

IJ HUB NPC
(REGISTRATION NUMBER 2019/285016/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

IJ HUB NPC

(Registration number 2019/285016/08)

Annual Financial Statements for the year ended 31 March 2024

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Support and capacity building for investigative journalism in the SADC region
Directors	S C Brümmer S Budlender J T Lund S Nkambule D Moyo M C L Phakathi LP Faull
Registered address	53 Heldsingen Place Ruyteplaats Hout Bay 7806
Company registration number	2019/285016/08
Public benefit organisation reference number	930066244
Preparer	These annual financial statements were compiled by: A Mullins of Ziyó
Level of assurance	These annual financial statements were audited in compliance with the applicable requirements of the Companies Act of South Africa
Auditors	RSM South Africa Incorporated Chartered Accountants (SA) Registered Auditors
Publish date	_____

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

The directors are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and the related report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 17, which were prepared on the going concern basis, were approved and published by the directors and were signed on their behalf by:



Director



Director

21 January 2025

Date

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DIRECTORS' REPORT

The directors submit their report on the financial statements of the company for the year ended 31 March 2024.

1. Review of activities

Main business and operations

The company carries on the business of support and capacity building for investigative journalism in the SADC region.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

The company incurred a net surplus of R649 161 (2023: R649 177).

2. Going concern

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company.

3. Events after the reporting period

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

4. Directors

The directors of the company during the year and to the date of this report are as follows:

S C Brümmer	Non-executive	Resigned 06/12/2023
S Budlender	Non-executive	
J T Lund	Executive	
S Nkambule	Executive	
D Moyo	Chairperson, non-executive	
M C L Phakathi	Non-executive	
L P Faull	Non-executive	Appointed 06/12/2023

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STATEMENT OF FINANCIAL POSITION

Figures in Rand	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	2	34,207	36,007
		<u>34,207</u>	<u>36,007</u>
Current assets			
Receivables	3	-	7,250
Cash and cash equivalents	4	3,956,629	2,090,783
		<u>3,956,629</u>	<u>2,098,033</u>
Total Assets		<u>3,990,836</u>	<u>2,134,040</u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated funds		2,024,894	1,375,731
		<u>2,024,894</u>	<u>1,375,731</u>
LIABILITIES			
Current liabilities			
Payables	5	54,301	82,263
Deferred income	6	1,911,642	676,046
		<u>1,965,943</u>	<u>758,309</u>
Total Funds and Liabilities		<u>3,990,836</u>	<u>2,134,040</u>

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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2024	2023
Foundational grant funding	7	5,587,057	6,189,162
Interest income		242,578	97,516
Operating expenses		(5,180,472)	(5,637,501)
Net surplus for the year	8	<u>649,162</u>	<u>649,177</u>

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STATEMENT OF CHANGES IN FUNDS

Figures in Rand	Accumulated Funds
Balance at 1 April 2022	726,554
Net surplus for the year	649,177
Balance at 31 March 2023	<u>1,375,731</u>
Net surplus for the year	649,162
Balance at 31 March 2024	<u>2,024,894</u>

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STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		7,072,481	6,672,030
Cash paid to employees and in member centre grants		(5,206,634)	(5,559,920)
Net cash generated from operating activities	10	<u>1,865,846</u>	<u>1,112,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from investing activities		<u>-</u>	<u>(24,277)</u>
Total cash movement for the year		1,865,846	1,087,833
Cash and cash equivalents at the beginning of the year		2,090,783	1,002,950
Cash and cash equivalents at the end of the year	4	<u><u>3,956,629</u></u>	<u><u>2,090,783</u></u>

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ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, incorporate the principal accounting policies set out below and are presented in South African Rands.

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.

These accounting policies are consistent with the previous year.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Management did not make any significant judgements in the process of applying the company's accounting policies, nor did they make estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value, over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Computer equipment	5 years

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ACCOUNTING POLICIES (CONTINUED)

1.2 Property, plant and equipment (continued)

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the initial cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit in the period.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs.

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment deficit is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the total unit to which the asset belongs is determined.

If an impairment deficit subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as annual and sick leave, and bonuses), is recognised in the year in which the service is rendered and is not discounted.

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ACCOUNTING POLICIES (CONTINUED)

1.6 Foundational grant funding

Foundational grants are from specific funders and are governed by individual agreements between each funder and the company.

Where a grant agreement imposes certain restrictions relating to the period or use of the funding, such grants are recognised in income only when the agreement conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability at year-end in deferred income.

1.7 Donations income

Donations are recognised, in surplus or deficit, when the company's right to receive payment has been established.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	49,694	(15,487)	34,207	49,694	(13,687)	36,007
	<u>49,694</u>	<u>(15,487)</u>	<u>34,207</u>	<u>49,694</u>	<u>(13,687)</u>	<u>36,007</u>

Reconciliation of property, plant and equipment - 2024

	Opening balance	Depreciation	Total
Computer equipment	36,007	(1,800)	34,207
	<u>36,007</u>	<u>(1,800)</u>	<u>34,207</u>

3. RECEIVABLES

	2024	2023
Deposits	-	7,250
	<u>-</u>	<u>7,250</u>

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	3,956,629	2,090,783
	<u>3,956,629</u>	<u>2,090,783</u>

5. PAYABLES

Accounts payable	11,449	38,061
Accrued expenses	-	2,968
SARS PAYE/UIF/SDL	42,852	41,232
	<u>54,301</u>	<u>82,261</u>

6. DEFERRED INCOME

Deferred income relates to grant funding received during the period subject to restrictions relating to period or use such that it cannot be taken into income during the year, or where a policy is in place with the same effect. Deferred income balances related to the following funder(s):

Joffe Charitable Trust	-	676,046
FOSI/FPOS facilitated by PIJ	1,911,642	-
	<u>1,911,642</u>	<u>676,046</u>

7. FOUNDATIONAL GRANT FUNDING

Joffe Charitable Trust	1,459,819	284,562
Millennium Trust	2,000,000	3,000,000
Open Society Institute	-	2,904,600
Oppenheimer Memorial Trust	500,000	-
FOSI/FPOS facilitated by PIJ	1,627,238	-
	<u>5,587,057</u>	<u>6,189,162</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand

2024

2023

8. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following:

Centre disbursements	2,838,742	2,858,093
Depreciation on property, plant and equipment	1,800	8,963
Employee costs	1,792,138	1,931,294
Fellow costs	291,471	531,955

9. TAXATION

The company is an approved public benefit organisation. As a result, non-trading income is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act. Only receipts and accruals from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax. No tax is payable in the current or prior financial years.

10. CASH UTILISED IN OPERATING ACTIVITIES

Surplus for the year	649,162	649,177
Adjustments for:		
Depreciation	1,800	8,963
Donation in kind - computer equipment	-	-
Changes in working capital:		
Decrease in receivables	7,250	(6,132)
(Decrease) in payables	(27,962)	68,618
Increase / (Decrease) in deferred income	1,235,596	391,484
	<u>1,865,846</u>	<u>1,112,110</u>

11. DIRECTORS' REMUNERATION

2024

	Emoluments	Other benefits	Total
J T Lund	893,875	2,125	896,000
S Nkambule	893,875	2,125	896,000
	<u>1,787,749</u>	<u>4,251</u>	<u>1,792,000</u>

2023

	Emoluments	Other benefits	Total
S C Brümmmer	324,114	886	325,000
J T Lund	897,875	2,125	900,000
S Nkambule	598,583	1,417	600,000
	<u>1,820,572</u>	<u>4,428</u>	<u>1,825,000</u>

Terms of employment

Standard terms and conditions of employment apply to executive directors, which, inter alia, provide for remuneration, leave and notice of termination of one month. Non-executive directors' term of office is governed by the Memorandum of Incorporation.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand

12. FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2024			
Cash and cash equivalents	3,956,629	-	3,956,629
Receivables	-	-	-
Payables	-	(54,301)	(54,301)
	<u>3,956,629</u>	<u>(54,301)</u>	<u>3,902,328</u>
2023			
Cash and cash equivalents	2,090,783	-	2,090,783
Receivables	7,250	-	7,250
Payables	-	(82,261)	(82,261)
	<u>2,098,033</u>	<u>(82,261)</u>	<u>2,015,772</u>

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DETAILED INCOME STATEMENT

Figures in Rand	2024	2023
FOUNDATIONAL GRANT FUNDING		
Joffe Charitable Trust	1,459,819	284,562
Millennium Trust	2,000,000	3,000,000
Open Society Institute	-	2,904,600
Oppenheimer Memorial Trust	500,000	-
FOSI/FPOS facilitated by PIJ	1,627,238	-
	<u>5,587,057</u>	<u>6,189,162</u>
OTHER INCOME		
Interest income	242,578	97,516
	<u>242,578</u>	<u>97,516</u>
OPERATING EXPENSES		
Auditor's remuneration	57,500	54,970
Bank charges	11,840	16,821
Centre disbursements	2,838,742	2,858,093
Communications	19,404	11,004
Compliance	94,293	97,115
Consultants	26,287	56,286
Deficit on disposal of assets	-	2,722
Depreciation	1,800	8,963
Digital services and subscriptions	19,116	27,397
Employee costs	1,792,138	1,931,294
Events	550	4,470
Fellow costs	291,471	531,955
Fundraising & marketing	-	20,497
Insurance	8,997	14,514
Reciprocal & teambuilding	-	1,400
Travel and accommodation	18,334	-
	<u>5,180,472</u>	<u>5,637,501</u>
Net surplus for the year	<u>649,162</u>	<u>649,177</u>

Certain prior year expenses have been reallocated in order to improve comparisons.

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