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**LEARN TO EARN**

**REG. NO : NPO 005-073      PBO NO : 18/11/13/3455**

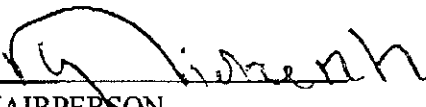
**ANNUAL FINANCIAL STATEMENTS**

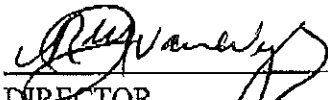
**31 MARCH 2011**

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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements set out on pages 4 to 7 have been approved by the Directors:

  
 \_\_\_\_\_  
 CHAIRPERSON

  
 \_\_\_\_\_  
 DIRECTOR

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**LEARN TO EARN****RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2011

**EXECUTIVE BOARD MEMBERS** – Jerry van Niekerk (Chairperson)  
Roche van Wyk (Director)  
Judy Everingham  
Mark Anderson  
Charles Amos  
Alex Cotchobos  
Susan Wishart (General Manager)  
Neil Macdonald

The Executive Board is responsible for the monitoring, preparation and integrity of the Financial Statements and related information included in these Financial Statements.

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The Board has 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.

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 Board believes 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 Members of Learn to Earn

### Report on the Financial Statements

We have audited the Annual Financial Statements of Learn to Earn, which comprise the balance sheet as at 31 March 2011, and the income statement, statement of changes in equity and cash flow statement for the period then ended and a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 3 to 7.

### Directors' Responsibility for the Financial Statements

The Company's Directors 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 judgment, 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.

### Opinion

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Company as at 31 March 2011, 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  
 23 AUGUST 2011

**LEARN TO EARN**

**BALANCE SHEET**

At 31 March 2011

	Note	2011 R	2010 R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		19,789,604	19,269,625
Fixed Assets	2	13,193	61,371
Land and Buildings	3	17,760,603	17,514,824
Long Term Loan	4	2,015,808	1,693,430
<b>CURRENT ASSETS</b>		2,822,220	824,922
Accounts Receivable		-	50,389
Cash Reserves		2,822,220	774,533
<b>TOTAL ASSETS</b>		<u>22,611,824</u>	<u>20,094,547</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>		20,962,079	18,251,525
Surplus on Revaluation of Property		4,507,982	4,507,982
Accumulated Funds		16,454,097	13,743,543
<b>LONG TERM LIABILITY</b>		1,043,910	1,053,402
Mortgage Bond	5	1,043,910	1,053,402
<b>CURRENT LIABILITIES</b>		605,835	789,620
Accounts Payable		35,164	88,114
Rental Deposits		99,183	95,618
Mortgage Bond	5	121,488	135,888
Building Loan		350,000	470,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,611,824</u>	<u>20,094,547</u>

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**LEARN TO EARN****INCOME STATEMENT**

For the year ended 31 March 2011

	Note	2011 R	2010 R
<b>INCOME</b>		<b>8,630,397</b>	<b>7,389,298</b>
Business Resource Centre – Management Fee		120,240	-
Donations Received		5,131,099	4,152,691
Enterprise Development Funding		423,329	78,375
Fees Received		99,437	263,572
Fundraising Events		234,348	107,188
Grant – National Lottery Distribution Trust Fund		1,529,556	2,218,262
Interest Received		36,293	28,796
Other		15,391	-
Rental		200,997	88,083
Sales of Materials, Products and Sundries		14,388	15,985
TFG Project – Management Fee		295,928	239,889
Recovery of Salaries		529,391	196,457
<b>EXPENDITURE</b>		<b>5,919,843</b>	<b>4,419,779</b>
Bank Charges		14,553	28,261
Building Expenses		-	110,326
Computer Hardware/Software		73,218	23,329
Depreciation		51,817	76,066
Electricity and Water		76,845	85,545
Enterprise Development		218,364	38,389
Equipment Purchases		188,865	72,947
General Expenses	6	409,689	164,405
Insurance		58,619	52,043
Interest Paid		102,144	51,047
Materials for Courses		44,763	42,768
Motor Vehicle and Travel Costs		83,039	83,143
Newsletters, Printing and Postage		72,882	43,851
Promotion and Fundraising Events		130,890	87,341
Rates		8,556	6,979
Rent		-	39,843
Repairs and Maintenance		265,158	187,484
Stationery		54,455	49,314
Staff Costs – Administration		1,126,904	813,634
Funding Management, Public Relations and Marketing		507,620	468,379
Learn to Earn Association		207,984	274,087
Training		1,389,563	1,239,949
The Feel Good Project		745,902	292,016
Telephone and Communications		88,013	88,633
<b>NET SURPLUS FOR THE YEAR</b>		<b>2,710,554</b>	<b>2,969,519</b>
<b>ACCUMULATED FUNDS</b> at beginning of the year		<b>13,743,543</b>	<b>10,774,024</b>
<b>ACCUMULATED FUNDS</b> at end of the year		<b>16,454,097</b>	<b>13,743,543</b>

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**LEARN TO EARN****NOTES TO THE FINANCIAL STATEMENTS**

31 March 2011

**1. BASIS OF PREPARATION AND ACCOUNTING POLICY**

The Annual Financial Statements have been prepared in accordance with the Organisation's policies and procedures. They incorporate the following principal accounting policy which is consistent with that applied in the previous year:-

**1.1 Non-Current Assets**

Computers are depreciated over four years on the straight line basis.

Land and Buildings are accounted for at fair value.

Other sundry assets are expensed in the year of purchase.

**2. FIXED ASSETS**

	2011	2010
	R	R
<u>Computers</u>		
Cost	212,365	208,726
Accumulated Depreciation	(199,172)	(147,355)
Net Book Value	<u>13,193</u>	<u>61,371</u>

**3. LAND AND BUILDINGS**

Land and Buildings – Fair Value	17,514,824	10,293,085
Additions	245,779	7,221,739
	<u>17,760,603</u>	<u>17,514,824</u>

Land and Buildings are situated at 30 Sixwayikati Street, Ilitha Park, Khayelitsha and Erf 243, Corner Angelier and Lelie Streets, Hermanus and 79 Belvedere Road, Claremont. The Properties are shown at fair value as determined by the Board.

**4. LONG TERM LOAN**

The Loan to the Learn to Earn Business Resource Centre is unsecured, interest free and no fixed terms of repayment have been set. The Board have agreed not to request repayment of this Loan until the Business Resource Centre is in a solvent financial position and it is therefore anticipated that no repayment of this Loan will be made for several years.

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**LEARN TO EARN****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

31 March 2011

**5. LONG TERM LIABILITY**

	2011	2010
	R	R
Mortgage Bond – ABSA		
Total Outstanding	1,165,398	1,189,290
Less: Transferred to Current Liabilities	(121,488)	(135,888)
	<u>1,043,910</u>	<u>1,053,402</u>

The Loan is secured over the Belvedere Road Property referred to in Note 3 and bears interest at 8%. The Loan is repayable in monthly instalments of R10,124.

**6. EVENTS SUBSEQUENT TO THE YEAR END**

No material fact or circumstance has occurred between the year end and the date of this Report.

**7. GENERAL EXPENSES**

	2011	2010
	R	R
Donations	200,600	-
Entertainment	1,495	4,422
First Aid	654	-
Groceries and Cleaning	16,128	13,791
Materials and Product Cost for Resale	1,058	-
Mortgage Bond Fees	480	4,951
Professional Services and Gratuities	81,006	64,835
Rent Deposit Refund	-	3,000
Security	20,783	19,912
Staff Retreat	26,712	14,092
Staff Training and Development	43,560	28,558
Student Graduation Expenses	16,413	4,831
Subscriptions	800	6,013
	<u>409,689</u>	<u>164,405</u>

**8. CAPITAL COMMITMENTS**

Commitments contracted for in respect of Fixed Property acquisitions are:

	2011	2010
	R	R
Durbanville	-	50,000