

**LEARN TO EARN**

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

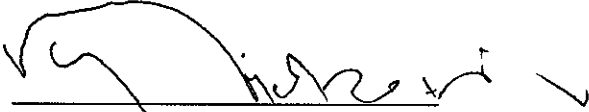
**ANNUAL FINANCIAL STATEMENTS**

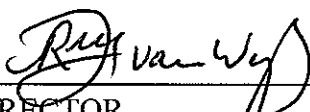
**31 MARCH 2012**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' approval of Annual Financial Statements	1
Responsibility for the Annual Financial Statements	2
Report of the Independent Auditors	3
Annual Financial Statements	
Balance Sheet	4
Income Statement	5
Notes to the Financial Statements	6 – 7

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

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

  
\_\_\_\_\_  
CHAIRPERSON

  
\_\_\_\_\_  
DIRECTOR

## **LEARN TO EARN**

### **RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2012

**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  
Sean Lavery  
Brigitte Bam  
Gavin Jones

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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*Barrie William Low, B.Com M.Phil (Tax Law)*

## **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 2012, 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 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.

### **Opinion**

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Company as at 31 March 2012, 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  
16 AUGUST 2012

**LEARN TO EARN****BALANCE SHEET**

At 31 March 2012

	Note	2012 R	2011 R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
		20,554,024	19,789,604
Fixed Assets	2	48,695	13,193
Land and Buildings	3	18,074,712	17,760,603
Long Term Loan	4	2,430,617	2,015,808
<b>CURRENT ASSETS</b>			
		3,359,071	2,822,220
Accounts Receivable		9,340	-
Cash Reserves		3,349,731	2,822,220
<b>TOTAL ASSETS</b>			
		<u>23,913,095</u>	<u>22,611,824</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
		22,354,963	20,893,609
Surplus on Revaluation of Property		4,796,230	4,507,982
Accumulated Funds		17,558,733	16,385,627
<b>LONG TERM LIABILITY</b>			
		1,015,416	1,043,910
Mortgage Bond	5	1,015,416	1,043,910
<b>CURRENT LIABILITIES</b>			
		542,716	674,305
Accounts Payable		88,803	103,634
Rental Deposits		102,412	99,183
Mortgage Bond	5	121,501	121,488
Building Loan		230,000	350,000
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>23,913,095</u>	<u>22,611,824</u>

## LEARN TO EARN

### INCOME STATEMENT

For the year ended 31 March 2012

	Note	2012 R	2011 R
<b>INCOME</b>		<b>7,978,964</b>	<b>8,561,927</b>
Business Resource Centre – Management Fee		128,664	120,240
Donations Received		5,428,654	5,062,629
Enterprise Development Funding		562,979	423,329
Fees Received		505,097	99,437
Fundraising Events		105,553	234,348
Grant – National Lottery Distribution Trust Fund		-	1,529,556
Interest Received		98,710	36,293
Mandela Park Mosaics – Management Fee		23,818	-
Other		-	15,391
Rental		206,140	200,997
Sales of Materials, Products and Sundries		25,449	14,388
TFG Project – Management Fee		314,484	295,928
Recovery of Salaries		579,416	529,391
<b>EXPENDITURE</b>		<b>6,805,858</b>	<b>5,919,843</b>
Bank Charges		38,545	14,553
Computer Hardware/Software		50,526	73,218
Depreciation		13,827	51,817
Disbursement of Bake for Profit Funds		136,798	-
Electricity and Water		110,946	76,845
Enterprise Development		384,364	218,364
Equipment Purchases		48,486	188,865
General Expenses	7	192,522	409,689
Insurance		62,914	58,619
Interest Paid		92,464	102,144
Materials for Courses		51,616	44,763
Motor Vehicle and Travel Costs		212,137	83,039
Newsletters, Printing and Postage		60,439	72,882
Promotion and Fundraising Events		146,672	130,890
Rates		9,695	8,556
Repairs and Maintenance		178,844	265,158
Stationery		58,768	54,455
Staff Costs – Administration		1,195,835	1,126,904
Funding Management, Public Relations and Marketing		515,387	507,620
Learn to Earn Association		454,066	207,984
Training		1,845,653	1,389,563
The Feel Good Project		845,050	745,902
Telephone and Communications		100,305	88,013
<b>NET SURPLUS FOR THE YEAR</b>		<b>1,173,106</b>	<b>2,642,084</b>
<b>ACCUMULATED FUNDS</b> at beginning of the year		<b>16,385,627</b>	<b>13,743,543</b>
<b>ACCUMULATED FUNDS</b> at end of the year		<b>17,558,733</b>	<b>16,385,627</b>

## LEARN TO EARN

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2012

#### 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	2012	2011
	R	R
<u>Computers</u>		
Cost	261,694	212,365
Accumulated Depreciation	(212,999)	(199,172)
Net Book Value	<u>48,695</u>	<u>13,193</u>
3. LAND AND BUILDINGS		
Land and Buildings – Fair Value	18,048,851	17,514,824
Additions	25,861	245,779
	<u>18,074,712</u>	<u>17,760,603</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.

## LEARN TO EARN

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 March 2012

<b>5. LONG TERM LIABILITY</b>	2012	2011
	R	R
Mortgage Bond – ABSA		
Total Outstanding	1,136,917	1,165,398
Less: Transferred to Current Liabilities	(121,501)	(121,488)
	<u>1,015,416</u>	<u>1,043,910</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.

<b>7. GENERAL EXPENSES</b>	2012	2011
	R	R
Donations	24,000	200,600
Entertainment	810	1,495
External Trainers' Fees	29,047	-
First Aid	483	654
Groceries and Cleaning	18,396	16,128
Materials and Product Cost for Resale	-	1,058
Mortgage Bond Fees	480	480
Professional Services and Gratuities	24,893	81,006
Security	11,577	20,783
Staff Retreat	18,690	26,712
Staff Training and Development	38,332	43,560
Student Graduation Expenses	25,014	16,413
Subscriptions	800	800
	<u>192,522</u>	<u>409,689</u>