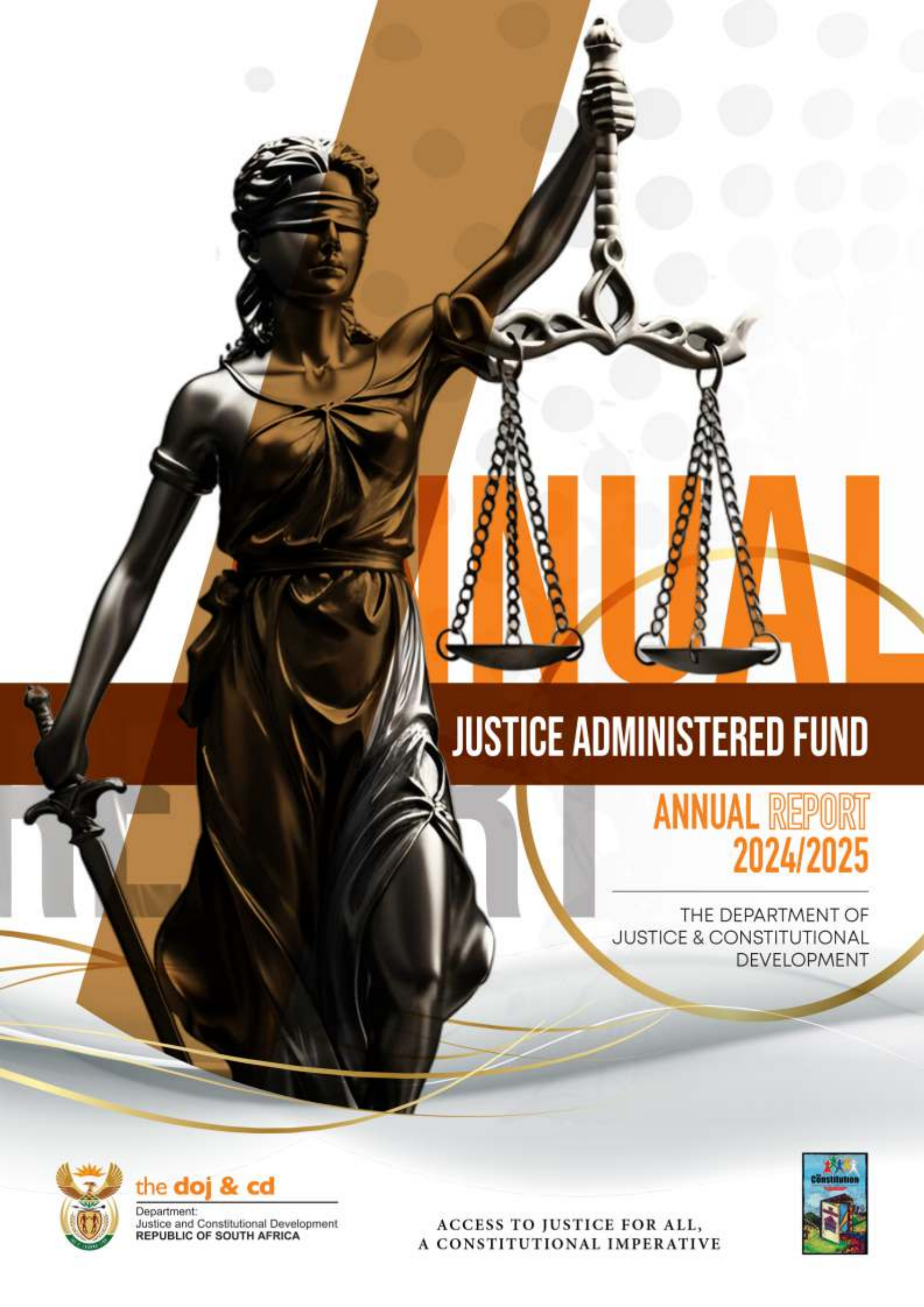

JUSTICE ADMINISTERED FUND

ANNUAL REPORT 2024/2025

THE DEPARTMENT OF JUSTICE & CONSTITUTIONAL DEVELOPMENT

the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA

ACCESS TO JUSTICE FOR ALL,
A CONSTITUTIONAL IMPERATIVE

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REPORT OF THE ACCOUNTING OFFICER

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA ON THE ANNUAL FINANCIAL STATEMENTS FOR THE JUSTICE ADMINISTERED FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. INTRODUCTION

The Justice Administered Fund (JAF) was established in terms of the Justice Administered Fund Act, 2017 (Act 2 of 2017), which came into effect on 1 April 2018. The purpose of the JAF is to manage maintenance beneficiary monies (local, foreign, and future), the safekeeping of bail monies on behalf of depositors, and the safekeeping of payments into court.

(a) The fund administers the following monies on behalf of third parties:

(i) Money received in terms of maintenance orders made under the Maintenance Act, 1998 (Act No. 99 of 1998);
(ii) Money received as bail payable under the Criminal Procedure Act, 1977 (Act No. 51 of 1977), or any other Act of Parliament;
(iii) Money paid into court under any Rule of Court or any other subordinate legislation;
(iv) Money received which cannot be allocated immediately into any of the categories listed in paragraphs (i) to (iii) above.

The fund also administers interest earned on monies paid into the fund and bank charges levied in respect of all bank accounts held in the name of the fund.

(b) Financial Overview

Receipts from obligors and depositors during the financial year amounted to R678 million (2024: R740 million), while payments and refunds to beneficiaries and depositors amounted to R574 million (2024: R686 million). The following table reflects the total payments for the 2024/25 financial year and the prior financial year in respect of the various categories to various beneficiaries and depositors.

	2025	2024
Bail	R231 929 051,00	R187 958 454,00
Maintenance	R339 265 472,00	R480 058 766,10
Payments into Court	R3 160 104,00	R16 427 689,00
Total	**R574 354 627,00**	**R684 444 909,10**

2 SERVICES RENDERED:

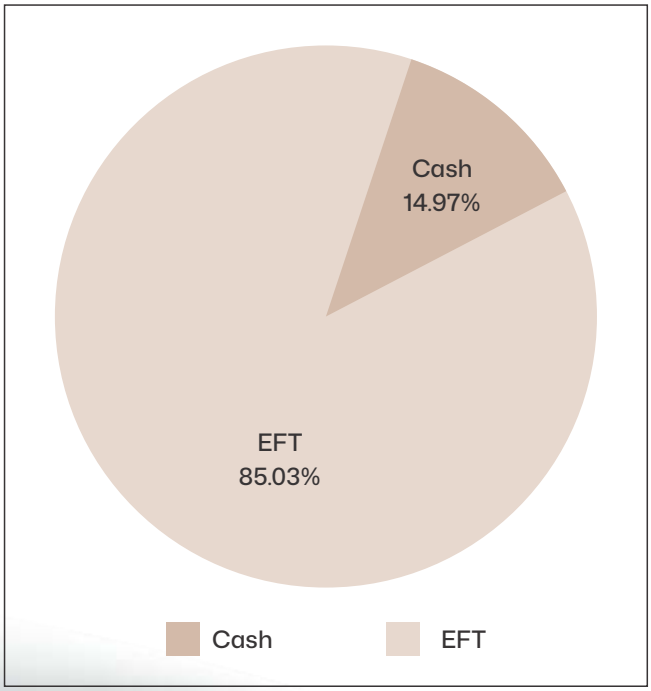
(a) Maintenance

Maintenance can be paid to the fund either directly by the defendants or deducted from their salaries and then paid by their employers. JAF only accounts for monies received and paid through this process. Any unpaid monies must be addressed through court procedures, as this is a civil matter, and JAF acts only as a conduit for payments between depositors and beneficiaries. JAF only handles funds received through a court order and distributes these funds as quickly as possible after being received from defendants and/or their employers. The average turnaround time for such receipts and payments is between two and four working days. These payments are mainly processed through electronic funds transfer (EFT) systems on the MojaPay platform.

Prior to 2006, all maintenance beneficiaries were paid in cash, whereas in March 2025, 11 276 beneficiaries received cash payments. It is estimated that prior to the implementation of the MojaPay system, over 250 000 maintenance beneficiaries were paid in cash. The shift to EFT payments not only benefited the maintenance beneficiaries, who previously faced long waiting times in queues at the end of the month, often exposed to criminal elements and transportation costs to courts, but also led to a reduction in the department's expenses for cash-in-transit and cash withdrawal fees. Recognition is given to officials at various levels of the department for the significant decrease in maintenance payments paid in cash to beneficiaries over the past 19 years.

It must be kept in mind that 85% of maintenance beneficiaries are receiving maintenance payments on a monthly basis via the EFT and bank systems. In some cases, maintenance beneficiaries still rely on cash as a method of payment due to lack of access to banking facilities in rural communities, high withdrawal costs, and the convenient location of courts versus bank locations.

The graph below indicates the relationship of EFT versus cash payments made in respect of maintenance in 2025.



To eliminate or reduce the number of maintenance payments that flow through our courts and to ensure that beneficiaries have access to their monies in a shorter period, the Direct Payment initiative was widely promoted. The process entails the obligor (whether an individual defendant or his/her employer) depositing monies directly into the bank account of the beneficiary. All provinces of the department are managing this project in consultation with the local judiciary and prosecution, where applicable. The bulk of new maintenance orders issued are direct payment orders and 37 265 orders were processed during the financial year under review. The existing orders are reviewed and re-issued as direct payment orders. During the year under review, 2 813 orders were reviewed and re-issued as direct payments. After an objective assessment, including risks, by appointed maintenance officers and maintenance investigators, a recommendation for direct payments is presented to the judicial officer (magistrate) for approval, and the relevant court order is issued. The success of this project has resulted in a significant reduction in the number of maintenance payments made in cash that must be dealt with through JAF.

Below is a breakdown per province of new direct payment orders issued and existing orders converted to direct payments for the years ended 31 March 2024 and 31 March 2025:

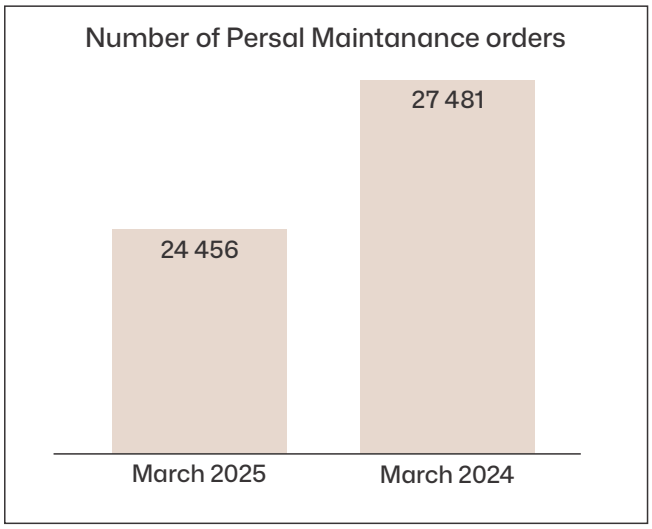
REGION	NEW ORDERS: 24/25	NEW ORDERS: 23/24	CONVERTED ORDERS: 24/25	CONVERTED ORDERS: 23/24
Eastern Cape	202	331	49	-
Free State	6 866	6 622	1 245	100
Gauteng	12 864	13 569	39	186
Limpopo	-	10 934	-	590
Mpumalanga	2 826	5 171	5	10
Northern Cape	426	1 972	-	114
North West	4 072	3 970	363	115
KwaZulu-Natal	5 879	5 809	952	675
Western Cape	4 130	-	160	-
TOTAL	**37 265**	**48 378**	**2 813**	**1 790**

This process, however, takes time, as all stakeholders (obligor, beneficiary, and employer) must agree to it and/or be informed thereof. In some instances, employers claim not to have the necessary systems and resources in place to administer this function, while other employers prefer this method.

Payments processed via Persal interface with MojaPay

The Department of Justice and Constitutional Development (DoJ&CD) has reached an agreement whereby the DoJ&CD, through MojaPay, can deduct monies directly from the emoluments of government employees through PERSAL at national departments, provincial departments, and government components,

except from the Department of Defence that uses PERSOL. This results in these deductions being paid to JAF centrally, with the correct reference number. Once received by the department, the monies are allocated and paid to the beneficiaries on the second working day after receipt. Previously, these monies were paid to the different courts of the department for processing, and due to all the manual processes involved, it took between 5 and 20 working days before beneficiaries received their monies. In many instances, these payments were not correctly referenced, resulting in payments being made to incorrect beneficiaries.
The graph below illustrates the number of orders paid through this process in March 2025 and in March 2024.



The decrease in 2025 can mainly be attributed to maintenance orders converted to direct payments and deductions that have been terminated (matured).

Over and above the Persal interface arrangements, the DoJ&CD has also reached agreements with several employers, including the Department of Defence, for bulk payments to be deposited directly into the JAF bank accounts.

(b) Bail:

Bail payments in respect of the Criminal Procedure Act, 1977 (Act 51 of 1977), or any other legislation made to courts throughout the country, as well as police stations and correctional facilities, are held on behalf of depositors by JAF until the finalisation of criminal cases. Such monies are paid at police stations or correctional facilities and subsequently paid over to courts in cash in most instances or by deposits into the nominated bank account by the South African Police Service (SAPS) and the Department of Correctional Services (DCS).

(c) Other Payments into Court:

These payments include, but are not limited to, payments sometimes referred to as Civil Payments (for example, security deposits in civil matters and private prosecution matters), compensation fines or awards, and in limited instances, payments in terms of Small Claims Court settlements or orders. It further includes any other payments made to court under any Rule of Court or any other law, where the intended beneficiary may be a third party.

3. SYSTEMS REVIEW AND DEVELOPMENT

(a) JDAS (Legacy system):

The Justice Deposit Account System (JDAS), utilised for the administration of JAF and other monies, was designed as a case administration system with payments and receipts recording functionality, but not as a financial system with the prescribed accounting and financial reporting capabilities required in terms of current governance requirements. Transactions were recorded at court level on JDAS and then payments were made to maintenance and

compensation fines beneficiaries, as well as refunds or payments made to bail depositors and Payments into Court depositors.

The department continues to actively work on the closure of all remaining legacy system bank accounts, and access to the related JDAS databases is restricted. As of 31 March 2025, there are three provincial legacy bank accounts held by KwaZulu-Natal, Eastern Cape and Western Cape. The plan is to clear and close all these remaining legacy accounts during the 2025/26 financial year.

The various limitations placed on reporting data were, inter alia, due to the shortcomings of JDAS, which resulted in system errors and other invalid balances arising. These items were removed from the relevant financial statement components and grouped into the ring-fenced balance. The DoJ&CD has managed, during the financial year under review, to clear some of these balances, resulting in a decrease from R159 666 to R64 867 payable balance. The remainder of the ring-fenced balances will be investigated further during the 2025/26 financial year.

(b) MojaPay (SAP):

The department implemented the MojaPay system at all main courts in a staggered fashion from 2016 to 2020.

During the 2024/25 financial year, the following receipts and payments were recorded only on the MojaPay system.

	Receipts	Payments
Maintenance	R363 216 685,00	R329 946 437,00
Bail	R302 581 058,00	R228 812 382,00
Payments into Court	R4 246 725,00	R3 158 104,00
Total	**R670 044 468,00**	**R561 916 923,00**

(c) Management of Unclaimed Monies:

Unclaimed monies have since 1 April 2014 been kept separate, initially after a directive issued by the National Treasury and later in terms of the JAF Act. As of 31 March 2025, the balance of these monies was R 150.2 million compared to R151.8 million reported as of 31 March 2024, as depicted in the table below.

	2025	2024
Bail	R120 241 074,00	R121 125 019,00
Compensation	R2 194 859,00	R1 356 813,00
Maintenance	R23 902 138,00	R23 538 200,00
Payments into Court	R3 918 941,00	R5 812 794,00
Total	**R150 257 012,00**	**R151 832 826,00**

The high level of unclaimed bail monies results from depositors not claiming their funds after criminal cases are finalised. In most cases, especially regarding bail monies collected by SAPS and DCS, depositors provide incorrect or incomplete contact details, making it difficult to trace beneficiaries. Often, even basic information such as the depositor's identity number is not recorded. Additionally, the depositors of the bail are often different persons to the accused, complicating the process of tracing them for refund purposes. The department will consider transferring unclaimed funds after 10 years to the National Revenue Fund to address the rising trend; however, it is important to note that the currently unclaimed funds have not yet reached 10 years, as the act was only enacted in 2018. Until then, the increasing trend is expected to continue due to the reasons mentioned above regarding bail monies.

(d) New payment methods:

The department's Point-of-Sale (POS) devices are installed at all the courts. This project was initiated to make payments including bail to JAF by the public more convenient and it was envisaged that this will reduce cash handling at courts as well as reduce expenditure for the department in respect of cash-in-transit costs and cash deposit fees. The uptake of the use of POS has been slow. The department continues to encourage depositors to make use of point-of-sale devices as a method of payment at various courts.

5. TARIFF POLICY

No fees are charged for the services rendered in respect of JAF, as payments are made mainly in respect of maintenance beneficiaries, most of whom hail from vulnerable groups in society.
In terms of the JAF Act, interest earned on bank balances is to be utilised to defray the bank charges.

5. CORPORATE GOVERNANCE ARRANGEMENTS

The governance processes of the department are mainly driven by the Executive Committee (EXCO) under the guidance of the accounting officer and the Minister for Justice and Constitutional Development.
EXCO takes the initiative to ensure that all its members are leading and directing the operations and service delivery initiatives in a manner that is consistent with ethical standards. All the departmental actions are governed by ethical principles contained in the Fraud Prevention Plan and Code of Ethics and Business Conduct of the Department.
Other oversight governance structures for JAF include the Risk Management Committee and the Audit Committee, which both provide monitoring and assurance services to the fund. There is an existing approved Fraud Prevention Plan and the Whistle-Blowing Policy, which are applied by the governance structures in the monitoring of progress made in fraud detection and reporting.

6. APPROVAL

The Annual Financial Statements on pages 22 to 42 are hereby approved.

ADV. D MASHABANE
DIRECTOR-GENERAL: DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT
31 JULY 2025

REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE ON JUSTICE ADMINISTERED FUND

Part 3: Audit Committee Focus Areas

The following were reviewed during the year under review:

EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

The Accounting Officer and management are responsible for designing and implementing an effective system of internal controls to mitigate risks and control deficiencies.

The system of internal control is designed to provide cost effective assurance for ensuring achievement of the department's objectives and these controls are required to be effective throughout the year.

The Audit Committee has noted significant improvement / resolution of the issues that were raised as concerns during the years. The Audit Committee has also noted a significant improvement in the overall operating environment and is also pleased that the Accounting Officer and management have demonstrated their commitment to sustain and improve on the management works and the overall control environment.

EFFECTIVENESS OF THE INTERNAL AUDIT (IA)

The Internal Audit unit has provided the Audit Committee and management with independent assurance and advice on the effectiveness of the measures to mitigate risks. The Audit Committee is satisfied that Internal Audit has discharged its responsibilities as per the Internal Audit plan informed by the risk assessment process and the assurance needs of the department.

ACTIVITIES OF THE INTERNAL AUDIT / FUNCTION

The Internal Audit function is responsible for providing independent assurance to the Audit Committee regarding the adequacy, efficiency, economy and effectiveness of the network of risk management, internal controls, and governance processes as designed and implemented by departmental management that they are adequate and functioning effectively with regard to the achievement of objectives.

EFFECTIVENESS OF RISK MANAGEMENT

The Audit Committee has been continuously ensuring that the department implement effective measures to prevent, detect and resolve matters which are raised.

The Information and Communication Technology is an area that management should continue to ensure that it is strengthened adequately.

ADEQUACY, RELIABILITY, AND ACCURACY OF FINANCIAL AND PERFORMANCE INFORMATION

The Audit Committee has reviewed financial and performance information through the year under review when presented by management and the Accounting Officer. The audit is satisfied with the report of the Auditor-General in this regard.

ACCOUNTING AND AUDITING CONCERNS IDENTIFIED AS A RESULT OF INTERNAL AND EXTERNAL AUDITS

Challenges in the broader ICT environment expose the department to the risk of fraud and delays in the payment of beneficiaries and requires immediate attention.

COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS

The Audit Committee is satisfied with the general state of compliance with legal and regulatory provision within the fund.

THE QUALITY OF THE IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTS SUBMITTED IN TERMS OF LEGISLATION

The Audit Committee has reviewed the management reports submitted by management and the Accounting Officer and we are satisfied of the quality thereof.

COMBINED ASSURANCE

The department is working on finalising the process of combined assurance.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee has also reviewed the Auditor-General South Africa's final management letter and the audit report and also management's responses where shortcomings are identified. The Audit Committee will continue to monitor the implementation of corrective measures agreed to by management. The department will need to continue to develop and implement action plans for addressing the root causes which had resulted in shortcomings identified during the audit.

AUDITOR-GENERAL'S REPORT

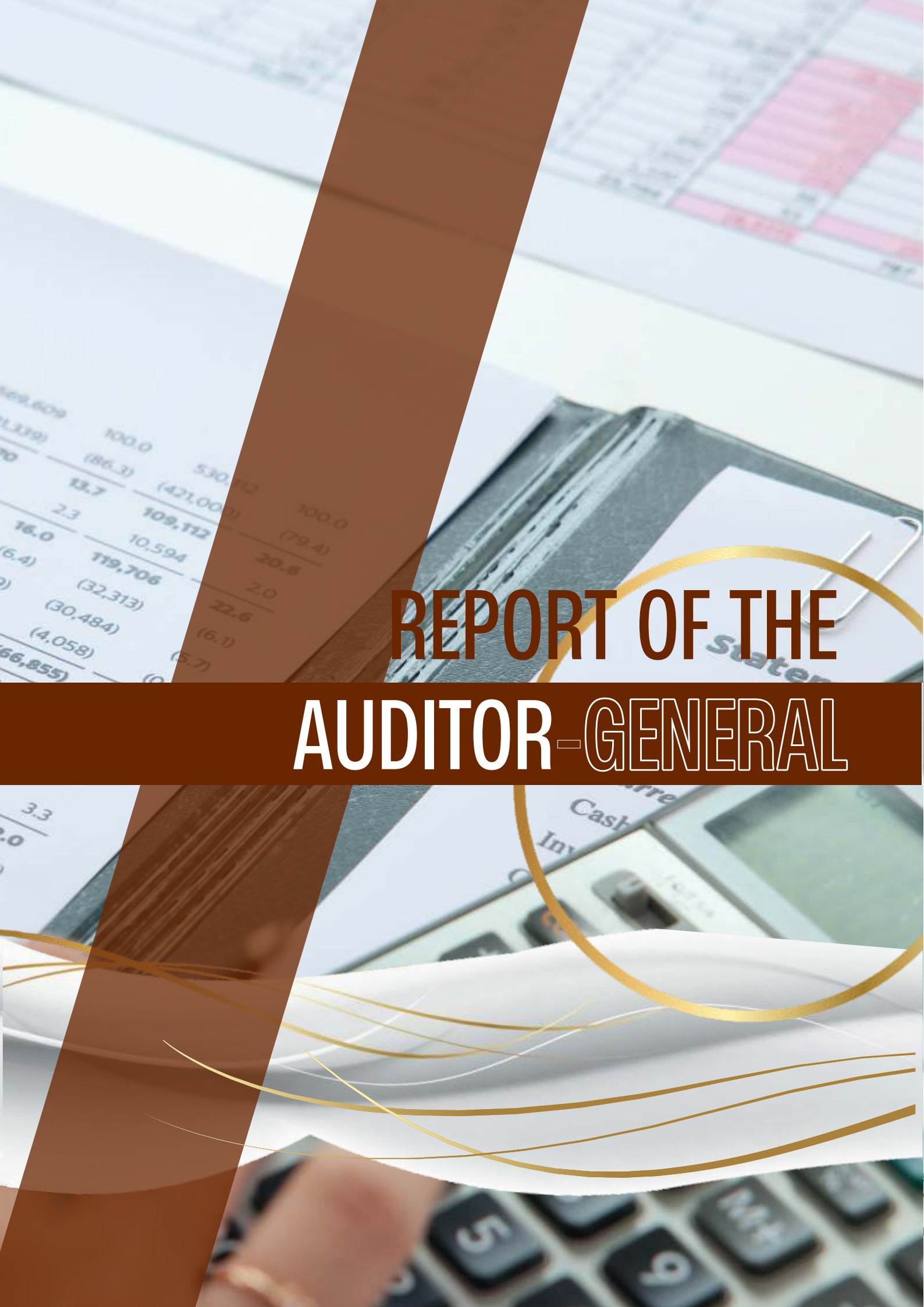
The Audit Committee appreciates the unqualified audit opinion reported by the Auditor-General.

CONCLUSION

The Audit Committee is pleased that the fund has maintained the unqualified audit opinion for three consecutive years.

Besky Maluleka-Ngunjiri_
Chairperson of the Audit Committee
Department of Justice and Constitutional Development
Date: 31 July 2025

Income statement
Profit before income tax
Company



REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE JUSTICE ADMINISTERED FUND

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Justice Administered Fund set out on pages 22 to 42, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Justice Administered Fund as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the general notice issued in terms of the PAA.

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the fund in accordance with the International Ethics Standards Board for Accountants' International Code of ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the fund's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 19 of the annexure to the auditor's report, forms part of my auditor's report.

Report on the annual performance report

10. In terms of the Justice Administered Fund Act 2 of 2017, the fund is not required to prepare an annual performance report.

Report on compliance with legislation

11. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the fund's compliance with legislation.
12. The fund is not listed in terms of the PFMA and, therefore, no subject matters have been scoped in.

Other information in the annual report

13. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
14. My opinion on the financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
15. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
16. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

17. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.
18. I did not identify any significant deficiencies in internal control.

Other reports

19. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements.

20. Independent consultants investigated an allegation of misappropriation of the fund's assets at the request of the fund, which covered the period from July 2023 to December 2024. These proceedings were in progress at the date of this auditor's report.

Auditor - General

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Pretoria
30 July 2025

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the fund to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a fund to cease operating as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the fund with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Report

FINANCIAL STATEMENTS

JUSTICE ADMINISTERED FUND ANNUAL FINANCIAL STATEMENTS

General Information

Nature of business and principal activities	The primary function of the Justice Administered Fund (JAF) is the administration and the management of the receipts and payments of bail, maintenance, payments into court and compensation fines on behalf of third parties. The JAF is further responsible for accounting of all transactions, safeguarding of administrative documentation and reporting of transactions.
Business address	329 Pretorius Street Pretoria 0001
Postal address	329 Pretorius Street Private Bag X 81 Pretoria 0001

INDEX

The reports and statements set out below comprise the annual financial statements:

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Accounting Officer's Responsibilities and Approval	24
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Statement of Changes in Net Assets	27
Cash Flow Statement	28
Accounting Policies	29 to 32
Notes to the Annual Financial Statements	33 to 42

Adv. Doctor Mashabane
Accounting Officer

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999) to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the fund as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the fund and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund.

While operating risk cannot be fully eliminated, the fund endeavours to minimise such risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The fund is wholly dependent on the department for continued funding of operations. The annual financial statements are prepared on the basis that the fund is a going concern and that the fund has neither the intention nor the need to liquidate or curtail materially the scale of the business.

The annual financial statements set out on pages 25 to 42, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2025 and were signed on its behalf by:

ADV. D MASHABANE
DIRECTOR-GENERAL :
DEPARTMENT OF JUSTICE AND
CONSTITUTIONAL DEVELOPMENT

Statement of Financial Position as at 31 March 2025

	Note	2025 R	2024 Restated R
Assets			
Current Assets			
Receivables from non-exchange transactions	3	6 961 339	6 100 369
Receivables from exchange transactions	5	8 027 902	7 558 289
Cash and cash equivalents	4	1 008 784 788	865 735 980
		1 023 774 029	879 394 638
Total Assets		**1 023 774 029**	**879 394 638**
Liabilities			
Current Liabilities			
Payables from non-exchange transactions	6	895 091 296	796 534 953
Other liabilities	7	64 867	159 666
Bank Overdraft	8	80 239	1 423 558
		895 236 402	798 118 177
Total Liabilities		**895 236 402**	**798 118 177**
Net Assets		**128 537 627**	**81 276 461**
Accumulated surplus		128 537 627	81 276 461
Total Net Assets		**128 537 627**	**81 276 461**

Statement of Financial Performance

	Note	2025 R	2024 Restated R
Revenue			
Revenue from exchange transactions			
Interest received	9	58 858 479	51 061 101
Expenditure			
Loss written off		(198 229)	(2 853 482)
Bank charges	9	(11 399 084)	(10 633 260)
Total expenditure		**(11 597 313)**	**(13 486 742)**
Surplus for the year		**47 261 166**	**37 574 359**

Statement of Changes in Net Assets

	Note	Accumulated surpluses R	Total net assets R
Opening balance at 01 April 2023		**43 609 019**	**43 609 019**
Adjustments			
Prior year adjustments	13	93 083	93 083
Balance at 01 April 2023 as restated*		43 702 102	43 702 102
Changes in net assets			
Surplus for the year		35 984 509	35 984 509
Correction of errors	13	1 589 850	1 589 850
Total changes		**37 574 359**	**37 574 359**
Balance at 01 April 2024 as restated		**81 276 461**	**81 276 461**
Changes in net assets			
Surplus for the year		47 261 166	47 261 166
Total changes		**47 261 166**	**47 261 166**
Balance at 31 March 2025		**128 537 627**	**128 537 627**

Cash Flow Statement

	Note	2025 R	2024 Restated R
Cash flows from operating activities			
Receipts			
Receipts from third party transactions	10	677 603 385	740 289 941
Interest received		66 416 768	47 837 090
Shortage as well as maintenance and dishonoured cheques		-	892 978
Other receipts in cooperate accounts		23 213	34 845
		744 043 366	789 054 854
Payments			
Payment to third party transactions	10	(574 354 626)	(684 444 909)
Payment on behalf of Department of Justice and Constitutional Development	5	(8 027 902)	-
Shortages as well as maintenance and dishonoured cheques		(1 415 129)	-
Bank Charges		(17 274 440)	(10 633 260)
Adjustment of fines and legacy account receipts		(2 700)	(201 781)
		(601 074 797)	(695 279 950)
Net cash flows from operating activities		**142 968 569**	**93 774 904**
Net increase/(decrease) in cash and cash equivalents		142 968 569	93 774 904
Cash and cash equivalents at the beginning of the year		865 735 980	770 537 518
Bank Overdraft	8	80 239	1 423 558
Cash and cash equivalents at the end of the year	**4**	**1 008 784 788**	**865 735 980**

Accounting Policies

1. Presentation of Annual Financial Statements

The Justice Administered Fund Act, 2017 (Act 2 of 2017) was assented to on 6 April 2017 and implemented on 1 April 2018.

The purpose of the JAF is the administration of bail, maintenance, payment into court and compensation fines on behalf of third parties by

- the identification, creation, maintenance and management of depositors and beneficiaries;
- the management of the receipts and payments on behalf of depositors and beneficiaries;
- the accurate accounting of all transactions and safeguarding of administrative documentation; and
- the timely and accurate reporting of transactions.

The annual financial statements have been prepared in accordance with the standards of GRAP, including any interpretations and directives issued by the Accounting Standards Board.

In the absence of an issued and effective standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5, issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and in accordance with historical cost convention as the basis of measurement at fair value, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

Categories and Nature of Transactions

Bail: Where an accused is granted bail by a judicial officer or a duly authorised official, these funds are retained until court authorises return of the funds to the depositor upon completion of the case if the bail conditions have been met. They are forfeited to the state if the bail conditions have not been met and thereafter paid over to the National Revenue Fund through the Vote Account of the department when the monies remain unclaimed for a period longer than 10 years after it has been authorised to be repaid to the depositor. The fund does not recognise revenue when bail monies are received or forfeited; instead, they are recognised as payables and are payable to the department through the Vote Account.

Maintenance: Funds are received from obligors in accordance with an order of court, which is then paid to beneficiaries/ complainants or returned to the obligor if so approved by a court, or paid to the National Revenue Fund through the Vote Account if the monies remain unclaimed for a period longer than 10 years. The fund does not recognise revenue when maintenance monies are received; instead, they are recognised as payables and are immediately payable to the beneficiary on receipt thereof.

Payments into Court: This comprises money paid into court in terms of any Rule of Court or any other subordinate legislation. Unclaimed payments are paid over to the National Revenue Fund through the Vote Account when the monies remain unclaimed for a period longer than 10 years after it has been authorised to be paid to

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

either the depositor or a court-identified beneficiary. The fund does not recognise revenue when payment into court monies are received. These monies are recognised as payables and are payable to the depositors when authorised.

Unclassified Monies: This entails money received that cannot immediately be allocated into one of the above categories due to the lack of supporting documentation or if it originates from an unknown source. If the origin of these monies cannot be traced and allocated or refunded to the depositor, the monies are deposited into the National Revenue Fund through the Vote Account after six months in terms of the Departmental Financial Instructions. The fund does not recognise revenue when these monies are received; instead, they are recognised as payables and payable to the department through the Vote Account after six months.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the JAF.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the JAF will continue to operate as a going concern for at least the next 12 months.

1.3 Financial instruments

Financial instruments of the JAF only comprises cash and cash equivalents and are classified as financial assets, except if bank balances are in overdraft, in which case they are classified as financial liabilities.

Initial and subsequent measurement
Financial instruments are recognised when the JAF becomes a party to the transactions and are measured at fair value.

The JAF would derecognise a financial instrument only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived;
- Substantially all the risks and rewards of the financial instrument are transferred to another party; or
- In the case of a financial asset, JAF has transferred control even if it retains some significant risks and rewards of ownership;
- When the monies are paid out of the relevant beneficiaries the financial instruments are derecognised.

1.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand at the bank at reporting date. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash that are immediately available, and which are subject to insignificant risk of changes in value. Cash at the bank is held with reputable banking institutions as authorised by National Treasury in the name of the Department of Justice and Constitutional Development (DoJ&CD) and the JAF.

1.5 Receivables from non-exchange transactions

Receivables arise from the legal activities of the JAF and represent amounts that are recoverable from another/identifiable party and include, but are not limited to, dishonoured cheques, maintenance debtors and shortages.

Accounting Policies

1.5 Receivables from non-exchange transactions (continued)

Receivables are initially measured at the amount of cash receivable (the transaction amount).

Receivables are derecognised when the JAF recovers the amounts owing or when amounts are written off through the DoJ&CD Vote funding when irrecoverable.

1.5.1 Dishonoured cheques

Dishonoured cheques' debtors are recognised in the Statement of Financial Position when cheques received from various obligors were returned "Refer to Drawer" by the financial institutions only after a payment had already been made to a JAF beneficiary in the interest of service delivery. These are old transactions that are under investigation. The DoJ&CD may write off the amount when irrecoverable. The JAF may also stand in when the Department of Justice is unable to write off an amount when irrecoverable.

1.5.2 Maintenance debtors

Maintenance debtors are raised when maintenance payments are made to incorrect maintenance beneficiaries due to incorrectly referenced payments received. Following an internal investigation, the DoJ&CD may write off the amount when irrecoverable.

1.5.3 Shortage debtors

Monies collected over the counter are deposited at one of the authorised financial institutions regularly. Where an amount received over the counter is less than the amount indicated on the receipt or where the amount deposited is less than the amount received by the bank, a cash shortage is recorded. All cash shortages are investigated, and a receivable is raised for shortages. Following an internal investigation, the DoJ&CD may write off the amount if irrecoverable.

1.5.4 State institutions and other receivables

The receivable state institutions and other receivables refers to money due from state institutions, including provincial governments and local authorities. These may include payments made to these beneficiaries in error.

1.6 Payables from non-exchange transactions

Payables arise from amounts that are due and payable to beneficiaries and/or depositors. Payables do not meet the definition of financial liabilities as described in GRAP 104 due to the following reasons:

- Payables arise out of non-contractual arrangements,
- Performance and remedy of non-performance is not enforceable by law, or
- The transactions are executed in terms of legislation as opposed to a contract.

Payables are measured and are due to the third party in accordance with the court order or legal directive and are derecognised when the rights to the cash outflows from the payables are settled, expired or waived.

1.7 Revenue from exchange transactions

The JAF recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the fund.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets. Revenue is recognised from interest that is received from the commercial banks.

Accounting Policies

1.8 Other liabilities

These are transactions that cannot be verified under cash and cash equivalents, payables and statutory receivables based on historical limitations of the legacy system and are therefore recognised as other liabilities.

1.9 Services in kind

The fund recognises services in kind that are significant to its operations and/or service delivery objectives as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the fund and the fair value of the assets can be measured reliably.

Where services in kind are not significant to the fund's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the fund discloses the nature and type of services in kind received during the reporting period.

1.10 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current financial year.

1.11 Related parties

Parties are related if one party can control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. Related parties are only disclosed if not at arm's length.

1.12 Expenditure

Bank charges relating to bank accounts held and maintained with reputable banking institutions and the losses are written off against the JAF surplus in terms of Section 6(3)(b) of the JAF. Write-offs relate primarily to cash desk shortages and are permitted only after reasonable recovery efforts have been exhausted, with recommendations from Legal Services Chief Directorate, and must be approved in accordance with the level of materiality.

1.13 Receivables from exchange transactions

Receivables arising from exchange transactions include funds attached by the sheriff following a court order for the recovery of legal costs awarded to the third party. These receivables are recognised when the right to recover such amounts is established and are accounted for in accordance with financial instruments standards.

Recognition:
A receivable is recognised when it is probable that the economic benefits will flow to the entity and the amount can be reliably measured.

Derecognition:
The receivable is derecognised when the amount is collected, written off, or determined to be unrecoverable after all reasonable recovery actions have been exhausted.

Interest earned in prior years but received in the current year is recognised as accrued income in the year it was earned, with a corresponding adjustments to the prior financial statements to ensure accurate reporting. This ensures that the income is recognised in the period in which it was earned.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The fund has not applied the following standards and interpretations, which have been published and are mandatory for the fund's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or	Expected impact:
Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed
GRAP 1 (amended): Presentation of Financial Statements	01 April 2025	Impact is currently being assessed

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the fund's accounting periods beginning on or after 01 April 2025 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or	Expected impact:
GRAP 103 (as revised): Heritage Assets	01 April 2025	Unlikely there will be a material impact
GRAP 25 (as revised): Employee Benefits	01 April 2025	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2025	Unlikely there will be a material impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2025	Unlikely there will be a material impact
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2025	Unlikely there will be a material impact

Notes to the Annual Financial Statements

		2025	2024
		R	R
3.	**Receivables from non-exchange transactions**		
	Statutory Receivables		
	Dishonoured Cheques	360 485	360 485
	Vote: Receivables from DoJ&CD	-	1 800
	State Institutions and other receivables	4 500	4 500
	Maintenance Debtor	197 909	214 768
	Shortage Debtor	6 398 445	5 518 816
		6 961 339	6 100 369

Receivables Age Analysis	Shortage Debtor	Maintenance Debtor	Dishonoured Cheque	State Institutional and other Receivables	Total
0 to 6 Months	805 420	-	-	-	805 420
7 to 12 Months	587 880	-	-	-	587 880
13 to 24 Months	2 037 149	-	-	-	2 037 149
25 to 36 Months	487 138	1 500	2 300	500	491 438
37 to 60 Months	961 590	21 355	-	3 500	986 445
61 Months Plus	1 519 268	175 054	358 185	500	2 053 007
	6 398 445	**197 909**	**360 485**	**4 500**	**6 961 339**

Receivables from non-exchange transactions are managed in terms of the JAF Financial Instructions (JAFFI), which have been issued in terms of section 9 of the JAF Act, 2017 (Act 2 of 2017). In terms of this all receivables not recoverable from the responsible party must be accounted for within the fund, until responsibility and accountability can be determined (or not).

In terms of paragraph 4.2.3 of the JAFFI, should the DoJ&CD be unable to recover such amounts, it must follow its processes to write off the amount(s) concerned. This has the implication that all receivables from non-exchange transactions are recoverable from the DoJ&CD, should it not be recoverable from an identified party or when such party cannot be identified after investigations have been concluded.

		2025	2024
		R	R
4.	**Cash and cash equivalents**		
	Cash on hand	4 287 723	5 518 654
	Bank balances	1 004 497 065	860 217 326
		1 008 784 788	**865 735 980**

Notes to the Annual Financial Statements

	2025	2024
	R	R

5. Receivables from exchange transactions

Interest due to the fund from the previous financial year was erroneously deposited into the departmental bank account instead of the fund's designated account. The amount was subsequently corrected and transferred to the JAF account in the current year.

An amount of R8 027 902 million included under Vote receivables represents funds that were attached by the sheriff following a court order for the recovery of legal costs awarded to the third party. These legal costs remain unpaid by the Department of Justice. The attachment was effected to enforce the payment, and the funds are pending reimbursement from the DoJ&CD.

Interest Received	-	7 558 289
Vote Receivables from DoJ&CD	8 027 902	-
	8 027 902	**7 558 289**

	2025	2024
	R	R

6. Payable from non-exchange transactions

Bail	743 288 165	694 011 756
Maintenance	142 077 953	95 591 939
Unclassified Monies	1 365 765	1 315 049
Payments into Court	8 223 923	4 981 619
Vote Payable	135 490	634 590
	895 091 296	**796 534 953**

	2025	2024
	R	R

7. Other liabilities

Other Liabilities	64 867	159 666

The DoJ&CD launched and completed a ring-fencing exercise in 2016/17. The purpose of the ring-fencing exercise was to isolate amounts and transactions that cannot be verified under cash and cash equivalents, payables and statutory receivables based on historical limitations of the legacy system (Justice Deposit Administration system).

The various limitations placed on reporting data are, inter alia, due to the shortcomings of the administrative legacy systems which resulted in system errors and other invalid balances. These items are removed from the relevant financial statement components and grouped into this ring-fenced balance under other assets and liabilities. These balances and transactions are available at office level and have been aged. The process of investigating is ongoing and clearing happens when supporting documentation becomes available.

The fund has made significant efforts over the years to clear the outstanding balances. However, a definitive action plan and timeline are still pending. We are actively working to finalise both and anticipate full clearance of the remaining balance by the end of Q1 2026.

The ring-fenced amount includes historical losses currently under investigation, pending legal review and recommendations, as well as potential recovery from responsible officials. It also comprises unidentified surpluses reflected in the bank accounts.

Notes to the Annual Financial Statements

7. Other liabilities (continued)

	2025	2024
	R	R

These matters are being addressed through comprehensive reconciliation processes. A detailed action plan will be implemented to meet the anticipated timelines.
The table below indicates the current situation as far as this is concerned.

	As disclosed in 2025	As disclosed in 2024	Movement	Nature of Movement
	R	R	R	
Receivables	89 528	109 883	20 355	Clearing of invalid shortages, and write-offs by officials with delegated authority, with efforts undertaken to recover overpayments and amounts due from debtors
Cash and Cash Equivalents	(154 395)	(269 549)	(115 153)	The net impact of clearing the receivables and payables and clearing of system and data errors such as erroneous postings of interest and charges not swept
Total	**(64 867)**	**(159 666)**	**(94 798)**	-

	2025	2024
	R	R

8. Bank overdraft

Certain bank accounts reflect bank charges that are not automatically swept or transferred to be settled against the Interest account at the end of the financial year.

Bank Charges Bank Account	80 239	1 423 558

	2025	2024
	R	R

9. Interest and bank charges

Interest Received	58 858 479	51 061 101
Bank Charges	(11 398 959)	(10 633 260)
	47 459 520	**40 427 841**

The increase in interest earned in 2024/2025 is due to the rise in interest rates on all money held in the fund's Reserve accounts.

Notes to the Annual Financial Statements

	2025 R	2024 R
10. Classes of Receipts and Payments		
Cash receipts from third parties		
DoJ&CD Courts	677 605 686	740 289 941
Cash payments to third parties		
DoJ&CD Courts	(574 354 626)	(684 444 909)

11. Related parties

The JAF is administered by the DoJ&CD and as such administration costs, including salaries of officials administering the fund are incurred by the department.

Key Management Information

Relationships	
Entities under common control	The Department of Justice and Constitutional Development being the administrator, the fund is considered related to other entities under common control: the President's Fund, the Guardian's Fund, the Special Investigating Unit and Legal Aid South Africa. There are no transactions or balances with these entities in the reporting period.
Parliament is the ultimate controlling entity	The Minister of the Department of Justice and Constitutional Development is the Executive Authority and therefore a related party to the fund. Parliament has the power to govern and influence the functions and policies of the Justice Administered Fund and is consequently a related party to the entity, along with other entities and departments within the national sphere of government
Members of the key management	Key management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the fund as listed below. Their salaries and allowances are paid by the department and not paid by the fund.

Notes to the Annual Financial Statements

10. **Classes of Receipts and Payments (continued)**

Related party balances

Amounts – Owing (to) by related parties	2025 R	2024 R
Receivables from non-exchange transactions – Vote Receivables from DoJ&CD	-	1 800
Receivables from exchange transactions – Vote Receivables from DoJ&CD	8 027 902	-
Receivables from exchange transactions – Interest Received	-	7 558 289

As disclosed in note 3 of Receivables from non-exchange transactions above, an amount of R8 027 902.00 included under vote receivables represents funds that were attached by the sheriff following a court order for the recovery of legal costs awarded to the third party. These legal costs remain unpaid by the DoJ&CD at year end. The attachment was affected to enforce the payment, and the funds are pending reimbursement from the DoJ&CD to the JAF.

As disclosed in note 3 of Receivables from exchange transactions above, interest amounting to R7 558 289.00 remained due to the fund at the end of the previous financial year. This represents interest on positive bank balances which was erroneously deposited into a bank account of the DoJ&CD instead of a bank account of the fund. Corrections were made regarding these amounts and the total of R7 558 289.00 was paid into the JAF during the 2024/25 financial year.

Key management information

Class	Description	Number
Director	Level 16	1
Chief Financial Officer	Level 15	1
Chief Director	Level 14	1
Director	Level 13	1
Acting Director	Level 11	2

Management information

2025

Name
Director-General – Adv. Doc Mashabane
Chief Financial Officer – Rofhiwa Irene Singo
Chief Director – Bheki Mathunjwa
Director – Vumani Makonza
Acting Director – Nonhlanhla Lukhele
Acting Director – Clement J De Klerk

2024

Name
Director-General – Adv. Doc Mashabane
Chief Financial Officer – Rofhiwa Irene Singo
Chief Director – Bheki Mathunjwa
Director – Nico Van Harmelen
Acting Director – Nonhlanhla Lukhele
Acting Director – Clement J De Klerk

Notes to the Annual Financial Statements

12. Service in kind

The fund receives services in kind from the DoJ&CD for administration and reporting of transactions.
The DoJ&CD also pays the personnel costs, office expenses and provides funding to write off losses. These expenses are recorded in the Annual Financial Statements of the department.

The fund cannot reliably determine the fair value for the services it received in kind, hence no amount is recognised in the Statement of Financial Performance for the value of these services received.

13. Prior period errors

Interest and bank charges were incorrectly accounted for.

Interest due to the fund from the previous year was erroneously deposited into the departmental bank account instead of the fund account. This interest was subsequently transferred to the JAF account in the current year. To correct this error, prior-year balances were restated by crediting Interest Income and debiting Receivables from Exchange Transactions accordingly.

Additionally, there was an error in the classification of bank charges. Instead of being recorded under Bank Charges, the amounts were incorrectly allocated to the Maintenance Payable account. To rectify this, prior-year balances were restated by debiting Bank Charges and crediting Payables from Non-Exchange Transactions.

Presented below are those items that have been affected by prior-year errors.

Statement of financial position

	Note	As previously reported	Correction of error	Restated
		R	R	R
2024				
Accumulated Surplus		(79 593 528)	(1 682 933)	(81 276 461)
Payables from non-exchange transactions		(790 659 597)	(5 875 356)	(796 534 953)
Receivables from exchange transactions		-	7 558 289	7 558 289
		(870 253 125)	**-**	**(870 253 125)**
2023				
Accumulated Surplus		(43 609 019)	(93 083)	(43 702 102)
Payables from non-exchange transactions		(725 468 314)	(4 241 195)	(729 709 509)
Receivables from exchange transactions		-	4 334 278	4 334 278
		(769 077 333)	**-**	**(769 077 333)**

Notes to the Annual Financial Statements

	Note	As previously reported	Correction of error	Restated
		R	R	R
13. Prior period errors (continued)				
2022				
Accumulated Surplus		(24 069 144)	(1 061 191)	(25 130 335)
Payables from non-exchange transactions		(641 117 470)	(1 429 016)	(642 546 486)
Receivables from exchange transactions		-	2 490 207	2 490 207
		(665 186 614)	**-**	**(665 186 614)**
Statement of financial performance				
2024				
Interest Received		47 837 090	3 224 011	51 061 101
Bank Charges		(8 999 099)	(1 634 161)	(10 633 260)
Surplus for the year		**38 837 991**	**1 589 850**	**40 427 841**
2023				
Interest Received		27 555 720	1 844 071	29 399 791
Bank Charges		(8 015 845)	(2 812 179)	(10 828 024)
Surplus for the year		**19 539 875**	**(968 108)**	**18 571 767**
2022				
Interest Received		9 939 469	750 630	10 690 099
Bank Charges		(6 757 256)	(1 418 694)	(8 175 950)
Surplus for the year		**3 182 213**	**(668 064)**	**2 514 149**
Cash flow statement				
2024				
Cash flow from operating activities		(686 079 070)	1 634 161	(684 444 909)
Payments from Third Party Transactions		(8 999 099)	(1 634 161)	(10 633 260)
Bank Charges		-	-	-
		(695 078 169)	**-**	**(695 078 169)**

Notes to the Annual Financial Statements

	Note	As previously reported	Correction of error	Restated
		R	R	R
13. Prior period errors (continued)				
2023				
Cash flow from operating activities		(754 695 845)	2 812 179	(751 883 666)
Payments from Third Party Transactions		(8 015 845)	(2 812 179)	(10 828 024)
Bank Charges		-	-	-
		(762 711 690)	**-**	**(762 711 690)**
2022				
Cash flow from operating activities		(785 279 339)	1 418 694	(783 860 645)
Payments from Third Party Transactions		(6 757 256)	(1 418 694)	(8 175 950)
Bank Charges		-	-	-
		(792 036 595)	**-**	**(792 036 595)**

14. Financial risk management

Financial risk management
The JAF is exposed to the following financial risks due to the nature of its operations:

- Credit risk
- Interest rate risk

The JAF has employed the following activities in the management of these risks:

Credit risk
Cash held at bank
The bank balances represent the maximum exposure to credit risk of the fund. The fund, through the DoJ&CD, only banks with reputable banking institutions and is limited to banks approved by National Treasury in terms of section 7(2)(a) of the PFMA. These institutions are:
ABSA
Nedbank
Standard Bank
First National Bank

Operational Risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, unlawful activities such as theft or fraudulent activities, systems and external events. The fund recognises the significance of the operational risk inherent in all the fund's activities. Operational risk is managed within acceptable levels through implementing effective internal controls.

Notes to the Annual Financial Statements

14. Financial risk management (continued)

Interest rate risk
The fund does not actively manage its exposure to changes in the interest rate applicable to its bank balances which carry interest at a variable rate. The bank balances of the fund are of a short-term nature and therefore the exposure is minimal. The fund is not allowed to manage available cash balances to maximise return, as the amounts in the bank are essentially owed to beneficiaries and depositors.

Compliance risk
Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss to reputation the fund may suffer as a result of its failure to comply with laws, regulations, codes of conduct and standards of best/good practice. Compliance is managed through the JAF Act, JAF Financial Instructions, JAF Financial Directives, Standard Operating Procedures and training interventions.

15. Going concern

We draw attention to the fact that at 31 March 2025, the fund had an accumulated surplus (deficit) of R128 537 627 and that the fund's total assets exceeded its liabilities by R128 537 627.

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

Management does not have knowledge of events or conditions beyond the period of management's assessment that may cast significant doubt on the fund's ability to continue as a going concern.

THE DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT

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