Uplifting people.
Growing business.

workforce
HOLDINGS LIMITED

2022
INTEGRATED ANNUAL REPORT

Staffing & Outsourcing | Recruitment | Training & Education | Healthcare | Financial Services

Scope and boundary

This report is guided by the International Integrated Reporting Framework ("IIRF") and reporting frameworks applied and in compliance with the JSE, which include JSE Listings Requirements, the King Report on Corporate Governance in South Africa ("King IV™") and the Companies Act of 2008 (Act 71 of 2008) as amended ("Companies Act"). The audited financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial report covers subsidiaries, joint arrangements, and investments.

The boundary of the report is the financial reporting entity of Workforce Holdings Limited and its investment clusters and subsidiaries ("Workforce" or "the group"). This report is published annually and covers the period from 1 January 2022 to 31 December 2022.

This is our primary report to shareholders and stakeholders and provides material information about strategy, risks, opportunities, performance, outlook and governance.

Our report aims to provide stakeholders with balanced, accurate and understandable information about our financial, economic, social and environmental performance during the year on matters material to our business and our ability to create and sustain value. The process used in determining and applying materiality is described on page 24.

Furthermore, the board of directors accepts that the company is in compliance with the provisions of the Companies Act and operating in conformity with the company's Memorandum of Incorporation.

Assurance

Process	Nature of assurance	Status	Provider	Reference
Financial/operational				
Internal audit	External assurance	Internal audit function in place	Internal audit department	
Annual financial statements	Internal compilation, external assurance	Assured	Crowe JHB	Independent auditor's report – page 87
Empowerment				
B-BBEE (Level 1)	BEE scorecard	Assured	Fidelity Verification Valid to 14 June 2023	www.workforce.co.za/aboutus
Ethics and trust				
Whistleblower and whistleblower protection policy	Internal	Assured by internal audit department	Social, ethics and transformation committee	Social, ethics and transformation committee report – page 72
Protection of Personal Information Act ("POPIA")	Internal	Assured by internal audit department	Internal commercial department	Chairman's report – page 11
King IV™	Application register	Assured internally	Board and executive management	www.workforce.co.za/aboutus

Ethics

Ethical behaviour and conduct within Workforce is governed and aligned to the social, ethics and transformation committee and across the year was found to have been maintained at the highest level. We firmly believe that the ethics of the organisation are entrenched, with ethical behaviour driven from top management structures and with no tolerance for deviation of any kind.

Forward-looking statements

This report contains forward-looking statements, which are based on assumptions and best estimates made by management with respect to the group's performance in the future. Such statements are, by their nature, subject to risks and uncertainties, which may result in the group's actual performance in the future being different from that expressed or implied in any forward-looking statements. These statements have not been audited by the group's external auditors. Workforce neither accepts any responsibility for any loss arising from the use of information contained in this report, nor undertakes to publicly update or revise any of its forward-looking statements.

Board approval

The Workforce board of directors acknowledges its responsibility to ensure the integrity of the integrated annual report for the 2022 financial year, and in the board's opinion, it addresses all material issues and presents fairly the group's integrated performance and its impacts.

John Macey
Independent chairman

Ronny Katz
Chief executive officer

Willie van Wyk
Financial director

Shaun Naidoo
Non-executive director

Kyansambo Vundla
Independent non-executive director

Shelley Thomas
Independent non-executive director

29 March 2023

Contents

Definitions and abbreviations can be found on the inside back cover of this document and should be used to reference abbreviations and to clarify definitions.

Queries regarding this integrated annual report or its content should be addressed to: Willie van Wyk (FD) | Tel: 011 532 0000

1 THIS IS WORKFORCE

For five decades, Workforce has provided support to South Africans as a Level 1 B-BBEE human capital services company that operates through focused investment clusters comprising Staffing and Outsourcing, Training and Education, Recruitment, Healthcare and Financial Services.

Workforce continued to forge ahead and today, not only do we give people an opportunity to work so that they can build a life for themselves and their loved ones, but we also uplift them through training and skills development and ensure they are healthy and happy individuals.

Strong, diverse and relevant foundations in place upon which the expertise, experience, skill, digitisation and knowledge gained over five decades, can be expanded upon to optimise the product offering within and across investment clusters

Strategically managed for growth and sustainability through the establishment of autonomous investment clusters

Repeatability across service offering and locations allowed for the advancement of growth

Foundation in place with a defined and refined offering, enhanced through a series of acquisitions

Initial establishment

1972

#newdimensions

Who we are

workforce HOLDINGS LIMITED

An investment holding company listed on the Johannesburg Stock Exchange providing services and products through specialised investment clusters.

Investment holding

Investment operating structure

- Staffing and Outsourcing
- Recruitment
- Financial Services
- Training and Education
- Healthcare
- Africa

See investment cluster operations report and segmental contribution contained on pages 34 to 45 and in note 11.

Types of services (contribution to revenue)

- Staffing solutions
- Placement fees
- Accredited courses, education and training
- Payroll management
- Funeral cover and lending services
- Medical cover, healthcare, wellness programmes and health risk assessments
- Consulting services

See additional comparative information contained in note 11 of the annual financial statements.

What differentiates us

Diversified and integrated business model	26
Strong customer relationships	34
Innovative service solutions	3
Entrepreneurial culture	34
Extensive footprint	4
Our people: Intellectual capital | Depth of management | Committed workforce	51

Where we operate

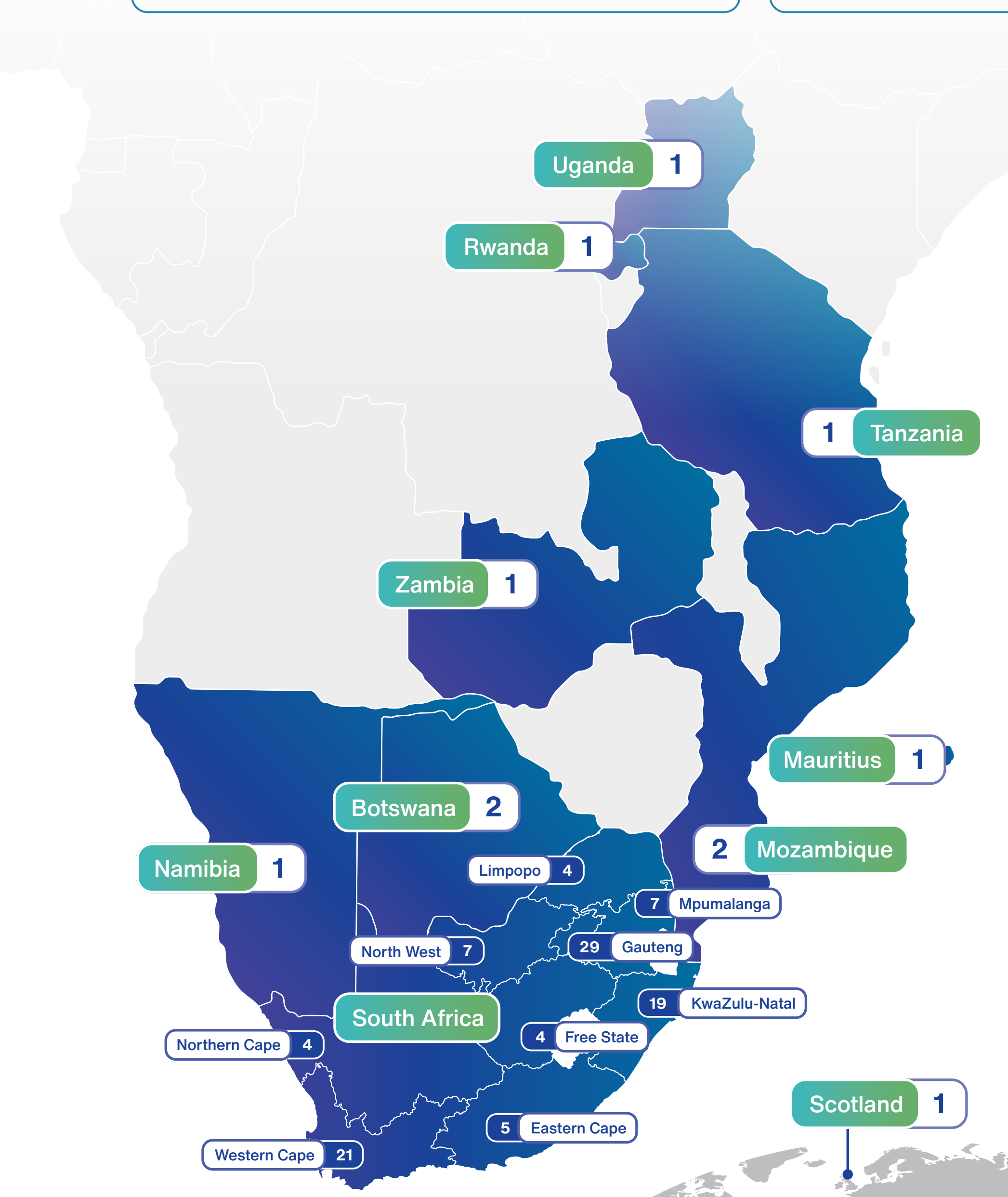
The group operates predominately in South Africa, boasting an extensive national branch infrastructure that extends to all provinces of the country. To enhance geographic diversification, we have entrenched our presence in a number of neighbouring countries, namely Mozambique, Botswana, Namibia, Tanzania, Zambia, Rwanda, Uganda and further afield in Mauritius, Scotland and South America.

32 trading brands

12 active branches beyond our borders

100 branches in South Africa

Operational in 10 countries outside of South Africa

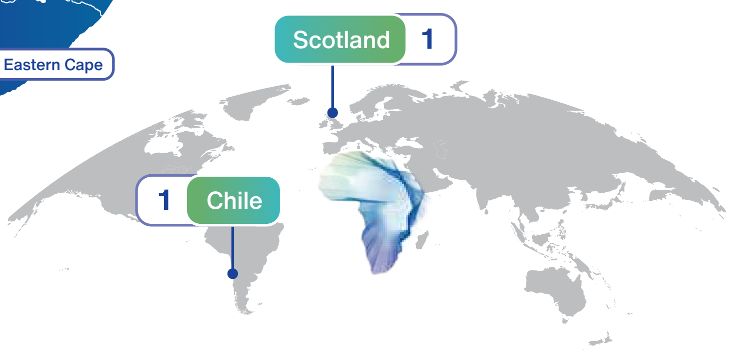


Our vision

To be a progressive investment holding company managing investments in businesses that provide innovative, integrated and diversified human capital solutions globally.

Our purpose

To make a meaningful and sustainable difference in people's lives – to uplift them, to find employment for them and empower them with the appropriate training, healthcare, financial services and lifestyle benefits.



Key numbers

Through the ability to be flexible and adapt quickly, Workforce fulfilled its purpose and promise to make a meaningful and sustainable difference in people's lives. This touched our spectrum of stakeholders in support of the principles of the environment, social and governance ("ESG") aspects of being a responsible company.

Financial

Revenue	EBITDA	HEPS
R4,3 billion (2021: R3,5 billion)	**R168,3 million** (2021: R152,6 million)	**46,8 cents per share** (2021: 38,7 cents per share)

Cash flow from operating activities	NAV per share	Days outstanding
-R65,3 million (2021: -R29,3 billion)	**407 cps** (2021: 357 cps)	**54** (2021: 46)

Empowerment

Level 1 B-BBEE

41,34% Black women ownership

51,19% Black ownership

Our people

1 664 permanent staff employed

58% women

77% "Black"

38% "Youth"

Our positive impact

107 094 average number of payslips processed every month

90 662 training instances

13 064 learners on learnership programmes

28 000 daily positions filled

100 learners on the Bachelor of Business Administration ("BBA") degree

165 registered learnerships

90 544 medical examinations conducted

55 638 funeral and medical policies issued

Investment clusters and performance summary

Our business is structured for value creation, with considerable emphasis placed on endeavouring to ensure that our diverse business portfolio is managed off a profitable and cash-generative base to ensure sustainable growth.

The group has a strong commitment to its core areas of competence to enable the harnessing of inter-group synergies and the diversification into new markets and territories. To support this viewpoint, the businesses were realigned into investment clusters and investment cluster executives were appointed to drive accelerated growth and diversification within each of the clusters.

This strategy has proven to be highly effective and we are extremely pleased with the progress made to galvanise strategy and business development. Each investment cluster's business offerings are delivered through multiple brands in the marketplace. Service integration of the various offerings of each of the closely-aligned business units is of utmost importance to the sustainable growth of the group as it facilitates growth and diversification of our service offering and expansion into new markets and territories, both within and beyond South Africa's borders. This diversification strategy will remain a key priority.

Human capital plays an integral role within our business model, with people featuring at the core of our value creation process. By achieving our strategic business goals and pursuing our purpose of making a difference in people's lives, it translates into shared value for our organisation and our stakeholders while achieving meaningful social contributions such as increased levels of employment.

Investment cluster

Staffing and Outsourcing*

Investment cluster executive: Sean Momberg

This investment cluster's services extend beyond Staffing and Outsourcing to turnkey, tailor-made outsourcing solutions, including all aspects of human capital management such as payroll, industrial relations, human resources and functional outsourcing. Our contractors are at the core of our success, which is why we provide them with access to competitive benefits, career growth opportunities, skills development and invaluable experience, ultimately providing greater benefit to our valued clients.

Cluster brands

workforce staffing · ppo programmed process outsourcing · Worldwide Staffing · QUYN · OXYON · Interchange · Gcubed

Service Offering

- Temporary employment services ("TES")
- Risk mitigation through insurance and client driven solutions
- Functional outsourcing
- Short and long-term hires
- Payroll and other systems management
- HR and IR consulting services
- Turnkey staffing solutions
- Import and export of skills required to close skills gaps
- COIDA and UIF claims support

See pages 34 to 35, note 17 and our website for additional information.

Recruitment*

Investment cluster executive: Evelyn Vanassche

Our companies source, attract and recruit talent through vast professional networks, supported by expertise and technology. This is achieved through a cohesive working relationship with our clients and further enhanced through our specialisation in industry-specific placements.

Cluster brands

Service Offering

- Specialised staffing solutions
- Executive search/headhunting
- Map and attract permanent recruitment
- Temporary employment services
- Short and long-term hires
- Payroll management
- HR and IR consulting services
- Disability solutions
- Call centre

See pages 44 to 45, note 17 and our website for additional information.

Africa*

Investment cluster executive: Darren Hollander

Offering the full array of Workforce's employee management services, the Africa cluster serves all industries across the African continent. By recruiting from local communities and partnering with local staffing and recruitment companies, Workforce Africa offers staffing, training, healthcare, and financial services. Workforce Africa combines the expertise of the different investment clusters in the group and provides these products and services into Africa, where there is a great need.

Cluster brands

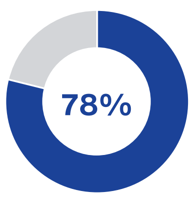
Service Offering

- Entire suite of Workforce services and products

See pages 36 to 37, note 17 and our website for additional information.

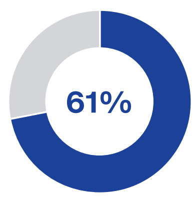
Segment revenue

2022



Segment EBITDA

2022



* *The results for Recruitment and Africa are included in the Staffing and Outsourcing cluster.*

Investment clusters and performance summary *(continued)*

Training and Education

Investment cluster executive: Steven Herscovitz

The Training and Education cluster expanded through the acquisition of specialised Training and Education providers, which operate in the fields of management training, learnerships, internships and specialised compliance training. We aim to improve trainees' employability and the earning capability of employed people to earn more in the shortest time possible with our training solutions. KBC and Prisma focus on training and on boarding in the mining industry. The cluster also focuses on training cyber security through The Cyber Academy. Chartall Business College ("Chartall") is a registered training provider and offers degrees in Business Administration and specialises in Financial Advisory and Intermediary Services ("FAIS") training for the banking industry.

Cluster brands

DYNA TRAINING · TRAINING FORCE · PRISMA TRAINING SOLUTIONS · THE CYBER ACADEMY · KBC HEALTH & SAFETY · CHARTALL BUSINESS COLLEGE

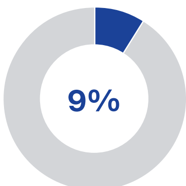
Service Offering

- Learnerships
- Short courses
- Skills programmes
- Online/digital courses
- SETA accredited
- SAQA and NQF aligned
- All divisions are registered and accredited
- Compliance and apprenticeships training
- Contractor on-boarding and induction
- FET and HET offering
- SETA and QCTO accredited
- Behaviour change management training

See pages 38 to 39, note 17 and our website for additional information.

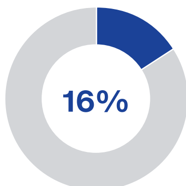
Segment revenue

2022



Segment EBITDA

2022



Healthcare

Investment cluster executives: Donald McMillan and Dr Richard Malkin

The Healthcare cluster has specific focus areas – the first is providing occupational healthcare services encompassing workplace employee health management, high-risk compliance and extending to comprehensive corporate wellness solutions across all industry sectors. These services are delivered by 66 onsite clinics at various clients, all of which provide primary care, Covid-19 prevention and occupational healthcare; six walk-in occupational health centres nationally; and nine mobile units providing occupational health screening. Employee wellness programmes ("EWPs") is a further focus area, which considers a wide range of employee needs, providing wellness programmes that support both the organisation and staff via a 24-hour call centre and 300 affiliate psychologists/social workers nationally. Primary healthcare services help reduce unnecessary time off work and loss of earnings resulting from employees who need to travel to off-site primary healthcare facilities to treat minor ailments or chronic conditions. The cluster also provides a complete range of healthcare personnel solutions for public and private hospitals and clinics, retirement and frail care establishments and carers for old-age and/or home-based care.

Cluster brands

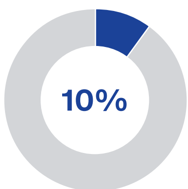
Service Offering

- Occupational healthcare services
- Mobile screening
- On-site clinics
- Employee wellness programmes
- Medical surveillance programmes
- Management of chronic and acute conditions
- Temporary, contract, emergency and permanent placings
- Medical staff recruitment
- Placing nurses and medical professionals
- Home-based care

See pages 42 to 43, note 17 and our website for additional information.

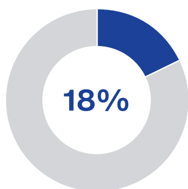
Segment revenue

2022



Segment EBITDA

2022



Financial Services

Investment cluster executive: Jonathan Kruger

The Financial Services cluster provides financial services, lifestyle benefit packages and support services to employees of the group, as well as insurance products including low-cost medical insurance and funeral insurance, both to the group and external customers.

Cluster brands

babereki Employee Financial Solutions | DEBTWORX collections agency | essential employee benefits | GetSavvi HEALTH

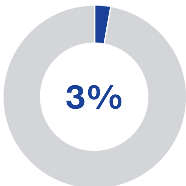
Service Offering

- Funeral cover
- Day-to-day medical insurance
- Hospital cover
- Responsible lending services
- Affordable optometry and glasses programme
- Wide range of financial products
- Debt collection services

See pages 40 to 41, note 17 and our website for additional information.

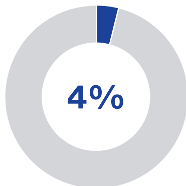
Segment revenue

2022



Segment EBITDA

2022



Chairman's review

As Workforce moves forward with a firm foundation built on 50 years of experience, we are especially pleased with our momentum in recent years. This growth has been the direct result of our diversification across investment clusters, the ten acquisitions made between 2015 and 2021, and most recently, the establishment of offices and the provision of products and services through Africa. All of this has ensured that the group is on an upward trajectory, ensuring both growth and long-term sustainability.

John Macey
Independent chairman

I am pleased to provide shareholders and stakeholders with a report on Workforce's performance for the 2022 financial year.

Under the leadership of Ronny Katz, the success of the structuring and positioning of the group's clearly defined investment clusters has surpassed expectations. This approach has been built on a foundation of deep expertise, skills and knowledge, the successful turnaround and assimilation of the businesses that have been acquired, and geographic expansion. In the case of the latter, our careful expansion into Africa continues to allow for further diversification of the much-needed services and products that Workforce provides on the continent.

Having effectively navigated the Covid-19 pandemic, Workforce then had to contend with increasingly poor economic conditions and political sentiment in South Africa. This uncertainty, coupled with unprecedented levels of load shedding, is exacerbated by global inflationary concerns and the continuing war in Ukraine.

Fortunately, and as a result of the group's diversification strategy, when the Covid-19 lockdowns eased and the economy began to open up again, so too did the demand for our range of services and products. The majority of the investment clusters exceeded expectations and delivered solid results, although some still have a little way to go to equal or exceed their pre-Covid-19 performance. We are, however, confident that the growth strategy, which includes delivering Workforce's comprehensive range of products and services to additional geographies outside of South Africa, will benefit the group greatly.

Overall, the group delivered a very pleasing set of results, with an increase in revenue of 24% for the year under review to R4,3 billion (2021: R3,5 billion). EBITDA increased by 10% to R168,3 million (2021: R152,6 million). Total comprehensive income for the year of R 105,3 million shows an increase of 22% over the previous year (2021: R85,8 million).

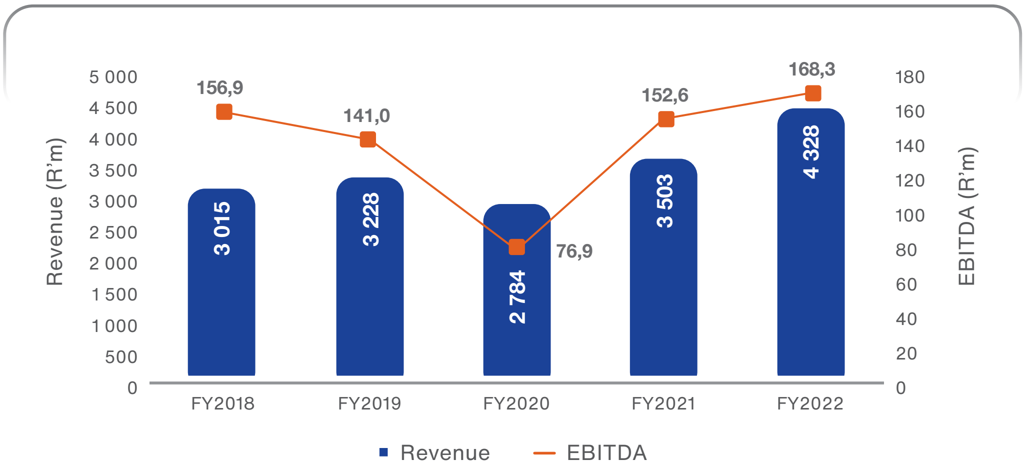
These results are due to the ongoing focus on leadership development, strongly supported by information technology, successful and careful expansion, and our fundamental bedrock – the support of human capital development offered by our products and services.

The "Performance" section on pages 28 to 45 contains feedback and background on the results from the CEO, FD and the cluster executives.

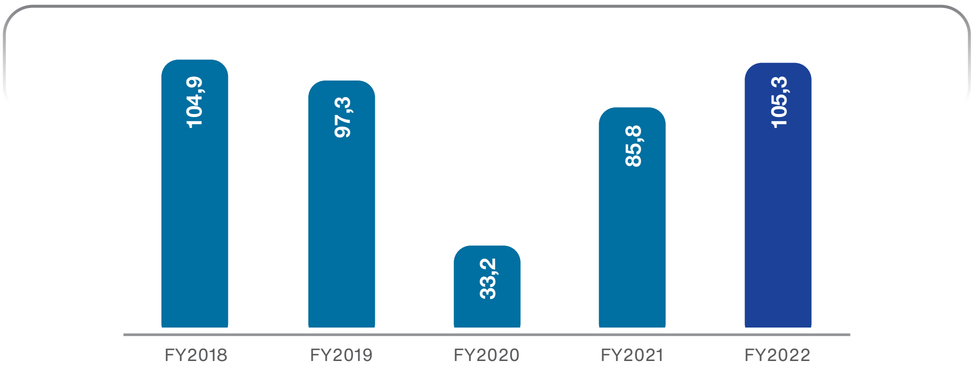
While operating costs increased in 2022, this is due to the significant investment made in supporting the group's expansion. We are confident that this investment will be recovered in the future.

Workforce has a strong leadership team in its executive management and cluster management. The group's employees are the body and soul of the business. Between them, they diligently continue to service our customers and to find ways to expand the sectors into which Workforce's products and services can be sold. I thank you all for your commitment and dedication.

Highest revenue ever achieved by the group*



Total comprehensive income for the year (Rm)*



* *2021 Restated.*

Transformation, accountability and human capital

Workforce conducts itself ethically and responsibly. We are thus conscious of elements unique to South Africa. In this regard, we employ 1 664 permanent employees, of which 58% are female. Temporary or contract employees total 33 926. Pleasingly, Workforce has maintained its Level 1 B-BBEE accreditation and remains involved in the YES Programme for youth development – a critical development area for South Africa in which we are happy to play a part.

Changes to the board

On 7 November 2022, Ms Inshaaf Ross resigned as a Non-Executive Director. As a member of the social, ethics and transformation committee as well as of the remuneration and nominations committee, she served on the board since 2018. The board thanks Ms Ross for contributing to the company and wishes her well in her future endeavours.

Thanks and appreciation

I want to take a moment to also thank my fellow board members for their continued hard work and dedication. The ongoing success of the group is due in no small part to these individuals and their valuable input, and I am proud to work alongside them.

I would also like to extend my thanks to our shareholders, customers, stakeholders, suppliers, local communities, and providers of capital, for their support throughout this year. Thank you for your ongoing support and believing in us as much as you do.

Our employees are the soul of our business, and their focus and commitment are integral to our success. I send a special thank you to all of them.

Finally, I would like to thank management for all they do on a daily basis. Our managers are truly the company's heart, and Workforce could not have navigated the year without their leadership, years of experience and industry knowledge, which served us so well in 2022 and will continue to do so into the future.

John Macey
Independent chairman

29 March 2023

2 OUR STRATEGY

The context in which Workforce operates directly impacts our ability to deliver on our strategy and create value.

Structured for value creation

To realise our vision (see page 4), enhance profitability and continue the advancement of the group, the business is structured into investment clusters (see page 6) with the intent of reducing the risk related to any one of the cluster businesses by spreading the risk and ensuring value creation for all stakeholders.

Each investment cluster, representing different investments for the holding company, is led by a cluster executive with its own independent management team, who have the directive to grow these businesses into substantial independent and resilient entities.

Our competitive differentiation lies in the diversified and integrated service offering we deliver, the use of technology, human capital and intellectual property built up over five decades, the extent of our footprint (including a large national and international presence), and the quality relationships we have with key stakeholders.

Our #newdimensions theme acknowledges our drive for constructive change and development as we evolve and mature with the times. Accordingly, Workforce has carefully and successfully enhanced the international working footprint, operational in 10 countries outside of South Africa. This supports the diversification and improves revenue quality through the ability to charge and earn foreign currencies. The most recent venture has been into Scotland, where real traction is being gained, given the skills shortage the country is facing, in addition to opening offices in Tanzania, Zambia, Uganda and Rwanda.

The culmination of this risk-mitigating structure has taken time to establish and has consisted of both organic and acquisitive growth, all while being able to provide enhanced, on-trend solutions to clients. At the same time Workforce has been able to successfully incorporate acquired businesses into the various investment clusters and benefit from what these new brands bring as well as to enhance their respective service offerings, based on the decades of experience Workforce has to offer.

Investment holding structure to support sustainability

Accelerate growth and diversification of our investment clusters

Our strategic intent is to drive the growth, diversification and profitability of each investment cluster. We aim to create value by being effective in our management of the short and medium-term environment in order to achieve our long-term growth ambitions. Our capability will continue to be extended to operate across a broad spectrum of industries and geographies, reinforcing our competitive positioning through strong brands and the cluster structure.

Autonomous investment clusters established to further enhance sustainability

Well positioned through #newdimensions on the back of 50 years of experience, diversification, skill and digitisation

Foundation in place for diversification established on track record of acquisitions and organic growth

Operational priorities

Protect and grow existing business

Use technology as a differentiator

Unlock the value of the client base through intra-group collaboration

Manage costs and achieve operational efficiencies

Deliver unique and innovative customer solutions

Grow into new territories

Human capital management

Leadership development

Black talent management

Youth employment and development

See pages 17 to 23 for details on how material issues, capitals and risks are managed in relation to the strategic focus areas.

Our capitals

For the purpose of reporting, Workforce has chosen to combine intellectual and manufactured capital to create "organisational capital" and to incorporate natural capital with social and relationship capital as the nature of our activities have a low environmental impact. The IIRC's Integrated Reporting Framework allows for this.

Financial capital

Organisational capital
(includes intellectual and manufactured capital)

Human capital

Social/relationship capital

Strategic trends, material issues and risks

The context in which we operate directly impacts our ability to deliver on our strategy and to create value. To remain competitive and meet the demands of our stakeholders, we align our strategies to be responsive to both local and global trends that impact our business.

! Important issues   !! Material issues   !!! Most material issues

Operating context	Risk category or mitigating factor	Material issue/importance	
Macro environment			
Low economic growth with poor business confidence	Economy	Economy	!!!
Economic policy and spending uncertainty	Political will and stability, and consumer confidence	Political stability	!!!
Growing unemployment levels – particularly youth	Economy	Economy	!!!
Continued Government delays in infrastructure development investment	Economy	Economy	!!!
Emerging market uncertainty places pressure on South Africa as an investment destination	Economy	Economy	!!!
Uncertain global environment	Economy Financial	Economy	!!
Covid-19 or similar pandemic	Economy Increased demand for occupational health and Employee Assistance (Wellness) Programmes ("EAP") Change in product delivery as online demand increases	Product and service innovation	!!
Global skills shortage	Economy	Human capital management	!!
Operating environment			
Industry 4.0/Fourth industrial revolution	Diversification, economy	Economy Human capital management Growth Technology	!!!
Negative union activity	Stakeholder engagement	Stakeholder engagement (inclusivity)	!!
Curbed spending by clients	Diversification, regulatory, economy	Covid-19 or similar pandemic	!!!
B-BBEE scorecard	B-BBEE, regulatory	B-BBEE	!!!
Employment Tax Incentive ("ETI") continues until 2029	Regulatory	Youth employment and development	!!!
Legal and regulatory			
Employment equity and B-BBEE legislation	B-BBEE regulatory, B-BBEE (Level 1) attained	Regulatory environment, B-BBEE	!
AEDO ("Authenticated Early Debt Order") legislation compliance	Regulatory, technology	Regulatory compliance Technology	!!

Material and strategic focus areas

1. Capital management

Capitals

Objective

Ensure that we operate with an optimal capital structure, appropriately weighted between debt and equity.

- Debt capital markets
- Equity capital
- Debt: **equity ratio 0,59** (2021: 0,41)

2022 performance

- Current facility substantially increased
- New relationships with funders for the funding of international expansion initiatives
- Good relationships with bankers maintained
- Improved engagement with current and potential equity funders

Material issue and key risks	Mitigation and control strategy
Risk of insufficient funding and continued reliance on Government incentives to fund the business	▪ Diversification of revenue streams and product streams ▪ Acquisitions of cash-generative businesses
Capital and funding ▪ Inability of clients to meet payment obligations timeously or at all ▪ Inability to sustain and grow the business	▪ Manage profitable cash-generative businesses ▪ Reduce capital costs ▪ Reduce debtors' days outstanding ▪ Improve credit control and cash management ▪ Ensure healthy debt-to-equity ratio ▪ Maintain sustainable funder relationships
Capital and funding (internal) ▪ Inability to raise adequate debt or equity capital to sustain and grow existing business ▪ Short-term nature of debt facilities	▪ Continue to explore new sources of funding
Financial and regulatory ▪ The group relies on significant Government incentives that would impact its profitability if withdrawn	▪ Driving organic and acquisitive growth to become less reliant on Government incentives ▪ In the past Workforce has dealt with and successfully navigated many regulatory changes as a part of doing business in our field. The well-established diversification drive has mitigated the regulatory risk ▪ ETI continues to 2029

Focus areas for next year

- Improvement of internal treasury functions
- Finalising international funding lines
- Credit risk management
- Improved debtor management and recovery

Material and strategic focus areas *(continued)*

2. Organic growth

Capitals

Objective

Ensure that we continue to protect and grow our existing business and continue to diversify income streams across the diversity of our clusters as well as exploit gaps in the market.

- Drive inter-group synergies and collaborations
- Improve working capital management to optimise cash generation

2022 performance

- Increased overall footprint through geographic expansion and the establishment of more local branches
- Increased client base, as evidenced by the substantial increase in turnover

Material issue and key risks	Mitigation and control strategy
▪ Diversified product range and geographic growth is essential in the support of organic growth, diversification of income and risk and a key factor of the group's long-term sustainability plan	▪ Diversification of revenue streams and product streams ▪ Acquisitions of cash-generative businesses ▪ Geographic diversification ▪ Development of leadership and management teams
▪ Failure to integrate and realise full value from acquisitions	▪ Acquisitions are considered against Workforce's defined acquisition criteria and continue to support the diversification drive successfully
▪ Low economic growth affects business confidence, negatively impacts customer spending and fuels unemployment	▪ Cluster executives tasked to accelerated growth drive ▪ Continue to market innovative employer-centric solutions
▪ Political landscape and policy uncertainty coupled with a lack of infrastructure spend negatively affects investor and business confidence	▪ Continue active membership and involvement in industry forums ▪ Continue stakeholder engagement

Focus areas for next year

- International expansion
- Geographic expansion
- Improved value offering through leveraging the use of technology

3. Acquisitive growth

Capitals

Objective

Identify and target quality businesses that are underpinned by strong management teams that share Workforce's entrepreneurial culture and value systems.

- Diversification and entry into new markets
- Accretive acquisitions to complement existing business

2022 performance

- Continue to assess possible acquisitions
- Previous acquisitions made are well integrated and have earned 81% of the purchase consideration back in profit before tax

Material issue and key risks

- Growth

Mitigation and control strategy

- Pursue accretive acquisitions that complement existing business and enable entry into new markets

Focus areas for next year

- Continue to identify and target businesses that will augment our growth and diversification strategy in each of our investment clusters

4. Human capital development

Capitals

Objective

We aim to make Workforce a great place to work by building a mutually beneficial working environment that is stable and secure and underpinned by a high-performance, ethics-based culture.

2022 performance

- Significant and widespread leadership training and development embarked upon
- Continuous talent management and career development programmes in place
- Improved role definition
- Further initiatives to improve employee wellness and engagement

Material issue and key risks

Inability to attract, motivate and retain key staff. Potential to lose intellectual capital. Inability to execute and deliver on business strategy.

Mitigation and control strategy

- Position Workforce as an employer of choice and create a high-performance culture through investment and development of the human capital that flows through our business
- Cluster structure proving valuable

Focus areas for next year

- Leadership development
- Create a high-performance culture
- Youth employment and development
- Significantly enhancing internal training programmes

Material and strategic focus areas *(continued)*

5. Technology

Capitals

Objective

Technology is a key differentiator for the group and supports our ability to remain relevant and competitive.

- Infrastructure services
- Investment
- Digital transformation
- Intellectual capital

2022 performance

- Significant changes to the organisational structure aligned to key aspects of the COBIT governance framework and other implementation methodologies
- Alignment of IT investment with strategic outcomes
- IT governance – adoption of IS Steering committee and implementation of relevant policies
- Focus on talent management and process automation

Material issue and key risks

- Promotes sustainability and reporting effectiveness ensuring the value proposition remains relevant
- Relevance of IT infrastructure and systems on the business model directly impacts our ability to deliver and support the client base and the group

Mitigation and control strategy

- Ensure that IT is an enabler across the group
- Invest in existing and new IT infrastructure, network security and new initiatives to remain relevant
- Roadmap to improve IT governance and maturity established
- Solution roadmaps aligned to business strategic objectives

Focus areas for next year

- Optimise infrastructure services to support the national and global footprint
- Globalise solutions through the enablement of the digital transformation strategy
- Deep industry knowledge across the group will continue to be leveraged to create outstanding solutions

6. Geographic growth

Capitals

Objective

Geographic diversification, particularly into African territories.

- Deepen African presence
- Grow revenue and profit base from existing territories
- Follow local clients offshore

2022 performance

- Established presence in four additional African countries
- United Kingdom presence established

Material issue and key risks

- Capital management
- Regulatory and political risk

Mitigation and control strategy

- Supported by strong contracts in place
- Focus on southern Africa

Focus areas for next year

- Continue to identify and target businesses that will augment the growth and diversification strategy

Material and strategic focus areas *(continued)*

7. B-BBEE, transformation and youth employment development

Capitals

Objective

B-BBEE is of paramount importance to the group, and we continue to strive to achieve our transformation objectives.

2022 performance

- Level 1 B-BBEE scorecard

Material issue and key risks	Mitigation and control strategy
- Poor B-BBEE rating can result in a negative impact on the sustainability and growth of our business	- Transformation committee with senior management representation - Divisional strategy aligned to B-BBEE codes - Participation in the Youth Employment Services Programme ("YES Programme")
Youth employment/development - First-time job seekers use temporary assignments as an entry into the job market and improve their future employability resulting from on-the-job training and skills development provided	- Continue to support Government initiatives to facilitate youth employment and development - 68% of total assignees are considered "youth" (between the ages of 18 and 35) - 100% of our YES Programme learners are "youth"

Focus areas for next year

- B-BBEE scorecard improvement sustained for the group and/or improved for a number of investment cluster businesses
- Greater diversity through achievement of employment equity numerical goals and targets
- Successfully deliver on the YES Programme initiative

8. Health and safety

Capitals

Objective

To ensure the highest standard of care for the health and safety of our staff.

2022 performance

- Excellent health and safety record
- Focus on employee wellness programmes

Material issue and key risks	Mitigation and control strategy
▪ Regulatory compliance	▪ Adherence to all protocols, Training and Education ▪ Health and safety briefings and Occupational Health and Safety Training Programme ▪ Culture of health and safety awareness and care throughout the group
▪ Health and safety monitoring	▪ Health and safety management system in place aligned to best practice

Focus areas for next year

- Ensure all measures in place for health and safety are adhered to continually

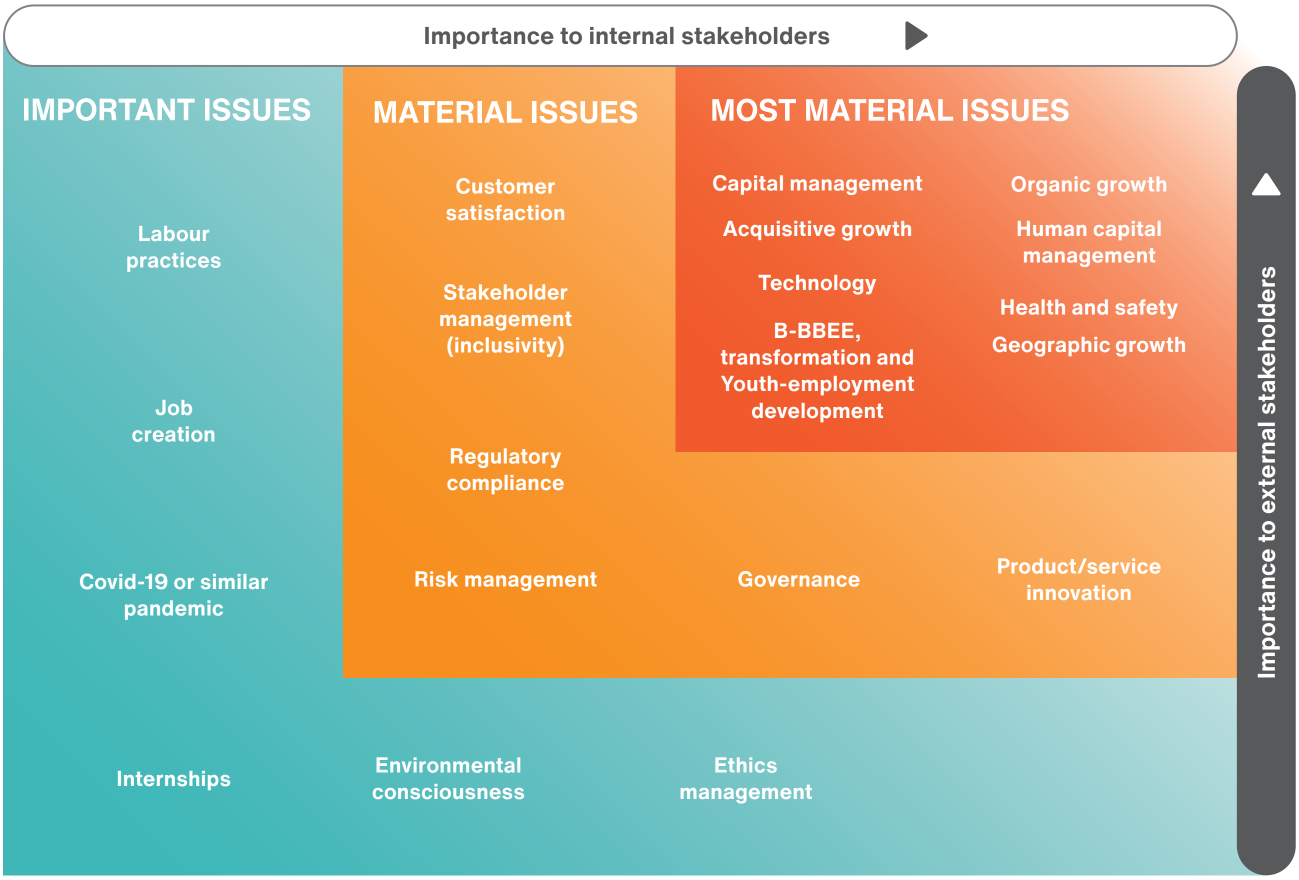
Determination of materiality

We define materiality as issues or occurrences that substantively affect our ability to create and sustain value over the short, medium and long term. Our material aspects are determined through a structured process of identifying relevant issues, evaluating their importance, and prioritising those which reflect Workforce's significant economic, environmental and social impacts. Our insights are gained from various sources, including but not limited to our internal and external business environment, risk management processes and from engaging with various stakeholder groups.

Workforce regularly conducts materiality assessments to review and identify key aspects which impact our materiality. This involves engaging stakeholder groups, a review of our risk universe documents, a study of the key agenda items of our various operating subsidiaries and discussions with management and the board.

In re-evaluating our material matters for 2022, it was determined that these have remained the same and include considering the impact the aspects could have on our strategy, our business model, the forms of capitals we utilise as well as our ability to create value over time. Once we completed the prioritisation process, a materiality matrix of those aspects most material to Workforce was presented to the board for review and approval. Current aspects most material to Workforce's ability to create value over the short, medium and long term and which could substantively affect the future sustainability of the group are outlined in our materiality matrix and the table below.

Materiality matrix

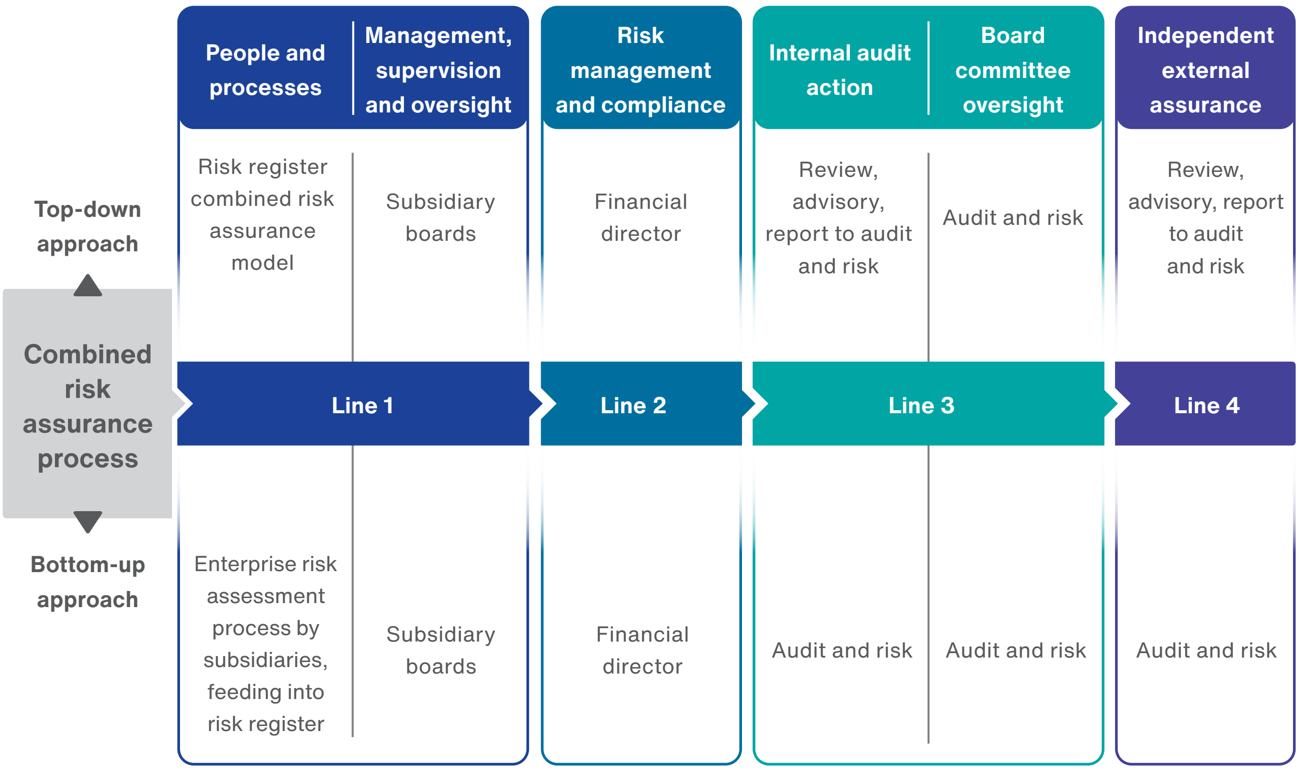


Managing our risks and opportunities

In 2018, the group adopted a combined risk assurance model, which was approved by the audit and risk committee. The model was designed to provide an assurance map to indicate who assures what risk and to whom this assurance is reported. It is a tool to assess and improve the functionality of the “lines of defence” applicable to each risk.

In addition, during 2020, the risk policy was amended to make provision for a risk champion, accountable for driving awareness of risk on a cluster and business unit level. We are satisfied that both the assurance map and our risk policy remain fit for purpose.

The “four lines of defence” are reflected in the model below.



This combined risk assurance process has provided us with a better understanding and control of our risks and has provided management with a tool to address the group’s significant risks as part of the “top-down” approach.

The group also formalised its enterprise risk management process, which in the form of a “bottom-up” approach, inculcates a risk awareness and risk management process throughout the autonomously managed business units of the group. Each business unit completes a detailed risk register which is reviewed by the internal audit department and managed by the respective business units.

As part of the above processes, significant risks identified during the reporting period, together with significant risks identified by senior management, were compiled into a group risk register. This register is monitored by the audit and risk committee on a regular basis.

The board is satisfied with management’s process of determining material issues, risks, and opportunities and that the risk management is effective in continuously identifying and evaluating risks and opportunities and ensuring that these risks are managed in line with our business strategy.

Our value creation business model

For the purposes of reporting, Workforce has chosen to combine intellectual and manufactured capital to create "organisational capital" and to incorporate natural capital with social and relationship capital as the nature of our activities have a low environmental impact. The IIRC's Integrated Reporting Framework allows for this.

Inputs | **Value creation through business activities and #NEWDIMENSIONS**

Financial capital

- Debt-to-equity funding
- Divisional funding structures
- Access to capital

Organisational capital

- National branch network
- Training facilities and courses
- Licences, bespoke software and systems
- Copyrights
- Diversified brands
- Trademarks
- Unique customer solutions
- Industry knowledge

Human capital

- Permanent staff, assignees
- Leadership
- Depth of management
- Industry specialists

Social/relationship capital

- Stakeholder relationships
- Customer satisfaction
- Suppliers
- Ethical conduct
- Governance
- Community support
- Environmental stewardship

How we create value

We create value through our interactions and relationships with our stakeholders and within the commercial environment in which we operate and on which we depend; and which in turn is impacted by our business activities.

We operate strategically through investment clusters of excellence, expertise and market knowledge, enabled by technology, with a nimble attitude of fast decision-making and continuous learning.

Business activities

- Temporary employment services
- Permanent placement recruitment
- Functional outsourcing
- Specialist staffing
- Disability staffing solutions
- Business process outsourcing
- Training and skills development
- Financial services
- Lifestyle products
- Employee death and disability benefits
- Primary healthcare solutions
- Occupational healthcare solutions
- Employee health and wellness

Investment cluster focus

- Staffing and Outsourcing
- Recruitment
- Financial Services
- Training and Education
- Healthcare
- Africa

Our values

Integrity | Collaboration | Accountability | Determination

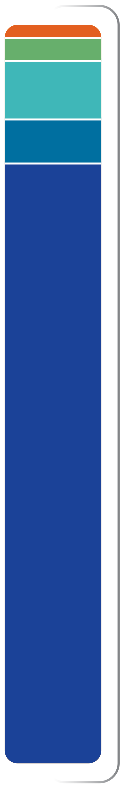
Diligence | Gratitude | "Can do" attitude

Outcomes and shared value created

We provide employment, functional outsourcing, training, healthcare, wellness, financial services and lifestyle benefits to individuals and their employers.

- Enabling entry into the job market for youth.
- Empowerment of our supply chain.
- Empowerment of unemployed and youth through skills training thereby improving their employability.
- Payment of taxes, thereby contributing to South Africa's economic and social wellbeing.
- Return on investment for providers of capital and shareholders.
- Client satisfaction, which in turn creates demand for our products and services, improves our sustainability and strengthens our brand and reputation.
- Making health, wellness, financial services and lifestyle benefits accessible to individuals to enhance their lives.
- Distribution of wealth, skills and experience to our employees which in turn flows through to dependent structures, such as their families and their communities.

Value creation for stakeholders



1% Providers of capital

3% Reinvested in the group

8% Government

4% Suppliers

83% Employees and contractors

Wealth created
R3,8 billion

Total paid to employees and contractors
R3,1 billion

Value added from operations
R3,8 billion

3 OUR PERFORMANCE

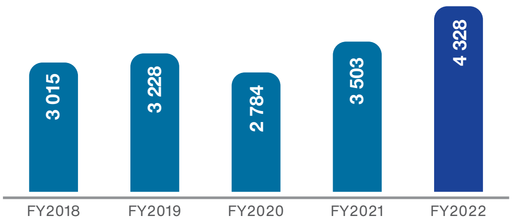
Performance indicators (five-year review)

This financial year was one of growth and expansion for the investment clusters, which saw many businesses mature and others develop stronger and more profitable bases. The year was defined by territorial expansion into Africa, Scotland, and Chile. Despite the tough economic and political landscape in South Africa, most businesses were able to find business opportunities. The investment cluster structure was established to cement skill sets and increase product offerings to ensure sustainability; this has been achieved with a solid foundation to build future success.

The financial scorecard reflects the resilience and defensive positioning due to the diversified investment clusters, as well as the adaptability of the group to ensure it remains relevant across the vast brand portfolio, products and services to all the people it supports. All clusters delivered positive results for the group.

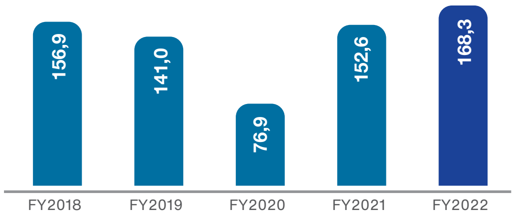
Revenue (Rm)*

Revenue improved by 24% year on year



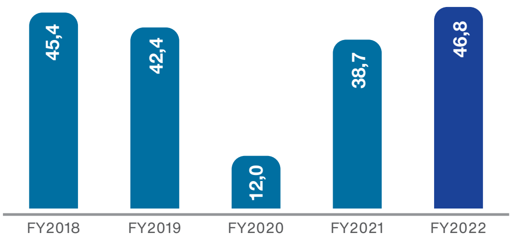
EBITDA (Rm)*

EBITDA improved by 10%, with pressure on net margins. All clusters produced positive EBITDA results



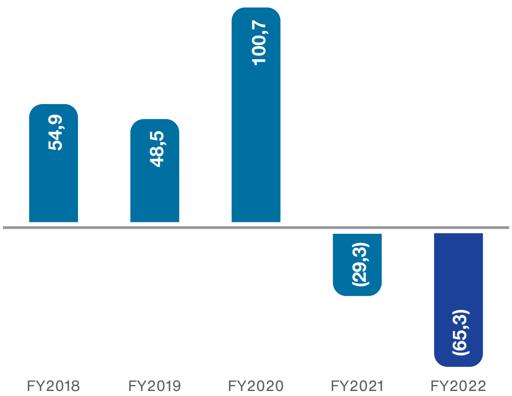
HEPS (cents)*

The stabilisation of HEPS despite global expansion is a pleasing result

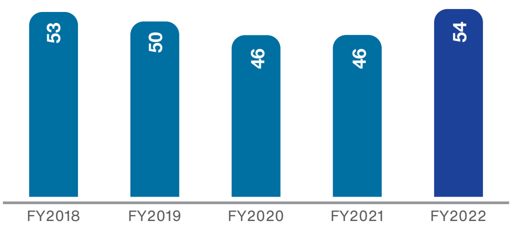


Cash generated from operating activities (Rm)*

Additional operating costs were incurred to support expansion and will be restored in the future



Days outstanding*



Due to a small number of high-value, long outstanding debtors, some of which are in the public sector, days outstanding increased. We are embarking on various plans to reduce this exposure and collect outstanding amounts quicker.

** 2021 Restated.*

Chief executive officer's review

This financial year was one marked by growth and expansion of the already well-diversified investment cluster structure, which saw these businesses mature and others develop stronger and more profitable bases. The year was defined by territorial expansion further into Africa, Scotland, and Chile. Despite the tough economic and political landscape in South Africa, most clusters could find and secure business opportunities. The investment cluster structure was established to cement skill sets and increase product offerings to ensure sustainability. This has been achieved with a solid foundation from which to build future success.

Ronny Katz
Chief executive officer

I am pleased to report again to shareholders and stakeholders on a successful year for the Workforce group.

The diversification, cluster structure, and global expansion were big factors for the 2022 year. This emanated from consolidation that happened in previous years, such as the businesses and brands we bought and took over, coming to fruition, with a noticeable impact on profitability. With the coming of 2023, we expect to see a fair impact from this consolidation.

Global expansion, which saw us carefully and successfully establish offices with local partners in southern Africa, has been expanded to additional African countries, Chile and Scotland. The resounding support from customers and human capital being placed locally and abroad is a testament to the deep understanding and expertise the Workforce group has built up over five decades.

Overheads increased over the year because of the expansion and new directions taken. We are aware of these necessary costs and are confident that this investment will bear fruit across 2023 and 2024.

The Staffing and Outsourcing, Financial Services and Training and Education cluster did extremely well in securing new contracts in South Africa and expanding into new geographies. Staffing and Outsourcing, as with Training and Education, are doing well by following clients into new countries. This is possible because of the clusters' deep knowledge and expertise and access to the necessary skills and human capital needed to support clients. The Financial Services cluster continues to offer products which are sorely needed in South Africa as well as in other African countries due to the lack of these services in-country. The Healthcare cluster delivered an excellent result in support of wellness aimed at corporates as well as in supporting the Department of Health in public sector hospitals and clinics. The contract is large, but this comes with collection challenges.

2022 started off reasonably well, with acceptable increases in revenue. The operating climate, however, developed several risks and uncertainties in the year's second half. These included interest rate increases, inflation, and cost overruns, which all became more evident in the year's second half. We reacted accordingly to position ourselves against these impacts, but the benefit of positioning is not immediately evident and it will take some time to work through the results. We are conscious that our overheads, at the moment, are high for the current volume of business. As a result, we have been very energetic in bringing around business efficiencies to counter these impacts.

Given the current economic environment, we are experiencing downward pressure on margins.

Debtors' days have increased to 53 days (2021: 46 days) due to a small number of outstanding debtors, some of which are in the public sector. We are embarking on various plans to reduce our exposure and collect outstanding amounts quicker.

Technology

During the past year group IT focused on implementing significant changes to the organisational structure. The organisational change was aligned with implementing key aspects of the COBIT governance framework and other implementation methodologies. This process involved changing the leadership structure, on-boarding of new skilled resources and upskilling existing team members, showing the investment in our people and processes.

The structural changes have been made to align information technology investments with the strategic outcomes set out by the businesses. Group IT has continued enhancing bespoke solutions to adapt to business demands. The investment into Business Intelligence has continued across the group, enabling data-driven business decisions and measurable outcomes.

Human capital and social development

We provide permanent employment to 1 664 employees, 58% of which are female and 77% are black. Across the year we provided daily employment to 33 926 temporary or contract employees, again, the majority of which are black. Our Level 1 B-BBEE compliance rating has been maintained and we are extremely proud of the work that we are doing to engage and train the youth.

Being an ethical and responsible corporate, we have once again included the Social Development Goals of the United Nations that we support, together with examples and measurements of the successes achieved.

Outlook

Our business model, across all the diversified investment clusters, is very acceptable in markets outside of South Africa and, in many cases, is desperately needed. We regard this as a competitive advantage when we enter these new markets.

External developments are starting to bear fruit and we are confident that they will be contributors in the coming financial year. We intend to build on the momentum as strongly as we can.

All businesses see better prospects for 2023, but certain parts of the group, such as the permanent placement in the general recruitment space, which is cyclical due to where the economy is at the moment, are not experiencing growth.

The impact of load shedding has a negative effect on many businesses in South Africa. Luckily, most of Workforce's customers are blue chip companies, and most can counter, to some extent, the impact of load shedding. Our expansion outside of South Africa will also help the group balance the dire economic growth rate in South Africa. On the flip side of this, the State of the Nation address mentioned employing the unemployed and the degradation of infrastructure, which also needs to be rebuilt and repaired. We are experiencing greater demand in industries involved in this repair and development. Plans for electrification in small to medium-sized investments all require our services because of our niche expertise in these fields.

The war in Ukraine is a terrible situation for the people of Ukraine, and Europe in general and, without any doubt, is negative for the world economy. It will likely result in a change across the employment market in Ukraine.

Other global effects, such as inflation in America, also, directly and indirectly, impact South Africa through higher prices and a weaker currency. The one thing that five decades in business have taught me is that these impacts, whether direct or indirect, come and go. Being in business for such a long time equips you to handle the impacts and even in adversity, opportunities always present themselves.

In conclusion, Workforce has made some bold moves over the past five years. The business has positively changed and positioned itself to cater to various sectors, industries, skills and services. With careful global expansion, we are experiencing great demand for our services and products, and our knowledge and expertise are highly sought after. Global expansion sets a foundation for a Rand-hedge, but given the size of the investment cluster reach in South Africa, the current quantum of foreign earnings is small but has the potential to grow.

Appreciation

The Workforce growth journey would not be possible without the dedication of executive management, cluster executives and our permanent and temporary staff. To each one of you, I wish to extend my sincere appreciation. So to, to our customers who have remained loyal to Workforce for decades, I thank you. Without your continued support and trust in our vast offerings, our growth journey would have been interrupted.

As a corporate citizen, much responsibility is placed on the board members and for their commitment, wise counsel and recommendations, I am grateful.

2022 was a tremendous year for Workforce. Our global expansion has traction, and I look forward to providing additional details on this development of the Workforce group in periods to come.

Ronny Katz
Chief executive officer

29 March 2023

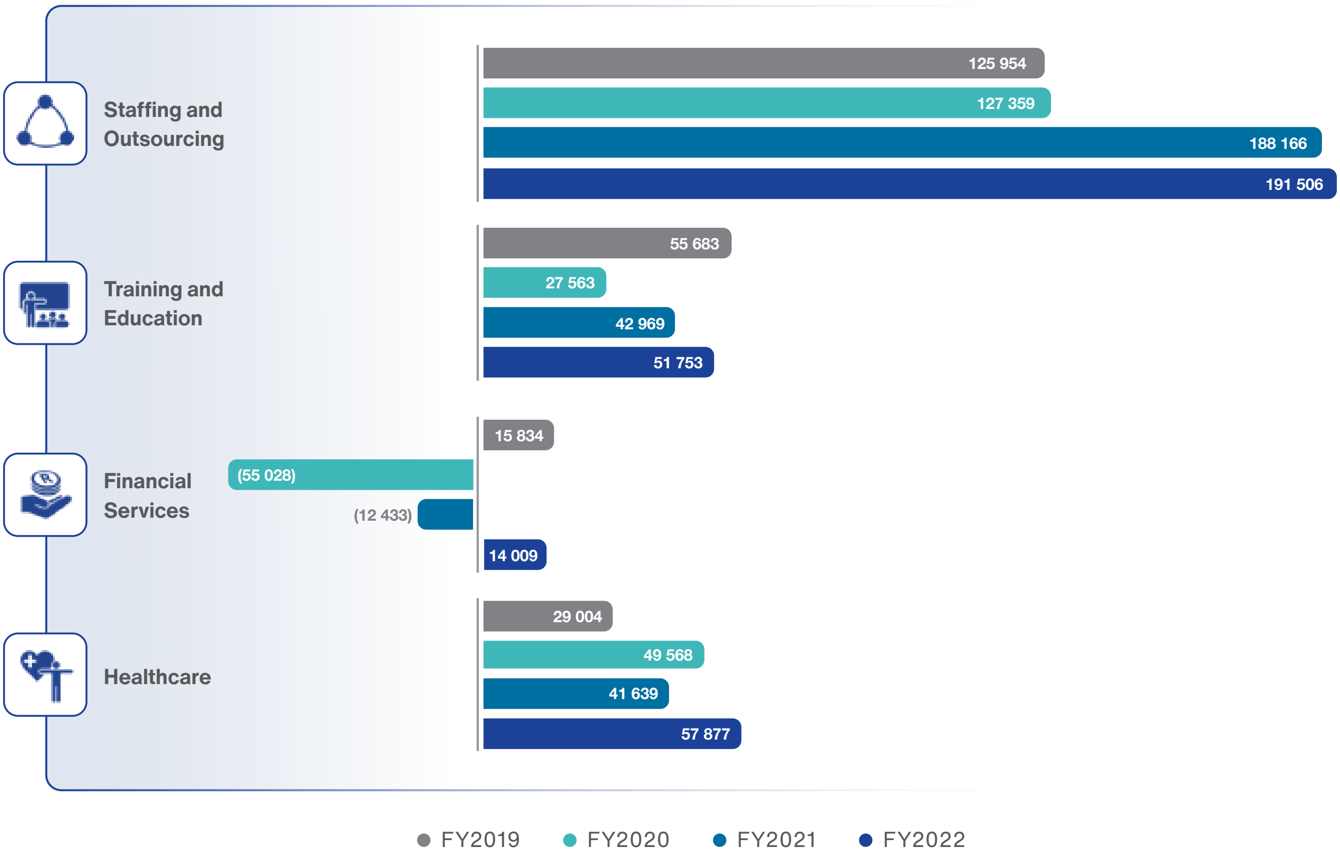
Financial director’s review

The strength of the diversification strategy cemented itself in the 2022 financial year. Most of the brands and businesses previously acquired contributed to the results and given the skills and expertise of the group, further geographic expansion took place.

Willie van Wyk
Financial director

The five-year performance indicators at the start of this chapter, on page 28, illustrates a recovery story. This is partly due to a stronger and more profitable performance across all the group clusters, especially at the EBITDA level. Although we hoped for improved results in certain clusters, market conditions remain difficult in our main market, South Africa. In the second half of the year, Workforce experienced margin pressure and collections became more difficult. The group took immediate remedial action by reviewing its credit vetting principles and increasing disciplines around collections.

Investment cluster EBIDTA (Rm)*



* *2021 Restated.*

Financial performance

It is a pleasure to report on the results for Workforce for 2022, which were ahead of expectations. A year in which the culmination of the cluster strategy came to the fore and is now positioned for additional future growth. Revenue at R4,3 billion (2021: R3,5 billion), is the highest ever produced by the group, supported by a strong result from the cluster involved in human capital, staffing and outsourcing solutions, but also supported by a strong recovery from the other clusters.

Cost of sales in part, increased proportionally to revenue due to the group benefiting from the emergency tax relief ETI, which was not repeated in 2022. The relatively lower gross margin business comprising staffing solutions also grew disproportionately compared to higher margin businesses such as those involved in training, which further lowered gross margins to 21,3% (2021: 22,7%). Operating costs increased by 17%.

EBITDA increased by 10% to R168,3 million (2021: R152,6 million). The lower increase compared to revenue, is as a result of the gross margin decline (as described above). Pleasingly all clusters delivered positive EBITDA results. Margin pressure was felt, particularly in the second half of the year and net margins disappointed. Measures are in place to rectify this going forward.

Following a SARS audit relating to the 2018 and 2020 tax years, on ETI claims, management noted that amounts claimed and raised for the periods were overstated. Furthermore, management noted a clerical error in the 2021 deferred tax computation. These amounts were allocated to opening retained income as it represents a condition that existed at the time. This is carried through the results as "restated" and note 25 contains additional information.

Headline earnings per share ("HEPS") increased by 21% to 46,8 cents per share compared to 38,7 cents per share in 2021.

There was a tremendous strain on cash flow due to a combination of substantial turnover growth and less than optimal debtors management. The biggest priority is to claw back the debtors in the coming financial year through increased monitoring and discipline and better use of technology and monitoring. This resulted in poor performance from cash flow from operating activities which fell to negative R65,3 million (2021: negative R29,2 million). Unfortunately, due to a small group of debtors, days outstanding have increased to 54 (2021: 46 days).

The board of directors decided not to declare a dividend due to the company's need for debtor funding and future expansion plans.

Performance of investment clusters

The performance of the investment clusters is pleasing. With a positive contribution from all clusters at the EBITDA level, it shows that interventions and improved technology and systems is working. There is still more to go and given this we do expect an even better result in the coming financial years.

As the main contributing investment cluster to the group, the **Staffing and Outsourcing** cluster delivered a solid financial performance, contributing a significantly large portion of revenue and EBITDA. This was on the back of a strong brand presence in the primary market, which is South Africa, international expansion, a robust order book and experienced management and operational teams in place. This cluster results include an amount of R79,1 million which is attributable to the ETI. However, compared to the prior year, this cluster's results benefited from the emergency tax relief ETI, which was not repeated in 2022. This impacted EBITDA despite operating expenditure growth in support of substantial investment for international expansion.

Revenue increased by 24% to R3,4 billion (2021: R2,7 billion), and an EBITDA of R191,5 million (2021: R188,2 million) was produced. The cluster contributed 61% to group EBITDA. As is the norm, a solid second half was achieved due to increased economic activity, where many industrial clients either stocked up for the festive season or completed large maintenance projects before the planned shutdowns.

The ETI remains in place to 2029 and we are hopeful that it will be renewed or other incentives for employing youth will be in place.

The **Training and Education** cluster delivered a solid performance for the year under review, building on a stronger performance in the second six months. An overall improvement from all the businesses was achieved, supported by the relevance of the service offering and no further Covid-19 restrictions. Revenue improved by 17%, while EBITDA increased by 20%. The cluster contributed 16% to the EBITDA of the group.

The **Financial Services** cluster experienced a vastly improved performance in 2022 compared with 2021. Improvements were due to changes in management structures and improved systems, including the successful integration of GetSavvi into the cluster. With renewed strategies for granting credit, collection methodologies and a targeted sales approach, the cluster delivered increased revenue of 36% and a slight decrease in the cost base supported by various cost reduction strategies implemented. Revenue increased from R80,7 million in 2021 to R110,1 million. The cluster generated positive EBITDA of R14,0 million, compared to the prior year loss of R12,4 million.

The **Healthcare** cluster revenue grew by 38% and contributed 10% of the group's total revenue. EBITDA improved by 39% to R57,8 million (2021: R41,6 million). The contribution to overall EBITDA of 18% is slightly higher than the previous year and EBITDA margins remained consistently strong across the cluster. Strict cash preservation measures remain in place. Work in support of the public sector added to the growth but revenue collection had to be managed.

As a reminder to readers, pages 34 to 45 include the segment cluster operations report where each cluster provides detailed feedback on the market, risks and risk mitigation and outlook.

The underpin of diversification

The group has five decades of knowledge and experience under its belt, so it made sense to structure the business into a collective of skills and expertise. This diversification into clusters allowed expertise to thrive, acquisitions and expansion to take place, and we are confident that this structure is solid and defensive and will grow from strength to strength in the future. Testament to this is that between 2015 and 2021, ten (10) brands were added to the respective investment clusters. During this time, the group paid a total of R285 million for the acquisitions and earned 81% of the purchase consideration back in profit before tax.

Taxation

The group's positive tax charge arises primarily from the income derived from the ETI programme not being taxable, and the learnership allowances claimed in terms of section 12H of the Income Tax Act. For the year under review, the ETI tax credit amounts to R22,1 million (2021: R25,6 million) and the learnership tax allowances amounts to R14,8 million (2021: R13,9 million). It should be remembered that during the Covid-19 period a special ETI was in place, that was extended and contributed R40,8 million in 2021, but did not carry to the 2022 financial year. The ETI has been extended to 28 February 2029 whilst the 12H learnership allowance will be in place until 1 April 2024.

Cash

The business effectively generated cash flow from operations before net working capital of R127,4 million (2021: R118,0 million), ending the period with cash and cash equivalents of R68,0 million. Higher trading levels caused trade receivables to increase from R854,9 million in the prior year, by an additional R244,0 million in the current year.

Workforce remains a going concern, with sufficient liquidity to ensure ongoing operations. The group is well positioned to benefit from the base of growth and diversification.

Funding

The diversification of revenue and product streams through the cluster structure continues to be a focus of the group. Profitable trading and effective debtors management going forward, coupled with funding, ensures that Workforce has the necessary cash resources to undertake acquisitive or expansive growth and to ensure clusters are at critical mass to make meaningful future contributions.

Funders support this to close any gaps in funding that might arise. I am pleased to report that funding is being further enhanced through new funding relationships and possible debt funding out-of-country.

Shareholders are reminded that it is Workforce's intention to replace the ETI with earnings by driving organic and acquisitive growth to become less reliant on these incentives.

Gearing

Workforce has a debt-to-equity ratio of 0,59 compared to the previous year of 0,41. This is due to an increase in the debtors book and funding the growth in turnover.

Looking ahead

Pleasingly in the 2022 financial year, Workforce was able to weather the higher interest rate environment on the back of massive turnover growth. In the coming year, a better mix of revenue and EBITDA contribution is expected to come from across the investment clusters. A strong theme will be margin control, discipline, and revisiting client terms. We envisage that net margins will improve with these measures in place. Technology will support all this to provide quicker analytics that can be promptly acted upon.

Willie van Wyk
Financial Director

29 March 2023

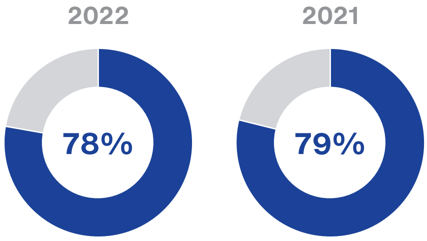
Investment cluster operations report

Staffing and Outsourcing

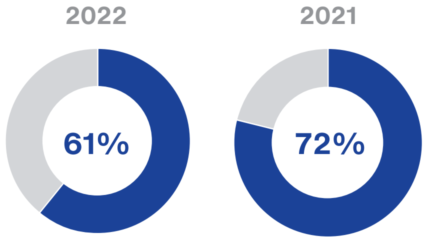
Building on 50 years of experience in the Workforce group, this cluster continues to expand. Services extend beyond Staffing and Outsourcing to turnkey, tailor-made outsourcing solutions, including all aspects of human capital management. The accelerated adoption of technology holds massive benefits for client experience and the efficiencies and agility of the cluster's overall performance, while diversification has reaped enormous benefits.

Financial contribution

Percentage of revenue



Percentage of EBITDA



Highlights of the year

The Staffing and Outsourcing cluster, as the main contributing investment cluster to the group, delivered a solid financial performance, primarily on the back of a strong brand presence in the primary market, which is South Africa, international expansion, a robust order book and experienced management and operational teams in place.

Revenue increased by 24% to R3,4 billion (2021: R2,7 billion), and an EBITDA of R191,5 million (2021: R188,2 million) was delivered. The cluster contributed 61% to group EBITDA. Once again, a solid second half to the financial year was achieved due to increased economic activity, where many industrial clients either stocked up for the festive season or completed large maintenance projects before the planned shutdowns. These activities generally require additional temporary staff. The ETI contributed R79,1 million.

In addition to this ability to quickly, seamlessly and reliably supply relevant staff to customers, the expansion of some of the seven brands into Africa, Chile, the United Kingdom and Scotland has ensured support to clients in these locations, the ability to provide staffing and outsourcing solutions to high-growth industries such as oil and gas, agriculture and green technologies as well as to diversify income streams as a Rand-hedge.

Workforce Staffing, a dominant brand, delivered an excellent result on the back of a normal increase in the third and fourth quarter of the year, supported by increased demand in the retail, food manufacturing, e-commerce and industrial sector where increased manufacturing, technical and infrastructure maintenance and shutdowns take place. In addition, new business was won. Increased staffing and outsourcing demand from delayed and new-build projects also came through, particularly in the renewable energy space, with a high demand for technical and qualified staff.

Likewise, the remaining businesses benefited from the increase in delayed projects, accelerated due to the energy crises in South Africa, with many businesses evaluating and installing alternative power sources to keep their operations going. The cluster's businesses support the untapped oil and gas and mining sectors across many countries in Africa to great success.

The growth strategy, bolstered by previous acquisitions of "green shoot" businesses and brand expansion from the base in South Africa into Africa and abroad, is now consolidated and gaining positive momentum. Once established and supported by strong local partners and clients, in-country growth becomes more accessible. Given the massive staffing and outsourcing base that can be drawn on in South

Workforce Staffing is exceptionally proud to be accredited by the international Top Employers Institute as one of roughly 130 companies in South Africa to carry this prized accreditation. This is a testament to the high calibre of knowledge, excellence, market understanding and dedicated management in the business. This ethos is carried through the investment cluster.

Africa and across the footprint it now has, it can compete successfully. Furthermore, drawing on other group investment clusters, Workforce can ensure training, education and skills development, and upskill the workforce and with access to financial services products from the group, this has a massive impact on improving living standards.

Investment into marketing and brand awareness was accelerated, supported by an expanded digital marketing campaign and subject-matter posts on industrial relations and various topics in which the Staffing and Outsourcing cluster is an expert. This increased brand credibility substantially.

An emphasis on operating expenditure continued across the financial year. Given the pending recession across the global market, there was much attention on cash management. This strategy did not compromise future investment for growth.

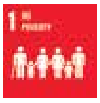
Effectively managing the challenges

Clients are seeking true partnerships with the cluster's businesses. This means there is a greater need for the cluster to be involved in ensuring the efficiency and efficacy of onsite workers and in understanding – and in some cases, even anticipating – clients' staffing needs in far more depth than previously.

The rapid advance of technology, and the potential effect of industry and other disruptors, means that the cluster must remain up-to-date and relevant in terms of its technology-driven offerings and in all other aspects of the business that rely on technology-related processes.

Top risks	Mitigation of risk
Brain-drain from South Africa and load shedding	Despite the market shrinking, the cluster can grow its market share due to its diverse operational structure and preferred employer status. Being part of the Workforce group better ensures sustainability in support of growth. The cluster will continue to hire and retain the necessary skills and ensure continuous training and development of employees.
Global political risk, interest rates and currency volatility	This cluster is the fulcrum of the Workforce group. With five decades of experience, political uncertainty, high interest rates, and currency fluctuations have been successfully managed in the past. These skills will be applied to navigate operating environments to the advantage of the group.
Technology	Ongoing in-house technology development is essential to remaining competitive and to secure the cluster's positioning with clients and in the marketplace.

United Nations Social Development Goals progression:



Outlook

In the recent past, much emphasis was placed on consolidating the brands within this investment cluster, which has now come to fruition. The correct assembly of brands, management, operational structure and profitability has been achieved to move the cluster forward in an even more meaningful way. It is expected that the bulk of the profitability will continue to come from Workforce Staffing. Still, the combined strength of all the brands in the cluster will support further growth in Africa, Europe, and America.

Africa

While South Africa leads the rest of the continent in terms of skills development, access to training, outsourcing, employee benefits, healthcare professionals, financial services solutions, and recruitment options, the rest of Africa is experiencing a development boom, particularly in the form of massive infrastructure projects. This market and some in Europe provide significant opportunities for Workforce Africa to tap into.

Financial results for this investment cluster are included in the Staffing and Outsourcing investment cluster.

Highlights of the year

Business normality, post the Covid-19 pandemic, remains prevalent across Africa. This, together with the vast service and product offering, has led to the establishment of new offices in Tanzania, Zambia, Rwanda and Uganda.

Botswana remains the most significant footprint of products and services in the Africa investment cluster and continues to grow. Investment into the country was further enhanced by offering insurance products and staffing solutions.

In Mauritius, the hospitality sector has recovered, and this, together with the sectors pivoted into during Covid-19, has ensured a strong Workforce presence.

Workforce Africa continues to be well positioned in Mozambique to benefit from the gas fields projects when these are brought online again. Given the diverse presence in the country and the number of contracts won, our presence is well-established.

Namibia remains a small business, and successes across the financial year include training in the mining sector.

Effectively managing the challenges

The Africa investment cluster was established to take the comprehensive suite of Workforce group services into Africa and beyond. This has successfully been achieved with many growth prospects still in place. The ability to earn foreign exchange has assisted the cluster and the group.

Top risks	Mitigation of risk
Political stability	Evaluate and choose opportunities in stable countries or regions.
Currency risk	African currency volatility. Deal primarily in US dollars and Euro/foreign currency to mitigate this risk.
Economic risk and regulatory compliance	Evaluate current and projected growth rates and monitor the likelihood of a change in regulation.

United Nations Social Development Goals progression:

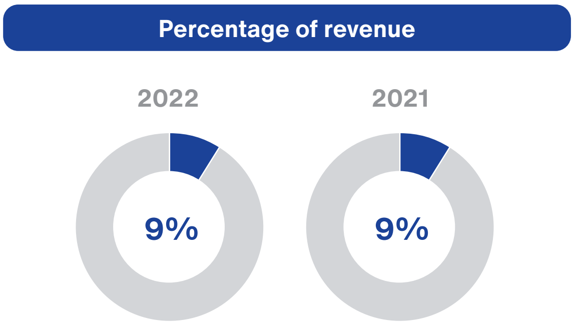
Outlook

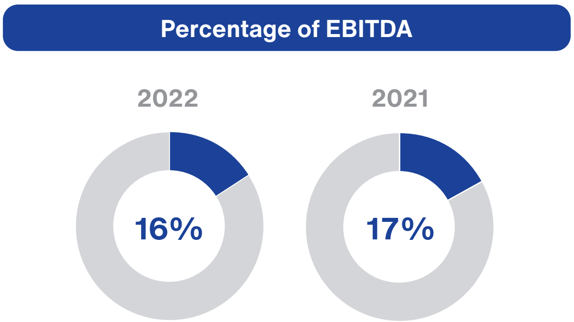
The outlook is encouraging and positive to support careful and sensible growth through the opening up of additional offices. The cluster will continue solidifying the office network to ensure continued profitability. Further expansion into Uganda’s oil and gas sector will be taken advantage of.

Training and Education

Globally there remains strong demand for development, training and education from individuals and companies looking for continuous improvement in workplace skills. This bodes well for the Training and Education cluster, which has vast experience in vocations requiring compliance and certification. This is supported by various training, education and development options provided through facilitated classroom-style learning, digital learning or a blended option, which includes both.

Financial contribution





Highlights of the year

The Training and Education cluster delivered a solid performance for the year under review, building on a stronger performance in the second six months. An overall improvement from all the businesses was achieved, supported by the relevance of the service offering and no further Covid-19 restrictions. Revenue improved by 17%, while EBITDA increased by 20%. The cluster contributed 16% to the EBITDA of the group.

Training Force, one of the largest brands within the cluster, produced outstanding results on the back of consistent and relevant training solutions.

The Prisma brand excelled in training support in the mining sector as the sector enjoys greater overall commodity demand and pricing.

Incorporating various compliance modules from Sikelela Training Academy into the KBC business continued to eliminate duplication, positioning the overall product offering better.

The remaining businesses in the cluster performed satisfactorily. Despite the cluster losing a few contracts, it has also, through heightened marketing, been able to land new contracts, which bodes well for the new financial year.

Effectively managing the challenges

The culmination of the cluster developing new offerings, and transitioning to delivering training via digital platforms, has resulted in the benefits initially sought. These options, along with a facilitated training option and a blended option of both, ensure that the Training and Education cluster continues servicing clients with minimum disruption.

Top risks	Mitigation of risk
Product and service innovation	Changes to digital and online training offerings to a blended approach were quickly and successfully implemented, although this remains an ongoing risk in the face of changing markets. Technology solutions also enable changes to be implemented quickly and seamlessly.
Challenges in legislation	Changes in taxation and BEE legislation could impact the businesses. The introduction of a new body within the Quality Council for Trades and Occupations ("QCTO") environment, expected to take place in July 2023, adds a new layer of complexity but not one which the cluster is unfamiliar with. The cluster has the in-house expertise to manage the process.
General economic conditions	Country risk across South Africa due to loadshedding and poor economic growth is feeding an overall pessimistic outlook for the country. The cluster can counter this by expanding training options into the rest of Africa, particularly in the mining industry.

United Nations Social Development Goals progression:

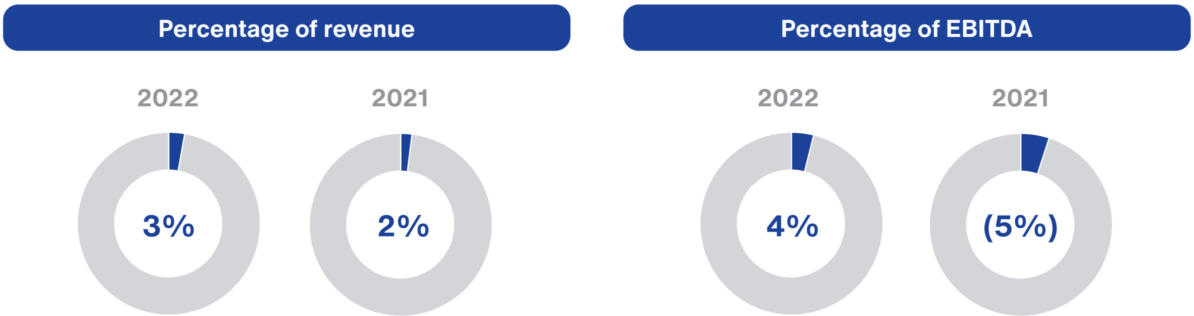
Outlook

The cluster's prospects are very promising due to its strong brand recognition in South Africa and the addition of training in Africa, including green and solar energy and mining training. The cluster is also well-positioned to take advantage of local government contracts, which have recently seen a resurgence of activity.

Financial Services

Lifestyle benefit packages, optimised financial services and support services, including funeral cover, medical insurance, hospital cover, responsible lending services, an affordable optometry and glasses programme, a wide range of financial products and debt collection services. The philosophy of this Financial Services cluster remains to ensure that products and services are rendered ethically and in support of uplifting customers.

Financial contribution



Highlights of the year

The Financial Services cluster experienced a vastly improved performance compared with 2021. This is due to a change in management structures and improved systems, with highlights including the successful integration of GetSavvi into the cluster. Babereki had a productive year due to implementing a dynamic risk model for granting loans. This contributed to positive cash generation in the second half of the year.

With renewed strategies for granting credit, collection methodologies through Debtworx and a targeted sales approach through Essential Employee Benefits ("EEB") and GetSavvi, the cluster delivered increased revenue of 36% and a slight decrease in the cost base supported by various cost reduction strategies implemented. Revenue increased from R80,7 million in 2021 to R110,1 million. The cluster generated a positive EBITDA of R14,0 million, compared to the prior year loss of R12,4 million.

The DebtWorx business returned to optimal performance levels and successfully implemented collection strategies by using both authenticated and traditional debit orders resulting in increased collections of 27%.

EEB progressed well as an essential services company, with the appointment of key staff within both operations and sales to ensure the business is strongly positioned for the 2023 strategy. A greater emphasis is being placed on the health insurance product segment to gain a more significant market share, particularly in Group Schemes. Additional new products are in development to bolster the current product suite.

Effectively managing the challenges

The cluster was affected by poor economic conditions, reduced personal disposable income and the Covid-19 pandemic. However, the cluster improved its performance through various risk mitigation strategies in 2022. The conservative approach to business ensured accelerated growth as the economic conditions improved.

Top risks	Mitigation of risk
General trading	Continued investment into technology through business intelligence and increased marketing spending will see improved brand awareness of the insurance offering within the investment cluster.

United Nations Social Development Goals progression:

Outlook

Continued investment into technology through business intelligence and increased marketing spending will see improved brand awareness of the insurance offering within the investment cluster.

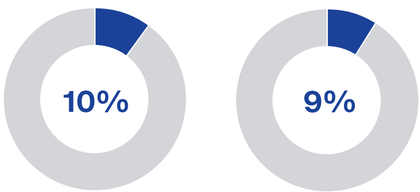
Healthcare

The Healthcare investment cluster operates in a critical segment as the country positions itself to ensure all South Africans have access to suitable healthcare. Occupational health is a legislative requirement, and this provides further impetus for the cluster, as does the multitude of academic, specialised and general hospitals in South Africa, which always strive to ensure that critical resources such as doctors, nurses and technicians are available to care for the country's people, often needing assistance from external parties to provide appropriate resources. This bodes exceptionally well for this specialised cluster, which can give much-needed capacity through its services and products.

Financial contribution

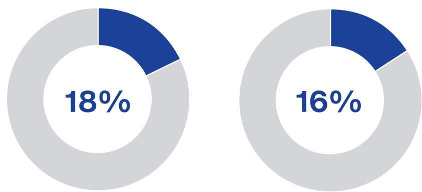
Percentage of revenue

2022 2021



Percentage of EBITDA

2022 2021



Highlights of the year

The Healthcare cluster experienced excellent revenue growth of 38% compared to the previous financial year, which was organic in nature, with the cluster contributing 10% of revenue to the group. EBITDA improved by 39% to R57,8 million (2021: R41,6 million). The contribution to overall EBITDA of 18% is slightly higher than the previous year and EBITDA margins remained consistently strong across the cluster. Strict cash preservation measures remain in place.

During the first six months of the year, Workforce Healthcare, the part of the investment cluster that provides occupational healthcare services, was impacted by the back-end of Covid-19 with a reduction in corporate wellness days. A recovery in the second part of the year occurred by securing new clients, resulting in increased activity within this division.

A new Customer Relationship Management system was implemented, is fully functional and has been adopted by all internal teams. The new system houses all previous sales systems, checks, and balances, providing real-time data and comprehensive reporting. This allows the management of the sales team to be more effective. A new senior national doctor/operations manager appointment was made, proving great value to the business.

In the part of the business responsible for healthcare personnel, the easing of the Covid-19 pandemic saw the return of elective surgeries for which skilled healthcare personnel are required within hospital groups and surgical and trauma wards. The businesses continue to work across the spectrum of government and private hospitals through a diversified offering of highly skilled healthcare personnel. This broad service offering has further expanded, by taking on temporary workers in frail care facilities responsible for cleaning and laundry, meaning that the offering to frail care operators is now even more comprehensive.

Effectively managing the challenges

Since its inception, this investment cluster has grown organically. A foundation of this approach has been the development of critical systems and software that provide for improved efficiencies and higher service standards.

In the part of the business dedicated to the supply of healthcare personnel, the scarcity and retention of nurses continue to impact the business. To mitigate this, we continue to position ourselves as an employer of choice by continuously structuring and enhancing our policy.

Our mobile division will prioritise implementing our strategy to provide medical services nationwide at a more effective cost to clients.

Top risks	Mitigation of risk
Economy and affordability	Across the businesses, diversified product and service offerings remain in place. The Healthcare cluster works across the public sector, corporates, private hospital groups, frail care centres and with medical aids as well as with private home-care clients in support of diversification.
Customer budget constraints	At the height of the Covid-19 pandemic, many corporates switched spending from corporate wellness to spending required by Covid-19 protocols. The return of corporate wellness spending and the advantages of staff retention and less sick leave is again a focus by corporates. The fact that the Healthcare cluster can provide a holistic service across the country positions it further for success.
Loss of major contracts	The potential loss of contracts is countered by ensuring diversification across healthcare market segments. It is further supported by our cluster's B-BBEE rating, which is Level 2. Healthcare remains a resilient industry in the face of inflation and economic turmoil, as it is a critical industry that supports the health and wellness of the population.

United Nations Social Development Goals progression:

Outlook

The National Health Insurance ("NHI") bill is expected to become law in 2023, offering a possible chance for the cluster to form a partnership with the government to serve NHI patients. The cluster is well positioned to work more closely with medical aids to provide staff able to deliver home-care services where procedures such as the removal of stitches or routine blood pressure or cholesterol checks can be performed by a qualified person outside of a hospital.

Investing continuously in our internal healthcare system will improve reporting and enable us to analyse data, ultimately improving our planning and service for clients. Repositioning employees and adding new ones will help focus on increasing efficiency, executing strategies, and staying competitive in the market.

Adding complementary services to the company's offerings will likely lead to growth, improved EBITDA performance, and ultimately benefit the overall client portfolio.

Recruitment

This investment cluster primarily serves the mining, petrochemical, parastatal, telecommunications and retail sectors. In recent years, there has been a marked swing towards different models within the permanent solution arena, with clients more inclined to utilise agencies for sourcing senior and specialist skills. Hence the need for defined headhunting, recruitment and placement solutions.

Financial results for this investment cluster are included in the Staffing and Outsourcing investment cluster.

Highlights of the year

The placement of permanent staff is the most significant component of the Recruitment investment cluster. Coming out of the pandemic in the first half of the financial year, the upper management placement market was buoyant, and the executive placement model capitalised on this. The blue-collar and temporary employment services businesses landed significant projects in the oil and gas and mining sectors.

In the second half of the year, sentiment in the market turned and unfortunately, anything political which creates unease or uncertainty affects permanent placements. Heightened economic and political uncertainty caused many highly skilled and qualified white-collar candidates to remove their resumes from databases across the Recruitment cluster in favour of emigration. As the period progressed, the uncertainty of whether President Cyril Ramaphosa would retain his position, coupled with rampant loadshedding exacerbated fears. Unfortunately, a significant client did not renew a tender, opting to move to another service provider.

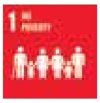
Market fragmentation sees many small operators being able to undercut on price, and fees being impacted.

Effectively managing the challenges

The economic climate is severely impacting the Recruitment cluster primarily because of uncertainty, which fuels fear in this part of the market.

Top risks	Mitigation of risk
Economic environment and availability of qualified people	The emigration of highly qualified candidates is causing a massive disparity in supply and demand, which is exacerbated by uncertainty in South Africa, both politically and economically. The workforce lost is highly skilled, qualified individuals. The restructure of the cluster to win work through a reduced revenue model is being investigated.
Pricing pressure in white collar industry due to new, one-man start-ups	Tender activity is again on the rise; given the grouping of brands in the cluster, knowledge and experience, this effect can be countered.
Impact of "work from home" on winning new clients and tenders	Clients' remote working makes it difficult to secure new business and has had an impact. Businesses have pivoted to using hybrid working models, but insecurity across the workplace has resulted in people wanting to be at the office, which is defensive for the Recruitment cluster.

United Nations Social Development Goals progression:



Outlook

The political environment in the country is creating a sense of uncertainty and fear among the people. A business proposal which will restructure the cluster entirely is in place to ensure sustainability and to reposition the brands in a manner that will enable them to operate in a lower-fee environment. This will be supported by the digitisation of the service offering in place to help customers and monitor and provide feedback efficiently.

4 IMPACT AND CORPORATE GOVERNANCE

This chapter details the group's compliance, achievements and impact across social and governance metrics. It provides detailed information on organisation, human, social and relationship capital.

Environmental, social, and governance ("ESG") responsibility is increasingly important to investors globally. The world looks to companies to play a more conscious role in ensuring the sustainability of natural resources, and in adopting a conscientious attitude regarding the environment, employees, and communities. Also important are governance factors such as a company's commitment to responsible management practices.

Workforce acknowledges that to be a truly sustainable company, we must continually look internally and externally to remain abreast of our operating landscape and consider the impact our business has on all our stakeholders, as well as beyond.

The corporate governance report covers structures designed to ensure stakeholders and shareholders have confidence in the company. It also details how Workforce complies with all applicable laws and regulations and ethical business practices. Our approach and commitment to social, ethics and transformation is detailed in a report from the committee's chairman.

This chapter also contains the remuneration and nominations committee report, an overview of how the company approaches and implements compensation.

Our impact

Workforce is committed to increasing its level of transparency and measurement in the years to come in areas including governance, intellectual capital, environmental initiatives, electricity usage and waste management.

Environment

Consciousness and respect

Workforce does not have a major impact on the environment because we are a service delivery business. However, that does not prevent us from continuing to focus on minimising our environmental impacts by mitigating (reducing) those impacts we do make. The group's efforts with respect to environmental sustainability are aimed at reducing climate change impacts while minimising our operating costs (see further details on page 61 of this integrated annual report – Our relationship with the environment).

Social

Uplifting people for sustained earnings ability

From a social perspective, Workforce is measured in terms of the people we place, train, or assist. The high unemployment rate in South Africa is cause for major concern. For the last five decades, we have directly assisted with placements and training and more recently with healthcare and financial services. Our involvement in the lives of people is thus tangible and measurable. Furthermore, ethics and ethical behaviour are essential to the social contract; they feature high on the agenda across Workforce from recruitment processes through performance evaluations to supplier sourcing.

In excess of R1 million was spent on SED projects in 2022

Governance

Ethics, responsibility and growth

Finally, our executive team and the board of directors are committed to the principles of the King IV™ Code of Corporate Governance, which guides our corporate governance practices. The board of directors is responsible for ensuring there is effective control within the business, including compliance with applicable laws, regulations and governance practices. This is to ensure Workforce remains known as a trusted corporate leader.

Audit and risk committee	Group IS steering committee	Investment committee	Social, ethics and transformation committee	Remuneration and nominations committee

Investment clusters provide for diversification and organic and acquisitive growth

"We are here to stay, because while we strive to make an impact we want that impact to be sustainable."

– Extract from the Workforce manifesto

Impact

Workforce is committed to being a responsible organisation. Through our operations, we contribute to the achievement of the following United Nations Sustainable Development Goals ("SDG"):

1 NO POVERTY

No poverty

Workforce provides employment opportunities to over 28 000 people on a daily basis, thus providing incomes to the most vulnerable communities.

- Creating employment and entry into the job market for the unemployed
- 107 094 average number of payslips processed every month
- 28 000 unique daily positions filled
- Active and measurable participation in the YES Programme – see page 61

3 GOOD HEALTH AND WELL-BEING

Good health and well-being

Through the Healthcare cluster, Workforce provides access to essential healthcare services and medical insurance to people who would ordinarily not have access to these.

- 90 544 medical examinations conducted
- Providing supporting financial products through the issuance of 55 638 funeral and medical policies

4 QUALITY EDUCATION

Quality Education

The group gives access to training and upskilling opportunities, particularly to people from disadvantaged backgrounds, thus enabling career advancement and socio-economic upliftment.

- Improving the employability of individuals through skills training
- 90 662 training instances
- 13 064 learners on learnership programmes
- 165 registered learnerships
- 100 learners on the Bachelor of Business Administration ("BBA") degrees

5 GENDER EQUALITY

Gender equality

The group promotes gender equality by empowering women in the workplace and providing equal access to capital resources and economic opportunities for women to advance professionally and socially.

- 58% of permanent staff are female
- 36% of temporary staff are female

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economix growth

Workforce provides productive and decent work opportunities to marginalised and vulnerable people in society.

- Level 1 B-BBEE contributor
- Paying in excess of R7,1 million in direct and indirect taxes

10 REDUCED INEQUALITIES

Reduced inequality

By providing employment, training, financial and healthcare services, Workforce is playing a critical role in reducing inequalities by allowing people to participate in the mainstream of the South African economy.

Organisations in need were given monetary donations, and 270 children from disadvantaged backgrounds received free eye tests and glasses if needed. In addition, 22 unemployed youth received training on Early Childhood Development to improve their skills and their chances for finding employment

Organisation capital outcomes

Our definition of organisational capital

By combining intellectual and manufactured capital, we have created organisational capital. This comprises: our extensive national branch network; our diversified business clusters; our integrated decentralised business model; training facilities; courses; software; licences; copyrights; internally developed bespoke operating systems; unique client solutions; trademarks and brand equity in products and services offered to clients, as well as extensive intellectual capital.

Focus areas for 2022

- Growth of investment clusters
- Bolstering the presence and further growth in Africa
- Technology as a differentiator
- Proprietary software and operating systems
- Product and service innovation
- ISO 9001:2015 certification
- Brands and reputation
- Human capital care and health

Investment clusters drive accelerated growth and diversification to enhance independence, sustainability and diversification:

- Staffing and Outsourcing
- Recruitment
- Financial Services
- Training and Education
- Healthcare
- Africa

Business activities of the investment clusters

Permanent placement recruitment

- Functional outsourcing
- Specialist staffing
- Temporary employment services
- Disability staffing solutions
- Payroll management
- Business process outsourcing
- Training and skills development:
  - Learnerships
  - Short courses
  - Online courses
  - Skills programmes
  - Full qualifications
  - Contractor on boarding
  - Behaviour change management training
- Financial services
- Lifestyle products
- Employee death and disability benefits
- Primary healthcare solutions
- Occupational healthcare solutions
- Employee wellness
- Employee health risk assessments

Inputs

Extensive intellectual capital and business know-how deployed

- Focused sales efforts to protect and grow existing business
- Labour legislative expertise and training
- Ongoing client engagement
- Product and service innovation
- Extensive national branch infrastructure
- Licences, bespoke software and systems
- Integration of acquisitions
- Inter-group collaboration/ cross-selling
- Management of under performing businesses
- Investment holding structure supports clusters to drive independent growth, acquisitions, diversification and sustainability

Outputs

Outputs	2022
Revenue	R4,3 billion
EBITDA	R168,3 million
Trading brands in group	32
Footprint extends to all provinces in SA	9
Active branches beyond our borders	12
Structured into investment clusters	6
Technology and digitisation is a differentiator	
A total investment of R285,0 million was made between 2015 and 2021 to acquire 10 additional brands which earned R231,4 million back for the group in PBT.	

Organisation capital outcomes *(continued)*

Trade-offs

Our investment in technology and other organisational capital components reduces our financial capital in the short term but is vital to improving our efficiency and competitiveness and increasing our capacity to generate stronger longer-term returns.

Key actions to manage for value

The formation of dedicated investment clusters has resulted in a clear focus on service and product offerings to draw on decades of industry knowledge, client relationships and to capitalise on the needs of the economy. Enhancing this structure through appointing dedicated cluster executives tasked to develop the strategy, marketing, cross-selling, acquisitions and brand awareness in the marketplace is demonstrating excellent results.

Technology and software development continues to be important for Workforce across the investment clusters. Workforce was quick to adapt through the pandemic and, in some cases, increased market share due to the quick and convenient delivery of services. Another successful differentiator for the group has been its acquisition track record.

Between 2015 and 2021, ten (10) brands were added to the respective investment clusters. During this time, the group paid a total of R285 million for the acquisitions and earned 81% of the purchase consideration back in profit before tax.

Sustainable value created

The direct value created by the group, through its diverse business operations and activities, is reflected in the revenue generated by our various operating subsidiaries, our operating costs, employee compensation, and payments we make to the South African Government (in the form of taxes and levies).

Value is created through our contribution to the economic systems in which we operate – the statistics and economic value added are depicted in the table, including SDGs on page 27.

Human capital outcomes

Our definition of organisational capital

Our human capital is defined as people's competencies, capabilities, experience, and their motivations to innovate including their alignment with and support for our governance framework, risk management approach, ethical values and their ability to understand and implement our organisation's strategy. Paramount to this pillar is the wellness and well-being of our staff.

Focus areas for 2022

- Executive leadership and management development
- Automation and integration of human resource data
- Transforming our workforce by achieving Employment Equity ("EE") objectives and compliance
- Strategic workforce planning, aligned to employment equity objectives and skills gaps
- Employee wellness
- E-learning
- Skills development; aligned to career path planning and succession planning

The importance of staff well-being

The well-being of our human capital continues to be of paramount importance to Workforce. A commitment was made and is being upheld to invest in executive leadership development and ensure our staff feel secure to raise issues and that morale is in check. In instances where this might not have been the case, a lot of work has gone into ensuring a supportive environment for staff. Through the ongoing help of psychologists and coaches, Workforce ensures that staff can deal positively with workplace pressures. They are provided with the necessary life skills to understand how to embrace emotional maturity, which in turn ensures productivity and innovation. This approach was initiated a few years ago and the programme for staff is supported by Workforce Healthcare and external psychologists and councillors providing support and benefits to staff in their language of preference.

Permanent staff (1 664) | **Temporary staff (33 926)**

By gender

Permanent staff: 58% Female, 42% Male

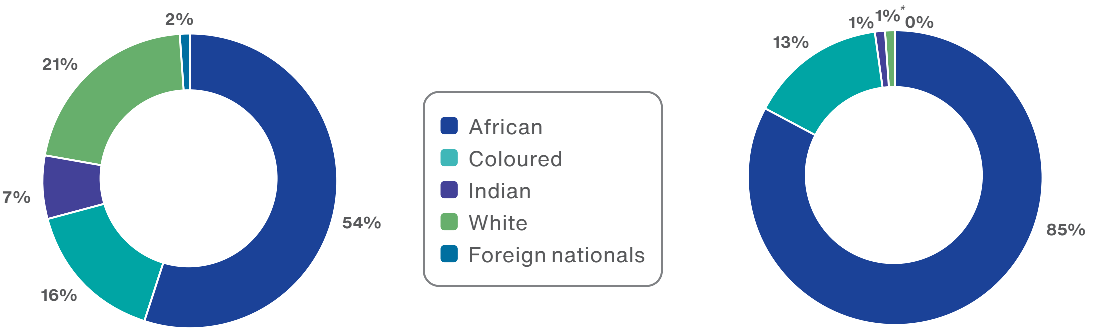
Temporary staff: 36% Female, 64% Male

Youth employed (aged between 18 and 35)

Permanent staff: 22% Female, 16% Male

Temporary staff: 23% Female, 45% Male

By ethnicity



* *Foreign nationals 113 (0%).*

Human capital outcomes *(continued)*

Inputs	Outcomes	2022	2021
▪ Experienced leadership and management ▪ Diverse, experienced and engaged workforce ▪ Motivated and skilled contractors/assignees ▪ Safe working environment ▪ Compliant and fair labour practices ▪ Competitive remuneration packages ▪ Access to lifestyle benefits ▪ Access to death and disability benefits ▪ Skills training and upskilling of our workforce ▪ Stable work environment ▪ Health and wellness services	Total number of people remunerated during the year (IRP5s issued)	**66 739**	61 109
	Total number of permanent employees	**1 664**	1 319
	% of "black" employees	**77%**	76%
	% of female employees	**58%**	59%
	% of "black" top management	**26%**	34%
	Total amount paid in salaries/wages	**R3,1 billion**	R2,3 billion

Trade-offs

The group granted annual salary increases of an average of 5%, some salary adjustments were implemented based on restructuring and changes of roles. While higher remuneration costs impacted financial capital, we believe the investment in our workforce is fair and appropriate recognition for their contribution.

Our approach to managing our human capital

Our philosophy is to build a mutually beneficial working environment that is stable and secure, underpinned by an ethics-based culture that is equitable, supportive and diverse, to enable our employees to achieve their full potential through decent and challenging work and to recognise their contribution and enable them to share in the growth of the organisation. We provided employment for 1 664 permanent employees and placed, daily, an average 28 000 assignees to our clients on an outsourced basis. We also employ many consultants and contractors whose professional and technical skills we procure.

Human rights

In line with the South African Constitution, Labour Relations Act, Employment Equity Act and the Basic Conditions of Employment Act, the group recognises the rights of employees to freedom of association, collective bargaining, dispute resolution mechanisms and protection against any form of harassment, victimisation or discrimination for exercising their rights. There were no contraventions of these principles during the period under review.

Labour practices and decent work

Decent work refers to opportunities for women and men to obtain work in conditions of freedom, equity, security and human dignity. According to the International Labour Organisation ("ILO"), "decent work" involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. Workforce is committed to the principles of the ILO decent work agenda and we ensure that our human resources practices are aligned to the standards set by the ILO. During the reporting period, there were no fines for non-compliance with laws and regulations.

Employment equity

The group continues to comply by submitting the necessary Employment Equity reports to the Department of Employment and Labour, ensuring compliance with the Employment Equity Act ("EEA") requirements and was able to ensure procedural compliance, respond to the Department of Employment and Labour's Director General audits and conduct EE training. We continue to develop EE plans for the investment clusters incorporating designated employers. These plans are developed with additional consultation and collaboration with the management of each cluster, ensuring that the workforce planning, career path development, succession planning and talent management are aligned to investment cluster's business objectives. The main purposes of the EEA being the achievement of equitable representation in all occupational levels and the elimination of unfair discrimination in the workplace remains the fundamental underpinned in the EE plans as well as the awareness programmes.

EE remains an area in which the group can improve its performance with emphasis on better representation of designated groups particularly at a senior level and in alignment with economically active population ("EAP") statistics. Our low turnover of senior managers compounds the challenge. Workforce has excellent black representation across junior and middle management levels, providing an untapped pool of candidates for advancement. Our short to medium-term focus areas will be on career path development, succession planning and in general will aim to develop talent across the "experience" gap so that junior and middle management can compete more effectively for senior positions as they arise. Within the investment clusters, human resources are committed to the development of structured and tailored employee development interventions. In addition, more stringent management interventions have been put in place to reduce the number of employment equity recruitment deviations across all the trading divisions of the group.

Youth employment

We continue to play an important role in youth development and job creation, particularly at grass roots level, where first time job seekers use temporary assignments as an entry into the job market and improve their employability because of on-the-job training and skills development provided.

During the reporting period 37% (2021: 36%) of our permanent staff and 68% (2021: 71%) of our contractors were "youth" (aged between 18 and 35), reflecting our support of Government's aim of encouraging employers to hire young and less experienced work seekers as outlined in its National Development Plan.

Training for permanent staff

The BBA bursary programme was continued, as was the career path training initiated by the Staffing and Outsourcing cluster. Management training for many of the group companies was formalised, and several specialised external short courses were attended by permanent staff members who registered for learnership training.

Training and development continued to focus on in-house product and operational training courses for employees. Group HR continued to expand the online training platform, which currently has an on-boarding course consisting of HR induction, EE training, Occupational Health and Safety training and POPI compliance training. Cyber Awareness training is also available on this platform. Group HR is working on adding more courses to the platform for employees to access and upskill themselves.

Learnerships for our contractors

Many of our blue-collar contract staff were again offered the opportunity to consolidate their many years of work experience into a recognised qualification through a learnership intervention. A learnership opportunity enables a contractor to formalise and upskill in the work they are typically already doing by acquiring a qualification from a recognised SETA. In 2022 we also concentrated on completing learnerships started in the previous two years.

Learnership completions during 2022

Several internal and external moderations took place in 2022. We are pleased to report that MICTSETA, which is the SETA for Media, Information and Communication Technology, successfully exited 97 learners from their End User Computing (NQF3) learnership. Several other learnerships have completed the 100% internal moderation stage and are awaiting external moderation dates.

Staff welfare

Management continued with its approach to create a high-performance culture by supporting employees in achieving holistic health and wellness. The group's #WorkforceWellness programme launched in 2018 continued to be well supported and utilised by staff.

Healthy minds and bodies

The #WorkforceWellness programme comprises components of:

- An on-site clinic at the group's head office in Parktown with clinic services that include primary healthcare, family planning and the management of chronic and acute conditions.
- "Emotional wellness" which enables our employees to access face-to-face counselling and psychosocial support.
- The #WorkforceWellness programme is our focus on physical fitness whereby employees are encouraged to improve their level of physical fitness. This drive is extended to operating divisions throughout the country and encourages employees to participate in various physical fitness activities through running clubs, all free of charge.

Training for permanent staff	Number of learners	Number of black learners	Black youth (under 36)
Secretarial/Administration Services NQF3 (October 2021 – April 2023)	8	8	6%
National Certificate: Information Technology NQF3: End User Computing: (December 2021 – June 2023)	1	1	1%
Contact Centre and Business Process Outsourcing Support NQF3 (September 2021 – March 2023)	8	8	7%
Secretarial Administration NQF4 (October 2021 – April 2023)	20	20	14%
National Certificate: Occupationally – Directed Education Training and Development Practices NQF5 (October 2021 – April 2023)	33	30	18%
Labour Relations Administration NQF5 (September 2021 – March 2023)	11	11	5%
Generic Management: General Management NQF5 (October 2021 – April 2023)	12	12	6%
Bursaries	12 permanent staff members continued with their BBA degree offered by Chartall		
Career Path Training	The permanent and contract staff selected to attend a series of accredited and non-accredited training specifically tailored to individualised career paths in 2021 continued with their training		
Best Management Skills Programme	31 permanent staff members from Shared Services attended a management skills programme offered by Dyna Training		

Various other short courses, including compliance and health and safety courses were attended by permanent staff members during the year.

Human capital outcomes *(continued)*

Training for contract staff	Number of learners	Number of black learners	Black youth (under 36)
National Certificate: Wholesale and Retail: Stock Control in a Distribution Centre NQF3 (October 2021 – April 2023)	108	108	98%

Workforce Holdings Limited employment equity statistics

	Male				Female				Foreign nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Total
Top Management	1	0	4	21		3	2	8	0	0	39
Senior Management	5	4	7	23	4	2	5	31	2	0	83
Mid-management and professionally qualified	41	8	13	42	45	27	19	53	6	2	256
Skilled technical and academic, junior management, supervisors	195	51	24	41	175	72	17	65	8	8	656
Semi-skilled and discretionary decision making	150	23	12	7	223	67	16	51	2	4	555
Unskilled and defined decision making	6				62	5			0	2	75
Total permanent	398	86	60	134	509	176	59	208	18	16	1 664
Temporary/contract employees	18 376	2 825	144	185	10 478	1 647	69	89	57	56	33 926
Grand total	18 774	2 911	204	319	10 987	1 823	128	297	75	72	35 590
People with disabilities	5	0	0	3	6	1	2	5	0	1	23

Health and safety

Workforce is committed to compliance with the Occupational Health and Safety Act, as amended, and in so doing, ensuring the health and safety of all our employees. This is achieved through the application of health and safety processes, including a management system and ultimately by aligning our Health and Safety Management System to best practice.

The group's health and safety management policy supports the development of a safety culture throughout the entire organisation. All staff assume responsibility for health and safety and engage in this effort, as well as ongoing improvement at all levels and within all areas of our trading entities. The group ensures a health and safety policy, and protocols are in place at the head office and that the guidance this policy supports is adhered to at regional offices too.

Given the investment structure of the group, health and safety committees and functional responsibility was tasked to the cluster's sub-committees and representatives. Going forward it is envisioned that reporting from the investment clusters will be included in this section. Due to the compliance requirements, compliance certificates for the investment clusters are being obtained to align with the legal structures they represent. Despite this, they continue to operate the highest standard of health and safety protocols in line with the strict group mandate.

Social and relationship capital outcomes

Our definition of organisational capital

Our social and relationship capital includes social, relationship and natural capital, encompassing the institutions and relationships within and between the communities in which we operate. It also includes our shareholders, funders, clients, employees, contractors, unemployed individuals; learners, interns and suppliers; unions; Government and regulators; as well as the local communities in which we operate. It also encompasses our relationship with the environment and the impact of our business on renewable and non-renewable environmental resources.

Focus areas for 2022

- Inclusive stakeholder engagement
- B-BBEE compliance
- Enterprise development
- Supplier development
- Community support
- Learnerships for unemployed
- Protection of personal information
- Management of ethics and anti-corruption
- Licence to operate
- Environmental stewardship

Inputs	Outcomes	2022	2021
▪ Taxes paid to Government ▪ Outreach activities by our staff ▪ Community support initiatives ▪ Youth empowerment via learnerships ▪ Inclusive engagement with stakeholders ▪ Environmental stewardship initiatives ▪ Support for establishment of an ethical culture	Total SED expenditure	**R1 005 000**	R1 615 569
	B-BBEE rating	**Level 1**	Level 1
	Black ownership	**51,19%**	51,29%
	Black women ownership	**41,34%**	40,20%
	Learnerships for unemployed – 100% of learners were black – 50% of learners were "youth"	**578**	818
	Breach of privacy and loss of consumer data	**Nil**	Nil

Trade-offs

Reducing our financial investment in socio-economic development would improve our financial capital in the short term but would have a negative impact on the communities in which we operate, which in turn would damage our brands. Over the long term, our investment creates goodwill in the communities from which we recruit the staff we need, specifically our assignees and contractors.

Social and relationship capital outcomes *(continued)*

Inclusive stakeholder engagement

We define stakeholders as individuals or groups who affect or are affected by our organisation and its activities. Our inclusive approach to stakeholder engagement enables us to identify and prioritise our material matters, gain insights and learning, mitigate risks to the business, seek areas of potential partnership and create mutual trust and respect. It also provides us with essential information to influence the crafting of our strategies. Each of our stakeholders plays an important role in helping us fulfil our purpose of “making a difference in people’s lives”.

Shareholder group	Nature of engagement
Shareholders and providers of capital	Results announcements; annual report; SENS announcements; presentations; emails
Clients and prospective clients	Meetings; site visits; telephonic; email; internet; social media; technology
Employees/assignees	Meetings; newsletters; newsflashes; email; social interactions; intranet; social media platforms; whistleblower hotline
Unions	Meetings; workplace forums; presentations
Local communities	Meetings; community engagement; recruitment drives
Government and regulators	Forum participation; meetings; reporting
Suppliers	Electronic portals; meetings; telephonic; preferential procurement
Media	Results announcements; media statements; editorials; advertisements

Key issues raised	Response and the value we create
Business sustainability; access to funding; share liquidity; debt-to-equity ratio; ROI	Creating shared value through managing a sustainable business with effective risk management structures and by operating within an optimal capital structure. Facilitating transparent engagement through face-to-face meetings.
Legislative and regulatory; efficiency; national minimum wage; technology; pricing; productivity management; SLA performance; talent/skills search; cost management; B-BBEE rating	Creating value for our clients through product and service innovation; providing responsive customer service; treating outsourced employees fairly and offering benefits; labour law education; training; learnership hosting; radical disability solutions; risk management; compliance; credit terms.
Working conditions; benefits; employee welfare; training; mentoring; remuneration, reward and recognition; discipline; working conditions; health and safety	Showing our commitment to creating value for all our employees and contractors by providing employment opportunities within a stable work environment that is non-discriminatory and legally compliant. Building a high-performance culture through training and skills development including ongoing legal and regulatory training for sales and operational staff. Appraising performance and aligning reward, recognition and career development opportunities. Providing access to health and wellness benefits.
Employment conditions; benefits; pay rates; legislation; working conditions; employee welfare; temp to perm conversions	Creating value by being legally compliant and paying wages and benefits and not violating human rights and through transparent and meaningful engagement with employee representative forums.
Youth employment; training and skills development; mentoring; community leader engagement; labour desks; local recruitment; employee welfare; community support (SED/CSI)	Continuing to create value by employing people from local communities in which we operate. Commitment to youth development and employment; learnership and internship programmes for unemployed; utilisation of local service providers and community support through SED/CSI initiatives.
The JSE Limited ("JSE"); industry regulation; ETI (youth employment); skills development; B-BBEE; employment equity	Commitment to support Government in achieving the National Development Goals by providing employment and training; contributing to the fiscal revenue; supporting the country's transformation agenda; involvement and active participation in industry regulatory bodies.
Funding; underwriting; preferential supplier listing; products and pricing; empowerment rating; enterprise development	Purchasing goods and services from B-BBEE accredited suppliers; and supporting supplier development initiatives.
Results announcements; media statements; editorials; advertisements; meetings	Working with the media as a partner in relaying relevant information to our broader stakeholder community.

Management of ethics and anti-corruption

Cultivating an atmosphere of mutual workplace respect and proper business conduct is vital to the integrity and success of the group. Our values form part of our endorsement to foster an open and ethical workplace environment throughout all our operating subsidiaries, where every opportunity is sought to promote a culture of reporting wrongdoing reinforced by a zero tolerance towards fraud and inappropriate conduct.

Maintaining effective policies is an important step in cultivating an ethical culture and the following policies were reviewed during the reporting period and found to be applicable:

- Code of Business Conduct;
- policy on fraud, theft, corruption and associated internal irregularities; and
- whistleblower and whistleblower protection policy.

These policies also support the group's observance of other anti-bribery and anti-corruption laws and regulations including, but not limited to, the South African Prevention and Combating of Corrupt Activities Act, 2004 (as amended) (Act 12 of 2004), the United National Global Compact Business Principles, and Organisation for Economic Cooperation and Development ("OECD") recommendations regarding corruption as outlined in the South African Companies Act 2008 (Act 71 of 2008), as amended.

Our whistleblower campaign continues to act as one of the components of our risk management framework. Permanent staff, contractors and our other stakeholders are encouraged to use this confidential disclosure medium through regular awareness communication elements including email footers, posters, etc. Our campaign also includes awareness on the whistleblower hotline which is independently operated by Whistle Blowers Proprietary Limited, who are also appointed to receive all reports and confidential disclosures.

During the reporting period there were eight protected disclosures received via the whistleblower's hotline and one disclosure through internal channels. Five disclosures were fully investigated, and the applicable appropriate corrective actions taken by management. Three disclosures could not be investigated due to insufficient information, despite repeated appeals to the anonymous callers requesting the necessary details required to pursue a proper investigation, while one was withdrawn by the Whistleblower opting to seek recourse through an alternative route.

Protection of personal information ("POPI")

The group can report baseline POPI Act compliance since 1 July 2021 with key policies approved and distributed to all staff. The required Privacy Policy and updated Promotion of Access to Information Act ("PAIA") manuals have further been published on the Workforce Holdings website, as well as individual entity websites. The group has registered an Information Officer and Deputy Information Officers with the offices of the Information Regulator for each cluster with dedicated email channels to monitor any complaints which may be received.

One request was received on 15 December 2022 and the matter is being addressed by our attorneys. The group has not been alerted to any concerning conduct/non-compliance incidents and no data breaches have been reported to date.

B-BBEE

Good B-BBEE credentials are vital to do business in South Africa and supports our social licence to operate. The group achieved a Level 3 B-BBEE rating on the revised codes of good practice. The score was increased to a Level 1 due to the successful implementation of the YES Programme.

B-BBEE scorecard	2022	2021
Equity ownership	**23,70**	23,29
Management and control (including employment equity)	**8,61**	8,14
Skills development	**11,99**	11,08
Enterprise and supplier development	**41,35**	42,54
Socio-economic development	**5**	5
Total score	**90,65**	90,04
B-BBEE level	**3**	3
Additional levels achieved (YES)	**2**	2
Final B-BBEE level achieved	**1**	1

In 2022 the group again participated in the Youth Employment Service ("YES") initiative. As a result of successfully retaining its previous B-BBEE level and by meeting the target number of jobs created for unemployed youth, the group was awarded an additional two levels on the B-BBEE scorecard, thereby improving the score from a Level 3 to a Level 1.

The group's transformation efforts towards improving its B-BBEE contributor level status continues to focus on the following:

- Retaining and/or improving on our current B-BBEE contributor level status;
- improving our B-BBEE recognition level for the benefit of our clients;
- aligning the attraction and retention of top talent at all levels with our employment equity plans and the national EAP targets;
- ensuring that skills development and skills transfer take place across all levels and that developmental initiatives tie in with our talent management and transformation goals;
- promoting growth and sustainability through recognition and support of our black-owned, black female-owned and exempted micro enterprise ("EME") suppliers;
- rolling out our enterprise development initiatives involving selected black-owned businesses that are aligned to our core business; and
- focusing our socio-economic development initiatives on the upliftment and assistance of the local communities in which we operate.

Enterprise development

The group's enterprise development programme is structured to provide for investment, mentoring, skills transfer and assistance for black-owned businesses that are aligned to our core business. During the year under review, Workforce continued to support the development of black-owned and black women-owned businesses as we envisage that our partnerships will result in meaningful growth and development of the historically disadvantaged people associated with these enterprises.

Supplier development

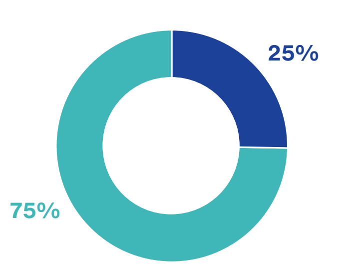
The group Supplier Development initiative is the support of a 100% black-owned staff outsourcing company. On a smaller scale, Workforce Healthcare has offered several of its black-owned suppliers interest-free loans to assist them to grow and develop their businesses.

Preferential procurement

The group has close to 3 000 suppliers from whom we procure the products and services we require for our day-to-day business operations throughout the country. In line with our transformation strategy we actively pursue the procurement of goods and services from suppliers with good B-BBEE credentials. This also includes extending supplier development initiatives that provide opportunities for black-owned and black women-owned businesses, including EME and QSE (qualifying small enterprise) businesses, to benefit from our procurement spend.

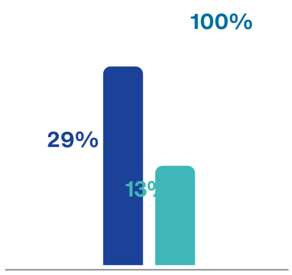
The charts below indicate an analysis of the group spend with suppliers over the January to December 2022 period.

Spend with suppliers



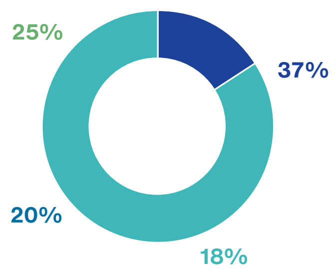
- Spent with non-rated suppliers
- Spent with rated suppliers

Black ownership of suppliers



- Spend with 51%+ black owned
- Spend with 30%+ black women owned
- Total spend

Spend with supplier types



- EME spend
- Generic spend
- QSE spend
- Non compliant/not rated

Socio-economic development

Our socio-economic development efforts aim to uplift and assist historically disadvantaged individuals living in the local communities in which we operate. During the reporting period, the group's contribution towards socio-economic development amounted to over R1 million with support provided by Workforce across the year included:

Monetary donations were given to the following associations:

- Cape Peninsula Organisation for the Aged
- Lesedi La Sechaba Gospel Choir
- Catch a Fire Sporting Club
- Rethuseng Club for the Aged
- Kgatelopele Self Help Association for blind
- Agisanang Pre School
- Door of Hope
- Akanani Sport

Eyeworx

Given the massive success of this project in 2021, Workforce again carried out over 300 eye tests and donated 270 pairs of glasses to children at previously disadvantaged schools across Gauteng

Africa Upskill for Training of unemployed youth

R300 000 was donated to this non-profit organisation ("NPO") for the training of 22 unemployed youth on an Early Childhood Development Skills Programme

Skills development for unemployed people

Workforce continues to build on its extensive experience in hosting and facilitating learnership and internship programmes for unemployed people, with a good track record of successful completion by delegates. This not only supports our efforts to improve our B-BBEE rating, but it also translates into numerous spin-offs and value created for the communities in which we operate and the vast number of unemployed young people throughout the country.

Face-to-face and in-classroom training was reintroduced but online training continued as a choice for many learners. This resulted in more training than ever before being undertaken online via MS Teams or similar platforms or through other portal interventions. Online training has become the norm rather than the exception.

Learnerships are usually registered with the SETAs as a one-year intervention, but SETAs are now automatically extending the learnership duration to 18 months to assist companies to complete the training.

Training of unemployed youth (defined as people under the age of 36) provides value to all stakeholders involved. The learner obtains a qualification and valuable work experience. Many of the learners on completion of their learnership/internship are offered either permanent or temporary contracts by either Workforce as the lead employer or by the host employer.

Learnerships for unemployed learners	Subsidiary	Timeframe	Number of learners	Number of black learners	Black youth (under 36)
National Certificate: Information Technology: End User Computing NQF3	**Workforce Group**	**December 2021 to June 2023**	95	95	92
National Certificate: Information Technology: End User Computing NQF3	**Training Force**	**October 2021 to September 2022**	19	19	19
Contact Centre and Business Process Outsourcing Support NQF3	**Workforce Group**	**March 2022 to September 2023**	27	27	27
Contact Centre and Business Process Outsourcing Support NQF3	**Teleresources, Quyn International, Fempower, Allmed, Nursing Emergencies**	**May 2022 to April 2023**	246	246	246
National Certificate: Information Technology: Systems Support NQF5	**Workforce Group**	**March 2022 to September 2023**	130	130	130
	Workforce Group	**July 2021 to January 2023**	20	20	20
	Training Force	**October 2021 to September 2022**	41	41	41

YES Programme

The YES Programme is a business-led initiative undertaken in collaboration with government, labour, civil society and young people, launched in 2018 by President Cyril Ramaphosa to address the critical issue of youth unemployment and to drive inclusive growth that contributes towards building and strengthening our economy. The objective of YES is to create one million jobs specifically for unemployed young people, aged between 18 and 35. These people need to be trained and employed by corporates and SMMEs for a 12-month period. The key focus of the YES initiative is work readiness and sustainable training and development programmes. These will prepare the youth for first-time employment and the creation of much-needed jobs. The DTI offers participating companies, who meet certain criteria, the benefits to improve their B-BBEE scorecard recognition levels.

During the reporting period, 12-month contracts were entered into with young South Africans recruited to participate in the YES Programme. These individuals received training as call centre agents and were hosted within a call centre specifically set up for the purpose of hosting and training the YES participants. At the end of the first year of participation, the group was awarded an additional two levels on the B-BBEE scorecard and several of the participants were awarded permanent jobs in the group. In January 2021 and January 2022 further groups of unemployed "youth" were recruited to join the programme thereby reinforcing our commitment and confirming our second and third year of participation in the YES initiative.

Our relationship with the environment

The group's efforts around environmental sustainability continue to focus on reducing the negative impacts of our operating divisions. Although we are classified as a low impact business because of the relatively small impact we have on the natural environment, we are committed to mitigating our impacts in order to respond to the challenge of climate change while minimising our operating costs. Energy efficiency – Workforce's biggest natural resource input is coal-based electricity sourced from Eskom. Significant savings have been achieved through energy efficiency awareness campaigns launched throughout the group, specifically in respect of electricity usage. Motion sensing lights installed in various offices only switch on once motion in a room is detected. Desktop printers have been replaced with shared energy-efficient multi-functional devices.

Procurement – The group's centralised procurement department continues to scrutinise and evaluate the group's procurement processes. A number of actions introduced during the year resulted in cost savings, procurement of environmentally friendly products where possible, and an evaluation and review of our supplier database with specific emphasis on introducing preferential procurement structures to align our procurement spend with the B-BBEE codes. The intention is that the next phase of this initiative will be to incorporate environmental measurement indicators and measurement thereof.

Decrease paper usage – By raising awareness of paper usage, the response throughout the group has been impressive, especially in respect of reducing usage by printing less and where possible double-sided printing. The use of technology has reduced in-system paper utilisation by enabling the distribution of electronic payslips to our employees and eliminating the need to print curriculum vitae received. Company notices, newsflashes and monthly newsletters are all communicated electronically to our staff, clients and other stakeholders.

Reduce and recycle – Recycling initiatives introduced throughout the group focus on managing the disposal of paper, plastic water bottles and containers used in the day-to-day business environment. Creating a greater consciousness of the need to recycle has also created a better awareness of the amount of plastic water bottles used daily in the business, specifically at our head office in Parktown. Recycling and reducing the use of paper has improved significantly throughout the group since the start of our environmental awareness initiatives.

Corporate governance report

Custodians of governance

The board accepts its responsibility as the custodians of corporate governance within the group and is therefore accountable to stakeholders to provide value-enabling governance. The board is constituted in terms of the company's memorandum of incorporation and in line with King IV™. The majority of the board members are non-executive directors who bring diversity to board deliberations and create value by constructively challenging management. All board members have diverse professional backgrounds and are held to high standards of ethics and integrity.

The board is the highest decision-making body in the group. It approves the group's strategy and ensures that it is aligned with the group's values. The board of directors ensures that the management of the business is conducted in line with the values of the company. It reviews the delegation of authority framework regularly to ensure that the necessary authority has been delegated to management to implement and execute the strategy. The board is satisfied that this framework contributes to role clarity and effectively exercising authority and responsibilities.

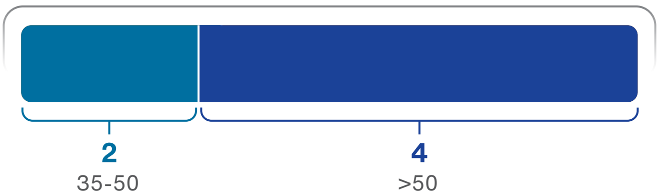
The board assumes collective responsibility for steering and monitoring strategy implementation and performance targets and any risks involved in the strategy implementation. The board is collectively accountable for ensuring long-term success, balancing the interests of shareholders with those of other stakeholders. All directors continue to build up their knowledge of the group and its industry within the triple context in which it operates. Directors must ensure they have sufficient competencies to lead effectively and act with due care, skill and diligence when making decisions.

The directors of a company have access to the services of the company secretary. They are entitled, at the company's expense, to seek independent professional advice regarding the execution of their duties as directors.

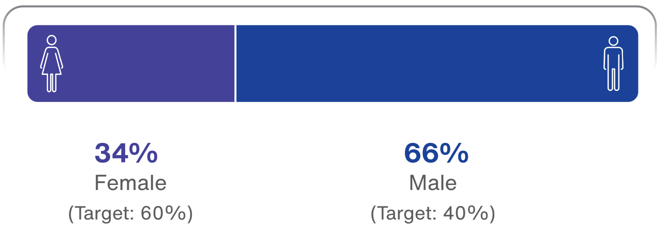
Board composition and changes

The board met four times during the 2022 financial year. Ms Inshaaf Ross, a member of the social, ethics and transformation and the remuneration and nominations committee, has resigned from the board with effect from 7 November 2022. The board thanks Ms Ross for her contribution to the company and wishes her well in her future endeavours.

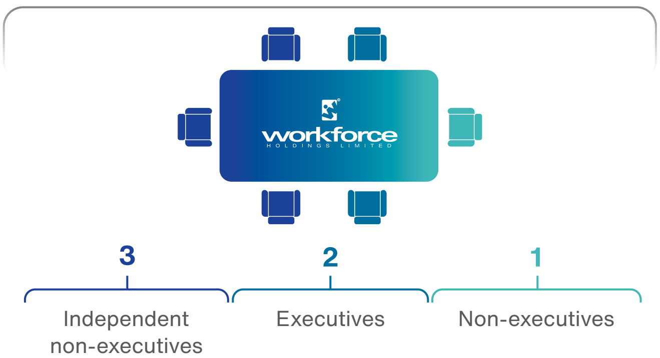
Director ages (years)



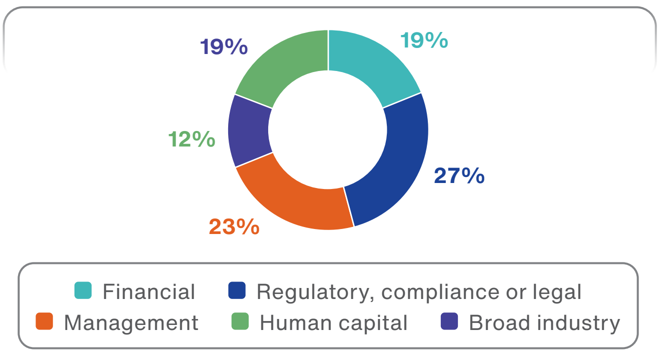
Gender



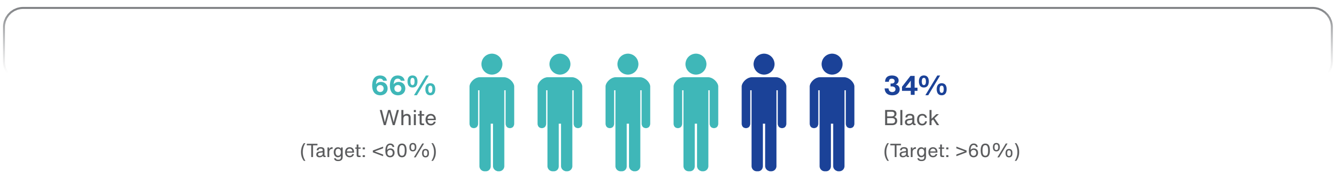
Director classification reflecting suitable balance



Board experience



Ethnicity



EAP national statistics used to determine race and gender targets

("Black" includes African, Coloured and Indian)

Name and qualifications	Designation and other public company appointments	Committee membership Attendance	ARC	RNC	SEC	IC
Executive directors						
Ronny Katz (80) *BCom, LLB, MBA*	Chief executive officer	4/4	4/4	2/2	–	–
Willie van Wyk (52) *CA(SA)*	Financial director	4/4	4/4	–	4/4	–
Non-executive directors						
John Macey (61) *BBusSci (Hons), BCom (Hons), CA(SA)*	Independent non-executive chairman	4/4	4/4	2/2	–	–
Kyansambo Vundla (44) *BCom, HDip Acc, CA(SA)*	Independent non-executive director	3/4	4/4	2/2	–	–
Shelley Thomas (56) *CA(SA)*	Independent non-executive director	4/4	4/4	–	4/4	–
Shaun Naidoo (38) *CA(SA), MBA*	Non-executive director	2/4	–	1/2	1/4	–
Inshaaf Ross# (51) *BCom*	Non-executive director	3/3	–	1/1	4/4	–

** Chairman.*
ARC – audit and risk committee.
RNC – remuneration and nominations committee.

 # Resigned on 7 November 2022.
SEC – social, ethics and transformation committee.
IC – investment committee.

Directors' resumes can be found on pages 70 to 71.

Appointment, rotation and re-election of directors

The board has a formal and transparent policy regarding the appointment of directors to the board. While the appointments are a matter for the board, the authority to oversee the nomination and to carry out the interview process has been delegated to the remuneration and nominations committee. Apart from a candidate's experience, knowledge, skills, availability and likely fit, the committee also considers a candidate's integrity, as well as other directorships and commitments to ensure that the candidate will have sufficient time to discharge his/her role properly. The remuneration and nominations committee also considers race, gender, culture, age, field of knowledge, skills and experience in its assessment in line with its Board Diversity Policy. Although no appointment was made during the reporting period, targets for gender and race were agreed upon for future appointments, which is a target of 43% white and 57% black representation.

New appointees are appropriately familiarised with the group's business through an induction programme. The composition of the board is reviewed on a regular basis to ensure ongoing compliance with the requirements set out in the Companies Act and King IV™.

In accordance with the company's memorandum of incorporation, a director, having been appointed by the board since the last annual general meeting ("AGM") of the company, is obliged to retire and being eligible, offers him/herself for election at the next AGM.

In line with the memorandum of incorporation, one-third of the non-executive directors are required to retire, and if available and eligible, stand for re-election at the company's AGM. Those directors who have been in office the longest, as calculated from the last re-election or appointment date, are required to stand for re-election. At the AGM, Kyansambo Vundla and John Macey will retire and be eligible for re-election. Brief professional profiles of Kyansambo Vundla and John Macey can be found on page 70 of this integrated annual report.

Non-executive director tenure and succession

The management of the board's succession process is crucial to its sustainability. The remuneration and nominations committee ensures that, as directors retire, candidates with the necessary experience are identified to ensure that the board's competence and balance are maintained and enhanced, considering the group's current and future needs.

Leadership roles and functions

Non-executive directors

All board members have a fiduciary responsibility to represent the best interest of the group and all of its stakeholders. The group's non-executive directors are individuals of a high calibre and credibility who significantly contribute to the board's deliberations and decisions. They have the necessary skills and experience to exercise judgement on areas such as strategy, performance, transformation, diversity and employment equity.

The chairman

John Macey is an independent chairman. The chairman is the board's ethical leader. His role is separate from that of the chief executive officer, Ronny Katz. John Macey provides overall leadership to the board and the chief executive officer without limiting the principle of collective responsibility for board decisions. He chairs the investment committee and is a member of the audit and risk committee, remuneration and nominations committee, and investment committee. The remuneration and nominations committee considered King IV™'s recommendation that the chairman not be a member of the audit and risk committee but felt that due to his extensive financial experience, he remains a member of that committee.

Chief executive officer

The board appoints the chief executive officer to lead and implement the execution of the approved strategy. Ronny Katz is the link between management and the board and is accountable to the board. Quarterly feedback is provided by the chief executive officer on the progress made in implementing the strategy.

Company secretary

The company secretary of a listed company is responsible for ensuring that the board complies with the JSE Listings Requirements and ensures that the annual compliance certificate is submitted to the JSE. The company secretary ensures that, in accordance with the pertinent laws and regulatory framework, the proceedings and affairs of the board and its members are properly administered.

The board satisfied itself regarding Sirkien van Schalkwyk's work experience, performance, technical skills and overall competence in fulfilling her role as company secretary at the previous meeting of the board (during which time she was excused from the meeting). She is a consultant and maintains an arm's length relationship with the board. She reports to the chair on all statutory duties and functions relating to the governing body.

The company secretary's primary responsibilities are to:

- Ensure that board procedures are followed and reviewed regularly;
- ensure applicable rules and regulations for the conduct of the affairs of the board are complied with;
- maintain statutory records in accordance with legal requirements;
- guide the board as to how its responsibilities should be properly discharged in the best interest of the company; and
- keep abreast of, and inform, the board of current and new developments regarding best practice corporate governance thinking and practice.

Ethical and effective leadership

The board is committed to achieving its goals with integrity and high ethical standards while being a responsible corporate citizen. The board has adopted a code of business conduct that is continuously reviewed and sets the tone for an ethical culture within the group. The directors are fully committed to these principles, which ensures that the business is managed according to the highest ethical standards when dealing with employees, customers, and other stakeholders.

The code of ethics and business conduct is included as part of induction for new employees and other regular training programmes and is available on the company's website at www.workforce.co.za. Ethics are part of our recruitment process, evaluation of performance and rewards of employees, as well as the sourcing of suppliers.

No material ethical leadership and corporate citizenship deficiencies were noted. The board, through the audit and risk committee and the social and ethics committee, monitors compliance with Workforce's code of business conduct through various reporting channels, including its internal audit department and the whistleblower hotline. Quarterly feedback is given to the relevant committees and the board while sanctions and remedies are in place when ethical standards are breached.

One request was received on 15 December 2022 regarding PAIA, 2000 (Act 2 of 2000) and the matter is being addressed by our attorneys. The group has not been alerted to any concerning conduct/non-compliance incidents and no data breaches have been reported to date.

Independents and conflicts

During the year ended 31 December 2022, none of the directors had a significant interest in any contract or arrangement entered into by the company or its subsidiaries, other than as disclosed in note 21 to the annual financial statements. Directors are required to inform the board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflict of interest, in accordance with the conflict of interest policy that is in place. A standard agenda item is included for members to declare whether any of them have any conflict of interest in respect of a matter on the agenda. This is minuted accordingly.

When categorising the non-executive directors as independent, the interests, position, association or relationship is taken into consideration. Independent non-executive directors serving for longer than nine years are subjected to a rigorous review of their independence and performance by the board. The board makes full disclosure regarding individuals serving for more than nine years to enable shareholders to make their own assessment of directors. John Macey was appointed in 2009, Kyansambo Vundla in 2010 and an assessment was conducted by the remuneration and nominations committee to ensure that they were still independent, in line with the requirements of King IV™.

This, together with the test of being judged from the perspective of a reasonable and informed third-party and other indicators in a substance-over-form basis, John Macey, Shelly Thomas and Kyansambo Vundla were found to be independent. The categorisation of directors can be found on pages 70 to 71 of the integrated annual report.

Insider trading

No group employee may deal directly or indirectly in the company's shares based on unpublished price-sensitive information regarding the business. No director or officer of the group may disclose trade information regarding business. Directors or officers of the group are precluded from trading in the group's shares during a closed period or prohibited period, as determined by the board. Notification to this effect is communicated to the group's employees. A price-sensitive information group policy was reviewed during the reporting period and is in place in line with the JSE Listings Requirements.

Any director wishing to trade in ordinary shares of the company, must obtain clearance from the chairman of the board or, in his absence, the chief executive officer. The directors keep the company secretary advised of all their dealings in securities and details of dealings are placed on SENS in line with the JSE Listings Requirements.

Assessment of the board

The board conducted a self-evaluation and found that it was performing satisfactorily. Weak areas were identified and will be addressed at future meetings. The expansion of the investment holding company was discussed and remains ongoing to ensure the viability of an enhancement strategy.

Commitment to the governance principles set out in King IV™

The board remains committed to the principles of King IV™ and ensures that its recommendations are materially entrenched into the board's internal controls, policies, terms of reference and overall procedures and processes. A King IV™ application register, setting out how the company has applied the principles of King IV™, is available on our website, www.workforce.co.za.

Integrated effective control

As the custodian of governance, the board is ultimately responsible for ensuring there is effective control within the business. The board ensures effective control through a number of mechanisms, including:

Compliance with applicable laws, regulations and governance practices

The decisions and actions taken by the board ensure that the company subscribes to full compliance with applicable laws, regulations and governance practices. This function is delegated to the social, ethics and transformation committee with financial compliance overseen by the audit and risk committee. Implementation of the POPIA Act was monitored during the reporting period and found to be compliant. During the financial year, the company was fully compliant with the requirements of the Companies Act, memorandum of incorporation and the JSE Listings Requirements.

Debt officer

Pursuant to paragraphs 6.39(a) and 7.3(g) of the JSE Limited Debt Listings Requirements, the board confirmed Willie van Wyk, in his capacity as group financial director, as the debt officer of Workforce. The board has considered and is satisfied with his competence, qualifications and experience.

The board charter

The roles and responsibilities of the board and individual directors are set out in the board charter which is aligned with the provisions of relevant statutory and regulatory requirements and is reviewed on an annual basis. The charter regulates the parameters within which the board operate and ensures the application of the principles of good governance in all its dealings.

Governance structures and delegation

The company's governance structure provides for the delegation of authority while enabling the board to retain effective control. Such structures similarly support and enable the informed oversight exercised by the board. The board delegates authority to established board committees, as well as the chief executive officer, with clearly defined mandates.

Board committees

The roles, responsibilities and composition of the board committees are described below. The responsibilities delegated to these committees are formally documented in each committee's terms of reference, which are approved by the board and reviewed annually. After each committee meeting, committee chairmen report back to the board, which facilitates transparent communication between directors and ensures that all aspects of the board's mandate are addressed.

The terms of reference are subject to change as and when required by the board to accommodate the company's changing needs. Roles and associated responsibilities and membership composition across committees are considered holistically. All committees have a minimum of three members and, as a whole, have the necessary knowledge, skills, experience and capacity to execute their duties effectively. The chairman of each board committee reports at meetings of the board, and minutes of board committee meetings are provided to the board. Both the directors and the members of the board committees are supplied with full and timely information that enables them to discharge their responsibilities properly.

All directors have unrestricted access to all group information. The chairman of each board committee is required to attend AGMs to answer questions raised by shareholders.

Workforce has the following committees in place:

	Audit and risk	Group IS steering	Social, ethics and transformation	Remuneration and nominations	Investment
Committee report/additional information	Pages 66, 82 to 86	Page 67	Pages 68, 72 to 74	Pages 68, 75 to 79	Page 69
Number of meetings held during the year	4	4	4	2	0*

* *The investment committee remains constituted and no meetings were held during the year as no acquisitions were made.*

Audit and risk committee

Due to the size of the company, it was decided that the audit committee and risk committee would remain one committee. However, the agenda is divided into two separate sections to ensure that both audit and risk management responsibilities are attended to.

The committee, appointed by the board and approved by shareholders at the company AGM, comprises three independent non-executive directors, all of whom satisfied the requirements of section 94(4) of the Companies Act. As a collective and having regard to the size and circumstances of the group, the committee is adequately skilled, and all members possess the appropriate financial and related qualifications, skills, financial expertise and experience required to discharge their responsibilities.

The committee acknowledges the recommendation by King IV™ that the chairman of the board should not be a member of the committee, but due to John Macey's extensive financial experience, it was decided that he remains a member of the committee.

Summarised roles and responsibilities

- Providing the board with additional assurance regarding the efficiency and reliability of the financial information used by the directors to assist them in the discharge of their duties;
- reviewing interim and annual financial statements, the integrated annual report and any other external reports issued by the organisation;
- overseeing the internal audit function;
- ensuring that significant business, financial and other risks have been identified and are being managed suitably;
- ensuring the independence of external audit and overseeing the external audit process;
- ensuring good standards of governance, reporting and compliance are in operation; and
- overseeing the group's risk management profile.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Audit and risk committee membership and attendance:

Name	Appointed	Designation	Attendance
Kyansambo Vundla	**November 2010**	**Independent non-executive director chairman**	4/4 meetings
John Macey	**June 2009**	**Independent non-executive director member**	4/4 meetings
Shelley Thomas	**December 2016**	**Independent non-executive director member**	4/4 meetings
Standing invitees	Financial director, group head of finance, external auditor, internal auditor, company secretary		

Group information services ("IS") steering committee

Within the group, the group IS steering committee is the governing body responsible for the governance of technology and information. It sets the direction for how technology should be approached and addressed. The strategic intent of group IT is documented and communicated in the group IT strategy and is aligned with the enterprise strategy.

The group IS steering committee meets formally at least four times a year to report on their duties in accordance with its terms of reference as approved by the board. The committee reports to the board via the audit and risk committee.

Achievements during the year

During the past year group IT focused on implementing significant changes to the organisational structure. The organisational change was aligned with implementing key aspects of the COBIT governance framework and other implementation methodologies. This process involved changing the leadership structure, on-boarding of new skilled resources and upskilling existing team members, showing the investment in our people and processes.

The structural changes have been made to align IT investment with the strategic outcomes set out by the businesses. A key outcome of the organisational change has been the segregation of the Infrastructure Services and the Solution Delivery teams and establishing a Program Management Office. Group IT has continued enhancing bespoke solutions to adapt to business demands. The investment into Business Intelligence has continued across the business, enabling data-driven business decisions and measurable outcomes.

Future digitisation and enhancements

Infrastructure Services - The focus for the new financial year is to optimise our infrastructure services to support the national and global footprint of the group. This will be achieved through a significant investment in technologies that support an automated infrastructure service and partnering with leading industry experts for communication and networking services. There will be enhancements to our network that support our information and cyber security strategy. There will be initiatives that will be prioritised to secure access to our network and data further. Cloud-hosted services will be revisited to manage and mitigate risk by further transitioning into cloud services.

Application Delivery – Deep industry knowledge within the TES industry and across the Training and Education and Healthcare investment clusters, will continue to be leveraged to create outstanding solutions for our businesses. Within the applications that support these businesses, the focus will be on automation and risk management.

The business will be implementing global software as a Solution Payroll and HR system to manage the global footprint of permanent staff. This will be followed by the initiation of the replacement of our current accounting platform with an "in the cloud" ERP solution that will integrate with all our core administration platforms across the Workforce businesses. We will further invest in upgrading our Training Administration System into a functionally rich Training Administration Platform, which will be implemented across the Training and Education investment cluster businesses allowing for operational efficiency and effectiveness.

Digital Transformation – Group IT, together with the investment clusters, will use the opportunity to globalise our solutions through the enablement of our digital strategy. Further focus will be on extending the Application Program Interfaces to leverage off the in-country bureaus and payment gateways to fast-track the expanding global footprint.

Social, ethics and transformation committee

During the reporting period, Inshaaf Ross resigned as a board director and subsequently as a member of the committee. The remuneration and nominations committee are reviewing the composition and will fill the current vacancy in the committee.

Summarised roles and responsibilities

- Planning, implementing and monitoring the group's strategy for transformation;
- monitoring compliance with legislation;
- monitoring employment equity and fair labour practices;
- monitoring good corporate citizenship and the group's contribution to the development of communities in which it operates; and
- monitoring ethics and business conduct.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Social, ethics and transformation committee membership and attendance:

Name	Appointed	Designation	Attendance
Shelley Thomas	**December 2016**	**Independent non-executive chairman**	4/4 meetings
Shaun Naidoo	**March 2018**	**Non-executive director**	1/4 meetings
Inshaaf Ross#	**August 2018**	**Non-executive director**	4/4 meetings
Standing invitees	Financial director, representatives of clusters, company secretary		

Resigned on 7 November 2022.

Remuneration and nominations committee

In reviewing the committee composition last year, it was decided that, due to the size of the company, the remuneration committee and nominations committee would remain one committee. During the reporting period, Inshaaf Ross resigned as a member of the committee. The committee will review the composition of the committee and decide if she will be replaced. The committee therefore comprises Kyansambo Vundla, John Macey and Shaun Naidoo.

Summarised roles and responsibilities

- Identifying and nominating new directors for approval by the board;
- ensuring that appointments to the board are formal and transparent;
- approving the classification of directors as independent;
- overseeing induction and training of directors and conducting annual performance reviews of the board and board committees;
- overseeing an appropriate separation between executive, non-executive and independent directors;
- ensuring the proper and effective functioning of the group's board committees; and
- reviewing the board's structure and reviewing the size and composition of the various board committees and making recommendations.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Remuneration and nominations committee membership and attendance:

Name	Appointed	Designation	Attendance
Kyansambo Vundla	**November 2010**	**Independent non-executive chairman**	2/2 meetings
John Macey	**June 2009**	**Independent non-executive member**	2/2 meetings
Shaun Naidoo	**June 2017**	**Non-executive director**	1/2 meetings
Inshaaf Ross#	**August 2018**	**Non-executive director**	1/1 meetings
Standing invitees	Chief executive officer, group human resources executive, company secretary		

Resigned on 7 November 2022.

Investment committee

The investment committee did not meet during the reporting period as there were no acquisition opportunities to consider.

Name	Appointed	Designation
John Macey	**November 2017**	**Independent chairman**
Shaun Naidoo	**November 2017**	**Non-executive director**
Ronny Katz	**November 2017**	**Chief executive officer**
Willie van Wyk	**November 2017**	**Financial director**

Board of directors

Independent chairman

John Macey

Independent non-executive director and chairman

BBusSci (Hons), BCom (Hons), CA(SA), RA

John completed his articles at Deloitte & Touche in 1990. He has over 30 years of experience in finance and financial management. He has been finance director of manufacturing companies, lectured financial and management accounting at the University of Cape Town, advised on corporate finance deal structuring and acted as an outside advisor on technical accounting issues to accounting and auditing firms. He sits on the boards and audit committees of three listed groups. John was appointed to the Workforce Holdings Limited board in June 2009.

Executive directors

Ronny Katz

Chief executive officer

BCom, LLB, MBA

After completing his legal studies, Ronny joined City Merchant Bank and worked in the investment division before completing an MBA degree in 1968 at the University of Cape Town, after which he purchased the legal practice of David Borkum. In 1972, Ronny started Workforce and has been responsible for its growth and development since then. Ronny was appointed chairman of Workforce Holdings Limited in October 2006. Following the resignation of Philip Froom, Ronny stepped down as executive chairman to fulfil the role of chief executive officer effective 21 August 2018.

Willie Van Wyk

Financial director

BCompt (Hons), CA(SA)

Willie completed his articles with Deloitte & Touche in 1996 and thereafter held a number of financial management positions with Nola, a division of Foodcorp, for three years and Nampak for five years. Willie joined the Workforce group in 2007 and was appointed a director of Workforce Holdings Limited in June 2008.

Non-executive directors

Shaun Naidoo

Non-executive director CA(SA), MBA

Shaun is a chartered accountant and holds an MBA from the Gordon Institute of Business Science. In his current role as Corporate Finance Director at Vunani Limited, he is involved in the execution of corporate transactions, B-BBEE structuring, balance sheet restructuring, valuations, IFRS and tax advisory and capital raising. Shaun was appointed to the Workforce Holdings Limited board in June 2017.

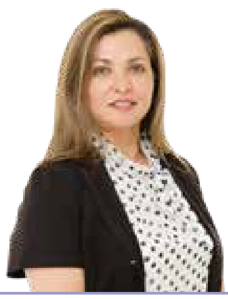
Independent non-executive directors

Kyansambo Nundla

Independent non-executive director Dip Acc, CA(SA)

Kyansambo has 17 years of experience in finance and financial management. She completed her articles at BDO Spencer Steward and has been a chief financial officer in the financial services industry for the last 15 years. Kyansambo is currently the chief financial officer for the Africa and Asia division of MMI Holdings. She also served as Chairperson of the Bonitas Marketing Company's audit and risk committee as well as a member of the audit and risk committee of Bonitas Medical Aid Fund. Kyansambo was appointed to the Workforce Holdings Limited board in November 2010.

Shelley Thomas



Independent non-executive director CA(SA)

Shelley is a qualified chartered accountant. She completed her articles at Kessel Feinstein and is currently self-employed. Her previous roles have included that of head of forensic, compliance, and governance in private practice. Shelley has also been appointed to the role of financial director, internal audit director and that of company secretary in private sector companies. She has over 20 years of experience sitting on boards and committees in both the public and private sectors.

Social, ethics and transformation committee report

Investors are increasingly looking to companies to play a more conscious role in ensuring the sustainability of natural resources, and taking a conscientious attitude regarding employees, the environment, communities and all other stakeholders. Investors also have a growing mobilisation towards only investing in responsibly managed organisations.

This report is prepared in compliance with the requirements of the Companies Act, and describes how the committee discharged its responsibilities in respect of the financial year ended 31 December 2022 and will be presented to the shareholders at the AGM to be held on 26 May 2023.

Social, ethics and transformation committee members

The social, ethics and transformation committee met four times during the reporting period. The composition of the committee as at 31 December 2022 is as follows:

Name and qualifications	Appointed	Designation	Experience	Attendance
Shelley Thomas *CA(SA)*	**December 2016**	**Independent non-executive director**	**Over 26 years of experience in financial and risk management**	4/4 meetings
Shaun Naidoo *CA(SA), MBA*	**March 2018**	**Non-executive director**	**Execution of corporate transactions, B-BBEE structuring, balance sheet restructuring, valuations, IFRS and tax advisory and capital raising**	1 /4 meetings
Inshaaf Ross# *BCom*	**August 2018**	**Non-executive director**	**21 years of experience in human resources and related areas**	4/4 meetings
Other standing invitees	Financial director, HR manager, company secretary, cluster representatives			

 # Resigned from the board on 7 November 2022.

Establishment of cluster social and ethics committees

Given the continual enhancement of the investment cluster structures, I am happy to report that all the investment clusters are now attending the social, ethics and transformation committee to ensure unity within the group. Guided by the committee's principles, investment cluster representatives can revert to their respective clusters and support meaningful initiatives. This in turn, means more can be done.

Responsibilities of the committee

The social, ethics and transformation committee terms of reference were reviewed during the reporting period. In accordance with the terms of reference and annual work plan, the committee fulfils the functions and responsibilities assigned to it in terms of the company's compliance with the applicable requirements of Regulation 43 of the Companies Act, and includes the following functions:

(a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regards to matters relating to:

(i) Social and economic development, including the company's standing in terms of the goals and purposes of:
- the 10 principles set out in the United Nations Global Compact Principles;
- the OECD recommendations regarding corruption;
- the Employment Equity Act; and
- the B-BBEE Act;

(ii) Good corporate citizenship, including the company's:
- promotion of equality, prevention of unfair discrimination, and reduction of corruption;
- contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
- record of sponsorship, donations and charitable giving;

(iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;

(iv) consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and

(v) labour and employment, including:
- the company's standing in terms of the International Labour Organisation protocol on decent work and working conditions;
- the company's employment relationships, and its contribution toward the educational development of its employees;
- to draw matters within its mandate to the attention of the board as occasion requires; and
- to report, through one of its members, to shareholders at the company's AGM on the matters within its mandate.

Performance for 2022

Ethics and business conduct

The group's code of ethics and business conduct which embodies our guiding principles and values was reviewed during the year and confirmed that it covered all the necessary tools to monitor ethics and business conduct. The company's "whistleblower and whistleblower protection policy" confirmed to be relevant and effective, providing an appropriate balance between encouraging reporting and discouraging malicious reporting.

During the year there were eight (2021: 10) protected disclosures received via the whistleblower's hotline which from a total permanent staff count of 1 664 is exceptional. Details on the cases and status are disclosed on page 46 in the Management of ethics and anti-corruption section.

United Nations Social Development Goals

At the start of this impact and corporate governance section of this report on page 47, the group not only discloses alignment with certain SDGs, but also indicates the tremendous impact the Workforce group has on the people of South Africa and the geographies outside of South Africa, where it operates. In particular, those blue collar workers who require a job, skills training or Financial Services to help them progress, earn a living and support their families.

Corporate social investment

It is critical that CSI initiatives are sustainable, and the group is proud to give feedback on the Eyeworx project's continuation. Workforce carried out over 300 eye tests and donated 270 pairs of glasses to children at previously disadvantaged schools across Gauteng.

The difficult economic environment calls for those with the means to donate, to do so. Monetary donations were made to the following associations:

- Cape Peninsula Organisation for the Aged;
- Lesedi La Sechaba Gospel Choir;
- Catch a Fire Sporting Club;
- Rethuseng Club for the Aged;
- Kgatelopele Self Help Association for blind;
- Agisanang Pre School;
- Door of Hope; and
- Akanani Sport.

In line with the theme of sustainability, a donation of R300 000 was made to a non-profit organisation, Africa Upskill, to train 22 unemployed youth in the Early Childhood Development Skills Programme.

Employees

Our EE policy embodies our commitment to implementing EE across the group. During the year under review, further attention was given to ensure our compliance with the EEA and various initiatives were implemented to improve employment equity performance and achieve numerical goals and targets.

Skills development plays a critical role in our business and remains a key area of focus. The various skills development programmes undertaken by the group are reported on more fully in the people section of this integrated annual report.

In small increments, we continue to make progress on ethnicity and gender metrics. 77% of our permanent employees are black and 58% are female. Across the permanent staff, we employ and cater for 23 employees with disabilities. 98% of our temporary/contract staff are black.

Aside from training and skills development, mentorships are important for economic sustainability and it is expected that investment clusters take responsibility for this action.

Refer to the social and relationship capital report, which contains additional, detailed information and achievements.

Socio-economic development

The group's commitment is to foster good relations with the communities in which it operates and continues to pursue its business philosophy which is to draw the staff it needs from the local communities in which it operates and in so doing provides much-needed employment and other socio-economic benefits to local communities.

Transformation

Workforce remains focused on achieving its transformation goals and objectives through implementing strategies and achieving greater transformation across all operating divisions of the organisation and in line with the amended B-BBEE codes of good practice.

Our areas of focus for transformation are aligned to the various B-BBEE scorecard pillars and include:

- Ownership;
- Management control;
- Skills development;
- Enterprise and supplier development; and
- Socio-economic development.

Workforce Holdings Limited maintained a Level 1 B-BBEE rating. Additional information on pages 58 to 61 provide details of the scorecard and Workforce's participation in the YES Programme, resulting in several of the participants being awarded permanent jobs in the group. This sustainable transformation and skills development will continue to be a focus area.

Appointments are monitored monthly and reported on by group Human Resources at the social, ethics and transformation committee. Across the year, 400 appointments were made, with 43% (2021: 51%) deviation. We are pleased that the deviations are improving. Deviations are consistently monitored and corrective action is suggested to investment clusters to support B-BBEE and employment equity targets and principles.

Pleasingly, 96 promotions took place across the group, of which 89% were promotions of black employees.

Stakeholder management

The stakeholder engagement framework outlines the group's guiding principles, which are congruent with the values espoused in the group's formal code of business conduct. In Workforce's decentralised business environment, business units use these principles to guide and govern their stakeholder engagement processes.

Refer to pages 56 to 57 for details regarding stakeholders engaged during the reporting period.

Environment

The group has an approved environmental policy, which aims to reduce the negative environmental impacts of the group's trading entities. While the group has a low impact on the natural environment and is classified as a "low impact business", we are still fully committed to mitigating our impacts to respond to the challenge of climate change.

It is the intention of the group to, in future, embark upon the measurement and reduction of fuel consumption, electricity, carbon emissions, water and waste management as well as assess environmental efficiency investments.

Evaluation of committee performance

The committee agreed to conduct evaluations only every second year and there was no evaluation conducted during 2021. However, the committee reviewed the focus areas for the 2022 year for monitoring by the committee, with the following focus areas identified for further action in 2023:

- The enhancement of non-financial elements that will form part of the short-term incentive performance measures; and
- transformation on top and senior management level.

Shelley Thomas
Social, ethics and transformation committee chairman

29 March 2023

Remuneration and nominations committee report

This report comprises three sections:

Part 1	Part 2	Part 3
Matters considered by the remuneration and nominations committee	Remuneration policies and principles for shareholders' vote at the AGM	Implementation report of the remuneration policy

Part 1 – Matters considered

It was decided that, due to the size of the company, the remuneration committee and nominations committee would remain as one committee.

Appointment of directors to the board

Apart from a candidate's experience, availability and likely fit, the committee also considers a candidate's integrity, as well as other directorships and commitments to ensure that the candidate will have sufficient time to discharge his/her role properly. The remuneration and nominations committee also considers race, gender, culture, age, field of knowledge, skills and experience in its assessment in line with its Board Diversity Policy. Although no new appointments were made during the reporting period, the targets had been reviewed and included in the race and gender diversity policy to guide future appointments.

Remuneration and nominations committee members

The committee comprised the following at 31 December 2022:

Name and qualifications	Appointed	Designation	Experience	Attendance
Kyansambo Vundla *BCom, HDip Acc, CA(SA)*	**November 2010**	**Independent chairman**	**Over 24 years of experience in the financial services industry**	2/2 meetings
John Macey *BBusSci (Hons), BCom (Hons), CA(SA)*	**June 2009**	**Independent member**	**Over 35 years of experience in finance and financial management**	2/2 meetings
Shaun Naidoo *CA(SA), MBA*	**March 2018**	**Non-executive member**	**Execution of corporate transactions, B-BBEE structuring, balance sheet restructuring, valuations, IFRS and tax advisory and capital raising**	1/2 meetings
Inshaaf Ross# *BCom*	**August 2018**	**Non-executive member**	**Over 20 years of experience in human resources and related areas**	1/1 meetings
Standing invitees	Chief executive officer, human resources executive, company secretary			

Resigned 7 November 2022.

The chairman of the board is not eligible for appointment as chairman of the committee and John Macey is only a member of the committee but presides as chairman when the committee fulfils its oversight responsibilities on nomination matters and board/director interactions.

Evaluation of the committee

The committee conducted a self-evaluation by way of questionnaires. The ongoing areas of the committee remain as follows:

- Finalise the key performance indicators ("KPIs"), including non-financial elements, of all executive committee members;
- Finalise the Scheme to be used for long-term incentives; and
- Finalise succession plans on Workforce Holdings level (chief executive officer and chairman).

Kyansambo Vundla
Chairman of the remuneration and nominations committee

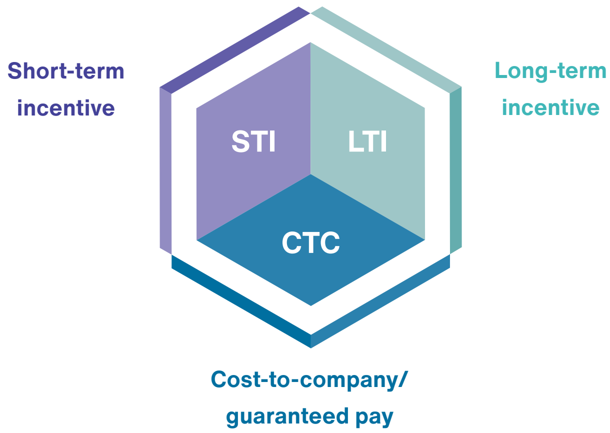
29 March 2023

Part 2 – Remuneration policy

Background statement

The group's remuneration policy aims to attract, retain and motivate skilled and performing employees to execute the group's strategy. The group offers an integrated remuneration and reward model, which comprises:

Due to the diversified and decentralised business model, the group has different remuneration models for senior management. Workforce currently does not formally benchmark its remuneration percentiles. A formal benchmark in terms of remuneration percentiles will be conducted during the current financial year.



Remuneration structure

Cost-to-company			Variable	
Element	Base pay	Benefits	STI	LTI
Workforce Group	Monthly salary Hourly wage	Medical aid Provident fund Funeral benefit Travel allowance	**Annual incentive** **Bonus scheme**	**Share appreciate rights** **Performance shares**
Objective	Retention and attraction	Retention in terms of the comprehensiveness of benefits offered Attraction to offer similar benefits to prospective employees	**Reward company and group performance** **Reward individual performance** **Retention/attraction recognition**	**Reward company and group performance** **Reward individual performance** **Retention/attraction recognition** **Recognition of group's long-term success**

Short-term incentive

The group awards management and most salaried employees on an annual performance incentive. The actual value awarded is subject to the achievement of predetermined thresholds relating to the performance and position of the group, cluster, segment and individual performance during the reporting period.

The executive directors are appraised against a set of objectives and KPIs to ensure they are remunerated fairly and responsibly. Executive directors and senior managers are measured and remunerated according to their alignment, achievement and contribution to the group's strategy, financial performance, segment performance and individual performance.

In its evaluation of the performance of individuals, the remuneration and nominations committee considers external and internal factors that may have contributed to the thresholds not being met. The committee may from time to time consider discretionary short-term bonuses for an individual or cluster.

All payments in terms of the qualitative and quantitative portion of the short-term incentive scheme are based on predetermined targets.

Long-term incentive

The long-term incentive plan ("LTIP") forms part of the variable compensation and is used to attract, retain and motivate employees who influence the long-term sustainability and strategic objectives of the group. The purpose is to foster sustainable performance or value creation over the long term, which is aligned to the group's strategy and enhances stakeholder value. Its main characteristic is the promise to deliver value over a future vesting period, once performance criteria are met or exceeded.

The board appointed a service provider to assist the company in formulating a new LTIP to meet the needs of the company.

Policy on directors' fees and remuneration

The directors are appointed to the board to bring competencies and experience appropriate to achieving the group's objectives.

Increases

At an individual employee level, the annual cost to company ("CTC") increases are determined by the individual's pay relative to the band he/she is in, as well as the performance of the individual in the role. A 6% increase was approved for all employees and was implemented in July 2021.

Non-executive directors

It is the group's policy to identify, attract and retain non-executive directors who can add significant value to Workforce.

The board applies principles of good corporate governance relating to directors' remuneration and also keeps abreast of changing trends. Governance of directors' remuneration is undertaken by the committee.

The committee takes cognisance of market norms and practices as well as additional responsibilities placed on the board members by new legislation and corporate governance principles.

The fees for non-executive directors exclude value-added tax ("VAT") and are recommended by the committee and will be approved by the shareholders at the AGM in May 2023.

Non-executive directors receive a base fee for their board membership and an attendance fee per meeting. Board members only receive fees for meetings they attend as well as an ad hoc hourly fee where special attention was given to actions outside of the normal responsibilities.

The policy on remuneration for non-executive directors is that this should:

- Be market-related (having regard to the median fees paid and number of meetings attended by non-executive directors of companies of similar size and structure to similar sectors); and
- not be linked to the share price of Workforce.

The group pays for all travel and accommodation expenses incurred by directors to attend board and committee meetings.

Non-executive directors do not receive bonuses or share options, recognising that this can create potential conflicts of interest which can impair the independence that non-executive directors are expected to bring to bear in decision-making by the board.

The board wishes to recommend to shareholders an increase of 6% to the non-executive director fees. After benchmarking non-executive director fees with best practice, it was found that the chairman's fees were above the median. It is therefore recommended that the chairman's retainer fee remain unchanged and would not receive any fee for meetings attended. The fees are set out in the notice of AGM on page 150.

Voting and shareholder engagement

In order to actively promote fair, responsible and transparent remuneration and remuneration reporting, Workforce encourages engagement with shareholders on remuneration-related matters. The remuneration policy, as well as the implementation report, will be tabled for two separate non-binding advisory votes by shareholders at the AGM.

The committee will initiate shareholder engagement with dissenting shareholders, should 25% or more of the shareholders vote against either or both the remuneration policy or the implementation report.

Part 3 – Remuneration implementation report

The remuneration implementation report details the outcomes following the implementation of the approved remuneration policy detailed on pages 76 to 77 of the integrated annual report.

2022 Total cost of employment ("TCOE") and increases

The TCOE salaries for executive directors, as stated in note 22 on pages 140 to 141 of the audited financial statements, and other employees of the group have been increased as follows effective 1 July 2022:

	TCOE 2022 % increase	TCOE 2021 % increase
Executive directors		
RS Katz	**7**	11
WP van Wyk	**15**	21
Prescribed officers/ Cluster heads		
SB Herscovitz	**17**	(2)
S Momberg	**18**	21
DS McMillan	**7**	23
RB Malkin	**5**	11
E Vanassche	**13**	10
J Kruger	**5**	9

Refer to note 22 on pages 140 to 141 for a detailed breakdown of executive directors and prescribed officers' remuneration.

The TCOE as earned by executive directors and prescribed officers for the period 2022 are as follows:

	TCOE 2022 R'000	TCOE 2021 R'000
Executive directors		
RS Katz	**4 727**	4 400
WP van Wyk	**3 434**	2 980
Prescribed officers/ Cluster heads		
SB Herscovitz	**5 398**	4 610
S Momberg	**6 060**	5 140
DS McMillan	**4 698**	4 372
RB Malkin	**3 155**	3 006
E Vanassche	**3 326**	2 932
J Kruger	**2 982**	2 846
Total	**33 780**	30 286

2022 Annual incentive bonus

The awarding of annual incentive bonuses for the year ended 31 December 2022 was in line with the group's remuneration policy and stipulated allocation levels, which payments have been detailed on pages 140 to 141 of the integrated report under note 22 "remuneration implementation report". The total short-term incentives ("STI") payable to members of the executive directors and the prescribed officers are as follows:

	2022 annual incentive bonus R'000	2021 annual incentive bonus R'000
Executive directors		
RS Katz	**350**	315
WP van Wyk	**250**	235
Prescribed officers/ Cluster heads		
SB Herscovitz	**2 524**	1 904
S Momberg	**1 890**	1 240
DS McMillan	**2 043**	2 051
RB Malkin	**143**	140
E Vanassche	**375**	170
J Kruger	**505**	500
Total	**8 080**	6 555

2022 Long-term incentives ("LTI")

There was no LTI remuneration made to executive directors and prescribed officers for the period 2021 or 2022. A new, more relevant LTI were being developed.

	2022 LTIP payments R'000	2021 LTIP payments R'000
Executive directors	**–**	–
Prescribed officers/ Cluster heads	**–**	–

Non-executive directors' remuneration

The participation of non-executive directors is essential to the group achieving its strategic objectives. Non-executive directors' fees are therefore recommended by the executive directors and the remuneration and nominations committee with this in mind.

In accordance with the Companies Act, and the company's memorandum of incorporation ("MOI"), non-executive directors' fees are approved by the shareholders at the AGM. The current fee levels are approved by shareholders at the AGM to be held on 26 May 2023 and are stated on page 150 of the notice of AGM included in this integrated annual report.

The total amount spent on non-executive directors' fees for 2022 and 2023 are as follows:

	2022 R'000	2021 R'000
Non-executive directors' fees	**1 118**	1 449

Directors' service contracts

There are no fixed-term service contracts for executive or non-executive directors. The remuneration and nominations committee reviewed the employment contracts of the chief executive officer and financial director during the year under review and found them still to be appropriate to meet the needs of the company.

5 ANNUAL FINANCIAL STATEMENTS

Directors’ responsibility statement

The directors are responsible for the preparation and fair presentation of the company and group annual financial statements, comprising the directors’ report, statements of financial position as at 31 December 2022, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, a summary of significant accounting policies and the notes to the financial statements, in accordance with International Financial Reporting Standards (“IFRS”), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and in the manner required by the Companies Act.

The directors’ responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors’ responsibilities also include maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements. The directors have made an assessment of the company’s and group’s ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The directors have reviewed the group’s cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that Workforce and its subsidiaries have, or have access to, adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Directors' approval

The directors acknowledge and accept full responsibility for the preparation and integrity of the information presented in the company and group annual financial statements for the year ended 31 December 2022.

The company and group annual financial statements of Workforce, which have been prepared in accordance with the Companies Act, and comply with IFRS, were approved by the board of directors on 29 March 2023 and are signed on their behalf by:

JR Macey
Independent Chairman

RS Katz
Chief Executive Officer

W van Wyk
Group Financial Director

Significant areas of judgement

CEO and financial director responsibility statement

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 80 to 143, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

RS Katz
Chief Executive Officer

W van Wyk
Group Financial Director

Declaration by the company secretary

In terms of section 58(2) of the Companies Act, and Companies Regulations 2011, I certify that, to the best of my knowledge, Workforce Holdings Limited has lodged with the Registrar of Companies, all such returns that are required of a public company in terms of the Companies Act and further, that such returns are true, correct and up to date.

Sirkien van Schalkwyk
Company Secretary

Johannesburg

29 March 2023

Audit and risk committee report to shareholders

Annual financial statements for the year ended 31 December 2022

The audit and risk committee has pleasure in submitting this report, which has been approved by the board and has been prepared in accordance with section 94(7) of the Companies Act and incorporating the recommendations of the King Report on Corporate Governance for South Africa, 2016 ("King IV™").

In summary, this committee assists the board in its responsibilities covering the:

- internal and external audit process for the group taking into account the significant risks;
- adequacy and functioning of the group's internal controls;
- integrity of the financial reporting; and
- risk management and information technology.

The committee has performed all the duties required in section 94(7) of the Companies Act.

Due to the size of the company, the board decided to combine the audit committee and risk committee and attend to both audit and risk responsibilities in one committee.

Members of the audit and risk committee and attendance at meetings

The committee, appointed by the board and approved by shareholders at the company's annual general meeting on 27 May 2022, comprised three independent non-executive directors, all of whom satisfied the requirements of section 94(4) of the Companies Act.

The audit and risk committee comprises three independent members, being Kyansambo Vundla (chairman), John Macey and Shelley Thomas. The committee acknowledges the recommendation by King IV™ that the chairman of the board should not be a member of the committee, but due to John Macey's extensive financial experience, decided that he remains a member of the committee.

The financial director, partner of the external auditors and the internal auditor attend meetings by invitation. The board is satisfied that the independence, experience and qualifications of each member enable them to fulfil the committee's mandate. In addition to the quarterly meetings, the committee meets at least once a year with the company's internal and external auditors, without management being present.

During the 2022 financial year, the committee met on four occasions and meetings were scheduled in line with the group's financial reporting cycle.

The audit and risk committee attendance are as follows:

Name and qualifications	Appointed	Designation	Experience	Attendance
Kyansambo Vundla BCom, HDip Acc, CA(SA)	**November 2010**	Independent chairman	**Over 25 years of experience in the financial services industry**	4/4 meetings
John Macey BBusSci (Hons), BCom (Hons), CA(SA)	**June 2009**	Independent member	**Over 35 years of experience in finance and financial management**	4/4 meetings
Shelley Thomas CA(SA)	**December 2016**	Independent member	**Over 25 years of experience in financial and risk management**	4/4 meetings
Standing invitees	Financial director, group head of finance, external auditor, internal auditor, company secretary			

The committee collectively has the necessary financial literacy, skills and experience to execute their duties effectively.

Role of the audit and risk committee

The audit and risk committee has reviewed its terms of reference, approved by the board, setting out its duties and responsibilities as prescribed in the Companies Act, King IV™ and incorporating additional duties delegated to it by the board.

The committee:

- fulfils the duties that are assigned to it by the Companies Act and as governed by other legislative requirements;
- assists the board in overseeing the quality and integrity of the group's integrated reporting process, including the financial statements and sustainability reporting, and announcements in respect of the financial results;
- ensures that an effective control environment in the group is maintained;
- reviewed and adopted a combined assurance model;
- provides the financial director, external auditors and the head of internal audit with unrestricted access to the committee and its chairman as is required in relation to any matter falling within the ambit of the committee;
- meets with the external auditors, senior managers and executive directors as the committee may elect;
- meets confidentially with the internal and external auditors without other executive board members and the company's financial team being present;
- reviews and recommends to the board the interim financial results and annual financial statements;
- oversees the activities of, and ensures coordination between, the activities of the internal and external auditors;
- fulfils the duties that are assigned to it by the Companies Act and as governed by other legislative requirements, including the statutory audit committee functions required for subsidiary companies;
- receives and deals with any complaints concerning accounting practices, internal audit or the content and audit of its financial statements or related matters;
- conducts reviews of the audit and risk committee's work plan and terms of reference every second year or as the need arises;
- assesses the performance and effectiveness of the audit committee and its members on a regular basis; and
- reviewed the proactive monitoring process in terms of the report from the JSE.

Execution of functions during the year

The committee is satisfied that, for the 2022 financial year, it has performed all the functions required to be performed by an audit and risk committee as set out in the Companies Act and the committee's terms of reference. The audit and risk committee discharged its functions in line with its terms of reference and ascribed to it in terms of the Companies Act during the year under review as follows:

External audit

The committee, among other matters:

- nominated Crowe as the external auditor to shareholders for appointment as auditor for the financial year ended 31 December 2022, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor. In November 2022, Craig George was appointed as the designated auditor and took over from Gary Kartsounis in terms of audit partner rotation;
- nominated the external auditor and the independent auditor for each material subsidiary company for reappointment;
- requested from the audit firm, the formal letter of their latest inspection performed by IRBA on Crowe JHB and Craig George, including any findings, if applicable, to the firm and/or individual;
- requested from Crowe JHB the information detailed in paragraph 22.15(h) of the JSE Listings Requirements in their assessment of the suitability for appointment of Crowe JHB and Craig George prior to their reappointment, which was presented in November 2022;
- reviewed the audit effectiveness and evaluated the external auditor's internal quality control procedures;
- obtained an annual confirmation from the auditor that their independence was not impaired;
- maintained a policy setting out the categories of non-audit services that the external auditor may and may not provide, split between permitted, permissible and prohibited services;
- approved non-audit services with Crowe JHB in accordance with its policy;
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor;
- obtained assurances from the external auditor that adequate accounting records were being maintained by the company and its subsidiaries;
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No 26 of 2005; and
- considered any reported control weaknesses, management's responses for their improvement and assessed their impact on the general control environment.

Although Crowe JHB has been the auditor of the group for 52 years, the committee is satisfied that Crowe JHB is independent of the group after taking the following factors into account:

- representations made by Crowe JHB to the committee;
- the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditor;
- the auditors' independence was not prejudiced as a result of any previous appointment as auditor;
- the criteria specified for independence by the Independent Regulatory Board for auditors and international regulatory bodies; and
- audit partners are rotating every five years.

During the reporting period, Gary Kartsounis was replaced as partner by Craig George in line with the five-year rotation principle.

Internal audit

The committee:

- reviewed and approved the internal audit charter and annual audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter;
- considered the reports of the internal auditor on the group's system of internal control including financial controls, business risk management and maintenance of effective internal control systems;
- received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or the disposal thereof; and
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings.

The head of internal audit reports functionally to the chair of the committee and administratively to the financial director.

Adequacy and functioning of the group's internal controls

The committee reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, it also reviewed the reporting around the adequacy of the internal controls and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

After due care and proper consideration, the chief executive officer and financial director are satisfied that the annual financial statements for the year ended 31 December 2022 reflect an accurate reflection of the group's performance.

Financial reporting

The audit and risk committee ensures that the financial reporting to stakeholders fairly presents the state of affairs of the group. This covers the annual financial statements, integrated report, interim and preliminary reporting.

The committee, among other matters:

- confirmed the going concern as the basis of preparation of the interim and annual financial statements;
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate;
- examined and reviewed the interim and annual financial statements, as well as all financial information disclosed prior to the submission to the board for their approval and then for disclosure to stakeholders;
- ensured that the annual financial statements fairly present the financial position of the company and of the group as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the group was determined to be a going concern;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed the external auditor's audit report and key audit matters included;
- reviewed the representation letter relating to the annual financial statements which were signed by management;
- considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements;
- considered accounting treatments, significant unusual transactions and accounting judgements; and
- has confirmed that Workforce has, with consideration to all entities included in the consolidated group IFRS financial statements, established appropriate financial reporting procedures and that those procedures are operating to ensure that it has access to all the financial information of Workforce to allow Workforce to effectively prepare and report on the financial statements.

Significant areas of judgement

In arriving at the figures disclosed in the financial statements there are many areas where judgement was needed. These are outlined in accounting policies note 2.22.1 to the annual financial statements. The audit and risk committee has looked at the quantum of the assets and liabilities on the statements of financial position and other items that require significant judgement and decided to note the following:

- Internally generated software: audit evidence obtained from the adapted audit approach and found to be sufficient and appropriate;
- Impairment of goodwill and intangible assets: reviewed and found this item to be fairly stated, in all material respects;
- Invoice discounting facility: audit evidence obtained and found to be sufficient and appropriate; and
- Deferred tax: reviewed and found this item to be fairly stated, in all material respects audit evidence obtained and found to be sufficient and appropriate.

Risk management and information technology (“IT”) governance

The committee:

- adopted an updated IT strategy that was being implemented;
- reviewed IT terms of reference for the group IS committee;
- oversaw the value delivery on IT and monitored the return on investments on significant IT projects;
- ensured that intellectual property contained in information systems is protected;
- ensured that adequate business arrangements are in place for disaster recovery;
- ensured that all personal information is treated by the company as an important business asset and is identified; and
- reviewed and recommended to the board for approval of any policies proposed by management and relevant to the areas of responsibility of the committee.

Legal and regulatory requirements

To the extent that these may have an impact on the annual financial statements, the committee:

- reviewed legal matters that could have a material impact on the group;
- reviewed the adequacy and effectiveness of the group’s procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- monitored complaints received via the group’s whistleblowing service; and
- considered reports provided by management, internal audit and external auditors regarding compliance with legal and regulatory requirements.

Expertise and experience of the financial director and the financial function

As required by paragraph 3.84(g) of the JSE Listings Requirements, the committee has satisfied itself that the financial director, Willie van Wyk, has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skill set of the finance function met the group’s requirements.

Election of committee at the annual general meeting

Pursuant to the provisions of section 94(2) of the Companies Act, which requires that a public company must elect an audit committee at each annual general meeting, it is proposed in the notice of annual general meeting to be held on 26 May 2023 that Kyansambo Vundla, John Macey and Shelley Thomas be reappointed as members of the audit and risk committee until the next annual general meeting in 2024.

Evaluation of the committee

The committee conducted a self-evaluation of its performance and, although the result was satisfactory, members agreed on the ongoing focus areas of the committee as follows:

- embedding the Internal Financial Control Framework across the group;
- implementing the IT Strategy; and
- ensuring that IT security is actively being monitored.

Audit and risk committee report to shareholders *(continued)*

Integrated report

Following the review by the committee of the consolidated annual financial statements of Workforce Holdings Limited for the year ended 31 December 2022, the committee is of the view that in all material aspects they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards and fairly present the consolidated and separate financial positions at that date and the changes in equity, results of operations and cash flows for the year then ended. The committee has also satisfied itself with the integrity of the integrated report and the sustainability information reported therein.

Recommendation of the integrated report for approval by the board

Having achieved its objectives, the committee has recommended the annual financial statements and the integrated report for the year ended 31 December 2022 for approval by the board. The board has subsequently approved the reports, which will be open for discussion at the forthcoming annual general meeting.

Kyansambo Vundla
Audit and risk committee chairman

29 March 2023

Independent auditor's report

To the shareholders of Workforce Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Workforce Holdings Limited and its subsidiaries ("the group") set out on pages 94 to 143, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2022, and its consolidated financial performance and consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the group 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 in South Africa. We have fulfilled our other ethical responsibilities, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Information Systems general control environment Information Systems are seen as an integral element of the operations of the group. Through the testing of general IT controls in the audit, we obtained audit evidence that elements of the general IT control environment were not functioning effectively. The increased level of risk associated with the internal control environment caused us to modify our planned audit approach.	Our audit procedures were designed in such a manner so as to limit the reliance placed on the functioning of the general IT control environment. The nature and extent of our audit procedures was adapted in order to obtain assurance which reduced our audit risk to an acceptable level, taking into account the increased assessed control risk. We consider the audit evidence obtained from the adapted audit approach to be sufficient and appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill Under IFRS, the group is required to annually test goodwill for impairment. The test compares the carrying amount of the asset with its recoverable amount, which is the higher of its fair value less costs to sell (if known) and its value in use. Forecasting future cash flows and applying an appropriate discount rate, inherently involves a high degree of estimation and judgement by management. We have determined this to be a key audit matter due to the judgement required by management in preparing a "value-in-use" model to satisfy the impairment test. Details of the assumptions and estimations used has been disclosed in note 3.	Our audit procedures focused on evaluating and challenging the key assumptions applied by management in conducting the impairment review. These procedures included, amongst others, the following: ▪ Reviewed the model for compliance with IAS 36: *Impairment of Assets*; ▪ Verified the mathematical accuracy and methodology appropriateness of the underlying model calculations; ▪ Evaluate the cash flow projections and the process by which they were developed, comparing the cash flows to the latest budgets, and assessing the historical accuracy of the budgeting process; ▪ Assess the reasonability and appropriateness of the key inputs; ▪ Perform a sensitivity analysis of the key assumptions in the model; and ▪ Assess the key growth rate assumptions by comparing them to historical results, economic and industry forecasts, and assessing the discount rate by reference to the cost of capital of the group. We assessed the disclosures made for compliance with International Financial Reporting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Workforce Holdings Limited Integrated Annual Report 2022" and in the document titled "Workforce Holdings Limited Separate Financial Statements for the year ended 31 December 2022", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Crowe JHB has been the auditor of Workforce Holdings Limited for 51 years.

Crowe JHB

Craig George
Partner
Registered Auditor

30 March 2023

9 Autumn Street
Rivonia
2191

Directors' report

The directors present their report for the year ended 31 December 2022. This report does not form part of the audited financial statements.

Nature of business

Workforce is a holding company. Its subsidiaries provide human capital solutions that include temporary employment services, permanent placement recruitment, training and skills development, contractor on-boarding, healthcare and wellness, disability solutions, financial services, lifestyle benefits and business process outsourcing solutions.

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

Pledged securities

None of the prescribed officers within Workforce have pledged securities as guarantee/collateral during the course of the reporting period or at the present date. Should securities be pledged the necessary announcement will be made to the market.

Financial results

Financial results are discussed in detail in chapter 3 on pages 28 to 45 of the integrated annual report.

Subsidiaries

The company's directly owned subsidiaries are as follows:

	% holding
Workforce Financial Services Proprietary Limited	100
Workforce Training and Consulting Limited	100
RecruitCo Proprietary Limited	100
Workforce Holdings International Limited	100
Staffing and Outsourcing Holdings Limited	100
WFG Management Services Proprietary Limited	100
Global Healthcare Resources Proprietary Limited	100

Details of the subsidiaries indirectly held are set out below:

	% holding
DebtWorx Proprietary Limited	100
Essential Employee Benefits Proprietary Limited	100
Babereki Employee Support Services Proprietary Limited	100
EEB Solutions Proprietary Limited	100
FeelBetterFast Proprietary Limited	50
Arnocure Proprietary Limited	100
GetSavvi Consult Proprietary Limited	100
GetSavvi Health Proprietary Limited	100
Training Force Proprietary Limited	100
Prisma Training Solutions Proprietary Limited	100
KBC Health and Safety Proprietary Limited	100
The Cyber Academy Proprietary Limited	51
Talent Factor Proprietary Limited	100
UNI Education Group Proprietary Limited	100
Dyna Training Proprietary Limited	100
Dyna Training Namibia Proprietary Limited	100
WFGNAM Training Force	100
NQ Plus Networks Proprietary Limited	100
Dyna Industrial and Training Development Proprietary Limited	100
Depostep Proprietary Limited	75
Sikelela Skills Academy Proprietary Limited	100
OpenSource Intelligent Solutions Proprietary Limited	100
Fempower Personnel Proprietary Limited	100

	% holding
Programme Process Outsourcing Proprietary Limited	100
Workforce Staffing Proprietary Limited	100
Workforce Outsourcing Proprietary Limited	100
Worldwide Staffing Proprietary Limited	100
Interchange Business Consulting Proprietary Limited	100
Oxyon People Solutions Proprietary Limited	100
Quyn International Outsourcing Proprietary Limited	100
Molapo Quyn Proprietary Limited	100
Quyn Payroll & HR Services Proprietary Limited	100
Sizuluntu Staffing Solutions Proprietary Limited	48
Sizuluntu Projects Proprietary Limited	47
TWG Mauritius	100
FADS Proprietary Limited	100
Workforce Finance Proprietary Limited	100
Workforce Software Proprietary Limited	100
Workforce Outsourcing Proprietary Limited	100
Rapitrade 465 Proprietary Limited	100
Workforce Healthcare Proprietary Limited	50
Allmed Healthcare Professionals Proprietary Limited	100
Nursing Emergencies Proprietary Limited	100
Jet Talent Proprietary Limited	50
Only the best Proprietary Limited	100
Teleresources Proprietary Limited	100
Africa Upskill Proprietary Limited	100
Gauteng Wage Bureau Proprietary Limited	100
Flexi Talent Proprietary Limited	100
People First Proprietary Limited	100
Pha Phama Africa Investments Proprietary Limited	100
Pha Phama Africa Staff Services Proprietary Limited	100

Details of the consolidated structured entities are set out below:
The Pha Phama Africa Employee Trust and Arnocure Trust with its subsidiaries, are consolidated in line with the requirements of IFRS 10: *Consolidated Financial Statements.*

The subsidiary of the share trust is the beneficial owner of 14 370 000 (2021: 14 370 000) shares in Workforce Holdings Limited. The fair value of these shares amounted to R7 638 000 (2021: R7 965 000) and the loan outstanding is R9 111 761 (2021: R9 111 761).

	2022 R'000	2021 R'000
Aggregate profits of subsidiaries attributable to the holding company is as follows:	105 173	92 616

Share capital

Details of the company's authorised and issued share capital at 31 December 2022 are shown in note 8 to the financial statements. No changes were made to the authorised and issued ordinary share capital during the year under review.

Employee share empowerment scheme

The Pha Phama Africa Employee Empowerment Trust was formed for the purpose of providing an opportunity for previously disadvantaged employees of the group to participate in the group's growth and success.

Borrowings

In terms of the memorandum of incorporation, the directors have unlimited borrowing powers. Interest-bearing borrowings comprise loans, instalment sale agreements, cession of trade receivables, as well as a short-term loan facility.

Special resolutions

1. It was resolved that the non-executive directors' remuneration was approved with effect from 1 January 2022 until the next annual general meeting.
2. It was resolved that approval was provided authorising the group to provide direct or indirect financial assistance to any related or inter-related companies.
3. It was resolved that a general approval was received for the company to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, subject to the provisions of sections 46 and 48 of the Companies Act as amended and the JSE Listings Requirements.

Directors

The directors of the company for the financial year and up to the date of this report are as follows:

Executive directors

RS Katz
WP van Wyk

Non-executive directors

JR Macey (Independent chairman)
S Naidoo
S Thomas (Independent)
KN Vundla (Independent)
I Ross (resigned 7 November 2022)

Group statement of financial position

as at 31 December 2022

	Notes	2022 R'000	Restated* 2021 R'000	Restated* 2020 R'000
Assets				
Non-current assets		**493 649**	485 767	448 525
Right-of-use assets	1	**40 589**	46 768	57 126
Property, plant and equipment	2	**27 521**	27 505	20 651
Goodwill	3	**253 412**	253 412	215 780
Intangible assets	4	**62 240**	68 986	77 325
Deferred tax assets	5	**102 829**	82 190	71 012
Financial assets	6	**7 058**	6 906	6 631
Current assets		**1 172 300**	962 546	851 308
Financial assets	6	**15 877**	21 154	–
Trade and other receivables	7	**1 079 002**	854 866	765 459
Consumables		**4 682**	3 917	3 907
Taxation		**4 704**	3 653	2 675
Cash and cash equivalents		**68 035**	78 956	79 267
Total assets		**1 665 949**	1 448 313	1 299 833
Equity and liabilities				
Equity		**914 803**	805 588	716 996
Equity attributable to owners of the parent		**908 842**	799 754	713 318
Stated capital	8	**234 051**	234 051	234 051
Treasury shares	8	**(13 563)**	(13 563)	(13 075)
Foreign exchange differences on translation of foreign operations		**(3 866)**	(3 507)	(2 444)
Equity-settled employee benefits reserve	23	**6 701**	9 995	5 555
Retained earnings		**685 519**	572 778	489 231
Non-controlling interests		**5 961**	5 834	3 678
Non-current liabilities		**102 298**	70 410	70 730
Financial liabilities	9	**59 779**	29 887	21 026
Lease liabilities	1	**28 885**	36 946	47 313
Deferred tax liabilities	5	**13 634**	3 577	2 391
Current liabilities		**648 848**	572 315	512 107
Trade and other payables	10	**266 043**	233 807	243 862
Financial liabilities	9	**362 956**	321 660	253 807
Lease liabilities	1	**19 849**	16 848	14 438
Total equity and liabilities		**1 665 949**	1 448 313	1 299 833

** See note 25.*

Group statement of comprehensive income

for the year ended 31 December 2022

	Notes	2022 R'000	Restated* 2021 R'000
Revenue	11	**4 327 959**	3 503 798
Cost of sales		**(3 405 135)**	(2 708 511)
Gross profit		**922 824**	795 287
Other income	14	**615**	3 345
Operating costs		**(755 146)**	(645 991)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")		**168 293**	152 641
Fair value adjustments	14	**10 851**	5 212
Depreciation and amortisation		**(48 939)**	(55 772)
Finance income		**4 980**	1 537
Finance costs	12	**(36 669)**	(23 220)
Profit before taxation		**98 516**	80 398
Taxation	13	**7 143**	6 504
Profit after tax	14	**105 659**	86 902
Other comprehensive income:			
Other comprehensive income after tax			
Items that are reclassified to profit or loss:			
Foreign loss		**(359)**	(1 063)
Exchange differences on translating foreign operations		**(359)**	(1 063)
Total comprehensive income for the year		**105 300**	85 839
Profit for the year attributable to:			
Owners of the parent		**105 532**	89 058
Non-controlling interests		**127**	2 156
		105 659	86 902
Total comprehensive income attributable to:			
Owners of the parent		**105 173**	87 995
Non-controlling interests		**127**	2 156
		105 300	85 839
Earnings per share (cents per share)			
Basic earnings per share	15	**46,7**	39,0

* *See note 25.*

Group statement of changes in equity

for the year ended 31 December 2022

	Attributable to owners of the parent							
	Share capital and premium R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Equity-settled employee benefits reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 January 2021 as previously reported	234 051	(13 075)	(2 444)	5 555	506 477	730 564	3 678	734 242
Adjustment (refer to note 25)	–	–	–	–	(17 246)	(17 246)	–	(17 246)
Balance at 1 January 2021 restated	234 051	(13 075)	(2 444)	5 555	489 231	713 318	3 678	716 996
Buy-back of shares	–	(488)	–	4 440	–	3 952	–	3 952
Payment of dividends	–	–	–	–	(1 199)	(1 199)	–	(1 199)
Total comprehensive income for the year	–	–	(1 063)	–	93 679	92 616	2 156	94 772
Adjustment (refer to note 25)	–	–	–	–	(8 933)	(8 933)	–	(8 933)
Balance at 1 January 2022 restated	**234 051**	**(13 563)**	**(3 507)**	**9 995**	**572 778**	**799 754**	**5 834**	**805 588**
Buy-back of shares	**–**	**–**	**–**	**4 282**	**–**	**4 282**	**–**	**4 282**
Issue of ordinary shares under share option plan	**–**	**–**	**–**	**(7 576)**	**7 576**	**–**	**–**	**–**
Payment of dividends	**–**	**–**	**–**	**–**	**(367)**	**(367)**	**–**	**(367)**
Total comprehensive income for the year	**–**	**–**	**(359)**	**–**	**105 532**	**105 173**	**127**	**105 300**
Balance at 31 December 2022	**234 051**	**(13 563)**	**(3 866)**	**6 701**	**685 519**	**908 842**	**5 961**	**914 803**
Notes	8	8		23				

Group statement of cash flows

for the year ended 31 December 2022

	Notes	2022 R'000	2021 R'000
Cash generated from operations before net working capital changes		**127 350**	118 043
Cash generated from operations	16	**157 933**	140 112
Finance income		**4 980**	1 537
Finance costs		**(31 073)**	(17 064)
Taxation paid	16	**(4 490)**	(6 542)
Decrease in net working capital	16	**(192 665)**	(147 330)
Cash flows from operating activities		**(65 315)**	(29 287)
Cash flows from investing activities		**(7 289)**	(17 707)
Property, plant and equipment acquired	2	**(10 168)**	(15 606)
Dividend income		**–**	1 000
Intangible assets acquired	4	**(2 398)**	(1 708)
Loans advanced		**(5 672)**	(127 669)
Repayment of loans advanced		**10 949**	147 200
Payment of contingent consideration for business combinations		**–**	(24 030)
Cash acquired on business combination		**–**	3 106
Cash flows from financing activities		**61 683**	46 683
Repayment of borrowings	16.4	**(24 018)**	(7 101)
Proceeds from borrowings		**122 795**	80 953
Payment of lease liabilities	16.4	**(19 837)**	(18 472)
Payment for buy-back of shares		**–**	(488)
Payment of existing contingent consideration on business combinations	16.4	**(16 890)**	(7 010)
Dividends paid		**(367)**	(1 199)
Net change in cash and cash equivalents		**(10 921)**	(311)
Cash and cash equivalents at the beginning of the year		**78 956**	79 267
Cash and cash equivalents at the end of the year		**68 035**	78 956

Accounting policies

for the year ended 31 December 2022

1. General information

Workforce is a holding company incorporated in South Africa. The registered address and principal place of business is disclosed under corporate information in the integrated annual report. The principal activities of the group are human capital solutions that include temporary employment services, permanent placement recruitment, training and skills development, contractor on-boarding, healthcare and wellness, disability solutions, financial services, lifestyle benefits and business process outsourcing solutions.

2. Summary of accounting policies

The significant accounting policies that have been used in the preparation of the group annual financial statements are summarised below. The annual financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

2.1 Statement of compliance

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the IFRS Interpretations Committee ("IFRIC"), and comply with the financial reporting pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Listings Requirements and the requirements of the Companies Act, 2008 (Act 71 of 2008), as amended, as well as the company's memorandum of incorporation.

2.2 Basis of preparation

The annual financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value.

The preparation of the annual financial statements was supervised by the Financial Director, W van Wyk, CA(SA).

The annual financial statements are presented in South African Rand ("ZAR"), the functional currency of the group and company and all amounts are rounded to the nearest thousand, except when otherwise indicated.

2.3 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The principal accounting policies are set out below.

2.4 Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the group and entities (including consolidated structured entities) controlled by the group (its subsidiaries). Control is achieved when the company has power over the investee, it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Where necessary, adjustments are made to the annual financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the group. All subsidiaries have a reporting date of 31 December 2022. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit.

2. Summary of accounting policies *(continued)*

2.5 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the annual financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the group's accounting policies.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition, to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Cash payments at acquisition of a business are classified as cash flows from investing activities. Cash payments which reduce contingent consideration liabilities, from acquisitions reported in prior periods, are classified as cash flows from financing activities.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Segment reporting

In identifying its operating segments, management generally follows the group's service lines, which represent the main services provided by the group and is consistent with the way these results are reviewed by the decision-makers. For segmental reporting purposes, the group is organised into four main reporting segments namely staffing and outsourcing (incorporating recruitment and Africa), training, healthcare, and financial services. Each of these segments is managed separately as each of these service lines requires different technologies and other resources.

2. Summary of accounting policies *(continued)*

2.6 Segment reporting *(continued)*

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment. These transactions are eliminated on consolidation. Segment assets and liabilities comprise operating assets and liabilities directly attributable to the segment, or which could reasonably be assigned to the segment. Performance is measured based on profit before interest and tax.

2.7 Revenue recognition

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

The company generates revenue from the rendering services, selling goods as well as through financial services. These can be described further below:

Revenue type	Includes	Recognition driver	Transfer of control
Services **Staffing and outsourcing**	Staffing solutions	As employees render services	Over time based on employee labour hours
	Placement fees	On commencement of employment	Point in time when the placement begins employment with the customer
	Payroll management	As service is rendered	Over time based on performance completed to date
	Consulting services	As service is rendered or projects completed	Over time/point in time depending on service
Training	Accredited courses, education and training	As service is rendered	Over time based on performance completed to date
Loan fee income	Lending services	When services are provided	Over time based on performance completed to date
Commissions	Funeral cover	When services are provided	Over time based on performance completed to date
Healthcare	Medical cover, healthcare, wellness programmes and health risk assessments	As and when the services are provided	For nursing services – over time based on employee labour hours, for other services – over time based on performance completed to date
Goods **Financial services**	Cell phones	Sale of handset – when the buyer takes delivery of the goods. Sale of data – as the customer uses the data	Point in time – over time
Other **Interest**	Interest on financial services provided	Accrued as earned	Over time
Dividends	Dividends received	When the right to receive payment is established	Point in time

Staffing and outsourcing revenue contains variable consideration. The estimate for the variable consideration is not typically constrained, the group has an obligation to refund customers if permanent staff placements are unsuccessful within the first three months of the employee being placed.

2. Summary of accounting policies *(continued)*

2.8 Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attached to them and that the grants will be received.

Government grants for staff training costs are recognised in profit and loss over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis and are deducted in reporting the related expense.

Government grants that are receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the group with no future-related costs, are recognised in profit or loss in the period in which they become receivable.

2.9 Cost of sales

Cost of sales primarily comprises the cost of services provided. Cost of sales also includes: the cost of wages, wage-related provisions, uniforms, other related subcontractor costs.

2.10 Finance costs

Finance costs primarily comprise interest on the group's borrowings. All finance costs are recognised in profit or loss in the period in which they are incurred. For cash flow purposes, finance costs are allocated to operating activities as they enter into the determination of profit and loss.

Finance costs are determined using the effective interest rate method of calculation.

2.11 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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.

Land and buildings are carried at cost less impairment.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, depreciation methods and residual values are reviewed at each year end, with the effect of any changes, accounted for on a prospective basis.

The estimated average useful lives are as follows:

	Years
Computer equipment	**3**
Industrial equipment	**4**
Leasehold improvements	**5**
Motor vehicles	**4**
Office equipment	**5**
Land	**Indefinite**
Buildings	**20**
Training manuals	**5**

2.12 Intangible assets

Intangible assets acquired separately

Intangible assets are initially measured at cost. Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2. Summary of accounting policies *(continued)*

2.12 Intangible assets *(continued)*

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

Internally-generated computer software – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Internally-generated computer software arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the computer software so that it will be available for use or sale;
- the intention to complete the computer software and use or sell it;
- the ability to use or sell the computer software;
- how the computer software will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the computer software; and
- the ability to measure reliably the expenditure attributable to the computer software during its development.

The amount initially recognised for internally-generated computer software is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated computer software is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

	Years
Computer software	2 to 5
Client relationships	3
Brand names	3
Training course accreditation	3

Intangible assets with a finite life are assumed to have a residual value of nil.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.13 Impairment of goodwill, property, plant and equipment and other intangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. Summary of accounting policies *(continued)*

2.13 Impairment of goodwill, property, plant and equipment and other intangible assets *(continued)*

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount, exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management. The recoverable amount is the higher of fair value less cost to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Impairment losses for cash-generating units first reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged *pro rata* to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised, may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

When inventories are sold, the carrying amount of those inventories is 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.

2.15 Taxation

Tax expense recognised in profit and loss comprise the sum of deferred tax and current tax not recognised in the other comprehensive income or directly in equity.

The 2022 tax calculations were done based on the proposed decrease in the South African tax rate from 28% to 27% announced by the Minister of Finance in the February 2021 Budget Speech, and can therefore be said as at 31 December 2022 the new tax rate has been taken into account for purposes of financial reporting,

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The group is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for individual subsidiaries in the group and the probable reversal of taxable temporary differences in future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Summary of accounting policies *(continued)*

2.15 Taxation *(continued)*

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

2.16 Equity, reserves and dividends paid

Stated capital

Stated capital represents the value of shares that have been issued. Shares are classified as equity when there is no obligation to transfer cash or assets. Incremental costs directly related to the issue of new shares are shown as a deduction from equity.

Treasury shares

Where the group or other consolidated subsidiaries purchase the group's equity investment in Workforce group's shares, the consideration paid, including directly attributable incremental costs, is deducted from the total shareholders' equity as treasury shares until they are sold. Fair value changes recognised in the subsidiary's annual financial statements on equity investments in the holding group's shares, are reversed on consolidation and dividends received are eliminated against dividends paid. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental costs, is included in shareholders' equity.

Empowerment trust

The group's employee empowerment incentive scheme is operated through a trust and its subsidiary company. The trust is a consolidated structured entity.

The share trust purchased shares for a share incentive scheme to benefit previously disadvantaged employees and to allow the group to meet its objective of achieving its broad-based black economic empowerment scorecard requirements. The purchase of the shares by the share trust is treated as a reduction in the group's equity. For the purpose of the earnings per share calculation, the weighted average number of shares in issue is reduced by the number of shares held by the trust.

2.17 Contingencies

The group applies judgement in assessing the potential outcome of uncertain legal matters. The group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised. The group has disclosed contingent liabilities where economic outflows are considered possible but not probable.

2.18 Retirement benefit costs

Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered services entitling them to the contributions.

2.19 Financial instruments

Recognition and derecognition

Financial instruments are recognised when the group becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than those at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value are recognised through profit or loss.

2. Summary of accounting policies *(continued)*

2.19 Financial instruments *(continued)*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2.19.1 Financial assets

Classification and initial measurement of financial assets

The classification is determined by both:

- The group's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income.

Subsequent measurement

Financial assets at amortised cost

Financial assets are measured at amortised cost where the group's business model is to hold the financial assets and collect its contractual cash flows and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Advances

Advances are non-derivative financial assets with fixed payments that are not quoted in the active market. The advances arise when the group provides money or goods directly to a debtor through the lending services and sale of goods. These advances are in the form of personal unsecured loans and are paid back in fixed equal instalments. Origination fees and monthly service fees that are integral to the effective interest rate are capitalised to the value of the loan and amortised to profit or loss over the contractual life of the loan using the effective interest rate method. (See note 7 on trade and other receivables.)

Advances are measured at amortised cost using the effective interest rate method, less any impairment losses through the use of an allowance account whereby the amount of the losses are recognised in profit or loss.

The significant financing component on the sale of goods is recognised using the effective interest method over the period of the contract.

Financial assets at fair value through profit or loss ("FVTPL")

The group holds an investment in an unconsolidated structured entity in the form of a cell captive. This investment does not fall within the business model to "hold to collect" or "hold to collect and sell" and its contractual cash flows are not solely payments of principal and interest, it is therefore accounted for as a financial asset mandatorily measured at FVTPL. (See note 6 on financial assets.)

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. Fair value is determined in the manner described in note 18.

Financial assets at fair value through other comprehensive income ("FVTOCI")

The group has elected to designate its equity investments in listed shares at FVTOCI. This is an irrevocable election permitted where the instruments meet the definition of equity under IAS 32: *Financial Instruments: Presentation* and are not held for trading.

Dividends received on these investments are recognised in profit or loss. Any gains or losses recognised in other comprehensive income ("OCI") will not be reclassified to profit or loss upon derecognition of the asset.

2. Summary of accounting policies *(continued)*

2.19 Financial instruments *(continued)*

2.19.1 Financial assets (continued)

Impairment of financial assets

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

When the trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit and loss. Changes to the carrying amount of the allowance account are recognised in profit and loss.

Trade and other receivables

The group uses an allowance account to recognise its credit losses on trade and other receivables. It applies the simplified approach of recognising lifetime ECLs for the trade receivables. The group applied a practical expedient in measuring the expected credit loss, using a provision matrix in determining the impairment. This matrix uses the historical credit loss, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions at the reporting date. See note 7 for the impairment provisions. Historically the recoverability of the accounts receivable has been impacted by large losses in some of the acquired entities, we believe that these historical losses have been cleared and do not expect the high loss rates to continue.

These credit losses are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

In calculating the ECL, the company uses its historical experience, external indicators and forward-looking information using a provision matrix

When considering the forward-looking information, economic factors are considered, such as the unemployment rate, inflation and prevailing interest rates and those rates that are legislated for use within the microfinance environment, as governed by the National Credit Act. Additional considerations are taken into account when looking at the overall loan portfolio, specifically around the performance and strategies implemented to improve collection performance. These factors have been considered when determining the overall provision matrix within the ECL.

Advances

The group uses an allowance account to record its credit losses on advances, it applies the general impairment approach in determining the ECLs. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL) (see trade and other receivables note 7 and accounting policies).

Due to the nature of the advances, the group considers an advance in default when they are handed over to the legal process. However, in certain cases, the group may also consider an advance to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. An advance is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Summary of accounting policies *(continued)*

2.19 Financial instruments *(continued)*

2.19.1 Financial assets (continued)

The group has established a policy to perform an assessment, at the end of each reporting period, of whether an advance's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the group classifies its advances into stage 1, stage 2 and stage 3, as described below (the advances can alternate between stages):

- Stage 1: These are advances which are performing or partially performing with payment in the last 90 days. There are no further indicators of a significant increase in credit risk. When advances are first recognised, the group recognises an allowance based on 12-month ECLs. Stage 1 advances also include advances where the credit risk has improved, and the advance has been reclassified from stage 2. The advances included within stage 1 are those for temporary employees that are currently working, and the instalments are deducted from their salaries consistently.
- Stage 2: When an advance has shown a significant increase in credit risk since origination, the group records an allowance for the lifetime ECLs. Advances with no repayments within the last 90 days are classified to stage 2. This stage also includes advances, where the credit risk has improved, and the advance has been reclassified from stage 3. The advances included within this stage are those that the group still manages on a portfolio basis. Based on the history of the group, these might include advances where the borrower has not made payments, mainly due to non-employment. This is considered to increase the credit risk of the borrower, but advances are still expected to be recovered through a debt management process or re-employment of the borrower.
- Stage 3: Advances considered credit-impaired. The group records an allowance for the lifetime ECLs. The entity considers an advance in default and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower enters the legal stage of the advance management process. At this time the loans are managed individually.

The advances can move between stages based on their performance, i.e. an advance in stage 2 in the current year can move to a stage 1 loan in the next period if the lender's risk decreases, for example, the lender recovers and makes regular payments again.

The ECL calculations are performed on a portfolio basis, grouping the advances into those with similar credit risks and within those portfolios, using statistics derived from a five-year historical past performance of that portfolio, validated by external borrowers and taking into account any changes to collection procedures and projected future market conditions.

2.19.2 Financial liabilities

Financial liabilities at amortised cost

The company financial liabilities include trade and other payables. Financial liabilities are measured at fair value, and where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial liabilities at FVTPL

Contingent consideration of an acquirer in a business combination is measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

2.19.3 Fair value estimation

A number of the group's accounting policies and disclosures require the measurement of fair values. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 18 presents the group's assets and liabilities that are measured at fair value. The classification into different levels is based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:

- level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

2. Summary of accounting policies *(continued)*

2.19 Financial instruments *(continued)*

2.19.3 Fair value estimation (continued)

- level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

2.20 Share-based payment arrangements

Equity-settled share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 23.

Employees receive shares in settlement of the equity-settled share-based payment scheme. The employees are given the option of retaining the shares granted, or selling the shares on the open market

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity-settled employee benefits reserve.

2.21 Earnings per share ("EPS")

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the profit after tax attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after tax dilutive effect. The company has dilutive potential ordinary shares which comprise share options and share rights issued in terms of the group's share schemes.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2021 issued by the South African Institute of Chartered Accountants ("SAICA").

2.22 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.22.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations described in note 2.22.2 below, that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the annual financial statements. In the application of the group's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

2. Summary of accounting policies *(continued)*

2.22 Critical accounting judgements and key sources of estimation uncertainty *(continued)*

2.22.1 *Critical judgements in applying accounting policies (continued)*

Internally generated computer software

Computer software is an integral part of the group's operations. The group is constantly developing new software systems to deal with the rapid uptake of technology in the industry and the group itself. Technology applications of the group are researched as the needs are identified. When the software reaches development stage the group begins capitalising the related costs. Judgement is required to determine when the various criteria for development stage recognition have been met.

During the year R9 million (2021: R8 million) of employee costs were capitalised to software development.

Invoice discounting facility

The group is party to an invoice discounting arrangement with ABSA bank. Trade receivables are sold to ABSA. The group's business model is a "hold to collect" business model and the group's objective is to collect the contractual cash flows of the trade receivables. ABSA has full recourse against the group for all invoices purchased. Management have determined that the group continues to hold substantially all the risks and rewards of ownership of these assets and therefore the group continues to recognise these trade receivables.

Control over entities with 50% or less voting rights

Note 21.4 describes the following entities as subsidiaries of the group even though the group has 50% or less ownership and has 50% or less voting rights.

Entity	Voting rights
Workforce Healthcare Proprietary Limited	50%
Jet Talent Proprietary Limited	50%
Sizuluntu Staffing Solutions Proprietary Limited	48%
Sizuluntu Projects Proprietary Limited	48%
FeelBetterFast Proprietary Limited	50%

The directors have assessed whether the group has control over the above entities based on whether the group has other related rights sufficient to give it power over the companies. These entities are reliant on the group for funding of operations. The entities are also dependent on the group for the supply of critical services and technology. In addition the Workforce brand is controlled by the group and used by the entities as part of their marketing activities. The group is exposed to variable returns of these entities and also exercises control over the day-to-day activities. After assessment the directors concluded that they have sufficient related rights to give the group control over these entities.

Control over Pha Phama Africa Employee Empowerment Trust, Arnocure Trust and their subsidiaries

Note 21.4 describes Pha Phama Africa Employee Empowerment Trust, Arnocure Trust, and their subsidiaries, as a consolidated structured entity of the group. The directors assessed whether the group has control over the Trusts. The trustees are the parties who make decisions about the relevant activities of the trust, based on the fact that the trustees of the trust are required to be employees of the group who have been employed by the group for at least seven years, the directors concluded that they effectively have control over the Trusts.

2.22.2 *Key sources of estimation uncertainty*

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. The value-in-use calculation requires the entity to estimate future cash flows expected to arise from the cash-generating unit and to determine a suitable discount rate in order to calculate present value. In the process of measuring expected future cash flows management makes assumptions about future gross profits that relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the group's assets within the next financial year. Judgements and estimates employed in the goodwill impairment testing are discussed in more detail in note 3.

2. Summary of accounting policies *(continued)*

2.22 Critical accounting judgements and key sources of estimation uncertainty *(continued)*

2.22.2 Key sources of estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets arising from tax losses are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. The raising of deferred tax assets is a process that is based on certain assumptions about the ability of the group to generate future profits in order to utilise the future tax benefits. The assessment of the probability of future taxable income is based on the group's latest approved budget forecast. The recognition of deferred tax assets is assessed individually by management based on the specific facts and circumstances. Details of deferred tax assets are provided in note 5 of the notes to the group annual financial statements.

The group claims significant tax deductions for learnerships and ETI income. The combined tax benefit of these deductions amounts to approximately R35,6 million (2021: R39,5 million). A deferred tax asset for tax losses of approximately R66,6 million (2021: R40,6 million) was recognised on businesses claiming ETI and learnership deductions. The government has announced sunset clauses on these tax deductions.

The total deferred tax asset arising from tax losses of approximately R68,2 million (2021: R64,8 million) is expected to be recovered through taxable income earned from the normal operations of the business, as discussed above.

2.23 Leases

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate of the lessee. The weighted average incremental borrowing rate of the group is 11% (2021: 10,75%).

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the right-of-use asset. The depreciation starts the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

2.24 Foreign exchange transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

3. Standards and interpretations

3.1 Standards and interpretations issued and effective

IFRS 9: Financial Instruments

- Annual Improvements to IFRS Standards 2018 – 2020: The amendment clarifies which fees an entity includes when it applies the "10 per cent" test in assessing whether to derecognise a financial liability.

The effective date of the amendment is for periods beginning on or after 1 January 2022.

The amendment has been implemented in management's consideration of what they deemed to be material in the preparation of these financial statements.

IFRS 1: First-time Adoption of International Financial Reporting Standards

- Annual Improvements to IFRS Standards 2018 – 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

The effective date of the amendments is for periods beginning on or after 1 January 2022.

The amendment has been implemented in management's consideration of what they deemed to be material in the preparation of these financial statements.

IFRS 3: Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The effective date of the amendment is for periods beginning on or after 1 January 2022.

The amendment has been implemented in management's consideration of what they deemed to be material in the preparation of these financial statements.

IAS 37: Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

The effective date of the amendment is for periods beginning on or after 1 January 2022.

The amendment has been implemented in management's consideration of what they deemed to be material in the preparation of these financial statements.

3.2 Standards and interpretations issued but not yet effective

IFRS 17: Insurance Contracts

- IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.
- IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts.
- The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims.
- Insurance contracts are required to be measured based only on the obligations created by the contracts.
- An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums.
- This standard replaces IFRS 4: *Insurance Contracts*.

The effective date of the amendment is for periods beginning on or after 1 January 2023.

The amendment is not expected to have a material impact on the financial statements in the future.

3. Standards and interpretations *(continued)*

3.2 Standards and interpretations issued but not yet effective *(continued)*

IAS 1: Presentation of Financial Statements

- Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
- Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

The effective date of the amendment is for periods beginning on or after 1 January 2023.

The amendment is not expected to have a material impact on the financial statements in the future.

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

- Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

The effective date of the amendment is for periods beginning on or after 1 January 2023.

The amendment is not expected to have a material impact on the financial statements in the future.

IAS 12: Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

The effective date of the amendment is for periods beginning on or after 1 January 2023.

The amendment is not expected to have a material impact on the financial statements in the future.

IAS 16: Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The effective date of the amendment is for periods beginning on or after 1 January 2023.

The amendment is not expected to have a material impact on the financial statements in the future.

Notes to the group financial statements

for the year ended 31 December 2022

1. Right-of-use asset and lease liabilities

	Cost 2022 R'000	Accumulated depreciation 2022 R'000	Carrying value 2022 R'000	Cost 2021 R'000	Accumulated depreciation 2021 R'000	Carrying value 2021 R'000
Property	**90 679**	**(55 917)**	**34 762**	89 766	(48 952)	40 814
Motor vehicles	**10 539**	**(4 712)**	**5 827**	11 320	(5 366)	5 954
	101 218	**(60 629)**	**40 589**	101 086	(54 318)	46 768

The carrying value of right-of-use assets can be reconciled as follows:

	Property R'000	Motor vehicles R'000	Total R'000
Carrying value at 1 January 2021	51 743	5 383	57 126
Additions	6 258	5 513	11 771
Disposals	–	(1 256)	(1 256)
Depreciation	(17 187)	(3 686)	(20 873)
Carrying value at 1 January 2022	**40 814**	**5 954**	**46 768**
Additions	**11 479**	**3 900**	**15 379**
Disposals	**(406)**	**(196)**	**(602)**
Depreciation	**(17 125)**	**(3 831)**	**(20 956)**
Carrying value at 31 December 2022	**34 762**	**5 827**	**40 589**

The table below describes the nature of the group's leasing activities by type of right-of-use asset recognised on balance sheet:

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with options to purchase	Number of leases with variable payments linked to an index	Number of leases with termination options
Right-of-use asset							
Property	**38**	**12 to 36 months**	**24 months**	**38**	**–**	**–**	**38**
Motor vehicles	**56**	**12 to 36 months**	**24 months**	**56**	**–**	**–**	**56**

Depreciation on right-of-use assets and property, plant and equipment are included in "Depreciation and amortisation" in the statement of comprehensive income.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

	Within a year	2 to 3 years	3 to 6 years	Total
Minimum lease payments due				
31 December 2022				
Lease payments	**24 084**	**31 529**	**–**	**55 613**
Finance charges	**(4 235)**	**(2 644)**	**–**	**(6 879)**
Net present values	**19 849**	**28 885**	**–**	**48 734**
31 December 2021				
Lease payments	21 764	32 752	9 625	64 141
Finance charges	(4 916)	(5 055)	(376)	(10 347)
Net present values	16 848	27 697	9 249	53 794

2. Property, plant and equipment

	Cost 2022 R'000	Accumulated depreciation 2022 R'000	Carrying value 2022 R'000	Cost 2021 R'000	Accumulated depreciation 2021 R'000	Carrying value 2021 R'000
Computer equipment	**23 712**	**(16 810)**	**6 902**	20 986	(12 570)	8 416
Industrial equipment	**6 314**	**(4 590)**	**1 724**	9 288	(7 716)	1 572
Land and buildings	**2 223**	**–**	**2 223**	2 700	–	2 700
Leasehold improvements	**6 937**	**(2 617)**	**4 320**	4 896	(2 027)	2 869
Motor vehicles	**7 654**	**(5 428)**	**2 226**	8 359	(5 427)	2 932
Office equipment	**18 122**	**(12 332)**	**5 790**	14 236	(9 416)	4 820
Training manuals	**12 831**	**(8 495)**	**4 336**	11 171	(6 975)	4 196
	77 794	**(50 273)**	**27 521**	71 636	(44 131)	27 505

The carrying value of property, plant and equipment can be reconciled as follows:

	Computer equipment R'000	Industrial equipment R'000	Land and buildings R'000	Leasehold improve-ments R'000	Motor vehicles R'000	Office equipment R'000	Training manuals R'000	Total R'000
Carrying value at 1 January 2021	4 221	1 331	2 700	2 332	987	4 791	4 289	20 651
Additions	7 633	1 065	–	1 300	2 486	1 920	1 202	15 606
Disposals	(3)	(14)	–	(1)	(10)	–	–	(28)
Acquired through business combinations	126	–	–	–	514	86	–	726
Depreciation	(3 561)	(811)		(762)	(1 045)	(1 977)	(1 295)	(9 451)
Carrying value at 31 December 2021	**8 416**	**1 571**	**2 700**	**2 870**	**2 932**	**4 820**	**4 196**	**27 505**
Additions	**1 359**	**1 423**	**–**	**3 057**	**185**	**2 418**	**1 726**	**10 168**
Disposals	**–**	**(178)**	**–**	**–**	**(63)**	**(6)**	**–**	**(247)**
Impairment	**–**	**–**	**(477)**	**–**	**–**	**–**	**–**	**(477)**
Depreciation	**(2 873)**	**(1 092)**	**–**	**(1 607)**	**(828)**	**(1 442)**	**(1 586)**	**(9 428)**
Carrying value at 31 December 2022	**6 902**	**1 724**	**2 223**	**4 320**	**2 226**	**5 790**	**4 336**	**27 521**

Depreciation on property, plant and equipment are included in "Depreciation and amortisation" in the statement of comprehensive income. Land was impaired to the value of R477 000 (2021: Nil).

The net book value of motor vehicles held under instalment credit agreements at 31 December 2022 amounted to R3 616 360 (2021: R2 789 815). Refer to note 9 for details of the instalment credit agreements. Motor vehicles acquired during the year under instalment credit agreements amounted to R2 893 410 (2021: R2 089 710).

The group has no further contractual commitments to acquire property, plant and equipment at reporting date.

3. Goodwill

		2022 R'000	2021 R'000
Carrying value at the beginning of the year		**253 412**	215 780
Acquired through business combination		**–**	37 632
Carrying value at the end of the year		**253 412**	253 412
Staff Outsourcing cash-generating units	– Workforce Staffing	**4 275**	4 275
	– RecruitCo (formally Telebest Holdings)	**31 190**	31 190
	– OpenSource Intelligence Solutions	**17 067**	17 067
	– Allmed Healthcare Professionals	**5 815**	5 815
	– Quyn Group	**39 134**	39 134
	– Gcubed	**652**	652
	– Day-Click	**885**	885
	– Oxyon Human Capital Solutions	**8 977**	8 977
Financial Services cash-generating units	– GetSavvi Group	**20 565**	20 565
Training and Education cash-generating units	– Prisma Training Solutions	**21 221**	21 221
	– KBC Holdings	**22 331**	22 331
	– Talent Factor	**1 763**	1 763
	– Dyna Group	**56 750**	56 750
	– Chartall Group	**22 787**	22 787
		253 412	253 412

The recoverable amount of the above cash-generating units are determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates, growth rates, gross profit margins and expected cash flows. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and the risk specific to the industry. An average discount rate of 17,9% (2021: 18,4%) was used, as all cash-generating units share similar risk characteristics.

Long-term growth rates are based on long-term inflation expectations for South Africa. Sales growth rates, gross margins, operating costs and working capital are derived from historical data and approved forecasts.

	Average sales growth rates for budget period
Workforce Staffing	10,0%
RecruitCo (formally Telebest Holdings)	10,0%
OpenSource Intelligence Solutions	10,0%
Allmed Healthcare Professionals	10,0%
Quyn Group	7,5%
Gcubed	10,0%
Day-Click	10,0%
Oxyon Human Capital Solutions	10,0%
GetSavvi Group	10,0%
Prisma Training Solutions	10,0%
KBC Holdings	7,5%
Talent Factor	10,0%
Dyna group	10,0%
Chartall group	10,0%

3. Goodwill *(continued)*

The respective cash generating units are all forecasted to generate enough cash to support the underlying value of its respective goodwill.

The Quyn Group's expected recovery has been delayed as the significant infrastructure build projects it particpate in, will only commence in 2023. Additionally the group is undergoing a restructure process, which is forecasted to have an improved impact on its profitability. OpenSource intelligence solutions profitability has been negatively affected by a reduction in margins, albeit on the back of substantial revenue growth. Given the fact that the business is highly cash generative, with further turnover growth expected, the Goodwill value is well supported.

Management have performed a sensitivity analysis on the effect of changes of certain key assumptions on the recoverable amounts of the goodwill. The table below sets out the key assumptions and related sensitivities.

	Value %	Stressed value %	Potential impairment R'000
RecruitCo (formally Telebest Holdings)			
Budget period growth rate	10,0	5,0	42 830
Gross profit margins	17,0	15,0	43 524
Discount rate	17,9	20,9	32 384
Quyn Group			
Budget period growth rate	10,0	10,0	37 000
Gross profit margins	15,0	12,0	3 202
Discount rate	17,9	20,9	16 779
KBC Holdings			
Budget period growth rate	7,5	5,0	22 331
Gross profit margins	67,4	62,0	22 331
Discount rate	17,9	20,9	6 984
OpenSource intelligence Solutions			
Budget period growth rate	10,0	5,0	12 480
Gross profit margins	6,6	5,5	11 047
Discount rate	17,9	20,9	–

The other cash-generating units have not been included in the table above as the sensitivity analysis did not result in any potential impairment.

4. Intangible assets

	2022			2021		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Brands	210	(190)	20	210	(103)	107
Client relationships	65 349	(61 274)	4 075	65 349	(53 556)	11 793
Computer software	105 387	(49 229)	56 158	93 781	(42 762)	51 019
Training course accreditations	20 620	(18 902)	1 718	20 620	(14 778)	5 842
Development costs	269	–	269	223	–	223
	191 836	(129 595)	62 240	180 183	(111 199)	68 984

4. Intangible assets *(continued)*

The carrying amounts of intangible assets can be reconciled as follows:

	Brands R'000	Client relationships R'000	Computer software R'000	Training course accreditations R'000	Development costs R'000	Total R'000
Carrying value at 1 January 2021	53	13 249	53 924	9 966	133	77 325
Additions	–	–	1 618	–	90	1 708
Additions of internally generated software	–	–	8 000	–	–	8 000
Acquired through business combinations	91	7 308	–	–	–	7 399
Amortisation	(37)	(8 764)	(12 523)	(4 124)	–	(25 448)
Carrying value at 31 December 2021	**107**	**11 793**	**51 019**	**5 842**	**223**	**68 984**
Additions	**–**	**–**	**2 352**	**–**	**46**	**2 398**
Additions of internally generated software	**–**	**–**	**9 254**	**–**	**–**	**9 254**
Disposals at carrying value	**(43)**	**–**	**–**	**–**	**–**	**(43)**
Amortisation	**(44)**	**(7 718)**	**(6 467)**	**(4 124)**	**–**	**(18 353)**
Carrying value at 31 December 2022	**20**	**4 075**	**56 158**	**1 718**	**269**	**62 240**

The above amortisation expense is included in "Depreciation and amortisation of acquired intangible assets" in the statement of comprehensive income. No intangible assets have been impaired during the year (2021: Nil). Computer software is mostly internally generated, this constitutes development of processes and other software used within the group.

The group has no further contractual commitments to acquire intangible assets at reporting date. No restrictions exist over intangibles assets.

Included in intangible assets is computer software that is not considered integral to computer equipment.

When the software reaches development stage the group begins capitalising the related costs. Judgement is required to determine when the various criteria for development stage recognition have been met.

5. Deferred tax assets and liabilities

	2022 R'000	Restated* 2021 R'000
Balance at the beginning of the year	78 613	68 621
Acquired through business combinations	–	(2 074)
Movement per statement of comprehensive income	10 582	12 066
Balance at the end of the year	**89 195**	78 613

Deferred tax balances are presented in the statement of financial position as follows:

	2022 R'000	Restated* 2021 R'000
Deferred tax assets	102 829	82 190
Deferred tax liabilities	(13 634)	(3 577)
	89 195	78 613

Deferred tax assets/(liabilities) arise from the following:

	Opening balance R'000	Charge to profit or loss R'000	Closing balance R'000
2022			
Temporary differences			
Property, plant and equipment and intangible assets	(13 944)	1 813	(12 131)
Intangible assets – acquired through business combination	(2 074)	2 074	–
Right-of-use assets	–	(2 199)	(2 199)
ECL impairment allowances	15 534	(6 508)	9 026
Financial assets at fair value	(319)	(258)	(577)
Provision for leave	10 163	779	10 942
Income received in advance	5 336	11 741	17 077
Unearned initiation fee	812	(316)	496
Prepaid expenses	(1 286)	(155)	(1 441)
Fair value through profit and loss	(469)	219	(250)
Tax losses	64 860	3 392	68 252
	78 613	10 582	89 195

5. Deferred tax assets and liabilities *(continued)*

Restated*	Opening balance R'000	Charge to profit or loss income R'000	Acquired through business combination R'000	Closing balance R'000
2021				
Temporary differences				
Property, plant and equipment and intangible assets	(10 350)	(3 594)	–	(13 944)
Intangible assets – acquired through business combination	(13 436)	13 436	(2 074)	(2 074)
Right-of-use assets	1 296	(1 296)	–	–
ECL impairment allowances	12 093	3 441	–	15 534
Financial assets at fair value	(696)	377	–	(319)
Equity share-based payments	1 548	(1 548)	–	–
Provision for leave	4 704	5 459	–	10 163
Income received in advance	7 888	(2 552)	–	5 336
Unearned initiation fee	(581)	1 393		812
Prepaid expenses	(1 574)	288	–	(1 286)
Fair value through profit and loss	(646)	177	–	(469)
Tax losses	68 375	(3 515)		64 860
	68 621	12 066	(2 074)	78 613

The net movement in deferred tax balances was a decrease in deferred tax assets of R10.5 million. This is mainly due to decreases in deferred tax assets arising from tax losses in the group. The tax losses are driven by tax allowances claimed by the group for learnership contracts and by trading losses. Management expects sufficient future taxable income to be realised in order to utilise these tax losses. The tax allowances available for learnerships are currently set to expire with all learnerships registered on or before 31 March 2024. The learnership deduction for the current period amounted to approximately R53 million (2021: R50 million), without these tax deductions the group would have generated taxable income.

6. Financial assets

	2022 R'000	2021 R'000
Non-current	**7 058**	6 906
Fair value through profit and loss		
Listed shares		
4 616 907 (2021: 4 616 907) shares in Primeserv Limited at fair value	**5 541**	5 079
The above instrument has been designated as fair value through other comprehensive income as it is not held for trading.		
Investment in cell captive	**1 517**	1 827
Current		
Amortised cost		
Loans receivable	**15 877**	21 154
Qunu Staffing Proprietary Limited	**14 377**	21 154
Gross	**21 407**	21 154
Less: Impairment	**(7 030)**	–
Workforce International (Scotland) Limited	**1 500**	–
	22 935	28 060

6. Financial assets *(continued)*

Fair value of the investment in the cell captive has been determined by reference to the net asset value of the cell and is categorised as level 3 in the fair value hierarchy. (Refer to note 18 on fair value measurements.)

Loan receivable from Qunu Staffing Proprietary Limited. The loan is unsecured, interest free and has no fixed term of repayment.

Loan receivable from Workforce International (Scotland) Limited. The loan is unsecured, interest free and has no fixed term of repayment. Management has determined that no expected credit loss is required for this loan.

7. Trade and other receivables

Trade and other receivables can be summarised as follows:

	2022 R'000	2021 R'000
Trade receivables	**1 066 471**	819 214
Other receivables	**12 530**	35 652
Trade and other receivables	**1 079 002**	854 866
Trade receivables		
Trade receivables can be analysed as follows:		
Net trade receivables excluding advances	**831 824**	619 646
Gross trade receivables	**845 747**	639 941
Impairment provisions	**(13 924)**	(20 295)
Net advances	**234 648**	199 568
Gross advances	**287 988**	271 137
Impairment provisions	**(53 340)**	(71 569)
	1 066 471	819 214

Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas. Interest on advances are charged at rates compliant with the National Credit Act ("NCA") as prescribed by the National Credit Regulator ("NCR"). The management of this risk is set out in note 19.

The average term of advances is six months. Interest on advances are charged at rates compliant with the National Credit Act (''NCA") as prescribed by the National Credit Regulator (''NCR'').

During the year, the group discounted trade receivables to ABSA Bank Limited ("ABSA") for cash proceeds. If the trade receivables are not paid at maturity date, the bank has the right to request the group to pay the unsettled balance. As the group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing. (Refer to note 9.2.)

At the end of the reporting period the carrying amount of the trade receivables that have been transferred but have not been derecognised amounted to R580 million (2021: R480 million) and the carrying amount of the associated liability is R295 million (2021: R247 million). (Refer to note 9).

Other receivables

Other receivables comprise the following:

	2022 R'000	2021 R'000
Deposits	**4 967**	4 916
Staff debtors (net of impairment)*	**1 022**	4 203
Sundry debtors**	**6 542**	26 533
	12 530	35 651

* *Staff loans to the value of R14,5 have been advanced, expected credit losses of R13,4 million have been recognised against this balance.*
** *Management have determined that no expected credit losses are required for these balances.*

7. Trade and other receivables *(continued)*

Impairment provisions

	2022 R'000	2021 R'000
Trade receivables	**13 924**	20 295
Advances	**53 340**	71 569
Total	**67 264**	91 864
Days sales outstanding (excluding advances)	**54**	46

The information about the credit risk exposure on the group's trade receivables using the provision matrix is as follows:

	Current	30 days	60 days	90 days	120 days	Total
31 December 2022						
Expected credit loss rate	**0%**	**0%**	**1%**	**1%**	**9%**	**2%**
Estimated total gross carrying amount at default (R'000)	**451 179**	**171 691**	**69 901**	**30 412**	**122 564**	**845 747**
Expected credit loss (R'000)	**1 051**	**633**	**536**	**351**	**11 353**	**13 924**
31 December 2021						
Expected credit loss rate	0%	1%	4%	7%	22%	3%
Estimated total gross carrying amount at default (R'000)	358 051	150 406	41 546	21 733	68 205	639 941
Expected credit loss (R'000)	1 028	1 079	1 516	1 595	15 076	20 295

The debtors book grew substantially during the year, due to the 24% growth in turnover, but also due to the fact that a few substantial debtors, of which some are in the government sector, fell short of their payment terms. These debtors however all made substantial payments subsequent to year end, which warranted management's assessment of the impairment provision. The net result is that the debtor impairment provision is substantially lower than the previous year.

The expected credit loss rates have seen marginal changes in the various stages as listed in the note above. The gross debtors book has seen an increase in the overall book, due to improvement in overall economic trading conditions as well as through various strategic interventions to increase sales.

Analysis of advances is as follows:

	Stage 1	Stage 2	Stage 3	Total
31 December 2022				
Average expected loss rate	**10%**	**16%**	**33%**	**19%**
Gross carrying amount	**38 572**	**197 256**	**52 160**	**287 988**
Loss provision	**3 724**	**32 144**	**17 472**	**53 340**
31 December 2021				
Average expected loss rate	10%	29%	31%	26%
Gross carrying amount	39 163	168 309	63 665	271 137
Loss provision	3 864	48 161	19 544	71 569

During the course of 2022 through the Dynamic Risk Model that was developed late 2021, early 2022 and implemented in 2022 has allowed for a more targeted sales approach to grant credit to those that will have the highest propensity to repay their loans. This has had numerous positive effects on the business. Amongst others, there has been an improvement in the overall monthly sales (consistency) and have seen the effects already of improved collection rates. This meets management's objectives to an improvement in expected future losses, through improvement in collection rates and few movements from stage one through three.

Stage one is seen as our actively paying book. The primary method of collection is from Payroll. As more assignees are deployed within the operating environment it is expected that there will be an increase in sales within this stage.

7. Trade and other receivables *(continued)*

Impairment provisions *(continued)*

Stage two is expected to see an improvement in the default rate, due to the implementation of the dynamic risk model tool as well as targeted collection interventions within this stage to maximise early stage collection and prevention of default. The collections within this stage were successfully migrated on to the Debicheck platform, which prevents the debtor from disputing debit orders. Debicheck is a real time authentication where debtors authorise debit orders on their bank accounts. This method will not allow the dispute of debit orders. Furthermore, strategies to improve collections through this stage are the use of EFT Debit Orders, through successes, the client moves to a debit order that cannot be disputed.

Stage three refers to the legal stage of collection, where garnishee/judgements are obtained from defaulting debtors and are valid for 30 years. Collection teams continue to focus on this stage to ensure that any judgements/garnishee orders obtained are reloaded should the individual debtor change employment during the 30 year validity of the court order. Additional management strategies are focused on targeting the clients at late stage of the legal collection process to activate them through stage two collection methods. Success has been seen through this strategy.

The legal book is secured once a debtor acknowledges default of payment and guarantees payment of debt in the future. The implementation of Debicheck and AEDO as an alternative platform has been introduced as a risk mitigation tool, in the event that there is slow turn around from the courts.

	Simplified approach R'000	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance	20 295	3 864	48 161	19 544	91 864
Changes to the financial instruments recognised in the opening balance					
Transfers from stage 1 to 2	–	–	–	–	–
Transfer from stage 1 to 3	–	–	–	–	–
Transfer from stage 2 to 3	–	–	–	–	–
Transfer from stage 2 to 1	–	169	(169)	–	–
Transfer from stage 3 to 1	–	6	–	6	–
Transfer from stage 3 to 2	–	–	7	(7)	–
Remained in same stage	–	–	–	–	–
Amounts reversed as financial assets incurred	–	–	–	–	–
Changes to the financial instruments recognised during the year					–
New advances	–	3	3	–	6
Changes due to movement in ageing buckets	(4 036)	–	–	–	–
Write-offs during the year	(14 105)	–	(36 909)	–	(51 014)
Additional provision	11 770	(306)	21 051	(2 071)	30 444
Closing balance	13 924	3 724	32 144	17 472	67 264

8. Stated capital

	2022 Number of shares	2021 Number of shares
Authorised		
1 000 000 000 ordinary no par value shares		
Issued		
In issue at the beginning of the year	**243 731 343**	243 731 343
Treasury shares		
Balance at the beginning of the year	**18 735 771**	18 239 064
Share buy-back	**–**	496 707
Balance at the end of the year	**18 735 771**	18 735 771

8. Stated capital *(continued)*

	2022 R'000	2021 R'000
Ordinary no par value shares	**234 051**	234 051
Treasury shares		
18 735 771 (2021: 18 735 771) shares		
Balance at the beginning of the year	**(13 563)**	(13 075)
Share buy-back	**–**	(488)
Balance at the end of the year	**(13 563)**	(13 563)

9. Financial liabilities

Financial liabilities include the following:

		Current		Non-current	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
	Secured liabilities at amortised cost				
9.1	Loan from Simgarvin Proprietary Limited	**–**	–	**7 638**	7 965
	Gross amount owing	**–**	–	**9 112**	9 112
	Imputed interest	**–**	–	**(1 474)**	(1 147)
9.2	Invoice discounting facility bearing interest at 0,5% below prime rate	**295 469**	247 580	**–**	–
9.3	Loan facility bearing interest at prime rate plus 3,6%	**10 833**	34 000	**–**	–
9.4	Instalment sales liabilities	**1 607**	806	**2 141**	2 366
9.5	Loan facility bearing interest at prime rate plus 3%	**28 646**	22 662	**–**	–
9.6	Loan facility bearing interest at prime rate plus 1%	**–**	–	**50 000**	–
9.7	Loan facility bearing interest at prime rate plus 2%	**17 824**	–	**–**	–
	Financial liabilities carried at fair value through profit or loss				
9.8	Business combination contingent consideration payable				
	Prior years	**8 577**	13 675	**–**	–
	Current year	**–**	2 937	**–**	19 556
		362 956	321 660	**59 779**	29 887

9.1 The loan from Simgarvin Proprietary Limited is secured by shares held in Workforce Holdings Limited. The loan is interest free and is repayable on 31 December 2025.

9.2 The group has entered into an invoice discounting and cession of debtors and inter-group loan accounts with ABSA bank limited. A subsidiary loan of R350 million (2021: R350 million) is secured by cession of debtors and inter-group loan accounts. A subsidiary is bound as surety and co-principal debtor to the bank for due and punctual payment of the debtors. At year end, trade receivables to the value of R580 million (2021: R480 million) were ceded to the bank. (Refer to note on trade and other receivables.)

The group retained significant risk and rewards of ownership of the receivables due to ABSA Bank Limited which has a right of recourse against the group for any default of the debtor. The associate loan is granted by ABSA Bank Limited on 80% of the value of trade receivables excluding advances, ceded to ABSA Bank Limited. The net position of the transferred assets and associated liability is an amount of R230 million, which is the difference between the fair value of the assets transferred of R580 million and the fair value of the liability being R350 million. (Refer to note 7 on trade and other receivables.)

9. Financial liabilities *(continued)*

9.3 The group entered into a short-term loan to a limit of R40 million with ABSA Bank Limited, this facility is charged at the JIBAR rate of interest which is settled monthly and the capital portion is fully repayable by July 2023. The facility is secured by a cession of inter-group loan accounts.

9.4 Instalment sale liabilities are secured over motor vehicles with a carrying value of R3,6 million (2021: R2,7 million) bearing interest at rates approximating the prime overdraft rate and repayable in monthly instalments of R138 261 (2021: R102 650). (Refer to note 2 on property, plant and equipment.)

9.5 Babereki Employee Support Services (Pty) Ltd, a subsidiary of the group, has a short-term facility with ABSA Bank to a limit of R30 million (2021: R30 million), this facility is secured by an unlimited pledge and cession of all present and future book debts.

9.6 The group entered into a loan to a limit of R50 million with Force Holdings (Pty) Ltd, interest on this facility is charged at the prime rate of interest plus one percent, which is fully repayable in September 2025.

9.7 The loan with Force Holdings (Pty) Ltd, interest on this facility is charged at the prime rate of interest plus two percent.

9.8 The contingent consideration of R8,5 million is for the acquisition of the GetSavvi Group (2021: R36,2 million is related to the acquisition of Chartall, OpenSource and the GetSavvi Group).

10. Trade and other payables

	2022 R'000	Restated* 2021 R'000
Trade creditors	**80 141**	52 197
Audit fee accrual	**4 200**	3 894
Payroll liabilities	**23 902**	59 961
Income received in advance	**46 900**	37 710
Accrual for paid annual leave	**17 474**	18 426
Other payables*	**93 425**	61 619
	266 043	233 807

* *Other payables includes VAT payable and Workman's Compensation.*

11. Revenue

Set out below is the disaggregation of the group's revenue:

Types of services	Staffing and outsourcing R'000	Training and education R'000	Financial services R'000	Healthcare R'000	Total R'000
31 December 2022					
Staffing solutions	**3 353 138**	**–**	**–**	**–**	**3 353 138**
Placements fees	**41 037**	**–**	**–**	**–**	**41 037**
Accredited courses, education and training	**–**	**372 578**	**–**	**–**	**372 578**
Funeral cover and lending services	**–**	**–**	**110 141**	**–**	**110 141**
Medical cover, healthcare, wellness programmes and health risk assessments	**–**	**–**	**–**	**451 065**	**451 065**
	3 394 175	**372 578**	**110 141**	**451 065**	**4 327 959**
31 December 2021					
Staffing solutions	2 791 013	–	–	–	2 791 013
Placements fees	36 082	–	–	–	36 082
Accredited courses, education and training	–	331 994	–	–	331 994
Funeral cover and lending services	–	–	14 081	–	14 081
Medical cover, healthcare, wellness programmes and health risk assessments	–	–	–	330 628	330 628
	2 827 095	331 994	14 081	330 628	3 503 798

12. Finance costs

	2022 R'000	2021 R'000
Interest on short-term borrowing	**9 439**	5 130
Interest relating to right-of-use assets	**5 596**	6 155
Interest on bank overdrafts	**21 634**	11 936
	36 669	23 220

13. Taxation

Taxation recognised in profit and loss

	2022 R'000	Restated* 2021 R'000
Current tax		
Current year	**2 454**	5 161
Deferred tax		
Current year	**(10 582)**	(12 066)
Reversal of temporary differences "Prior year"	**985**	401
	(7 143)	(6 504)
Estimated tax losses of subsidiaries of the group for utilisation against future taxable income:		
Tax losses	**255 715**	277 905

Reconciliation of the tax expenses

Reconciliation between accounting profit and tax expense.

	2022 R'000	Restated* 2021 R'000
Accounting profit	**98 516**	80 398
Tax at the applicable tax rate of 28%	**27 584**	22 511
Tax effect of adjustments on taxable income		
Learnership tax allowances	**(14 829)**	(13 933)
Employment tax incentive	**(22 160)**	(25 574)
Dividend received	**(180)**	(280)
Prior period under provision on deferred tax	**985**	8 933
Change in corporate tax rate*	**2 807**	–
Non operating and capital items	**1 688**	343
(Gain)/loss on fair value adjustments on contingent consideration	**(3 038)**	1 496
	(7 143)	(6 504)

** Corporate tax rate has been changed from 28% to 27% for tax periods ending on or after 31 March 2023.*

14. Profit for the year

Profit before taxation for the year has been arrived at after charging/(crediting):

	2022 R'000	2021 R'000
Other income	**(615)**	(3 345)
Gain on bargain purchase	–	(777)
Dividends received	(277)	(1 000)
Profit or loss on sale of assets	(338)	(1 568)
Cell captive	309	649
Fair value contingent consideration	(10 851)	(5 212)
Government grants received for employment tax incentive	(79 144)	(50 437)
Extended ETI claims for the period	–	(40 893)
Contribution to provident fund	36 680	32 332
Equity-settled share-based payments	4 282	4 440
Staff costs	554 364	481 267
Audit fees	4 199	3 894

15. Earnings per share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2022	Restated* 2021
Profit attributable to equity shareholders of the parent company (R'000)	105 532	89 058
Weighted average number of ordinary shares in issue ('000)	224 996	225 376
Diluted weighted average number of shares in issue ('000)	224 996	225 376
Basic earnings per share (cents)	46,9	39,5
Diluted earnings per share (cents)	46,9	38,7

The weighted average number of ordinary shares for the purpose of diluted earnings per share equates to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Headline earnings per share

The earnings used in the calculation of headline earnings per share are as follows:

	Gross of tax 2022	Net of tax 2022	Gross of tax 2021	Net of tax 2021
Profit attributable to equity shareholders of the parent company (R'000)	–	105 532	–	89 058
Adjusted for:				
Loss on disposal of property, plant and equipment (R'000)	(338)	(247)	(1 568)	(1 129)
Gain on bargain purchase (R'000)	–	–	(777)	(777)
Total headline earnings (R'000)	–	105 285	–	87 152
Weighted average number of shares in issue ('000)	–	224 996	–	225 376
Headline earnings per share (cents)	–	46,8	–	38,7
Diluted headline earnings per share (cents)	–	46,8	–	38,7

16. Notes to the cash flows

16.1 Cash generated from operations

	2022 R'000	2021 R'000
Profit before taxation	**98 516**	80 398
Interest income	**(4 980)**	(1 537)
Dividend income	**–**	(1 000)
Finance costs	**31 073**	17 064
Adjusted for non-cash items:		
Gain on bargain purchase	**–**	(777)
Gain on disposal of property, plant and equipment	**247**	27
Depreciation and amortisation of non-financial assets	**48 939**	55 772
Impairment of land and buildings	**477**	–
Additions of internally generated software	**(9 254)**	(8 000)
Loss arising on financial liability at fair value through profit or loss	**(13 446)**	(5 212)
Expense recognised in respect of equity-settled share-based payment	**4 282**	4 440
Other non-cash items	**2 079**	(1 063)
	157 933	140 112

16.2 Taxation paid

	2022 R'000	2021 R'000
Charged to profit or loss	**7 143**	6 504
Adjusted for deferred tax	**(10 582)**	(12 068)
Movement in taxation balance	**(1 051)**	(978)
	(4 490)	(6 542)

16.3 Working capital changes

	2022 R'000	2021 R'000
Change in trade and other receivables	**(224 136)**	(122 610)
Change in consumables	**(765)**	(10)
Change in trade and other payables	**32 236**	(24 710)
	(192 665)	(147 330)

16. Notes to the cash flows *(continued)*

16.4 Changes in liabilities arising from financing activities

	1 January 2022 R'000	Cash flows R'000	Additions R'000	Cash flow not included in financing activities R'000	Non-cash flows R'000	31 December 2022 R'000
Lease liabilities	**53 794**	**(19 837)**	**14 777**	**–**	**–**	**48 734**
Borrowings	**315 379**	**(24 018)**	**122 795**	**–**	**–**	**414 156**
Contingent consideration	**36 168**	**(16 890)**	**–**	**–**	**(10 701)**	**8 577**
	405 341	**(60 745)**	**137 572**	**–**	**(10 701)**	**471 467**

	1 January 2021 R'000	Cash flows R'000	Additions R'000	Cash flow not included in financing activities R'000	Non-cash flows R'000	31 December 2021 R'000
Lease liabilities	61 751	(18 472)	10 515	–	–	53 794
Borrowings	246 778	(7 101)	80 953	–	(5 251)	315 379
Contingent consideration	28 055	(7 010)	49 859	(24 030)	(10 706)	36 168
	336 584	(32 583)	141 327	(24 030)	(15 957)	405 341

17. Segment reporting

The group segment reporting is as follows:

- Staffing and Outsourcing (includes recruitment and Africa) – comprising temporary employment services, functional outsourcing, permanent recruitment, executive search, specialist staffing, payroll management, HR and IR consulting and turnkey staffing solutions.
- Training and Education – comprising accredited short courses, skills programmes, full qualifications, learnerships and apprenticeship programmes, adult education training and contractor on-boarding.
- Financial Services – comprising death and disability cover, funeral cover, hospital cover, day-to-day medical insurance and financial and mobile products and services.
- Healthcare – comprising recruitment and placement of medical professionals for hospitals and frail care homes, primary and occupational healthcare services, employee health and wellness programmes and health risk assessment.

These segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

17. Segment reporting *(continued)*

Segment information can be analysed as follows for the reporting periods under review:

	Staffing and outsourcing R'000	Training and education R'000	Financial services R'000	Healthcare R'000	Shared services and central costs R'000	Eliminations R'000	Total R'000
2022							
Segment revenues	3 430 010	388 074	110 141	454 877	–	(55 143)	4 327 959
Inter-segment revenue	(35 835)	(15 496)	–	(3 812)	–	55 143	–
Cost of sales	(2 895 670)	(171 359)	(23 557)	(340 618)	(9 767)	35 835	(3 405 135)
Inter-segment cost of sales	35 835	–	–	–	–	(35 835)	–
Gross margin	534 340	201 219	86 584	110 447	(9 767)	–	922 824
Operating costs	(342 971)	(164 794)	(72 576)	(56 734)	(137 377)	19 308	(755 143)
Inter-segment operating costs	–	15 496	–	3 812	–	(19 308)	–
Other income	137	(168)	–	352	662	(368)	615
EBITDA	191 506	51 753	14 009	57 877	(146 481)	(368)	168 296
Fair value adjustment	12 095	(307)	(1 399)	–	462	–	10 851
Depreciation and amortisation	(11 205)	(7 395)	(2 918)	(2 007)	(16 455)	(8 960)	(48 939)
Finance income	2 011	269	1 198	1 136	366	–	4 980
Finance costs	(19 274)	(2 460)	(2 311)	(3 902)	(8 723)	–	(36 669)
Segment profit/(loss) before tax	175 133	41 860	8 580	53 104	(170 831)	(9 327)	98 518
Capital expenditure	1 592	7 374	1 781	995	10 276	–	22 018
Segment total assets	671 327	220 721	289 348	126 796	565 685	(207 928)	1 665 949
Segment total liabilities	(187 459)	(141 430)	(350 745)	(63 015)	(133 729)	125 231	(751 146)
Net segment assets/(liabilities)	483 869	79 291	(61 396)	63 781	431 956	(82 697)	914 803

17. Segment reporting *(continued)*

	Staffing and outsourcing R'000	Training and education R'000	Financial services R'000	Healthcare R'000	Shared services and central costs R'000	Eliminations R'000	Total R'000
2021							
Segment revenues	2 760 415	331 994	80 761	330 628	–	–	3 503 798
Inter-segment revenue	(27 309)	(17 341)	–	(3 809)	–	48 459	–
Cost of sales	(2 283 303)	(156 824)	(24 296)	(242 734)	(1 354)	–	(2 708 511)
Inter-segment cost of sales	27 309	–	–	–	–	(27 309)	–
Gross margin	477 112	157 829	56 465	84 085	(1 354)	21 150	795 287
Operating costs	(289 217)	(132 509)	(69 898)	(46 379)	(107 988)	–	(645 991)
Inter-segment operating costs	–	17 341	–	3 809	–	(21 150)	–
Other income	271	308	1 000	124	865	777	3 345
EBITDA	188 166	42 969	(12 433)	41 639	(108 477)	777	152 641
Fair value adjustments	(1 962)	(2 066)	(1 352)	–	10 592	–	5 212
Depreciation and amortisation	(10 931)	(7 914)	(2 118)	(1 793)	(23 012)	(10 004)	(55 772)
Finance income	245	197	723	7	365	–	1 537
Finance costs	(10 746)	(1 483)	(1 512)	(2 143)	(7 336)	–	(23 220)
Segment profit/(loss) before tax	164 772	31 703	(16 692)	37 710	(127 868)	(9 227)	80 398
Capital expenditure	2 636	5 964	1 345	1 491	5 969	7 308	24 713
Segment total assets	160 055	197 932	286 315	41 703	993 752	(222 511)	1 448 313
Segment total liabilities	(92 242)	(85 325)	(54 511)	(27 893)	(374 679)	11 171	(642 725)
Net segments assets/(liabilities)	65 813	112 607	231 804	13 810	619 073	(211 340)	831 767

Geographical information

The group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are immaterial.

Information about major customers

No single customer contributed 10% or more to the group's revenue in either 2022 or 2021.

18. Financial assets and financial liabilities

Set out below is an overview of financial assets held by the group:

	Notes	2022 R'000	2021 R'000
Financial assets at amortised cost		**1 134 506**	938 738
Trade and other receivables	7	**1 066 471**	859 782
Cash and cash equivalents		**68 035**	78 956
Financial assets at fair value through profit and loss		**7 058**	6 906
Investment in cell captive	6	**1 517**	1 827
Quoted equity shares		**5 541**	5 079
Total		**1 141 564**	945 644
Total current		**1 134 506**	938 738
Total non-current		**7 058**	6 906
Set out below is an overview of financial liabilities held by the group			
Financial liabilities at amortised costs			
Trade and other payables		**153 952**	155 420
Interest-bearing borrowings		**471 469**	247 580
Loan on treasury shares	9	**7 638**	7 965
Financial liabilities at fair value through profit and loss			
Contingent consideration	9	**8 577**	36 168
Current	9	**8 577**	13 675
Non-current	9	**–**	22 493
Total		**641 636**	447 133
Total current		**633 998**	416 675
Total non-current		**7 638**	30 458

18.1 Fair value measurement

Fair values

Loans and receivables and financial liabilities at amortised cost. The carrying value of current receivables and liabilities measured at amortised cost approximates their fair value. The fair values of the majority of the non-current receivables and liabilities measured at amortised cost, other than for the instruments listed below, are also not significantly different to their carrying values.

The following table provides the fair value measurement hierarchy of the group's financial assets and financial liabilities.

Trade and other receivables, trade and other payables, and cash and cash equivalents all have carrying amounts which approximate fair values due to the short maturity of these instruments.

Borrowings and the current portion of borrowings have carrying amounts which approximate fair values as the impact of credit risk is included in the measurement of carrying amounts.

- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

18. Financial assets and financial liabilities *(continued)*

18.1 Fair value measurement *(continued)*

	Date of valuation	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
As at 31 December 2022					
Financials assets					
Quoted equity shares	**31 December 2022**	**5 541**	**5 541**	**–**	**–**
Cell captive	**31 December 2022**	**1 517**	**–**	**–**	**1 517**
Financial liabilities					
Contingent consideration relating to business acquisition of the GetSavvi Group	**31 December 2022**	**(8 577)**	**–**	**–**	**(8 577)**
As at 31 December 2021					
Financial assets					
Quoted equity shares	31 December 2021	5 079	5 079	–	–
Cell captive	31 December 2021	1 827	–	–	1 827
Financial liabilities					
Contingent consideration relating to business acquisition of The OpenSource Group	31 December 2021	(12 095)	–	–	(12 095)
Contingent consideration relating to business acquisition of the GetSavvi Group	31 December 2021	(10 398)	–	–	(10 398)

Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Quoted bid prices in active market	N/A	N/A
Net asset value is used as a valuation where the underlying assets and liabilities have been assessed to represent the fair value of the investment. Due to the nature of the investment, specifically the significant composition of liquid assets and liabilities, the net value is seen to be the most appropriate representation of fair value.	Fair values of the cell captive's assets and liabilities.	If the discount was 5% higher/lower while all other variables were held constant, the carrying amount would decrease/increase by R76 000 (2021: decrease/increase by R91 000).
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group. Discount rate of 17,5% determined using the capital asset pricing model. Probability adjusted profits with ranges of R5 million to R10 million.	Discount rate of 17,5% determined using the capital asset pricing model.	If the discount rate was 5% higher/lower while all other variables were held constant, the carrying amount would increase by R428 000 (2021: increase by R1,2 million).
As above	As above	As above
As above	As above	As above
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group. Discount rate of 17,5% determined using the capital asset pricing model. Probability adjusted profits with ranges of R5 million to R17,6 million.	Discount rate of 17,5% determined using the capital asset pricing model.	A 2% increase or decrease in the discount rate used while holding all other variables constant would decrease/ increase the fair value by R2 177 000. A slight change in the probability adjusted profits in isolation would not result in a significant change in fair value.
As above	As above	As above

18. Financial assets and financial liabilities *(continued)*

18.1 Fair value measurement *(continued)*

	Investment in cell captive R'000	Contingent consideration R'000	Total R'000
Reconciliation of level 3 fair value measurements			
As at 31 December 2022			
Opening balance	**1 827**	**36 138**	**37 965**
Gain/(loss) in profit or loss*	**(310)**	**2 748**	**2 438**
Release on liability	**–**	**(30 309)**	**(30 309)**
Closing balance	**1 517**	**8 577**	**10 094**
As at 31 December 2021			
Opening balance	2 720	28 055	30 775
Gain/(loss) in profit or loss*	(893)	6 485	5 592
Additions	–	49 859	49 859
Release on liability	–	(48 261)	(48 261)
Closing balance	1 827	36 138	37 965

* *Change in unrealised gains or losses included in profit or loss.*

19. Financial risk management

The group is exposed to various risks in relation to financial instruments. The group's financial assets and liabilities by category are summarised in note 19.1. The main types of risks are market risk, credit risk and liquidity risk.

The group's financial risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the group's short to medium-term cash flows.

The group does not enter into or trade financial instruments for speculative purposes. Borrowings have however been structured in such a way, as to minimise financial risks, limit borrowing costs, as well as to facilitate growth. Borrowings are by and large secured by the securitisation of the group's debtors book.

The group is exposed to market risk through its use of financial instruments and specifically to interest rate risk, and certain other price risks, which result from both its operating and investing activities. Exposure to foreign currency risk is considered to be immaterial.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

The group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The information is supplied by independent ratings agencies where available and, if not available, the group uses other publicly available financial information and its own trading records to rate its major customers. The group's exposure to the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management on an annual basis.

19. Financial risk management *(continued)*

Credit risk management *(continued)*

The group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date, as summarised below:

	2022 R'000	2021 R'000
Net trade receivables	**831 824**	619 646
Other receivables	**12 530**	9 119
Net advances	**234 648**	199 568
Cash and cash equivalents	**68 035**	78 956
	1 147 037	907 289

The credit terms on rendering of services is 30 to 60 days and interest may be charged on all overdue outstanding balances. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The average term of micro loans issued is five months. (See note 7 on trade and other receivables.)

Before accepting any new customers, or increasing the credit limit allowed for an existing customer, the risk associated with the customer is assessed by the group's credit vetting department, using generally accepted vetting techniques. The acceptance of a new customer is authorised by senior management. For advances, the potential customer's credit quality, including relevant credit bureau checks, in compliance with the requirement of the National Credit Act (No. 34 of 2005) is assessed.

At the reporting date, there are no customers representing more than 5% of the total balance of the trade receivables.

The group has entered into an invoice discounting and cession of debtors agreement with ABSA Bank Limited for a borrowing facility of R350 million (2021: R350 million) secured by cession of debtors. A subsidiary is bound as surety and co-principal debtor to the bank for due and punctual payment of the debtors. The amount of trade receivables of the subsidiary amounted to R580 million (2021: R480 million).

All accounts receivable amounts of the group have been transferred to ABSA Bank Limited in terms of an invoice discounting and cession agreement. The group retained significant risk and reward of ownership of the trade receivables due to the terms and conditions of the contract. The associated loan is granted by ABSA Bank Limited on 80% of the value of trade receivables excluding advances, ceded to ABSA.

Credit risk exposure – advances

The group grants unsecured loans. Credit concentration risk is considered to be low due to the nature and distribution of the loan book. The average loan value advanced is R2 800 and customers range from various economic sectors and geographic regions.

Measures taken by the group to limit credit risk to acceptable levels included, *inter alia*, the applications of standard credit acceptance procedure to assess potential clients daily monitoring collectible balances at both branch and head office level and monitoring the credit and risk committees. No security is obtained for loans and advances, and accordingly the entire balance as per the statement of financial positions is exposed to credit risk. The credit quality of loans and advances is disclosed in note 7.

Liquidity risk management

The group manages liquidity risk by constantly monitoring its future commitments as well as available banking facilities and reserve borrowing facilities. Net cash requirements are compared to available borrowings facilities in order to determine headroom or any shortfalls and if available, borrowings facilities are expected to be sufficient over the lookout period. The necessary remedial action is taken as and when required.

Liquidity needs are monitored on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day lookout period are identified monthly.

19. Financial risk management *(continued)*

Liquidity risk management *(continued)*

The group's contractual maturities (including interest payments where applicable) are summarised below:

	Current		Non-current	
	within 6 months R'000	6 to 12 months R'000	1 to 5 years R'000	later than 5 years R'000
2022				
Loan on treasury shares	**–**	**–**	**7 638**	**–**
Bank loans	**–**	**295 469**	**–**	**–**
Instalment sale liabilities	**1 607**	**2 141**	**–**	**–**
Amount due for acquisition of subsidiary	**8 577**	**–**	**–**	**–**
Trade and other payables	**173 567**	**–**	**–**	**–**
	183 751	**297 610**	**7 638**	**–**
2021				
Loan on treasury shares	–	–	7 965	–
Bank loans	–	247 580	–	–
Instalment sale liabilities	806	2 365	–	–
Amount due for acquisition of subsidiary	16 612	19 556	–	–
Trade and other payables	155 420	–	–	–
	172 838	269 501	7 965	–

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

20. Capital management

The group's capital management objectives are to ensure the group's ability to continue as a going concern, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The group's overall strategy remains unchanged from 2021.

The group monitors capital through the optimisation of the debt and equity balance. The capital structure of the group consists of debt (borrowings, offset by cash and bank balances) and equity (comprising issued capital, reserves, retained earnings and non-controlling interests). The directors review the capital structure on an annual basis. As part of this review, the cost of capital and the risks associated with each class of capital is considered.

The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The group's goal in capital management is to maintain a debt equity ratio of between 0,3 and 0,7.

The gearing ratio for the reporting periods under review was as follows:

	2022 R'000	Restated* 2021 R'000
Long and short-term borrowings	**471 469**	405 341
Cash and cash equivalents	**68 035**	78 958
Net debt	**539 504**	326 383
Total equity	**914 803**	805 588
Net debt-to-equity ratio	**0,59**	0,41
Net-debt-to-assets ratio	**0,32**	0,23
Total assets	**1 665 949**	1 448 313

21. Related party transactions

21.1 Transactions with related parties

During the year, the group entities entered into the following arm's length transactions with related parties that are not members of the group:

		2022 R'000	2021 R'000
Wellington Property Investments Proprietary Limited			
Relationship	Director has significant influence		
Type and term of transaction	The operating lease is extended with a five-year term beginning 1 September 2020 at an annual escalation of 8% and is paid monthly	**12 757**	10 197
Vunani Capital Proprietary Limited			
Relationship	Shareholder		
Type and term of transaction	Designated advisors' fees' paid in terms of service level agreement	**249**	453
Hunts Attorneys			
Relationship	Director with an interest in a legal practice – RS Katz		
Type and term of transaction	Disbursements for all cost related to litigation, commercial and labour legal work and advice on group's behalf	**197**	185
Guardrisk Insurance Company Limited			
Relationship	Cell captive arrangement (refer to note 21.3)		
Type and term of transaction	Insurance premium paid monthly to cell captive in line with policy	**345**	351
Monty Legal Consultants Proprietary Limited			
Relationship	Shareholder		
Type and term of transaction:	Advisor's fees in terms of business acquisitions	**653**	655

21.2 Related party loans

Amounts due from/(payable to) related parties are as follows:

		2022 R'000	2021 R'000
Force Holdings Proprietary Limited			
Relationship	Shareholder	**67 824**	–
Simgarvan Investments Proprietary Limited – refer to note 9			
Relationship	Company controlled by a director of the group	**(7 638)**	(7 965)
Hunts Attorneys			
Relationship	Director with an interest in a legal practice – RS Katz	**162**	162

The loans above are interest free, have no fixed terms of repayment and are unsecured.

21. Related party transactions *(continued)*

21.3 Interests in unconsolidated structured entity

The group is involved with an unconsolidated structured entity through a cell captive administrated by Guardrisk Insurance Company Limited. The company's purpose is to provide credit insurance to customers of the group's credit lending business, as well as insuring accidental death claims by employees. The group became involved in this entity as it appeared to be the most efficient vehicle to provide these services to employees and customers. Contractually, the group is obliged to make additional funds available should the cell captive not meet its solvency requirements. The maximum potential future loss associated with the cell captive is potentially unlimited due to the nature of this agreement, in the event that the cell captive does not meet its solvency requirements. An actuarial opinion has however been obtained which states that the group does not appear to be exposed to significant amounts of market, credit, liquidity or business risk in this regard. The company has retained earnings of R1 518 768 (2021: R1 827 264) of which the group can access through a dividend as and when liquidity ratios allow.

The entity is funded with a contribution to equity to the amount of R400 000 as well as contributions by lenders and staff, paid over as disclosed above. No additional financial support has been given to this entity outside of the initial R400 000 capital in a previous financial year.

	2022 R'000	2021 R'000
Assets of cell captive	**1 544**	1 827
Current liabilities of cell captive	**(25)**	(78)

21.4 Subsidiaries

The company's directly owned subsidiaries are as follows:

Direct subsidiaries	% holding
Workforce Financial Services Proprietary Limited	**100**
Workforce Training and Consulting Limited	**100**
RecruitCo Proprietary Limited	**100**
WFG Management Services Proprietary Limited	**100**
Staffing and Outsourcing Holdings Limited	**100**
Workforce Holdings International Limited	**100**
Global Healthcare Resources Proprietary Limited	**100**

Details of the subsidiaries indirectly held are set out below:

Indirect subsidiaries	% holding
DebtWorx Proprietary Limited	**100**
Essential Employee Benefits Proprietary Limited	**100**
Babereki Employee Support Services Proprietary Limited	**100**
EEB Solutions Proprietary Limited	**100**
FeelBetterFast Proprietary Limited	**50**
Arnocure Proprietary Limited	**100**
Training Force Proprietary Limited	**100**
Prisma Training Solutions Proprietary Limited	**100**
GetSavvi Consult Proprietary Limited	**100**
GetSavvi Health Proprietary Limited	**100**
KBC Health & Safety Proprietary Limited	**100**
The Cyber Academy Proprietary Limited	**51**
Talent Factor Proprietary Limited	**100**
UNI Education Group Proprietary Limited	**100**
Dyna Training Proprietary Limited	**100**
Dyna Training Namibia Proprietary Limited	**100**

21. Related party transactions *(continued)*

21.4 Subsidiaries *(continued)*

Indirect subsidiaries	% holding
WFGNAM Training Force	100
Dyna Industrial & Training Development Proprietary Limited	100
NQ Plus Networks Proprietary Limited	100
Depostep Proprietary Limited	75
Sikelela Skills Academy Proprietary Limited	100
OpenSource Intelligent Solutions Proprietary Limited	100
Fempower Personnel Proprietary Limited	100
Programme Process Outsourcing Proprietary Limited	100
Workforce Staffing Proprietary Limited	100
Workforce Outsourcing Proprietary Limited	100
Worldwide Staffing Proprietary Limited	100
Interchange Business Consulting Proprietary Limited	100
Oxyon People Solutions Proprietary Limited	100
Quyn International Outsourcing Proprietary Limited	100
Molapo Quyn Proprietary Limited	100
Quyn Payroll & HR Services Proprietary Limited	100
Sizuluntu Staffing Solutions Proprietary Limited	48
Sizuluntu Projects Proprietary Limited	48
TWG Mauritius	100
Botswana	100
Angola	100
Mozambique	100
FADS Proprietary Limited	100
Workforce Finance Proprietary Limited	100
Workforce Software Proprietary Limited	100
Workforce Outsourcing Proprietary Limited	100
Rapitrade 465 Proprietary Limited	100
Workforce Health Care Proprietary Limited	50
Allmed Healthcare Professionals Proprietary Limited	100
Nursing Emergencies Proprietary Limited	100

22. Remuneration implementation report

22.1 The remuneration of directors and other members of key management during the year was as follows:

	Basic remuneration R	Medical contributions R	Allowances R	Retirement contributions R	Share incentive payments R	Bonus and profit share R	Total R
2022							
Executive directors							
RS Katz	4 184 189	192 612	–	–	–	350 000	4 726 801
WP van Wyk	3 033 597	–	–	149 696	–	250 000	3 433 294
Non-executive directors							
I Ross	146 273	–	–	–	–	–	146 273
JR Macey	408 312	–	–	–	–	–	408 312
KM Vundla	218 117	–	–	–	–	–	218 117
S Naidoo	102 846	–	–	–	–	–	102 846
S Thomas	242 412	–	–	–	–	–	242 412
Prescribed officers							
S Momberg	3 540 875	75 641	378 725	173 821	–	1 890 305	6 059 367
SB Herscovitz	2 541 742	74 694	132 985	124 421	–	2 523 657	5 397 499
DM McMillan	2 353 064	55 710	130 186	115 330	–	2 042 927	4 697 218
E Vanassche	2 443 733	39 868	467 584	–	–	374 491	3 325 675
RB Malkin	2 684 295	66 306	127 291	132 640	–	143 000	3 153 532
J Kruger	2 099 806	176 946	96 000	103 528	–	505 000	2 981 280
Total	23 999 260	681 777	1 332 771	799 437	–	8 079 380	34 892 625

	Basic remuneration R	Medical contributions R	Allowances R	Retirement contributions R	Share incentive payments R	Bonus and profit share R	Total R
2021							
Executive directors							
RS Katz	3 905 674	179 340	–	–	–	315 000	4 400 014
WP van Wyk	2 615 959	–	–	129 286	–	235 000	2 980 245
Non-executive directors							
I Ross	210 851	–	–	–	–	–	210 851
JR Macey	408 312	–	–	–	–	–	408 312
KM Vundla	430 075	–	–	–	–	–	430 075
S Naidoo	182 211	–	–	–	–	–	182 211
S Thomas	218 010	–	–	–	–	–	218 010
Prescribed officers							
S Momberg	3 308 577	61 005	367 898	162 658	–	1 240 000	5 140 138
SB Herscovitz	2 397 245	72 597	117 894	117 584	–	1 904 487	4 609 807
DM McMillan	2 057 388	54 157	109 898	100 696	–	2 050 726	4 372 865
RB Malkin	2 526 407	89 358	126 000	124 589	–	140 000	3 006 354
E Vanassche	2 276 016	28 560	458 257	–	–	170 000	2 932 833
J Kruger	1 980 804	172 524	96 000	97 651	–	500 000	2 846 979
Total	22 517 529	657 541	1 275 947	732 464	–	6 555 213	31 738 694

22. Remuneration implementation report *(continued)*

22.2 Directors' interest in share capital

The directors' interest in share capital at year-end and at the date of this report were as follows:

	Beneficial	
	Direct '000	**Indirect '000**
2022		
RS Katz	–	65 860
WP van Wyk	**1 126**	–
S Naidoo	–	*
I Ross*	–	*
	1 126	65 860
2021		
RS Katz	–	65 860
WP van Wyk	**1 126**	–
S Naidoo	–	*
I Ross**	–	*
	1 126	65 860

* *This director has an interest in Vunani Capital Proprietary Limited, which owns 42 900 000 shares in the company.*

** *I Ross resigned from the board on 7 November 2022.*

There have been no changes in these holdings from 31 December 2022 to the date of the annual financial statements.

23. Equity-settled employee benefits

23.1 Equity settled share-based payments.

Details of the employee share appreciation rights scheme

The company has a share appreciation rights scheme for certain directors, management and staff of the company and its subsidiaries. In accordance with the terms of the scheme, as approved by shareholders at a previous annual general meeting, key staff members with more than three years' service may be granted share appreciation rights. Any awards received under this scheme are required to be applied exclusively towards the subscription and/or purchase of ordinary shares in the company.

Each employee share appreciation right provides the employee with a call option where the payoff is the difference between the market value of the company share and the strike price of the share on exercise date. Employees receive shares in settlement of the equity-settled share-based payment scheme. The employees are given the option of retaining the shares granted, or selling the shares on the open market. Share appreciation rights may be exercised at any time from the date of vesting until the date of their expiry.

Share appreciation rights issued on	Number	Vest date	Grant date	Exercise price (cents)	Fair value at grant date (cents)	Fair value Total
22 November 2019	15 279 000	22 November 2022	27 November 2019	123	167	6 700 760

Fair value of the share appreciation rights granted during the year

The fair value of the share appreciation rights is R6 700 760 (2021: R9 955 010) of which R4 281 540 (2021: R4 439 839) has been recognised in profit or loss and has been adjusted based on management's best estimate for the effects of non-transferability exercise restrictions and behavioural considerations.

23. Equity-settled employee benefits *(continued)*

23.2 Movement in share options during the year

	2022		2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercised price
Balance at the beginning of the year	**15 279 000**	**1,67**	16 241 000	1,41
Options granted during the year	**–**	**–**	–	–
Options forfeited during the year	**(50 000)**	**–**	(962 000)	–
Options exercised during the year	**–**	**–**	–	–
Options expired during the year	**–**	**–**	–	–
	15 229 000	**1,67**	15 279 000	1,41

All the options have been valued using the widely accepted Black-Scholes-Merton model. This model is used to value options traded openly in the market.

This methodology takes into account the following factors:
- The exercise price of the option;
- The dates at which the option can be exercised;
- The price of the Workforce share at grant date;
- The expected volatility of the share price;
- The dividends expected on the shares; and
- The risk free interest rate for the term until the option is exercised.

Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercised restrictions (including the probability of meeting market conditions attached to the option) and behavioural considerations. Expected volatility is based on the historical share price volatility over the past three years.

23.3 Inputs into model

	2022	2021
Grant date share price	**159 cents**	159 cents
Exercise price	**123 cents**	123 cents
Expected volatility	**77,02%**	77,02%
Share appreciation life	**36 months**	36 months
Dividend yield	**0%**	0%
Risk free interest rate	**7,45%**	7,45%

Charge to profit and loss (note 14)

	2022	2021
2019 option	**4 281 540**	4 439 811

23.4 Movement in share options during the year

The share options outstanding at the end of the year had a weighted average exercise price of R1,67 (2021: R1,41).

24. Contingent liabilities

Legal claim contingency

The group is involved in various legal matters, the outcome of which may not be favourable to the group and none of which are considered individually material. The group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable. The likelihood of economic outflows is considered minimal as the claims amounting to R9,4 million are yet to be proven. This determination is consistent with legal advice obtained by the group.

25. Prior year adjustment

2020 error

Subsequent to the release of the financial statements for the year ended 31 December 2021, management noted that the Employee Tax Incentive ("ETI") claimed and raised for the periods March 2018 to July 2020 was overstated. The investigation into the incorrect calculation and claim of ETI was done by SARS and concluded towards the end of December 2022.

2021 error

Furthermore, management noted a clerical error in our 2021 deferred tax computation.

Based on the above, the 31 December 2021 financial statements were restated in terms of IAS 8. Although not required to disclose all the notes for the adjustments, the company has presented this information for benefit of the users of these financial statements below.

Group statement of financial position

	2021	2021		2020	2020	
	Previously reported R'000	Restated 2021 R'000	Adjustment R'000	Previously reported R'000	Restated 2020 R'000	Adjustment R'000
Non-current assets						
Deferred tax assets	91 123	82 190	(8 933)	–	–	–
Equity						
Retained earnings	598 957	572 778	26 179	506 477	489 231	17 246
Current liabilities						
Trade and other payables	216 561	233 807	(17 246)	226 616	243 862	(17 246)

Group statement of comprehensive income

	2021	2021		2020	2020	
	Previously reported R'000	Restated 2021 R'000	Adjustment R'000	Previously reported R'000	Restated 2020 R'000	Adjustment R'000
Cost of sales	–	–	–	2 132 608	2 145 365	(12 757)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	–	–	–	76 879	64 122	(12 757)
Finance costs	–	–	–	(18 503)	(22 992)	(4 489)
Profit before taxation	–	–	–	7 640	(9 606)	(17 246)
Taxation	15 437	6 504	8 933	–	–	–
Profit after tax	95 835	86 902	8 933	–	–	–

6 SHAREHOLDERS' INFORMATION

Corporate information

Company secretary
Sirkien van Schalkwyk

Designated advisor
Merchantec Capital

Registered office
11 Wellington Road
Parktown
2193
PO Box 11137
Johannesburg
2000

Transfer secretaries
JSE Investor Services
13th Floor
19 Ameshoff Street
Braamfontein
2001

Business address
11 Wellington Road
Parktown
2193
PO Box 11137
Johannesburg
2000

Commercial bankers
ABSA Business Bank

Company registration number
2006/018145/06

Website address
www.workforce.co.za.

Shareholders' diary

Financial year-end	31 December 2022
Audited results released on SENS	31 March 2023
Integrated report available to shareholders on our website	31 March 2023
Summarised results and notice of annual general meeting posted to shareholders	31 March 2023
Annual general meeting	26 May 2023
Interim period	30 June 2023

Analysis of shareholders

as at 31 December 2022

		Number of holders	% of total shareholders	Number of shares	% of total issued share capital
1.	**Analysis of shareholdings**				
	1 – 1 000	1 450	91,25	84 924	0,03
	1 001 – 10 000	75	4,72	327 547	0,13
	10 001 – 100 000	38	2,39	1 872 236	0,77
	100 001 – 1000 000	16	1,01	3 974 094	1,63
	1 000 001 and more	10	0,63	237 472 542	97,43
	Totals	1 589	100	243 731 343	100
2.	**Major shareholders (5% and more of the shares in issue)**				
	Force Holdings Proprietary Limited			97 912 399	40,17
	Little Kittens Proprietary Limited			65 860 000	27,02
	Vebicept Proprietary Limited			42 900 000	17,60
	Pha Phama Africa Investments Proprietary Limited			14 370 000	5,90
3.	**Shareholder spread**				
	Non-public	6	0,44	226 534 327	92,94
	Directors	2	0,15	66 986 157	27,48
	10% or more of issued capital	2	0,15	140 812 399	57,77
	Treasury shares	2	0,15	18 735 771	7,69
	Public	1 583	99,62	17 197 016	7,06
	Totals	1 589	100	243 731 343	100,00
4.	**Distribution of shareholders**				
	Individuals	84	5,29	2 053 500	0,20
	Pension funds	8	0,50	1 101 596	94,66
	Other managed funds	1 484	93,39	239 654 643	4,87
	Other companies and corporate bodies	13	0,82	921 604	0,27
	Totals	1 589	100,00	243 731 343	100

Notice of annual general meeting

Workforce Holdings Limited
Incorporated in the Republic of South Africa
(Registration number: 2006/018145/06)
Share code: WKF ISIN: ZAE000087847
(“Workforce” or “the company” or “the group”)

In accordance with the rules of the memorandum of incorporation of the company, the annual general meeting of shareholders of Workforce (“annual general meeting” or “AGM”) will be held in electronic format only.

If you are in any doubt as to what action you should take in respect of the resolutions set out below, please consult your Central Securities Depository Participant (“CSDP”), broker, banker, attorney, accountant, or other professional adviser immediately.

Notice is hereby given that the annual general meeting will be held via Microsoft Teams at 10:00 on Friday, 26 May 2023.

Purpose

The purpose of the annual general meeting is to transact the business set out in this notice of annual general meeting (“notice of annual general meeting”) by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions set out hereunder.

Record date, attendance and voting

The board of directors of Workforce (“the board”) has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008), as amended (“the Companies Act”), the following dates are applicable:

	2023
Record date in order to be eligible to receive the notice of annual general meeting	**Friday, 24 March**
Notice of annual general meeting distributed to shareholders	**Thursday, 30 March**
Last date to trade in order to be eligible to vote at the annual general meeting	**Tuesday, 16 May**
Record date in order to be eligible to vote at the annual general meeting	**Friday, 19 May**
Last day to lodge forms of proxy for the annual general meeting (by 10:00) for administration purposes	**Wednesday, 24 May**
Annual general meeting (at 10:00)	**Friday, 26 May**
Results of the annual general meeting released on SENS	**Friday, 26 May**

- Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder’s proxy) at the annual general meeting.
- The instrument appointing a proxy and the authority (if any) under which it is signed must reach the company’s transfer secretaries, JSE Investor Services Proprietary Limited, at the address given below by not later than 10:00 on Wednesday, 24 May 2023.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the shareholder and the CSDP or broker in the manner and time stipulated therein.
- Shareholders present in person, by proxy or by the authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
- In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the annual general meeting must include identification documents together with the application form included as Appendix A to this notice of annual general meeting to attend and participate electronically. A green bar-coded identity document or identity card issued by the South African Department of Home Affairs, a driver’s licence or a valid passport will be accepted at the annual general meeting as sufficient forms of identification.

Agenda

Presentation and consideration of the annual financial statements of the company, including the reports of the auditors and directors and the audit and risk committee for the year ended 31 December 2022 as set out in the company's integrated annual report, of which this notice of annual general meeting forms part; and to consider and, if deemed fit, approve, with or without modification, the following special and ordinary resolutions:

In accordance with regulation 43(5)(c) of the Companies Act, the chairperson of the social and ethics committee or, in her absence, any member of the committee, will present the social and ethics report to shareholders at the AGM.

Note: For any of the ordinary resolutions numbers 1 to 10, excluding ordinary resolution number 9, to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

For ordinary resolution number 9 to be adopted, more than 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

For any of the special resolutions numbers 1 to 3 to be adopted, at least 75% of the voting rights exercised on each such special resolution must be exercised in favour thereof.

Ordinary business

1. Ordinary resolution number 1: Re-election of John Macey

"Resolved that John Macey, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director."

An abbreviated curriculum vitae in respect of John Macey may be viewed on page 70 of the integrated annual report of which this notice of annual general meeting forms part.

The remuneration and nominations committee has considered John Macey's past performance, contribution to the company and his independence and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that John Macey be re-elected as a director of the company.

2. Ordinary resolution number 2: Re-election of Kyansambo Vundla

"Resolved that Kyansambo Vundla, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

An abbreviated curriculum vitae in respect of Kyansambo Vundla may be viewed on page 71 of the integrated annual report of which this notice of annual general meeting forms part.

The remuneration and nominations committee has considered Kyansambo Vundla's past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Kyansambo Vundla be re-elected as a director of the company.

Reason for ordinary resolutions numbers 1 and 2

The reason for ordinary resolutions numbers 1 and 2 is that article 36 of the memorandum of incorporation of the company and, to the extent applicable, the Companies Act requires that one-third of the non-executive directors rotate at the annual general meeting and, if eligible, may offer themselves for re-election as directors.

3. Ordinary resolution number 3: Confirmation of the reappointment of the auditors

"Resolved that the reappointment of Crowe JHB (previously Horwath Leveton Boner) as independent auditors of the company for the ensuing year (the designated auditor being Craig George) on the recommendation of the company's audit and risk committee, be approved."

Reason for ordinary resolution number 3

The reason for ordinary resolution number 3 is that the company, being a public listed company, must have its annual financial statements audited and such auditor must be appointed or reappointed each year at the annual general meeting of the company as required by the Companies Act.

4. Ordinary resolution number 4: Reappointment of Kyansambo Vundla as a member and chairman of the audit and risk committee

"Resolved that, subject to the passing of ordinary resolution number 2, Kyansambo Vundla be re-elected as a member and chairman of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated curriculum vitae in respect of Kyansambo Vundla may be viewed on page 71 of the integrated annual report of which this notice of annual general meeting forms part.

5. Ordinary resolution number 5: Reappointment of John Macey as a member of the audit and risk committee

"Resolved that, subject to the passing of ordinary resolution number 1, John Macey be elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated curriculum vitae in respect of John Macey may be viewed on page 70 of the integrated annual report of which this notice of annual general meeting forms part.

6. Ordinary resolution number 6: Reappointment of Shelley Thomas as a member of the audit and risk committee

"Resolved that Shelley Thomas be re-elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated curriculum vitae in respect of Shelley Thomas may be viewed on page 71 of the integrated annual report of which this notice of annual general meeting forms part.

Reason for ordinary resolutions numbers 4 to 6

The reason for ordinary resolutions numbers 4 to 6 (inclusive) is that the company, being a public listed company, must appoint an audit committee as prescribed by sections 66(2) and 94(2) of the Companies Act, which also requires that the members of such audit committee be appointed, or reappointed, as the case may be, at each annual general meeting of a company.

7. Ordinary resolution number 7: Endorsement of the remuneration policy and implementation report

Ordinary resolution number 7.1

"Resolved that the company's remuneration policy, as set out in the remuneration report on page 76 of the integrated annual report of which this notice of annual general meeting forms part, be and is hereby approved by way of a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance."

Ordinary resolution number 7.2

"Resolved that the implementation report, as set out on page 78 of the integrated annual report of which this notice of annual general meeting forms part, be and is hereby endorsed as a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance."

Reason for ordinary resolutions numbers 7.1 and 7.2

The reason for ordinary resolutions numbers 7.1 and 7.2 are that King IV™ recommends that the remuneration policy and implementation report of the company be endorsed through separate non-binding advisory votes by shareholders at the annual general meeting of a company. Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the board will take the outcome of the vote into consideration when assessing the company's remuneration policy and implementation report.

8. Ordinary resolution number 8: Placing unissued shares under directors' control

"Resolved that the unissued shares in the company, limited to 15% of the number of shares in issue at 31 March 2023, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE Limited ("JSE"), save that the aforementioned 15% limitation shall not apply to any shares issued in terms of a rights offer."

Reason for ordinary resolution number 8

The reason for ordinary resolution number 8 is that the board requires authority from shareholders in terms of article 3 of the memorandum of incorporation of the company to issue shares in the company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, *inter alia*, in terms of capital raising exercises, and to maintain a healthy capital adequacy ratio that may be required from time to time. This general authority is subject to the restriction that it is limited to 15% of the number of shares in issue at 31 March 2023.

9. Ordinary resolution number 9: General authority to issue shares, and to sell treasury shares, for cash

"Resolved that the directors of the company and any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:

- allot and issue, or to issue any options in respect of, all or any of its authorised but unissued ordinary shares in the capital of the company placed under their control; and/or

- sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the capital of the company purchased by subsidiaries of the company,

for cash, as they in their discretion may deem fit, without restriction, subject to the Companies Act, the memorandum of incorporation of the company and the provisions of the Listings Requirements of the JSE, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 15% of the issued share capital as at the date of this notice of annual general meeting (net of treasury shares being 224 995 572 ordinary shares), provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this resolution ("issue period");
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing between the company and the parties subscribing for the securities and in respect of the issue of options and convertible securities the impact on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, included supporting information (if any), of the intended use of the funds, will be published when the company has issued securities representing, on a cumulative basis within the earlier of the company's next annual general meeting or the expiry of the issue period, 5% (five percent) or more of the number of securities in issue prior to the issue;
- the securities which are the subject of a general issue for cash in aggregate in the issue period may not exceed 15% of the company's issued share capital (number of listed securities) (excluding of treasury shares), as at the date of this notice of annual general meeting, being 224 995 572 securities;
- in the event of a subdivision or consolidation of issued shares during the issue period, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- in determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such securities, as measured over the 30 trading days prior to the date that the price of the issue is agreed to in writing between the company and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30-business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not, subject to the following, to related parties:
  - related parties may participate in a general issue for cash through a bookbuild process provided:
    - related parties only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and
    - equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild;
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- whenever the company wishes to use repurchased shares, held as treasury stock by a subsidiary of the company, such use must comply with the Listings Requirements of the JSE as if such use was a fresh issue of ordinary shares."

Reason for ordinary resolution number 9

For listed entities wishing to issue shares, it is necessary for the board not only to obtain the prior authorisation of the shareholders as may be required in terms of the memorandum of incorporation of the company contemplated in ordinary resolution number 8 above, but it is also necessary to obtain the prior authorisation of shareholders in accordance with the Listings Requirements of the JSE. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares in compliance with the Listings Requirements of the JSE. The authority granted in terms of this ordinary resolution number 9 must accordingly be read together with the authority granted in terms of ordinary resolution number 8 above and any exercise thereof will be subject to the conditions contained in this ordinary resolution number 9.

Note: In terms of the Listings Requirements of the JSE, this resolution requires the approval of more than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at this annual general meeting.

10. Ordinary resolution number 10: Authority to action

"Resolved that any one director of the company and/or the company secretary is hereby authorised to do all such things and sign all such documents as deemed necessary to implement the ordinary and special resolutions as set out in this notice convening the annual general meeting at which these resolutions will be considered."

Reason for ordinary resolution number 10

The reason for ordinary resolution number 10 is to ensure that the resolutions voted favourably upon are duly implemented through the delegation of powers provided for in terms of article 29 of the memorandum of incorporation the company.

Special business

11. Special resolution number 1: Remuneration of non-executive directors

"Resolved that, in terms of the provisions of section 66(9) of the Companies Act, the annual remuneration payable to the non-executive directors of the company for their services as directors, be and is hereby approved on the following basis, effective 1 January 2023:

Category	2023	2022
Board Chairman	**R408 312 annual retainer***	R408 312 annual retainer*
Board member	**R83 689 annual retainer** **R18 022 per meeting attended**	R53 689 annual retainer R17 002 per meeting attended
Ad hoc fee	**R2 503 per hour**	R2 362 per hour
Audit and risk committee		
Chairman	**R17 034 per meeting attended**	R16 070 per meeting attended
Member	**R15 145 per meeting attended**	R14 288 per meeting attended
Remuneration and nominations committee		
Chairman	**R17 034 per meeting attended**	R16 070 per meeting attended
Member	**R15 145 per meeting attended**	R14 288 per meeting attended
Social, ethics and transformation committee		
Chairman	**R17 034 per meeting attended**	R16 070 per meeting attended
Member	**R15 145 per meeting attended**	R14 288 per meeting attended
Investment committee		
Chairman	**R17 034 per meeting attended**	R16 070 per meeting attended
Member	**R15 145 per meeting attended**	R14 288 per meeting attended

* *No increase in retainer fee and no meeting attendance fee received.*

Reasons for and effect of special resolution number 1

The reason for the proposed special resolution is to comply with section 66(9) of the Companies Act, which requires the approval of directors' fees prior to the payment of such fees.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

12. Special resolution number 2: Financial assistance to related and inter-related companies

"Resolved that the board be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 2), to authorise the group to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the board may deem fit to any related or inter-related company of the group ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the board may determine."

Reason for and effect of special resolution number 2

The reason for and the effect of special resolution number 2 is to provide general authority to the board for the group to grant direct or indirect financial assistance to any company forming part of the group, including in the form of loans or the guaranteeing of their debts.

13. Special resolution number 3: Authority to repurchase shares by the company

"Resolved as a special resolution that the company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company and the Listings Requirements of the JSE, namely that:

- the general repurchase of the shares may only be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date of this resolution;

- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue at the time this general authority is granted ("initial number") containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position or required shareholder spread of the group;
- the general repurchase is authorised by the memorandum of incorporation of the company;
- repurchases must not be made at a price more than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf; and
- the company and its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE, unless:
  - the company had a repurchase programme in place and the programme has been submitted to the JSE prior to the prohibited period commencing;
  - only one independent third party has been instructed to execute the repurchase programme prior to the prohibited period commencing;
  - the repurchase programme includes the name and date of appointment of the independent third party instructed to execute the repurchase programme, the commencement and termination date of the repurchase programme and the fixed number of securities to be traded during the period.

Reason and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of the memorandum of incorporation of the company and the Listings Requirements of the JSE for the acquisition by the company and/or its subsidiaries of shares issued by it on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE any general repurchase by the company and/or its subsidiaries must, *inter alia*, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted.

Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

Information relating to the special resolutions

1. General authority to purchase shares

The directors of the company or its subsidiaries will only utilise the general authority to repurchase shares of the company and/or the subsidiary as set out in special resolution number 3 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the group position would not be compromised as to the following:

- the group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this annual general meeting and for a period of 12 months after the repurchase;
- the consolidated assets of the group will at the time of the annual general meeting and at the time of making such determination be in excess of the consolidated liabilities of the group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the group;
- the ordinary capital and reserves of the group after the purchase will remain adequate for the purpose of the business of the group for a period of 12 months after the annual general meeting and after the date of the share repurchase; and
- the working capital available to the group after the repurchase will be sufficient for the group's requirements for a period of 12 months thereafter and the directors have passed a resolution authorising the repurchase, resolving that the company has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the group.

2. Other disclosures in terms of section 11.26 of the Listings Requirements of the JSE

For the purposes of considering special resolution number 3, and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the integrated annual report, in which this notice of annual general meeting is included, at the places indicated:

- major shareholders (page 145); and
- share capital of the company (pages 122 to 123).

3. Litigation statement

The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

4. Responsibility statement

The directors, whose names are reflected on pages 70 to 71 of the integrated annual report of which this notice of annual general meeting forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 3 and certify that to the best of their knowledge and belief there are no facts in relation to this special resolution that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts that have been made and that the notice of annual general meeting contains all information required by law and the Listings Requirements of the JSE.

5. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report up to the date of this notice of annual general meeting.

6. Direct or indirect financial assistance

For purposes of special resolution number 2, the board will only utilise the general authority bestowed upon them to provide direct or indirect financial assistance related to inter-related companies to the extent that the directors, after considering the amount of financial assistance to be granted, are of the opinion that:

- Immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as defined in the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
- all conditions or restrictions regarding the granting of financial assistance as set out in the memorandum of incorporation of the company have been satisfied and the board has passed a resolution authorising the grant of the said financial assistance ("the board resolution") under their general authority so granted, the company which will then provide written notice of the board resolution to all shareholders:
  - within 10 days after adoption of the board resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution(s) during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the board resolution; or
  - within 30 business days after the end of the financial year, in any other case.

By order of the board

Schalkwyk

Sirkien van Schalkwyk
Company secretary

29 March 2023

Form of proxy

Workforce Holdings Limited
Incorporated in the Republic of South Africa
(Registration number: 2006/018145/06)
Share code: WKF ISIN: ZAE000087847
("Workforce" or "the company" or "the group")

FORM OF PROXY – for use by certificated and "own-name" dematerialised shareholders only at the annual general meeting of shareholders to be held entirely by electronic format via Microsoft Teams at 10:00 on Friday, 26 May 2023 ("the annual general meeting") and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the annual general meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the annual general meeting in person or by proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

I/We (please print name in full)

of (address)

being a shareholder/s of Workforce Holdings Limited, holding shares in the company, hereby appoint:

1. or, failing him/her,

2. or, failing him/her,

3. or, failing him/her,

4. the chairman of the annual general meeting, as my proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf.

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	**Against**	**Abstain**
To consider the presentation of the annual financial statements for the year ended 31 December 2022			
Ordinary resolution number 1: To re-elect John Macey as a director			
Ordinary resolution number 2: To re-elect Kyansambo Vundla as a director			
Ordinary resolution number 3: Confirmation of auditors' reappointment			
Ordinary resolution number 4: Reappointment of Kyansambo Vundla as a member and chairman of the audit and risk committee			
Ordinary resolution number 5: Reappointment of John Macey a member of the audit and risk committee			
Ordinary resolution number 6: Reappointment of Shelley Thomas a member of the audit and risk committee			
Ordinary resolution number 7: 7.1 Endorsement of remuneration policy			
Ordinary resolution number 7: 7.2 Endorsement of the implementation report			
Ordinary resolution number 8: Placing of unissued shares under the directors' control			
Ordinary resolution number 9: General authority to issue shares, and to sell treasury shares, for cash			
Ordinary resolution number 10: Authority to action			
Special resolution number 1: Remuneration of non-executive directors			
Special resolution number 2: Financial assistance to related and inter-related companies			
Special resolution number 3: General authority to the company to repurchase shares			

(indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2023

Signature

Notes to proxy

1. The form of proxy must only be completed by shareholders who hold ordinary shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the annual general meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of Workforce) of the shareholder's choice in the space provided, with or without deleting "the chairman of the meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairman of the annual general meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the chairman of the annual general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the annual general meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy; or
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. For administrative purposes only, forms of proxy should be lodged with or mailed to JSE Investor Services.

Hand deliveries to:	Postal deliveries to:
13th Floor, Rennie House	PO Box 4844
19 Ameshoff Street	Johannesburg, 2000
Johannesburg, 2001	

    to be received by no later than 10:00 on Wednesday, 24 May 2023 (or 48 (forty-eight) hours before any adjournment of the AGM which date, if necessary, will be notified on SENS).
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
    - a proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting;
    - a proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy;
    - the appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder;
    - the appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph; and
    - if the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the memorandum of incorporation of the company to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the "Notes to proxy".

- The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.

Appendix 1

Electronic participation form

Shareholders or their duly appointed proxy(ies) that wish to participate in the annual general meeting via electronic means ("Participant(s)") are requested to deliver written notice in the form of Appendix 1 to the notice of annual general meeting ("Appendix 1") to the company's transfer secretary, JSE Investor Services Proprietary Limited ("JSE Investor Services"), by delivering the duly completed Appendix 1 to:

13th Floor, Rennie House, 19 Ameshoff Street, Johannesburg, 2001, or posting it to PO Box 4844, Johannesburg, 2000 (at the risk of the Participant), or by email to meetfax@jseinvestorservices.co.za so as to be received by JSE Investor Services by no later than 10:00 on Wednesday, 24 May 2023.

Participants participating via electronic means will still need to submit completed proxy forms in order for their votes to be counted. The company shall, by no later than 14:00 on Thursday, 25 May 2023, notify Participants that have delivered valid notices in the form of Appendix 1, by email of the relevant details through which Participants can participate electronically.

Appendix 1 *(continued)*

Participation in the annual general meeting via electronic communication

Capitalised terms used in this form shall bear the meanings ascribed thereto in the notice of AGM to which this participation form is attached

Shareholders or their duly appointed proxy(ies) that wish to participate in the annual general meeting via electronic communication (Participants), must apply to JSE Investor Services, by delivering the duly completed form of proxy to:
13th Floor, Rennie House, 19 Ameshoff Street, Johannesburg, 2001, or posting it to PO Box 4844, Johannesburg, 2000 (at the risk of the Participant), or by email to meetfax@jseinvestorservices.co.za so as to be received by JSE Investor Services by no later than 10:00 on Wednesday, 24 May 2023. JSE Investor Services will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

Important notice

The company shall, by no later than 14:00 on Thursday, 25 May 2023, notify Participants that have delivered valid notices in the form of this form, by email of the relevant details through which Participants can participate electronically.

Application form

Full name of Participant:

ID number:

Email address:

Cell number:

Telephone number: (code) (number)

Name of CSDP or broker (if shares are held in dematerialised format):

Contact number of CSDP/broker:

Contact person of CSDP/broker:

Number of shares certificate (if applicable):

Signature:

Date:

Terms and conditions for participation in the annual general meeting via electronic communication

1. The cost of electronic participation in the annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies Workforce against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participants via the electronic services to the annual general meeting.
3. Participants should note that they will not be able to vote during the annual general meeting. Should Participants wish to vote, they should, in accordance with the instructions included in the notice of annual general meeting, as may be applicable, either:
   3.1 complete the proxy form and return it to JSE Investor Services; or
   3.2 contact their CSDP or broker.
4. The application to participate in the annual general meeting electronically will only be deemed successful if this application form has been completed and signed by the Participant.
5. Workforce cannot guarantee there will not be a break in electronic communication that is beyond the control of the company.

Participant's name

Signature Date

Definitions and abbreviations

AEDO	Authenticated Early Debit Order
AGM	Annual General Meeting
BBA	Bachelor of Business Administration
B-BBEE	Broad-Based Black Economic Empowerment
Board	Board of directors of Workforce Holdings Limited
Companies Act or the Act	The South African Companies Act 2008 (Act 71 of 2008), as amended
COIDA	The Compensation for Occupational Injuries and Diseases Act, No 130 of 1993
COBIT	Control Objectives for Information Technology
CPS	Cents Per Share
CSI	Corporate Social Investment
EAP	Economically active population or employee assistance programme
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EEA	Employment Equity Amendment (Act 47 of 2013)
EEB	Essential Employee Benefits, a company and brand within the Financial Services investment cluster
EME	Exempted micro enterprise
ETI	Employment tax incentive
EWP	Employee Wellness Programme
FET	Further Education and Training
Group/group	Workforce Holdings Limited and its subsidiaries
HEPS	Headline earnings per share
HET	Higher Education and Training
HR	Human Resources
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IR	Industrial relations
IT	Information technology
IS	Information systems
JSE	JSE Limited (Registration number 2005/022939/06) a company duly registered and incorporated with limited liability, licenced as an exchange in terms of the Financial Markets Act (Act 19 of 2012)
KPI	Key Performance Indicators
KBC	KBC Holdings Proprietary Limited
King IV™	King IV™ Report on Corporate Governance for South Africa, 2016
MOI	Memorandum of Incorporation
NAV	Net asset value
NQF	National qualifications framework
OECD	Organisation for Economic Cooperation and Development
PAIA	Promotion of Access to Information Act, 2000 (Act 2 of 2000)
PBT	Profit before tax
POPIA	Protection of Personal Information Act (Act 4 of 2013)
QCTO	Quality Council for Trades and Occupations
QSE	Qualifying small enterprise
ROI	Return on investment
SAQA	South African Qualifications Authority
SARS	Share Appreciation Rights Scheme
SDG	United Nations Social Development Goals
SED	Socio-economic development
SENS	Stock Exchange News Service of the JSE
SETA	Sector Education and Training Authority
SLA	Service level agreement
TES	Temporary Employment Services
The Workforce Group	The Workforce Group Proprietary Limited (Registration number 1999/006358/07) a company incorporated in terms of the company laws of South Africa, a wholly owned subsidiary of Workforce
UIF	Unemployment Insurance Fund
Workforce or the company	Workforce Holdings Limited (Registration number 2006/018145/06) a company incorporated in terms of the company laws of South Africa, and listed on the alternative exchange of the JSE (AltX)
YES Programme	Youth Employment Services programme

Manifesto

We believe a job is not just a job; it is a life-changing opportunity for an individual.

A job is a path to a quality life for the individual and a valuable investment for the stakeholder.

Our business has always been about people and how to change people's lives for the better. We've spent years learning about our industry and the people we work with; client, candidate and stakeholder. We've always been on a quest to uplift people, not just giving them an opportunity to work, but also ensuring that they have the tools to be productive through training, healthcare, employee benefits and lifestyle products. We've forged ahead in this quest and today not only do we give people an opportunity to work so that they can build a life for them and their loved ones, but we also uplift them through training and skills development and ensure that they are healthy and happy individuals.

But this is a never-ending quest because there are always more lives to be changed, more value to gain from investing in people.

We are here to stay, because while we strive to make an impact we want that impact to be sustainable. At our heart, we are many, all working towards a common goal, working together and supporting each other in every endeavour.

And we are here to uplift people and grow our business in the process.

Uplifting people. **Growing** business.

We want Workforce to stand for "upliftment and growth" – let it build over time. That is what the name Workforce Holdings becomes synonymous with.

workforce HOLDINGS LIMITED

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