Figures in Rand	Accumulated loss	Total equity
Balance at 01 March 2010	2,601	2,601
Changes in equity		
Total comprehensive income for the year	26,830	26,830
Total changes	26,830	26,830
Balance at 01 March 2011	29,431	29,431
Changes in equity		
Total comprehensive loss for the year	(68,288)	(68,288)
Total changes	(68,288)	(68,288)
Balance at 29 February 2012	(38,857)	(38,857)

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Statement of Cash Flows

Figures in Rand	Note(s)	2012	2011
Cash flows from operating activities			
Cash (used in) generated from operations	8	(88,497)	63,096
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5,699)	(9,446)
Cash flows from financing activities			
Repayment of directors loan		62,849	6,710
Net cash from financing activities		62,849	6,710
Total cash movement for the year		(31,347)	60,360
Cash at the beginning of the year		73,853	13,493
Total cash at end of the year	5	42,506	73,853

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards, 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.

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 is carried at cost less accumulated depreciation and any impairment losses.

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

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

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

2012 2011

2. Property, plant and equipment

	2012			2011		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer equipment	12,589	(4,652)	7,937	9,446	(2,556)	6,890

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Computer equipment	6,890	5,699	(4,652)	7,937

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Computer equipment	-	9,446	(2,556)	6,890

3. Loans to (from) director

C. Paxton	79,721	16,872
The loan is unsecured and interest free.		

4. Trade and other receivables

Donations receivable	-	35,773
Prepayments	2,809	-
	2,809	35,773

5. Cash

Cash and cash equivalents consist of:

Cash on hand	380	-
Bank balances	42,126	73,853
	42,506	73,853

6. Trade and other payables

Trade payables	8,388	19,983
Salaries accrual	-	46,582
Audit fee accrual	4,000	3,648
	12,388	70,213

7. Taxation

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.

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Notes to the Annual Financial Statements

Figures in Rand	2012	2011
8. Cash (used in) generated from operations		
(Loss) profit before taxation	(68,288)	26,830
Adjustments for:		
Depreciation	4,652	2,556
Changes in working capital:		
Inventories	-	2,300
Trade and other receivables	32,964	(35,773)
Trade and other payables	(57,825)	67,183
	(88,497)	63,096

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Detailed Income Statement

Figures in Rand	Note(s)	2012	2011
Income			
Adhoc donations		146,938	163,334
Funding		312,000	57,340
Restricted donations - camera project		3,150	-
Restricted donations - website design		-	9,603
		462,088	230,277
Total income		462,088	230,277
Expenses			
Operating Costs			
Audit fees		4,114	4,038
Bank charges		2,466	1,355
Bootcamps			
Petrol		4,022	6,908
Mieage additional cost		560	5,507
Accommodation		6,010	7,110
Staff wages		3,500	9,300
Food		3,383	11,292
Other transport		1,196	3,291
Materials and printing		2,223	2,928
Other miscellaneous		1,325	230
Student food		1,811	-
Camera project		3,150	-
Computer software		59	840
Depreciation		4,652	2,556
Ekukhuleni			
Ekukhuleni food		13,599	-
Ekukhuleni transport		56,688	-
Ekukhuleni materials		9,092	-
Ekukhuleni other costs		3,433	-
Entertainment and funding efforts		1,250	1,098
Grade 12 camp			
Food		726	-
Accommodation		2,100	-
Transport		1,022	-
Materials		338	-
Logo and website design		-	9,603
Office and telephone		8,480	5,789
Penalties and interest		3,483	-
Relocation costs		-	10,000
Salaries		372,652	108,500
Teachers network		6,239	4,851
Travel expense		4,053	8,251
Volunteer stipends		8,750	-
		530,376	203,447
(Loss)profit for the year		(68,288)	26,830