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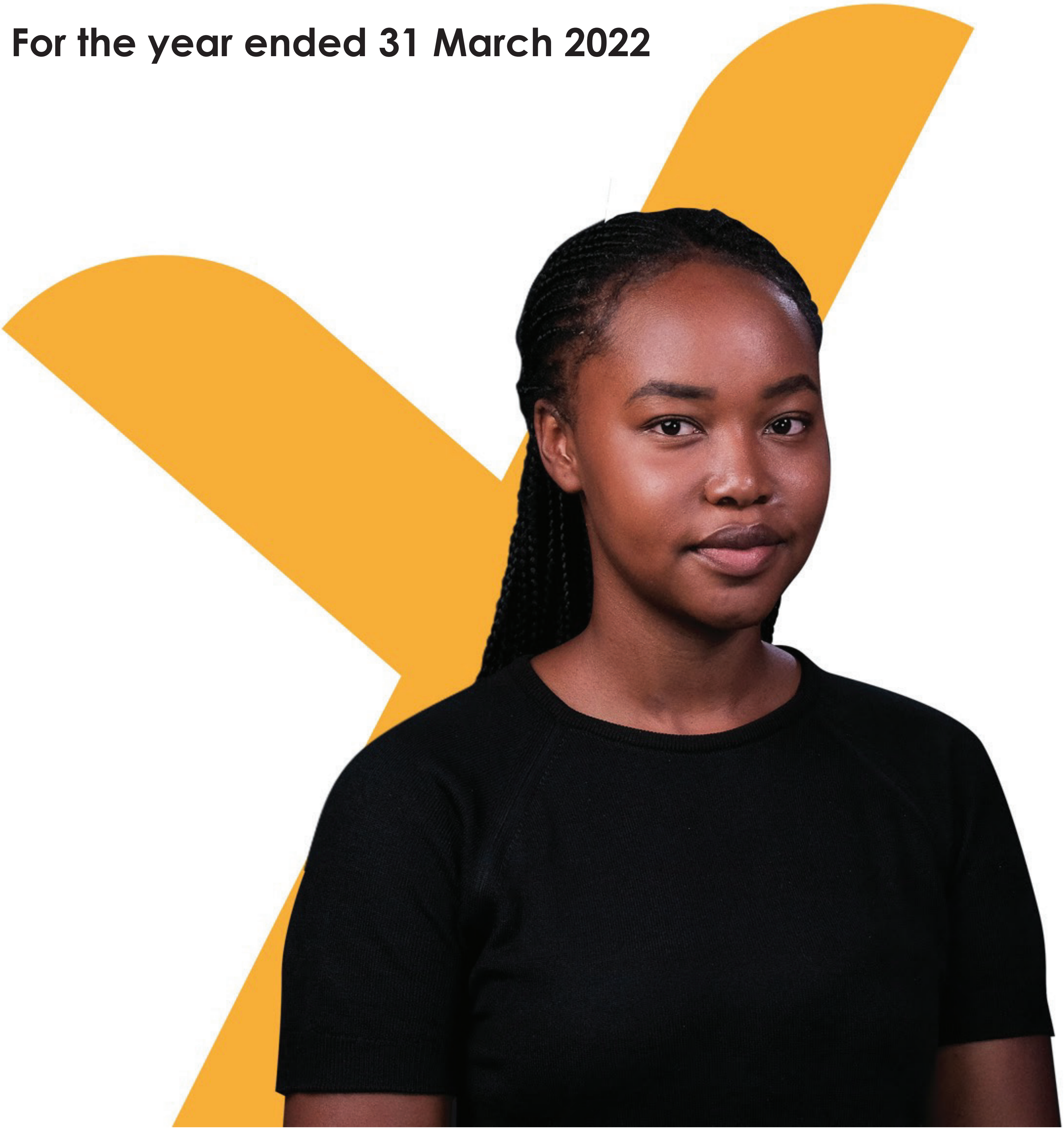
ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022



YOUTH EMPLOYMENT SERVICE (RF) NPC

(REGISTRATION NUMBER 2017/267641/08)

Trading as YES

Annual Financial Statements

for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The company is a non-profit company (NPC)
Directors	R. Naidoo (Executive director & CEO) C. Coleman S. Koseff C. Coovadia A.D.H. Enthoven P.K. Dlamini D.L. Nicol S.N. Susman Z.B.M. Bassa N.N.N Guma N. Moola
Registered office	2 Arnold road Rosebank Gauteng 2196
Bankers	Investec Bank Limited
Auditors	Ernst & Young Incorporated 102 Rivonia Road Sandton Johannesburg 2196
Secretarial services	Fluidrock Co Sec (Pty) Ltd
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Dustin Grace
Issued	20 September 2022

Contents

Audit and Risk Committee Report

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 the financial reporting
- the audit process is well managed
- that a sound risk management and internal control system is maintained.

In pursuing these objectives, the Committee also oversees relations with the external auditors, provided by 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:
26 May 2021
06 August 2021
28 October 2021
03 March 2022

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 function, 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 served as members of the Committee for the period under review.

During the financial year ended 31 March 2022, 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;
- 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 and key areas of focus;
- reviewed YES financial results;
- assessed the reliability of internal controls;
- assessed the risks that YES is exposed to, and the mitigations implemented to manage these.

The Committee has satisfied itself through enquiry that Ernst & Young Inc. and Mr Rourke Hulett, 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 compared to the prior year.

Key matters considered and deliberated:
- Key risks and managements mitigation plans, including conducting a risk workshop
- Procurement systems, controls and accreditation of suppliers
- Internal audit scope and approach
- Completeness of income, including Donation, 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 as a result of the impact of Covid-19
- 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 the finance function’s requisite skills and overall performance
- 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
- Conducting a closed session with internal and external audit without management present

The Committee recommended the annual financial statements for the year ended 31 March 2022 for approval to the Board. The Board has subsequently approved the annual financial statements.

Z.B.M Bassa
Audit and Risk Committee Chair

19 September 2022

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 and prudent 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 2023 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 8 to 10.

The annual financial statements set out on pages 11 to 39, which have been prepared on the going concern basis, were approved by the board of directors on 19 September 2022 and were signed on their behalf by:

C. Coleman

S. Koseff

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 2022.

1. 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 the strong youth job recovery to generate 25,287 (FY21 16,285) youth jobs for the year ended 31 March 2022 which exceeds pre Covid-19 levels. As a young organisation of just under 4 years, YES has had to be cautious as to how additional costs are brought on stream. As such it has strategically allocated additional resources to support the increased youth numbers in line with its mandate. YES is independently funded, without any government support. YES' income is driven primarily through the number of youth jobs we secure from Corporate Sponsors. With the record youth jobs performance coupled with the controlled addition of operating costs, as evidenced in YES' reducing operating cost per job, YES generated a surplus for the current year. The volatile local and global economy will continue to significantly impact the capacity of Corporate Sponsors to fund YES youth jobs. Together with the absence of government or grant funding to cover YES operational costs, YES has to ensure it has sufficient resources to continue to execute on its mandate. Therefore, the Directors set the target for YES to retain 10 months worth of operating costs in reserve. This targeted level of reserves was achieved by 31 March 2022.

The YES Board has directed that funds in excess of this targeted level of reserve be deployed into various initiatives that either generate additional youth employment or enhance YES's capacity to scale up its operations such as IT infrastructure, for the benefit of youth and Corporate Sponsors. YES is currently evaluating several initiatives in line with this approach to utilise these surplus funds for optimal impact.

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

2. Directorate

The directors in office during the year and at the date of this report are as follows:

Directors	Role	Changes
R. Naidoo	Executive Director, CEO	Appointed, 01 November 2021
T. Ismail-Saville	Executive Director, CEO	Resigned, 30 June 2021
C. Coleman	Co-Chair, Non-Executive Director	
S. Koseff	Co-Chair, Non-Executive Director	
C. Coovadia	Non-Executive Director	
A.D.H. Enthoven	Non-Executive Director	
P.K. Dlamini	Non-Executive Director	
D.L. Nicol	Non-Executive Director	
S.N. Susman	Remuneration and Governance Committee Chair, Non-Executive Director	
Z.B.M. Bassa	Audit and Risk Committee Chair, Non-Executive Director	
N.N.N Guma	Non-Executive Director	
N. Moola	Non-Executive Director	Appointed, 31 May 2022

3. Directors' interests in contracts

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

4. 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 board approval as required by the board delegation of authority.

5. Events after the reporting period

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

Directors' Report

6. 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 forseeable future and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

7. Auditors

Ernst & Young Incorporated continued in office as auditors of the company for the year ended 31 March 2022.

8. Secretarial services

Fluidrock Co Sec (Pty) Ltd fulfill company secretarial services for the company.

9. COVID-19 & YES response to the outlook for the South African economy

The World Health Organisation (WHO) announced the COVID-19 outbreak as a pandemic on 11 March 2020. The world-wide outbreak of COVID-19 has, to date, had a significant negative impact on financial markets around the world including South Africa. As the majority of Youth Employment Services (RF) NPC revenue is generated based on corporate companies engaging in the youth initiative there was a negative impact on financial performance and the number of youth jobs generated during the year ended 31 March 2021.

At the time of reporting, after a wide spread vaccine roll-out and reduction in severe COVID-19 infections, government restriction levels have been removed. The economy and specifically YES youth jobs have recovered to exceed pre-COVID-19 levels with YES recording its highest number of youth jobs in the current financial year. Overall the South African economy remains weak and future growth remains uncertain. The increased business activity, focus on new and existing clients and stringent cost management have all supported YES to generate a surplus for the 2022 financial period. YES remains vigilant by managing the risks it is exposed to and the level of costs it incurs.

YES has reviewed the 31 March 2022 debtors which were not yet collected at 30 April 2022. We have raised a provision on these debtors where we don't have a high degree of certainty on the collection of these funds.

When YES acts as custodian of youth salaries, youth salaries are invoiced to corporates, a reciprocal third party salaries liability is raised and when these salaries are received they are ring fenced in a separate Trust account in the name of the Corporate Sponsor. As such there is no profit and loss impact from the processing of youth salaries. In the extremely rare instance when a Corporate Sponsor drops out of the YES program during the 12 month employment period, the youth contracts could be cancelled by the employer (Implementation Partner (IP) or Corporate Sponsor) so there is no exposure for YES for Expected Credit Loss (ECL) on these youth salaries.

Potential exposure to uninvoiced and uncollected future youth salaries due from Corporate Sponsors: YES is constantly tracking the exposure to each Corporate Sponsor for salaries still to be collected on the remainder of their 12 month youth commitment. YES only has a direct exposure if in a rare exception youth salaries are paid out by YES in advance of collecting funds from these Corporate Sponsors. This is being actively managed and driven by the payment approval process and through regular debtors' collection reviews. As a further risk mitigation and protection of YES youth employment, YES searches for alternate Corporate Sponsors to accept liability for these unfunded existing youth salaries. As a last resort, YES will inform the Implementation Partner (IP) that further funding is no longer available from the defaulting Corporate Sponsor in which case the Youth may have to be retrenched after which they could then register a claim via UIF.

Impact on YES future outlook
YES medium term future outlook remains dependent on future demand from Corporate Sponsors to fund YES Youth. YES is taking precautions to manage its costs tightly, retain sufficient reserves to sustain the entity through short term downturns and to drive revenue and further youth jobs wherever possible.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH EMPLOYMENT SERVICE (RF) NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the annual financial statements of Youth Employment Service (RF) NPC ('the company') set out on pages 11 to 39, which comprise the statement of financial position as at 31 March 2022, 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 annual financial statements, including a summary of significant accounting policies.
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 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 41-page document titled "Youth Employment Service (RF) NPC Annual Financial Statements for the year ended 31 March 2022", which includes the Audit Committee Report, Directors' Responsibilities and Approval, the Directors' Report as required by the Companies Act of South Africa, and the Detailed Income Statement. 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 on the other information obtained prior to the date of this auditor's report, 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 International Financial Reporting Standards 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.

DocuSigned by:
Ernst & Young Inc.
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Ernst & Young Inc.
Registered Auditor

Per Rourke Hulett
Director
Registered Auditor
Chartered Accountant (SA)
20 September 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	4	30 978 840	33 197 675
Right-of-use assets	5	-	1 015 239
Intangible assets	6	2 164 693	5 990 946
		33 143 533	**40 203 860**
Current Assets			
Prepayments		241 803	323 533
Inventories	7	9 214	8 681
Trade and other receivables	8	47 702 713	69 026 899
Cash and cash equivalents	9	168 035 564	87 363 587
		215 989 294	**156 722 700**
Total Assets		**249 132 827**	**196 926 560**
Equity and Liabilities			
Equity			
Retained income		66 476 285	42 435 127
Liabilities			
Non-Current Liabilities			
Deferred income	10	24 004 780	28 888 268
Current Liabilities			
Trade and other payables	11	135 081 228	104 860 879
Lease liabilities	5	-	1 169 707
Deferred income	10	23 570 534	19 572 579
		158 651 762	**125 603 165**
Total Liabilities		**182 656 542**	**154 491 433**
Total Equity and Liabilities		**249 132 827**	**196 926 560**

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2022

Figures in Rand	Note(s)	2022	2021
Revenue	12	158 175 126	101 442 016
Cost of sales	13	(54 951 149)	(38 218 512)
Gross profit		**103 223 977**	**63 223 504**
Other operating gains / (losses)	14	87 847	(36 653)
Movement in credit loss allowances	15	(253 319)	639 573
Other operating expenses	15&16	(83 732 924)	(64 488 284)
Operating profit (loss)		**19 325 581**	**(661 860)**
Interest income	17	4 754 340	2 914 855
Finance costs	18	(38 763)	(166 094)
Profit for the year		**24 041 158**	**2 086 901**
Other comprehensive income		-	-
Total comprehensive income for the year		**24 041 158**	**2 086 901**

Statement of Changes in Equity for the year ended 31 March 2022

Figures in Rand	Retained income	Total equity
Balance at 01 April 2020	**40 348 226**	**40 348 226**
Profit for the year	2 086 901	2 086 901
Other comprehensive income	-	-
Total comprehensive income for the year	**2 086 901**	**2 086 901**
Balance at 01 April 2021	**42 435 127**	**42 435 127**
Profit for the year	24 041 158	24 041 158
Other comprehensive income	-	-
Total comprehensive income for the year	**24 041 158**	**24 041 158**
Balance at 31 March 2022	**66 476 285**	**66 476 285**

Statement of Cash Flows for the year ended 31 March 2022

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	20	85 254 002	8 928 641
Interest income	17	4 754 340	2 914 855
Finance costs	18	(38 763)	(103 475)
Net cash from operating activities		**89 969 579**	**11 740 021**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(7 063 552)	(20 349 072)
Sale of property, plant and equipment	4	244 896	15 171
Purchase of other intangible assets	6	(1 309 240)	(4 848 282)
Net cash from investing activities		**(8 127 896)**	**(25 182 183)**
Cash flows from financing activities			
Payment on lease liabilities	5	(1 169 707)	(1 015 109)
Total cash movement for the year		**80 671 977**	**(14 457 271)**
Cash at the beginning of the year		87 363 587	101 820 858
Total cash at end of the year	9	**168 035 564**	**87 363 587**

Accounting Policies

1. Significant 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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

These accounting policies are consistent with the previous period.

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 which 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 and adjustments in respect of hedge accounting, where appropriate.

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.

Accounting Policies

1.2 Property, plant and equipment (continued)

The major categories of property, plant and equipment are depreciated at the following rates:

Item	Depreciation method	Depreciation rate
Hub structures	Straight line	10% to 33.3% per annum
Furniture and fixtures	Straight line	10% to 33.3% per annum
Motor vehicles	Straight line	25% per annum
Office equipment	Straight line	7,5% to 20% per annum
IT equipment	Straight line	33,3% per annum
Leasehold improvements	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.

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.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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 every period-end.

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

Accounting Policies

1.3 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
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

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 plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade and other receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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.

Derecognition

1.4 Financial instruments (continued)

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.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

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:
• Accounts and other receivables, Note 8.

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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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 and bank overdrafts.

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.

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.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

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

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.

1.5 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 (note 15) 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 5 Right-of-use asset.

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

1.6 Prepayments

Prepayments represent the prepayment for goods or services, prepayments are recognised as an asset on date of payment until the goods or services have been delivered at which time the prepayment is recognised as operating expenditure.

1.7 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.

Accounting Policies

1.7 Inventories (continued)

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventory is made up of food and beverages on hand at year end at the Saldanha hub for the Culinary programme.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the 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.

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.

1.8 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.

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.

An entity 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.

1.9 Equity

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

Accounting Policies

1.10 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.

1.11 Revenue recognition

1.11.1. Revenue from contracts with customers under IFRS 15

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) 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 12.
Performance obligations per product are determined with key deliverables, the entity releases the revenue in line with the satisfisfactory execution of these deliverables.

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.

1.11.2. 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 Profit or Loss 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 shall use its judgement in developing and applying an accounting policy that results in information that is:

Accounting Policies

1.11 Revenue recognition (continued)

(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 shall refer 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 by the corporates.

Thus the 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.

1.11.3. 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.

1.12 Cost of sales

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

Costs of sales 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.

1.13 Interest income

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

1.14 Finance costs

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

1.15 Operating expenditure

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

1.16 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.

Accounting Policies

1.16 Current assets vs Non-Current assets (continued)

An asset is current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• 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.

A liability is current when:
• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• 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.

1.17 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 12.
- Assessing the estimates of effective interest rate used in the application of the IFRS 16 standard. Refer to note 5.
- Assessing the resources, timing and obligation, involved with application of IFRS 9 standard when determining the allowances for Expected Credit Losses for account receivables. Refer to note 8.
- Assessing the useful lives of property, equipment and intangible assets. Refer to note 4 for property, plant and equipment and note 6 for intangible assets.

1.18 Contingent liabilities

All contingent liabilities are disclosed in the annual financial statements. Previously recognised contingent liabilities are assessed against the criteria of a provision and those that meet the criteria are recognised as a provision.
This is considered in line with IAS 37 which states that a contingent liability is:
(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity; or
(b) a present obligation that arises from past events but is not recognised because:
(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

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 adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative
The adoption of this standard did not have any impact on YES, the adoption has resulted in further disclosure around details of estimates used. Refer to accounting policy 1.17 Significant Accounting estimates and judgements.

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 2022 or later periods:

IAS 1 - Classification of Liabilities as Current or Non-Current - Amendment to IAS 1
The adoption is not expected to have any material impact 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.

IFRS 16 Leases

IFRS 16 Leases is a standard first adopted by YES in the 31 March 2021 Annual Financial Statements and which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

Notes to the Annual Financial Statements

3. New Standards and Interpretations (continued)

- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Company as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 01 January 2019.

The company adopted the standard for the first time in the 2021 annual financial statements.

4. Property, plant and equipment

	2022			2021		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Hub structures	39 806 839	(12 354 575)	27 452 264	33 908 025	(5 412 273)	28 495 752
Leasehold improvements	1 683 192	(1 623 449)	59 743	1 655 192	(1 067 574)	587 618
Furniture and fixtures	2 683 565	(972 461)	1 711 104	2 651 198	(524 284)	2 126 914
Motor vehicles	308 700	(192 938)	115 762	308 700	(115 763)	192 937
Office equipment	430 480	(192 807)	237 673	185 147	(68 488)	116 659
IT equipment	3 068 424	(1 666 130)	1 402 294	2 452 136	(774 341)	1 677 795
Total	**47 981 200**	**(17 002 360)**	**30 978 840**	**41 160 398**	**(7 962 723)**	**33 197 675**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Hub structures	28 495 752	5 973 864	(68 796)	(6 948 556)	27 452 264
Leasehold improvements	587 618	28 000	-	(555 875)	59 743
Furniture and fixtures	2 126 914	32 367	-	(448 177)	1 711 104
Motor vehicles	192 937	-	-	(77 175)	115 762
Office equipment	116 659	270 268	(1 950)	(147 304)	237 673
IT equipment	1 677 795	759 053	(86 303)	(948 251)	1 402 294
	33 197 675	**7 063 552**	**(157 049)**	**(9 125 338)**	**30 978 840**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Hub structures	14 527 681	17 441 009	-	(3 472 938)	28 495 752
Leasehold improvements	1 107 974	23 568	-	(543 924)	587 618
Furniture and fixtures	1 207 341	1 232 837	(18 222)	(295 042)	2 126 914
Motor vehicles	270 112	-	-	(77 175)	192 937
Office equipment	121 395	45 762	-	(50 498)	116 659
IT equipment	758 007	1 605 896	(170 955)	(515 153)	1 677 795
	17 992 510	**20 349 072**	**(189 177)**	**(4 954 730)**	**33 197 675**

Property, plant and equipment encumbered as security

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

The significant additions in hub structures for both the 2022 and 2021 financial periods relate to the construction of the YES Hubs. The 2022 additions relate to the construction of the Alexandra Hub whilst the 2021 additions relate to the construction of both the Saldanha and Alexandra Hubs. The higher Hub structures depreciation charge for 2022 is as a result of the newly built Alexandra and Saldanha Hubs not being operational for the full 2021 period. The Saldanha Hub was operational for the full 12 months for the first time in 2022. The Alexandra Hub was operational for the first time in only part of 2022.

Leasehold improvements relate to the improvements to the right-of-use asset (company premises) which YES occupies. Refer to note 5 Right-of-use asset for details of the property lease.

5. Right-of-use asset

The company leases the premises from which it operates. The lease term was for 3 years which concluded on 31 March 2022.

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 8% annual escalation rate. The lease has been accounted for in accordance with IFRS 16. The company adopted IFRS 16 for the first time in the prior period.
The lease ended on 31 March 2022 and YES has negotiated a new one year lease extension contract at the same rate to allow YES time to consider the best longer term options. Due to the length of the rental extension contract and no escalation to costs being agreed to, the contract liability and right-of-use asset has not been raised and this commitment has rather been disclosed in the Commitments note 21 under short-term and low-value minimum lease payments.

Figures in Rand	2022	2021

5. Right-of-use asset (continued)

Net carrying amounts of right-of-use assets

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

Buildings	-	1 015 238

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 15)

Buildings	1 015 239	1 026 579

Other disclosures

Interest expense on lease liabilities	38 363	103 475

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	-	1 169 707
Current liabilities	-	1 169 707

Reconciliation of right-of-use asset		
Cost	3 062 726	3 062 726
Accumulated depreciation at beginning of the period	(2 047 487)	(1 020 908)
Depreciation for period	(1 015 239)	(1 026 579)
Closing balance	**-**	**1 015 239**

6. Intangible assets

	2022			2021		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	7 145 578	(5 727 360)	1 418 218	6 026 941	(2 001 528)	4 025 413
Software for Process Automation	295 298	(295 298)	-	181 999	(5 005)	176 994
Video modules	2 995 313	(2 248 838)	746 475	2 995 313	(1 485 837)	1 509 476
Advertising films & videos	364 474	(364 474)	-	285 000	(5 937)	279 063
Total	**10 800 663**	**(8 635 970)**	**2 164 693**	**9 489 253**	**(3 498 307)**	**5 990 946**

Reconciliation of intangible assets - 2022

	Opening balance	**Additions**	**Amortisation**	**Impairment loss**	**Total**
Computer software	4 025 413	1 116 467	(1 780 100)	(1 943 562)	1 418 218
Software for Process Automation	176 994	113 299	(76 878)	(213 415)	-
Video modules	1 509 476	-	(763 001)	-	746 475
Advertising films & videos	279 063	79 474	(67 108)	(291 429)	-
	5 990 946	**1 309 240**	**(2 687 087)**	**(2 448 406)**	**2 164 693**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

6. Intangible assets (continued)

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	1 741 961	3 283 075	(999 623)	4 025 413
Software for Process Automation	-	181 999	(5 005)	176 994
Video modules	1 075 858	1 098 208	(664 590)	1 509 476
Advertising films & videos	-	285 000	(5 937)	279 063
	2 817 819	**4 848 282**	**(1 675 155)**	**5 990 946**

Other information

Intangible Assets are assessed annually for any signs of impairment.
During this assessment in March 2022 various Intangible Assets were identified to not be in use by YES and there being no further plans to utilise these internally generated Intangible Assets.

Details of assets impaired and values:
1. Data Warehouse (Computer Software) - to support YES growing data and system integration needs, YES has evolved from the limitations of the current data warehouse used on Metabase. A new data warehouse structure is being developed. Without a ready market and with limited future economic benefits, the existing data warehouse has been impaired down to a R Nil value. Total impairment value of the data warehouse amounted to R1,390,266. YES has built the new data warehouse using components and rules from the existing data warehouse to ensure the new systems deliver on the existing and future data needs of YES.
2. MarketPlace (Computer Software) - YES technology team built a MarketPlace platform where the idea was for small township enterprises to utilise this platform for online sales. The project was halted due to the limited operational capacity of the YES team to support this initiative. As this MarketPlace is not in active use and there is no ready market for it, the platform was impaired to a R Nil value. The impairment value of the MarketPlace amounted to R553,291.
3. Advertising films and videos - old video content which are dated and no longer utilised were impaired down to a R Nil value. This was done as this content is specific to YES and without a ready market as well as due to an expectation that limited future economic benefits will accrue from this content to YES. The total impairment value of advertising films and videos amounted to R291,483.
4. Software for Process Automation - as of April 2022 all automated process bots were moved to a new supplier where there will be a monthly subscription fee and as such the old Software for Process Automation Bot values that would no longer be utilised were impaired to a R Nil value as these also could not be sold. Total impairment on Software for Process Automation Bot amounted to R213,415

Intangible assets are all internally generated.

7. Inventories

	2022	2021
Inventory - hub supplies	9 214	8 681

8. Trade and other receivables

	2022	2021
Financial instruments:		
Accounts receivable	48 241 503	69 274 613
Expected credit loss	(996 400)	(743 081)
Accounts receivable at amortised cost	47 245 103	68 531 532
Deposits	457 610	456 410
Non-financial instruments:		
Employee costs in advance	-	38 957
Total accounts and other receivables	**47 702 713**	**69 026 899**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

8. Trade and other receivables (continued)

Split between non-current and current portions

Current assets	47 702 713	69 026 899

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

At amortised cost	47 702 713	68 987 942
Non-financial instruments	-	38 957
	47 702 713	**69 026 899**

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 2022 management has raised an allowance for expected credit loss of R996 400 (2021: R743 081).

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.

2022	**Current**	**Older than 30 days**	**Total**
Expected credit loss rate (%)	-	7,4%	
Debtors	34 854 700	13 386 803	48 241 503
Expected credit loss	-	(996 400)	(996 400)
	34 854 700	**12 390 403**	**47 245 103**

2021	**Current**	**Older than 30 days**	**Total**
Expected credit loss rate (%)		6,83%	
Debtors	58 398 320	10 876 293	69 274 613
Expected credit loss	-	(743 081)	(743 081)
	58 389 320	**10 133 212**	**68 531 532**

Movement in ECL

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

Opening balance	(743 081)	(4 060 099)
Provision for expected credit losses raised	(2 454 885)	(719 027)
Write-off	1 154 281	2 901 545
Provisions reversed on settled trade receivables	1 047 285	1 134 500
Closing balance	**(996 400)**	**(743 081)**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	10 821	6 399
Unrestricted cash	93 546 469	51 914 391
Restricted cash	74 478 275	35 442 797
	168 035 564	**87 363 587**

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 2022 as compared to 2021. Restricted cash increased due to increased salary funding held in Trust accounts for Corporate sponsor programs increasing with the higher number of youth jobs being created. The increase in unrestricted cash is a result of the surplus made by YES through 2022.

10. Deferred income

Non-current liabilities	24 004 780	28 888 268
Current liabilities	23 570 534	19 572 579
	47 575 314	**48 460 847**

Deferred income split	**2022**	**2021**
Deferred Grant Income (Non-current portion)	24 004 780	28 888 268
Deferred Grant Income (Current portion)	13 222 750	10 434 495
Deferred Monitoring and Evaluation Income - IFRS 15 adjustment (Current portion)	10 347 784	9 138 084
	47 575 314	**48 460 847**

Deferred Monitoring and Evaluation Income

Where received 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 Profit or Loss.

Monitoring and Evaluation income recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to R9 138 084 (2021:R12 843 346), this represents the full opening balance as at 01 April 2021 being recognised within the period.
There was no revenue recognised for the period as a result of performance obligations being satisfied in previous periods.
Revenue received and deferred for the period totals R25 111 339 (2021:R15 157 879) of which R14 763 556 (2021:R6 019 795) has been released into revenue within the period as a result of performance obligations being met, leaving a remaining balance as at 31 March 2022 of R10 347 784 (2021:R9 138 084).
The deferred income recognised in revenue for the period is -R1 209 699 (2021: R3 705 262) due to to an increase in YES youth jobs over the prior year. This resulted in more income being deferred to the 2023 financial year than was deferred from the 2021 financial year to the 2022 financial 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 to corporate grants whereby revenue is recognised in line with the relevant expenditure.
Grant Income relates to grants from Corporate Entities and not from Government, government agencies or similar bodies.

Grants received for capital and related expenditure are deferred and only recognised in the Statement of Profit or Loss 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.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

11. Trade and other payables

Financial instruments:		
Accrual for youth phone costs	6 685 304	9 228 335
Accrued audit fees	1 154 000	570 000
Accrued expenses	685 126	867 342
Accrued leave pay	473 727	395 065
Placement fees payable	14 313 080	9 661 412
Third party salaries payable	103 157 942	70 507 060
Trade payables	8 183 330	10 648 173
Non-financial instruments:		
VAT	428 719	2 983 492
	135 081 228	**104 860 879**

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 16,290 youth jobs in 2021 to 25,295 youth jobs in 2022 and as a result these balances increased.

12. Revenue

Revenue		
Registration, Monitoring & Evaluation fees and Hub income	139 638 933	90 543 399
Donation income	6 364 633	2 349 296
Grant income	12 171 560	8 549 321
	158 175 126	**101 442 016**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

12. Revenue (continued)

Disaggregation of revenue

The company disaggregates revenue from corporate companies as follows:

Rendering of services		
Registration fees related to sourcing, placement and monitoring of youth in a 12-month program	10 075 000	7 502 500
Hub income	1 523 095	3 387 550
Deferred income realised	(1 209 699)	3 705 262
ETI and other recoveries	633 927	341 967
Monitoring & Evaluation fees related to sourcing, placement and monitoring of youth in a 12-month program	128 616 610	75 606 120
	139 638 933	**90 543 399**
Other revenue and income		
Donation income	6 364 633	2 349 296
Grant income	12 171 560	8 549 321
	18 536 193	**10 898 617**
Total revenue	**158 175 126**	**101 442 016**

Timing of revenue recognition

At a point in time		
Registration fees related to sourcing, placement and monitoring of youth in a 12-month program (IFRS 15)	10 075 000	7 502 500
Hub income (non-IFRS 15)	1 523 095	3 387 550
Donation income (non-IFRS 15)	6 364 633	2 349 296
Recoveries (non-IFRS 15)	633 927	341 967
	18 596 655	**13 581 313**
Over time		
Monitoring and evaluation fees (IFRS 15) - this revenue is recognised over the youth's 12 month employment period, refer to note 1.11.1 for details	127 406 911	79 311 382
Grant income (non-IFRS 15) - this revenue is recognised in line with the grant conditions, refer to note 1.11.2 for details	12 171 560	8 549 321
	139 578 471	**87 860 703**
Total revenue	**158 175 126**	**101 442 016**

YES had an increase in the number of youth jobs created which increased from 16,290 in 2021 to 25,295 in 2022, this is the main driver of the increase in revenue.

13. Cost of sales

Rendering of service	54 951 149	38 218 512

Notes to the Annual Financial Statements

Figures in Rand		2022	2021

13. Cost of sales (continued)

Rendering of services			
Youth phone costs		27 680 087	18 518 223
Placement fee costs		25 831 118	14 904 587
Hub program costs		1 439 944	4 795 702
		54 951 149	**38 218 512**

The increase in the youth phones and placement fee costs is due to the increase in youth jobs created from 2021 to 2022.

14. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	4	87 847	(36 653)

15. Operating expenses

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external			
Audit fees		642 970	621 000
Internal audit services		**639 375**	**486 950**
Remuneration, other than to employees			
Consulting and professional services		13 370 646	16 891 211
Secretarial services		216 883	176 245
		13 587 529	**17 067 456**

YES has made use of consultants in a variety of areas to fulfil 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 offering permanent employment for roles that may not be required over the medium term.

Employee costs			
Salaries and wages		28 488 106	19 665 983
Leases			
Operating lease charges			
Short-term and Low value leases expenses		537 407	682 963
Depreciation and amortisation			
Depreciation of property, plant and equipment - refer to note 4		9 125 338	4 954 730
Depreciation of right-of-use assets - refer to note 5		1 015 239	1 026 579
Amortisation of intangible assets - refer to note 6		2 687 087	1 675 162
Total depreciation and amortisation		**12 827 664**	**7 656 471**
Impairment losses			
Intangible assets - refer to note 6		2 448 406	-

Movement in credit loss allowances

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

15. Operating expenses (continued)

Trade and other receivables	253 319	(639 573)

16. Employee costs

Employee costs		
Basic	27 953 387	19 493 840
UIF	105 644	64 132
WCA	41 373	31 195
SDL	227 890	128 986
Other payroll levies	81 150	49 215
Leave pay provision	78 662	(101 385)
	28 488 106	**19 665 983**

The increase in the salaries is a result of the YES headcount increasing in the 2022 financial period to support the increased YES youth jobs generated and improvements in the execution of operational responsibilities.

17. Interest income

Interest income		
Investments in financial assets:		
Bank	4 754 340	2 914 855

All interest income is earned using the effective interest rate.

18. Finance costs

Lease liabilities	38 363	103 475
Interest expense*	400	62 619
Total finance costs	**38 763**	**166 094**

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

19. 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 2021 tax as the company has no income which falls outside of these parameters.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

20. Cash generated from operations

Profit before taxation	24 041 158	2 086 901
Adjustments for:		
Depreciation and amortisation	12 827 661	7 656 471
(Profit)/ Loss on disposals of assets	(87 847)	36 653
Interest income	(4 754 340)	(2 914 855)
Finance costs	38 763	103 476
Movements in credit loss allowances and impairments	2 701 724	(639 573)
Non-cash movement in disposal of asset	-	137 350
Changes in working capital:		
Inventories	(533)	(8 681)
Trade and other receivables	21 070 867	(60 798 875)
Prepayments	81 730	268 593
Trade and other payables	30 220 352	69 590 233
Deferred income	(885 533)	(7 554 745)
Other assets	-	965 693
	85 254 002	**8 928 641**

21. Commitments

Leases – as lessee (expense)

Minimum lease payments due		
- within one year	-	1 015 239

Lease payments represent rental payable by the company for the lease of office premises at 2 Arnold Road, Rosebank. The lease came to an end at 31 March 2022. A new 12 month contract extension has been entered into at the same rate. Due to the length of the rental contract extension and the fact that there is no escalation, the contract liability and right-of-use asset has not been raised in 2022 and this commitment has rather been disclosed below as short-term and low-value minimum lease payments.

Short-term and low-value minimum lease payments due		
- within one year	1 208 071	-

Notes to the Annual Financial Statements

Figures in Rand		2022	2021

22. Directors' emoluments

There are no short-term or long-term benefits paid to individuals in their role as Directors. The only Directors that received remuneration were T. Ismail-Saville and R. Naidoo for their respective work as Chief Executive Officer. No fees or other emoluments are paid to non-executive directors.

Executive

2022

Directors' emoluments	**Basic salary**	**Total**
Services as director or prescribed officer		
R. Naidoo	1 250 000	1 250 000
T. Ismail-Saville	814 020	814 020

2021

Directors' emoluments	**Basic salary**	**Total**
Services as director or prescribed officer		
T. Ismail-Saville	2 160 000	2 160 000

23. Financial instruments and risk management

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise returns sustainably.

	Note	2022	2021
Lease liabilities		-	1 169 707
Trade and other payables	11	135 081 226	104 860 879
Total borrowings		**135 081 226**	**106 030 586**
Cash and cash equivalents	9	(168 035 565)	(87 363 587)
Net borrowings		**(32 954 339)**	**18 666 999**
Equity		66 476 285	42 435 127
Gearing ratio		(50)%	44 %

Notes to the Annual Financial Statements

23. Financial instruments and risk management (continued)

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 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 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 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 is only charged on the YES trading account if this balance falls into a credit, with the strong cashflow position YES is in, it is unlikely YES will utilise this overdraft. Interest income is earned on bank balances, YES is not reliant on this income for operations and as such this risk is low.

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 it's 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 8 and note 9.

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

The entity monitors its risk of a shortage of funds using a liquidity planning tool. The entity’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, leases and hire purchase contracts.

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 R134 652 507 (2021: R101 877 387) are all due within a period of 12 months. Lease commitments of R 1,208,071 (refer to note 21) are also excluded.

23. Financial instruments and risk management (continued)

2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	134 652 507	134 652 507	134 652 507
Current assets				
Trade and other receivables	8	47 702 713	47 702 713	47 702 713
Cash and cash equivalents	9	168 035 565	168 035 565	168 035 565
		215 738 278	**215 738 278**	**215 738 278**
		81 085 771	**81 085 771**	**81 085 769**

2021

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	101 877 387	101 877 387	101 877 387
Lease liabilities	5	1 169 707	1 169 707	1 169 707
Current assets				
Trade and other receivables	8	68 987 942	68 987 942	68 987 942
Cash and cash equivalents	9	87 363 587	87 363 587	87 363 587
		156 351 529	**156 351 529**	**156 351 529**
		53 304 435	**53 304 435**	**53 304 435**

The maturity profile of contractual undiscounted cash flows of financial liabilities are as follows:

2022

		Less than 1 year	Total
Current liabilities			
Trade and other payables	11	134 652 507	134 652 507

2021

		Less than 1 year	Total
Current liabilities			
Trade and other payables	11	101 877 387	101 877 387
Lease liabilities	5	1 169 707	1 169 707
		103 047 094	**103 047 094**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

23. Financial instruments and risk management (continued)

	103 047 094	**103 047 094**

24. 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.

25. Events after the reporting period

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

26. Estimates and assumptions

Estimates are discussed in accounting policy 1.17 Significant Accounting estimates and judgements.

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Registration, Monitoring & Evaluation fees and Hub income		139 638 933	90 543 399
Donation income		6 364 633	2 349 296
Grant income		12 171 560	8 549 321
	12	**158 175 126**	**101 442 016**
Cost of services rendered			
Opening stock		(8 681)	-
Phone and placement costs		(54 951 682)	(38 227 193)
Closing stock		9 214	8 681
	13	**(54 951 149)**	**(38 218 512)**
Gross profit		**103 223 977**	**63 223 504**
Other operating gains (losses)			
Gains (losses) on disposal of assets or settlement of liabilities		87 847	(36 653)
Movement in credit loss allowances	15	(253 319)	639 573
Expenses (Refer to page 41)		**(83 732 924)**	**(64 488 284)**
Operating profit (loss)	15	**19 325 581**	**(661 860)**
Interest income	17	4 754 340	2 914 855
Finance costs	18	(38 763)	(166 094)
Profit for the year		**24 041 158**	**2 086 901**

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Other operating expenses			
Accounting fees		(28 935)	(39 800)
Advertising		(7 972 873)	(2 882 124)
Amortisation		(2 687 084)	(1 675 162)
Auditors remuneration - external auditors	15	(642 970)	(621 000)
Auditors remuneration - internal audit	15	(639 375)	(486 950)
BEE audit fee		(26 500)	-
Bad debts		(290 983)	-
Bank charges		(680 673)	(404 849)
Cleaning		(661 771)	(390 071)
Computer expenses		(447 976)	(550 348)
Consulting and professional fees		(6 481 682)	(9 423 344)
Consulting fees		(5 571 388)	(5 843 810)
Consumables		(32 540)	-
Content design		-	(2 848)
Cutlery and Cookery		(2 931)	(864)
Delivery expenses		(15 687)	(13 193)
Depreciation		(10 140 577)	(5 981 309)
Discount received		999 884	-
Employee costs		(28 488 106)	(19 665 983)
Entertainment		(65 661)	(44 446)
Events and launches		(15 453)	(8 920)
Fines and penalties (largely due to a VAT related provision that was reversed in 2022)		585 595	(82 542)
Hire		(188 402)	(122 629)
Hub operational costs		(105 584)	(26 023)
IT expenses		(6 010 223)	(8 072 969)
Impairment		(2 448 405)	-
Insurance		(435 953)	(176 768)
Lease rentals		(537 407)	(682 963)
Legal fees		(1 288 641)	(1 584 257)
Medical expenses		(2 770)	-
Motor vehicle expenses		(54 293)	(46 830)
Municipal expenses		(980 674)	(491 168)
Placement fees		(901 741)	(246 000)
Printing and stationery		(55 105)	(64 102)
Repairs and maintenance		(376 860)	(74 169)
Secretarial fees		(216 883)	(176 245)
Security		(1 186 837)	(984 592)
Small assets		(194 495)	(124 521)
Staff welfare		(753 077)	(475 930)
Subscriptions		(2 486 661)	(705 861)
Telephone and fax		(306 451)	(176 862)
Training		(1 457 612)	(1 484 933)
Travel - local		(427 471)	(620 258)
VAT expense		(3 989)	(6 382)
Website developement		-	(23 609)
Youth psychometrics		(5 704)	(3 650)
		(83 732 924)	**(64 488 284)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

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ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022