

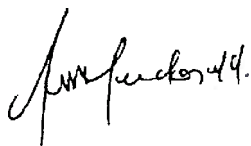
**LEARN TO EARN TRUST
ANNUAL FINANCIAL STATEMENTS
31 MARCH 2021**

REG. NO: NPO 005-073 PBO NO: 930065993 IT001352/2016 C

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 4 to 8 have been approved by the Trustees:



TRUST CHAIRPERSON



FOUNDING TRUSTEE & DIRECTOR

LEARN TO EARN TRUST

TRUSTEES REPORT AND TRUSTEES RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

The organisation's vision is to eradicate unemployment in South Africa and beyond through a primary strategy of skills development with ancillary interventions supporting this.

TRUSTEES

Neil Macdonald (Trust Chairperson)
Roché van Wyk (Founding Trustee - Director)
Gavin Jones
Lloyd Williams
Adrian Smith
Nadia Rinquest
Molly Mapendere (Finance Manager)

The Trustees are responsible for the monitoring, preparation and integrity of the Financial Statements and related information included in these Financial Statements.

In order for the Trustees to discharge their responsibilities, management has developed and continues to maintain a system of internal control. The Trustees have ultimate responsibility for the system of internal control.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Organisation's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

Executive management monitors and reviews the organisation's cash cover forecast monthly and the Trustees review it quarterly, or more frequently as required.

The external auditors are responsible for reporting on the Financial Statements.

The Financial Statements are prepared in accordance with the Organisation's policies and established practices. The Financial Statements also incorporate disclosure in line with the accounting philosophy of the Organisation. The Financial Statements are based on appropriate accounting policies consistently applied.

The Trustees believe that the Organisation will be a going concern in the year ahead. For this reason, they continue to adopt the going concern basis in preparing the Annual Financial Statements.

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (S A)

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INDEPENDENT AUDITORS' REPORT

To the Trustees of Learn to Earn Trust

Report on the Financial Statements

We have audited the Annual Financial Statements of Learn to Earn Trust, which comprise the balance sheet at 31 March 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 8, and the trustees' report, as set out on page 2.

Trustees' Responsibility for the Financial Statements

The Organisation's Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the Organisation's stated policies and procedures. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

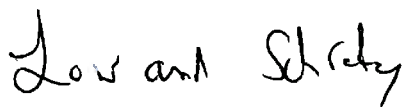
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Without qualifying our audit opinion, we draw attention to the uncertainty regarding the recovery of a R10,231,000 loan made to a related entity, as detailed in note 4.

Opinion

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Organisation at 31 March 2021, and its financial performance and its cash flows for the period then ended in accordance with the Organisation's accounting policies and procedures.



LOW AND SCHREIBER
REGISTERED AUDITORS, CAPE TOWN

3/9/2021

LEARN TO EARN TRUST
BALANCE SHEET
at 31 March 2021

	Note	2021 R000s	2020 R000s
ASSETS			
NON-CURRENT ASSETS		30 799	25 797
Fixed assets	2	0	387
Land and buildings	3	20 568	20 568
Long term loan	4	10 231	4 842
CURRENT ASSETS		10 302	15 635
Cash reserves	8	10 247	12 744
Accounts receivable		25	76
Inventory	8	30	2815
TOTAL ASSETS		41 101	41 432
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		38 755	39 884
Surplus on revaluation of property		7 196	7 196
Accumulated funds		31 559	32 688
CURRENT LIABILITIES		2 346	1 548
Accounts payable - Accruals	9	2 342	1 337
Mortgage Bond	5	4	40
SARS		0	171
TOTAL EQUITY AND LIABILITIES		41 101	41 432

LEARN TO EARN TRUST
INCOME STATEMENT and STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	2021 R000s	2020 R000s
INCOME	12 912	24 535
Donations - General	4 837	4 973
Donation: Allan Gray ORBIS Foundation Endowment	1 300	2 500
Donation: Transform Aid International	1 400	1 207
Donation: E Squared	3 049	2 425
Donation: Lombardi Trust	0	1 000
Donation: Learn to Earn tfgP NPC	0	9 231
Donations, grants and funding	10 586	21 336
Salary Recovery FFC Trainers and Insurance	430	1 223
FFC & Pty management fees	1 156	1 324
Management fees and salary recoveries	1 586	2 547
Fees received	223	207
Interest income	210	133
Other including net trading income	299	289
Rental	8	23
Other Income	740	652
EXPENDITURE (note 7)	14 041	11 313
Learn to Earn Dev Ent Pty Ltd Management fees	555	1 222
Training	8 561	6 438
Direct project expenses	9 116	7 660
Staff costs Overheads	3 392	2 547
Communication – includes internet charges	51	35
Office costs (includes prof. fees – accounting, licences, audit, R&D)	812	528
Promotion and fundraising	376	74
Premises	231	96
Transport	63	56
Tithe	0	0
Vat on Expenses: to be claimed from SARS	0	317
Overhead expenses	4 925	3 653
Net surplus (deficit) for the year	-1 129	13 222
ACCUMULATED FUNDS at beginning of the year	32 688	19 466
ACCUMULATED FUNDS at end of the year	31 559	32 688

LEARN TO EARN TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICY

The Annual Financial Statements have been prepared in accordance with the Organisation’s policies and procedures, which follow the principles of the historical cost basis of accounting. They incorporate the following significant accounting policy:

1.1 Fixed assets

Fixed Assets are fully depreciated in the year of acquisition so as to align with the donations received for purchasing the assets. Land & Buildings have been accounted for at fair value.

The financial impact of this change is RNil and the revaluation reserve will remain as is unless there are clear indications that the properties are impaired.

2. FIXED ASSETS

	Cost R000	Additions	Accum. Depr. R000	Loaned to PTY FOR FFC Division	2021 Net Book Value R000	2020 Net Book Value R000
Computer equipment	443	0	417	-26	0	187
Machinery	573	93	646	-20	0	200
Motor vehicles	413	759	1172	0	0	0
	<u>1429</u>	<u>852</u>	<u>2235</u>	<u>-46</u>	<u>0</u>	<u>387</u>

Computers worth R26K and machinery worth 20K as well as fully depreciated vehicles valued at R413K formerly owned by the tfgP project were loaned to Learn to Earn Development Enterprise for the Fashion for Change Division to continue trading. Machinery worth R93K and two motor vehicles worth R759K were purchased and fully depreciated in the year.

Depreciation of the Trust fixed assets is disclosed in note 7.

3. LAND AND BUILDINGS

Land and Buildings are situated at Erf 54371 - 30 Sixwayikati Street, Ilitha Park, Khayelitsha, Erf 243 - Corner Angelier and Lelie Streets, Hermanus, Erf 51890 - 79 Belvedere Road, Claremont and Erf 1777 - Corner Stasie Street and Fisantekraal Boulevard, Fisantekraal.

LEARN TO EARN TRUST

NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 March 2021

4. LONG TERM LOAN

The Long-Term Loan of R10 231 000 relates to payments to Learn to Earn Development Enterprise (Pty) Ltd for the Fashion for Change Division to start trading as one of the other PTY divisions. Learn to Earn Development Enterprise is wholly owned and funded by the Learn to Earn Trust. The ultimate recovery of this loan is dependent on the company making future profits, which it has not done to date. The Trustees consider the loan to be of a long-term equity nature, and have subordinated their claim in favour of other creditors, until the company is technically solvent.

5. MORTGAGE BOND and OVERDRAFT

The loan is secured for the Belvedere Road Property (Note 3), and bears interest at 6% (2020: 8.75%). The loan is repayable in monthly instalments. It is an access bond of R 731,477 and for cash management purposes is drawn down when necessary, with any excess funds deposited in the account to minimize interest. In March 2016 an overdraft facility was established for R1 000 000. The overdraft facility was not used this past year (2020/21).

6. THE Prior Assets of Learn to Earn TFG Project NPC

Upon the dissolution of the to Learn to Earn tfgP NPC, the Trust received as a donation all assets pertaining to Learn to Earn tfgP NPC as at 31 March 2020 valued at R9 231K.

On the 1st of April 2020, the Trust loaned these assets to the Learn to Earn Development Enterprise Pty Ltd to establish a trading division.

7. EXPENDITURE

Included in expenditure for the year analysed according to its nature:

	Direct project expenses	Overhead expenses	Total
2021	R000s	R000s	R000s
Staff costs	3 322	3 392	6 714
Training costs	3 138	-	3 138
Office costs	159	1 137	1 296
Premises, equipment, motor vehicles	749	294	1 043
Research & Development	0	102	102
Management Fee LtE PTY	555	0	555
Depreciation	1 193	0	1 193
	9 116	4 925	14 041
	R000s	R000s	R000s
2020			
Staff costs	4 777	2 547	7 324
Training costs	541	-	541
Office costs	263	637	900
Premises, equipment, motor vehicles	696	152	848
Management Fee LtE PTY	1 222	0	1 222
Vat on Expenses to be claimed from SARS	0	317	317
Depreciation	161	0	161
	7 660	3 653	11 313

LEARN TO EARN TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2020

8. CURRENT ASSETS

The Trust received R7 879 000 and R2 815 000 in cash and inventory respectively on the 31st of March 2020 due to the closure of the NPC- Learn to Earn tfgP legal entity 2009/016429/08 which were loaned out to Learn to Earn Development Enterprise on the 1st of April 2020 to continue trading under the FFC Division.

The cash reserves of R10 247K include R4,361million ring fenced for any future expansion for the FFC division of Learn to Earn Development Enterprise.

9. ACCOUNTS PAYABLES – ACCRUALS:

In the R2.342million is an amount owing to Learn to Earn Development Enterprise for training 79 individuals (valued at R2.215mil) on behalf of the Trust

9. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events occurring between the balance sheet date and the date of the signing of this report.