



Youth Employment Service

Annual report 2024



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A message from our Co-Chairs

As we reflect on the past financial year, we are proud of the progress made by YES. Having created 37,092 one-year paid work experiences for South African youth, this year has been our best so far – despite the depressed economic conditions in which YES must operate.

Over the past ten years, South Africa's economic growth rate has been nothing short of dismal. With average GDP growth of around 1% per annum, South Africans are victims of a declining GDP per capita. Our official unemployment rate has climbed to 33%, not including those who have given up looking for work, and to 41% when including them.

South Africa's US Dollar GDP is lower today than it was in 2011, whilst our population has grown by six million people. This is the shocking backdrop in which YES operates.

To improve our economic outlook, there are some fundamentals that must be addressed: we must solve our energy, logistics, crime and infrastructure challenges as a necessary precondition for higher growth. Yet this is still insufficient for our economy to create sufficient jobs to sustainably lower unemployment. It needs to be supported by business-friendly economic policies that attract and encourage investment both domestic and international.

We need a significant increase in economic growth well beyond 3% at least to make a meaningful dent in the number of those already unemployed and to offset the number of new entrants into the economy, estimated at around 500,000 a year.

Against that backdrop, 37,000+ youth jobs in a year – or even the over 139,000 jobs created in the past five years of YES – can feel inconsequential, but we have to remind ourselves that every internship created makes a huge difference to that life. Indeed, the high quality of the young people coming through the YES programme are a vital talent pipeline for the private sector.

On a quantitative basis, YES is the largest 12-month, full-time employment programme in the economy. With a post-YES programme employment rate – those getting taken on in formal jobs by their employers – of approximately 45%, YES is one of the largest job creators in the economy.

YES has to date injected R7.7 billion into the economy through youth salaries alone. YES contributed 83% of all demand-side jobs created through the Presidential Youth Employment Intervention (PYEI) in Q1–Q3 2024.

But, in order to create an even greater impact, we need the economy to significantly improve.

An opportunity for the private sector

While some might find the constraints on South Africa's economy disheartening, we see it as a massive opportunity.

We believe our country could be at a turning point – provided we play an active role in improving its prospects. At the time of writing, the Government of National Unity is in the starting blocks. While time will tell how successful it proves to be, we hope it will make a positive contribution, with a strong focus on economic growth and job creation in the years to come.

To really change the lives of ordinary South Africans for the better, we all need to set our sights on aiming for a growth rate of at least 5%. However, the government cannot solve the challenges alone – the private sector has a crucial role to play in getting the economy onto the front foot again.

It is always the duty of businesses to add value to our society – and YES plays a vital role in teaching a variety of commercial and entrepreneurial skills and creating a cohort of employable young people who can move this country forward.

At this moment in our history, it is a strategic imperative for business to become more involved in promoting youth employment. The elections have seen South Africa's centre holding; now corporate South Africa must fully play its role in youth employment.

For our part, YES has a twin strategy in place. We will continue to work with our current and former clients, including larger companies, to grow the base of work experience placements for talented youth; to refresh and renew where required, while growing a new segment of clients.

We are applying our minds to how we can accelerate the ability of smaller, micro- enterprises to come on board, both from a pricing point of view, and using regulatory incentives. SMEs contribute approximately 40% to our GDP and can offer significant employment opportunities. Imagine the impact if each of the 2.5 million SMEs each took on just one YES Youth.



Colin Coleman
Co-chairperson
Youth Employment Service

“ We are confident that YES will play a vital role in shaping South Africa's future. The resilience of our network reinforces the effectiveness of our value proposition. ”



Stephen Koseff
Co-chairperson
Youth Employment Service

“ By supporting projects that prioritise the well-being of the community, environment, and society, we foster inclusiveness and resilience in local and regional economies. ”

Private sector participation is crucial

The ability of the private sector to step in and create significant impact in alleviating unemployment in South Africa is one of the most important levers we can pull to protect the integrity of the market system in South Africa. If we cannot move the needle on unemployment and create far more participation in the legitimate formal economy, then we will be collectively failing.

Simply put, it is squarely in the self-interest of companies to roll up their sleeves and become active about solving our unemployment crisis. YES has grown and evolved into a healthy organisation. We now need more support from the private sector to grow our programme. YES presents a practical, sustainable opportunity to all businesses to have a direct positive impact on the single most important issue in South Africa.

Employment goes beyond simply providing jobs and B-BBEE box-ticking – it's a means to aid social upliftment and to achieve businesses' sustainability targets. Through YES, companies can demonstrate what they are doing to uplift the youth, understanding how important it is to give people the opportunity to either work in a formal environment that makes them more employable in the future, or to learn skills that could help them to start their own businesses.

Acknowledging our partners

We are very clear on one thing: YES is a public-private partnership with the South African government, and arguably the most effective private sector-funded partnership we have in South Africa to promote social impact. The Presidency, and various departments of state, continue to be most supportive of our initiatives, and we look forward to continuing this relationship. We hope that our new government can establish a strong economic reform programme that is backed up by excellent modern economic management, and we look forward to supporting them in this effort.

Our most successful year yet would not have been possible without the support of our clients, some of whom – like Shoprite, Nedbank, The Foschini Group and BMW South Africa – have brought more than 1,000 YES Youth into the YES programme this financial year alone. These companies are the champions, demonstrating how businesses can contribute to youth employment and sustainability.

We also need to thank our board, which has strengthened in the past year, despite some retirements. Our gratitude goes to Patrick Dlamini and Adrian Enthoven for their excellent support. Those independent board positions have now been filled by Daniel Mminele, chairman of Nedbank, and Leila Fourie, group CEO of the Johannesburg Stock Exchange.

A message from our Co-Chairs continued...

What makes our board members' contribution even more noteworthy, is that none of them are remunerated. These are distinguished professionals, with significant responsibilities, who generously dedicate their time to YES at no charge. We do not take that for granted, and we are grateful for their support and the experience and wisdom they bring to the table.

Special thanks must also go to our team – to Ravi Naidoo, our CEO, and the YES executive team, as well as all the people they lead. We are proud to have a well-managed team with a strong executive committee, and an organisation that is tightly governed and fiscally disciplined.

Looking ahead

We believe that South Africa is at an exciting crossroads. As we partner with the seventh administration of our country, our hope is that cool heads will prevail over the next five years. We know that collaboration is at the heart of increasing our economic growth rate and believe that should be our nation's single-minded objective across all sectors – public, private and civil society.

Having watched our elections proceed freely and fairly, and with hope in the Government of National Unity, we are cautiously optimistic about the years that lie ahead. But we need to convert that hope into action and build momentum to turn things around in significant ways.

Once we can see a return of economic confidence, foreign investors will reconsider South Africa an attractive destination for their investment capital. This in turn will have a knock-on effect, such as appreciation of our currency, and a decrease in inflation and the cost of capital. This is the virtuous cycle we need.

There are many challenges we need to overcome, but these are not insurmountable. There are solutions, and we have a wealth of talent and great minds who can navigate them. We believe YES demonstrates the power of collaboration and strategic vision. YES has evolved into a robust organisation.

We urge more private sector companies to join the YES initiative. By participating, businesses can significantly contribute to creating jobs and learning opportunities for our youth, ensuring a brighter future for all South Africans. Together, we can transform hope into action, driving the growth and prosperity our nation so desperately needs.

Young. Black. Creative.

Mancoba Msibi (26)

Mancoba Msibi joined the YES programme in 2022. During his YES programme, he served as a Content Creator placed within the Youth Content Collective (YCC).

Mancoba grew up in Elukwatini, a small town in rural Mpumalanga. Seizing an opportunity, he relocated to Johannesburg.

During his time at YCC, he created content for well-known national and international brands as well as for YES itself. The YES programme also helped Mancoba hone his communication and creative skills, and his ability to collaborate with others.

Mancoba has been recruited as a trainer for Canon's Miraisha programme, which hosts workshops for photographers, videographers, filmmakers and print business owners to foster job opportunities in Africa.

He has worked as a freelance videographer and editor for TILT and also produced videos for a national pharmacy's activation campaigns. The promotional content he produced for the tourism programme under YES, will contribute to the sector's growth and in turn unlock opportunities for more young people to gain the needed skills, to be employed and ultimately employ others through their own enterprises.

His dream is to become a film director and see his photography brand evolve into one of South Africa's premier corporate headshot specialists.

Mancoba is committed to making a lasting impact on the country's video industry as a young black creative who has risen from humble beginnings to achieve great success through remarkable youth initiatives such as the YES programme.



A message from the Chief Executive Officer

YES has had another successful year, where corporate partnerships and youth jobs supported continued to accelerate. This progress is despite the adverse circumstances that have persisted in its operating environment. This resilience is based on the enduring value proposition that YES offers and the deep partnerships that have been built with the private sector.

YES is unique as an entirely private-sector-funded social impact programme.

The ongoing support YES enjoys from the South African business sphere confirms that it has stayed true to the original YES mandate, which is founded on the public-private partnership forged out of an agreement between the CEO Initiative and government to address youth unemployment – a critical development prerequisite for South Africa. It is this evolving synergy that has energised YES in the past year.

YES continues to support sustainability by preparing youth for the evolution in global future-of-work scenarios, which demand technological skill and experience. It is becoming increasingly clear that even if employment levels were high, South Africa would still need a youth employment programme such as YES to bring talented (but excluded) people into the private sector to become economically active.

It is in this respect that YES fulfils the first tenet of its mission, which is to unlock the untapped potential of young people and ensure that local talent is developed and brought into the economy early on. The young people – YES Youth – who are given these opportunities are those most likely to become the game-changers our economy needs. Thus, through a combined focus on merit and inclusive growth, YES is unlocking economic value for South Africa.

YES is a value add for the economy, for companies looking for talent, and of course for the young employees.

Moreover, it is also clearer how YES, as the demand-side partner, supports the broader youth employment ecosystem. YES serves as a bridge for young people in training, work-readiness and other supply-side interventions to access private sector opportunities. Programmes such as SETAs and TVET colleges are starting to work

with YES to connect their beneficiaries to work experience and employment opportunities in the private sector

Our impact

South Africa's largest 12-month full-time employment programme across both public and private sectors. By March 2024, YES had injected over R7.7 billion into the economy through youth salaries alone and has created more than 139,000 jobs since its inception.

YES has performed particularly well in the following four areas: client retention, sector intentionality, growth of our client base, and streamlining of operations.

Client retention

Even in the midst of near-zero economic growth rates, YES has bucked the trend with a substantial increase in job numbers and a client retention rate of 71%.

Since YES is a voluntary programme, it follows that companies must see a clear value proposition. They are not compelled to join and, indeed, have a range of options to meet their objectives. YES is therefore always working hard to improve and demonstrate further value to corporate clients. The results have been good, with many clients are renewing their programmes, and such clients increase the size of their programmes (thereby supporting more youth jobs). YES offers its clients a strong value proposition based on its mandate of youth employment. This includes the YES incentive of the BBEEE level-ups and employment equity (workforce development programme) which are tied to policy and governance. Natural 'by-products' are environmental, social, governance (ESG) reporting and youth entrepreneurship pipelines (Enterprise Supplier Development, ESD). Further, the highly measurable and verified status of YES outcomes provides clients with a credible basis to confirm their status as socially responsible corporate citizens or 'trusted employers'.

For the future, YES will be able to increase youth employment substantially if government rules provided incentives to companies that already have attained Level 1 status (and therefore do not need B-BBEE level ups). A similar approach would be needed for small, medium and micro enterprises (SMMEs) which require a simplified B-BBEE compliance regime if they are to join YES en masse. As a general motivation to boost youth employability, YES is also of the view that government could meaningfully increase the Employment Tax Incentive (ETI) from R1,500 per month to R3,000 per month,

motivating employers to make extra efforts to give youth their first work opportunities.

Nonetheless, even in the absence of such regulatory changes, YES anticipates it will continue to make steady progress retaining clients and offering an enhanced value proposition. Our typical 'run-rate' of 3,000 additional youth jobs every month will add to our (at time of writing) 139,000 youth jobs created, thereby extending YES's position as South Africa's largest 12-month, full-time youth employment programme.

Priority sectors

As YES grows there is more opportunity to support sectors that present the highest potential for South Africa to expand its economy. YES has shifted its vision for youth employment from a generic approach to a focus on future-facing sectors. Because YES is regulated under the Department of Trade, Industry and Competition (dtic), which is tasked with supporting economic sectors to create jobs, promote inclusion and increase value addition and competitiveness in both domestic and export markets, it is ideally situated as a private sector vehicle equipped to support future economic growth.

To gain the skills they need to become South Africa's workforce, YES Youth are now entering technology-driven sectors with jobs that have career paths aligned with the talent pipelines for leading-edge sectors with high potential for employment, i.e., sectors that will stimulate our economy: renewables and the green economy, global business services, technology and artificial intelligence, tourism, SMME development, finance, and retail.

A further development is that YES is now in a position to curate the job types it chooses to support via its clients and through its membership with organisations such as Business Unity South Africa (BUSA). In the business realm, YES has demonstrated its catalytic effect and its contributions are increasingly appreciated.

Streamlining of operations

Over the course of the year, YES has worked consistently to improve operations by introducing initiatives to enhance its capabilities and efficiencies and continue to offer corporates an affordable service.

Using the same future-facing technology that we advocate for YES clients and implementation partners (IPs), YES has succeeded in containing its operational expenses, enabling YES to substantially increase its service offering with only a marginal increase in the cost per capita as volumes have grown.

YES recognises that as an organisation based on monitoring and evaluation (M&E), good data is paramount and as such has overhauled programme reporting; 100% of IPs get their reports and draw on AI systems to generate accurate, timely reports (98% accuracy). Reports that previously took up to two weeks to compile are now generated in less than an hour.



About Ravi: Ravi Naidoo, joined YES with over 25 years of experience in implementing and managing a range of social change and impact programmes.

During this time, he has worked with trade unions, the public sector, and private sector fund management, finding ways to implement programmes in complex institutional environments.

Naidoo forms part of the National Planning Commission, where he chairs the Economy Workstream.

“We've created jobs with impact that will act as a catalyst to create more employment and growth in important sectors. It is these future professionals, entrepreneurs and change-makers who will drive our economic prosperity in the years to come.”

Ravi Naidoo
Chief executive officer
Youth Employment Service

The result of this is that YES has the operational systems and digital infrastructure to support a vastly increased number of youth with minimal cost increases. The benefit of the many system investments and innovations, especially since 2021, is that YES is by some margin the most cost-effective youth employment programme in the country.

The game-changer effect

YES prides itself on the impact it has made on the lives of the youth of South Africa, society-at-large and on the economic outlook. Companies see us as a game-changer, which, by empowering youth, has succeeded in supporting the ideal scenario in which youth start businesses and become employers themselves. YES is in effect building the capacity of South Africa's economy to create jobs.

Youth as game-changers

YES has set itself apart as an organisation that focuses on qualitative talent pipelines. The true impact of the YES initiative can be seen in its qualitative effect: what YES Youth go on to do with the work experience they have gained. This is reflected in the high rate at which YES Youth are employed. A high percentage of YES Youth are also involved in entrepreneurial activity; the rate is 15% according to our research, which compares very favourably against the South African average of 7%.

Game-changer partnerships

Game-changing businesses are a powerful component of the YES strategy. These companies have chosen to share in our vision and, in so doing, enable YES to seek out work experiences that can be applied across a range of sectors.

A good example is our drone piloting programme, which equips youth to work in sectors that use drone technology to increase the efficiency of their operations, such as insurance, agriculture, renewables and conservation.

Digital creation – another YES focus – is an agile line of work that also encompasses many sectors; in one of our latest initiatives, Youth4Tourism, content created by youth promotes tourism while opening up opportunities for new youth-headed businesses.

YES has found a potent synergy with like-minded partners in the green economy and has been chosen to contribute to the youth skills pipeline for solar PV, wind and battery sector development.

YES is building a programme to train YES Youth to help fulfil the need for these high-demand skills.

Game-changer support

YES is developing products that will help address the lack of funding for entrepreneurs and small, micro and medium enterprise (SMME) infrastructure in South Africa while connecting member companies with entrepreneurs. This value-add will also provide companies with a way to diversify their supply chains and fulfill their ESD obligations to “promote a conducive environment for creation of sustainable partnerships between Corporate South Africa and black entrepreneurs to enable access and transformation of the value chains.”^[1]

Entrepreneurial youth will gain easier access to the funding they need for their business ventures from companies such as Sanlam, which is piloting the initiative with YES.

This focus on alumni and entrepreneurship is enhancing the impact YES has in a logical and organic way that dovetails with the mandate to help young people become part of the economy.

Changing the game for the future

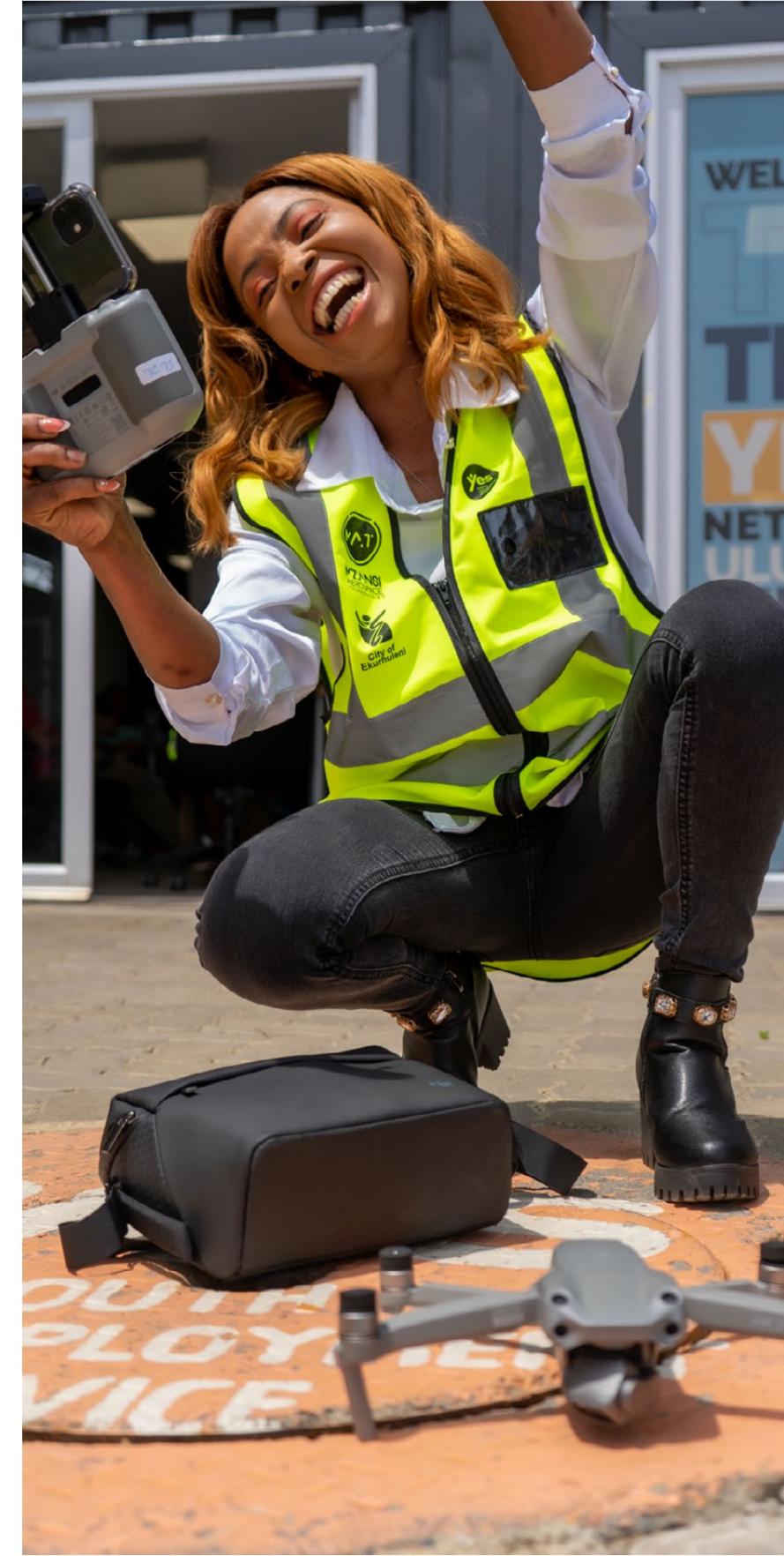
The smarter, cutting-edge technological systems and data that YES has evolved reveal new pathways to deal with impact, that enables us to see the whole YES universe. With AI tools, YES can select better partners and work opportunities and provide online training modules. YES is also appointing staff with greater skill and more experience with implementing social impact programmes, to create a staff complement that understands what it takes to promote economic transformation.

While YES is well-positioned for the future and is equipped to deal with uncertainty, an ideal scenario would be a national government adopting a more business friendly strategy that includes infrastructure upgrades, consistent electricity supply, credible sector partnerships, and greater ease in doing business that will collectively raise South Africa's economic growth rate to over three percent.

YES will, however, continue to make progress even if the current adverse economic environment persisted. Indeed, many role players are increasingly aware that the talent pipeline of youth entering the economy through the YES programme are themselves game-changers that can support a “bottom-up” driver for higher economic growth.

YES continues to build on the momentum of growing job numbers and operational capabilities and is well placed to make a very positive contribution to successful public- private partnerships for a sustainable future.

YES's successes over the past year underline the importance of redoubling efforts to grow our numbers – of youth and like-minded corporates – to uncover even more opportunities for young people in South Africa.



Leadership

Board outline as of 31 March 2024



Colin Coleman
Co-chair and
Non-executive director



Stephen Koseff
Co-chair and
Non-executive director



Zarina Bassa
Non-executive director



Cassim Coovadia
Non-executive director



Patrick Dlamini*
Non-executive director



Adrian Enthoven**
Non-executive director



Leila Fourie
Non-executive director



Nomvuyo Guma
Non-executive director



Daniel Mminele***
Non-executive director



Nazmeera Moola
Non-executive director



Ravi Naidoo
Executive director



Donne Nicol
Non-executive director

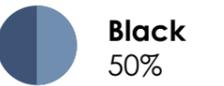


Simon Susman
Non-executive director

*Patrick Dlamini resigned 3 July 2023 | **Adrian Enthoven resigned 30 June 2023 | ***Daniel Mminele appointed 01 November 2023

Leadership

Executive committee outline as of 31 March 2024



Ravi Naidoo
Chief executive officer



Leanne Emery-Hunter
Chief operating officer



Vaunn Kelly
Chief financial officer



Malcolm McDonald
Chief information officer



Tsholo Mogotsi*
Chief partnerships officer



Zaid Patel
Head of business integration



Dominique Selling**
Human resources executive



Samantha Steyn
Business development strategy director

*Tsholo Mogotsi start date 10 October 2022 as the Programme Delivery Consultant and 01 April 2023 as the Consulting - Chief Partnership Officer (CPO)
**Dominique Selling appointed 1 August 2023



About this report

This aim of this report, which covers the period from 1 April 2023 to 31 March 2024, is to:

- Consolidate the achievements of YES and the challenges it has encountered
- Measure the performance of YES against its objectives, and
- Examine its short-, medium- and long-term prospects.

Annual reports issued by YES enable stakeholders to make informed assessments of the organisation's performance and meet best practice reporting standards for non-profit organisations to demonstrate accountability, transparency and credibility.

In compiling this report, we have tried to represent the voices of all those who have shared in our successes and journeyed with us.

Our financial information is independently audited and verified.



Glossary

12-month quality work experience (QWE): A year-long salaried position sponsored by a corporation. Corporations can place youth in their own organisations or opt to sponsor youth placed by host partners.

Absorption rate: The rate at which placed YES Youth are given permanent jobs after their 12-month quality work experience.

B-BBEE: Broad-based black economic empowerment is a government policy to advance economic transformation and enhance the economic participation of Black people (African, Coloured and Indian people who are South African citizens) in the South African economy.

B-BBEE Level-Up: An improvement in a company's B-BBEE rating by up to two levels.

Clarification Note: The dtic issued a clarification to the YES Initiative to provide guidance on application of the Y.E.S. Initiative as published in the Government Gazette on 28 August 2018, as well as the Practice Note published on 12 October 2018. The note addressed confusion around the maintenance of B-BBEE levels, absorption buffers, and noted that the transport sector did not need sub-minimums to participate.

Employment equity (EE): Hiring policies that encourage fair representation of members of minority groups, women, or other people who suffer, or have suffered, discrimination.

YES employment rate: The rate at which YES Alumni are employed post-programme, including permanent or contract employment, and running their own businesses.

Environmental, social, governance (ESG) criteria are a set of standards used by investors to screen potential investments. Environmental criteria consider how a company safeguards the environment, including corporate policies addressing climate change, for example. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

Host partner or implementation partner: YES engages host partners selected by corporates based on the job types they need, or want to support. They enable YES to offer the turnkey solution (implementation partner model) of recruiting, contracting, managing and deploying, as well as holding the employment contract with youth.

Hub: A YES Hub is a centrally located safe space in an underserved community, purpose-built to address barriers to economic inclusion like legacy spatial planning, substandard infrastructure (transport, electricity, water, waste, telecommunications) and obstacles to small business, like lack of expertise and access to funding. Hubs bring corporate investment (through funding of hub infrastructure) and technology (access to WiFi, digital training) into communities to build local capabilities and opportunities, where the youth are.

Multiplier effect: An increase in economic output that results from an injection of spending into an economy. YES jobs have this effect in that they inject money into the economy through youth salaries.

Programme: A programme is defined as the 12 months during which YES youth complete their quality work experience, and is the period measured by the B-BBEE verification agency.

Social and labour plan (SLP): A document that mining companies submit to the Department of Mineral Resources when applying for mining rights. The SLP sets out what the company will do for communities and workers and how and when it will do this.

Sustainable Development Goals (SDGs): Sustainable Development Goals are 17 interlinked global goals that are 'a blueprint to achieve a better and more sustainable future for all'. The SDGs were announced by the United Nations General Assembly in 2015 with the aim of attaining them by 2030.

The YES Gazette: Government Gazette No. 41866, Notice 502 of 2018, dated 28 August 2018 (the "Y.E.S Initiative Gazette") is a piece of legislation that allowed for the inclusion of the YES initiative in the Amended Code Series 000. The B-BBEE benefits (level ups) afforded can be achieved exclusively through YES, legitimising YES's processes and methodology.

The YES Practice Note: The Practice Note 1 of 2018 published under the Government Gazette No. 41975, Notice 640 of 2018, dated 12 October 2018 (the "Practice Note") is another piece of legislation that provides guidance on the application of the YES initiative as published in the YES Gazette.

Youth: Unemployed youth, ages 18 to 35.





YES vision and mission

Vision

Transforming companies, communities and youth lives by connecting youth to economic opportunity and dignity and together, building a future that works.

Mission

- To create, by connecting with companies, work experiences for South African youth at scale.
- To increase youth employability through the provision of CVs, reference letters and transition South African youth to earning future incomes.
- To achieve this by leveraging policy and best practice for better, and more meaningful company impact and performance.

How the YES quality work experience supports sustainable growth:

The social impact made by a company is an important consideration for investors who want to ensure that their investments align with their values and contribute to positive social change.

The 17 sustainable development goals (SDGs) launched by the United Nations General Assembly in 2015 are envisioned as 'a blueprint to achieve a better and more sustainable future for all'.

A company's sustainability and ethical impact can be measured by the degree to which it aligns with these goals as well as the environmental, social and governance (ESG) criteria used to assess a

company's practices related to promoting social mobility of youth (especially those from historically disadvantaged communities), human rights, labour standards, community involvement, customer satisfaction, and overall impact on society.

As a youth employment initiative, YES has a direct impact on SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Working towards this goal will mitigate poverty and hunger, and improve living standards, which are defined in SDGs 1, 2 and 3. By working towards transformation and socioeconomic development YES drives economic and gender equality, and support for quality education, innovation and entrepreneurship.



| | |
|---|--|
| <p>1 No Poverty Healthcare, education, SMME development, agriculture and conservation, retail</p> <p>2 Zero Hunger Healthcare, education and early childhood development, SMME development, agriculture and conservation, retail</p> <p>3 Good Health and Well-Being Healthcare, education and early childhood development, SMME development, agriculture and conservation, retail</p> <p>4 Quality Education ICT, training, YES One app</p> <p>5 Gender Equality Job programmes for young women, agriculture, drones, ICT, SMME development</p> | <p>8 Decent Work and Economic Growth Retail, manufacturing, agriculture, SMME development, training and YES apps</p> <p>13 Climate Action Job programmes for young women, agriculture, drones, ICT, SMME development</p> <p>9 Industry, Innovation and Infrastructure Retail, manufacturing, agriculture, SMME development, training and YES apps</p> <p>17 Partnership for the Goals The YES turnkey solution connects social partners and companies to create quality work experiences for youth</p> |
|---|--|

Impact to date

YES uses the following impact indicators to measure progress made since inception and in FY24: Jobs created, B-BBEE level targets reached; salary injection, programmes registered, and businesses registered.



Jobs created
since inception
to 31 March 2024



Programmes registered
since inception
to 31 March 2024



B-BBEE level targets reached since inception
to 31 March 2024



Money into the economy via youth salaries since inception
to 31 March 2024



Businesses registered
since inception
to 31 March 2024



Jobs created
FY24



Programmes registered
FY24



YES journey

The YES journey



CEO Initiative formed

2016



Gazette published

28 Aug 2018



Practice Note published

12 Oct 2018



YES Inception

31 Oct 2018



Clarification Note

24 Feb 2020



pg19



Period of Covid-19

March 2020



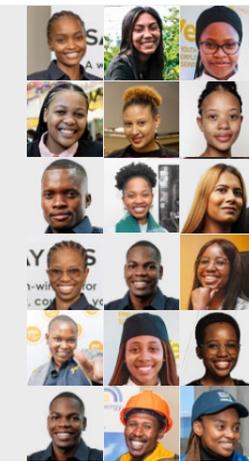
60,000 jobs created

20 Oct 2020



1,500 company sign-ups

Feb 2021



100,000 jobs created

March 2023



139,906 jobs created

31 March 2024



FY24 snapshot and biggest job contributors

9.1 Performance highlights

YES concluded its last financial year (FY23) by reaching the 100,000-job milestone. In FY24, its fifth year of operation, and as South Africa's largest 12-month, full-time jobs programme, YES continued its upward trajectory to yield record results. By the end of March 2024, YES had created a grand total of more than 139,906 jobs and a record 37,092 for FY24 – a 14 percent increase over the corresponding period in FY23, despite a negative economic environment.

YES's programme renewal rate drives YES growth because it is a measure of the initiative's success and directly influences the ability of YES to scale and to keep generating jobs. YES scored well, with a 71 percent programme renewal rate that attests to our clients' trust and long-term commitment.

YES has also continued to focus on efficiency and automation in scaling youth jobs. The YES cost per job is an average of R2,366 (4.2 percent of youth benefit). With many NPOs aiming for a 10% operational cost to benefit target, YES, at 4.2% is significantly better than this benchmark indicative of a lean operating model which is fully funded by the private sector.

9.2 YES and South Africa's youth employment ecosystem

Impact evaluations focused on comparable programmes and the market indicate the following:

- The Presidency reported in August 2023 that YES jobs accounted for 85 percent of all demand-side jobs in the Presidential Youth Employment Initiative (PYEI) in Q1.
- YES jobs account for 98 percent of permanent jobs created through the combined National Pathway Management Network (NPMN) partners in the PYEI since Q1 2021.

9.3 YES impact

Alumni surveys carried out in the course of FY24 show that YES has seen a consistent youth employment rate of ~45 percent, a 3 percent increase over FY23.

Entrepreneurship rate among all YES Youth is 15%, which compares very favourably against the South African average of 7%. The alumni research is picking up that entrepreneurship is becoming a deliberate by-product of the programme. Of the entrepreneurial alumni population, 24

percent are running their own businesses full-time as their main source of income, while 76 have a "side hustle"; 27 percent indicated they have registered their business/side hustle; 47 percent noted that their business/side hustle employs people, with 35 percent stating that they employed between 1 and 3 people. Excitingly, 56 percent of these entrepreneurs are women.

Employability and entrepreneurship research with alumni and active YES Youth remains a focus project for YES.

Top 10 job contributors for FY24



Onward and upward

Maria Baloyi (30)

Maria Baloyi participated in the YES programme in 2022 as a software engineer trainee at a prominent consulting company.

Before joining the YES programme, Maria struggled with the challenges of unemployment, which took a heavy toll on her and her family. The emotional strain was significant, and not being able to provide financial support to her siblings was especially difficult. However, since joining the YES programme, her life has taken a positive turn.

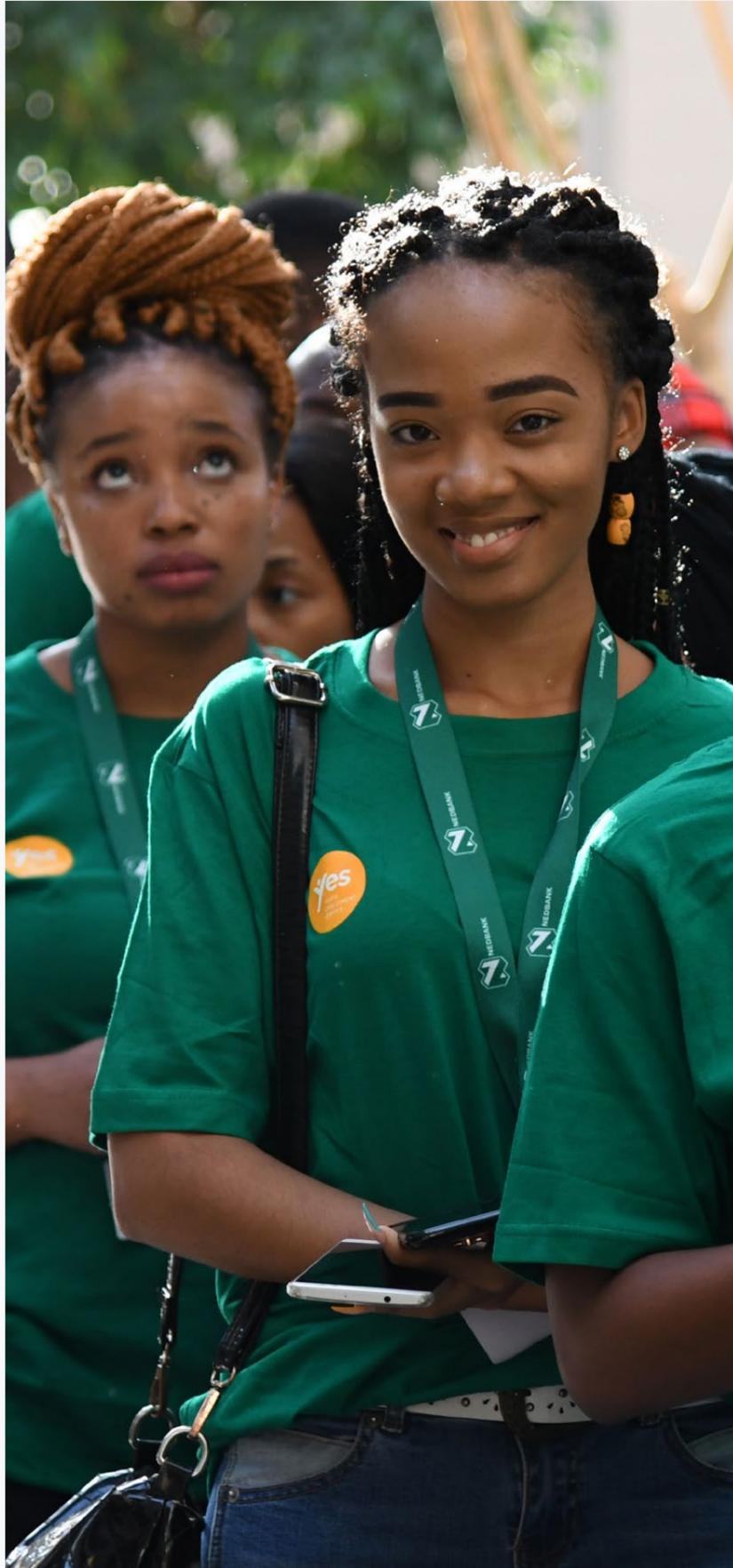
The programme afforded her the opportunity to work at Nagarro, which not only improved her professional skills as a software engineer but also helped her provide support to her family through the stipend she received.

Post-YES, Maria completed her BSc degree in Computer Science and now works as a software developer at a major medical aid organisation.

YES gave Maria the opportunity to improve her professional skills, including self-study, time management and workplace communication and she was also able to support her family while she gained valuable work experience.

Maria's career path has seen steady progress and growth with achievements that include a System Development NQF 5 qualification through Mindworx.

One day she hopes to hold a managerial position in the field of business analytics.



Growth: Priorities and opportunities

10.1 Clients

The standout achievements that set YES apart – our high rates of both job renewals and renewals of client programmes – are a testament to our reliability and longevity. YES is proud to report that it has reached its renewal rate target, achieving 71 percent in FY24. Clients are returning for their fifth, sixth and seventh consecutive programmes, which demonstrates that YES has consistent buy-in from corporate partners.

YES strives to offer the highest return on youth employment by finding ways to integrate with clients' talent pipelines, ESG initiatives, employment equity (EE) roadmaps, and overall B-BBEE scorecards. To grow its client base, YES is also focusing on new business and leveraging government policy. YES has adapted its strategy on all fronts to ensure that its offering is optimised and it continues to create added value for existing and potential clients wherever possible.

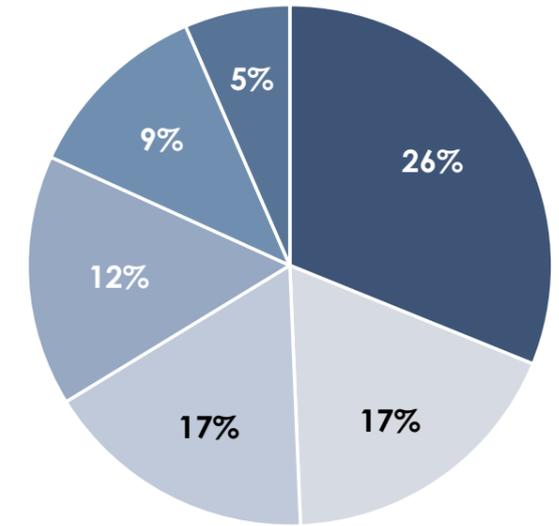
YES identifies the strength of its value proposition across its client base and works to enhance the quality and strategic focus of these programmes through partnerships.

YES boasts the largest number of sponsoring clients across any private sector led jobs programme in South Africa and continues to focus on onboarding new clients to unlock jobs for youth. In the past fiscal, YES focused on expanding and upskilling its business development team to increase registrations of new clients and enhance its service offering to existing clients.

As lead times to onboard new clients, specifically large clients, have increased as YES matures and businesses continue to face severe economic and structural headwinds, YES has doubled down on its sales efforts and a consistent drive to engage with our key target sectors.

YES has also increased engagement with channel partners, such as B-BBEE agency bodies, embarking on joint webinars and information sessions with the clients of advisory firms.

YES top job-creator sectors (inception to end March 2024)



YES has persisted in its drive to engage with and register clients from target sectors including mining, retail, financial services, ICT and healthcare.

YES has also tabled several policy amendments with government that could unlock thousands of jobs, incentivise B-BBEE level 1 businesses to join the programme, and reduce barriers to entry and participation for SMMEs.

10.2 YES sector-building strategy

Sector building initiatives

YES continues to focus on future-facing priority sectors that are impactful enablers to youth employment due to their high growth potential and relevance in the modern economy. These sectors offer diverse job opportunities and align with global trends towards digitalisation and sustainable development. YES seeks to ensure that youth acquire the relevant skills and knowledge needed for in-demand jobs, thereby reducing youth unemployment and fostering sustainable economic growth. This strategic focus not only empowers youth but also drives innovation and inclusivity in the job market. Sectors include digital/AI, tourism, the green economy, SMME development and global business services.

Some highlights from FY24 below:

Tourism

The SA tourism sector is larger than both the manufacturing and agriculture sectors, and is structurally key to growing the domestic economy through leisure and business travel.

– **Statistics South Africa**

Africa's travel and tourism sector is expected to create almost 14-million new jobs over the next decade, with growth of 6.8 percent annually between 2022-2032.

– **World Travel & Tourism Council (WTTC)**

South Africa's tourism industry has massive potential to generate youth employment and build South Africa's economy. Founded by YES and Sanlam, the vision of the Youth4Tourism initiative, which was launched in October 2023, is to bring together a wide range of businesses, funders and partners to unlock the potential of youth and help stimulate one of the most significant sectors of our economy.

Phase one of the project has placed youth across South Africa to promote and support tourist attractions in their hometowns and surrounds through creative outputs like photography and videography. These youth are helping to draw local and international tourists to a wide variety of destinations, attractions and tourism providers to increase their footfall and earnings.

At the same time, the programme is focusing on up-skilling young people in the gig economy, specifically enhancing their skill capabilities in driving tourism. By doing so, we aim to create micro-entrepreneurs. SMMEs are the backbone of our economy and empowering our youth to start viable ventures is critical to the future prosperity of our nation. Youth are also placed in locations across South Africa to promote and support tourist attractions. Sites are based in Mpumalanga, KwaZulu-Natal, Gauteng, Eastern Cape, Namaqualand and the Western Cape. YES Youth have also been placed in strategic locations such as Cape Town International Convention Centre, Fancourt in George and in business chambers (Italy, Spain, UK, and Switzerland).

Businesses that joined the Youth4tourim initiative as at end March 2024 include Sanlam, Mercedes Benz SA, Hollard, Pizza Hut, Fairtree, Tourism Business Council South Africa (TBCSA).

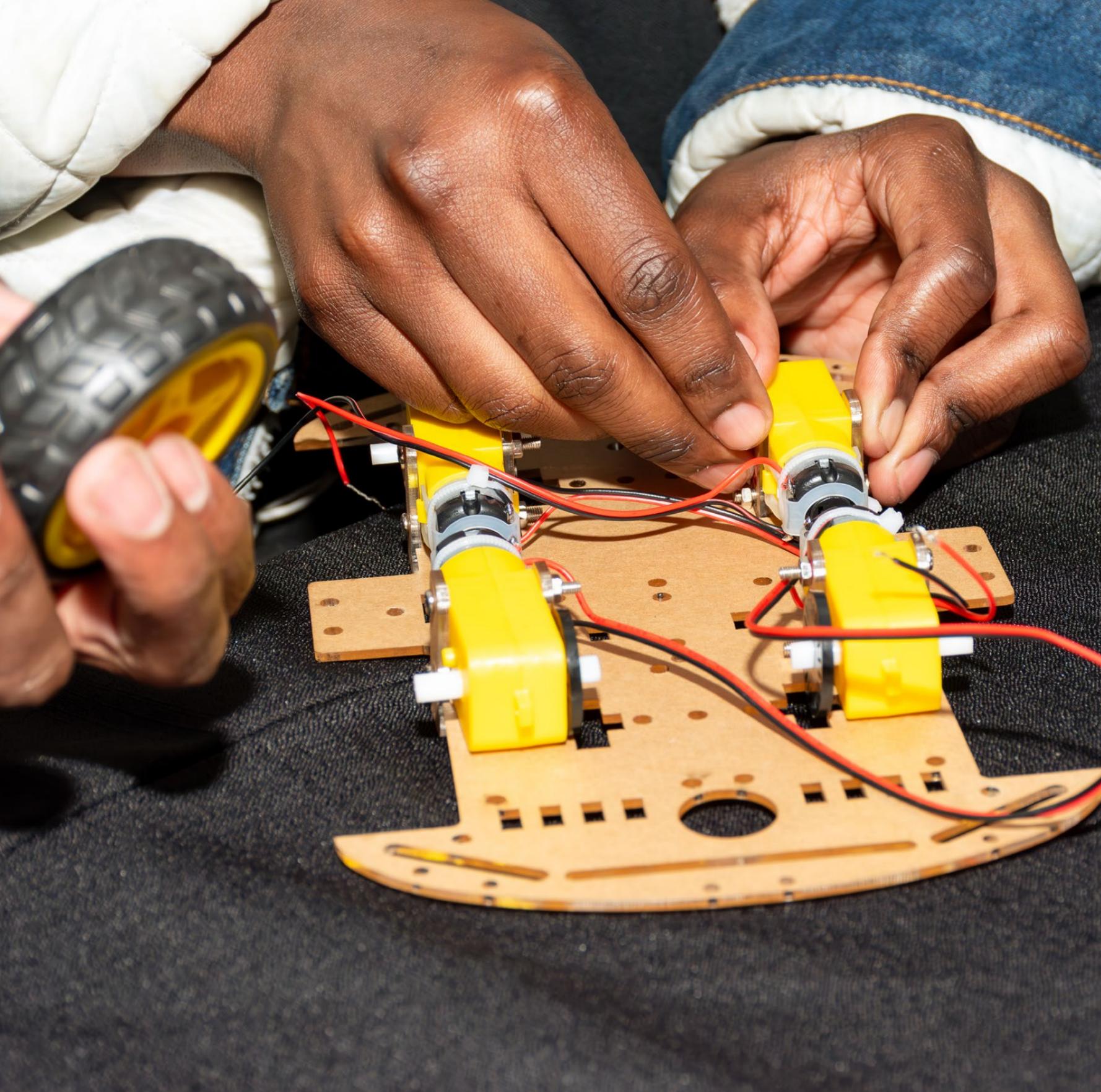
Green Economy/Going Solar

YES firmed up its position in South Africa's Green Economy with the launch of the Just SA partnership – Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), World Wide Fund for Nature (WWF), Trade and Industrial Policy Strategies (TIPS), GreenCape, and National Business Institute (NBI) – in March 2023. It has also been proposed that YES be incorporated into the Action Plan of the South African Renewable Energy Masterplan. The plan recommends that YES be used as part of its youth skills pipeline for solar PV, wind and battery sector development and that it sets a target for overall industry participation in YES.

YES has developed a solar sector initiative focusing on solar PV mounting as an entry point for unemployed youth into the solar PV industry, while addressing some of the industry supply-side constraints. Two solar PV mounting training programmes were launched during the year. The first programme, funded by GIZ, commenced in March 2024 and will see 160 youth trained at YES's Hubs in Saldanha and Alexandra, and another 40 youth on Anglo American Platinum's YES Programme trained in the North West. On completion of the training, graduates will be placed at solar PV host companies to gain 12-months of work experience through YES programmes.

The second programme is funded by the European Union (EU), in partnership with Camara, the Spanish Chamber of Commerce, the Johannesburg Chamber of Commerce and Industry, and Lulalab, where an additional 60 youth will be trained in Alexandra and Soweto.





Skills for artificial intelligence (AI)

Microsoft and YES have collaborated on a new AI skills platform for youth. On 30 October 2023, Microsoft South Africa's CEO, Kalane Rampai, announced the launch of the YES AI Skills Hub for Africa platform at Microsoft AI: A New Era, a showcase for their latest AI developments. YES and Microsoft curated and developed bespoke training material, creating a training path that addresses the different levels of exposure to AI and computer science. The platform is designed to enable all young people to get access to, and awareness of AI – and be equipped to build skills from novice through to expert level. The partnership will make new AI skills training available to 300,000 youth. This transformative partnership will not only increase the competence and confidence of youth in the use of AI but will also inspire innovation and bring about change.

This initiative speaks to three pillars that underpin AI for us at Microsoft: democratising AI innovation, ensuring that we build AI that is responsible, and skills development, **Kalane Rampai, Microsoft South Africa CEO**

10.3 Partnering with YES

YES has affirmed its position as a trusted partner of corporates across the spectrum of sectors. As a public private partnership, YES works with various institutions, and eco-system partners to develop pathways for youth and unlock opportunities. South Africa benefits when business and government work together. The power of this drive, public-private partnership lies in its strong support from the President's office and the collaboration with government. At scale, YES serves as a model, along with many other success stories, for tackling one of the country's greatest challenges.

B4SA/BUSA

YES's partnership approach is mirrored in its collaboration with Business Unity South Africa (BUSA) and Business 4 South Africa (B4SA), which supports and influences policy changes to mobilise more corporates to get involved in addressing youth unemployment. As part of this, YES has collaborated with BUSA, Harambee and TheCollectiveX, to mobilise business to "Do More" to address South Africa's youth unemployment crisis.

⁶ Mining Indaba 2024, Post Event Report
⁷ https://www.youtube.com/watch?v=5yn_XMesqPE
⁸ Mining Indaba

Membership of the PYEI Task Team

Collaboration also includes the key role YES plays in advocating for youth employment issues from the perspective of both business and youth. As a member of the Presidential Youth Employment Intervention (PYEI) task team in the Project Management Office (PMO) of the Presidency, YES is involved in four of its five pillars, which are to:

| 1 | 2 | 3 | 4 |
|---|-------------------|---|--|
| Implement targeted interventions to unlock opportunities in high-growth sectors | Scale up SA Youth | Recalibrate and expand the employee tax incentive (ETI) to increase private sector job creation | Reform the B-BBEE codes to boost employment and scale up YES |

Industry bodies

Our partnerships with industry bodies provide a broader view of the youth employment ecosystem that helps YES expand the scope of its value proposition and ensures that YES offers youth employment solutions tailored to the needs of its clients.

Provincial partners

YES is working with provincial governments to increase its footprint in South Africa and increase employment opportunities for youth countrywide, including those in areas outside the metropolitan areas. The spread of sectors benefitting from these partnerships is diverse. Initiatives include:

- **Gauteng:** In partnership with the Gauteng Department of Economic Development, 105 YES Youth were placed in creative SMMEs supported by the Gauteng government for a 12-month work experience.
- **Western Cape:** YES has established a co-funding partnership with the Western Cape Department of Economic Development and Tourism to support youth jobs in key sectors in the Western Cape. YES is supporting the development of the Western Cape's drone strategy, which may see young drone pilots deployed in various roles across the province and its municipalities.
- **Mpumalanga, KwaZulu-Natal, Gauteng, Eastern Cape and Western Cape:** Youth4Tourism places youth in locations across South Africa to promote and support local tourist attractions.

10.4 Policy and legislation

Since its launch in 2018, YES has made great strides in securing a business-friendly, incentivised youth employment policy environment that leverages the resources, expertise, and networks of the private sector to give youth quality work experiences that will improve their employability. In this way, YES continues to facilitate work-based learning and mentorship to equip youth with skills and experience for the job market.

At a national level, YES is an important platform for policy dialogue and advocacy on youth employment and continues to contribute to ongoing discussions on improving labour market policies, skills development strategies, and youth entrepreneurship initiatives in South Africa.

YES has proposed a number of changes to legislation that could unlock tens of thousands of youth jobs and lower barriers to entry for emerging businesses to participate. YES is awaiting formal approval on these proposals.

Employment Equity (EE) and sectoral targets

The amended Employment Equity Act that came into effect on 1 September 2023 has placed pressure on companies to maintain a youth talent pipeline that complies with the new legislation. Companies that partner with YES have the added advantage of YES's experience and knowledge in the youth employment sphere as well as the valuable support network in government, civil society, business organs and other companies. It is hoped that the new legislation will promote equal access, address barriers, and foster an inclusive work environment to positively impact the youth talent pipeline in South Africa.

YES has begun helping companies achieve their EE targets. Many companies that renew their YES programmes increase their job numbers as part of their equity strategy to recruit junior managers. YES programmes foster economic growth, empower youth, cultivate a talent pipeline, enhance skills, promote career advancement, secure jobs, and substantially boost youth employment.

10.5 Beyond B-BBEE

Our efforts to continue expanding and enhancing the YES value proposition have proven critical to retention and growth of our client base. Our value proposition development beyond B-BBEE, encompasses talent pipeline strategies that accommodate Employment Equity roadmaps, as well as ESG strategy and reporting integration and sector building.

A Masala mix: Work and enterprise

Masala Rambau (32)

When Masala Rambau joined YES in 2022 it was a turning point for he and his family. During his YES year he worked as an industrial network engineer, sponsored and hosted by Proconics. After the YES programme, Masala gained stability and financial support, enabling him to provide for his loved ones while saving to grow his business.

The YES Programme equipped Masala with foundational business literacy and exposed him to emerging technologies which helped him boost the success of his existing business, Green Tech Solutions (GTS) which specialises in IT solutions for businesses.

Now at 32, Masala now works as a Site Engineer and runs GTS. In his current role, Masala oversees quality assurance, document control, and energy management for site construction, including generator and business installations.

Through perseverance and a commitment to excellence, he continues to navigate the complexities of balancing work with running a business.

Masala looks forward to GTS becoming a large corporate entity, with multiple branches and a diverse clientele. GTS has grown steadily, employing five individuals with plans for further expansion. For Masala, entrepreneurship was born out of a desire to make a difference and a readiness to seize opportunities.



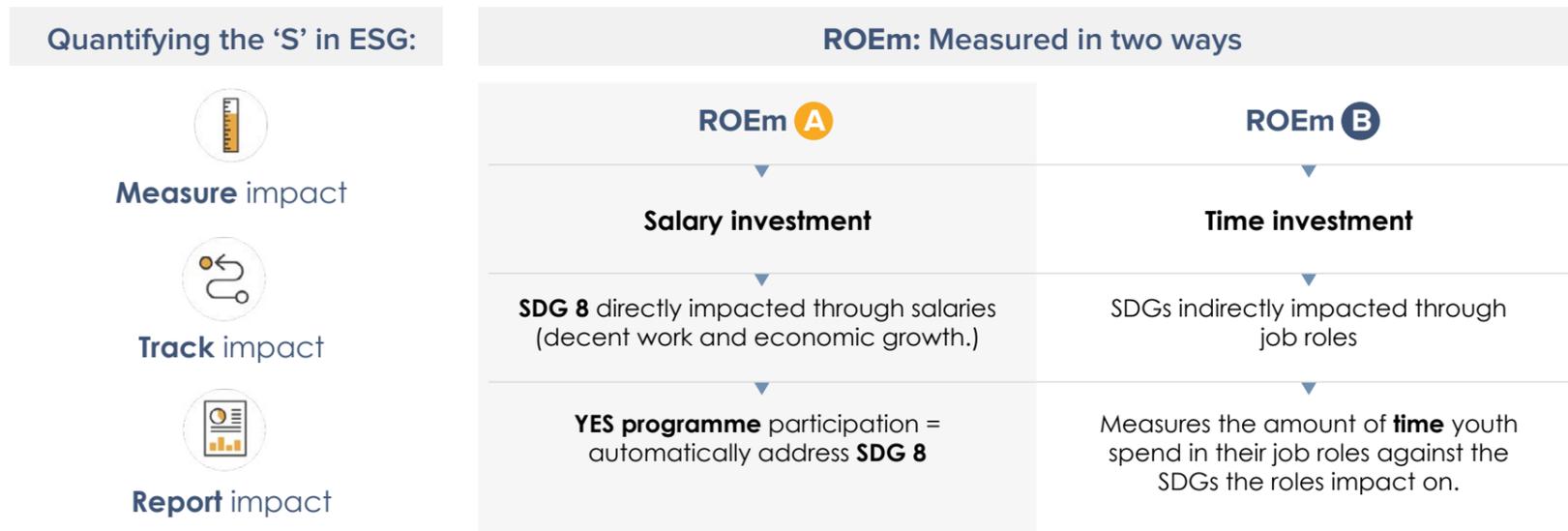
Beyond B-BBEE continued...

This has powerful synergies in particular with the mining sector in terms of job creation associated with social and labour plans (SLPs), SDGs, ESG reporting, and with Just Transition policy and programmes.

Measuring the 'S' in ESG

YES has developed a metrics-based model enabling YES's corporate partners to measure the 'S' in ESG. This first of its kind tool measures, tracks, and reports on a business' social impact (i.e., return on employment (ROE)) through the SDGs.

The SDGs, a common language of sustainability and social impact globally. They provide a robust yet easily digestible framework for measuring the impact of a job and a given job role.



The tool was launched at the ESG Africa Conference in October 2023 at Sandton Convention Centre and continues to be tested with clients and enhanced. At the same event, YES launched its inaugural ESG Awards, which was hosted during the conference to honour private-sector partners whose impact has contributed significantly to social transformation.

The Top 10 YES jobs contributors from inception to September 2023 – Nedbank Limited, Shoprite, Toyota, Anglo American Platinum Ltd., The Foschini Group, Ford, Investec, Bidvest Protea Coin, Volkswagen SA and BMW – received certificates signed by President Ramaphosa. Special awards were also presented to Famous Brands, Pizza Hut and Microsoft for sector contributions.

⁹[https://blog.yes4youth.co.za/press/microsoft-ai-a-new-era-event]

Refining our operations for scale and increased impact

After reaching and then surpassing the 100,000 milestone at the end of FY23, YES stayed true to trend and in FY24 exceeded job numbers for the same period in the previous fiscal year by 14 percent. Success with integrating YES into clients' ESG strategies, a sustained sector strategy and productive partnerships to broaden the Beyond B-BBEE impact, continue to unlock potential in future-facing sectors like drones and AI and evolving sectors like mining.

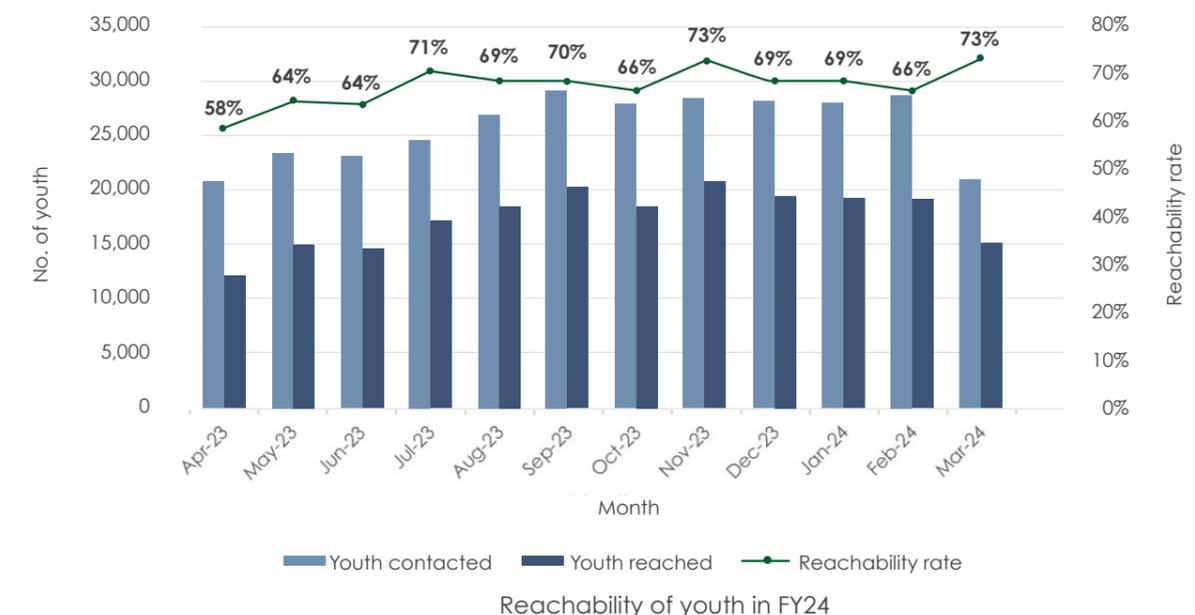
Enhanced call centre operations and technology – and human resources development and allocation, standard operating procedures and key account management systems and processes – have improved our capacity for M&E, which in turn enables YES to provide an enhanced value proposition to clients and youth.

11.1 Monitoring & evaluation and impact

YES adopts the following key methods to implement its monitoring and evaluation mandate (among others):

- Monthly calls to YES Youth to check in on their quality work experience and drive app engagement (30,000+ calls monthly).
- Whistle-blower hotline
- YES Youth alumni quarterly or monitoring calls via call centre to track post programme employability and status of YES youth
- Youth feedback via YES apps, YES Youth inductions, offboarding and dedicated youth email
- Supervisor feedback via inductions and supervisor app
- Implementation partner (IP) model monitoring and compliance:
- Stringent operational and financial pre-vetting of YES implementation partners
- Each IP is measured through a scorecard and YES portal with rigorous checks and balances
- Additional site visits are conducted to ensure youth are receiving a quality work experience
- Reporting to clients, presidency and dtic on impact and compliance

For FY24 the average reachability rate for active youth was 68 percent with a record rate of 73 percent in March 2024.





Over the last financial year, 89 percent of active YES Youth reported having a good to excellent work experience; only 1 percent of active YES Youth rated their work experience as poor. 99.5 percent of YES Youth confirmed that they had received their salaries.

YES leverages its monitoring and evaluation data to consistently review and update its value proposition.

Employment and employability research with YES Alumni remains a focus project for YES. The next step of this research will be to determine which factors influence YES Youth absorption and employability for learning and development purposes across all programmes.

11.2 Mindful Matters

YES Mindful Matters is a mental health initiative launched in partnership with Syked in June 2023. The programme's one-on-one counselling sessions and online support webinar events aim to enhance supportiveness work environments and help YES Youth improve their employability once they have completed their quality work experience. Webinars and counselling sessions have attracted good attendance and uptake among youth.

Mindful Matters has also been integrated into the YES offboarding process for select clients, offering youth career guidance as they enter the final phase of their YES programme.

11.3 Technology

The technology team is consolidating YES databases and systems to reduce operational risk and achieve efficiencies. The initiatives being implemented will improve client and youth experiences and data visibility and enable automation and scalability across all YES functions.

YES has worked consistently over the past year to refine and redefine its technology landscape and value propositions to both internal and external stakeholders.

The YES One App Learning Management System (LMS) launched in March 2024. Youth were encouraged to migrate to the new app in anticipation of the YES learning platform being integrated into YES One app (final step scheduled for July 2024). This will enable roll-out of the new Digital Generation Model, a rewards and data free model which allows youth to access the LMS their own devices, as we phase out the mobile phone model. Research has shown that 90 percent of YES Youth entering the programme-already have a smartphone. As such, in response to technological advancements and the evolving needs of youth, YES's focus will be on providing data free access to our learning content across networks. The Digital Generation Model is scheduled to go live on 01 July 2024.

A turbo-charged future awaits

Moshe Matabologa (29)

Moshe Matabologa is shaping his career with the support of YES and luxury car manufacturer BMW South Africa. Although it hasn't been easy.

Moshe excelled academically when he got an opportunity to study at Wits University after working for two years, the only employment he could find was "piece jobs" – a series of low-paying jobs with short contracts. He also graduated during the Covid-19 pandemic and entered a depressed job market with few jobs and low salaries.

After he joined the BMW YES programme as a YES Youth, he was able to help his family and take care of himself. At first, he worked in human resources and was responsible for managing contractors. He is now part of a graduate programme and takes on a variety of roles – from navigating the intricacies of HR functions to embracing the challenges of a dynamic tech environment.

Moshe says the programme was tough at first but has learnt that failure is part of growth. Through YES, he has gained hard skills, like programming and has also refined his ability to communicate, a soft skill that is invaluable in the workplace.

His time at BMW has been marked by notable achievements, such as being appointed project lead for implementing a new workflow system at BMW SA and the key person responsible for innovation, digitisation and software engineering in his division. Moshe is currently building a Chat GPT system for his department and has travelled abroad to learn more about how systems are built and maintained.

Moshe is steadfast in his commitment to continuous learning and professional development and sees himself as a chief technology officer in the near future.

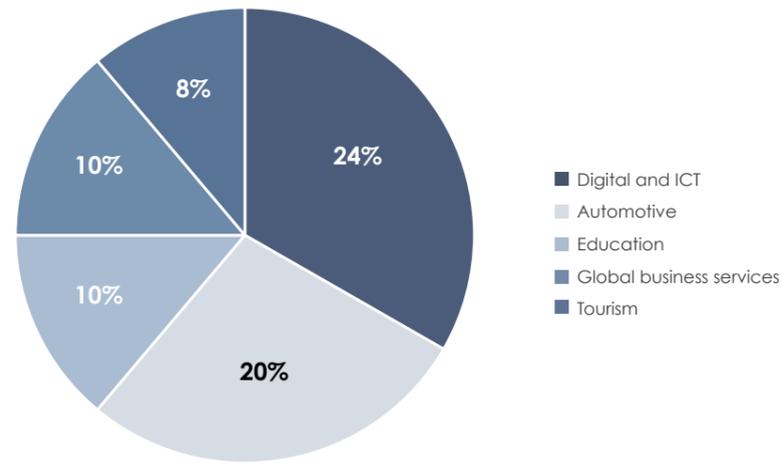
Turnkey solution and community impact

The 21 organisations in the YES host partner network managed 27 percent of active YES Youth placements and hosted 10,155 YES Youth over the FY24 reporting period.

The YES turnkey solution offers value propositions for clients seeking to improve their B-BBEE status and those who want to integrate ESG goals and reporting into their strategies.

12.1 IPs, ESG and associated SDGs

The top five sectors in which YES Youth are placed in using the turnkey solution in FY24 are digital and ICT, automotive, education, global business services and tourism.



Top five IP sectors according to percentage of youth jobs

In response to the private sector's employment demands, YES seeks out partners that deliver programmes and recruitment aligned with the needs of business and our existing and prospective clients. Acquisitions are based on sector-specific research, absorption potential and factors such as scalability and overall performance. Our strategic partners are in key sectors that have high potential for youth employment and/ or social impact.

The YES Turnkey Implementation Partner model is a vehicle for clients to build high impact sectors and execute their sustainability goals by placing youth in high impact sectors which build youth careers and communities.

The sweetest remedy

Mukundi Mphohoni (22)

Matric is always a difficult year, but for those who matriculated in 2020 – the year of Covid – it was extra tough. Mukundi Mphohoni endured four months of lockdown, deprived of contact with teachers and fellow students and her hopes of future education waned as the challenges mounted.

But in the midst of despair came the first inspiration for her business when she began indulging in sweets to help her focus and give her energy to study.

Mukundi received a diploma pass and decided to upgrade her results to bachelor's exemption to increase her chances of further study. She also joined Afrika Tikkun's hospitality programme, hosted at the Houghton Hotel, through YES. It was here that Mukundi's roles in the finance and procurement departments began to shape her entrepreneurial path, and, while studying to rewrite her exams, she had a sweet realisation: instead of keeping the sweets for herself, why not share her love for them with others through a business venture?

When she found herself in the semi-finals of the business summit with no computer for her presentation, she created a paper collage for her pitch. She progressed to the finals and won first prize. The victory represented a new chapter, and a chance to get her business off the ground.

Now at 22, Mukundi's business, Sweet Remedies, which supplies sweets for hotels, parties, events, gifting, and personal enjoyment has been operating for the past two years. Her story illustrates people's potential for growth and success when they are given opportunity and support.

| | | |
|--|--|---|
| | Green economy, tourism, warehouse and logistics, non-profit/research, education | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND |
| | ICT/digital, green economy, tourism, global business solutions (GBS), retail, education, healthcare etc. | 2 ZERO WASTE, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
| | GBS, hospitality, marketing, ICT/digital, education, green economy, etc. | 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 15 LIFE ON LAND, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
| | Education and EdTech | 4 QUALITY EDUCATION |
| | Green economy, ICT/digital, tourism | 2 ZERO WASTE, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND |
| | Tourism, GBS | 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES |
| | ICT/digital | 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 17 PARTNERSHIPS FOR THE GOALS |
| | ICT/digital, education and retail | 4 QUALITY EDUCATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
| | Retail and wholesale | 4 QUALITY EDUCATION, 6 CLEAN WATER AND SANITATION |
| | Green Economy | 1 NO POVERTY, 2 ZERO WASTE, 4 QUALITY EDUCATION, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 13 CLIMATE ACTION |
| | Education | 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH |
| | ICT/digital, green energy | 1 NO POVERTY, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS |
| | Manufacturing, retail, hospitality, logistics, green economy | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |

| | | |
|---|--|---|
|  | GBS |         |
|  | Manufacturing, sales/marketing |  |
|  | ICT/digital, tourism, green economy, creative arts, automotive, manufacturing, healthcare etc. |  |
|  | ICT/digital, GBS, green economy, finance, retail, logistics, legal, media, automotive, sports and recreation |   |
|  | Education, ICT/digital |   |
|  | Tourism, ICT/digital |   |
|  | ICT/digital, tourism, media |    |
|  | Drones |     |
|  | Media, tourism |   |
|  | ICT/digital |        |
|  | Automotive, ICT/digital, tourism, green economy, education, SMME development, finance etc. |        |
|  | ICT/digital, marketing and education |  |





12.2 A refined operational strategy for implementation partners (IPs)

In FY24 YES focused on operations in its implementation partner (IP) model and developed a new IP scorecard which IPs can use to enhance their impact. The IP team developed processes and systems to address data accuracy, programme compliance, client reports, scorecards and payroll and placement fee payments in the first part of FY24. The team then initiated development of a new partnership network and streamlined the performance of existing IPs.

YES mapped key sectors and identified gaps in the existing IP network. The IP team created key sector maps that detail the jobs and pathways for tourism, drones, green and digital which enabled onboarding of key sector partners with the capacity to add value to the YES value proposition.

The new scorecard was rolled out in July 2023, allowing for greater accuracy, transparency and fairness in tracking performance. Further technological enhancements and a new portal have enabled smoother administration and reporting as well as streamlined processes between YES and its IP partners.

Consistent IP evaluation in FY25 will sustain onboarding of high-performing partners.

From Acornhoek to Hong Kong

Neville Ngomane (24)

Life after YES was a whirlwind for Neville Ngomane. He graduated from AFDA Cape Town in 2023 with a specialisation in cinematography, data, and grading which opened doors to prestigious opportunities. Today, at 24, Neville is in Hong Kong, preparing to showcase his photographs in renowned venues like The Hong Kong Club and other galleries.

Neville joined the YES programme in 2019 and filled a variety of roles: photographer, content creator and social media manager based in his hometown, Acornhoek. The salary he earned eased his financial burdens and allowed him to focus on his passion for photography. He became a storyteller, capturing the beauty of the world through the lens of his camera, managing social media, creating content, and inspiring others along the way.

One of the most remarkable moments of Neville's journey was winning the Young Environmental Photographer of the Year award in 2019. This recognition validated Neville's heartfelt work in raising awareness about environmental issues through photography, among a global audience.

Neville's dreams are bold and ambitious, but with every click of his camera and every frame captured, he moves closer to realizing his vision of creating a better world through the lens of his art.

Hubs

The YES Hubs in Alexandra and Saldanha provide access to networks, training, markets, work opportunities, ideas for careers or new businesses, and partner support. They are also a vital link with the SMME sector, which has massive potential to create jobs and inspire entrepreneurship.

Highlights during FY24 include the conclusion of the three-year funding from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) under its Digital Skills for Jobs Programme. A further €510,275 in funding was received from the GIZ for digital skills vocational training for unemployed youth over a period of 3 years. This saw 190 youth trained in creative content development, 88 youth become drone pilots, maintenance technicians or data analysts, 40 youth trained in 3D modelling, and another 20 in mixed media animation.

The Hubs delivered short courses to local youth across a variety of employment and entrepreneurship topics, with 345 youth participating in a total of 29 short courses throughout the year.

The NYDA has established desks at both YES Hubs, providing YES Youth and the communities of Alexandra and Saldanha with easy access to the full suite of products and services offered by the NYDA.

The year also saw the start of YES's solar PV mounting training programme, funded by GIZ and the EU, as well as YES's new entrepreneurship support programme funded by The Chemical Industries Education and Training Authority (CHIETA), through which 31 young entrepreneurs will receive training followed by a full year of coaching and mentorship. Additionally, 20 YES Youth underwent Amazon Web Services (AWS) Certified Cloud Practitioner training.

The United Nation's (UN's) office in South Africa held its official International Youth Day celebration at the YES Alexandra Hub. The UN's Resident Coordinator in South Africa, Mr Nelson Muffuh, and the leaders and teams of various UN agencies in South Africa, joined YES and youth from Alexandra in celebrating this auspicious day for young people all over the world.

The YES Hubs continued to attract visits from many delegations interested in learning more about YES or about youth development in general, including international delegations from Ethiopia, Germany and Norway.

Data and dreams in the corporate arena

Ntanga Madzivhandila (25)

Ntanga's journey began with his enrolment in the YES programme, a stepping stone to his role at Nedbank.

For Ntanga, YES shows that collaborations between governmental efforts and purpose-driven organisations like Nedbank can be powerful agents of change.

As a group specialist for people data analytics at Nedbank, Ntanga Madzivhandila navigates the vast, often unpredictable, realm of corporate dynamics and turns "data into actionable insights that cater to individual needs, while aligning with the broader picture." His work is a delicate balance of data analysis and understanding that enables Nedbank to tailor-make solutions matched to company priorities.

YES gave Ntanga the opportunity to explore and gain experience in many facets of the business world. At Nedbank, he took a leading role in human resources where he devised innovative reporting methods.

Ntanga, a guide through data-driven insights, a shaper of solutions, and a cultivator of growth, stands as a testament to the power of purpose, perseverance, and collaboration. He embodies the intersection of childhood aspirations and professional achievement, painting a portrait of dreams realised.



Human Resources

The human resources (HR) strategy at YES guides all activities that impact employees and the beneficiaries of our programme. To maintain excellence as a youth employment initiative, YES strives to attract and retain the skills required for specific roles and processes. Learning and development is deliberate and focused to give all employees the best opportunity to reach their potential. YES endeavours to cultivate an organisation of leaders who are ethical and passionate about the vision and mission of YES.

Key initiatives implemented over the past year include:

- **Strengthening the YES employee value proposition:** Introduction of performance-based incentive bonuses and medical aid and retirement benefits.
- **Transformation of leadership positions:** Previously disadvantaged individuals now make up 50 percent of the YES Executive Team.
- **Capacity-building:** Increased digital, automation and data analysis expertise to execute the YES strategy and future-proof the organisation through digital transformation.

The Code of Ethics and Conduct is fundamental to all business-related activities at YES. A concerted effort is made to continuously train new and existing staff on the guiding principles with which we fulfil our mandate.

YES recognises the importance of the emotional well-being of YES employees and YES Youth and ensures that staff receive the necessary guidance and skills to navigate the challenges faced in everyday life. A focus on the YES Youth, the beneficiaries of our programme, is paramount; it is the duty of YES to actively ensure that all youth receive quality work experiences that enhance their future employment opportunities.

The YES people strategy is to maintain employer brand status and continue to remain competitive within the labour market with the career progression of YES employees at its heart.

A warrior for nature and society

Rifumo Mathebula (27)

Rifumo has many talents: aside from his skills as a photographer and videographer, he has ventured into the fields of training, environmentalism, and social entrepreneurship.

The skills he acquired while working with Conservation South Africa's media team, provided a solid foundation for his future endeavours and created numerous opportunities. This was during his time in the YES programme.

His work often has a strong social enrichment aspect. He has worked as programme director at a wildlife and conservation photography organisation and as an online trainer at the Canon Academy. He is also a local community organiser for Socionext. His media and event management company, Incorruptible Realities, is based in his hometown, Ludlow in Bushbuckridge Municipality.

Rifumo's dedication to his craft has earned him prestigious awards and recognition. In 2022 he was awarded the Young Environmentalist of the Year by the Chartered Institution of Water and Environmental Management, a London-based international NGO. He was also named a "Greening the Future" Champion for Preservation of Natural Habitats by South Africa's Mail & Guardian and was a runner-up for the Wildlife and Environment Society of South Africa (WESSA) awards. In 2023, he was selected as one of the "30 Under 30 Global Environmental Education Leaders" by the North American Association for Environmental Education.

Now at 27, Rifumo plans to expand his business and create job opportunities for other young people like himself.





Media and influence



Read: [Youth Employment Service steers 100,000 young people in SA towards work](#)



Ravi Naidoo: [Enable our youth to be the agents of change](#)



Watch: Leanne Emery Hunter: [#Women's Month: Inspiring the next generation of women](#)



Read: ['Cut red tape to allow SMEs to create jobs'](#)



Read: [Barista brewing a future despite challenges](#)



Listen: Ravi Naidoo: [What legacy are we leaving when it comes to youth employment?](#)



Read: [When tourism flourishes, so does the economy](#)



Watch: [Microsoft partners with YES to deliver youth AI training](#)



Read: Leanne Emery Hunter: [The dual engine needed to tackle job and talent crisis](#)



Read: [Shoprite recognised for transformative youth employment at ESG Awards](#)

CFO's report

The 2024 financial year marks the fifth full year of YES's operations. During this time, with the essential support of our corporate sponsors as well as from government, we have created just under 140,000 youth jobs.

After the jobs destruction triggered in 2020 by the COVID-19 global pandemic, YES has subsequently grown youth jobs at a compounded 32 percent per annum. In an economy that has barely grown faster than 1 percent per annum-, this is a remarkable achievement and reflects the power of a public private partnership sharing the common vision of employing as many youth as possible.

YES can't solve the youth unemployment crisis alone. Partnering with government and growing our over 1,700 corporate sponsor base is essential to meaningful contribution YES makes to one of the nation's most pressing social scourges.

During these five years, YES has had to build up systems, teams and corporate sponsors from scratch. YES has -naturally- had to learn much along the way to enhance its offering to corporates and youth alike. Reflecting the confidence in YES and their commitment to the cause, many corporates returning year after year to sponsor youth jobs with several corporates having returned for a seventh programme. YES can't and won't rest on its laurels and must continue to push to maximise the number of opportunities offered to youth.

This most recent financial year marks YES's third successive record jobs achievement. The 2024 financial year recorded 37,092 jobs, 14 percent higher than the prior year. A high retention rate and many corporates increasing their annual youth commitment was key to this success.

After a decade of low economic growth coupled with load-shedding and a pandemic. To continue to significantly grow this number of youth jobs year on year, YES and our youth need the economy to grow at a substantially higher rate. This will provide essential headroom to corporate SA's capacity to drive further investment into the economy, which in turn will drive more youth employment opportunities.

With many YES Youth having financial dependents and being from grant recipient households, the impact of these YES jobs cannot be overstated.



Vaunn Kelly
Chief Financial Officer
Youth Employment Service

While growing youth jobs is a priority for YES they need to be created efficiently and with the appropriate corporate governance. This is essential to inspire confidence of corporates and youth alike that YES can execute to expectations.

Since day one, YES has been self-funded and receives no government funding for its operations. YES's primary source of income is the monitoring and evaluation fees it charges per youth job created. The majority of these fees have not been increased since YES's inception in 2018. In that time inflation has grown by a cumulative 30 percent. This has been a deliberate strategy for YES to ensure it focuses on youth jobs growth to fund its operations. The completely aligns YES's strategy with the outcomes for youth.

While YES has had to make targeted investments to deliver on expectations of youth and corporates it has done so frugally.

YES is the operating cost per job and the YES costs as a percent of youth benefit continue to be key metrics for YES. For the 2024 financial year, YES recorded an operating cost per job of R2,366 which is only 2.9 percent higher than the R2,298 recorded in the prior year. This low-cost growth is despite YES having made significant investments during the year to enhance our execution capacity. This cost increase is substantially lower than inflation and reflects YES's focus on cost control and jobs growth.

The impact of this YES efficiency is that an overwhelming amount of corporate funding goes directly into youth salaries. YES's operating costs per job as percentage of youth benefit amounted to a mere 4.2 percent (4.1 percent prior year). With most not for profit entities targeting operating costs of around 10 percent of the benefit, this 4.2 percent is impressive. In simple terms this means that it costs YES a mere R4.20 for every R100 of youth benefit generated.

Corporate governance is a vital ingredient to complement YES focus on cost efficiency. Without this the hundreds of corporates would not entrust YES to manage the youth salary funding for several thousands of youth each month. Therefore, maintaining YES's unblemished record of unqualified audits and continuing to enhance internal controls is an ongoing focus. YES undergoes and performs well in various audits it is subjected to each year. This is essential to maintain the confidence of corporate sponsors, grant funders and youth.

Being self-funded and starting from a zero base just over five years ago, YES has, through tight controls and focus on youth jobs growth been able build up reserves which ensure it is in a healthy financial position today able to execute on all of its core obligations. YES is focused on strategically deploying some of these reserves to ensure it can efficiently scale up its operations to deliver to corporates and youth alike. Various youth initiatives have already commenced benefiting more than a thousand youth. Additional projects are under evaluation to further boost youth employment prospects.

After more than a decade of anaemic growth, there are some optimistic signs on the horizon from sustained suspension of load shedding to the emergence of a Government of National Unity promising more co-ordination between government and corporate SA. These could spur more economic growth and enhance youth employment prospects.

YES is eternally grateful to the sustained and growing support from thousands of corporate sponsors who have continued to sponsor record YES youth jobs despite their own significant challenges and competing priorities.

Out of the box and ready for the world

Thandeka Mchunu (27)

When Thandeka Mchunu embarked on her journey with the YES programme, her knowledge of tyres was virtually non-existent. She had recently completed her national diploma in accounting and finance at the Durban University of Technology, and the period following her studies had been marked by unemployment and uncertainty, despite her educational background.

At the age of 23, she joined the YES programme, and now, at 27, she looks back on the transformative impact it had on her life.

In her YES year at Super Tyres, Thandeka became proficient at multiple tyre maintenance and repair services and within two months of employment had taken on the role of storewoman, which aligned with her interest in sales and a newly discovered aptitude for customer service. Additionally, Super Tyres provided her with further training, significantly improving her grasp of the tasks involved.

Reflecting on her time at Super Tyres, Thandeka acknowledges significant personal growth. The challenges revealed her strength and patience, and she is grateful for the tough mentorship from her manager, which, though daunting at first, was crucial in shaping her resilience.

After her YES programme, Thandeka secured a job as a senior associate in operations at WNS Global Services South Africa.

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

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Youth Employment Service (RF) NPC
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Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared by: Moeletji Mapheto

Professional designation: CA (SA)

Title: Financial Manager

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

General Information

| | |
|--|--|
| Country of Incorporation and Domicile | South Africa |
| Registration Number | 2017/267641/08 |
| Registration Date | 21 June 2017 |
| Nature of Business and Principal Activities | The non profit company Youth Employment Service (RF) NPC was Incorporated in South Africa with interests in public benefit purposes related to the provision of youth employment and development services. The company operates in South Africa. There has been no material change to the nature of the company's business from prior years. |
| Directors | R.Naidoo (Executive director & CEO) C.Coleman S.Koseff C.Coovadia D.L.Nicol S.N.Susman Z.B.M.Bassa N.N.N.Guma N.Moola L.Fourie A.D. Mminele (Appointed 1 November 2023) |
| Registered Office | 2 Arnold Road Rosebank Johannesburg 2196 |
| Business Address | 2 Arnold Road Rosebank Johannesburg 2196 |
| Bankers | Investec Bank Limited |
| Auditors | Ernst & Young Incorporated 102 Rivonia Road Sandton Johannesburg 2196 |
| Secretarial services | Fluidrock Co Sec (Pty) Ltd |

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

Report of the Audit Committee

Although not a statutory requirement for YES as a non-profit company, the Audit and Risk Committee ("the Committee") was established by the Board based on the principles of good corporate governance. The Committee has formal terms of reference which are reviewed on an annual basis, or as and when required. In addition to the typical duties of committees of this nature, relevant recommendations of the King IV Report on Corporate Governance for South Africa, 2016 were also incorporated in the terms of reference.

The primary role of the Committee is to ensure:

- the integrity of financial reporting
- the audit process is well managed and an effective audit is undertaken
- that a sound risk management framework and internal control system are maintained.

In pursuing these objectives, the Committee also oversees relations with the external auditors, Ernst & Young Inc. and reviews the effectiveness of the internal audit function provided by BDO South Africa Inc.

The Committee met on the following dates during the current financial year:

22 May 2023
28 July 2023
26 October 2023
28 February 2024

The Board and the Committee is satisfied that the Committee has effectively fulfilled its role and responsibilities during the period under review.

The Board is comfortable that the members of the Committee collectively possess the knowledge and experience to supervise the Company's financial management, internal and external auditors, the quality of financial controls and the preparation and evaluation of the audited annual financial statements. Ms ZBM Bassa (Chair), Mr C Coovadia and Mr SN Susman, all of whom are independent non-executive directors, served as members of the Committee for the period under review.

During the financial year ended 31 March 2024, in addition to the other duties set out in the Audit and Risk Committee's terms of reference, the Committee carried out the following functions:

- reviewed the performance and independence of Ernst & Young Inc.;
- determined the fees to be paid to Ernst & Young Inc. and their terms of engagement;
- recommended to the YES Board, the re-appointment of Ernst & Young Inc. as external auditors of the company;
- monitored the use of Ernst & Young Inc. for any non-audit services;
- pre-approved any proposed contract with Ernst & Young Inc. for the provision of non-audit services to the Company;
- reviewed the performance of and approved the appointment of the internal auditor, BDO South Africa Inc.;
- determined the fees to be paid to BDO South Africa Inc., their terms of engagement, key areas of focus and overall effectiveness;
- reviewed YES financial results;
- assessed the reliability of internal controls;
- reviewed matters highlighted in the whistleblower reports and where applicable directed management to take further steps;
- Upholding governance and risk management processes to manage actual and perceived risks, including brand and reputational risks. Risk assessments are conducted to identify risks that YES is exposed to and the mitigations implemented to manage these. These include quarterly reviews of the top risks as well as a detailed annual risk assessment. The reviews focus on risks that could have a significant impact on the continued operation of the organisation and its ability to execute against its mandate of supporting youth employment and the implementation of the YES Initiative.

Youth Employment Service (RF) NPC

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Annual Financial Statements for the year ended 31 March 2024

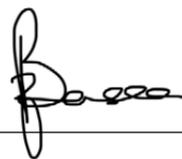
Report of the Audit Committee

The Committee has satisfied itself through enquiry and detailed oversight that Ernst & Young Inc. and Mr Kavinesh Manicum, the designated auditor, are independent of the Company. The Committee furthermore confirms that the annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act No. 71 of 2008 and that the accounting policies have been applied consistently with the prior year.

Key matters considered and deliberated:

- Key risks and management's mitigation plans;
- Procurement systems, controls and accreditation of suppliers;
- Internal audit scope and approach;
- Completeness of income, including Grant, Placement and Registration income;
- Monitoring performance against annual budget and forecast;
- Assessing the updated financial forecasts and cost reduction opportunities in the context of the weak economic outlook;
- Recoverability of debtors;
- Going concern and liquidity;
- Approach of external auditor; their fees; accreditation of the firm and designated partner;
- Consideration of audit differences;
- Consideration of management's requisite skills, effectiveness of the CFO and overall performance of the finance function;
- Assessing the opportunities to enhance overall controls;
- IT risks and governance principles as guided by King IV, including IT policies, business continuity, cyber processes and controls, supplier selection controls;
- Reviewing legal matters of significance.

The Committee recommended the annual financial statements for the year ended 31 March 2024 for approval to the Board. The Board has subsequently approved the annual financial statements.



Z.B.M Bassa
Audit and Risk Committee Chair
16 September 2024

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act No. 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 company 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 International Financial Reporting Standards.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 company's cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 58 to 60.

The annual financial statements set out on pages 61 to 93, which have been prepared on the going concern basis, were approved by the board of directors on 16 September 2024 and were signed on their behalf by:



C.Coleman



S.Koseff

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Youth Employment Service (RF) NPC for the year ended 31 March 2024.

1. Nature of business

Youth Employment Service (RF) NPC was incorporated in South Africa with interests in public benefit objectives related to the provision of youth employment and development services. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Youth Employment Service (RF) NPC ("YES") continued its trend of strong youth jobs growth in facilitating the creation of 37,092 (FY23 32,578) jobs for the year ended 31 March 2024. This is another record achievement for the company and represents the third consecutive year of a record in youth jobs. Over these three years, despite the SA economy barely growing at 1% per annum, YES has grown youth jobs by an average of 32% per year. This reflects South African corporates continued trust in and support of the YES Initiative. After only last year celebrating the 100,000 youth being employed via the YES programme, YES is now very fast approaching 150,000 youth jobs created to date.

This achievement would not have been possible without the considerable investment of our over 1,700 corporate sponsors - making YES the largest corporate sponsored impact programme – and with support from the South African government in establishing the YES Initiative.

With the greater number of youth jobs recorded each year and YES looking to enhance its impact to further benefit youth, it has had to, in a very measured way, strategically add more resources to build its execution capacity. This has resulted in a marginal increase in YES' operating cost per job (excluding Hub costs related to youth training) to R 2,366 in the current financial year versus R 2,092 recorded in the prior year. Despite the current year's increase in the operating cost per job, YES's current operating cost per job is in fact lower than what was recorded two years ago in the 2022 financial year. This reflects YES' continued financial discipline and focus on delivering a greater number of youth jobs

Through steady progress year after year, careful management of YES resources and the focus on increasing the number of youth jobs each year, YES has built a resilient organisation that is in a healthy financial position. YES is independently funded, without any government operational support. YES' only source of operational funding is the fees it charges for each youth job created through this initiative. This maintains YES ultimate priority focus on finding sufficient corporates to sponsor new youth jobs thereby ensuring the company remains relevant and financially viable. YES has performed well under trying circumstances but with youth unemployment entrenched at unacceptable and unsustainable levels there is still much more to be done.

As a result of YES' success to date and its tight financial controls, YES has been able to build up reserves to meet and now exceed the YES Board's approved requirement to retain 10 months' worth of funding in respect of operating costs. This is to ensure its operations are always fully funded to at least complete all current YES programmes. In the 2024 financial year, a portion of YES reserves amounting to R 12m were invested in various special initiatives to further boost youth employment. Amongst others, these initiatives included projects to support jobs in the tourism sector, training of youth in skills required for the green economy as well as mental wellness support for YES youth. YES is now actively pursuing several additional initiatives to invest a significant portion of available reserves to further enhance youth employment opportunities, including targeted youth employment projects with emerging businesses.

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations for the foreseeable future and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Events after reporting date

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Directors' interest in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest in which significantly affected the business of the company.

6. Borrowing Powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However all borrowings by the company are subject to YES board approval as required by the board delegation of authority. YES does not hold, nor is it currently negotiating with any financial institutions, to establish any borrowing facilities.

7. Directorate

The directors of the non profit company during the year and up to the date of this report are as follows:

| Directors | Role | Changes |
|--------------|---|----------------------------|
| R. Naidoo | Executive Director, CEO | |
| C. Coleman | Co-Chair, Non-Executive Director | |
| S. Koseff | Co-Chair, Non-Executive Director | |
| Z.B.M. Bassa | Audit and Risk Committee Chair, Non-Executive Director | |
| S.N. Susman | Remuneration and Governance Committee Chair, Non-Executive Director | |
| C. Coovadia | Non-Executive Director | |
| L. Fourie | Non-Executive Director | |
| N.N.N. Guma | Non-Executive Director | |
| A.D. Mminele | Non-Executive Director | Appointed 01 November 2023 |
| N. Moola | Non-Executive Director | |
| D.L. Nicol | Non-Executive Director | |

8. Secretarial services

FluidRock Co Sec (Pty) Ltd fulfil the company secretarial services for the company.

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

9. Independent Auditors

Ernst & Young Incorporated continued in office as auditors of the company for the year ended 31 March 2024.

10. YES response to the outlook for the South African economy

The SA economy continues to significantly underperform its potential. This has a direct and significantly negative impact on the number of youth corporates can afford to employ via the YES Initiative and elsewhere in the economy. With YES youth jobs being fully funded by corporate South Africa, YES' impact could appreciably increase if the SA economy starts to achieve a decent growth trajectory.

To enable continued growth in youth jobs, YES must continue to demonstrate significant value to both youth and corporates alike and build on the strong relationships with many loyal corporates, many of whom have recently returned for their 7th YES programme. The South African Government remains a vital stakeholder of YES, and the company will continue to actively engage to transparently share our impact to date and collaborate on plans to further enhance youth employment.

To further enhance YES' ability to transfer critical skills to youth, YES received various grants during the financial year. YES would like to thank the following grant funders for the significant grant payments received during the current financial year: Sanlam Limited (R 20m); Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (R9.4m); National Pathway Management Network Innovation Fund Under The Presidential Youth Employment Intervention (R 4.7m) and the Industrial Development Corporation of South Africa Limited (IDC) (R 2.5m).

YES has reviewed the 31 March 2024 debtors which were not yet collected by 30 June 2024. YES raises provisions on debtors where it does not have a high degree of certainty on the collection of outstanding funds.

With electricity loadshedding having recently abated and the conclusion of overall peaceful national elections resulting in the emergence of a Government of National Unity, there is hope that with a renewed focus on economic growth and employment, the country could turn a new page and restore confidence of investors and public alike. This in turn will spur higher levels of economic growth and job creation. Many daunting challenges remain which will require skill, resolve and unity of purpose to overcome. Significantly contributing to youth employment will make a profound impact on the overall sustainability of the country and positively impact economic growth which benefits corporate SA as well as wider society. YES believes corporate South Africa, as the funders of YES youth jobs, have a pivotal role to play in this outcome and that this window of opportunity to build a thriving inclusive economy must be seized.

Impact on YES's future outlook

YES has sufficient reserves to sustain its operations over the foreseeable period. As YES' revenue is driven by the number of youth jobs it encourages corporates to support, its medium-term prospects are therefore dependent on sustaining their buy-in. To ensure YES can effectively operate in a weak economic environment, YES must remain a lean organisation focusing on efficiency and maximising positive outcomes for youth.

Independent Auditor's Report



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Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

Independent Auditor's Report to the Directors of Youth Employment Service (RF) NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Youth Employment Service (RF) NPC ('the company') set out on pages 61 to 93, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Youth Employment Service (RF) NPC as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 93-page document titled "Youth Employment Service (RF) NPC Annual Report for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young Inc

Per Kavinesh Manicum
Director
Registered Auditor
Chartered Accountant (SA)
17 September 2024

Youth Employment Service (RF) NPC

(Registration Number 2017/267641/08)

Financial Statements for the year ended 31 March 2024

Statement of Financial Position

| Figures in R | Notes | 2024 | 2023 |
|--------------------------------------|-------|--------------------|--------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 20,787,302 | 26,389,136 |
| Right-of-use assets | 11 | 1,962,162 | 3,347,218 |
| Intangible assets | 5 | 7,965,815 | 4,223,169 |
| Total non-current assets | | 30,715,279 | 33,959,523 |
| Current assets | | | |
| Inventory | 6 | - | 11,432 |
| Trade and other receivables | 7 | 96,638,901 | 119,542,281 |
| Prepayments | 8 | 736,670 | 500,526 |
| Cash and cash equivalents | 9 | 338,984,039 | 248,435,494 |
| Total current assets | | 436,359,610 | 368,489,733 |
| Total assets | | 467,074,889 | 402,449,256 |
| Equity and liabilities | | | |
| Equity | | | |
| Accumulated surplus | | 141,931,997 | 107,674,993 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Lease liabilities | 11 | 699,445 | 2,215,228 |
| Deferred income | 12 | 5,755,061 | 14,229,665 |
| Total non-current liabilities | | 6,454,506 | 16,444,893 |
| Current liabilities | | | |
| Trade and other payables | 10 | 270,550,811 | 248,591,510 |
| Lease liabilities | 11 | 1,515,783 | 1,275,571 |
| Deferred income | 12 | 46,621,792 | 28,462,289 |
| Total current liabilities | | 318,688,386 | 278,329,370 |
| Total liabilities | | 325,142,892 | 294,774,263 |
| Total equity and liabilities | | 467,074,889 | 402,449,256 |

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Financial Statements for the year ended 31 March 2024

Statement of Surplus or Deficit and Other Comprehensive Income

| Figures in R | Notes | 2024 | 2023 |
|--|-------|--------------------|--------------------|
| Revenue | 13 | 220,661,193 | 200,046,705 |
| Cost of rendering services | 14 | (80,237,625) | (70,234,480) |
| Gross surplus | | 140,423,568 | 129,812,225 |
| Movement in credit loss allowances | 7 | 1,252,464 | (763,455) |
| Other operating expenses | 15 | (131,579,124) | (99,642,448) |
| Other gains and (losses) | 16 | (110,735) | 46,902 |
| Surplus from operating activities | | 9,986,173 | 29,453,224 |
| Finance income | 17 | 24,556,087 | 11,966,327 |
| Finance costs | 18 | (285,256) | (220,843) |
| Surplus for the year | | 34,257,004 | 41,198,708 |

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Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

| Figures in R | Accumulated surplus |
|---|---------------------|
| Balance at 1 April 2022 | 66,476,285 |
| Changes in equity | |
| Surplus for the year | 41,198,708 |
| Total comprehensive income for the year | 41,198,708 |
| Balance at 31 March 2023 | 107,674,993 |
| Balance at 1 April 2023 | 107,674,993 |
| Changes in equity | |
| Surplus for the year | 34,257,004 |
| Total comprehensive income for the year | 34,257,004 |
| Balance at 31 March 2024 | 141,931,997 |

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Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

| Figures in R | Notes | 2024 | 2023 |
|--|-------|---------------------|--------------------|
| Net cash flows from operations | 23 | 79,024,491 | 78,269,857 |
| Interest paid | | (285,256) | (220,843) |
| Interest received | | 24,556,087 | 11,966,327 |
| Net cash flows from operating activities | | 103,295,322 | 90,015,341 |
| Cash flows used in investing activities | | | |
| Proceeds from sales of property, plant and equipment | | 72,434 | 266,660 |
| Purchase of property, plant and equipment | | (5,193,361) | (5,916,917) |
| Purchase of intangible assets | | (6,350,275) | (3,300,786) |
| Cash flows used in investing activities | | (11,471,202) | (8,951,043) |
| Cash flows used in financing activities | | | |
| Repayment of lease liabilities | | (1,275,571) | (664,370) |
| Cash flows used in financing activities | | (1,275,571) | (664,370) |
| Net increase in cash and cash equivalents | | 90,548,549 | 80,399,929 |
| Cash and cash equivalents at beginning of the year | | 248,435,494 | 168,035,565 |
| Cash and cash equivalents at end of the year | 9 | 338,984,039 | 248,435,494 |

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Financial Statements for the year ended 31 March 2024

Accounting Policies

1. Material accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

The annual financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in South African Rands and all values are rounded to the nearest Rand.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to Hub partners and are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on the straight-line basis.

Youth Employment Service (RF) NPC

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Financial Statements for the year ended 31 March 2024

Accounting Policies

Material accounting policies continued...

Depreciation

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

| Asset class | Depreciation method | Depreciation rate |
|------------------------|---------------------|------------------------------|
| Hub Structure | Straight line | 20% per annum |
| Leasehold improvements | Straight line | 33,3% per annum (lease term) |
| Motor vehicles | Straight line | 25% per annum |
| Fixtures and fittings | Straight line | 10% to 33.3% per annum |
| Office equipment | Straight line | 7.5% to 20% per annum |
| Computer equipment | Straight line | 33.3% per annum |

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Due to the high cost of dismantling and moving Hub structures as well as their minimal scrap or resale value, they are generally depreciated over the period of the lease YES holds over the land these structures occupy.

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 is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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Accounting Policies

Material accounting policies continued...

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Internally generated intangible assets are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met, bearing in mind the following additional criteria:

- During the research phase, no intangible asset is recognised. Expenditure on research is recognised as an expense when it is incurred.
- During the development phase, an intangible asset will be recognised only if the following can be demonstrated:
 - it is technically feasible to complete the intangible asset so that it will be available for use or sale;
 - there is an intention to complete the intangible asset and use or sell it;
 - there is an ability to use or sell the intangible asset;
 - it is possible to demonstrate how the asset will generate probable future economic benefits;
 - there are available financial, technical and other resources to complete the development of the intangible asset as well as to use or sell the intangible asset;
 - the expenditure attributable to the intangible asset during the development phase can be reliably measured.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at every period-end.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

The classification of useful lives and amortisation methods for the various classes of assets are as follows:

| Asset class | Amortisation method | Amortisation rate |
|---------------------------------|----------------------------|--------------------------|
| Video Modules | Straight line | 33.3% per annum |
| Computer Software | Straight line | 33.3% per annum |
| Advertising films & videos | Straight line | 33.3% per annum |
| Software for Process Automation | Straight line | 33.3% per annum |

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Financial Statements for the year ended 31 March 2024

Accounting Policies

Material accounting policies continued...

1.4 Financial instruments

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, or fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade and other receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost (which consists mainly of accounts receivable) are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes accounts receivable & cash and cash equivalents.

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Accounting Policies

Material accounting policies continued...

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the entity's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade and other receivables, Note 7.

The Entity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at an approximation of the original effective interest rate.

For trade and other receivables and contract assets originating from IFRS 15 transactions, the entity applies a simplified approach in calculating ECLs. Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition.

Financial liabilities are recognised net of directly attributable transaction costs. The Entity's financial liabilities include trade and other payables.

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Accounting Policies

Material accounting policies continued...

Derecognition

The company derecognises financial liabilities when the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Accounts and other receivables

Accounts and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

1.6 Trade and other payables

Short-term trade payables are non-interest-bearing and carried at Amortised cost.

1.7 Interest-bearing loans and borrowings

All loans, borrowings and financial liabilities are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process. Finance costs are expensed through profit or loss as incurred.

1.8 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In the 2023 financial year, inventory is made up of food and beverages on hand at year end at the Saldanha hub for the Culinary programme. There was no inventory on hand at the end of the 2024 financial year.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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Accounting Policies

Material accounting policies continued...

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Leases

Company as lessee

YES assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an asset for an identified period of time in exchange for consideration.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Details of leasing arrangements where the company is a lessee are presented in note 11 Lease Liabilities.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

| Item | Depreciation method | Average useful life |
|-----------|---------------------|---------------------|
| Buildings | Straight line | 3 years |

1.11 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset being the higher of fair value less cost to sell or the value in use.

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Accounting Policies

Material accounting policies continued...

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.13 Revenue recognition

1.13.1 Revenue from contracts with customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. All revenue in respect of registration fees and placement income is at fixed pricing with no payment terms extending beyond a year.

The company recognises revenue from the following major sources:

- Registration, Monitoring & Evaluation fees related to sourcing, placement and monitoring of youth in a 12-month work experience programme.

In line with Youth Employment Service (RF) NPC acting as an agent, salaries received on behalf of third parties are not recognised through the Statement of Profit or Loss and other Comprehensive Income. Salaries are received in cash with the relevant liability being raised under Third Party Salaries, these salary funds are then paid to Implementation Partners to pay salaries to youth monthly over the duration of the employment contract.

Monitoring & Evaluation fees, for which the entity is recognising revenue as a principal, are recognised as revenue as YES satisfies the performance obligations. As part of this revenue relates to monitoring services performed over a 12-month period, a portion of this revenue will be deferred and then recognised in the Statement of Profit or Loss and Other Comprehensive Income as the obligations are satisfied. Thus monitoring and evaluation revenue is recognised over time. The remainder of the revenue is recognised as the company satisfies its performance obligations. Refer to Note 13.

Performance obligations per product are determined with key deliverables, the entity releases the revenue in line with the satisfactory execution of these deliverables, YES applies a level of estimation over the upfront versus deferred portion of the revenue when assessing the resources, timing and obligation involved with the revenue generated.

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Accounting Policies

Material accounting policies continued...

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

1.13.2 Grants received- Non IFRS 15 income

Grant Income relates to grants from Corporate Entities and not from Government, government agencies or similar bodies. In the absence of an IFRS that specifically applies to corporate grants the grants will be treated in line with the principles of IAS 20 due to the similar nature of these transactions.

Grants received for capital and related expenditure are deferred and then only recognised in the Statement of Surplus or Deficit and Other Comprehensive Income as the capital asset is depreciated, and related expenditure incurred.

In the absence of an IFRS that specifically applies to a transaction, other event or condition, management uses its judgement in developing and applying an accounting policy that results in information that is:

- (a) relevant to the economic decision making needs of users,
- (b) reliable, in that the financial statements:
 - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
 - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - (iii) are neutral, i.e. free from bias;
 - (iv) are prudent;and
- (v) are complete in all material respects. In making the judgement described in paragraph 10, management refers to, and consider the applicability of, the following sources in descending order:

- (a) the requirements in IFRS's dealing with similar and related issues;
- and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

The company applied the principles of IAS 20: Accounting for Government Grants and Disclosure of Government Assistance in the measurement and disclosure of grant income received from corporates.

Corporate grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the company receives corporate grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

1.13.3 Donation income- Non IFRS 15 income

The company recognises Donation income in full when received or as it is received in kind as there are no performance obligations in respect of these donations. The company issues a Section 18A donation certificate where necessary.

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Accounting Policies

Material accounting policies continued...

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.15 Cost of services rendered

The related cost of providing services recognised as revenue in the current period is included in cost of services rendered.

Costs of services rendered comprise:

- phone cost which is the cost of a cellphone and included service provided to youth;
- placement costs for all youth being hosted externally at an Implementation Partner; and
- hub program costs

1.16 Interest income

Interest income is comprised of income that is earned on bank balances and is recognised using the effective interest rate method.

1.17 Finance costs

Finance costs comprise interest on right-of-use assets. The Interest expense recognised on right-of-use assets uses the effective interest rate method.

1.18 Operating expenditure

Operating expenditure represents the expenses the company incurs in operating activities. Operating expenses are recognised on the accrual basis of accounting.

1.19 Current assets vs Non-Current assets

Current versus non-current classification

The entity presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period

Or

- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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Accounting Policies

Material accounting policies continued...

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The entity classifies all other liabilities as non-current.

1.20 Significant Accounting estimates and judgements

Management applies judgement in the following areas:

- Assessing the resources, timing and obligation involved with the revenue generated and recognises revenue in accordance with IFRS 15. Refer to note 13 and Accounting Policy note 1.13.1.

- Assessing the estimates of effective interest rate used in the application of the IFRS 16 standard. Refer to note 11.

- Assessing the resources, timing and obligation, involved with application of IFRS 9 standard when determining the allowances for Expected Credit Losses for account receivables. Where necessary YES raises a provision on doubtful debtors. Refer to note 7.

- Assessing the useful lives of property, equipment and intangible assets. Refer to note 4 for property, plant and equipment and note 5 for intangible assets.

1.21 Commitments

All commitments are disclosed in the annual financial statements. Previously recognised commitments are assessed against the criteria of a commitment and those that meet the criteria are disclosed.

Refer to note 26 Commitments for details.

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year.

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has not adopted any new standards and interpretations that became effective for the current financial year and which would have had a material impact on YES.

The following standards including their impact on YES have come effective within the financial year: IFRS 17 - Insurance Contracts - effective 01 January 2023 - no impact on YES

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Accounting Policies

New Standards and Interpretations continued...

| Guidance | Timing | Expected impact on YES |
|---|-----------------|------------------------|
| International Financial Reporting Standards | | |
| Definition of Accounting Estimates - Amendments to IAS 8 | 01 January 2023 | Low |
| Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 | 01 January 2023 | Low |
| Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 | 01 January 2023 | No impact |
| IFRS 17 Insurance Contracts | 01 January 2023 | No impact |
| Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 | 01 January 2024 | Medium |
| Classification of Liabilities as Current or Non-current - Amendments to IAS 1 | 01 January 2024 | Medium |
| Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 | 01 January 2024 | No impact |

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2023 or later periods:

| Guidance | Timing | Expected impact on YES |
|---|-----------------|------------------------|
| International Financial Reporting Standards | | |
| IAS 1 - Classification of Liabilities as Current or Non-Current | 01 January 2023 | No impact |

There are no further standard or interpretations that will have a material effect on YES.

The Company applies all applicable IFRS as issued by the International Accounting Standards Board ("IASB") in preparation of the financial statements. Consequently, all IFRS statements that were effective at the date of issuing this report and are relevant to the Company's operations have been applied

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4. Property, plant and equipment

4.1 Balances at year end and movements for the year

| | Hub Structure | Leasehold improvements | Motor vehicles | Fixtures and fittings | Office equipment | Computer equipment | Total |
|---|-------------------|------------------------|----------------|-----------------------|------------------|--------------------|---------------------|
| Reconciliation for the year ended 31 March 2024 | | | | | | | |
| Balance at 1 April 2023 | | | | | | | |
| At cost | 42,972,195 | 1,683,192 | 308,700 | 3,309,622 | 1,089,701 | 4,262,463 | 53,625,873 |
| Accumulated depreciation | (20,246,248) | (1,666,498) | (270,113) | (1,945,440) | (432,013) | (2,676,425) | (27,236,737) |
| Carrying amount | 22,725,947 | 16,694 | 38,587 | 1,364,182 | 657,688 | 1,586,038 | 26,389,136 |
| Movements for the year ended 31 March 2024 | | | | | | | |
| Additions from acquisitions | 1,439,319 | 1,384,381 | - | 830,292 | 533,260 | 1,095,599 | 5,282,850 |
| Depreciation | (7,902,591) | (203,652) | (38,587) | (1,010,977) | (304,990) | (1,240,715) | (10,701,512) |
| Disposals | (148,735) | - | - | (25,357) | - | (9,082) | (183,174) |
| Property, plant and equipment at the end of the year | 16,113,940 | 1,197,423 | - | 1,158,141 | 885,958 | 1,431,840 | 20,787,301 |
| Closing balance at 31 March 2024 | | | | | | | |
| At cost | 44,411,513 | 3,023,511 | 308,700 | 4,059,199 | 1,617,292 | 5,315,716 | 58,735,931 |
| Accumulated depreciation | (28,297,573) | (1,826,088) | (308,700) | (2,901,058) | (731,334) | (3,883,876) | (37,948,629) |
| Carrying amount | 16,113,940 | 1,197,423 | - | 1,158,141 | 885,958 | 1,431,840 | 20,787,302 |
| Reconciliation for the year ended 31 March 2023 | | | | | | | |
| Balance at 1 April 2022 | | | | | | | |
| At cost | 39,806,840 | 1,683,192 | 308,700 | 2,683,565 | 430,480 | 3,068,424 | 47,981,201 |
| Accumulated depreciation | (12,354,575) | (1,623,449) | (192,938) | (972,461) | (192,807) | (1,666,130) | (17,002,360) |
| Carrying amount | 27,452,265 | 59,743 | 115,762 | 1,711,104 | 237,673 | 1,402,294 | 30,978,841 |

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Property, plant and equipment continued...

Movements for the year ended 31 March 2023

| | | | | | | | |
|---|-------------------|---------------|---------------|------------------|----------------|------------------|---------------------|
| Additions from acquisitions | 3,245,046 | - | - | 626,058 | 708,017 | 1,337,796 | 5,916,917 |
| Depreciation | (7,892,614) | (43,049) | (77,175) | (972,980) | (250,383) | (1,050,662) | (10,286,863) |
| Disposals | (78,749) | - | - | - | (37,619) | (103,390) | (219,758) |
| Property, plant and equipment at the end of the year | 22,725,947 | 16,694 | 38,587 | 1,364,182 | 657,688 | 1,586,038 | 26,389,136 |
| Closing balance at 31 March 2023 | | | | | | | |
| At cost | 42,972,195 | 1,683,192 | 308,700 | 3,309,622 | 1,089,701 | 4,262,463 | 53,625,873 |
| Accumulated depreciation | (20,246,248) | (1,666,498) | (270,113) | (1,945,440) | (432,013) | (2,676,425) | (27,236,737) |
| Carrying amount | 22,725,947 | 16,694 | 38,587 | 1,364,182 | 657,688 | 1,586,038 | 26,389,136 |

No Property, plant and equipment is pledged as security or encumbered in any way.

The significant additions in hub structures for both the 2023 and 2024 financial periods relate to the construction of the YES Hubs. These Hub Structure costs relate to all costs incurred in the physical construction of the YES hubs including the building materials and container costs incurred. The 2024 additions relate to additional construction projects solely at the Saldanha Hub whilst the 2023 additions relate to the additional construction project at both the Saldanha and Alexandra Hubs.

The leasehold improvements included an expansion at the YES Head Office and relate to the right-of-use asset (company premises) which YES occupies. Refer to note 11 Lease liabilities for details of the property lease.

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5. Intangible assets

Reconciliation of changes in intangible assets

| | Computer software | Software for Process Automation | Advertising Films & Videos | Video Modules | Total |
|--|-------------------|---------------------------------|----------------------------|----------------|------------------|
| Reconciliation for the year ended 31 March 2024 | | | | | |
| Balance at 1 April 2023 | | | | | |
| At cost | 10,446,364 | 295,298 | 364,474 | 2,995,313 | 14,101,449 |
| Accumulated amortisation and impairment | (6,558,003) | (295,298) | (364,474) | (2,660,505) | (9,878,280) |
| Carrying amount | 3,888,361 | - | - | 334,808 | 4,223,169 |
| Movements for the year ended 31 March 2024 | | | | | |
| Other acquisitions | 6,350,275 | - | - | - | 6,350,275 |
| Amortisation | (2,289,384) | - | - | (318,245) | (2,607,629) |
| Intangible assets at the end of the year | 7,949,252 | - | - | 16,563 | 7,965,815 |
| Closing balance at 31 March 2024 | | | | | |
| At cost | 16,796,639 | 295,298 | 364,474 | 2,995,314 | 20,451,725 |
| Accumulated amortisation and impairment | (8,847,388) | (295,298) | (364,474) | (2,978,750) | (12,485,910) |
| Carrying amount | 7,949,251 | - | - | 16,564 | 7,965,815 |
| Reconciliation for the year ended 31 March 2023 | | | | | |
| Balance at 1 April 2022 | | | | | |
| Carrying amount | 1,418,218 | - | - | 746,475 | 2,164,693 |
| Movements for the year ended 31 March 2023 | | | | | |
| Other acquisitions | 3,300,786 | - | - | - | 3,300,786 |
| Amortisation | (830,643) | - | - | (411,667) | (1,242,310) |
| Intangible assets at the end of the year | 3,888,361 | - | - | 334,808 | 4,223,169 |
| Closing balance at 31 March 2023 | | | | | |
| At cost | 10,446,364 | 295,298 | 364,474 | 2,995,313 | 14,101,449 |
| Accumulated amortisation and impairment | (6,558,003) | (295,298) | (364,474) | (2,660,505) | (9,878,280) |
| Carrying amount | 3,888,361 | - | - | 334,808 | 4,223,169 |

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Intangible assets continued...

Other Information

The increase in Computer Software is due to the capitalisation of the YES IP Portal on 01 December 2023, reflecting YES's investment in enhancing its digital capabilities.

Intangible Assets are assessed annually for any signs of impairment.

YES did not identify any assets for impairment in the 2024 financial period.

Useful lives of Intangible Assets are finite.

Intangible assets, which have definite useful lives, are developed by external suppliers under the direction of internal resources.

6. Inventory

| | | |
|--------------|---|--------|
| Hub Supplies | - | 11,432 |
|--------------|---|--------|

7. Trade and other receivables

Trade and other receivables comprise:

| | | |
|--|-------------------|--------------------|
| Trade receivables | 97,943,897 | 124,561,154 |
| Expected Credit Losses | (2,020,221) | (5,687,839) |
| Accounts receivable at amortised cost | 95,923,676 | 118,873,315 |
| Deposits | 715,225 | 668,966 |
| Total trade and other receivables | 96,638,901 | 119,542,281 |

Split between non-current and current portions

| | | |
|----------------|------------|-------------|
| Current assets | 96,638,901 | 119,542,281 |
|----------------|------------|-------------|

Financial instrument and non-financial instrument components of accounts and other receivables

| | | |
|-------------------|------------|-------------|
| At amortised cost | 96,638,901 | 119,542,281 |
|-------------------|------------|-------------|

Trade and other receivables impairment policy

Management views any debt not paid within agreed terms as being overdue.

Management views any debt that is overdue and remains uncollected with no reliable plans of repayment, despite management intervention, as credit impaired. As at 31 March 2024 management has raised an allowance for expected credit loss of R2,020,221 (2023: R5,687,839).

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Trade and other receivables continued...

Exposure to credit risk

Accounts receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if debtors fail to make payments as they fall due.

The company measures the loss allowance for accounts receivable by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the expected credit loss on accounts receivable is determined by management on a case by case basis for each debtor on a monthly basis.

YES reviews all individual overdue accounts on a monthly basis and based on individual conditions assesses the recoverability. Provisions are raised in accordance with YES' policy or when individual debtors are deemed to be unrecoverable.

| 2024 | Current | Older than 30 days | Total |
|-----------------------------|-------------------|--------------------|-------------------|
| Expected credit loss rate % | | 57% | |
| Gross carrying amount | 94,401,387 | 3,542,510 | 97,943,897 |
| Expected credit loss | - | (2,020,221) | (2,020,221) |
| | 94,401,387 | 1,522,290 | 95,923,676 |

2023

| | | | |
|-----------------------------|--------------------|------------------|--------------------|
| Expected credit loss rate % | | 49.8% | |
| Gross carrying amount | 113,137,300 | 11,423,854 | 124,561,154 |
| Expected credit loss | | (5,687,839) | (5,687,839) |
| | 113,137,300 | 5,736,015 | 118,873,315 |

The decrease in the gross carrying amount of Trade Receivables is primarily attributable to improved collection efficiency. YES has enhanced its processes for collecting outstanding amounts from Corporate Sponsors, resulting in a quicker and more effective collection of receivables. This has led to a reduction in the overall balance of trade receivables

YES's expected credit loss reduced from financial year 2023 due to the write off of some long outstanding debtors that were provided for in 2023 and a general reduction in the 2024 financial year of debtors balances 3 months and older which require a provision per the policy.

In reviewing the recoverability of accounts receivable balances at 31 March 2024, YES assessed changes to recoverability expectations for individual accounts subsequent to financial year end to calculate the required ECL provision.

Movement in ECL

The following table shows the movement in the expected credit loss allowance for trade receivables:

| | | |
|---|--------------------|--------------------|
| Opening balance | (5,687,839) | (996,400) |
| Provision for expected credit losses raised against P&L | 1,874,768 | (2,731,401) |
| Provision for expected credit losses raised on grants | - | (3,249,627) |
| Provision for VAT portion of ECL raised on debtors | 356,153 | (678,356) |
| Write-Off | 1,436,697 | 1,967,945 |
| Closing balance | (2,020,221) | (5,687,839) |

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8. Prepayments

Prepayments comprise the following balances

| | | |
|------------|---------|---------|
| Prepayment | 736,670 | 500,526 |
|------------|---------|---------|

Prepayments are primarily for technology licenses and software used by YES, with a smaller amount allocated for advance payments for staff travel.

9. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash

| | | |
|-------------------|--------------------|--------------------|
| Cash on hand | 2,894 | 7,493 |
| Unrestricted Cash | 185,735,184 | 146,859,230 |
| | 185,738,078 | 146,866,723 |

Cash equivalents

| | | |
|-----------------|--------------------|--------------------|
| Restricted Cash | 153,245,961 | 101,568,771 |
| | 338,984,039 | 248,435,494 |

Restricted cash relates to funds received for grants and third party salaries. This cash is held in separate Trust accounts. The increase in both restricted and unrestricted cash is a result of the increased youth jobs created by YES in 2024 as compared to 2023. Restricted cash increased due to salary funding held in Trust accounts for Corporate sponsor programs growing with the higher number of youth jobs being created. The increase in unrestricted cash is a result of the surplus made by YES during 2024.

10. Trade and other payables

Trade and other payables comprise:

Financial instruments:

| | | |
|-------------------------------|-------------|-------------|
| Trade payables | 10,059,274 | 23,540,167 |
| Accrued leave pay | 1,194,243 | 724,727 |
| Accrual for youth phone costs | 15,063,491 | 11,682,685 |
| Accrued expenses | 7,825 | 122,845 |
| Accrued audit fees | 2,267,708 | 1,234,750 |
| Placement fees payable | 23,454,570 | 16,936,000 |
| Third party salaries payable | 206,764,755 | 185,460,074 |
| Provision for incentives | 8,776,458 | 7,685,916 |
| Unallocated Deposits | 18,827 | - |

Non-financial instruments:

| | | |
|--------------------------------|--------------------|--------------------|
| Value added tax | 2,943,660 | 1,204,346 |
| Total trade and other payables | 270,550,811 | 248,591,510 |

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Trade and other payables continued...

The increase in Trade Payables is due to the increases in both Third Party Salaries and Placement Fee payables. Both of these are linked directly to the number of youth jobs created which increased significantly from 32,578 youth jobs in 2023 to 37,092 youth jobs in 2024 and as a result these balances increased.

11. Lease Liabilities

The company leases the premises from which it operates. YES signed a 3 year lease agreement with a September 2022 start date.

Details pertaining to the leasing arrangements are presented below:

Lease of premises 2nd floor, 2 Arnold Road, Rosebank, 2196.

The lease is over three years with an annual escalation rate as follows:

Year 2 - 5%

Year 3 - lower of CPI or 8%

The lease has been accounted for in accordance with IFRS 16.

The long-term lease agreement started September 2022 and has been accounted for in accordance with IFRS 16 for the year ended 31 March 2024.

Lease liabilities comprise:

| | | |
|-------------------------|------------------|------------------|
| Lease obligation | 2,215,228 | 3,490,799 |
| Non-current liabilities | 699,445 | 2,215,228 |
| Current liabilities | 1,515,783 | 1,275,571 |
| | <u>2,215,228</u> | <u>3,490,799</u> |

Amounts recognised in the statement of financial position

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

| | | |
|-----------|-----------|-----------|
| Buildings | 1,962,162 | 3,347,218 |
|-----------|-----------|-----------|

Amounts recognised in the statement of surplus or deficit and other comprehensive income

Depreciation

| | | |
|-----------|-----------|---------|
| Buildings | 1,385,056 | 807,949 |
|-----------|-----------|---------|

Other expenses and gains

| | | |
|------------------|---------|---------|
| Interest expense | 285,247 | 220,306 |
|------------------|---------|---------|

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12. Deferred income

Deferred income comprises:

| | | |
|--|-------------------|-------------------|
| Deferred Grant income | 34,387,225 | 26,535,943 |
| Deferred Monitoring and Evaluation Income - IFRS 15 adjustment | 17,989,628 | 16,156,011 |
| | <u>52,376,853</u> | <u>42,691,954</u> |
| Deferred Grant Income (Non-current portion) | 5,755,061 | 14,229,665 |
| Deferred Grant and M&E Income (Current portion) | 46,621,792 | 28,462,289 |
| | <u>52,376,853</u> | <u>42,691,954</u> |

Deferred Monitoring and Evaluation Income

Where capital expenditure grants and monitoring & evaluation fees are dependent on the company satisfying certain criteria, it is initially recognised as deferred income. When the criteria for recognition has been satisfied, the deferred income is released to the Statement of Surplus or Deficit and Other Comprehensive Income.

Monitoring and Evaluation income recognised in the reporting period that was included in the deferred income balance at the beginning of the period amounts to R16 156 011 (2023:R10 347 784), this represents the full opening balance as at 01 April 2023 being recognised within the period.

The deferred income recognised in revenue for the period is -R1 833 617 (2023: -R5 808 228) and this is in a negative due to to an increase in YES youth jobs over the prior year.

All deferred income relating to this is regarded as current as the amounts are realised into revenue over a 12 month period.

Deferred Grant Income

Grant Income relates largely to corporate grants whereby revenue is recognised in line with the relevant expenditure.

Grants received for capital and related expenditure are deferred and only recognised in the Statement of Surplus or Deficit and Other Comprehensive Income as the capital asset is depreciated, and related expenditure incurred.

The company applied the principles of IAS 20: Accounting for Government Grants and Disclosure of Government Assistance in the measurement and disclosure of grant income received from corporates.

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|---|--|----------------------------------|--------------------|
| 13. Revenue | | | |
| 13.1 Revenue comprises: | | | |
| Registration, Monitoring & Evaluation fees and Hub income | 199,479,311 | 179,525,409 | |
| Grant income | 20,550,438 | 19,236,747 | |
| Donation income | 631,444 | 1,284,549 | |
| Total revenue | 220,661,193 | 200,046,705 | |
| 13.2 Disaggregation of revenue from contracts with customers | | | |
| | Registration, Monitoring & Evaluation Fees and Hub Income | Grant and Donation Income | Total |
| Revenue for the year ended 31 March 2024 disaggregated by type of goods or services | | | |
| Revenue | 199,479,311 | 21,181,882 | 220,661,193 |
| Rendering of services | | | |
| Registration fees related to sourcing, placement and monitoring of youth in a 12-month program | 13,722,100 | - | 13,722,100 |
| Hub income | 2,324,284 | - | 2,324,284 |
| Deferred income | (1,833,617) | - | (1,833,617) |
| Other recoveries | 448,144 | - | 448,144 |
| Monitoring & Evaluation fees related to sourcing, placement and monitoring of youth in a 12-month program | 184,818,400 | - | 184,818,400 |
| | 199,479,311 | - | 199,479,311 |
| Other Revenue and Income | | | |
| Donation Income | - | 631,444 | 631,444 |
| Grant Income | - | 20,550,438 | 20,550,438 |
| | - | 21,181,882 | 21,181,882 |
| Revenue per timing of transfer of goods or services | | | |
| At a point in time | 16,494,527 | 631,444 | 17,125,971 |
| Over time | 182,984,783 | 20,550,438 | 203,535,221 |
| | 199,479,311 | 21,181,882 | 220,661,193 |

YES had an increase in the number of youth jobs created which increased from 32,578 in 2023 to 37,092 in 2024, this is the main driver of the increase in revenue.

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|---|-------------------|-------------------|
| 14. Cost of services rendered | | |
| Cost of services rendered comprise: | | |
| Youth phone costs | 42,736,097 | 36,725,042 |
| Placement fee costs | 37,433,200 | 32,503,200 |
| Hub Program Costs | 68,328 | 1,006,238 |
| Total cost of services rendered | 80,237,625 | 70,234,480 |
| The increase in youth phones and placement fee costs is due to the increase in youth jobs created from 2023 to 2024. | | |
| 15. Operating expenses | | |
| Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others: | | |
| Auditor's remuneration - external | | |
| Audit fees | 1,411,146 | 922,250 |
| Internal audit services | 988,750 | 551,250 |
| Remuneration, other than to employees | | |
| Consulting and professional services | 15,220,000 | 14,899,719 |
| Secretarial services | 343,032 | 270,408 |
| YES has made use of consultants in a variety of areas to fulfill skills required by the organisation and to establish processes and systems necessary for the ongoing functioning of the entity. This has reduced the need for YES to increase its fixed cost base by not having to offer permanent employment for roles that may not be required over the medium term. | | |
| Employee costs | | |
| Salaries | 40,102,583 | 30,477,812 |
| Incentive | 5,976,057 | 6,715,318 |
| Total employee costs | 46,078,640 | 37,193,130 |
| Leases | | |
| Lease charges | | |
| Short-term and variable leases expenses | 754,133 | 1,236,400 |
| Depreciation and amortisation | | |
| Depreciation of property, plant and equipment | 10,701,513 | 10,286,863 |
| Depreciation of right-of-use assets | 1,385,056 | 807,949 |
| Amortisation of intangible assets | 2,607,629 | 1,242,310 |
| Total depreciation and amortisation | 14,694,198 | 12,337,122 |
| General expenses | 35,634,106 | 25,917,596 |
| Leave Provision | 469,516 | 251,000 |
| Other expenses | 3,862,532 | 2,984,955 |
| Staff welfare | 583,616 | 661,816 |
| Surplus Projects | 11,539,455 | - |

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| | 2024 | 2023 |
|--|--------------------|-------------------|
| <i>Operating expenses continued...</i> | | |
| Total Operating expenses | 131,579,124 | 97,225,646 |
| 16. Other gains and (losses) | | |
| Other gains and (losses) comprise: | | |
| Gain or (loss) on disposal of assets | (110,735) | 46,902 |
| 17. Finance income | | |
| Finance income comprises: | | |
| Interest received | 24,556,087 | 11,966,328 |
| 18. Finance costs | | |
| Finance costs included in surplus or deficit: | | |
| Interest expense | 9 | 537 |
| Lease liabilities | 285,247 | 220,306 |
| Total finance costs | 285,256 | 220,843 |

*Total interest expense is calculated using the effective interest rate.

19. Events after the reporting date

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

20. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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| | 2024 | 2023 |
|--|------|------|
|--|------|------|

21. Financial risk management

Overview

The Company's principal financial liabilities comprise deferred income and trade and other payables. The main purpose of these financial liabilities is the funding of youth salaries and to finance the Company's operations. The Company's principal financial assets include accounts receivable, and cash, and short-term deposits that derive directly from its operations. The improvement in the gearing ratio is a result of the net positive borrowings when compared to cash in this financial year. The large increase in trade payables due to the growth of the third party youth salaries liabilities linked to the higher youth job numbers created results in YES having a low gearing ratio. The cash to service these liabilities is uncollected at year end and sits in trade receivables hence the low gearing ratio.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The interest rate risk would affect YES in terms of interest expense and interest income. Interest expense would only be charged on the YES trading account if it was overdrawn. YES does not have any overdraft facilities. With YES' currently strong cash flow position, it is unlikely that YES will require overdraft facilities for the foreseeable future. Interest income is earned on bank balances, YES is not reliant on this income for operations and as such this risk is low.

YES does not have significant exposure to market risk as our financial instruments are largely cash based and not subject to valuation fluctuations.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations that arises principally from the Entity's receivables from customers.

Credit risk primarily relates to potential exposure on bank and cash balances and trade and other receivables.

The entity aims to only deal with well-established financial institutions of high credit standings. The entity is exposed to credit risk in the form of trade and other receivables and bank balances. The maximum exposure is the carrying amount as disclosed in note 7 and note 9.

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Financial risk management continued...

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the executive team in accordance with the company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis.

Liquidity risk

Credit risk from balances with banks and financial institutions is managed by the executive team in accordance with the company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis.

Trade and other payables commitment will be met through a combination of;

- Trade and other receivables on a shorter cycle than the payables,
- Cash and cash equivalents, and
- Ongoing sales

Trade and other payables (excludes non-financial liability balance of VAT) of R267,697,151 (2023: R247,387,164) are all due within a period of 12 months.

Sensitivity analysis

Using YES' year end cash balances for restricted and unrestricted cash and year end prevailing interest rates, for every 1% change (100 basis points) in the prevailing interest rates, interest income on an annualised basis will increase or decrease by R 3.4m per annum.

YES FY24 interest income sensitivity analysis:

| | Cash balances at 31 March 2024 | Weighted average interest rate p.a. at 31 March 2024 | Impact of 1% increase in interest rate | Impact of 1% decrease in interest rate |
|-------------------|--------------------------------------|--|--|--|
| Unrestricted cash | 185 735 184 | 7.66% | 1 857 352 | (1 857 352) |
| Restricted cash | 153 245 961 | 7.75% | 1 532 460 | (1 532 460) |
| Total | 338 981 145 | | 3 389 812 | (3 389 812) |

Maturities of financial liabilities

The tables below analyse the non profit company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities, and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

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Capital risk management continued...

Equity

141,931,997

107,674,996

Gearing ratio

-47%

3%

23. Cash flows from operating activities

Surplus for the year

34,257,004

41,198,708

Adjustments for:

Finance income

(24,556,087)

(11,966,328)

Finance costs

285,256

220,843

Depreciation and amortisation expense

14,694,198

12,337,122

Adjustment in credit loss allowances

(1,252,464)

763,455

Other adjustments for non-cash items

1,162,975

-

Gains and losses on disposal of non-current assets

110,735

(46,902)

Change in operating assets and liabilities:

Adjustments for decrease / (increase) in inventories

11,432

(2,218)

Adjustments for decrease / (increase) in trade accounts receivable

22,949,639

(72,603,023)

Adjustments for increase in prepayments

(236,143)

(258,724)

Adjustments for increase in other operating receivables

(46,259)

(211,356)

Adjustments for increase in trade accounts and other operating payables

(13,480,888)

15,355,607

Adjustments for increase in other operating payables

35,440,194

98,366,033

Adjustments for increase / (decrease) in deferred income

9,684,899

(4,883,360)

Net cash flows from operations

79,024,491

78,269,857

24. Taxation

Youth Employment Service (RF) NPC meets the requirements of Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act) and has been granted an Income Tax Exemption in terms of section 10(1)(cN) of the Act with effect from 21 June 2017. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax. No provision has been made for 2024 (2023: Nil) tax as the company has no income which falls outside of these parameters.

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25. Directors emoluments

There are no short-term or long-term benefits paid to individuals in their role as Non-executive Directors.

The only Director that received remuneration in the period reported is R. Naidoo for his respective work as Chief Executive Officer.

No fees or other emoluments are paid to non-executive directors.

2024

| Directors' emoluments | Basic salary | Bonuses and performance related payments | Retirement Annuity contributions | Total |
|--|--------------|--|----------------------------------|-----------|
| Services as director or prescribed officer | | | | |
| R. Naidoo | 3,022,174 | 590,625 | 348,326 | 3,961,125 |

2023

| Directors' emoluments | Basic salary | Bonuses and performance related payments | Retirement Annuity contributions | Total |
|--|--------------|--|----------------------------------|-----------|
| Services as director or prescribed officer | | | | |
| R. Naidoo | 2,801,674 | 191,406 | 348,326 | 3,341,406 |

26. Commitments

2024

During the 2024 financial year, YES disbursed R 9.5m related to the commitments disclosed in the 2023 annual financial statements. As a reflection of YES' continuing focus to increase youth opportunities and employability as well as to enhance the entity's ability to execute services to clients and youth alike, the YES Board has approved a further R 52m to be invested in several projects that are at various stages of development. None of these projects have yet resulted in formal legal obligations for YES.

2023

As part of the YES Board's direction to effectively deploy YES' surplus funds to maximise impact on youth employment and transfer of in demand skills, YES assessed and entered into discussions with various entities to financially support initiatives with this focus. As of 31 March 2023, these agreements had not yet been concluded and therefore the initiatives are dependent on YES finalising agreements with these entities, some of which were subsequently concluded in the 2024 financial year.

These initiatives include the following:

- R 5m in support of over 150 youth in a 12-month employment and entrepreneurship programme focused on the tourism sector;
- R 4.3m supporting 70 eligible youth in the retail sector for a 12-month employment contract;
- R 2.4 million for youth training in skills in demand in the green economy.
- R 1.9m sponsoring a mental wellness support programme to all of the +30,000 current active YES Youth with access to trained mental health practitioners.

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Detailed Statement of Surplus or Deficit and Other Comprehensive Income

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2023

| | | | |
|--|----|----------------------|---------------------|
| Revenue | 13 | | |
| Grant income | | 20,550,438 | 19,236,747 |
| Other revenue | | 631,444 | 1,284,549 |
| Registration, Monitoring & Evaluation fees | | 199,479,311 | 179,525,409 |
| | | 220,661,193 | 200,046,705 |
| Cost of services rendered | 14 | | |
| Hub Program costs | | (68,328) | (1,006,237) |
| Placement fee costs | | (37,433,200) | (32,503,200) |
| Youth Phone costs | | (42,736,097) | (36,725,043) |
| | | (80,237,625) | (70,234,480) |
| | | 140,423,568 | 129,812,225 |
| Gross surplus | | | |
| Administrative expenses | 15 | | |
| Auditor's remuneration - external | | (1,411,146) | (922,250) |
| Consulting - Taxation services | | (217,500) | (65,000) |
| Internal audit services | | (771,250) | (486,250) |
| Secretarial fees | | (343,032) | (270,408) |
| | | (2,742,928) | (1,743,908) |
| Other expenses | 15 | | |
| Amortisation - intangible assets | | (2,607,629) | (1,242,310) |
| Consulting and professional services | | (15,220,000) | (14,899,719) |
| Depreciation - property, plant and equipment | | (12,086,569) | (11,094,812) |
| Employee costs - salaries | | (46,078,640) | (37,142,650) |
| General expenses | | (35,634,106) | (28,384,883) |
| Leave Provision | | (469,516) | (251,000) |
| Movement provision | | 1,252,464 | (763,455) |
| Other expenses | | (3,862,532) | (2,984,955) |
| Short-term and variable leases expenses | | (754,133) | (1,236,400) |
| Staff welfare | | (583,616) | (661,816) |
| Surplus Projects | | (11,539,455) | - |
| | | (127,583,732) | (98,662,000) |
| Other gains and losses | 16 | | |
| Gain or loss on sale - property, plant and equipment | | (110,735) | 46,902 |
| | | 9,986,173 | 29,453,219 |
| Surplus from operating activities | | | |
| Finance income | 17 | | |
| Interest received | | 24,556,087 | 11,966,327 |
| Finance costs | 18 | | |
| Interest expense | | (9) | (537) |
| Lease liabilities | | (285,247) | (220,306) |
| | | (285,256) | (220,843) |
| Surplus for the year | | 34,257,004 | 41,198,703 |

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Detailed Statement of Surplus or Deficit and Other Comprehensive Income

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Surplus Projects consists of R11,7m which was dedicated to fulfilling YES surplus projects. Notably, R5 million was allocated to over 150 young individuals in a 12-month employment and entrepreneurship program within the tourism sector. Additionally, R4.3 million supported 70 eligible youth in the retail industry through similar employment contracts. Furthermore, R2.4 million was earmarked for training young people in skills relevant to the green economy. These investments reflect a commitment to skill development, job creation, and economic growth.



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