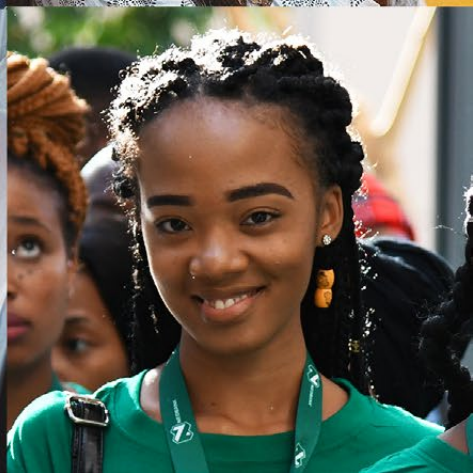




# YOUTH EMPLOYMENT SERVICE

ANNUAL REPORT 2023





# A MESSAGE FROM THE CO-CHAIRS

In the past year, the Youth Employment Service (YES) has made excellent progress. In a challenging period, we have significantly increased our jobs numbers, strengthened our internal capacity, launched several new initiatives, and built strong momentum.

The highlight of the year was YES reaching the key milestone of creating 104,322 high-quality youth work experiences since our inception – by 31 March 2023.

In all, YES enabled 32,578 quality work experiences in FY2023 (a 29% increase on FY2022) through 952 YES client programmes. To date, we are proud to report that 42% of YES Alumni are employed, with an additional 14% engaging in entrepreneurial activities.

As an entirely private sector funded initiative, this is a remarkable achievement. YES is an example of a successful partnership between government and business, incentivising corporate South Africa to create opportunities for youth.

During the year, the team also worked to further improve cost efficiencies. We have reduced operating costs per job to 4.1% of the youth benefit, which means the YES model now costs less than any other youth employment programme in South Africa.

Finally, with more than 1,479 sponsoring businesses since inception, YES now boasts the largest membership base of any private sector social impact jobs programme in the country.

## The employment landscape in FY23

A closer look at the employment landscape in the past year shows that the youth comprise more than half of the working-age population,<sup>1</sup> but they are the most economically excluded group. According to Statistics South Africa, 56% of our youth are currently unemployed.<sup>2</sup> This is a massive waste of potential and represents an unacceptable social risk for South Africa.

One of the biggest threats to the country's business sector is the broad dysfunction in our society. This dysfunction manifests itself in ways like failing infrastructure and crime and threatens the very sustainability of the private sector.

It also has a negative impact on youth employment levels at a time when businesses are already inclined to offer fewer employment opportunities because of the challenging socioeconomic climate.

<sup>1</sup> Quarterly Labour Force Survey, Q1:2023.  
<sup>2</sup> Quarterly Labour Force Survey, Q1:2023.

Over the last ten years, economic growth has averaged approximately 1% annually. Together with the effects of COVID-19, South Africa has had a net job growth of about 150,000 jobs per year, at a time when we should be creating many times more.

By comparison, YES's run rate of creating between 2,000-3,000 jobs per month - over 30,000 jobs per year – shows that corporate South Africa is buying into the YES value proposition and understands the social and economic imperative of changing South Africa's current trajectory.

Unless we as a nation support these practical economic pathways, we are going to continue to have a two-speed society in South Africa, where those with access to the economy benefit, but those outside it continue to be locked out.

The effects of this exclusion from the economic mainstream are devastating. According to the World Economic Forum, South Africa ranks 77th out of 82 countries in terms of social mobility. This means it will take nine generations for a person born into poverty to reach the country's median income without improved access to finance, land, housing, networks, or jobs.

Our research shows that many YES Youth go on to be become absorbed into full-time employment, thereby breaking this cycle of social immobility. They are also undertaking careers that can be catalytic for local communities and our country.

## Looking ahead

While we are proud of the progress we have made, we at YES are actively pursuing new approaches that aim to exponentially increase the number and quality of youth jobs sponsored by corporate South Africa.

We are working to create an optimal environment that will allow a greater number of businesses to create employment; define practical economic pathways that increase production; capacitate the state, where possible; create a new environment between employers and employees; and stimulate the economy.

As part of these efforts, YES is engaging with the Department of Trade, Industry and Competition (dtic) and the Financial Sector Transformation Council (FSTC) to drive policy changes that will incentivise more business participation in the programme, despite a tough economic climate.

Here, we are specifically looking to unlock the immense potential of small and medium enterprises (SMEs) in driving the growth of the YES programme. To tap into this potential, we must reduce existing



**Colin Coleman**  
Co-chairperson  
Youth Employment Service

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

barriers for SMEs to participate and access the necessary B-BBEE levels.

We have already proposed the use of an affidavit for SMEs to participate in the programme.

We are also looking for ways to create incentives for participation for Level 1 businesses within the financial services sector, which will form a blueprint for other sectors.

Together, these changes and other policy enhancements have the potential to unlock 80,000 more youth jobs each year. This will have significant ripple effects on companies, communities, and our country.

Beyond B-BBEE, YES is also expanding its environmental, social and governance (ESG) value proposition to companies. Using the same monitoring and measuring processes, we are exploring ways to allow businesses to reflect the impact of their YES programmes for ESG and sustainability reporting purposes.

The Johannesburg Stock Exchange (JSE) plays a crucial role in this regard, as it works to establish rigorous ESG benchmarks for listed companies. As such, we are delighted to announce that Dr Leila Fourie, the CEO of the JSE, will be joining the YES board in FY2024.

Her guidance will undoubtedly drive new value for our corporate sponsors, and with it, a greater uptake of the YES programme. This is key to not only enhancing the credibility of corporations for potential investment, but supporting projects that prioritise the well-being of the community, environment, and society. In doing so, YES



**Stephen Koseff**  
Co-chairperson  
Youth Employment Service

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

programmes with an ESG focus will foster inclusiveness and resilience in both local and regional economies.

## Scaling for success through powerful partnerships

The YES value proposition is resonating with a growing number of clients. Many of the country's best-known businesses - including Volkswagen South Africa, Anglo American Platinum, Investec, The Foschini Group, Shoprite, Toyota, Nedbank, Famous Brands, YUM! Pizza Hut, Ford, Clover, BMW, Eskom, Bidvest Protea Coin, Motus, Multichoice, Telesure Investment Holdings, Nestlé, and Mercedes-Benz - are among our 1,479 sponsoring businesses.

We are proud that we have a 69% client retention rate, which means our clients see the value of the YES programme and keep coming back for their fourth, fifth and even sixth programmes.

A crucial area of focus for us going forward will be to drive greater collaboration within future-facing sectors such as digital, global business services, the green economy and tourism, projected to be major drivers of economic growth and employment in the coming years. This will require us to focus on creative collaborations, that bring business South Africa and partners together for job creation and sector impact.

One example of this is the tourism industry. Here, YES has launched the #Youth4Tourism initiative with Sanlam. This initiative aims to ignite the tourism sector - and create numerous youth jobs - by capacitating small and medium-sized tourism businesses with young talent.

By giving talented young individuals future-proof experience and skills, we can create a multiplier effect, where YES catalyses its alumni



A MESSAGE FROM THE CO-CHAIRS continued...

to become professionals and entrepreneurs who will themselves create jobs in the future.

As we look ahead, we are confident that YES will play a vital role in shaping South Africa's future. The resilience of our network, including YES Youth, our corporate clients, host partners, funders, and various stakeholders, reinforces the effectiveness of our value proposition.

**In closing**

At YES, we have assembled a high-quality, stable executive team that works closely with government stakeholders, our implementation partners and clients, who are the businesses of South Africa. We will continue to embrace an entrepreneurial mindset, think outside the box, and provide excellent service to our clients.

To the business community, we say again that your participation and investment in YES are crucial to overcome South Africa's unemployment challenge. We cannot nurture future professionals, managers, leaders, entrepreneurs, employers, and change-makers without creating the quality environment needed for them to grow and thrive.

To our partners in government, thank you for your continued support in the YES initiative, the significant impact of which indicates that a social compact between the private and public sector not only works, but works well. We hope to grow this social compact with more innovative policies that will incentivise business to employ youth.

Together with our corporate, implementation, and governmental partners, it is time for us to significantly expand our numbers, improve job quality, and create even more innovative solutions that have a real impact.

**Acknowledgements**

We would like to thank YES CEO Ravi Naidoo, our dedicated executive team and staff, our partners in government and the Presidency, and our 1,479 corporate partners for the tremendous contributions they are making.

Most of all, we would like to thank the youth, who bring our mandate to life in such inspiring ways. You are the future of our country, our continent, and our world. This is your time.





# A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In the past financial year, we reached the incredible milestone of creating 100,000 youth jobs in just four years of operation. We are deeply grateful to the businesses who have worked with us to contribute enormously to the fight against youth unemployment, and have stayed the course despite South Africa's precarious economic and socio-political context.

In this time, we have worked with around 1,479 sponsoring businesses and 25 implementation partners. Apart from deploying more than 100,000 young game-changers into the private sector, we have collectively injected R5.5 billion into the economy through YES Youth salaries alone.

These are big, impressive numbers, but the true YES effect reveals itself when you look at the jobs youth are being matched with and their potential for inspiring growth at a granular level. We haven't just created 100,000 jobs. We've given 100,000 young people the skills, work experience, and social networks they need to contribute to the economy for the next 40 years and beyond.

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

Three words come to mind to describe YES and its growth tangent in the four years since it began operating: quality, resilience, and integrity.

**Quality: Excellence is doing ordinary things extraordinarily well**  
The first watchword – quality – is a critical element of the YES quality work experience (QWE), a core function of our operation designed to expose youth to the workplace while nurturing personal and professional growth in a fulfilling and satisfying work environment. Access to jobs that fulfil these criteria – often in future-facing sectors like ICT and digital, the green economy and global business solutions – let youth (and the labour market) see what they are capable of and improve their employability.

The YES QWE strategy secures jobs for talented youth from disadvantaged backgrounds, and harnesses their potential to spark social mobility and broaden the economic base.

<sup>3</sup>YES Youth Employment Survey, Q2  
<sup>4</sup>YES Youth Employment Survey, Q2

One measure of the success of this strategy is the number of YES Youth employed post-programme.

The YES Youth Employment Survey, which surveys approximately 38,000 youth per quarter, found that 42 percent of YES Alumni are employed, compared to only 22 percent of those who have not been through a YES programme.<sup>3</sup>

As YES enters FY24, its influence among South African youth, and the long-term changes it has brought to the employment landscape are coming to light. As a trusted partner in the youth employment landscape YES has multiplied jobs, added value, scaled up, and equipped youth with real experience that is relevant and applicable in the world of work today. And for some YES Youth the programme has opened up avenues beyond employment; our youth employment survey has revealed that YES Youth and alumni are twice as likely to be engaged in entrepreneurial activity, with 14 percent of YES Youth currently engaged in entrepreneurial activity, some even becoming employers themselves.<sup>4</sup> This is double the national average.

It's also a testament to the dogged determination of South Africans in the face of adversity. I am constantly reminded of this by the irrepressible spirit of the youth in our programmes who remain positive and determined to make the most of their chances.

**Resilience: Fall down seven times, stand up eight**  
Which brings us to watchword two – resilience – and with it a cue to examine how YES has stayed on its growth path in a year marred by inflationary pressures, rising interest rates, a global economic downturn, and geopolitical turmoil.

From 1 April 2022 to 31 March 2023, the period covered in this annual report, YES created 32,578 jobs, overtaking its target of 28,000. YES has maintained its position as South Africa's largest private-sector-funded employment programme in an exceedingly challenging environment. YES works to add greater value for clients with youth jobs that not only boost job creation and initiate a powerful multiplier effect but also have a catalytic effect on the economy as a whole.

There can be no doubt that conditions are difficult. Economic growth has not exceeded 2 percent since 2012.<sup>5</sup> If one considers the 0.9 percent increase in the population, the economy is even smaller per capita now than it was then.<sup>6</sup>

Unemployment has increased; from 25 percent in 2012 to 33 percent today<sup>7</sup> – 43 percent if you include those who have given up searching.<sup>8</sup> With stagnant growth and many companies resorting to section 189 retrenchments, the prospects for job creation are less than buoyant.

<sup>5</sup>Trading Economics, South Africa GDP growth rate  
<sup>6</sup>Macrotrends, South Africa population growth rate 1950-2023  
<sup>7</sup>Statistics South Africa, Quarterly Labour Force Survey, 2012-2023  
<sup>8</sup>Statistics South Africa, Quarterly Labour Force Survey Q1:2023



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

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

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

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

**Ravi Naidoo**  
Chief executive officer  
Youth Employment Service

Two out of three South Africans between the ages of 15 and 34 – the youth demographic YES serves – are unemployed.<sup>9</sup> Although the economy has created a net 1.5 million jobs in the past decade – an average of 150,000 jobs a year – the labour market is growing at a rate of 400,000 a year.<sup>10</sup>

The ability of the programme to leapfrog young people out of the economic circumstances is considerable. 61 percent of YES Youth come from social grant-recipient households and 77 percent have dependents,<sup>11</sup> meaning the YES salary ripples through families and even communities.

**Integrity: Keeping it together**  
The 1,479 sponsoring businesses, from JSE-listed companies to SMEs, along with our implementation partners, sector agencies and government, are key to our organisational integrity, the third, and perhaps most vital, ingredient of the YES secret sauce.

**Integrity is in the DNA of our partners.** Companies with good social standing and governance, willing to partner with us and undergo the rigorous monitoring and evaluation that YES is mandated to perform, have enabled us to continue scaling our efforts. The YES client base grew in FY23 by 27 percent, with total programme registrations for the year at 952, 31 percent higher than in FY22. The fact that many existing clients have renewed their programmes – some their fifth and sixth – underlines our success.

**Integrity means keeping it together as you grow.** Our implementation partners (IPs) hosted a quarter of YES Youth in FY23. YES has resolved to target IPs in the sectors most likely to absorb youth after their work experience and steer them in career directions that are in demand as technology progresses and the job market changes. Our cutting-edge drone employment programme is a good example; it has an absorption rate close to 100 percent because of the myriad applications of drone technology (agriculture, security, conservation and insurance, etc.).

**Working together for better incentives**  
YES is working with partners in government to identify the so-called 'legislative levers' that can unlock jobs, offer greater recognition of YES spend for Level 1 companies, and explore non-B-BBEE programmes – in the sustainability space, for example – that can benefit businesses and drive greater YES Youth uptake.

Beyond B-BBEE, many businesses are seeing the value of reporting based on ESG, SDGs and the SLPs mandated for mining companies, which integrate effortlessly with YES programmes, especially those in the host partner model, an employment pipeline for scalable, future-facing sectors like the digital and green economies.

We have seen growing interest from mining houses to collaborate with YES and take advantage of the value propositions we are developing around ESG reporting. Mining companies like Anglo American Platinum (AAP) have joined YES to boost their SLP requirements by creating non-mining jobs for youth in mining towns; others are keen to shape just transition and social impact programmes to attain their Sustainable Development Goals (SDGs) and improve ESG reporting. We are developing a pilot impact measurement framework as part of our collaboration with AAP, looking at measuring the impact of a YES job and programme according to SDG targets.

<sup>9</sup>Statistics South Africa, Quarterly Labour Force Survey Q1:2023  
<sup>10</sup>Statistics South Africa, Quarterly Labour Force Survey Q1:2023  
<sup>11</sup>YES Youth Employment Survey Q2



A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER continued...

YES supports transformation and employment equity in the finance sector, and has progressed to signing up asset managers like Ninety One that recognise the multiplier impact of YES. The Financial Sector Transformation Council (FSTC) has endorsed our proposal to allow Level 1 companies in the financial sector to recognise YES spend, under Section 2.5 of the FS Code and the YES proposition can be used across the sector. We are awaiting final approval from the Minister of Trade, Industry and Competition.

**Working together for more impactful, quality of jobs**

One of our highlights of the financial year was working with Sanlam to put in place the framework for a tourism initiative, #Youth4Tourism, that will ultimately pull in companies from across the country to support the massive growth of the sector. This cross-cutting, multi-sectoral initiative which aims to boost South Africa's tourism industry will go live in the later part of FY24. Tourism is both a key growth area for the country's economy and a major potential source of employment.

We are active in the Presidential Youth Employment Intervention (PYEI) which includes Harambee and SAYouth.mobi and partners like the National Youth Development Agency (NYDA).

During the Western Cape's 2023 State of the Province address in February, the premier announced that their government is partnering with YES to increase opportunities for youth. The initial target for 2023 is 3,000 YES jobs. This initiative will focus on the province's growth sectors: tourism, the green economy and energy, ICT and tech and the wellbeing economy.

In Gauteng, the focus of our MoU with the provincial government is on township economies and hub infrastructure.

The German Federal Government has approved funding for Just Transition SA, a partnership that includes YES, GIZ, WWF, TIPS, GreenCape and NBI and is centred around Just Transition initiatives in Mpumalanga. YES will receive a €250,000 grant (over three years) earmarked for youth jobs in the green economy and to craft a just transition youth skills plan.

**Streamlining, scaling and investing for growth**

In the past financial year, we saw programme registrations increase by 31 percent over the previous year. Many of these new registrations are from smaller companies with smaller jobs targets. As the number of SMEs participating in YES increases we are investing in the enhancement of our technology to increase automation and reduce costs. We anticipate that increased reliability of our technical capabilities will enable greater service volumes of YES programmes and youth, and inclusion of more SMEs. In the first phases of this tech

plan, we will reduce the number of manual processes that require high-touch interventions to ensure consistency of data across systems. We have ramped up our M&E of quality work experiences and through enhanced call centre operations now call around 27,000 youth a month. Our quarterly youth employment surveys have been invaluable in helping us to gauge our progress and expose areas that need attention.

Reporting granular, relevant and usable data to our clients and stakeholders is vital in these difficult times and underpins the strong value proposition that makes it worthwhile for companies to join YES. The youth clients are supporting are fulfilling employment equity requirements and have the potential through the skills they gain to add value to their business and the economy as a whole.

**Getting the message out there**

For FY24 we are aiming to grow the number of businesses participating in the initiative, which will in turn grow youth jobs. The challenge is to consistently scale and streamline our offering and grow the YES impact exponentially. We've already started driving a marketing campaign to encourage more businesses of all sizes to work with us. We'll be connecting directly with CEOs and industry bodies through a series of roadshows. We're also focusing on sectors that have the ability to absorb large numbers of young people, like retail, automotive, and digital.

Business is the lifeblood of YES; it is vital that we continue our advocacy and support in the government-business realm and retain our vision for a brighter future for the youth of South Africa.

Our focus on improving client retention has borne fruit and has grown from 39 percent in FY21 to 69 percent today. It reflects the enduring confidence of our clients and the strides YES has made to improve operational performance and key account management.

Our mission is to forge as many partnerships and collaborations as possible with a focus on employment pathways and future-forward industries with a high potential for jobs.

**In closing**

YES had an extremely successful year in the face of a severely constrained economy. However, our successes have only highlighted the enormity of the task that remains. In the coming financial year, and beyond, we will be looking to aggressively grow the numbers of youth passing through the YES programme, as well as open more pathways, through powerful partnerships, for them to imagine, create and grow.

By doing this, we aim to unlock new levels of employment and prosperity for our youth, our partners, and our country. We cannot waver for a moment. Our future depends on it.





YES BOARD 2022/2023



Female  
42%



Black  
50%



**Colin Coleman**  
Co-chair  
Non-executive director



**Stephen Koseff**  
Co-chair  
Non-executive director



**Zarina Bassa**  
Non-executive director



**Cassim Coovadia**  
Non-executive director



**Adrian Enthoven\***  
Non-executive director



**Leila Fourie\*\***  
Non-executive director



**Nomvuyo Guma**  
Non-executive director



**Patrick Dlamini\*\*\***  
Non-executive director



**Nazmeera Moola\*\*\*\***  
Non-executive director



**Ravindra Naidoo**  
Executive director



**Donne Nicol**  
Non-executive director



**Simon Susman**  
Non-executive director

\*Adrian Enthoven resigned 30 June 2023

\*\*Leila Fourie appointed 7 March 2023

\*\*\*Patrick Dlamini resigned 3 July 2023

\*\*\*\*Nazmeera Moola appointed 31 May 2022

YES EXECUTIVE COMMITTEE

As of 31 March 2023



Female  
29%



Black  
43%



**Ravindra Naidoo**  
Chief executive officer



**Leanne Emery-Hunter**  
Chief operating officer



**Vaunn Kelly**  
Chief financial officer



**Malcolm McDonald\***  
Acting chief information officer



**Tsholo Mogotsi\*\***  
Acting chief partnerships officer



**Farai Mubaiwa\*\*\***  
Chief partnerships officer



**Zaid Patel**  
Head: business  
integration



**Samantha Steyn**  
Business development  
strategy director

\*Malcolm McDonald became CIO 19 September 2022 as a Consultant – permanent since 01 May 2023.

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

\*\*\*Farai Mubaiwa resigned from her position at YES, last working day 31 December 2022



# ABOUT THIS REPORT

This aim of this report, which covers the period from 1 April 2022 to 31 March 2023, is to:

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

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

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

Our financial information is independently audited and verified.



## THE SWEET TASTE OF SUCCESS

Sweetness Simata

Sweetness Simata, owner of the booming Sweet Chef Dak Wings, located in Nelson Mandela Square, Sandton, has seen nothing but a delicious journey since the beginning of his YES programme.

Sweetness was born in Alexandra township and attended the Johannesburg Culinary and Pastry School, where he attained his diploma. Finding employment after he graduated was a major challenge for Sweetness. Desperate to gain some kind of work experience, he began volunteering at the school to hone his skills and bolster his CV. "Nothing came easy, it was extremely difficult. But, as a hardworking person who enjoys being productive, I decided to not sit and relax at home with nothing to do but rather volunteer and keep applying for opportunities," says Sweetness. Through his hard work and perseverance, he was exposed to YES Culinary Academy at the Alexandra Ulusha Hub where he was sponsored by Ford Motor Company of Southern Africa.

"The experience under YES programme was amazing and helpful," shares Sweetness. "Working as a culinary trainer and culinary consultant gave me the opportunity to grow and practice my leadership skills, as well as manage the kitchen both alone and as a supervisor."

Now, you can find his restaurant on UberEATS if you are in the Sandton area.





## SOCIAL IMPACT CHAMPION



### SAFRIPOL: CLOSING THE SUSTAINABILITY CIRCLE

Safripol operates in the plastics sector, which has had to bear much of the blame for creating plastic waste. Safripol believes it has an important leadership role to play in changing the plastics narrative, by driving a sustainable circular industry. Their support of Primestars, a majority-black woman-owned youth development organisation, demonstrates their determination to join the shift to a green economy through the Step Up 2 A Green Start Up which encourages South African youth to become ecopreneurs by identifying opportunities in the green economy.

According to Safripol's 2021 sustainability report, the key pillars of their socio-economic strategy are:



Employee Development



Skills and Education



Community Development



Enterprise Development

Safripol has created **593 work opportunities for YES Youth** at various host employers as at March 2023.



# YES VISION AND MISSION

## VISION

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

## MISSION

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

## HOW THE YES QUALITY WORK EXPERIENCE SUPPORTS SUSTAINABLE GROWTH

A company's social impact is an essential consideration for investors who want to ensure that their investments align with their values and contribute to positive social change.

The 17 sustainable development goals (SDGs) were launched by the United Nations General Assembly in 2015 as 'a blueprint to achieve a better and more sustainable future for all'.<sup>12</sup>

A company's sustainability and ethical impact can be measured by the degree to which they align with these goals as well as the environmental, social and governance (ESG) criteria used to assess a company's practices related to promoting social mobility of youth (especially those from historically disadvantaged communities), human rights, labour standards, community involvement, customer satisfaction, and overall impact on society.

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



- **No Poverty**  
Healthcare, education and early childhood development, SMME development, agriculture and conservation, retail
- **Decent Work and Economic Growth**  
Retail, manufacturing, agriculture, SMME development, training and YES apps
- **Zero Hunger**  
Healthcare, education and early childhood development, SMME development, agriculture and conservation, retail
- **Climate Action**  
Job programmes for young women, agriculture, drones, ICT, SMME development
- **Good Health and Well-Being**  
Healthcare, education and early childhood development, smme development, agriculture and conservation, retail
- **Industry, innovation and Infrastructure**  
Retail, manufacturing, agriculture, SMME development, training and YES apps
- **Quality Education**  
ICT, training, early childhood development, yes training app
- **Partnership for the Goals**  
The YES turnkey solution connects social partners and companies to create quality work experiences for youth
- **Gender Equality**  
Job programmes for young women, agriculture, drones, ICT, SMME development

<sup>12</sup>[https://www.google.com/url?sa=t&rc=1&q=&esc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewjCs8ik6OD\\_AhU10EAHWqrCnsQF-noECCEQAQ&url=https%3A%2F%2Fsdgs.un.org%2Fgoals&usg=AOvVaw2OAOAdkurlaeVqubOJGAQ&opi=89978449](https://www.google.com/url?sa=t&rc=1&q=&esc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewjCs8ik6OD_AhU10EAHWqrCnsQF-noECCEQAQ&url=https%3A%2F%2Fsdgs.un.org%2Fgoals&usg=AOvVaw2OAOAdkurlaeVqubOJGAQ&opi=89978449)



















IPS, ESG AND ASSOCIATED SDGS

Host partner	Fields	SDGs
Afrika Tikkun	Early childhood development (ECD), career development, agriculture, healthcare, digitisation, SMME development, green and automotive	<div><div>2</div><div>13</div><div>4</div><div>8</div><div>9</div></div>
Africa Foundation	Conservation	<div><div>12</div><div>13</div><div>14</div><div>15</div></div>
Asili Call Centre	Marketing and data capture	<div><div>8</div></div>
Blossom Care Solutions	Manufacturing	<div><div>12</div></div>
CapaCiti	ICT	<div><div>4</div><div>9</div></div>
Conservation South Africa	Conservation, agriculture	<div><div>2</div><div>12</div><div>13</div><div>14</div><div>15</div></div>
Edunova	ICT, education	<div><div>4</div><div>9</div></div>
Funda Wandé	Education	<div><div>4</div></div>
Gold Youth	Mentorship, education	<div><div>4</div></div>
HIVSA	Healthcare	<div><div>3</div></div>
IT Varsity	ICT	<div><div>4</div><div>9</div></div>
iHappify	Customer service	<div><div>8</div></div>
Jumpstart	Retail, life skills, business skills	<div><div>4</div><div>8</div></div>
Matongoni	Manufacturing and recycling	<div><div>12</div></div>
Mobicel	ICT	<div><div>9</div></div>





IPS, ESG AND ASSOCIATED SDGS continued...

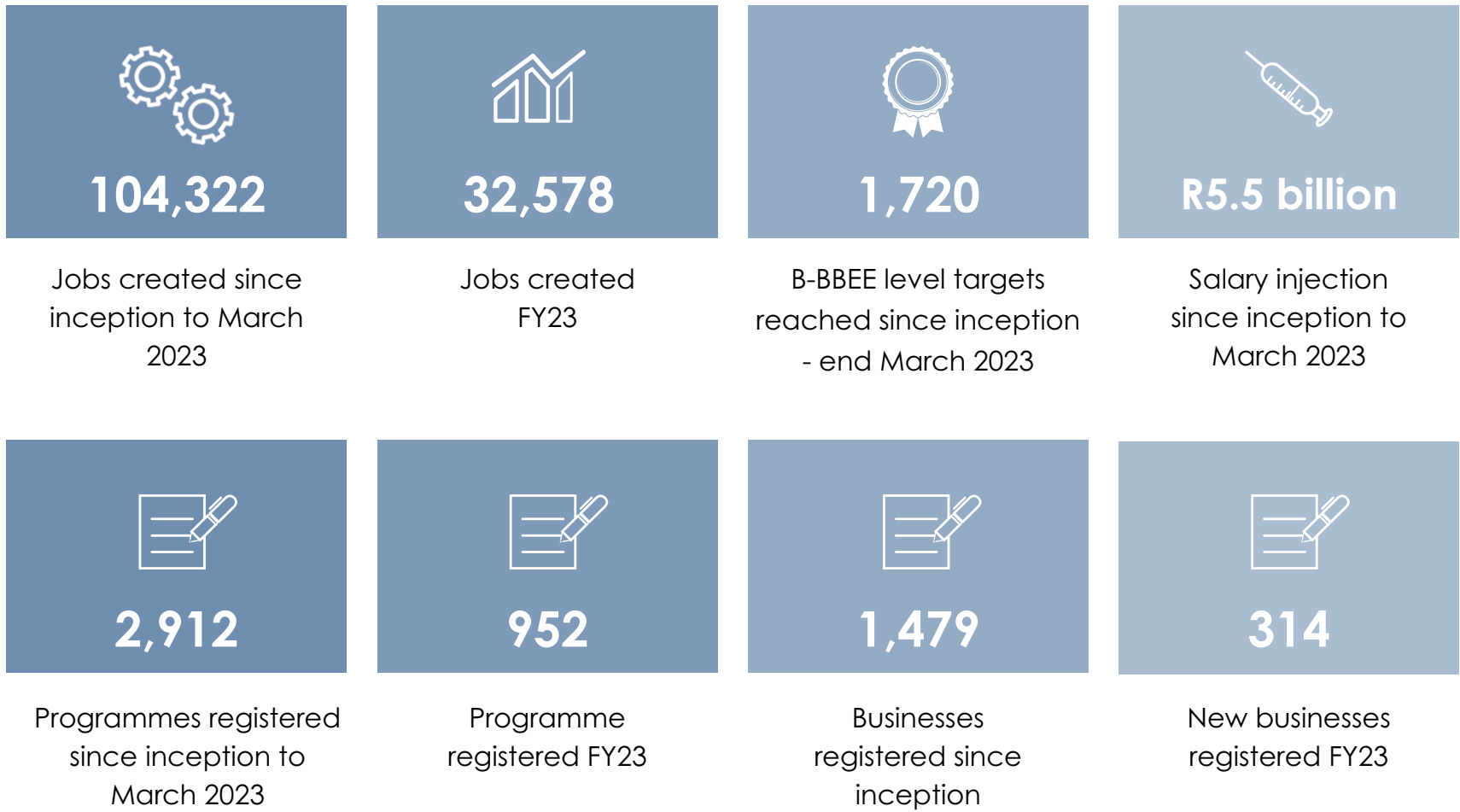
Host partner	Fields	SDGs
National Financial Literacy Association	SMME support and development	
ORT SA	ICT, skills development, early childhood development	 
ORT SA Cape	ICT, skills development, early childhood development	 
Property Point	SMME support and development	
RLabs	ICT, SMME development	  
The Click Foundation	ICT, education	
TILT	ICT, creative	 
Tradeway Promotions	ICT and marketing	 
U-Turn	Work readiness	
Witkoppen Health Centre	Healthcare	
Youth Health Africa	ICT	
Youth@Work	Early childhood development (ECD), teacher development, sport, IT skills, life skills, food security, SMME development, manufacturing, transport	      
Yoga4Alex	Health, education, mentorship, education	 
Zaio	ICT	





## IMPACT TO DATE

(Inception to March 2023)



### Registrations per programme

Programme 1	Programme 2	Programme 3	Programme 4	Programme 5	Programme 6
1,479	757	416	199	59	2



## CRAFTING A CORPORATE SUCCESS

Makoele Matsebe

Makoele Matsebe, went from being an unemployed 25-year-old from Mokopane, Limpopo in 2020, to a professional in the field of information technology. She started the YES year as a trainee software developer at ADAPT IT (also her sponsor), and through the programme, she had the privilege of learning from accomplished developers who generously shared their expertise.

As a woman in the competitive tech industry, constant skills improvement is needed to be able to become the best in the industry. Makoele, views every experience as an opportunity for personal growth and the YES programme was one opportunity that brought her to where she is now.

Today, she works as a fully-fledged software developer where she plays a pivotal role in developing systems for telecommunication companies. Her focus is on scripting USSD menus, impacting millions of users across the country. She is committed to efficient coding, ensuring optimal performance and user satisfaction. Looking ahead, Makoele aims to deepen her understanding of protocols and their role in communication, as well as gain expertise in computer frameworks.

Beyond technical growth, Makoele has a passion for leadership and mentorship. She aspires to inspire others and make a lasting impact in the industry. Her dedication to skills development and her unwavering drive to excel propel her forward, making her a valuable asset in the ever-evolving world of technology.



# SOCIAL IMPACT CHAMPION



## MULTICHOICE: GIVING YOUTH THE POWER TO CHOOSE

Dimakatso Matsonyonyo grew up in Phomolong near the small town of Hennenman in the Free State goldfields. Dimakatso studied electronics up to N5 level, but had to give up her studies to take care of her grandmother. Job opportunities in the area she lives in are very scarce and she was unable to get a job. She was given a learnership at Camblish Training Institute when she joined the MultiChoice Group family through the YES programme. The confidence she gained from this experience has made her even more determined to succeed as she looks forward to her career journey. [Watch](#)

True to its history of supporting, and investing in, youth programmes, Multichoice first stepped up to the plate in the midst of Covid with an investment of R40 million and is now in its third programme.

Through Multichoice's partnership with YES young people are employed in industries that include telecommunication, human resource management, engineering, satellite communication, coaching and ICT.

Learnerships and internships sponsored through MultiChoice, focus on business analysis, telecommunications, systems development, and social work and TVET N5 and N6 in Free State, Gauteng, Western Cape, and Limpopo.

Multichoice has created almost **1000 work opportunities: R52 800 000 in YES Youth salaries.**

# YES GLOSSARY

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

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

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

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

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

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

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

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

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

**Multiplier effect:** By creating jobs that upskill youth, encourage greater levels of entrepreneurship, and/or forge a longstanding career-path, we are creating a multiplier effect, where one job could create ten or more.

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

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

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

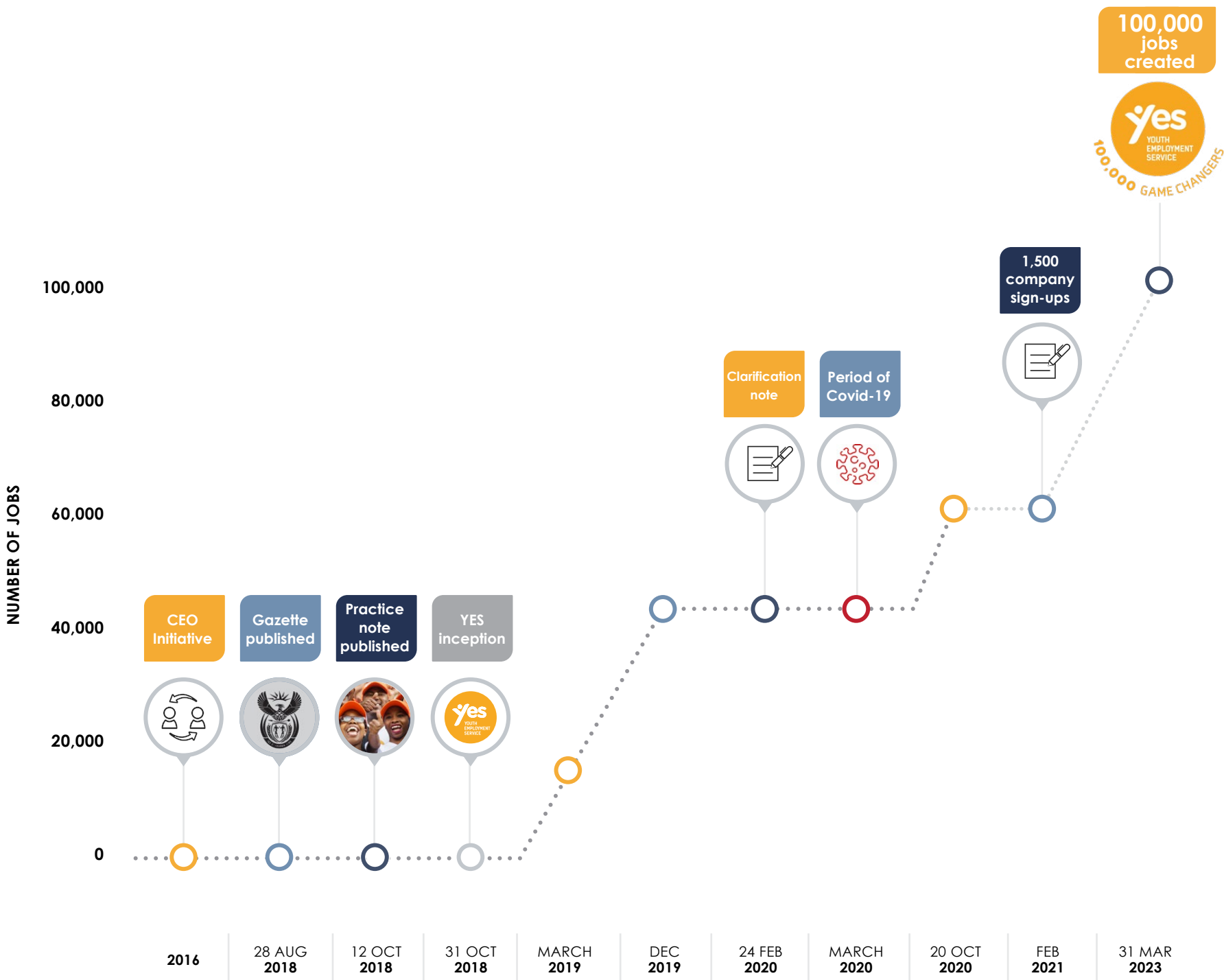
**The YES Gazette:** Government Gazette No. 41866, Notice 502 of 2018, dated 28 August 2018 (the "Y.E.S Initiative Gazette") is a piece of legislation that allowed for the inclusion of the YES initiative in the Amended Code Series 000. The **B-BBEE benefits (level ups) afforded can be achieved exclusively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

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

**Youth:** Unemployed youth, ages 18 to 35.



YES JOURNEY



FY 2023 SNAPSHOT

**Performance highlights**

In our last annual report, we reported a record number of jobs for YES; FY23 outstripped that achievement and delivered enough jobs to get us past the 100,000 jobs milestone by the end of February. This translates to more than R5.5 billion injected into the economy through youth salaries alone. This achievement is more remarkable when one considers the difficult economic environment: a global economic downturn and geopolitical turmoil, and at home, runaway loadshedding and greylisting.

YES continues to grow its client base to record highs; overall programme registrations in January FY2023 were at 952, 31 percent higher than in FY22. Client retention has increased from 39 percent in FY21 to 69 percent today.

YES created 32,578 work experiences in FY23 compared with 25,287 in the corresponding FY22 period; an increase of 29 percent in the rate of jobs per annum.

The increase in YES jobs and control over costs have further reduced operating costs per job, to an average of R2,298 (4.1 percent of youth benefit), an improvement on FY22 of R 2,697 (4.8 percent of youth benefit) and FY23 budget of R 2,621 (4.6 percent of youth benefit).

LARGEST JOB CONTRIBUTORS FOR FY23







## SOCIAL IMPACT CHAMPION



### NEDBANK: IT GROWS ON TREES

Together Nedbank and YES have created work opportunities for close to 10 000 South African youth over the past three years.

More than 360 of Nedbank's YES candidates have been placed in the bank's business units in jobs like digital trainee, software developer and wealth consultant. The implementation partners chosen to host other Nedbank YES Youth are aligned with Nedbank's green economy programme. In these jobs, youth have gained skills in areas like land restoration, ecotourism, disaster management, education and food garden management. Pleasingly, more than 1 100 YES Youth have been absorbed permanently into Nedbank or one of their implementation partners over the 3 years of Nedbank's investment in YES.

Deborah Fuller, Nedbank Group executive: Human Resources says Nedbank believes in leveraging its financial expertise to do good – for individuals, families, businesses, and society. "This stems from the understanding that Nedbank and its stakeholders operate in an interdependent system where a thriving economy, a well-functioning society, and a healthy environment are needed. Reducing youth unemployment in our country is central to this."

More than two-thirds of the work opportunities created through the Nedbank-YES partnership are filled by women, since they bear the brunt of the employment crisis and have higher unemployment figures than men. Nedbank also strives to make placements in Mpumalanga, Limpopo and the Eastern Cape where the unemployment rate is higher than the official national average.

Traver Chabangu, who is now a field ranger at the Kruger National Park, says that thanks to Nedbank and YES he has a better future to look forward to.

Nedbank, which is one of YES' biggest financial services sector contributors is also one of the first companies to participate in YES for non-broad-based-black-economic-empowerment (B-BBEE) purposes. As a level 1 contributor Nedbank has taken the alternative Beyond B-BBEE route of integrating YES into its environmental, social and governance (ESG) and Sustainable Development Goal (SDG) strategies. For growing numbers of South African businesses, creating youth jobs in sectors that build economic, social, and environmental stability is an effective way to reach their ESG and B-BBEE goals, while uplifting and empowering communities.

"Partnering with YES is more than just youth job creation and gaining a level up on a B-BBEE scorecard. It's about creating South Africa's future business leaders by providing the quality work experiences they need to get their first job or start their own business. That's the impact we're ultimately aiming for."

**Ravi Naidoo**  
Chief executive officer  
Youth Employment Service





## FROM CALL CENTRE TO CONSULTING

Tshegofatso Mabena

Tshegofatso Mabena started her career as a call centre agent after finishing her degree. However, her post-university career was at all what she thought it would be. She was unhappy, demotivated and felt that this role was not going to help her achieve her career ambitions in the IT field. Unwilling to let go of her dream, she resigned from her position and began to search for a role more aligned to her goals.

She was eventually selected for the YES x IT Varsity programme, where Tshegofatso learnt many technical skills, but most importantly, work readiness. She highlighted that the skills gained, such as working in a team and learning how to handle workplace conflict, have played a key role in her journey thus far.

Unsure of what was ahead of her, Tshegofatso worked to ensure she was absorbing as much as possible from her quality work experience. As it turns out, the YES programme was the perfect platform to catapult her into a much-coveted position in a highly competitive industry and company. Post-YES, Tshegofatso was hired as a business integration arch associate at a top four, multi-national consulting firm.

The firm usually rejects 60-80 percent of applicants, and positions are often won by highly-educated individuals with multiple degrees, certifications and years of experience. Despite limited work experience, the firm saw immense value in Tshegofatso's skills, speaking to the YES programme's ability leapfrog top talent, whom companies would not have come across otherwise, into future-facing environments.

"I'm so grateful for this opportunity, especially so early in my career. Knowing where to start in the corporate world isn't as simple as we hoped it would be," says Tshegofatso.

Tshegofatso's confidence in her career has increased thanks to YES and her team. The fear of being stagnant was erased with this opportunity. "Getting this far in my learning experience and pushing myself to always strive to be the best is paying off. I will continue impressing my company, surprising myself, and growing my career."





# GROWTH: PRIORITIES AND OPPORTUNITIES

## Client base

Compared with FY22, YES registered a similar number of new clients, albeit skewed to smaller companies, with lower job targets. Although this trend is positive in that it reveals traction in the SMME sector, it increases the burden on our operational capacity and technology infrastructure. YES plans to adopt smarter and more automated technology with less manual intervention to ensure that we scale and retain current clients with a focus on HR planning and team capacitation, implementation partner offering, client reporting and M&E. We have identified critical investment areas in our IT and technology functions to meet potential demand and ensure that we attain our 69 percent renewal target.

YES ran a national airport digital billboard campaign across all SA airports during the December holiday period and during Mining Indaba to take advantage of the peak marketing periods and preempt a high number of registrations at year-ends in February and March. The campaign heroed our current clients to encourage new businesses to join YES.

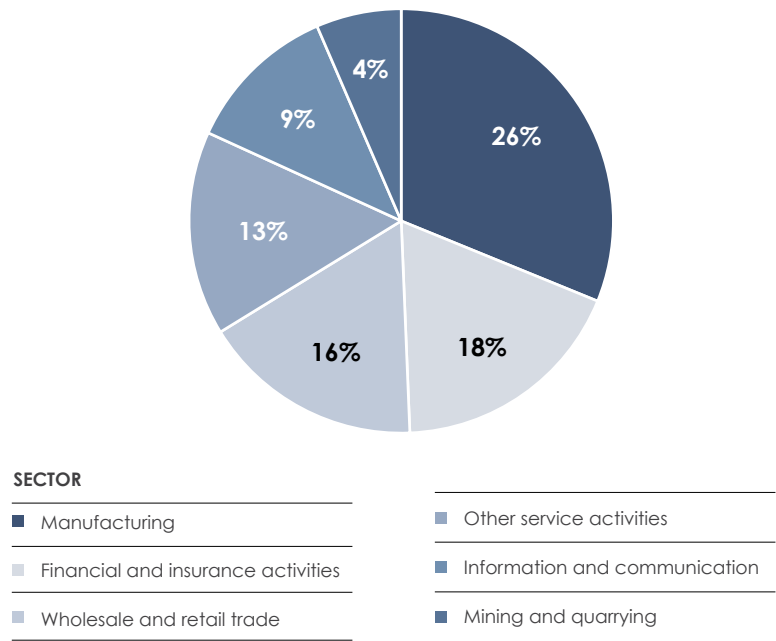
## New business

**Targeting JSE-listed companies.** To achieve real growth in our numbers, we need large key accounts (clients with 100 or more job numbers. Our analysis shows that 30 percent of JSE-listed companies (excluding Level 1 companies and non-BBBEE sectors) stand to benefit from the B-BBEE incentive.

With the support of the YES board we embarked on roadshows to CEOs of JSE-listed companies to discuss the YES value proposition and increase the participation of JSE-listed companies. In successive roadshows in FY23 YES met with the CEOs of more than 20 large businesses and leadership teams to unlock more opportunities for youth with an enhanced YES value proposition.

## OUR SECTOR STRATEGY:

YES top job-creator sectors



In FY23 we persisted with our drive to engage with and register clients from our target sectors – mining, retail, financial services and healthcare.

During the Mining Indaba in Cape Town in February 2023 the YES team met with executives and team members from Anglo American, the Western Cape Government, and Sanlam, and numerous other JSE-listed businesses. YES CEO Ravi Naidoo moderated a Future of Work panel discussion with panel members from Anglo American Platinum, Deloitte, Exxaro, Turner and Townsend and IGF. An interview with Naidoo by Newzroom Africa was aired live at the event.

Increased engagement with industry bodies is also a critical element of this strategy. We have met with South African Medical Technology Industry Association (SAMED), Consumer Goods Council of South Africa (CGCSA), Minerals Council, Steel and Engineering Industries Federation of Southern Africa, Mining Equipment Manufacturers of South Africa (MEMSA), National Association of Automobile Manufacturers of South Africa (NAAMSA), National Association of Automotive Component and Allied Manufacturers (NAACAM), Business and Arts South Africa (BASA) and Road Freight Association (RFA). Additionally, YES has also engaged with Business Unity South Africa (BUSA), and will be joining BUSA as a member.

We are currently piloting the development YES Alumni database with SAMED, with the intention of rolling this out to other sector bodies.

Integration of ESG and SDG goals into the employment strategies of existing and potential YES clients is another prong of the sector strategy. YES is working with YUM!, Nedbank, Anglo American Platinum and Sanlam to refine this Beyond B-BBEE aspect of the YES offering and is developing an impact measurement framework with Anglo.

Another aspect of this is to build the capacity of YES implementation partners to report on ESG indicators, which is an important factor for companies that are integrating ESG into their overall strategic objectives and YES programmes.

## The mining sector, SLPs and sustainability

YES continues to attract interest from mining companies, a largely untapped source of youth jobs. Partnering with YES can maximise their impact on socioeconomic development, transformation, gender equality and employment in the mining communities with which they are obliged to draw up SLPs.

Effective SLPs include ESG elements and are linked with the SDGs, as is the Mining Charter which defines requirements for ownership, community development, employment equity, human resource development, inclusive procurement, supplier and enterprise development, and housing and living conditions.

The YES turnkey solution can secure jobs beyond the mining industry to build thriving communities and self-reliant economies. Part of the value proposition is that YES can take the existing skills development programmes on mines up a level by pairing them with practical, post-training work experiences.

Creating youth jobs in sectors that build economic, social, and environmental stability in communities (through the turnkey solution) is an effective way to systemically and holistically reach ESG goals, and empower communities beyond mining. Positive ESG outcomes also improve the attractiveness of mines to investors.

YES is compiling a database of SMMEs that can be capacitated to boost local employment within mining towns, acknowledging the vital role of SMMEs in driving economic growth and job creation. By empowering SMMEs, it aims to foster entrepreneurship and reduce economic inequality.

The YES integrated offering promotes youth jobs that dovetail with the B-BBEE scorecard, ESG initiatives, the Mining Charter and SLPs.



## TURNING DREAMS INTO DIGITAL REALITY

Chulumanco Lonwabo Nomtyala

Born in Nomlacu and now based in Bizana in the Eastern Cape, Chulumanco Lonwabo Nomtyala is testament to the transformative power of the YES programme. At 25, he has already made a significant impact in his community, using technology to create solutions that improve the lives of his fellow South Africans.

His academic journey led him to an Honours degree in Human Settlement Development at Nelson Mandela University and complementary certificates in Project Management Foundations and Master in Demand Professional Soft Skills through LinkedIn Learning. He is also an alumnus of the YES programme where he was sponsored by Microsoft.

Fuelled by a deep understanding of Human Settlement Development, he identified an opportunity to simplify the process of housing subsidy applications. His solution, an app called Soft 4IR Apps, allows people to easily apply for housing subsidies, streamlines the process for municipalities, and provides applicants with real-time updates throughout the application process.

By partnering with local municipalities, he aims to ensure a smoother, more transparent housing grant and subsidy application experience for everyone. His broader vision involves educating people about the range of available grants and subsidies, ensuring they have the information they need to successfully access these resources.

“The Digital Pathway transformed my perspective on how people can thrive in the digital era,” he says. “Through this programme, I was able to develop an app that will enhance people’s livelihoods and simplify their lives. I am proud to offer a local solution.”



**Towards a healthier youth employment ecosystem**

YES is firmly entrenched in the youth employment ecosystem as South Africa's largest private-sector-based youth employment programme and, through a range of corporate and implementation partners in diverse and future-facing sectors, is instrumental in matching youth talent with jobs, equipping youth with relevant skills, and creating careers.

The dedicated YES Partnerships team established in FY23 will ensure more work will be done in the coming year to integrate into existing strategic management and operational processes.

To respond appropriately to the employment demands generated by the private sector, we seek out partners that deliver programmes and recruitment aligned with the needs of business and our existing and prospective clients. While we have broadened our partnership channels by establishing ties with B-BBEE agencies and industry bodies, we have also strengthened our relationships with key partners in the youth development ecosystem.

Most of our referral registrations are generated via B-BBEE agencies, but client and industry body referrals also account for a significant percentage of acquisitions, which illustrates how important these partnerships are. Other partners in the youth development ecosystem increase the scope of what we can offer our clients and ensure that we can offer youth employment solutions suited to their needs.

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

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

YES also submitted five interventions to scale up SAYouth, three employment tax incentive (ETI) proposals (November 2021) and three B-BBEE proposals to scale up private sector participation which it continues to pursue.

YES and the Department of Trade, Industry and Competition (dtic) are co-chairs of Pillar 4 of the Presidential Youth Employment Intervention (PYEI) – Reform the B-BBEE codes to boost employment and scale up YES. YES engaged the dtic on the seven Presidency PMO interventions to recalibrate B-BBEE, which was proposed by all stakeholders in the Presidential Youth Employment Strategy task team of the PMO.

As a member of the National Pathway Management Network (NPMN) YES represents the private sector's role in unlocking youth employment opportunities. YES is an active lead in pillars 1 and 2: implementation of interventions to stimulate local economies; and, implementation of workforce solutions for growing jobs.

YES hosted the National Planning Commission (NPC) workshop on Employment Scenarios. As part of that process, the NPC engaged with the YES-generated Youth Employment Survey and appreciated that with over 38,000 youth sampled, it was the largest survey of its kind. YES data and research is assisting national policy advisory on approaches to improve the employment environment for young people.

YES has been working collaboratively with Harambee Employment Accelerator towards increasing job creation. In mid-2021, YES integrated its youth database with SAYouth.mobi to decrease the cost of job seeking for youth, who can now access learning and earning opportunities through a single zero-rated platform without having to register via the YES website.

YES and Harambee continue to engage on numerous platforms including the PYEI, PMO and NPMN following the signing of an MoU in June 2022. Core to the relationship is operationalising the MoU and ensuring that there is a clear understanding between both parties on SAYouth, how it works and how it can be leveraged for youth, clients and partners.



**INNOVATING CHARCOAL PRODUCTION**

Thobani May

The path to entrepreneurship is often paved with courage and initiative. Thobani May turned a pressing environmental issue in his community into an environmentally friendly business opportunity. Thobani, originally from Matatiele in the Eastern Cape, dedicated over a year of hard work, seeking guidance from business experts and gaining valuable knowledge through his role as a restoration worker in the YES programme, in which he was sponsored by Ford. This knowledge shed light on effectively starting and running his charcoal production company, Eco-Char.

Concerned about the abundance of invasive wattle trees in his area, he saw an opportunity to use these alien trees an environmentally conscious and innovative business. Eco-Char not only helps restore the community's land but also generates income, providing a practical solution to an environmental issue while contributing to the local economy.

What began as a small operation using recycled oil drums has evolved into a business using kilns that produce 20 times more charcoal. Each year, the business has experienced consistent growth, a testament to the alum's commitment and entrepreneurial spirit. Thobani now employs ten people.

Looking back on his journey, he credits the programme for preparing him for the rigours and rewards of entrepreneurship. The programme made him more hands-on and business savvy, equipping him with the necessary skills and knowledge he continues to apply in running his business.

"Through YES I learnt about running a business and all that knowledge has shed light on how to effectively manage Eco-Char. The work that we do has given me purpose and the strength to keep going," says Thobani.





**Of partnerships and flagships**

Our partnerships with future-forward, future-proof sectors – the green economy, GBS, tourism, social, drones, creative and digital industries etc. – will increase the overall impact and multiplier effect of the YES programme.

Our plans to expand our offering include a steadily growing, well-funded drone piloting programme, a blueprint for an investment in the tourist experience, conveners of green energy with the Presidency and a partnership with the Western Cape government. Innovations such as these are key to targeting sectors that are more likely to absorb youth once they have completed their work experience.

The YES Hubs are ideal platforms to build strategic partnerships and implement projects in the sectors that are vital to stimulating growth in youth employment. Flagship projects being facilitated through YES Hubs include drones (GIZ, IDC, Jobs Fund), the [Youth Content Collective](#) (creative industry jobs with entrepreneurial pathways) and [a Just Transition to a Decarbonised Economy in South Africa \(JUST SA\)](#) partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), World Wide Fund for Nature SA ([WWF South Africa](#)), the [Green Cape](#) Sector Development Agency NPC, Trade & Industrial Policy & Strategies (TIPS) and the [National Business Initiative \(NBI\)](#) that was launched in March.

YES works closely with the Presidency and other government departments on suggestions and reforms that will improve the youth employment environment. We have also made progress with ecosystem partnerships. We are active in the PYEI which includes Harambee and SAYouth.mobi and partners like the NYDA.

**Maybe you can fly a drone...**

Thanks to a huge range of application of drone technology (agriculture, security, conservation and insurance sectors, etc.) the YES drone training and employment programme has an absorption rate of almost 100 percent. In Phase 1 of the programme, 20 youth were trained at the Genesis Hub in Saldanha, with funding from Transnet. Phase 2 of the programme expanded to the Alexandra Ulusha Hub, with almost 100 youth spread across both locations. Funders included Property 24, Pay U at Saldanha and GIZ, RS Components, Google, Johnson Matthey and Evercomm in Alexandra.

Phase 3, which will be rolled out in FY24, will include grant funding for training (R5 million) from the Industrial Development Corporation of South Africa Ltd (IDC). At this stage we are looking at training 39 more drone pilots with the grant.

**Oh, the places you will go**

The potential of the tourism industry to generate employment and serve as a multiplier incubator was picked up by Sanlam, which has committed to creating 182 jobs in an initiative based on youth creating social media content to increase interest in South Africa as a tourist destination. This will in turn boost the tourism sector with its potential for endless employment and entrepreneurial opportunities. This first phase of the initiative, set to go live in June 2023, is to be piloted with 1,000 creatives with more businesses signing on to participate. The second phase will include creating jobs that help capacitate the tourism industry – from tour guides, event coordinators and concierges to chefs, resort managers, travel agents and many more.

**Our provincial footprint**

YES is collaborating with the Western Cape Government on sector-led initiatives to support 3,000 youth in the Western Cape through the private sector, with a specific focus on sectors including the green economy, tourism, technology, and the well-being economy. YES has also been engaging with the Western Cape Government's [YearBeyond](#) (YeBo) to collaborate with YES clients and IPs to develop pathways for youth.

In Gauteng, the creative Industry project based in township economies and YES Hubs, commenced with 99 youth placed at various host companies in Gauteng through the YES IP model. A further 196 youth are to be given quality work experiences through this project.

**Go green or go home**

Proposed partnerships with the provincial government in Mpumalanga revolve around the just transition and mining (coal). Mpumalanga has a high concentration of coal-based power stations due to be decommissioned over the next five years.

Just Transition initiatives consider Mpumalanga a key hub for green new jobs and a reskilled labour force.

YES will receive a 250,000 euro grant through this project, which will be used for youth jobs in the green economy and to support a youth skills plan for the Just Transition in Mpumalanga.

YES is further mapping potential green partners, while also working with our current IPs to assist in proving work opportunities for youth in the solar installation and maintenance space.







### CollectiveX

YES has partnered with Collective X to enable increased absorption rate for YES Youth (in demand digital skills at right quality) and assist YES in accelerating the scale and quality of their digital implementation partners, while YES holds the relationships with corporates and the BEE incentive will serve as a key enabler.

YES is working with the Collective X to assist in identifying potential new digital IPs.

### Partnership with University of Johannesburg

The University of Johannesburg (UJ) have committed to working with YES on a range of initiatives to provide skills, training, and entrepreneurship programmes for South Africa's youth.

Via UJ's Johannesburg Business School Centre for Entrepreneurship (JBSCE) and Institute for Intelligent Systems, YES Youth will have access to UJ's portfolio of massive open online courses (MOOCs) in the fields of entrepreneurship and artificial intelligence. The teams are also exploring jointly establishing start-up incubation programmes for youth who have successfully completed the YES Siyazakhela Entrepreneurship training programme.

In addition to enabling YES Youth to access to UJ's online AI training courses, UJ and YES are jointly creating a broader 4IR (Fourth Industrial Revolution) training programme to ensure that South African Youth possess the necessary digital skills and insights they need to thrive in the modern workplace. The programme will include an entrepreneurship stream that supports enterprising YES Youth to leverage AI technologies to build innovative and resilient businesses based on the latest technologies and business models.

### Policy and legislation

Since its launch, YES has made great strides in securing a business-friendly policy incentive that leverages the resources, expertise, and networks of the private sector to improve youth employability through job creation. In this way YES continues to facilitate work-based learning and mentorship to equip young people with relevant skills and experience for the job market.

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

### B-BBEE

In FY23 YES continued its work with the dtic, Presidency and National Treasury on policy amendments to unlock jobs and capacitate the

SMME sector. Legislative levers to unlock jobs in target sectors that have been submitted to the dtic and await approval:

- **Small business participation in YES through affidavit rather than formal verification:** Currently the participation of exempted micro entities (EMEs) within YES is costly and administratively burdensome to small businesses. Allowing small businesses to participate in YES by means of an affidavit, bypassing the verification processes, could unlock jobs and mobilise value chains.

- **Positive drop-offs not needing to be replaced by measurement entity:** Currently youth drop-offs include both positive and negative drop-offs and overall count negatively against the sponsoring business. YES proposes that the legislation recognises positive drop-offs (i.e. for a better opportunity) as part of the sponsoring YES business' absorption target.

- **B-BBEE recognition for half-YES targets:** YES proposes that the legislation provides for B-BBEE recognition for achieving 50 percent of the YES target through the introduction of a 50 percent commitment number when placing youth. This will encourage more businesses to join, extend their reach, as well as opens a gateway to new corporates and opportunities.

### The Employee Tax Incentive (ETI)

The Employment Tax Incentive (ETI) aims to encourage employers to hire young work seekers by reducing the net cost of youth employment. There are currently complications in the way ETI is interpreted by SARS which may negatively impact ETI claims by some parties to the YES turnkey solution (implementation partner model) for otherwise qualifying youth. SARS's current interpretation acts as a deterrent to youth employment.

We have applied to SARS and initiated discussions within government to provide clarity on the claiming of ETI under the turnkey solution. We will continue to pursue all avenues to allow our partners to legitimately claim available incentives which drive youth employment.

### Level 1 companies in the financial services sector

YES has received positive endorsement by the Financial Transformation Council of the proposal to allow Level 1 companies in the financial services sector to recognise YES spend under Section 2.5 of the FS Code.



Employment equity

South Africa's employment landscape will be reshaped in many ways by the amended Employment Equity Act that comes into effect on 1 September 2023. The added pressure on companies to maintain a healthy youth talent pipeline that complies with the new legislation presents a growth opportunity for YES and its corporate clients. When it comes to navigating this new territory, businesses that partner with YES will have the added advantage of YES's experience and knowledge in the youth employment sphere.

YES is hopeful that the new legislation will promote equal access, address barriers, and foster an inclusive work environment to positively impact the youth talent pipeline in South Africa.

Beyond B-BBEE

Our beyond B-BBEE value proposition has proven to be a popular incentive for many businesses to participate in YES and is a distinct growth area for us to broaden our scope and offering. It will also increase buy-in from the mining sector, which has strong potential for job creation associated with SLPs, SDGs, ESG reporting, and the just transition.

YES is focusing on:

- **Implementation partners with links to employment in the renewables sector:** Beyond BEE emphasises the integration of sustainable and responsible business practices into economic development efforts. It encourages environmentally conscious approaches, ethical business conduct, and corporate social responsibility.

- **Reporting aligned with SDGs and ESG** that measures impact in a more nuanced way. Another aspect of the sector strategy is building the capacity of YES implementation partners to report on ESG indicators which is an important factor for companies that are integrating ESG into their planning.

Examples of successful beyond B-BBEE programmes include all three of Nedbank's programmes, and Anglo American Platinum's programme, which is governed by the requirements of the SLP and the Mining Charter.



SOCIAL IMPACT CHAMPION



SHOPRITE: YOUTH EMPLOYMENT HEROES

As South Africa's largest retail group, and biggest private sector employer in South Africa Shoprite prides itself in its well-established culture of investing in youth employment through development programmes and support for education and training. The retail sector is an exciting and attractive opportunity for young people; these programmes also enhance the capacity of the group to create early-career opportunities within the business.

According to its Integrated report for 2022 in FY22 the group spent R145 million in the employment, training and development of unemployed youth. In FY22 it provided 1 900 unemployed youth with workplace experience through YES.

BEYOND BEE: Decent work and economic growth

The group not only provides decent work by aiming to be an employer of choice, but also contributes to economic growth through salaries and tax paid by employees. Addressing youth unemployment is a key element of the group's social investment; many of the youth trained through programmes like YES4YOUTH and Retail Readiness have been employed permanently. These efforts work in the group's favour when it comes to improving their ESG rating and reporting and alignment with the sustainable development goals (SDGs), particularly SDG 8, which calls on signatories to "Foster sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

"The Shoprite Group was a first responder to President Cyril Ramaphosa's call to the nation to support the YES initiative and has been the highest-impact employment creator through the YES programme to date. We are fully aligned and committed to the President's vision encapsulated in the YES programme."

Pieter Engelbrecht  
Group CEO  
Shoprite

Wonder women

Another important aspect of the Shoprite employment strategy addresses gender equality and dovetails with SDG5: Achieve gender equality and empower all women and girls. In the course of Shoprite's four YES programmes, the group has created more than 7,000 youth jobs – project clerks, marketing administrators, cashiers, database administrators and drivers; of these jobs, more than a third went to women.

In a recent article Leanne Emery-Hunter, Chief Operations Officer at YES, stressed the importance of empowering young women: "Having more women in the workplace is good for business. An IBM study suggests that companies that prioritise the advancement of women grow their revenues by up to 61% more than their competitors, and 60% say they are more innovative. Firms with more women in senior positions are more profitable, more socially responsible, and provide safer, higher-quality customer experiences."

In 1996, the Shoprite Group introduced a campaign to celebrate women and today still champions women through business and community initiatives, skills development and training programmes. Thobeka Masuku joined YES in 2021 and today is employed as a cashier with her eye on a management position.

Beyond BEE in the back of beyond

Another vital thrust of the Shoprite employment strategy is its capacity to employ people in areas outside the metropolitan hubs, in underserved communities with less access to the tools that might improve their chances of employment. This in part thanks to the group's vast footprint in South Africa and other African countries. Shoprite also empowers and grows local, commercially viable SMMEs as part of its efforts to give small suppliers access to its consumer market. This boosts employment in peri-urban and rural areas and aligns with SDG12: Responsible consumption and production.

Shoprite has tapped into the magic of the YES programme by making its shape-shifting effect on South Africa's youth a reality. The group has come to embody the YES vision and its ability to shift the unemployment and poverty status quo.





## INTO FY24: INCREASING OUR IMPACT AND SCALING

In FY23 YES created the highest number of jobs to date, partnered successfully with a range of key initiatives, and made good progress with the ESG strategy.

Our sustained sector strategy and strategic partnerships to broaden the beyond B-BBEE impact have unlocked the potential in future-facing sectors, including mining.

Enhanced call centre operations and technology – and human resources development and allocation, standard operating procedures and key account management systems and processes have improved our capacity for M&E and will contribute to YES's ability to contribute to client ESG reporting.

### Refining our operations for greater impact and accurate M&E

#### A mental wellness pilot

A mental health and wellness programme for YES Youth in partnership with [Syked](#) will launch in June and aims to address the depression, anxiety, stress, anger, fear, despair, loneliness, and social isolation among youth, which is exacerbated by the youth unemployment crisis. According to a UNICEF South Africa U-Report poll, 65 percent of young South Africans said they had some form of a mental health issue but did not seek help. More than a quarter felt their mental health problem was serious enough to seek support, while 20 percent did not know where to get help, and 18 percent were afraid of what people would think.

It is hoped that the programme will address this and increase the impact of YES by improving the employability of YES Youth. Support to youth will be provided via the Syked platform and includes:

- Access to online resources on mental health and wellbeing
- Individual virtual counselling sessions with tele-counsellors
- Group counselling services and resources.

Up to 10 qualified counsellors will be employed and trained by Syked as online counsellors to provide the virtual support to other YES Youth. Counsellors will be funded by YES.

#### A refined strategy for implementation partners

YES is revising its IP selection and absorption criteria to include a greater number of IPs with high absorption potential. YES has onboarded [Green Riders](#), a socially empowering, ecofriendly delivery company and global business services (GBS) company, [Merchants](#). We have approached industry bodies, partners and our client base to assist us in sourcing IPs that can assist us in improving the quality of the programme and post-programme employability outcomes, as well as ESG reporting. The intent moving forward, is to recruit and appoint strategic IPs that are able to scale and that will drive higher absorption rates in the appropriate high job creation sectors.

We have renegotiated our agreements with our IPs, with key performance indicators to boost employability, measurement and record keeping.

#### Call centre and impact measurement

The five deliverables to fulfill the monitoring and evaluation (M&E) function, which is part of the YES mandate are:

- **Monthly calls** to YES Youth to check in on their quality work experience and drive app engagement.
- **A hotline** for YES Youth to report problems like non-payment, unsafe working conditions, or other matters.
- **Monthly SMSs** to YES Youth and supervisors to drive app engagement across all three YES apps – YES4Youth, YESLife and the YES supervisor app.
- **External studies** of YES and internal market research to add value for YES clients.
- **Quarterly youth campaigns** including alumni drives to track the impact of the YES programme on alumni or incentivise behavioural change.

In June and July 2022, we increased the number of call centre agents from 16 to 31, and improved data capturing systems, which has enabled the centre to conduct more research surveys on top of mandatory monthly monitoring and evaluation calls. This has resulted in an average 64 percent engagement rate over the past year. On average, statistics show that 91 percent of active YES Youth are having a good to excellent work experience and around 1 percent report having a bad experience.

The YES team follows up with youth who report that their work experience is poor or other issues.



YES Youth Employment Survey

YES is excited to announce that it's been conducting the biggest youth survey in the country, surveying around 38,000 youth quarterly. The Youth Employment Survey is a year-long research initiative to gain insights on youth employability, is helping YES design evidence-based programmes and helps track impact.

Strategic research for improved impact

Given YES's mandate to both enable employment for youth and instill employability, it is critical that the programme create opportunities for youth who have the potential to forge successful careers, businesses, and fill the socioeconomic gaps in communities. It is these youth who are going to take action and drive the country forward.

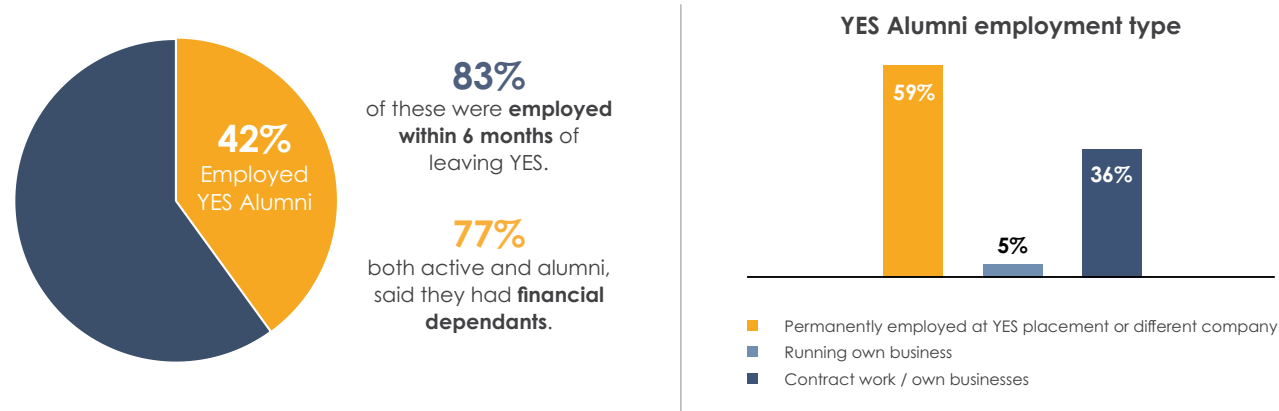
Which is why YES has launched the Youth Employment Survey: to ensure that the programme is shaped by research and evidence-based criteria. YES will use findings to advise clients, partners, policy makers and youth on:

- What makes a youth successful post-programme
- How to build these success levers into the programme
- How to select and prepare the right youth

Tracking impact: Preliminary results

The second quarter of the Youth Employment Survey which began in September and ended mid-October 2022 garnered 38,405 responses from three predetermined target groups: active YES Youth, YES Alumni and youth who have not received a YES intervention (Youth without YES).

Survey highlights



Technology

A high-level technology plan has evolved out of our newly refined and clarified business priorities. To reduce operational risk and boost efficiency the objective is first to consolidate the number of databases and systems followed by initiatives to improve client and user experience.

We expect that in the course of FY24, increased reliability of the tech capability will enable increased service volumes of YES programmes and youth, and inclusion of SMMEs. One of the most significant challenges with improving efficiency is the number of manual processes requiring high-touch interventions to ensure consistency of data across systems, which can be eliminated by the actions in the first phases of the plan.



A BUSINESS FOR SOCIAL GOOD

Sabelo Thabethe

YES Alumnus, Sabelo Thabethe, graduated from the YES x ZIAO Coding Bootcamp through the programme, which kicked off a journey that led him to becoming a tech entrepreneur.

Originally from Entembeni in KwaZulu-Natal, Sabelo felt lost and uncertain about his future. Unemployment had taken a toll on him and his family, causing financial strain and a lack of direction. However, joining YES transformed his life. YES provided Sabelo with courses that opened his mind to entrepreneurship and helped him discover his passion. While working in the programme as a junior software developer, Sabelo became equipped with valuable programming skills and relieved financial burdens through a monthly stipend.

Harnessing his newly gained technical expertise and entrepreneurial skills, he collaborated with friends to establish his own fintech startup, Zaka Manager. Zaka Manager aims to demystify personal finance by offering insights into spending and transactional behaviour.

"We aim to tackle the issue of limited financial literacy, and low understanding regarding personal spending habits, by analysing transactions and providing valuable insights to users," says Thabethe.

"The YES programme gave me essential abilities and understanding in business planning, marketing, and financial management. Thanks to the mentorship, I received invaluable guidance from seasoned entrepreneurs."





# BUILDING COMMUNITIES

Kgomotso Sekhu

Kgomotso Sekhu thought she had made it. A young woman from a remote rural village, she had overcome massive adversity to get a degree in mathematics from the University of Pretoria. But cruelly, landing a job seemed out of her grasp.

Her quest for employment was hindered by numerous obstacles. Like millions of young jobseekers, she had no money for data or transport. She would use a local school's Wi-Fi to send her documents and check for job posts.

After being selected for YES programme, her life changed forever. In 2019, she started a 12-month work experience as a data management trainee at Nedbank. With the help of YES and Nedbank, she honed her skills, fostered her talent, and rose through the ranks. Today, she's a business intelligence data analyst in Nedbank's Wealth Division.

Sekhu is one of more than 104,000 young South Africans to have experienced the transformational effects of the YES programme, which aims to help shape the future leaders, managers, and entrepreneurs of the country by giving them the tools they need to navigate the world of employment and make their mark in the society.

By nurturing young talent and providing opportunities, YES is creating an army of game changers – the skilled professionals, leaders, managers, and entrepreneurs of tomorrow. These are the people who will be the future of the country.



Social impact champion

## SOCIAL IMPACT CHAMPION



### PIZZA HUT: HAVE ANOTHER SLICE

Pizza Hut's LeadHERship programme, which was initiated with YES at the beginning of 2022, gives job opportunities to young women who would otherwise be unlikely to have this kind of exposure to the job market. LeadHERship is a Beyond B-BBEE initiative that recognises the potential of young women and addresses workplace gender gaps by giving young black women opportunities to kickstart their careers with critical skills and experience. The 162 opportunities given to young black women since the launch of the programme equate to R761,400.00 in youth salaries.

Pizza Hut is working with Youth Health Africa, YCC (Youth Content Collective), Click Learning, and Youth@Work to facilitate the placement of their youth. The main goal has been to capacitate young women into roles and opportunities that would ordinarily be prioritised for young men. Skills include content creation, bookkeeping, research and various IT-related skills.

Globally, 47 percent of women participate in the labour force, as opposed to 72 percent of men. In South Africa, the expanded unemployment rate for women (47.2 percent) is 3.1 percent higher than the country's total expanded unemployment rate (44.1 percent). Research shows that opportunities that bridge the gap between men and women in the labour force can increase productivity within the workplace.

Erika Kempfen, co-founder and director of YES IP, Youth@Work, says one of the reasons YES is so successful is that it is open; youth come from all walks of life, some are qualified, others are not.

YES brings many stakeholders together to cooperate in a single programme with a wide range of job opportunities that maximize exposure to the job market.

"YES is magic because it's open. It gives us a lot of flexibility. We've got a lot of young people in many different careers, some have qualifications, others don't. It really doesn't matter. In order to make real change, we need all of us to cooperate in one programme. And collectively we can do far more than we can do separately."

**Erika Kempfen**  
Co-founder and director  
Youth@Work



## TURNKEY SOLUTION & COMMUNITY IMPACT

The YES turnkey solution enables the creation of work experiences to scale by offering businesses a cost-effective way to make an impact on youth unemployment while improving their B-BBEE status and, by investing in high-impact sectors, ensuring due diligence in terms of ESG and sustainability.

The 25 organisations in the YES host partner network managed 25 percent of total active YES Youth placements over the reporting period, and hosted YES Youth in sectors like healthcare, education, ICT and SMME development in FY23. The turnkey solution is two-pronged. It encompasses value propositions for clients seeking to improve their B-BBEE status and those who want to increase integration of ESG factors in their strategies.

YES is recruiting IPs in a wider range of sectors in a drive to increase the pool of quality IPs that can partner with YES to increase youth employment in future-facing sectors and key sectors. YES is also party to research to acquire strategic partners identified by the Presidency's Massifying Employment working group in ICT and digital, the green economy, artisanal skills and global business services.

IPs play a vital role in the capacity of clients to report credibly on factors such as ESG and the data integrity team is working to ensure that data across all tech systems are accurate and up to date. These include key indices like absorption, committed youth, drop offs and replacements.



## HAVING A RIPPLE EFFECT ON SOCIETY

Kesha Koopman

The effects of the YES programme extend well beyond the recipients of its 12-month work experiences. It's transforming entire families and communities. The Youth Employment Survey shows that as many as 77 percent of all YES Youth have children or family that depend on them financially. More than half (61 percent) come from grant recipient households.

Kesha Koopman was a young mother of a two-year-old. But with no work experience, she faced the very real risk of becoming homeless. With no steady income, there were many days when there was not enough food in the house to feed the family. Often, her mother would go without food to ensure that Koopman and her child could eat.

But everything started to change when she was sponsored by Naspers to join the YES programme. The programme gave her vital work skills, taught her effective communication and problem-solving methods, and even guided her in maintaining a professional appearance. Moreover, YES offered valuable lessons on managing conflict – a skill that would prove instrumental in her personal and professional life.

Her experience in the YES programme also helped her master key skills such as time management, effective communication, and team collaboration. Each of these has played a crucial role in shaping her future, allowing her to trust her team and understand the importance of joint effort to achieve greater results. More importantly, through her transformation with YES, Koopman was able to support her family to the point that nobody had to go hungry anymore.

She is currently working as a product manager for Zlto, a platform created by young people to promote community action and help youth gain the skills and work experience they need to secure jobs. It uses blockchain technology to increase engagement among youth, track positive behaviour via live dashboards and encourage certain behaviour through its innovative rewards systems. Reflecting on her transformation, she says: "Overall, YES has shaped me for the better. Through YES, I've been able to learn and understand the fundamentals of how to carry myself and how things work in a work environment."



# SOCIAL IMPACT CHAMPION



## DRIVING YOUTH EMPLOYMENT AND TRANSFORMATION: BMW, VOLKSWAGEN, FORD, TOYOTA, MOTUS

### MORE THAN JUST CARS

“First opportunities are critical, and by signing up for the YES programme we hope to give more young South Africans a start and a first step towards their independence.”

**Stefan Schuett**  
CEO  
BMW Financial Services South Africa

On 9 December 2022, when BMW Group SA made its partnership with YES official and signed the CEO pledge, CEO of BMW Financial Services South Africa, Stefan Schuett, spoke of youth as the ‘flame of hope’ and their importance to the development, aspirations and culture of a country.

BMW’s commitment to youth employment is realised in very real outcomes for youth like David Omar, an aspiring data analyst who said at the launch that his work experience at BMW has given him a purpose, and improved his self-confidence – along with the monthly income he receives that helps to put food on the table.

Peter van Binsbergen, CEO of BMW Group South Africa also spoke of the impact on employability that a year of work experience at a reputable company like BMW could have. He said that YES, in providing a solution to the lack-of-work-experience obstacle so many youth come up against when trying to break into the job market, has helped the group fast-track their path to transformation.

BMW has created 1464 work opportunities since they signed up with YES. Youth are employed within the BMW Group retailer network, in SMMEs, and in the ICT, education, and health sectors.

### Driving the economy

BMW exemplifies the YES ethos of giving back while investing in the future. This culture is common to YES clients in the automotive sector, a significant contributor to South Africa’s economy. The sector plays a crucial role in employment, manufacturing, and exports. It directly employs a substantial workforce of around 110,000 people and a further 350,000 across various sub-sectors, including manufacturing, assembly, sales, and services.

South Africa has a well-established automotive manufacturing industry. In 2020, despite the setbacks of the COVID-19 pandemic, it produced approximately 472,000 vehicles. In 2022 production was reported at 555,889 units – up from 499,087 units in 2021. Vehicle exports increased by 26,733 units to 298,020 units in 2021, from 271,287 in 2020; export value increased by R17,1 billion from R121,2 billion in 2020 to R138,3 billion in 2021. Vehicle sales have also recovered well since the Covid epidemic and has seen good growth since.

By investing in skills development, promoting entrepreneurship, encouraging local manufacturing, fostering innovation, developing the supply chain, and exploring export opportunities, the automobile sector in South Africa can play a vital role in alleviating youth unemployment and driving economic growth. Collaboration among industry stakeholders, educational institutions, and government bodies is crucial to achieving these objectives.

YES works hard to foster engagement with industry bodies in the sector to encourage uptake among corporates of opportunities to invest in youth employment initiatives and in so doing encourage economic growth.

### IN IT FOR THE LONG HAUL

Volkswagen SA was one of the first corporates to throw its lot in with YES when it joined up in 2019. It has since created 2,165 work opportunities for South African youth and has signed up for a fourth programme. VW places youth externally through our implementation partners and has also made work experiences available to YES youth at its manufacturing plant in Kariega, in the Eastern Cape, and sales sites in Sandton and Centurion, in Gauteng.

Volkswagen was instrumental in changing the life of Zikhona Mabala, whose passion for cars and dedication to hard work led her to a job with Volkswagen as a PR trainee. The skills she learned during the training, placement and apprenticeship have helped her develop professionally and personally, making her feel like a part of something big. Watch her story here.

“By continuously investing in youth development, we believe we are empowering the youth to build the futures they want.”

**Nonkqubela Maliza**  
Director: Corporate and Government Affairs,  
Volkswagen South Africa

### FORD IS ANOTHER HARDHITTER

in the automotive sector and since it joined up in 2019 has placed almost 2,000 youth internally at Ford dealerships and externally through YES implementation partners in jobs including data capturing, marketing, web development, trainee business advisor and environmental officer in sectors like healthcare, IT and conservation. Some of the youth who are placed at Ford dealerships are tasked with marketing cars to prospective buyers.

Ford SA and Metropolitan GetUp collaborated with YES to launch the Youth Content Collective (YCC) – a platform that connects talented black South African content creators with businesses, so that they can use their creative abilities to earn a meaningful living. The 40 youth placed at YCC developed a commemorative coffee table book to celebrating Ford in South Africa.

Like VW and Ford, Toyota SA has shown its commitment to creating and investing in work opportunities for South Africa’s youth and completed its fourth programme at the end of FY22.

Toyota has created 2755 work opportunities for black youth which has translated in R145,464,000 in YES Youth salaries injected into the local economy.

### A MANY-FACETED SECTOR

An important aspect of the automotive sector is its wide range and impact on the broader economy in terms of the auxiliary sectors and industries it supports. Its extensive supply chain includes electronics and technology, logistics and transportation, retail and dealerships, energy and petroleum, finance and insurance and marketing.

Motus, South Africa’s leading automotive group, is a multi-national provider of automotive mobility solutions, and vehicle products and services. Motus is participating in its third YES programme and has created 868 work opportunities.

Motus is motivated by a need to develop youth skills, grow the economy and support entrepreneurship. Many Motus alumni find employment in industries other than the automotive industry, like health care, engineering and consumer services, which indicates that the skills youth acquire while at Motus are transferable. The opportunities provided by Motus include roles such as sales administration, warehouse picking clerks and entry sales cadets. Motus has also funded opportunities for placements with its Corporate Social Investment programme partners, Unjani Clinics and the Imperial and Motus Community Trust.

“Unemployment is a critical societal dilemma facing South Africa. Through our involvement in the YES initiative Motus has the opportunity to directly impact the future of 355 young people. Along with our other ventures, such as the Motus library programme, this new partnership is a solid platform for Motus to enhance its support of education and skills development in South Africa.”

**Osman Arbee**  
CEO  
Motus



## YES HUBS

Hubs provide access to networks, training, markets, work opportunities, ideas for careers or new businesses, and partner support. YES Hubs attract the ideas and resources to encourage, nurture and support the SMME sector, with its boundless potential for creating jobs and inspiring entrepreneurship.

### Showrooms for YES

YES has reviewed Hub strategy to improve Hub integration into its core youth employment mandate – to create quality work experiences that equip youth with work readiness skills that improve their chances of absorption into full-time employment. Hubs present a compelling value proposition for YES SMME clients – a scalable model to leverage YES Hubs and make them financially sustainable.

Stakeholder visits and events and the Hubs Open Day in the last quarter of FY23 have increased interest in Hubs; our Marketing, Business Development and Partnerships teams will intensify marketing activities at the Hubs in FY24.

### Flagship platforms

Hubs are ideal for nurturing partnerships and implementing flagship projects in strategic youth employment sectors. Many of these projects include non-core activities such as training, entrepreneurship support and programme management.

Hub infrastructure can be adapted for elements that are difficult to accommodate at head office, and are important for building sustainable jobs that improve the quality and impact of the YES programme as a whole.

Flagship projects being facilitated through the Hubs include Drones (GIZ, IDC, Jobs Fund), the Youth Content Creative (creative industry jobs with entrepreneurial pathways) and JUST SA partnership with GIZ, WWF, GreenCape, TIPS and NBI.

### SMME and entrepreneur support

Most entrepreneurship programmes in South Africa are not designed with young entrepreneurs in mind and the YES Hubs are an important platform for YES and its partners to learn how to better support young entrepreneurs. It is hoped that the youth entrepreneurship programming being developed through the Hubs will strengthen efforts to enable youth to gain a foothold in the economy, particularly in future-facing sectors.

### Drone academy

Commercial drone use has opened up a wide range of specialised and technical roles for youth.

Around 120 youth have gone through the programme, and many are already putting their new-found skills to work, with their on-the-job training seeing them mapping informal settlements in collaboration with the Housing Development Agency, which is tasked with the upgrading of these settlements. They have already collected their first data set in the Gabon informal settlement in Ekurhuleni, which has been processed on the Drone Deploy platform and has been shared with the Housing Development Agency, the City of Johannesburg and the City of Ekurhuleni.

The focus on the drone industry is part of a deliberate strategy by YES to create so-called future-facing jobs, which piggy-back on the world's move towards digitisation and technology. Key sectors include global business services (such as business process outsourcing centres), cybersecurity, and 3D modelling.

Bongani Makola, one of the youth who has received data analytics training at the Alex Drone Academy, says he has learned new skills that will be invaluable for his future. The 12-month quality work experience that he is undergoing has also allowed him to generate an income and support his family.







## YES HUBS

Some hubs programmes

YCC



Automotive



Nyathi Arts Creation



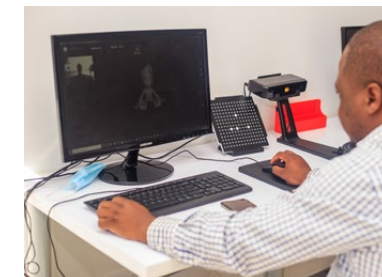
Hair & Nail Academy



Green Engine



3D modelling



Drones Academy



Textile Manufacturing



Culinary Academy



Field of Dreams



Small Business Centre





# HUMAN RESOURCES

## Capacitation for growth

YES has grown from a start-up with 12 employees in 2018 to 77 employees today, managing programmes with 32,578 active youth and 1,479 sponsoring corporates. This requires internal structures, efficiencies, processes, key performance indicators (KPIs) and systems to manage a larger team, as well as operational resources to manage the now scaled programme with youth placed across the country. New executive and senior management appointments will be made to further strengthen the skill and operational excellence needed within the organisation.

## Employment equity statistics as at 31 March 2023

YES recognises the power in diversity and as such strives to build a culture that embodies the values of accountability, growth mindset, integrity, teamwork, diversity, innovation, and excellence. We ensure that our workforce reflects our focused employment equity philosophy. The percentage of Black employees throughout the group is currently 88 percent and YES is a B-BBEE level 1 contributor. We continue to focus on diversity and transformation at all levels of the organisation.

## Employee wellbeing

We've continued to shine a spotlight on the importance of wellbeing and mental fitness - with live streams featuring health professionals and new ways of accessing mental health support. We've provided additional wellbeing support for employees alongside our existing inclusion action plan.

## Team development

This initiative will receive significant attention in the next financial year, together with the embracing of technology in order to increase the reach of learning and development within YES. Furthermore, a focus will be placed on growing potential leaders within the organisation and equipping them with the necessary skills to get the maximum benefit from interventions provided by YES for succession planning.

Our approach to attracting, retaining and developing the best diverse talent has evolved and will continue doing so. At the heart of our strategy is strong leadership, based on trust, collaboration and empathy. We have adapted our culture to ensure our people take the time each day to learn from each other. The foundation that makes all this possible is a diverse and inclusive environment, one where all employees feel valued and able to speak up and contribute accordingly. We encourage a growth mindset with our leaders and people.







## MEDIA AND INFLUENCE

The continuous PR efforts have contributed to building YES's brand as a thought-leader in the space and has increased the frequency of YES's media exposure. Critically, our expert positioning and regular features have grown significantly in influential business media channels such as The Sunday Times, Daily Maverick, 702, SABC News, Financial Mail, eNCA, SAFM, Business Day, Newzroom Africa IOL and eNCA (to name a few).



Ravi Naidoo OpEd: [Time to turn SA's unemployment nightmare into a bold dream](#)



Ravi Naidoo: [Time to unearth SA's mining and youth potential](#)



Listen Ravi Naidoo: [Drones, coders and baristas: Youth employment programme changes its focus](#)



Listen Leanne Emery Hunter: [YES Women shaping SA's young female future leaders for a more sustainable future](#)



Ravi Naidoo & Cas Coovadia: [Quality jobs are part of the answer to unemployment](#)



Listen Ravi Naidoo: [Unemployment Stats: Let's get young women into the workforce](#)



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



Ravi Naidoo: [#BizTrends2023: The Road to ESG - how SA can use 'social impact' to make environmental progress](#)



Podcast: [Youth Employment Service's push to create jobs in a downturn](#)



Leanne Emery Hunter: [What gift does South Africa need to give to its youth?](#)



# CHIEF FINANCIAL OFFICER'S REPORT

The 2023 financial year recorded 32,578 jobs which marked a second consecutive record jobs year, well in excess of the previous record of 25,287 achieved in 2022.

This culminated in YES breaching the 100,000 YES jobs milestone in early in the 2023 calendar year, in only four full years of operation. Reaching this milestone was all the more significant given that these four years included the COVID-19 global pandemic. This weighed heavily for more than 18 months, severely limiting the capacity of corporate funders to support youth jobs in a heavily disrupted operating environment that was not conducive to absorbing large numbers of unemployed youth into quality work experiences.

While this jobs performance is a source of pride, YES will not rest on this achievement. The anaemic performance of the South African economy continues to act as a substantial constraint to the potential jobs that could be created, and especially for youth jobs. YES's research shows that the average YES Youth has a median number two dependents that rely on them financially. This translates into the YES Initiative substantially supporting in excess of 97,000 vulnerable people in the 2023 financial year alone.

None of this is achievable without the loyal support of over 900 corporates in the past financial year and 1,479 to date. Many of these companies have returned year after year to support this initiative especially through deeply uncertain times when their own financial position would have been under severe strain. This contribution to the youth of South Africa and wider social cohesion can't be underestimated. YES is profoundly grateful to these corporate funders and their support.

YES continues to be self-funded; the primary source of income is the monitoring and evaluation (M&E) fees paid by corporate clients for each youth placement. As YES receives no external funding to support its operations, it is completely dependent on its capacity to generate youth jobs, which aligns YES's interests with that of the youth. Overall revenue increased by 26 percent to R200 million in the current financial year with operating costs increasing by a much lower 19 percent. This has resulted in the operating cost per job reducing consistently year on year from R2,697 in the prior year to R2,298 currently.



**Vaunn Kelly**  
Chief financial officer  
Youth Employment Service

The effect of this YES efficiency is that a greater share of corporate funding goes directly towards youth benefits, with YES operating costs amounting to a mere 4.1 percent of the benefit accruing to youth. This is an improvement from 5.4 percent recorded two years ago and 4.8 percent in the prior year. This effectively means that for every R100 that is paid in youth salaries, YES operating cost only amounts to R4.10, which is well below the 10 percent (R10) targeted by many NPOs for administrative purposes. In an effort to further support the growth of youth jobs in a significant and largely untapped SMME environment, YES continues to subsidise the cost of the YES initiative to these entities.

With revenue having exceeded costs in the 2023 financial year, a surplus was generated. YES is focusing on how to effectively deploy the surplus reserve to support growth. With this aim in mind, YES has already committed R14 million to several initiatives, some of which have already commenced in the new financial year.

Balancing this cost efficiency with effectiveness and appropriate financial custodianship is a priority focus. In this effort, in the FY2023, YES has achieved its fifth consecutive unqualified audit opinion. YES is subject to several audits, including a statutory audit, internal audits as well as targeted audits from grant funders. These audits reflect a healthy control environment with an embedded culture of continuous improvement. YES recognises that being a credible and trusted partner is a priority for grant funders and corporate sponsors alike.

YES is greatly appreciative of the support it has received to date and the above results reflect that YES does not take this custodial responsibility lightly and we will continue to focus considerable effort in this regard.





YOUTH EMPLOYMENT SERVICE (RF) NPC (REGISTRATION  
NUMBER 2017/267641/08)  
Trading as YES  
Annual Financial Statements  
for the year ended 31 March 2023

Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)  
Annual Financial Statements for the year ended 31 March 2023

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 D.L. Nicol S.N. Susman Z.B.M. Bassa N.N.N Guma N. Moola L. Fourie
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	14 August 2023



## Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2023

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

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

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

31 May 2022  
29 August 2022  
01 November 2022  
27 February 2023

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

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

During the financial year ended 31 March 2023, 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;
- Upholding governance and risk management processes to manage actual and perceived risks, including brand and reputational risks. Risk assessments are conducted to identify risks that YES is exposed to and the mitigations implemented to manage these. These include quarterly reviews of the top risks as well as a detailed annual risk assessment. The reviews focus on risks that could have a significant impact on the continued operation of the organisation and its ability to execute against its mandate of supporting youth employment and the implementation of the YES Initiative.



Youth Employment Service (RF) NPC

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Annual Financial Statements for the year ended 31 March 2023

Audit Committee Report

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 with the prior year.

Key matters considered and deliberated:

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

The Committee recommended the annual financial statements for the year ended 31 March 2023 for approval to the Board. The Board has subsequently approved the annual financial statements.



Z.B.M Bassa  
Audit and Risk Committee Chair  
14 August 2023

Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2023

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2024 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 70 to 72.

The annual financial statements set out on pages 73 to 101, which have been prepared on the going concern basis, were approved by the board of directors on 14 August 2023 and were signed on their behalf by:



C. Coleman



S. Koseff



Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)  
Annual Financial Statements for the year ended 31 March 2023

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 2023.

1. Nature of business

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

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

2. Review of financial results and activities

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

Youth Employment Service (RF) NPC (“YES”) continued the trend of strong youth job recovery to generate 32,578 (FY22 25,287) jobs for the year ended 31 March 2023 which is a record achievement for the company. This has culminated in YES exceeding 100,000 youth employed via the YES programme in just over four years. This achievement would not have been possible without the considerable investment of our over 1,400 corporate sponsors - making YES the largest corporatesponsored impact programme - and support from the South African government in establishing the YES initiative.

As a young organisation, 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 employment in line with its mandate. YES is independently funded, without any government operational support. YES’s income is driven primarily through the number of youth jobs it secures from corporate sponsors. With the record youth jobs performance coupled with deliberate focus on cost control, scalability and efficiency, YES has reduced the operating cost per job (excluding Hub costs related to youth training) by 15% from the prior year to R 2,298 in FY23. This lower operating cost per job, coupled with the generation of a higher number of youth jobs, has created a surplus for the current year. YES will continue to focus on building internal capacity and improving the quality of service which is likely to result in a short-term increase to this cost per job as it appoints critical skills and resources to execute on the company mandate.

The volatile local and global economy will continue to significantly impact the capacity of corporate sponsors to fund YES jobs. This, together with the absence of government or grant funding to cover YES operational costs entails YES having to ensure it has sufficient resources to continue to execute on its mandate and ongoing programmes. The directors have thus set the target for YES to retain the equivalent of ten months’ worth of operating costs in reserve. This targeted level of reserves was achieved during the 2023 financial year.

The YES board has directed that funds in excess of this targeted level of reserve be deployed into various youth initiatives that either generate additional youth employment, transfer much needed skills to youth or enhance YES’s capacity to scale up its operations to benefit a greater number of youth and corporate sponsors. YES has several initiatives under various stages of evaluation. These initiatives include the following commitments that have already commenced in the new 2024 financial year: support to over 150 youth in a 12-month employment and entrepreneurship programme focused on the tourism sector; mental wellness support to all of the +30,000 current active YES Youth with access to trained mental health practitioners. In addition, YES has made further commitments supporting at least 70 youth in 12-month quality work experiences and allocated a further R 2.4 million for youth training in the green economy. As further funding becomes available, YES will continue to evaluate initiatives to see how its reserves can be best deployed to maximise impact on youth employment, particularly into future-facing industries which offer the best long term employment prospects.

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

3. Directorate

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

Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)  
Annual Financial Statements for the year ended 31 March 2023

Directors’ Report

Directors	Role	Changes
R. Naidoo	Executive Director, CEO	
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	Resigned, 30 June 2023
P.K. Dlamini	Non-Executive Director	Resigned, 03 July 2023
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	Appointed, 31 May 2022
L. Fourie	Non-Executive Director Appointed, 07 March 2023	Appointed, 07 March 2023

4. Directors’ interests in contracts

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

5. 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. YES does not hold, nor is it currently negotiating with any financial institutions, to establish any borrowing facilities.

6. 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.

7. Going concern

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

8. Auditors

Ernst & Young Incorporated continued in office as auditors of the company for the year ended 31 March 2023.

9. Secretarial services

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

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

While the South African economy has largely recovered from the COVID-19 pandemic, it is currently generating very weak economic growth and faces further severe headwinds in the form of unsustainably high employment, particularly for youth; high inflation; low investment; high interest rates; recent greylisting by the Financial Action Task Force (FATF); failing infrastructure; persistent high levels of crime; electricity loadshedding and an uncertain global economic environment.



## Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2023

### Directors’ Report

These factors will likely reduce the financial resources available for corporate sponsors to continue to fund YES programmes to the level of youth employment YES would like to achieve.

Irrespective of this, YES believes that through maintaining close relationships and demonstrating value to both youth and corporate sponsors, we have a strong value proposition which our loyal supporters have found appealing to date and we believe will continue to do so. In just a few short years, YES has demonstrated a track record of continual improvement, and this will remain a focus as we build further capacity and competency within the organisation to best serve corporate sponsors and youth alike.

Considering the current environment, YES maintains a high degree of vigilance over costs it incurs, overall efficiency as well as the risks it is exposed to. At the same time YES is prepared to invest in areas where it can significantly enhance youth employment opportunities.

YES has reviewed the 31 March 2023 debtors which were not yet collected by 30 April 2023. YES raised provisions on debtors where it does not have a high degree of certainty on the collection of outstanding funds.

In line with the YES mandate, and in order to further support youth employment, YES receives grants to enable it to fund the transfer of skills to youth. YES would like to thank the following grant funders for the significant grants received during the current financial year: National Pathway Management Network Innovation Fund Under The Presidential Youth Employment Intervention (R11.3m); Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (R4.2m); West Coast Community Trust (R400k) and Bidvest Bank Limited (R1.4m).

Impact on YES’s future outlook

YES has sufficient reserves to sustain its operations over the short term. YES’s medium-term 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, drive revenue and initiatives that can further enhance youth employment.

### Independent Auditor’s Report



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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 financial statements of Youth Employment Service (RF) NPC ('the company') set out on pages 73 to 101, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 2023, 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 103-page document titled “Youth Employment Service (RF) NPC Annual Report for the year ended 31 March 2023”, which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



Independent Auditor’s Report



with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with 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:

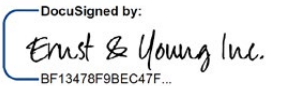
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Independent Auditor’s Report



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

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



Ernst & Young Inc.  
Registered Auditor  
Per Rourke Hulett  
Director  
Registered Auditor  
Chartered Accountant (SA)  
14 August 2023



## Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	4	26 389 136	30 978 840
Right-of-use assets	5	3 347 218	-
Intangible assets	6	4 223 169	2 164 693
		<b>33 959 523</b>	<b>33 143 533</b>
Current Assets			
Prepayments	7	500 526	241 803
Inventories	8	11 432	9 214
Trade and other receivables	9	119 542 281	47 702 713
Cash and cash equivalents	10	248 435 494	168 035 564
		<b>368 489 733</b>	<b>215 989 294</b>
<b>Total Assets</b>		<b>402 449 256</b>	<b>249 132 827</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		107 674 993	66 476 285
<b>Liabilities</b>			
Non-Current Liabilities			
Lease liabilities	5	2 215 228	-
Deferred income	11	14 229 665	24 004 780
		<b>16 444 893</b>	<b>24 004 780</b>
Current Liabilities			
Trade and other payables	12	248 591 510	135 081 228
Lease liabilities	5	1 275 571	-
Deferred income	11	28 462 289	23 570 534
		<b>278 329 370</b>	<b>158 651 762</b>
<b>Total Liabilities</b>		<b>294 774 263</b>	<b>182 656 542</b>
<b>Total Equity and Liabilities</b>		<b>402 449 256</b>	<b>249 132 827</b>

## Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2023

Figures in Rand	Note(s)	2023	2022
Revenue	13	200 046 705	158 175 126
Cost of rendering services	14	(70 234 480)	(54 951 149)
<b>Gross profit</b>		<b>129 812 225</b>	<b>103 223 977</b>
Other operating gains	15	46 902	87 847
Movement in credit loss allowances	9	(763 455)	(253 319)
Other operating expenses	16	(99 642 448)	(83 732 924)
<b>Operating profit (loss)</b>		<b>29 453 224</b>	<b>19 325 581</b>
Interest income	17	11 966 327	4 754 340
Finance costs	18	(220 843)	(38 763)
<b>Profit for the year</b>		<b>41 198 708</b>	<b>24 041 158</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>41 198 708</b>	<b>24 041 158</b>



## Annual Financial Statements for the year ended 31 March 2023

Figures in Rands	Retained income	Total equity
------------------	-----------------	--------------

<b>Balance at 01 April 2021</b>	<b>42 435 127</b>	<b>42 435 127</b>
Profit for the year	24 041 158	24 041 158
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>24 041 158</b>	<b>24 041 158</b>
<b>Balance at 01 April 2022</b>	<b>66 476 285</b>	<b>66 476 285</b>
Profit for the year	41 198 708	41 198 708
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>41 198 708</b>	<b>41 198 708</b>
<b>Balance at 31 March 2023</b>	<b>107 674 993</b>	<b>107 674 993</b>

## Annual Financial Statements for the year ended 31 March 2023

Figures in Rands	Note(s)	2023	2022
------------------	---------	------	------

<b>Cash flows from operating activities</b>			
Cash generated from operations	20	78 269 857	<b>85 254 002</b>
Interest received	17	11 966 327	<b>4 754 340</b>
Finance costs	18	(220 843)	<b>(38 763)</b>
<b>Net cash from operating activities</b>		<b>90 015 341</b>	<b>89 969 579</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(5 916 917)	(7 063 552)
Proceeds from sale of property, plant and equipment	4	266 660	244 896
Purchase of other intangible assets	6	(3 300 786)	(1 309 240)
<b>Net cash from investing activities</b>		<b>(8 951 043)</b>	<b>(8 127 896)</b>
<b>Cash flows from financing activities</b>			
Capital payment on lease liabilities	5	(664 370)	(1 169 707)
<b>Net cash from financing activities</b>		<b>(664 370)</b>	<b>(1 169 707)</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		<b>80 399 929</b>	<b>80 671 977</b>
		168 035 565	87 363 587
<b>Total cash at end of the year</b>	10	<b>248 435 494</b>	<b>168 035 564</b>



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Annual Financial Statements for the year ended 31 March 2023

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

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.

Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)  
Annual Financial Statements for the year ended 31 March 2023

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	20% 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 (lease term)

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.



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1.3 Intangible assets (continued)

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

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.

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1.4 Financial instruments (continued)

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

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 9.
- 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.



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1.4 Financial instruments (continued)

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.

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 16) 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.

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1.4 Financial instruments (continued)

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.

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.



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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.

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

Monitoring & Evaluation fees, for which the entity is recognising revenue as a principal, are recognised as revenue as YES satisfies the performance obligations. As part of this revenue relates to monitoring services performed over a 12-month period, a portion of this revenue will be deferred and then recognised in the Statement of Profit or Loss and Other Comprehensive Income as the obligations are satisfied. Thus monitoring and evaluation revenue is recognised over time. The remainder of the revenue is recognised as the company satisfies its performance obligations. Refer to Note 13. Performance obligations per product are determined with key deliverables, the entity releases the revenue in line with the satisfactory execution of these deliverables, YES does apply a level of estimation over the upfront versus deferred portion of the revenue when assessing the resources, timing and obligation involved with the revenue generated.

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.

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1.11 Revenue recognition (continued)

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:

- (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 services rendered

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

Costs of services rendered comprise:

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

1.13 Interest income

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



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### Accounting Policies

#### 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.

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 13 and Accounting Policy note 1.11.1.

- 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. Where necessary YES raises a provision on doubtful debtors. Refer to note 9.

- 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 Commitments

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

Refer to note 25 Commitments for details.

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Figures in Rands

2023

2022

#### 2. Changes in accounting policy

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

#### 3. New Standards and Interpretations

##### 3.1 Standards and interpretations effective and adopted in the current year

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

The following standards including their impact on YES have come effective within the financial year:

IFRS 17 - Insurance Contracts - effective 01 January 2023 - no impact on YES

Definition of Accounting Estimates - effective 01 January 2023 - Amendments to IAS 8 - no further estimates used by YES, estimates are as per prior year. YES has disclosed more detail of estimates in current year in the various notes.

Deferred Tax - amendments to IAS 12 - effective 01 January 2023 - no affect on YES

##### 3.2 Standards and interpretations not yet effective

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

IAS 1 - Classification of Liabilities as Current or Non-Current - Amendment to IAS 1 which becomes effective 01 January 2024

The adoption is not expected to have any material impact on YES.

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

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

#### 4. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Hub structures	42 972 194	(20 246 247)	22 725 947	39 806 839	(12 354 575)	27 452 264
Leasehold improvements	1 683 192	(1 666 498)	16 694	1 683 192	(1 623 449)	59 743
Furniture and fixtures	3 309 622	(1 945 440)	1 364 182	2 683 565	(972 461)	1 711 104
Motor vehicles	308 700	(270 113)	38 587	308 700	(192 938)	115 762
Office equipment	1 089 701	(432 013)	657 688	430 480	(192 807)	237 673
IT equipment	4 262 463	(2 676 425)	1 586 038	3 068 424	(1 666 130)	1 402 294
<b>Total</b>	<b>53 625 872</b>	<b>(27 236 736)</b>	<b>26 389 136</b>	<b>47 981 200</b>	<b>(17 002 360)</b>	<b>30 978 840</b>



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Figures in Rands	2023	2022
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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Hub structures	27 452 264	3 245 046	(78 749)	(7 892 614)	22 725 947
Leasehold improvements	59 743	-	-	(43 049)	16 694
Furniture and fixtures	1 711 104	626 058	-	(972 980)	1 364 182
Motor vehicles	115 762	-	-	(77 175)	38 587
Office equipment	237 673	708 017	(37 619)	(250 383)	657 688
IT equipment	1 402 294	1 337 796	(103 390)	(1 050 662)	1 586 038
<b>Total</b>	<b>30 978 840</b>	<b>5 916 917</b>	<b>(219 758)</b>	<b>(10 286 863)</b>	<b>26 389 136</b>

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
<b>Total</b>	<b>33 197 675</b>	<b>7 063 552</b>	<b>(157 049)</b>	<b>(9 125 338)</b>	<b>30 978 840</b>

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 2023 financial periods relate to the construction of the YES Hubs. These Hub Structure costs relate to all costs incurred in the physical construction of the YES hubs including the building materials and container costs incurred. The 2023 additions relate to the construction of the Alexandra Hub whilst the 2022 additions relate to the construction of both the Saldanha and Alexandra Hubs. The higher Hub structures depreciation charge for 2023 is as a result of the newly built Alexandra Hub not being operational for the full 2022 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 previous long-term lease was for 3 years which concluded on 31 March 2022. Thereafter YES signed a short term lease extension for 12 months which was supersede by the new 3 year lease agreement signed with a September 2022 start date.

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5. Right-of-use asset (continued)

Details pertaining to the leasing arrangements are presented below:

Lease of premises 2nd floor, 2 Arnold Road, Rosebank, 2196.  
The lease is over three years with an annual escalation rate as follows:  
Year 2 - 5%  
Year 3 - lower of CPI or 8%

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

The prior long-term lease ended on 31 March 2022 and YES had 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 had not been raised.

The new long-term lease agreement started September 2022 and has been accounted for in accordance with IFRS 16 for the year ended 31 March 2023.

Net carrying amounts of right-of-use assets

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

Buildings	3 347 218	-
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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 16)

Buildings	807 949	1 015 239
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Other disclosures

Interest expense on lease liabilities	220 306	38 363
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Lease liabilities

Non-current liabilities	2 215 228	-
Current liabilities	1 275 571	-
<b>3 490 799</b>	<b>-</b>	

Reconciliation of right-of-use asset

Cost	4 155 168	3 062 726
Accumulated depreciation at beginning of the period	-	(2 047 487)
Depreciation for period	(807 949)	(1 015 239)

Closing balance

<b>3 347 219</b>	<b>-</b>
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5. Right-of-use asset (continued)		
Reconciliation of carrying amount of lease liability and the movement during the period		
Additions	4 155 168	1 169 707
Accretion of interest	220 306	38 363
Payments	(884 675)	(1 208 070)
	3 490 799	-

YES had total cash outflows for leases of R2,121,075 (2022:R1,781,477), this includes the short-term and low value lease payments (refer to note 16 for this detail). The increase in these lease payments is a result of an additional office wing being rented by YES at the head office.

6. Intangible assets

	2023			2022		
	Cost/ Valuation	Accumulated amortisation and impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and impairment	Carrying value
Computer software	10 446 364	(6 558 003)	3 888 361	7 145 578	(5 727 360)	1 418 218
Software for Process Automation	295 298	(295 298)	-	295 298	(295 298)	-
Video modules	2 995 313	(2 660 505)	334 808	2 995 313	(2 248 838)	746 475
Advertising films & videos	364 474	(364 474)	-	364 47	(364 474)	-
Total	14 101 449	(9 878 280)	4 223 169	10 800 663	(8 635 970)	2 164 693

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	1 418 218	3 300 786	(830 643)	3 888 361
Video modules	746 475	-	(411 667)	334 808
	2 164 693	3 300 786	(1 242 310)	4 223 169

Reconciliation of intangible assets - 2022

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

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6. Intangible assets (continued)		
Other information		
The increase in Computer Software is a result of YES building a new data warehouse which was capitalised on 1 March 2023.		
Intangible Assets are assessed annually for any signs of impairment.		

YES did not identify any assets for impairment in the 2023 financial period.

Useful lives of Intangible Assets are finite.

During the prior year 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 with definite useful lives.
  7. Prepayments
- Prepayments relate to that of technology licenses and software that YES utilises. At year end 31 March 2023 prepayments total R500 526 (2022: R241 803).

8. Inventories

Inventory - hub supplies	11 432	9 214
No inventory has been expensed.		

9. Trade and other receivables

Financial instruments:

Accounts receivable	124 561 154	48 241 503
Expected credit loss	(5 687 839)	(996 400)
Accounts receivable at amortised cost	118 873 315	47 245 103
Deposits	668 966	457 610
Total accounts and other receivables	119 542 281	47 702 713



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9. Trade and other receivables (continued)

Split between non-current and current portions

Current assets	119 542 281	47 702 713
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Financial instrument and non-financial instrument components of accounts and other receivables

At amortised cost	119 542 281	47 702 713
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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 2023 management has raised an allowance for expected credit loss of R5 687 839 (2022: R996 400).

Exposure to credit risk

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

The company measures the loss allowance for accounts receivable by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the expected credit loss on accounts receivable is determined by management on a case by case basis for each debtor on a monthly basis. YES reviews all individual overdue accounts on a monthly basis and based on individual conditions assesses the recoverability. Provisions are raised in accordance with YES' policy or when individual debtors are deemed to be unrecoverable.

2022	Current	Older than 30 days	Total
Expected credit loss rate (%)	-	7,4%	
Gross carrying amount	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
------------	------------	------------

2023	Current	Older than 30 days	Total
Expected credit loss rate (%)		49,8%	
Gross carrying amount	113 137 300	11 423 854	124 561 154
Expected credit loss	-	(5 687 839)	(5 687 839)

113 137 300	5 736 015	118 873 315
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The large increase in the gross carrying amount of Trade Receivables is a result of the increase in youth salaries due from Corporate Sponsors. The increase in youth job numbers created by YES has resulted in an increase in the number of youth hosted by YES Implementation Partners on behalf of Corporate Sponsors. YES collects youth salary funding from Corporate Sponsors and disburses these to Implementation Partners to pay the youth.

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9. Trade and other receivables (continued)

The majority of the increase in the provision for Expected Credit Loss (ECL) this year relates to provisions against the accounts receivable for three grant amounts which amount to R4,667,850 (inclusive of VAT) where the recoverability is uncertain. These amounts have been overdue for in excess of 12 months and YES has been engaging these grant providers to drive recovery. Discussions are underway but no final resolution has yet been reached. When YES recognises a grant it raises an equal deferred liability for the grant debtor. In line with IAS20, we release the grant in line with the usage of the grant. When raising the ECL for these two grants, the commensurate deferred income liability has been reduced. This deferred income liabilityadjustment has therefore resulted in a net zero loss through the P&L.

In reviewing the recoverability of accounts receivable balances at 31 March 2023, YES assessed changes to recoverability expectations for individual accounts subsequent to financial year end year end to calculate the required ECL provision.

Movement in ECL

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

Opening balance	(996 400)	(743 081)
Provision for expected credit losses raised against P&L	(2 731 401)	(2 454 885)
Provision for expected credit losses raised on grants (Deferred Income to cover)	(3 249 627)	-
Provision for VAT portion of ECL raised on debtors (Deferred income related)	(678 356)	-
Write-off	1 967 945	1 154 281
Provisions reversed on settled trade receivables	-	1 047 285

Closing balance	(5 687 839)	(996 400)
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10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	7 493	10 821
Unrestricted cash	146 859 230	93 546 469
Restricted cash	101 568 771	74 478 275

248 435 494	168 035 565
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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 2023 as compared to 2022. Restricted cash increased due to salary funding held in Trust accounts for Corporate sponsor programs growing with the higher number of youth jobs being created. The increase in unrestricted cash is a result of the surplus made by YES through 2023.

11. Deferred income

Non-current liabilities	14 229 665	24 004 780
Current liabilities	28 462 289	23 570 534

42 691 954	47 575 314
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11. Deferred income continued

<b>Deferred income split</b>	<b>2023</b>	<b>2022</b>
Deferred Grant Income (Non-current portion)	14 229 665	24 004 780
Deferred Grant Income (Current portion)	12 306 278	13 222 750
Deferred Monitoring and Evaluation Income - IFRS 15 adjustment (Current portion)	16 156 011	10 347 784
	<b>42 691 954</b>	<b>47 575 314</b>

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 deferred income balance at the beginning of the period amounts to R10 347 784 (2022:R9 138 084), this represents the full opening balance as at 01 April 2022 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 R31 603 621 (2022:R25 111 339) of which R15 447 610 (2022:R14 763 556) has been released into revenue within the period as a result of performance obligations being met, leaving a remaining balance as at 31 March 2023 of R16 156 011 (2022:R10 347 784). The deferred income recognised in revenue for the period is -R5 808 228 (2021: -R1 209 699) and this is in a negative due to to an increase in YES youth jobs over the prior year. This resulted in more income being deferred to the 2024 financial year than was deferred from the 2022 financial year to the 2023 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 largely to corporate grants whereby revenue is recognised in line with the relevant expenditure.

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

12. Trade and other payables

<b>Financial instruments:</b>		
Accrual for youth phone costs	11 682 685	6 685 304
Accrued audit fees	1 234 750	1 154 000
Provision for incentives	7 685 916	3 455 692
Accrued expenses	122 845	685 126
Accrued leave pay	724 727	473 727
Placement fees payable	16 936 000	14 313 080
Third party salaries payable	185 460 074	99 702 250
Trade payables	23 540 167	8 183 330
<b>Non-financial instruments:</b>		
VAT	1 204 346	428 719
	<b>248 591 510</b>	<b>135 081 228</b>

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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 25,287 youth jobs in 2022 to 32,578 youth jobs in 2023 and as a result these balances increased.

13. Revenue

<b>Revenue</b>		
Registration, Monitoring & Evaluation fees and Hub income	179 525 409	139 638 933
Donation income	1 284 549	6 364 633
Grant income	19 236 747	12 171 560
	<b>200 046 705</b>	<b>158 175 126</b>

Disaggregation of revenue

The company disaggregates revenue from corporate companies as follows:

<b>Rendering of services</b>		
Registration fees related to sourcing, placement and monitoring of youth in a 12-month program	12 668 500	10 075 000
Hub income	5 841 328	1 523 095
Deferred income realised	(5 808 228)	(1 209 699)
Other recoveries	919 759	633 927
Monitoring & Evaluation fees related to sourcing, placement and monitoring of youth in a 12-month program	165 904 050	128 616 610
	<b>179 525 409</b>	<b>139 638 933</b>

Other revenue and income

Donation income	1 284 549	6 364 633
Grant income	19 236 747	12 171 560
	<b>20 521 296</b>	<b>18 536 193</b>
<b>Total revenue</b>	<b>200 046 705</b>	<b>158 175 126</b>

Timing of revenue recognition

<b>At a point in time</b>		
Registration fees related to sourcing, placement and monitoring of youth in a 12-month program (IFRS 15)	12 668 500	10 075 000
Hub income (non- IFRS 15)	5 841 328	1 523 095
Donation income (non-IFRS 15)	1 284 549	6 364 633
Recoveries (non-IFRS 15)	919 759	633 927
	<b>20 714 136</b>	<b>18 596 655</b>



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<b>13. Revenue (continued)</b>		
<b>Over time</b>		
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	160 095 822	127 406 911
Grant income (non-IFRS 15) - this revenue is recognised in line with grant conditions, refer to note 1.11.2 for details	19 236 747	12 171 560
	<b>179 332 569</b>	<b>139 578 471</b>
	<b>200 046 705</b>	<b>158 175 126</b>
<b>Total revenue</b>		
YES had an increase in the number of youth jobs created which increased from 25,287 in 2022 to 32,578 in 2023, this is the main driver of the increase in revenue.		
<b>14. Cost of rendering services</b>		
Rendering of services	70 234 480	54 951 149
<b>Rendering of services</b>		
Youth phone costs	36 725 042	27 680 087
Placement fee costs	32 503 200	25 831 118
Hub program costs	1 006 238	1 439 944
	<b>70 234 480</b>	<b>54 951 149</b>
The increase in the youth phones and placement fee costs is due to the increase in youth jobs created from 2022 to 2023.		
<b>15. Other operating gains</b>		
<b>Gains on disposals, scrapings and settlements</b>		
Property, plant and equipment	4 46 902	87 847
<b>16. Operating expenses</b>		
Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:		
<b>Auditor's remuneration - external</b>		
Audit fees	922 250	642 970
<b>Internal audit services</b>	<b>551 250</b>	<b>639 375</b>
<b>Remuneration, other than to employees</b>		
Consulting and professional services	14 899 719	13 370 646
Secretarial services	270 408	175 861
	<b>15 170 127</b>	<b>13 546 507</b>

YES has made use of consultants in a variety of areas to fulfill skills required by the organisation and to establish processes and systems necessary for the ongoing functioning of the entity. This has reduced the need for YES to increase its fixed cost base by not offering permanent employment for roles that may not be required over the medium term.

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<b>Employee costs</b>		
Salaries	30 477 812	25 032 414
Incentive	6 715 318	3 455 692
<b>Total employee costs</b>	<b>37 193 130</b>	<b>28 488 106</b>
<b>Leases</b>		
<b>Lease charges</b>		
Short-term and variable leases expenses (related to leased disclosed in note 5)	1 236 400	537 407
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment - refer to note 4	10 286 863	9 125 338
Depreciation of right-of-use assets - refer to note 5	807 949	1 015 239
Amortisation of intangible assets - refer to note 6	1 242 310	2 687 087
<b>Total depreciation and amortisation</b>	<b>12 337 122</b>	<b>12 827 664</b>
<b>Impairment losses</b>		
Intangible assets - refer to note 6	-	2 448 406
<b>17. Interest income</b>		
<b>Interest income</b>		
<b>Investments in financial assets:</b>		
Bank	11 966 327	4 754 340
All interest income is earned using the effective interest rate.		
<b>18. Finance costs</b>		
Lease liabilities	220 306	38 363
Interest expense*	537	400
<b>Total finance costs</b>	<b>220 843</b>	<b>38 763</b>

\*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 2023 (2022: Nil) tax as the company has no income which falls outside of these parameters.



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20. Cash generated from operations		
Profit before taxation		
Adjustments for:	41 198 708	24 041 158
Depreciation and amortisation	12 337 122	12 827 661
Profit on disposals of assets	(46 902)	(87 847)
Interest income	(11 966 327)	(4 754 340)
Finance costs	220 843	38 763
Movements in credit loss allowances	763 455	253 319
Movements in impairments	-	2 448 405
Changes in working capital:		
Inventories	(2 218)	(533)
Trade and other receivables	(72 603 023)	21 070 867
Prepayments	(258 723)	81 730
Trade and other payables	113 510 282	30 220 352
Deferred income	(4 883 360)	(885 533)
	78 269 857	85 254 002

21. Directors' emoluments

There are no short-term or long-term benefits paid to individuals in their role as Directors. The only Director that received remuneration was R. Naidoo (and T. Ismail-Saville in 2022) for work as Chief Executive Officer. No fees or other emoluments are paid to non-executive directors.

Executive

2023

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

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

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22. 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.		
Lease liabilities	3 490 799	-
Trade and other payables	248 591 504	135 081 226
Total liabilities	252 082 303	135 081 226
Cash and cash equivalents	(248 435 494)	(168 035 565)
Net liabilities	3 646 809	(32 954 339)
Equity	107 674 992	66 476 285
Gearing ratio	3 %	(50)%

Financial risk management

Overview

The Company's principal financial liabilities comprise deferred income and trade and other payables. The main purpose of these financial liabilities is the funding of youth salaries and to finance the Company's operations. The Company's principal financial assets include accounts receivable, and cash, and short-term deposits that derive directly from its operations. The improvement in the gearing ratio is a result of the net positive borrowings when compared to cash in this financial year. The large increase in trade payables due to the growth of the third party youth salaries liabilities linked to the higher youth job numbers created results in YES having a low gearing ratio. The cash to service these liabilities is uncollected at year end and sits in trade receivables hence the low gearing ratio. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

Market Risk

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk would affect YES in terms of interest expense and interest income. Interest expense would only be charged on the YES trading account if it was overdrawn. YES does not have any overdraft facilities. With YES' currently strong cash flow position, it is unlikely that YES will require overdraft facilities for the foreseeable future. Interest income is earned on bank balances, YES is not reliant on this income for operations and as such this risk is low. YES does not have significant exposure to market risk as our financial instruments are largely cash based and not subject to valuation fluctuations.



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22. Financial instruments and risk management (continued)

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 9 and note 10.

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 R247 387 164 (2022: R134 652 507) are all due within a period of 12 months.

2023		Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>						
Lease liabilities	5	-	1 515 783	699 445	2 215 228	2 215 228
<b>Current liabilities</b>						
Trade and other payables	12	247 387 164	-	-	247 387 164	247 387 164
Lease liabilities	5	1 275 571	-	-	1 275 571	1 275 571
		<b>248 662 735</b>	<b>1 515 783</b>	<b>699 445</b>	<b>250 877 963</b>	<b>250 877 963</b>
<b>Current assets</b>						
Trade and other receivables	9	119 542 281	-	-	119 542 281	119 542 281
Cash and cash equivalents	10	248 435 494	-	-	248 435 494	248 435 494
		<b>367 977 775</b>			<b>367 977 775</b>	<b>367 977 775</b>
		<b>119 315 040</b>	<b>(1 515 783)</b>	<b>(699 445)</b>	<b>117 099 812</b>	<b>117 099 812</b>

The above analysis reflects that YES should have more than sufficient surplus liquidity from net current assets with maturity of less than 12 months to fund the total liabilities with maturity beyond one year.

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22. Financial instruments and risk management (continued)

2022

		Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables	12	134 652 507	134 652 507	134 652 507
<b>Current assets</b>				
Trade and other receivables	9	47 702 713	47 702 713	47 702 713
Cash and cash equivalents	10	168 035 565	168 035 565	168 035 565
		<b>215 738 278</b>	<b>215 738 278</b>	<b>215 738 278</b>
		<b>81 085 771</b>	<b>81 085 771</b>	<b>81 085 771</b>

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

2023

	Less than 1 year	1 to 2 years	2 to 5 years	Total
Trade and other payables	247 387 164	-	-	247 387 164
Lease liabilities	1 560 818	1 666 726	716 586	3 944 130
	<b>248 947 982</b>	<b>1 666 726</b>	<b>716 586</b>	<b>251 331 294</b>
	<b>248 947 982</b>	<b>1 666 726</b>	<b>716 586</b>	<b>251 331 294</b>

2022

		Less than 1 year	Total
Trade and other payables	12	134 652 507	134 652 507

23. 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.

24. 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.



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25. Commitments

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

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

Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)  
Annual Financial Statements for the year ended 31 March 2023

Detailed Income Statement

Figures in Rands	Note(s)	2023	2022
<b>Revenue</b>			
Registration, Monitoring & Evaluation fees and Hub income		179 525 409	139 638 933
Donation income		1 284 549	6 364 633
Grant income		19 236 747	12 171 560
	13	<b>200 046 705</b>	<b>158 175 126</b>
<b>Cost of services rendered</b>			
Opening stock		(9 214)	(8 681)
Phone and placement costs		(70 236 698)	(54 951 682)
Closing stock		11 432	9 214
	14	<b>(70 234 480)</b>	<b>(54 951 149)</b>
<b>Gross profit</b>		<b>129 812 225</b>	<b>103 223 977</b>
<b>Other operating gains (losses)</b>			
Gains on disposal of assets or settlement of liabilities		46 902	87 847
Movement in credit loss allowances	16	(763 455)	(253 319)
<b>Expenses (Refer to page 103)</b>		<b>(99 642 453)</b>	<b>(83 732 924)</b>
<b>Operating profit (loss)</b>	16	<b>29 453 219</b>	<b>19 325 581</b>
Interest income	17	11 966 327	4 754 340
Finance costs	18	(220 843)	(38 763)
<b>Profit for the year</b>		<b>41 198 703</b>	<b>24 041 158</b>



# Youth Employment Service (RF) NPC

(Registration number 2017/267641/08)

Annual Financial Statements for the year ended 31 March 2023

## Detailed Income Statement

Figures in Rands	Note(s)	2023	2022
<b>Other operating expenses</b>			
Accounting fees		(25 257)	(28 935)
Advertising		(5 815 107)	(7 972 873)
Amortisation		(1 242 310)	(2 687 084)
Auditors remuneration - external auditors	16	(922 250)	(642 970)
Auditors remuneration - internal audit	16	(551 250)	(639 375)
BEE audit fee		(25 547)	(26 500)
Bad debts		-	(290 983)
Bank charges		(1 026 086)	(680 673)
Cleaning		(573 328)	(661 771)
Computer expenses		(362 688)	(447 976)
Consulting and professional fees		(4 536 681)	(6 481 682)
Call centre costs		(2 503 892)	-
Consulting fees		(6 204 740)	(5 571 388)
Consumables		(500)	(32 540)
Content design		(155 468)	-
Cutlery and Cookery		(9 890)	(2 931)
Delivery expenses		(80 855)	(15 687)
Depreciation		(11 094 812)	(10 140 577)
Discount received		213 324	999 884
Employee costs		(37 193 130)	(28 488 106)
Entertainment		(279 965)	(106 683)
Events and launches		(642 880)	(15 453)
Fines and penalties (largely due to a VAT related provision that was reversed in 2022)		-	585 595
Hire		(104 846)	(188 402)
Hub operational costs		(107 530)	(105 584)
IT expenses		(5 162 780)	(6 010 223)
Impairment		-	(2 448 405)
Insurance		(578 255)	(435 953)
Lease rentals		(1 236 400)	(537 407)
Legal fees		(1 629 149)	(1 288 641)
Medical expenses		(1 809)	(2 770)
Motor vehicle expenses		(73 759)	(54 293)
Municipal expenses		(1 275 921)	(980 674)
Placement fees		(287 772)	(901 741)
Printing and stationery		(87 775)	(55 105)
Repairs and maintenance		(367 038)	(376 860)
Secretarial fees		(270 408)	(175 861)
Security		(1 205 648)	(1 186 837)
Small assets		(160 738)	(194 495)
Staff welfare		(947 162)	(753 077)
Subscriptions		(2 656 236)	(2 486 661)
Telephone and fax		(417 377)	(306 451)
Training		(9 341 500)	(1 457 612)
Travel - local		(694 174)	(427 471)
VAT expense		-	(3 989)
Youth psychometrics		(2 864)	(5 704)
		<b>(99 642 453)</b>	<b>(83 732 924)</b>

