

Jembi Health Systems

# Financial Report

2022/23

**Head Office | Cape Town**

JEMBI HEALTH SYSTEMS  
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# **JEMBI HEALTH SYSTEMS NPC**

Financial statements for the year ended  
**28 February 2023**

Audited

Prepared under the supervision of  
**Mrs J Smith (ACMA – Associate Chartered Management  
Accountant)**

These financial statements have been audited in compliance with the applicable requirements of the Companies Act no. 71 of 2008.

# COMPANY INFORMATION

## **Country of Incorporation**

South Africa

## **Nature of Business**

Health Information Systems

## **Directors**

D Moodley

A Gray

CJSeebregts – Ex-officio

Q Williams

Z Vundle

T Mudaly

## **Registered Office**

Jembi Health Systems

Unit 3b, 5a-c Tokai on main

382 main road, Tokai,

Cape Town,

South Africa

## **Business Address**

Jembi Health Systems

Unit 3b, 5a-c Tokai on main

382 main road, Tokai,

Cape Town,

South Africa

## **Postal Address**

Jembi Health Systems

Postnet Suite 280,

Private Bag X 26

Tokai,

7966

## **Auditors**

BDO South Africa Incorporated

## **Country Registration**

SOUTH AFRICA

# JEMBI HEALTH SYSTEMS NPC

Registration no: 2009/018985/08

NPO no: 054-906NPO

PBO no: 930034124

VAT no: 4480259243

## Financial statements

for the year ended 28 February 2023

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These financial statements have been prepared under the supervision of Mrs J Smith (ACMA – Associate Chartered Management Accountant), and audited in compliance with the applicable requirements of the Companies Act no. 71 of 2008.

# JEMBI HEALTH SYSTEMS NPC

## Directors' responsibility statement

*for the year ended 28 February 2023*

The directors are responsible for the preparation and fair presentation of the financial statements of Jembi Health Systems NPC ("Jembi Health Systems") comprising the statement of financial position at 28 February 2023 and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the chief executive's report and directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

## Approval of the financial statements

The financial statements of Jembi Health Systems NPC, as identified in the first paragraph, were approved by the board of directors on 31st August 2023 and signed on their behalf by:



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**C Seebregts**  
Authorised Director



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**D Moodley**  
Authorised Director

# **JEMBI HEALTH SYSTEMS NPC**

## **Chief Executive's report**

*for the year ended 28 February 2023*

The 2022 – 2023 financial year was another successful year for Jembi as it continued implementing its vision and mission in a world returning to a pre-COVID state and continuing to see a strong global interest in digital health. Over this period, Jembi continued to work in several African countries and also expanded its activities to one country in Asia.

Several projects reached the natural end of the grant period resulting in Jembi's overall income for the year reducing to approximately R110 million. The staff complement over this period was 84 with 44 staff stationed in Mozambique, 39 in South Africa and one in Cameroon.

During this period, Jembi's technical and programmatic activities were mainly focused on its two five-year prime awards with CDC headquarters and CDC Mozambique and its three USAID-funded subcontracts with John Snow International (JSI) on the Country Health Information Systems and Data Use (CHISU) project, with Palladium on the Data for Information (Data.FI) and with PATH on a Digital Square project. Locally in South Africa, Jembi continued its work with the National Department of Health (NDOH) and the Western Cape Provincial Health Data Centre (PHDC). In Mozambique, Jembi also worked with the Ministries of Health and Justice, Vital Strategies, NTTData, UNICEF and the Enhancing Research for Africa Network (ERFAN).

In terms of technology development, Jembi HQ was supported by the Patrick J McGovern Foundation to continue its work on two open source digital public goods, the Open Health Information Mediator (OpenHIM), a health information exchange interoperability layer and JeMPI, a Master Patient Index application. Jembi continued to maintain these technologies as public goods and works with a number of countries who have adopted them and a community of implementers.

Jembi's HQ Programs Division's Cooperative Agreement with CDC HQ on the Technical Assistance Platform (TAP) program included country implementations in Cameroon, Ethiopia and Rwanda as well as technical assistance in several other African countries, including Nigeria and Kenya. The activities mainly involve the implementation of health information exchange and data integration solutions to strengthen HIV patient and treatment centralisation, patient and program data management. As a core partner of CHISU, the division developed a digitisation plan for the Office of National Nutrition in Madagascar and interoperability solutions using the OpenHIM in Indonesia. With support from Digital Square, Jembi continued to support the OpenHIM implementation for PEPFAR's global DATIM program monitoring application.

Work in South Africa continued with the NDOH on MomConnect a highly successful maternal health application and implementation of the OpenHIM. Jembi's support for the PHDC included work on the Open Integrated Health Platform (OpenIHP) implemented in the Western Cape province and public health system. Jembi also has a collaboration with the University of Cape Town both in the School of Public Health and the Department of Computer Science, AI Research Unit and Centre for Artificial Intelligence Research.

Jembi's Mozambique Program continued work on the second year of its five-year cooperative agreement with CDC, and its longstanding partnership with CDC Mozambique that is now more

than twelve years old. This included support for key health information systems in Mozambique, including the national implementation of a medical record system for HIV patient and treatment management, based on OpenMRS, a PEPFAR and MOH HIS help desk system and a voluntary medical male circumcision (VMMC) system taken over from another PEPFAR partner. The program also completed the integration of a CRVS system between the Ministries of Justice and Health. The Program successfully completed the maintenance, development, knowledge transfer and transition process of the system from another partner called the Instrument for Measuring the Performance of Post-GBV Care Services (e-IMD VBG) for the Ministry of Health, which also included the transition of the platform PHP for DHIS2 and its data migration.

The Data.FI project implemented by the Mozambique Program has brought positive results and diversified funding. In Zimbabwe Jembi has contributed towards the strengthening and improvement of the DHIS2 system for use in the Orphans and Vulnerable Children sphere, and in Mozambique, Jembi has strengthened the data analysis and visualization capabilities within the HIV program. The Mozambique program also continued running a successful pre-professional internship program in collaboration with the Ministry of Labour. Now in its sixth year, the program has produced a number of specialised HIS professionals for the Public, Private and Academic sectors.

Jembi's Corporate Services Division continued to provide financial, legal, human resources, grant administration and ICT support to Jembi's programs and technical divisions. The financial services team managed all company finances and achieved another unqualified audit with no material findings during this financial year, contributing to Jembi's strong financial management record. The HR team provided human resources support to the programs and divisions in South Africa and developed new policies for Jembi to strengthen the management of its human capital, including a new remuneration benchmarking policy. The ICT team in CSD provided support across the organisation in critical areas related to the procurement, deployment and implementation of ICT hardware and services.

It has been a pleasure to lead Jembi over this period and rewarding to see the organisation continue contributing to the increased interest in digital health and implementation of great projects and programs. Jembi's vision and mission are highly relevant to the increased interest and application of digital health in low resource settings.

With best wishes



Dr Christopher Seebregts  
Chief Executive Officer

# JEMBI HEALTH SYSTEMS NPC

## **Directors' report**

*for the year ended 28 February 2023*

The directors have pleasure in presenting their report for the year ended 28 February 2023.

### **General review of operations**

Jembi Health Systems NPC (“Jembi”) had decrease in both income and expenditure during the financial year running March 2022 to February 2023 which is explained in further detail in the Operations and CEO reports. Jembi’s planning works around a five-year cycle that also links into the period of our funding awards. In October 2022 Jembi moved into year three of our five year COAGS with CDC. Jembi feels very fortunate in today’s trying times to have been able to enter into year 3 of our COAGS and in addition to many shorter projects starting within this new cycle. This cements Jembi ongoing situation as a going concern as we enter FY24.

Jembi’s overall income decreased by 11% to ZAR110.1-million at the end of financial year FY23. This figure is not including interest earned. Expenditure figures were closely aligned to income over the same period decreasing by 10% to ZAR110 million excluding non-current asset expenditure. The company reserves saw an increase of ZAR1.3 million linked to interest earned and deliverable based agreements.

Income in this financial year was mainly derived from United States government federal grants, which represented 93% of the total income and was split between the Centers for Disease Control (84%) and USAID (9%), both through Prime awards and Sub agreements. The remaining 7% of annual income was derived from other donors. Our non-USG funders are a combination of local and international organisations, with funding coming through philanthropy and foundations as well as partner organisations.

Jembi’s programmes are grouped into two programme areas for the year ending FY2023: The Mozambique Program and the HQ Programmes Division. The Expenditure across the Two Programme Areas was broken down as: Mozambique 32% of expenditure and HQ Programmes Division at 68% of annual expenditure.

At the end of February 2023, Jembi’s staff numbers had decreased to 84, with the Mozambique office experiencing a decrease of 29%, ending the year with 44 staff members and the South Africa/International base decreasing by 24% to 39 staff members. A total staff compliment of 84 staff at the end of February 2023 and decrease of 30 staff members from the prior year total of 114 staff members.

Jembi’s expenditure by cost category maintained the use of contractual to supplement Jembi’s staff component to fulfil our workplans within the HQ Program division. The hybrid model of staff and contractual ensure that we have flexible teams to ensure delivery of our workplans. The main cost area for Jembi remains staff with 62% of our spend being linked to staff and 18% of our spend linked to contractual.



## Independent Auditor's Report

To the Directors of  
**Jembi Health Systems NPC**

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### Opinion

We have audited the financial statements of Jembi Health Systems NPC (the company) set out on pages 9 to 27, which comprise the statement of financial position as at 28 February 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jembi Health Systems NPC as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Jembi Health Systems NPC Annual Financial Statements for the year ended 28 February 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BDO South Africa Incorporated  
Registration number: 1995/002310/21  
Practice number: 905526  
VAT number: 4910148685

Chief Executive Officer: L.D Mokoena

A full list of all company directors is available on [www.bdo.co.za](http://www.bdo.co.za)

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

### **Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with *International Financial Reporting Standard for Small and Medium-sized Entities* and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

*BDO South Africa Incorporated*

BDO South Africa Incorporated (Aug 31, 2023 16:10 GMT+2)

**BDO South Africa Incorporated**  
Registered Auditors

**Karlien Groenewald**  
Partner  
Registered Auditor

**Date: 31 August 2023**

119-123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001

# JEMBI HEALTH SYSTEMS NPC

## Statement of financial position

for the year ended 28 February 2023

	<i>Note</i>	<b>2023</b> <b>R</b>	2022 <b>R</b>
<b>Assets</b>			
<b>Non-current assets</b>			
		2 547 654	2 921 639
Equipment	7	2 020 487	2 394 472
Other Receivables	18	527 167	527 167
<b>Current assets</b>			
		32 958 492	22 811 957
Cash and cash equivalents	8	25 908 403	18 883 334
Trade and other receivables	9	6 527 408	3 681 663
Accrued income	10	522 681	246 960
<b>Total assets</b>		<b>35 506 146</b>	<b>25 733 596</b>
<b>Funds and liabilities</b>			
<b>Funds</b>			
<b>Accumulated funds</b>			
General reserves		17 817 472	16 444 164
<b>Current liabilities</b>			
		17 688 674	9 289 432
Trade and other payables	11	6 175 547	4 663 092
Deferred income	10	11 513 127	4 626 340
<b>Total funds and liabilities</b>		<b>35 506 146</b>	<b>25 733 596</b>

# JEMBI HEALTH SYSTEMS NPC

## Statement of comprehensive income

for the year ended 28 February 2023

	<i>Note</i>	<b>2023</b> <b>R</b>	<b>2022</b> <b>R</b>
<b>Donor income</b>	2	110 175 930	123 413 308
Other income	3	-	-
<b>Operating income</b>		<u>110 175 930</u>	<u>123 413 308</u>
<b>Operating expenses</b>		<u>110 019 871</u>	<u>121 724 828</u>
<b>Operating surplus/(deficit)</b>	4	156 059	1 688 480
Finance income	5	<u>1 217 249</u>	<u>591 735</u>
<b>Surplus before taxation</b>		<u>1 373 308</u>	<u>2 280 215</u>
<b>Surplus for the year</b>		<u>1 373 308</u>	<u>2 280 215</u>
<b>Total comprehensive Surplus for the year</b>		<u>1 373 308</u>	<u>2 280 215</u>

# JEMBI HEALTH SYSTEMS NPC

## Statement of changes in funds

*for the year ended 28 February 2023*

	<b>General reserves R</b>	<b>Total R</b>
Balance at 1 March 2021	14 163 949	14 163 949
Total comprehensive surplus for the year	2 280 215	2 280 215
Balance at 28 February 2022	<u>16 444 164</u>	<u>16 444 164</u>
	<b>General reserves R</b>	<b>Total R</b>
<b>Balance at 1 March 2022</b>	<b>16 444 164</b>	<b>16 444 164</b>
<b>Total comprehensive surplus for the year</b>	<b>1 373 308</b>	<b>1 373 308</b>
<b>Balance at 28 February 2023</b>	<b><u>17 817 472</u></b>	<b><u>17 817 472</u></b>

# JEMBI HEALTH SYSTEMS NPC

## Statement of cash flows

for the year ended 28 February 2023

	<i>Note</i>	<b>2023</b> <b>R</b>	<b>2022</b> <b>R</b>
<b>Cash flows from operating activities</b>			
Cash generated by operations	14.1	6 704 494	7 477 908
Finance income	5	1 217 249	591 735
<b>Net cash outflow from operating activities</b>		<u>7 921 743</u>	<u>8 069 643</u>
<b>Cash flows from investing activities</b>			
Acquisition of equipment	7	(906 673)	(1 392 327)
Proceeds on disposal of PPE	7	9 999	96 134
<b>Net cash outflow from investing activities</b>		<u>(896 674)</u>	<u>(1 296 193)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		7 025 069	6 773 450
Cash and cash equivalents at beginning of year		18 883 334	12 109 884
<b>Cash and cash equivalents at end of year</b>		<u>25 908 403</u>	<u>18 883 334</u>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements

for the year ended 28 February 2023

### 1. Significant accounting policies

Jembi Health Systems NPC is a company domiciled in South Africa.

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized entities (“IFRS for SMEs”) and the requirements of the Companies Act of South Africa.

The financial statements are presented in South African Rands (“Rands”), which is the entity’s functional currency. They are prepared on the basis that the company is a going concern, using the historical cost basis of measurement unless otherwise stated.

#### 1.2 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS for SMEs requires management to make estimates, judgements and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Management discuss and review on an ongoing basis the development, selection and disclosure of critical accounting policies and estimates and the application of these policies and estimates. No judgements were made by management in the application of IFRS for SMEs that have a significant effect on the financial statements. Estimates made by management which have a significant risk of material adjustment in the next year are the residual values and useful lives of equipment.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### 1.3 Foreign currency

##### *Foreign currency transactions*

Foreign currency transactions are recognised by applying the spot exchange rate between the functional currency and the foreign currency at the month end spot rate in which the date of the transaction falls. The date of the transaction is the date on which the transaction first qualifies for recognition in accordance with IFRS for SMEs.

Foreign exchange differences arising on translation are recognised in profit or loss.



# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 1. Significant accounting policies (continued)

#### 1.4 Financial instruments

Non-derivative financial instruments are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these instruments are classified according to their nature and are measured at amortised cost.

The company has the following non-derivative financial instruments and the subsequent measurement of each financial instrument is explained in more detail below.

##### *Trade and other receivables*

Trade and other receivables are categorised as receivables. These financial assets originate by the company providing goods, services or money directly to a debtor and are subsequently measured at amortised cost using the effective interest method less any accumulated impairment losses.

##### *Cash and cash equivalents*

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the company unless otherwise stated and cash held for petty cash usage.

Cash and cash equivalents are categorised as receivables and subsequent to initial recognition measured at amortised cost.

##### *Trade and other payables*

Subsequent to initial recognition, trade and other payables are measured at amortised cost.

#### ***Derecognition***

##### *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

##### *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### ***Offset***

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 1. Significant accounting policies (continued)

#### 1.5 Equipment

##### *Recognition and measurement*

Items of equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Upon initial recognition leased assets are recognised at fair value. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Installation and other costs, which comprise materials and direct labour costs necessarily incurred in order to acquire equipment, are also included in cost.

If significant parts of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains or losses on the disposal of equipment, comprising the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

##### *Subsequent costs*

Subsequent expenditure relating to an item of equipment is capitalised only if it is probable that future economic benefits embodied with the item will flow to the company and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

##### *Depreciation*

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of the assets in order to reduce the cost of the asset to its residual value. Residual value is the amount that an entity could receive for the asset at the reporting date if the asset were already of the age and the condition that it will be in when the entity expects to dispose of it. Residual value does not include expected future inflation.

The estimated useful lives for the current and comparative years are as follows:

Computer equipment = 4 years (Depreciation 25% per annum straight-line method)

Software = 3 years (Depreciation 33.3% per annum straight-line method)

Server = 5 years (Depreciation 20% per annum straight-line method)

Equipment and furniture = 6.25 years (Depreciation 16% per annum straight-line method)

Networking hardware = 3 years (Depreciation 33.3% per annum straight-line method)

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 1. Significant accounting policies (continued)

#### 1.6 Leases

##### *Operating leases*

Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Minimum lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Contingent rental escalations, such as those relating to turnover, are expensed in the year in which the escalation is determined.

#### 1.7 Impairment of assets

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such an indication exists, the asset's recoverable amount is estimated.

Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

The recoverable amount of the cash-generating unit is assessed with reference to the future cash flows of the cash-generating unit. Where impairment is identified for a cash-generating unit, the impairment is applied first to the goodwill allocated to the cash-generating unit (if any) and then to other assets on a pro rata basis comprising the cash-generating unit provided that each identifiable asset is not reduced to below its recoverable amount.

##### *Recoverable amount*

The recoverable amount of an asset is the greater of its fair value less cost to sell and its value in use. Recoverable amounts are estimated for individual assets or, if an asset does not generate largely independent cash flows, for a cash-generating unit. A cash-generating unit is the smallest collection of assets capable of generating cash flows independent of other assets or cash-generating units.

The fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash-generating unit and from its disposal at the end of its useful life. The estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 1. Significant accounting policies (continued)

#### 1.7 Impairment of assets (continued)

##### *Reversal of impairment losses*

Impairment losses recognised in prior years are assessed at each reporting date for any indicators that the losses have decreased or no longer exist. Reversal of impairment losses recognised in prior years are recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased, either as a result of an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the affected asset is not increased to an amount higher than the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years. The reversal is recorded as income in profit and loss.

##### *Financial assets*

At each reporting date, an assessment is made as to whether objective evidence exists that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

#### 1.8 General reserves

The balance of accumulated funds is transferred to general reserves.

#### 1.9 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the expected future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 1. Significant accounting policies (continued)

#### 1.10 Employee benefits

##### *Short-term employee benefits*

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service.

Accruals for employee entitlements to wages, salaries, bonuses, annual and sick leave represent the amount which the Company has a present obligation to pay as a result of employees' services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

#### 1.11 Donor and other income (revenue)

Donor income comprises grant and contract income from Institutional Funders and USA Governmental funding, contract management fees and indirect income. Donor income is recognised when the entity becomes unconditionally entitled to the funds either by invoicing the donor or according to payment schedules agreed with donors. Other (project) income is recognised in accordance with the underlying project agreements when the company is unconditionally entitled to the contributions received.

Contributions received that are not recognised as donor or project income are carried in deferred income until such time as the company is entitled to such contributions.

Revenue relating to contracts entered into on reimbursive terms are recognised when the expense is incurred. Accrued income is recognised for revenue not yet received.

#### 1.12 Finance income

Finance income comprises interest income of funds invested. Interest income, is recognised in profit or loss on a time proportion basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is probable that such income will accrue to the company.

#### 1.13 Income taxes

Jembi Health Systems NPC is a Public Benefit Organisation and is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

	2023 R	2022 R
<b>2. Donor income</b>		
Grant and contract income	<u>110 175 930</u>	<u>123 413 308</u>
<b>3. Other income</b>		
Project income	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>4. Operating surplus</b>		
is arrived at after taking into account:		
Depreciation	1 114 879	1 177 054
Realised foreign exchange (gain)/loss	(440 889)	223 957
Salaries	42 551 654	45 034 784
Audit fees	736 343	703 456
(Gain)/loss on Disposal of asset	54 008	41 922
Operating lease rentals – premises	<u>2 680 926</u>	<u>3 146 931</u>
<b>5. Finance income</b>		
Interest received – Stanlib	1 106 127	568 607
Interest received – BMGF funds	1 046	2 424
Interest received – MRC funds	1 018	20 704
Interest received –PMCG funds	<u>109 058</u>	<u>-</u>
	<u>1 217 249</u>	<u>591 735</u>
<b>6. Taxation</b>		

No taxation has been provided as the company is a Public Benefit Organisation and is thus exempt from income tax in terms of the Section 10(1)(cN) of the Income Tax Act.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

7. Equipment	Computer equipment R	Software R	Equipment and furniture R	Server R	Networking hardware R	Total R
<b>2023</b>						
<b>Cost</b>						
Opening balance	5 151 894	156 105	2 365 409	283 567	1 537 262	9 494 237
Additions	<b>828 744</b>	-	<b>77 929</b>	-	-	<b>906 673</b>
Disposals	<b>(112 022)</b>	-	<b>(50 315)</b>	<b>(3 442)</b>	-	<b>(165 779)</b>
<b>Closing balance</b>	<b>5 868 616</b>	<b>156 105</b>	<b>2 393 023</b>	<b>280 125</b>	<b>1 537 262</b>	<b>10 235 130</b>
<b>Accumulated depreciation</b>						
Opening balance	(3 553 783)	(156 105)	(1 766 213)	(235 430)	(1 388 234)	(7 099 765)
Depreciation	<b>(858 174)</b>	-	<b>(262 454)</b>	<b>(25 676)</b>	<b>(70 347)</b>	<b>(1 216 650)</b>
Disposals	<b>65 429</b>	-	<b>33 991</b>	<b>2 352</b>	-	<b>101 771</b>
<b>Closing balance</b>	<b>(4 346 528)</b>	<b>(156 105)</b>	<b>(1 994 676)</b>	<b>(258 754)</b>	<b>(1 458 581)</b>	<b>(8 214 644)</b>
<b>Net book value</b>	<b>1 522 088</b>	-	<b>398 347</b>	<b>21 371</b>	<b>78 681</b>	<b>2 020 487</b>
<b>2022</b>						
<b>Cost</b>						
Opening balance	4 216 449	156 105	2 257 766	283 567	1 364 492	8 278 379
Additions	1 106 851	-	112 706	-	172 770	1 392 327
Disposals	(171 406)	-	(5 063)	-	-	(176 469)
<b>Closing balance</b>	<b>5 151 894</b>	<b>156 105</b>	<b>2 365 409</b>	<b>283 567</b>	<b>1 537 262</b>	<b>9 494 237</b>
<b>Accumulated depreciation</b>						
Opening balance	(2 940 028)	(156 105)	(1 478 241)	(209 066)	(1 139 271)	(5 922 711)
Depreciation	(650 278)	-	(289 862)	(26 364)	(248 963)	(1 215 467)
Disposals	36 523	-	1 890	-	-	38 414
<b>Closing balance</b>	<b>(3 553 783)</b>	<b>(156 105)</b>	<b>(1 766 213)</b>	<b>(235 430)</b>	<b>(1 388 234)</b>	<b>(7 099 765)</b>
<b>Net book value</b>	<b>1 598 111</b>	-	<b>599 196</b>	<b>48 137</b>	<b>149 028</b>	<b>2 394 472</b>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

	2023 R	2022 R
<b>8. Cash and cash equivalents</b>		
Cash on hand (SA and Mozambique)	427	2 706
Bank balances (SA, Mozambique and Rwanda)	25 907 976	18 880 628
	<u>25 908 403</u>	<u>18 883 334</u>
<b>9. Trade and other receivables</b>		
Employee receivables	220 110	190 523
Trade receivables	4 351 202	2 241 920
Prepayments	241 303	406 981
VAT Receivable	531 869	156 590
Deposits	1 182 924	685 649
	<u>6 527 408</u>	<u>3 681 663</u>
<b>10. Accrued income/(deferred income)</b>		
<i>Accrued income</i>	522 681	246 960
- Palladium DFI	10 430	-
- Centers for Disease Control and Prevention (Ethiopia)	89 494	-
- Centers for Disease Control and Prevention (Rwanda)	155 015	-
- Centers for Disease Control and Prevention (TAP)	-	14 735
- Centers for Disease Control and Prevention (CARES ACT)	-	120 728
- HISP SA Sub agreement CDC SA	-	111 497
- CHISU Indonesia	207 467	-
- CHISU Madagascar	60 275	-
<i>Deferred income</i>	(11 513 127)	(4 626 340)
- BDSAP	-	(388 409)
- Centers for Disease Control and Prevention (Mozambique Program)	(1 148 839)	(179 269)
- Centers for Disease Control and Prevention (TAP)	(319 994)	-
- Centers for Disease Control and Prevention (CARES ACT)	(680 712)	-
- Centers for Disease Control and Prevention (Cameroon)	(170 564)	(15 901)
- Centers for Disease Control and Prevention (Ethiopia)	-	(44 923)
- Centers for Disease Control and Prevention (ARPA)	(129 616)	-
- UNICEF (Mozambique In Country)	(478 687)	(392 965)
- CHISU	(6 952)	-
- Praekelt Foundation (MOM)	-	(226 845)



# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 10. Accrued income/(deferred income) (continued)

	2023 R	2022 R
- Digital Square DATIM	(40 271)	-
- Palladium DFI	(26 546)	-
- Patrick McGovern Foundation	(7 179 746)	(2 567 783)
- Vital Strategies CRVS	(608 263)	-
- Grand Challenges	(722 937)	(726 417)
- UKRI	-	(83 828)

	2023 R	2022 R
<b>11. Trade and other payables</b>		
Accruals	3 747 266	2 209 446
Thirteenth cheque – SA	513 334	584 136
Mozambique redundancy	1 285 799	1 130 482
Leave Pay Provision – SA/Moz	629 148	702 299
Trade Payables	-	36 729
VAT payable	-	-
	<u>6 175 547</u>	<u>4 663 092</u>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 12. Directors Emoluments

Directors	Designation	Basic Remunerati on R	Retirement Benefits R	Other Benefits R	Director Fees R	Total Remunerati on R
<b>2023</b>						
C Seebregt	Executive Director	3 295 882	-	323 885	-	3 619 767
D Moodley	Chair of the Board	-	-	-	64 050	64 050
D Morkel	Vice Chair of the Board	-	-	-	28 250	28 250
A Gray	Non- Executive Director	-	-	-	47 375	47 375
S Reid	Non- Executive Director	-	-	-	31 625	31 625
Q Williams	Non- Executive Director	-	-	-	42 375	42 375
Z Vundle	Non- Executive Director	-	-	-	44 250	44 250
T Mudaly	Non- Executive Director	-	-	-	-	-
<b>Total</b>		<b>3 295 882</b>	<b>-</b>	<b>323 885</b>	<b>257 925</b>	<b>3 877 692</b>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

Directors	Designation	Basic Remunerati on R	Retirement Benefits R	Other Benefits R	Director Fees R	Total Remunerati on R
<b>2022</b>						
C Seebregt	Executive Director	3 113 680	-	342 568	-	3 456 248
D Moodley	Chair of the Board	-	-	-	22 500	22 500
D Morkel	Vice Chair of the Board	-	-	-	22 500	22 500
A Gray	Non- Executive Director	-	-	-	22 500	22 500
S Reid	Non- Executive Director	-	-	-	22 500	22 500
Q Williams	Non- Executive Director	-	-	-	22 500	22 500
Z Vundle	Non- Executive Director	-	-	-	22 500	22 500
<b>Total</b>		<b>3 113 680</b>	<b>-</b>	<b>342 568</b>	<b>135 000</b>	<b>3 591 248</b>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 13. Related parties

The directors of Jembi Health System NPC are listed in the directors' report. Other than directors' emoluments disclosed in note 12, no material related party transactions occurred during the year and no other related parties were noted.

	2023 R	2022 R
<b>14. Note to the statement of cash flows</b>		
<b>14.1 Cash generated by operations</b>		
Surplus before taxation	1 373 308	2 280 215
Adjusted for:		
- Depreciation	1 216 650	1 215 467
- Finance income	(1 217 249)	(591 735)
- Loss of disposal of PPE	54 008	41 922
Working capital changes		
(Increase) /Decrease in trade and other receivables	(2 845 745)	3 121 490
Increase in trade and other payables	1 512 455	292 905
(Increase)/Decrease in accrued income	(275 721)	211 794
Increase/(Decrease) in deferred income	6 886 787	905 850
	<u>6 704 494</u>	<u>7 477 908</u>
<b>15. Operating leases commitments</b>		
<b>Minimum lease payments due</b>		
- within one year	1 870 712	2 964 819
- in second to fifth year inclusive	-	5 081 981
- later than five years	-	-
	<u>1 870 712</u>	<u>5 046 800</u>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 28 February 2023

### 16. Events after the reporting period

At the date of finalization of the financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognized in the financial statements.

### 17. Going concern

The company made a surplus of R1 373 308 for the year ended 28 February 2023 (2022: R2 280 215) and as of that date its current assets exceeded its current liabilities by R15 269 818 (2022: R13 522 525) and its total assets exceeded its total liabilities by R17 817 472 (2022: R16 444 164).

	<b>2023</b>	2022
	<b>R</b>	R
<b>18. Other Receivables</b>	<b>527 167</b>	527 167
Rwanda withholding tax receivable		

This is classified as a long term receivable due to the funds only being claimable at the closure of the Rwanda office registrations in Rwanda. It is confirmed with Rwanda Revenue that the credit will be held and remains an asset of the company which is also disclosed on the Rwanda annual CIT/Audit submissions to Revenue. JEMBI has now deregistered the company in Rwanda and has started the process to request the refund of the held WHT by Rwanda revenue authority. These funds are held in Rwanda Franc and will be paid back in the same currency if the company dissolves.

### 19. Categories of Financial Instruments

	<b>2023</b>	2022
	<b>R</b>	R
<b>Debt instruments at amortised cost</b>		
Cash and cash equivalents	<b>25 908 403</b>	18 883 334
Trade and other receivables	<b>6 527 408</b>	3 681 663
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	<b>6 175 547</b>	4 663 092

# JEMBI HEALTH SYSTEMS NPC

## Detailed revenue and income schedule

for the year ended 28 February 2023

	2023 R	2022 R
<b>Donor income</b>		
<b><i>Grant and Contract Income</i></b>		
BD SAP APP (BDSAP)	489 109	308 891
Cardno Emerging Markets USA Ltd (OHIE1, OMRS1 and CMOZ1)	-	627 308
Grand Challenges (GCA01)	3 479	6 009
HISP South Africa CDC sub award (HISP2)	1 557 326	212 193
Centers for Disease Control and Prevention (CDC03, CDC08)	30 815 021	42 572 525
Centers for Disease Control and Prevention (AHIE1, CDC04, CDC05, CDC06, CDC07, ARPA1-5)	59 730 345	43 521 750
UCT/HST – Bill and Melinda Gates Foundation (BMGF2)	-	1 646 575
Patrick McGovern Foundation (PMCG1,PMCG2)	4 079 237	592 557
Broadreach Health Care: RAD USAID (BRHC2)	-	4 783 461
Broadreach Health Care: RAD BMGF (BRHC3)	-	295 109
SA Medical Research Council (MRC02 and MRC03)	80 000	1 221 709
Elma Philanthropy (ELMA1+2)		438 326
German Cooperation (GIZM1+2 and IMIS1)	(14 237)	4 149 016
Mott Macdonald Limited (BHP01)	323 435	5 653 393
JSI Research & Training Institute Inc (CHISU, CHIS1, CHIS2)	6 688 958	229 057
Palladium International LLC (DFI01, DFI02)	2 314 061	382 777
Praekelt Foundation (MOM01)	226 845	384 198
UNICEF In country fundraising (UNIM2)	297 623	3 152 451
Digital Square PATH through USAID (DATIM)	964 749	2 677 728
Digital Square PATH through GATES (DHI01, OCRV1, OHIM1, COVID and OHIE2)	-	3 114 086
Terres Hommes In country fundraising (TDH01)	-	1 219 420
IZSAM In country fundraising (IZSAM)	-	38 660
Blood Safety South Sudan (BSSS1)	-	1 523 999
Vanderbilt University (CARE1)	-	184 564
Columbia University (TRACE)	-	4 149 913
The Health Foundation (THF01)	409 878	-
Vital Strategy (CRVS4)	1 642 756	-
Digital Clearing House Interop (NTT01)	398 391	-
ICAP TRACE (ICAP2)	77 853	-
The University Of Cape Town (UKRI1)	83 828	-

# JEMBI HEALTH SYSTEMS NPC

JEMBI grant income (JEMBI)	<u>7 273</u>	<u>327 633</u>
<b>Total donor income</b>	<u><u>110 175 930</u></u>	<u>123 413 308</u>
<b>Total income</b>	<u><u>110 175 930</u></u>	<u>123 413 308</u>



**Jembi Health Systems**

# Financial Report

**2022/23**

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