

**AXIUM EDUCATION**  
**(ASSOCIATION INCORPORATED UNDER SECTION 21)**  
**Registration No: 2009/005913/08**

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**28 FEBRUARY 2013**



*Growing talent and opportunity in rural Africa.*

## **Axium Education**

(Association incorporated under Section 21)

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 28 February 2013

### **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Provision of quality education for rural learners.
<b>Directors</b>	Craig Robert Paxton Michelle Louise Paxton Evan Bradley Torrance John Gibbon Mbulungeni Ronald Madiba
<b>Registered office</b>	49 Bell Crescent Westlake Business Park Westlake 7945
<b>Business address</b>	Church Grounds Zithulele Village Mqanduli 5080
<b>Postal address</b>	PO Box 31406 Tokai 7966
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	BDV Platinum Chartered Accountants (S.A.)
<b>Company registration number</b>	2009/005913/08

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Annual Financial Statements for the year ended 28 February 2013

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

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## **Axium Education**

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### **Directors' Responsibilities and Approval**

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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 . 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 judgements 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 2014 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 07 August 2013 and were signed on its behalf by:



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**Craig Robert Paxton**

**Westlake**

**07 August 2013**

## Independent Auditors' Report

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### To the shareholders of Axiom Education

We have audited the annual financial statements of Axiom Education, as set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2013, 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 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 28 February 2013, 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.)

07 August 2013

49 Bell Crescent  
Westlake Business Park  
Westlake  
7945

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Members: Andre Botha, Braam de Vries, Mark Dawson

# **Axium Education**

(Association incorporated under Section 21)

(Registration number 2009/005913/08)

Annual Financial Statements for the year ended 28 February 2013

## **Directors' Report**

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The directors have pleasure in presenting their report for the year ended 28 February 2013.

### **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 surrounding Zithulele Village in the Eastern Cape Province of South Africa. The 2012/13 financial year represents the second 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 eight times during the year to discuss difficult teaching topics, work with physical apparatus and organise equipment, laboratories and inter-school science competition. Similar teacher development groups exist for the support of maths and science teachers in the Senior Phase (Grades 7-9). In October 2012, the SSS Network was launched in support of school management teams in the area.

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 career guidance and job shadowing opportunities throughout the year. The first class of Grade 12 students finished at the end of 2012 and there were a number of notable successes, including two students enrolled in fully-funded degrees in the health sciences.

The 2012/13 year also saw the launch of Khan Academy and Literacy programmes aimed at students in Grades 7-9 from two junior secondary schools. The programmes are designed to encourage English language acquisition and strengthen maths foundations ahead of the final three years of senior schools. The Khan Academy is an online mathematics platform.

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 28 February 2013, and no further explanation is considered necessary. A simple note for the record explaining the decrease in the salary expense from last year is that, for the financial year covered in this period and for the following two years, the Executive Director will not be receiving a regular salary from the company. This is due to the fact that he is receiving a stipend from elsewhere while completing his PhD studies. Appropriate planning will take place to bring him back onto the books for the 2015/16 financial year.

### **2. Events after the reporting period**

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

### **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 company is Nicola Husemeyer:

### **5. Auditors**

BDV Platinum CA (S.A.) will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

## Axium Education

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Annual Financial Statements for the year ended 28 February 2013

### Statement of Financial Position as at 28 February 2013

Figures in Rand	Note(s)	2013	2012
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	9,272	7,937
<b>Current Assets</b>			
Trade and other receivables	4	11,542	2,809
Cash	5	70,066	42,506
		<b>81,608</b>	<b>45,315</b>
<b>Total Assets</b>		<b>90,880</b>	<b>53,252</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		4,190	(38,857)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from director	3	66,721	79,721
<b>Current Liabilities</b>			
Trade and other payables	6	19,969	12,388
		<b>86,690</b>	<b>92,109</b>
<b>Total Liabilities</b>		<b>90,880</b>	<b>53,252</b>
<b>Total Equity and Liabilities</b>		<b>90,880</b>	<b>53,252</b>

## Axium Education

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### Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Other income		595,698	462,088
Operating expenses		(552,651)	(530,376)
<b>Operating profit (loss)</b>		<b>43,047</b>	<b>(68,288)</b>
<b>Profit (loss) for the year</b>		<b>43,047</b>	<b>(68,288)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>43,047</b>	<b>(68,288)</b>



## Axium Education

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Annual Financial Statements for the year ended 28 February 2013

### Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 March 2011</b>	<b>29,431</b>	<b>29,431</b>
Loss for the year	(68,288)	(68,288)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(68,288)</b>	<b>(68,288)</b>
<b>Balance at 01 March 2012</b>	<b>(38,857)</b>	<b>(38,857)</b>
Profit for the year	43,047	43,047
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>43,047</b>	<b>43,047</b>
<b>Balance at 28 February 2013</b>	<b>4,190</b>	<b>4,190</b>

Note(s)

## Axium Education

(Association incorporated under Section 21)

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Annual Financial Statements for the year ended 28 February 2013

### Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	9	48,483	(88,497)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(7,923)	(5,699)
<b>Cash flows from financing activities</b>			
Repayment of directors loan		(13,000)	62,849
<b>Net cash from financing activities</b>		<b>(13,000)</b>	<b>62,849</b>
<b>Total cash movement for the year</b>		<b>27,560</b>	<b>(31,347)</b>
Cash at the beginning of the year		42,506	73,853
<b>Total cash at end of the year</b>	5	<b>70,066</b>	<b>42,506</b>

## **Axium Education**

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Annual Financial Statements for the year ended 28 February 2013

### **Accounting Policies**

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#### **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.

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:

<b>Item</b>	<b>Average useful life</b>
Computer equipment	- 3 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.

## Axium Education

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Annual Financial Statements for the year ended 28 February 2013

### Notes to the Annual Financial Statements

Figures in Rand

2013

2012

#### 2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Computer equipment	10,579	(1,307)	9,272	12,589	(4,652)	7,937

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Computer equipment	7,937	7,923	(6,588)	9,272

#### Reconciliation of property, plant and equipment - 2012

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

#### 3. Loans to (from) director

C. Paxton	66,721	79,721
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The above loan is unsecured and interest free.

#### 4. Trade and other receivables

Prepayments	11,542	2,809
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#### 5. Cash

Cash and cash equivalents consist of:

Cash on hand	331	380
Bank balances	69,735	42,126
	<b>70,066</b>	<b>42,506</b>

#### 6. Trade and other payables

Trade payables	9,129	8,388
Other payables	5,258	-
Audit fee accrual	5,582	4,000
	<b>19,969</b>	<b>12,388</b>

#### 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.

## Axium Education

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### Notes to the Annual Financial Statements

Figures in Rand	2013	2012
<b>8. Auditors' remuneration</b>		
Fees	5,282	4,114
<b>9. Cash generated from (used in) operations</b>		
Profit (loss) before taxation	43,047	(68,288)
<b>Adjustments for:</b>		
Depreciation	6,588	4,652
<b>Changes in working capital:</b>		
Trade and other receivables	(8,733)	32,964
Trade and other payables	7,581	(57,825)
	<b>48,483</b>	<b>(88,497)</b>

## Axium Education

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### Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012
<b>Income</b>			
Funding		401,760	312,000
Private donations		134,936	146,938
Restricted donations - camera project		-	3,150
Restricted donations - grade 12 applications		13,327	-
Restricted donations - touch rugby		45,675	-
		<b>595,698</b>	<b>462,088</b>
<b>Operating expenses</b>			
Audit fees	8	5,282	4,114
Bank charges		4,311	2,466
Camera project		-	3,150
Depreciation		6,588	4,652
Ekukhuleni			
Ekukhuleni food		16,743	13,599
Ekukhuleni materials		3,880	9,092
Ekukhuleni other costs		3,905	3,433
Ekukhuleni transport		85,337	56,688
Entertainment and funding efforts		5,331	1,250
External bootcamps		-	24,030
Grade 11 and 12 job shadow		978	-
Grade 12 applicants		11,922	-
Grade 12 camp			
Accommodation		600	2,100
Food		773	726
Materials		2,280	338
Transport		836	1,022
Khan academy program expenses		5,245	-
Office and telephone		19,311	8,539
Penalties and interest		130	3,483
Salaries		239,407	372,652
Senior management teams		33,835	-
Teachers network		12,585	6,239
Touch rugby tours and coaching		43,669	-
Travel expenses		5,566	4,053
Volunteers and part-time staff stipends		44,137	8,750
		<b>552,651</b>	<b>530,376</b>
<b>Profit (loss) for the year</b>		<b>43,047</b>	<b>(68,288)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>43,047</b>	<b>(68,288)</b>