JUSTICE ADMINISTERED FUND
ANNUAL REPORT
2025 / 26

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

ONE CONSTITUTION, ONE NATION
REFLECT. RENEW. RECOMMIT.

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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 2026

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 R632 million (2025: R677 million), while payments and refunds to beneficiaries and depositors amounted to R584 million (2025: R574 million). The decrease in total receipts is mainly attributable to lower bail receipts received during the year under review. The following table reflects the total payments for the 2025/26 financial year and the prior financial year in respect of the various categories to various beneficiaries and depositors.

	2026	2025
Bail	R109 484 582,00	R231 929 050,00
Maintenance	R468 854 996,07	R339 265 472,00
Payments into Court	R5 396 074,41	R3 160 104,00
Total	**R583 735 652,39**	**R574 354 626,00**

2. SERVICES RENDERED

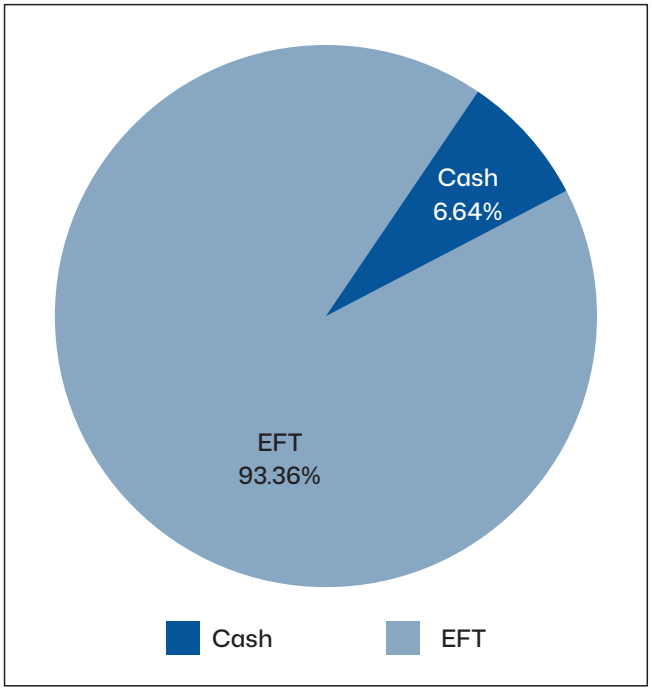
Maintenance

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.

In March 2026, 3 035 of a total of 45,686 beneficiaries received maintenance payments in cash, down from an estimated monthly total of 250,000 beneficiaries prior to the implementation of the MojaPay system. The continued shift to EFT payments has reduced beneficiaries' exposure to long queues, safety risks, and transport costs at courts, while also lowering the department's cash-in-transit and cash withdrawal expenses.

It must be kept in mind that 93,36% of maintenance beneficiaries are receiving maintenance payments monthly 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 2026.



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 38 642 orders were processed during the financial year under review.

Existing orders are also reviewed and re-issued as direct payment orders; 1 581 were re-issued during the year under review. 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 2025 and 31 March 2026.

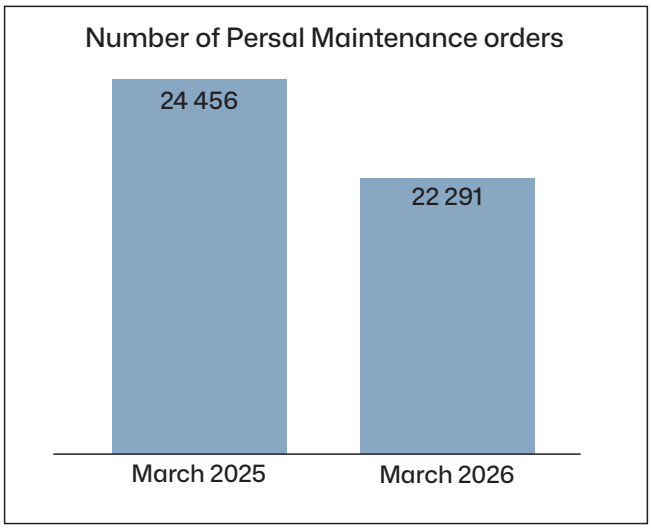
REGION	NEW ORDERS: 24/25	NEW ORDERS: 25/26	CONVERTED ORDERS: 24/25	CONVERTED ORDERS: 25/26
Eastern Cape	202		49	-
Free State	6 866	1 350	1 245	253
Gauteng	12 864	14 763	39	300
Mpumalanga	2 826	6 122	5	0
Northern Cape	426	1 455	0	100
North West	4 072	2 877	363	147
KwaZulu-Natal	5 879	5 335	952	743
Western Cape	4 130	6 760	160	38
TOTAL	**37 265**	**38 642**	**2 813**	**1 581**

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. As a result, these deductions are 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 payments were processed manually through individual courts, taking between 5 and 20 working days and often resulting in incorrectly referenced payments to beneficiaries.

The graph below illustrates the number of orders paid through this process in March 2026 and in March 2025.



The decrease in 2026 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.

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 to 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).

The decline in bail payments in 2025/26 is attributable to the continued difficulty in tracing bail depositors for repayment once cases are finalised. As is the case with unclaimed bail monies more broadly, depositors are often different persons from the accused and provide incomplete or incorrect contact details – particularly where bail was collected by SAPS or DCS – which delays disbursement despite the underlying receipts remaining strong.

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

JDAS (Legacy system)

The Justice Deposit Account System (JDAS), previously used to administer JAF monies, was designed as a case administration system rather than a financial system with the accounting and reporting capabilities required under 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 continued to actively work on the closure of all remaining legacy system bank accounts; there is only one provincial legacy bank account remaining held by Western Cape. 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 all these balances, resulting in a decrease from R64 867 in the prior financial year to nil payable balance in the 2025/26 financial year. While the department has begun the process of decommissioning the JDAS system in 2025/26, there were technical challenges that were experienced regarding the migration of historic data, which resulted in halting the process. The intention is to resume this process in the next financial year.

MojaPay (SAP)

During the 2025/26 financial year, the following receipts and payments were recorded only on the MojaPay system.

	Receipts	Payments
Maintenance	R387 211 677,10	R468 467 922,53
Bail	R241 799 305,39	R92 670 735,91
Payments into Court	R2 931 187,00	R4 391 963,91
Total	**R631 942 169,49**	**R565 530 622,35**

Management of Unclaimed Monies

Unclaimed monies have been kept separate in terms of the JAF Act. As of 31 March 2026, the balance of these monies was R132.8 million compared to R150.2 million reported as of 31 March 2025, as depicted in the table below.

	2026	2025
Bail	R103 441 529,00	R120 241 074,00
Compensation	R2 155 376,00	R2 194 859,00
Maintenance	R23 635 827,00	R23 902 138,00
Payments into Court	R3 636 979,00	R3 918 941,00
Total	**R132 869 711,00**	**R150 257 012,00**

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 from 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; 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. While the balance decreased by R17.4 million in the year under review, the underlying difficulty in tracing bail depositors persists, and the department cannot project a sustained downward trend on the strength of a single year's movement. The R17.4 million reduction was attributed to payments surrendered to vote where there was no supporting documentation to trace the depositors.

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 due to the fact that the integration of the POS and the MojaPay system is not yet implemented. The department continues to encourage depositors to make use of point-of-sale devices as a method of payment at various

courts. The department commenced the drafting of JAF regulations in 2025/2026 financial year which aims to regulate payments into and out of the Justice Administered Fund. It is anticipated that once these regulations are implemented, cash handling at courts will be drastically reduced if not completely eliminated.

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.

	2026	2025
Interest received	R57 010 236,78	R58 858 478,91
Bank charges	(R11 180 451,45)	(R11 399 084,09)
Net	**R45 829 785,33**	**R47 459 394,82**

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.

4. APPROVAL

The Annual Financial Statements on pages 18 to 43 are hereby approved.

Ms K. Pillay
Acting Director-General: Department of Justice and Constitutional Development

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 (IAF)

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 strengthen 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 exposes 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 is reviewed the management reports submitted by management and the Accounting Officer and we are satisfied of the quality thereof.

COMBINED ASSURANCE

The Audit Committee is satisfied with the collaboration and coordination between Internal Audit and other assurance providers, including the Auditor General.

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 implementation of the plans on the turnaround of ICT environment and other identified shortcomings needs to be accelerated.

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 2026

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 18 to 43, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets and the 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 2026 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 xx of the annexure to the auditor's report, forms part of my auditor's report.

Report on the audit of 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

Pretoria
30 July 2026

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 that 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 accounting officer 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.

FINANCIAL STATEMENTS

JUSTICE ADMINISTERED FUND ANNUAL FINANCIAL STATEMENTS

General Information

Country of incorporation and domicile	South Africa
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. 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	Private Bag X 81 Pretoria 0001

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ABBREVIATIONS USED

DoJ&CD	Department of Justice and Constitutional Development
EIR	Effective Interest Rate
ECL	Expected Credit Loss
GRAP	Generally Recognised Accounting Practice
iGRAP	Interpretation of Generally Recognised Accounting Practice
JAF	Justice Administered Fund
JAFFI	Justice Administered Fund Financial Instructions
PFMA	Public Finance Management Act
SPPI	Solely Payments of Principal and Interest
ASB	Accounting Standard Board

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 judgements and estimates.

The accounting officer acknowledges that she 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 officer 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 it 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 of Justice and Constitutional Development 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 fund.

The annual financial statements set out on pages 18 to 43, which have been prepared on the going concern basis, were approved by the accounting officer on 31 May 2026 and were signed on its behalf by:

Ms K Pillay
Acting Director-General: Department of Justice and Constitutional Development

Statement of Financial Position as at 31 March 2026

	Note	2026 R	2025 Restated* R
Assets			
Current Assets			
Statutory Receivables	3	6 335 845	5 899 306
Receivables from exchange transactions	4	-	8 027 902
Cash and cash equivalents	5	1 110 944 888	1 008 784 788
		1 117 280 733	**1 022 711 996**
Total Assets		**1 117 280 733**	**1 022 711 996**
Liabilities			
Current Liabilities			
Payables from non-exchange transactions	6	944 529 046	895 091 296
Other liabilities	7	-	64 867
Bank Overdraft	8	62 463	80 239
		944 591 509	**895 236 402**
Total Liabilities		**944 591 509**	**895 236 402**
Net Assets		**172 689 224**	**127 475 594**
Accumulated surplus		172 689 224	127 475 594
Total Net Assets		**172 689 224**	**127 475 594**

Statement of Financial Performance

	Note	2026 R	2025 Restated* R
Revenue			
Revenue from exchange transactions			
Interest received	9	57 010 237	58 858 479
Expenditure			
Loss written off	10	(616 157)	(1 260 262)
Bank charges	9	(11 180 451)	(11 399 084)
Total expenditure		**(11 796 608)**	**(12 659 346)**
Surplus for the year		**45 213 629**	**46 199 133**

Statement of Changes in Net Assets

	Note	Accumulated surplus/deficit R	Total net assets R
Opening balance at 01 April 2024		**81 276 461**	**81 276 461**
Changes in net assets			
Surplus for the year		47 261 166	47 261 166
Prior-year adjustments	15	(1 062 033)	(1 062 033)
Total changes		**46 199 133**	**46 199 133**
Balance at 01 April 2025 as restated		**127 475 594**	**127 475 594**
Changes in net assets			
Surplus for the year		45 213 629	45 213 629
Total changes		45 213 629	45 213 629
Balance at 31 March 2026		**172 689 224**	**172 689 224**

Cash Flow Statement

	Note	2026 R	2025 Restated* R
Cash flows from operating activities			
Receipts			
Receipts from third party transactions	11	632 617 091	677 603 385
Interest received		57 010 237	66 416 768
Refund from Vote Account	4	8 027 902	-
Other receipts in corporate accounts			23 213
Shortage as well as maintenance and dishonoured cheques		528 920	-
		698 184 150	744 043 366
Payments			
Payment to third party transactions		(583 735 652)	(574 354 626)
Refunds and pay-overs to Vote from corporate accounts		(1 116 225)	-
Payment on behalf of Department of Justice and Constitutional Development		-	(8 027 902)
Shortages as well as maintenance and dishonoured cheques		-	(1 415 129)
Bank Charges		(11 180 451)	(17 274 440)
Adjustment of fines and legacy account receipts		(54 185)	(2 700)
		(596 086 513)	(601 074 797)
Net cash flows from operating activities		**102 097 637**	**142 968 569**
Net increase/(decrease) in cash and cash equivalents		**102 097 637**	**142 968 569**
Cash and cash equivalents at the beginning of the year		1 008 784 788	865 735 980
Bank Overdraft	8	62 463	80 239
Cash and cash equivalents at the end of the year	**5**	**1 110 944 888**	**1 008 784 788**

Significant Accounting Policies

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

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 Justice Administered Fund 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 Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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 are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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 the court authorises the 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 ten years after the return of the monies to the depositor has been authorised. The fund does not recognise revenue when bail monies are received or forfeited; 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 ten years. The fund does not recognise revenue when maintenance monies are received; they are recognised as payables and are immediately payable to the beneficiary on receipt thereof.

Payments into Court: 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

Significant Accounting Policies

unclaimed for a period longer than ten years after payment has been authorised to be paid to either the depositor or a court-identified beneficiary. The fund does not recognise revenue when payments into court monies are received. These monies are recognised as payables and are payable to the depositors when authorised.

Unclassified Monies: Money received that cannot immediately be allocated into one of the above categories due to the lack of supporting documentation or that originates from an unknown source. If the origin of these monies cannot be traced and the monies cannot be allocated or refunded to the depositor, the monies are deposited to 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, but they are recognised as payables and payable to the department through the Vote Account after six months.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Financial instruments

The Justice Administered Fund recognises a financial instrument when it becomes a party to the contractual provisions of the instrument.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Initial Recognition
The entity recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Classification and Subsequent Measurement
Financial assets are classified on the basis of (a) the business model within which the financial asset is held, and (b) whether the contractual cash flows of the asset represent solely payments of principal and interest (the SPPI test), in accordance with revised GRAP 104.

The fund holds the following financial assets, both classified at amortised cost:

1.4.1 Cash and cash equivalents – held within a business model whose objective is to collect contractual cash flows. Cash flows constitute solely payments of principal and interest. For cash, amortised cost equals the nominal carrying amount.

Cash and cash equivalents consist of cash on hand at the bank at the 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 DoJ&CD and the Justice Administered Fund.

Financial liabilities (bank overdraft) are classified and measured at amortised cost using the effective interest rate method.

Significant Accounting Policies

Initial and Subsequent Measurement
Financial instruments are initially recognised at fair value. For instruments measured at amortised cost, transaction costs directly attributable to the acquisition are included in the initial measurement.

Financial assets and liabilities are measured at amortised cost. For all financial instruments of the fund, amortised cost equals the nominal carrying amount given their short-term nature.

Recognition of expected credit losses

General approach
The fund applies the general approach and recognises a loss allowance for expected credit losses on cash and cash equivalents.

At each reporting date, the fund assesses whether a financial asset is 'credit impaired', i.e. when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. If the financial instrument has become credit-impaired, the fund measures the loss allowance for these financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the credit risk has not increased significantly since initial recognition, the amount is the 12-month expected credit loss.

As the bank accounts do not have defined contractual terms and may be terminated on demand, their lifetime credit losses are, effectively, less than 12 months, and shall be referred to as lifetime ECL if they become credit impaired. At each reporting date, if necessary, the entity recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance. This gain or loss is measured as the difference between the existing loss allowance balance and the amount determined at the reporting date in accordance with the expected credit loss model.

Credit risk
The entity assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date with the risk of a default at the date of initial recognition.

This assessment is based on all reasonable and supportable information that is available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the entity's historical loss experience and informed credit assessment, which includes forward-looking information.

As the financial assets are accounts at financial institutions, the rebuttable assumptions in the standard (defaults occur between 30 and 90 days past due) are not applicable; instead, key indicators of increased credit risk would include announcements of significant financial difficulty, particularly accompanied by a downgrading by rating agencies. Should the institution not be able to provide funds on demand (subject to standard transaction times), this would be an indicator of significant credit risk.

Should an institution's credit rating become unacceptable to National Treasury, this could trigger a significant increase in risk, and such instruments could then be considered credit-impaired financial assets. Typically, the fund would withdraw monies held with the institution if banking with such institution is not acceptable to National Treasury.

Measurement of expected credit losses
The entity measures expected credit losses of a financial instrument in a way that reflects:

Significant Accounting Policies

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Some financial instruments include an undrawn commitment component and the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. For such financial instruments, the entity measures expected credit losses over the period that the entity is exposed to credit risk and expected credit losses would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. As such, if a bank account is not paid out on demand, the period subject to credit risk may require adjustment in the calculation of ECL.

Modified financial assets
If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognised, the entity assesses whether there has been a significant increase in the credit risk of the financial instrument by comparing:
(a) the risk of a default occurring at the reporting date (based on the modified contractual terms); and
(b) the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

Write-off
The gross carrying amount of the financial asset is written off when the entity has no reasonable expectations of recovering it in its entirety or a proportion thereof.

Upon write-off, the entity shall directly reduce the gross carrying amount with the approved amount for write-off; the loss allowance is reduced by the portion previously recognised for that specific asset, and any remaining difference between the gross carrying amount written off and the reduction in the loss allowance is recognised immediately in surplus or deficit.

As the fund only holds cash and cash equivalents at amortised cost, these would only be written off in extraordinary circumstances where the counterparty was unable to repay the balance in full on demand for a prolonged period, and based on the probability of that being the case for the foreseeable future (and subject to legal opinion).

Any amounts previously written off and recovered are recognised in surplus or deficit.

The amounts written off would still be subject to enforcement activities in order to comply with the entity's procedures for recovery of amounts due.

Derecognition of financial assets
The entity derecognises a financial asset only when:
(a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
(c) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and

Significant Accounting Policies

without needing to impose additional restrictions on the transfer.

In this case, the fund:
(i) derecognises the asset; and
(ii) recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised in accordance with this paragraph is recognised in surplus or deficit in the period of the transfer.

Derecognition of financial liabilities
The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished.

An exchange between an existing borrower and the entity of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability, and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven, or assumed by another entity by way of a non-exchange transaction are accounted for in terms of GRAP 23; no such transactions were encountered in the 2026 financial year or the comparative period.

1.5 Service 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.

1.6 Statutory Receivables

Statutory receivables: Statutory receivables comprising shortage debtors, maintenance debtors, dishonoured cheques, and state institution receivables do not meet the definition of financial assets under GRAP 104. These receivables do not arise from contractual arrangements; they arise from legislative directives, judicial orders, and the administrative operations of the fund as prescribed by the JAF Act, 2017 (Act 2 of 2017) and the JAF Financial Instructions (JAFFI). They are accordingly excluded from the scope of GRAP 104 and accounted for under the conceptual framework.

Statutory receivables are initially measured at the amount of cash receivable (the transaction amount). Statutory receivables are derecognised when the Justice Administered Fund recovers the amounts owing or when amounts are written off through the DoJ&CD Vote funding when irrecoverable.

Significant Accounting Policies

1.6.1 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 Justice Administered Fund 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 Justice Administered Fund may also stand in when the Department of Justice is unable to write off the amount when irrecoverable.

1.6.2 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.

1.6.3 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.

1.6.4 State institutions and other receivables: The receivable from state institutions and other receivables refer to money due from state institutions, which includes provincial governments and local authorities. These may include payments made to these beneficiaries in error.

1.7 Payables from non-exchange transactions

Payables in the statement of financial position of the JAF comprise bail, maintenance, payments into court and unclassified monies which are received and administered in terms of the Maintenance Act, 1998 (Act No. 99 of 1998), the Criminal Procedure Act, 1977 (Act No. 51 of 1977), the Justice Administered Fund Act No. 02 of 2017 and a Court Rule.

As provided for in terms of paragraphs AG2.11 to AG2.13 of GRAP 104, amounts which emanate from a provision of legislation or any other law do not meet the definition of a contractual arrangement. As such, these items are not financial instruments as provided for in GRAP 104.

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;
- 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 payable are settled, expired or waived.

1.8 Revenue from exchange transactions

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

Significant Accounting Policies

Interest income is the fund's sole source of revenue from exchange transactions. It is earned on cash balances held in bank accounts with National Treasury-approved banking institutions. In accordance with GRAP 104 (as revised), interest on financial assets measured at amortised cost is recognised using the Effective Interest Rate (EIR) method. For the fund's short-term cash and cash equivalents, the EIR approximates the contractual nominal interest rate applicable to each bank account.

Where interest earned during the financial year has been deposited into a bank account other than the fund's designated account, a receivable is raised at the reporting date to ensure interest income is recognised in the correct financial year. The receivable is derecognised when the cash is transferred to the fund's designated account.

1.9 Expenditure

Bank charges relating to bank accounts held and maintained with reputable banking institutions. Where bank charges have been levied against a dedicated bank charges account and remain unsettled at year end, the resulting negative balance is disclosed as a bank overdraft under current liabilities (refer to Note 8). This balance does not form part of cash and cash equivalents as the account does not function as part of the fund's cash management activities – no receipts or operational payments flow through it.

Losses are written off against the Justice Administered Fund surplus in terms of section 6 (3) (b) of the Justice Administered Fund Act. Write-offs relate primarily to cash desk shortages and are permitted only after reasonable recovery efforts have been exhausted, with recommendations from legal, and must be approved in accordance with the level of materiality.

1.10 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the fund, including those charged with the governance of the fund in accordance with legislation, in instances where they are required to perform such functions. Related parties are disclosed only where they are not conducted at arm's length.

1.11 Comparative figures

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

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The following standards and interpretations have been issued but are not yet effective for the fund and have not been early adopted. Management has assessed that these standards are unlikely to have a material impact on the annual financial statements:

These standards are unlikely to have a material impact in light of the nature of the fund.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 2023: Improvements to the Standards of GRAP 2023	01 April 2026	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2026	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2026 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised): Mergers	01 April 2026	Unlikely there will be a material impact
GRAP 106 (as revised): Transfer of Functions Between Entities Not Under Common Control	01 April 2026	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2026	Unlikely there will be a material impact
GRAP 105: Transfer of Functions Between Entities Under Common Control	01 April 2026	Unlikely there will be a material impact
GRAP 103 (amended): Heritage Assets	01 April 2026	Unlikely there will be a material impact
iGRAP 22: Foreign Currency Transactions and Advance Consideration	01 April 2026	Unlikely there will be a material impact

Notes to the Annual Financial Statements

2.3 Standards and interpretations effective and adopted in the current year

During the current financial year, the fund adopted the revised GRAP 104: Financial Instruments, effective for reporting periods beginning on or after 1 April 2025.

The revised Standard introduces, inter alia:
A new classification model for financial assets and financial liabilities, based on the entity's management model for managing financial assets and on the characteristics of the contractual cash flows (SPPI condition).

A new expected credit loss (ECL) model for the impairment of financial assets measured at amortised cost, certain loan commitments, financial guarantee contracts, and lease receivables.

The revised Standard became effective for the entity on 1 April 2025.

Transitional provisions
The revised Standard allowed for retrospective restatement of balances, or restatement of opening balances in the prior year.

The changes relevant to the fund did not necessitate changes in values; therefore, no such restatements were considered necessary as discussed below.

Classification and measurement
The fund assessed its financial assets and liabilities in terms of its management model as prescribed by the new Standard. These considerations led to the same classifications as previously disclosed:

Financial assets		
Instrument	Classification	Value at 31 March 2025 / 1 April 2025
Cash and cash equivalents	Amortised cost	R1 008 784 788
Financial liabilities		
Instrument	Classification	Value at 31 March 2025 / 1 April 2025
Bank overdraft	Amortised cost	R80 239

As such, no changes to the measurement bases were required. Impairment – Expected credit losses (ECLs)

The revised Standard requires an assessment of ECLs for financial assets carried at amortised cost; this is a forward-looking estimate of potential losses as opposed to the previous incurred loss model, which considered objective evidence of loss events that had already occurred.

Notes to the Annual Financial Statements

The fund had not raised a loss allowance on its financial assets at amortised cost as the credit ratings of the related entities have been consistently strong. Similarly, in the current year, the credit ratings of these entities at year end indicate low credit risk (the credit ratings at year end include the rating agencies' expectations about future developments).

		2026 R	2025 R
3.	**Statutory Receivables**		
	Dishonoured Cheques	334 920	360 485
	State Institutions and other receivables	5 500	4 500
	Maintenance Debtor	27 690	197 909
	Shortage Debtor	5 967 735	5 336 412
		6 335 845	**5 899 306**

Receivables Age Analysis	Shortage Debtor	Maintenance Debtor	Dishonoured Cheque	State Institutional and other Receivables	Total
0 to 6 Months	131 983	-	-	-	131 983
7 to 12 Months	200 800	-	-	-	200 800
13 to 24 Months	1 264 884	-	-	-	1 264 884
25 to 36 Months	2 116 849	-	-	-	2 116 849
37 to 60 Months	710 558	27 190	-	1 000	738 748
61 Months Plus	1 542 661	500	334 920	4 500	1 882 581
	5 967 735	**27 690**	**334 920**	**5 500**	**6 335 845**

Statutory receivables transactions are managed in terms of the Justice Administered Fund (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 statutory receivables are recoverable from the DoJ&CD, should they not be recoverable from an identified party or when such party cannot be identified after investigations have been concluded.

		2026 R	2025 R
4.	**Receivables from exchange transactions**		
	Vote Receivables from DoJ&CD	-	8 027 902

Notes to the Annual Financial Statements

	2026	2025
	R	R
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	3 717 655	4 287 723
Bank balances	1 107 227 233	1 004 497 065
	1 110 944 888	**1 008 784 788**

	2026	2025
	R	R
6. Payables from non-exchange transactions		
Bail	791 015 098	743 288 165
Maintenance	142 028 885	142 077 953
Unclassified Monies	3 550 496	1 365 765
Payment into Court	7 769 561	8 223 923
Vote Payable	165 006	135 490
	944 529 046	**895 091 296**

	2026	2025
	R	R
7. Other liabilities		
Other Liabilities	-	64 867

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 the 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.

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.

These matters are being addressed through comprehensive reconciliation processes. The table below indicates the current situation as far as this is concerned.

Notes to the Annual Financial Statements

7. Other liabilities (continued)

	As disclosed in 2026 R	As disclosed in 2025 R	Movement R	Nature of Movement
Receivables	-	89 528	89 528	Clearing of invalid shortages, write-offs by officials with delegated authority, and efforts undertaken to recover overpayments and amounts due from debtors
Cash and Cash Equivalents	-	(154 395)	(154 395)	The net impact of clearing the receivables and payables and clearing system and data errors, such as erroneous postings of interest and charges not swept.
Total	**-**	**(64 867)**	**(64 867)**	**-**

	2026 R	2025 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. In accordance with GRAP 2, this negative balance does not qualify for offsetting against cash and cash equivalents as it does not arise from cash management activities. It is accordingly recognised as a bank overdraft under current liabilities.		
Bank Charges Bank Account	62 463	80 239

	2026 R	2025 R
9. Interest and bank charges		
Interest Received	57 010 237	58 858 479
Bank Charges	(11 180 451)	(11 399 084)
	45 829 786	**47 459 395**

The decrease in interest earned in 2025/2026 is primarily due to a decrease in the interest rate during the period, notwithstanding higher cash balances.

Notes to the Annual Financial Statements

	2026 R	2025 R
10. Loss: written off		
Loss written off	(616 157)	(1 260 262)

These amounts were written off after obtaining approval from the accounting officer. The losses approved for write-offs in 2025/26 mainly comprise a loss suffered at Thembisa Magistrate Court due to an armed robbery, amounting to R466 950, as well as shortages written off for the Simdlangentsha Magistrate Court, amounting to a total of R128 584.58, emanating from challenges with the legacy JDAS system.

	2026 R	2025 R
11. Classes of Receipts and Payments		
Cash receipts from third parties		
DoJ&CD Courts	632 617 091	677 603 385
Cash payments to third parties		
DoJ&CD Courts	(583 735 652)	(574 354 626)

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 of the services it received in kind; no amount is recognised in the Statement of Financial Performance for the value of these services received.

13. Related parties

The Justice Administered Fund 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 is 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.

Notes to the Annual Financial Statements

13. Related parties (continued)

Key Management Information

Relationships	
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.

Related-party balances

Loan accounts – Owing (to) by related parties	2026 R	2025 R
Receivable from exchange transactions – Vote Receivables	-	8 027 902
Payable from non-exchange transactions – Vote Payables	1 346 406	-

Included in the bail payable balance of R791 015 098 is R1 181 400 relating to forfeited bail that had not been paid over to the Vote by the end of the financial period, as well as surpluses of R165 006 received at the cash desks and in the vault at year-end.

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

Remuneration of management

Management class: Executive management

2026

Name
Acting Director-General – Ms Kalayvani Pillay
Chief Financial Officer – Rofhiwa Irene Singo
Chief Director – Bheki Mathunjwa
Director – Vumani Makonza

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

Notes to the Annual Financial Statements

14. Financial instruments disclosure

Categories of financial instruments

	At amortised cost	Total
2026	**R**	**R**
Financial assets		
Cash and cash equivalents	1 110 944 888	1 110 944 888
Financial liabilities		
Bank overdraft	(62 463)	(62 463)
2025		
Financial assets		
Cash and cash equivalents	1 008 784 788	1 008 784 788
Financial liabilities		
Bank overdraft	(80 239)	(80 239)

15. Prior-year adjustments

A loss relating to the Durban Magistrate's Court, amounting to R1 062 033, was approved for write-off on 31 March 2025 but was incorrectly recognised in the 2025/26 financial year. The error has been corrected retrospectively in accordance with GRAP 3, resulting in the restatement of the 31 March 2025 comparative figures as follows:

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

	Note	As previously reported	Correction of error	Restated
Statement of financial position		**R**	**R**	**R**
2025				
Statutory receivables		6 961 339	(1 062 033)	5 899 306
Statement of financial performance				
2025				
Loss written off		(198 229)	(1 062 033)	(1 260 262)
Statement of Changes in Net Asset				
2025				
Surplus for the year		47 261 166	(1 062 033)	46 199 133

Notes to the Annual Financial Statements

16. 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
Operational risk
Compliance risk

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

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 the implementation of effective internal controls

Credit risk

The Justice Administered Fund bank accounts are exposed to potential credit-related losses that are due to an individual counterparty or issuer being unable or unwilling to honour contractual obligations.
Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2026	2025
Cash and cash equivalents	1 107 227 233	1 004 497 065

No defaults were encountered and no amounts were written off in the current or prior year, and no amounts written off are subject to enforcement activities.

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.

Financial Institution	2026 Rating	2026	2025
ABSA	AA+	340 754 342	353 606 883
First National Bank	AAA	465 891 124	392 735 602
Nedbank	AAA	105 984 423	91 516 467
Standard Bank	AA+	194 597 344	166 638 113
		1 107 227 233	**1 004 497 065**

Notes to the Annual Financial Statements

16. Risk management (continued)

The banking institution may fail to meet its obligations, causing the fund a financial loss. The fund is exposed to credit risk on cash and cash equivalents and receivables from exchange transactions.

The fund applies the Expected Credit Loss (ECL) model. In plain terms, ECL asks: what is the realistic chance that the Fund will not receive cash it is owed, and how much could be lost? The fund assessed this as follows:
Because all counterparties are National Treasury-approved banking institutions, the probability of default is assessed as negligible. No ECL impairment loss has been recognised in the current or prior year. The fund will reassess ECL at each future reporting date.

Liquidity risk

The fund is exposed to liquidity risk, which is the risk that it will encounter difficulties in meeting its obligations as they become due.

The entity manages its liquidity risk by effectively managing its working capital and investment holdings. The maturity of the fund's obligations is directed by legislation or a court order.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

Market risk

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 returns, as the amounts in the bank accounts are essentially owed to beneficiaries and depositors.

The cash holdings vary according to receipts and payments during the year; however, if the funds at year-end were held consistently for 12 months, the impact of a 1% increase/decrease in interest rates would be R11 072 272 (2025: R10 044 970)

Compliance Risk

Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss of 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.

Notes to the Annual Financial Statements

17. Going concern

The fund draws attention to the fact that at 31 March 2026, the entity had an accumulated surplus (deficit) of R172 689 224 and that the entity's total assets exceed its liabilities by R172 689 224.

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.

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