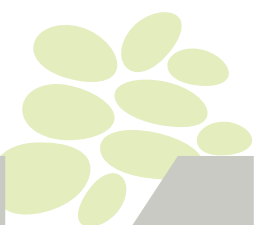


2014

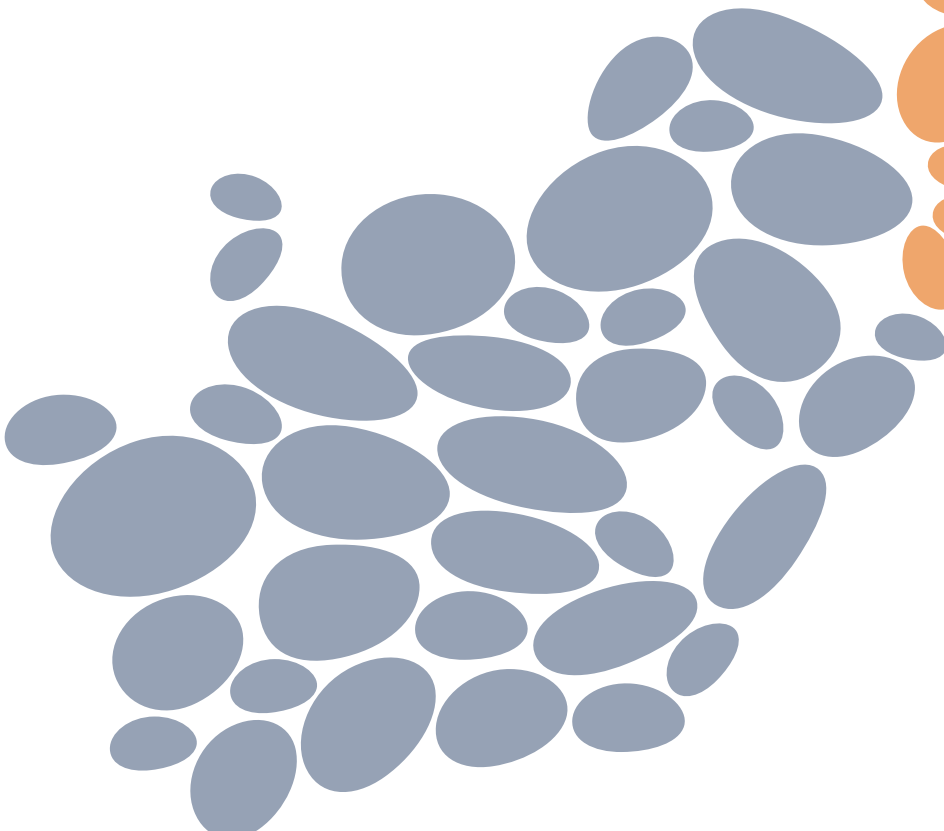


SOUTH AFRICA
MOZAMBIQUE
RWANDA

2015



FINANCIAL
STATEMENTS



JEMBI HEALTH SYSTEMS NPC

Audited annual financial statements for the year ended
28 February 2015

Prepared under the supervision of
J Smith (CIMA), (Adv Dip MA).

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

JEMBI HEALTH SYSTEMS NPC

Registration no: 2009/018985/08

NPO no: 054-906NPO

PBO no: 930034124

VAT no: 4480259243

Annual financial statements

for the year ended 28 February 2015

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JEMBI HEALTH SYSTEMS NPC

Directors' responsibility statement

for the year ended 28 February 2015

The directors are responsible for the preparation and fair presentation of the annual financial statements of Jembi Health Systems NPC, ("Jembi Health Systems") comprising the statement of financial position at 28 February 2015 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 executive director's report and directors' report.

The directors are also responsible for such internal control as the directors determine 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 annual financial statements

The annual financial statements of Jembi Health Systems NPC, as identified in the first paragraph, were approved by the board of directors on 30 July 2015 and signed on their behalf by



C Seebregts
Authorised Director



S Reid
Authorised Director

JEMBI HEALTH SYSTEMS NPC

Chief Executive's report

for the year ended 28 February 2015

Jembi experienced another successful year during 2014-2015 with a number of notable achievements in terms of its mission and strategy. 2014 was destined to be a watershed year for Jembi as several of its most important grants ended during this period. Despite this challenge, the organization maintained a similar income and staff complement to the previous financial year. A small reduction in international work was offset by growth in Jembi's work in South Africa, meeting a strategic objective from the previous year.

Jembi's Corporate Services Division (CSD) continued to provide strong financial, legal, human resources and administrative support to all Jembi offices and staff during this period. CSD provides a stable platform on which Jembi's programmes are based. The division continues to excel in all aspects of corporate services and, once again, was able to deliver an unqualified audit of finances for the fifth year in a row.

CDC funding for Jembi's Mozambique programme (MOASIS), ended on 31 March 2015, and was re-competed, internationally, during 2014. Early in 2015, Jembi-MOASIS was awarded the project and entered into another five-year cooperative agreement with CDC Mozambique in the area of Health Management Information Systems. This grant, complemented by the existing grant with USAID in Mozambique will continue the MOASIS project for at least another five years. During this time, Jembi-MOASIS will continue its projects with the Ministry of Health, including the national implementation of SIS-MA, based on DHIS2, and the development of interoperability and information exchange with patient-based systems as well as a number of additional projects.

Funding from CDC for Jembi's Rwanda programme ended on 30 September 2014. The Jembi Rwanda office was downsized and entered a new phase as a subcontractor to Management Sciences for Health (MSH) in Rwanda. The office, with technical assistance from South Africa, continues to support the Rwanda Biomedical Centre in maintaining mobile support for the Mutuelle programme as well as the Rwanda Health Information Exchange, one of Jembi's flagship technology innovation. Jembi did manage to win an award in Rwanda from the United States Centers for Disease Control and Prevention (CDC) but the programme has yet to be released. One of the outcomes of Jembi's initial work in Rwanda was the Open Health Information Exchange project, funded by the United States President's Emergency Plan for AIDS Relief (PEPFAR). This project was extended for a further five years through Cardio Emerging Markets under the coordination of the Regenstrief Institute. Jembi continues to look for additional opportunities to expand its Rwanda office.

In South Africa, Jembi continued its collaborations with the national and provincial departments of health. At national level, Jembi continued working as a subcontractor to HISP-SA, pioneering the architecture component of the Khuphukani project and continuing to develop and maintain MomConnect. Under Khuphukani, Jembi is working closely with the Strategic Planning Chief Directorate of the National Department of Health, the Council for Scientific and Industrial Research's Meraka Institute and the Centre for Infectious Diseases (CIDER) at the University of Cape Town (UCT) on systems at facility-level in South Africa. MomConnect is widely cited as the first national scale mobile health intervention in South Africa and one of the most important mobile health programmes, globally.

At provincial level, Jembi was part of a successful award by CDC to local NGO, Kheth'Imiplo, to strengthen advanced HIV/TB Advanced Care Centres in the Free State province. This project is also for a period of five years and was recently extended to two additional provinces (Gauteng and Mpumalanga). Jembi is also continuing its work in Western Cape province with the Western Cape Department of Health and UCT-CIDER on aspects of health information exchange for systems in the province.

An important new achievement for Jembi was the award of a primary grant from CDC to develop a Blood Safety Information System (BSIS). In previous years, Jembi has sub-contracted to an American NGO, Safe Blood for Africa (SBFA) but, in 2014, Jembi was successful as a prime awardee for this work. This substantial programme will continue for five years, during which time Jembi will develop a sustainable open source application for countries in Africa. The development work is based in South Africa but implementations will likely extend to several other countries across Africa.

Other notable achievements include the continued growth of Jembi's network of partners and collaborators. Jembi has begun a small project in the important area of civil registration and vital statistics (CRVS) and also developed a small prototype portal application for the Anaesthesiology Society of South Africa.

I am proud of the achievements of the Jembi team in the past year and the renewed projects and funding. Jembi has laid a solid foundation for another five years and will undoubtedly continue to excel in coming years.

Prof Chris Seebregts
Chief Executive Officer

JEMBI HEALTH SYSTEMS NPC

Directors' report

for the year ended 28 February 2015

The directors have pleasure in presenting their report for the year ended 28 February 2015.

General review of operations

The organisation this year showed a slowdown in growth which is to be expected following exponential growth year on year over the past 4 years. Jembi Health Systems is now entering into the maturity stage of an organisation having gone through the introductory phase followed by a steep growth stage where the organisation income rose from R3 million in 2010 year end to close on R37 million at the end of 2014 year end with expenditure figures closely aligning to income over the periods.

This year income reduced slightly by 2% and expenditure rose by 6%. The main change that happened in the past financial year was that the grant funding the Rwanda project (RHIE) came to an end in September 2014 with the office reducing to just the in country coordinator as of January 2015. The Rwanda programme still remains strong with two active projects in country being run with support of the SA based HIS team and technical team and the programme lives on in the Open Health Information Exchange project which has recently been approved for a further five years.

The Mozambique programme continued its growth with an increase of 12% in staff numbers and comprising 58% of Jembi overall operations. The Mozambique programme also secured a further five year cooperative agreement through the United States Centres for Disease Control and Prevention (CDC) to continue its extensive work in Mozambique.

The Health Information Systems Division, including the Developer Team (formerly named the eHealth division) expanded its projects by securing a new five-year sub-agreement for work in Rwanda with MSH under a USAID-funded grant as well as securing a new prime 5-year award to build out the Blood Safety work already started at Jembi through CDC under a previous subcontract to Safe Blood for Africa. HISD has also expanded its projects in South Africa with its partners that include the National and Provincial Departments of Health, University of KwaZulu-Natal Health Architecture Laboratory, University of Cape Town Centre for Infectious Diseases Research (UCT-CIDER), the Council for Scientific Research, Meraka Institute, the Health Information Systems Programme (HISP), Praekelt Foundation and others to strengthen health information systems with particular focus on the MomConnect project.

Income figures dropped largely due to the reduction in core support grants and the abovementioned RHIE grant ending. Expenditure figures increased with Jembi undertaking strategic projects under the leadership of Jembi CEO and the Board to bring Jembi into new markets in South Africa and include additional innovative projects. This is another sign of Jembi reaching a maturity model where the utilisation of retained earnings/reserves is being used to build the organisation to realise its vision of "A World in which Health Systems and information advance Global Health".

JEMBI HEALTH SYSTEMS NPC

Directors' report

for the year ended 28 February 2015

Going concern

The 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.

Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that has a material impact on the annual financial statements.

Directors

The directors in office during the year and at the date of this report are:

S Reid
D Moodley
A Gray
CJ Seebregts – Ex-officio
G Loots
D Morkel
N Gasa

Resigned as of 31/12/2014:

A Bunn
L Madden



KPMG Inc
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Docex 102 Cape Town
Internet <http://www.kpmg.co.za/>

Independent auditor's report

To the Members of Jembi Health Systems NPC

We have audited the financial statements of Jembi Health Systems NPC, which comprise the statement of financial position at 28 February 2015 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, as set out on pages 8 to 21.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba, MM Mapaya,
M Qoddy, CA† Smit

Other Directors: LP Fourie, N Fubu,
AH Jaffer (Chairman of the Board), FA Karreem,
ME Magondo, AMS Mokgabudi,
GM Pickering, JN Pierce

The company's principal place of business is at KPMG Crescent,
85 Empire Road, Parktown, where a list of the directors' names is
available for inspection.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Jembi Health Systems NPC at 28 February 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized entities and the requirements of the Companies Act of South Africa.

Other Matters

The supplementary information set out on page 22 to 23 does not form part of the financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

Other Reports Required by the Companies Act

As part of our audit of the financial statements for the year ended 28 February 2015 we have read the Directors' report as well as the Executive director's report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the directors. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion thereon.

KPMG Inc.

Per: BR Heuvel
Chartered Accountant (SA)
Registered Auditor
Director

Date: 30 July 2015

JEMBI HEALTH SYSTEMS NPC

Statement of financial position

at 28 February 2015

	<i>Note</i>	2015 R	2014 R
Assets			
Non-current assets			
Equipment	7	595 006	482 089
Current assets			
Cash and cash equivalents		4 097 148	7 254 749
Trade and other receivables	8	3 981 189	4 759 606
Accrued income	9	1 121 257	821 587
Total assets		9 794 600	13 318 031
Funds and liabilities			
Funds			
Accumulated funds			
General reserves		8 373 843	8 949 058
		8 373 843	8 949 058
Current liabilities			
Trade and other payables	10	365 220	3 233 128
Deferred income	9	1 055 537	1 135 845
Total funds and liabilities		9 794 600	13 318 031

JEMBI HEALTH SYSTEMS NPC

Statement of comprehensive income

for the year ended 28 February 2015

	<i>Note</i>	2015 R	2014 R
Donor income	2	35 294 728	36 411 409
Other income	3	866 299	530 199
Operating income		36 161 027	36 941 608
Operating expenses		(36 893 335)	(34 831 859)
Operating (deficit)/surplus	4	(732 308)	2 109 749
Finance income	5	157 093	141 634
(Deficit)/surplus before taxation		(575 215)	2 251 383
Taxation	6	-	-
Total comprehensive income for the year		(575 215)	2 251 383



JEMBI HEALTH SYSTEMS NPC

Statement of changes in funds *for the year ended 28 February 2015*

	General reserves R	Total R
Balance at 1 March 2013	6 697 675	6 697 675
Total comprehensive income for the year	2 251 383	2 251 383
Balance at 28 February 2014	<u>8 949 058</u>	<u>8 949 058</u>
Balance at 1 March 2014	8 949 058	8 949 058
Total comprehensive income for the year	(575 215)	(575 215)
Balance at 28 February 2015	<u>8 373 843</u>	<u>8 373 843</u>



JEMBI HEALTH SYSTEMS NPC

Statement of cash flows

for the year ended 28 February 2015

	<i>Note</i>	2015 R	2014 R
Cash flows from operating activities			
Cash generated by operations	13.1	(2 914 752)	3 087 841
Finance income	5	157 093	141 634
Net cash (outflow)/inflow from operating activities		(2 757 659)	3 229 475
Cash flows from investing activities			
Acquisition of equipment	7	(399 942)	(186 417)
Disposal of equipment	7	-	999
Net cash outflow from investing activities		(399 942)	(185 418)
Net (decrease)/increase in cash and cash equivalents		(3 157 601)	3 044 057
Cash and cash equivalents at beginning of year		7 254 749	4 210 692
Cash and cash equivalents at end of year		4 097 148	7 254 749

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JEMBI HEALTH SYSTEMS NPC

Notes to the annual financial statements

for the year ended 28 February 2015

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 plant and 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 annual financial statements (continued)

for the year ended 28 February 2015

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 subsequent to initial measurement 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.

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JEMBI HEALTH SYSTEMS NPC

Notes to the annual financial statements (continued)

for the year ended 28 February 2015

1. Significant accounting policies (continued)

1.5 Plant and equipment

Recognition and measurement

Items of plant and 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 plant and equipment, are also included in cost.

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

Gains or losses on the disposal of plant and 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 plant and 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 periods are as follows:

Computer equipment = 3 years (Depreciation 33.3% 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 annual financial statements (continued)

for the year ended 28 February 2015

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.

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JEMBI HEALTH SYSTEMS NPC

Notes to the annual financial statements (continued)

for the year ended 28 February 2015

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 and available-for-sale financial assets that are debt securities, 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 annual financial statements (continued)

for the year ended 28 February 2015

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 USG 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 annual financial statements (continued)

for the year ended 28 February 2015

	2015 R	2014 R
2. Donor income		
Grants and contract income	34 902 807	34 885 862
Contract management fee and indirect income	391 921	1 525 547
	<u>35 294 728</u>	<u>36 411 409</u>
3. Other income		
Project income	866 299	530 199
	<u>866 299</u>	<u>530 199</u>
4. Operating (deficit)/surplus		
is arrived at after taking into account:		
Depreciation	287 025	245 498
Realised foreign exchange profit	21 847	(406 291)
Salaries	13 651 966	10 038 541
Audit fees	270 079	146 205
- Prior year fee	155 307	146 205
- Current year fee	48 060	-
- Rwanda audit	66 712	-
Operating lease rentals - premises	<u>1 726 175</u>	<u>1 457 239</u>
5. Finance income		
Interest received - financial institutions	<u>157 093</u>	<u>141 634</u>
6. Taxation		

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.

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JEMBI HEALTH SYSTEMS NPC

Notes to the annual financial statements (continued)

for the year ended 28 February 2015

7. Equipment	Computer equipment R	Software R	Equipment and furniture R	Server R	Networking hardware R	Total R
2015						
Cost						
Opening balance	533 706	96 111	306 663	88 885	123 709	1 149 074
Additions	205 883	-	151 153	8 299	34 607	399 942
Closing balance	739 589	96 111	457 816	97 184	158 316	1 549 016
Accumulated depreciation						
Opening balance	(332 785)	(83 755)	(126 042)	(60 218)	(64 185)	(666 985)
Depreciation	(148 617)	(8 921)	(67 254)	(14 771)	(47 462)	(287 025)
Closing balance	(481 402)	(92 676)	(193 296)	(74 989)	(111 647)	(954 010)
Net book value	258 187	3 435	264 520	22 195	46 669	595 006
2014						
Cost						
Opening balance	384 262	96 111	276 898	82 676	123 709	963 656
Additions	149 444	-	30 764	6 209	-	186 417
Disposals	-	-	(999)	-	-	(999)
Closing balance	533 706	96 111	306 663	88 885	123 709	1 149 074
Accumulated depreciation						
Opening balance	(212 574)	(61 581)	(79 979)	(43 165)	(24 188)	(421 487)
Depreciation	(120 211)	(22 174)	(47 062)	(17 053)	(39 997)	(246 497)
Disposals	-	-	999	-	-	999
Closing balance	(332 785)	(83 755)	(126 042)	(60 218)	(64 185)	(666 985)
Net book value	200 921	12 356	180 621	28 667	59 524	482 089

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JEMBI HEALTH SYSTEMS NPC

Notes to the annual financial statements (continued)

for the year ended 28 February 2015

	2015 R	2014 R
8. Trade and other receivables		
Employee receivables	41 553	921
Trade receivables	3 104 553	3 690 245
Prepayments	90 419	225 215
Deposits	59 103	36 343
VAT receivable	71 223	10 983
Rwanda withholding tax receivable	476 021	369 703
Country offices - Rwanda and Mozambique	138 317	426 196
	<u>3 981 189</u>	<u>4 759 606</u>
9. Accrued income/(deferred income)		
<i>Accrued income</i>	1 121 257	821 587
- Centers for Disease Control and Prevention	588 126	-
- The AIHA Twinning Center	40 881	-
- USAID Mozambique	313 525	719 694
- Cell Life	-	26 374
- Health Information System Programme South Africa Mom Connect	-	75 519
- African Development Bank - CRVS	37 713	-
- Kheth'Impilo	141 012	-
<i>Deferred income</i>	(1 055 537)	(1 135 845)
- Health Enterprise Architecture Laboratory - UKZN HEAL	(34 652)	-
- The AIHA Twinning Center	-	(134 940)
- RWHIT: Rwanda Tender	(845 111)	(683 468)
- Medecins Sans Frontiers	(95 128)	-
- Vital Wave	(80 646)	-
- Centers for Disease Control and Prevention	-	(129 871)
- World Health Organisation Vital Statistic	-	(103 246)
- GSMA	-	(84 320)
	<u>65 720</u>	<u>(314 258)</u>

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JEMBI HEALTH SYSTEMS NPC

Notes to the annual financial statements (continued)

for the year ended 28 February 2015

	2015 R	2014 R
10. Trade and other payables		
Accruals	219 524	3 111 464
Thirteenth cheque - RSA	138 269	121 664
Other payables	7 427	-
	<u>365 220</u>	<u>3 233 128</u>
11. Directors' emoluments		
Non-executive directors fees	67 500	76 500
Executive director remuneration	1 674 492	4 312 165
	<u>1 741 992</u>	<u>4 388 665</u>
12. Related parties		
The directors of Jembi Health System NPC are listed in the directors' report.		
Other than directors' emoluments disclosed in note 11, no material related party transactions occurred.		
13. Note to the statement of cash flows		
13.1 Cash generated by operations		
(Deficit)/surplus before taxation	(575 215)	2 251 383
Adjusted for:		
- Depreciation	287 025	245 498
- Finance income	(157 093)	(141 634)
Working capital changes		
Decrease/(increase) in trade and other receivables	778 417	(2 143 158)
(Decrease)/increase in trade and other payables	(2 867 908)	2 336 684
(Increase)/decrease in accrued income	(299 670)	163 457
(Decrease)/increase in deferred income	(80 308)	375 611
	<u>(2 914 752)</u>	<u>3 087 841</u>

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JEMBI HEALTH SYSTEMS NPC

Detailed revenue and income schedule

for the year ended 28 February 2015

	2015 R	2014 R
Donor income		
<i>Grants and Contract Income</i>		
Kheth'Impilo (HIV Treatment and Care KHET1)	141 012	-
Greenfield Management Solutions (ESA Contract)	-	1 422 329
Management Sciences for Health (MSH01)	151 187	-
Karolinska Institute, Dept of Public Health Sciences	-	224 439
Cardno Emerging Markets USA Ltd (HIPPP)	7 388 672	8 019 802
Centers for Disease Control and Prevention	18 003 611	16 918 218
World Health Organisation: HMN Move IT	-	387 241
The International Development Research Centre (IDRC3)	-	214 419
The AIHA Twinning Center	341 209	454 113
Vanderbilt University/UCSF	-	2 416 172
University of Zimbabwe (HITRAC)	99 715	192 355
Rwanda Health Insurance Tracker	674 728	1 738 082
USAID Mozambique	2 491 530	1 017 130
Safe Blood for Africa	2 295 708	1 363 206
GSMA Mobile for Development Foundation INC	232 922	15 595
Health Information System Programme South Africa Khuphukani	747 358	99 010
Health Information System Programme South Africa Mom Connect	1 737 550	75 519
World Health Organisation Vital Statistic	378 199	301 858
Cell Life	219 406	26 374
Sub total	34 902 807	34 885 862
<i>Unrestricted income including Indirect and Contract Management fees</i>		
Cardno Emerging Markets USA Ltd (HIPPP)	369 431	400 990
The AIHA Twinning Center (TWI01)	22 490	90 822
The Rockefeller Foundation (RF002)	-	1 033 735
Sub total	391 921	1 525 547
Total donor income	35 294 728	36 411 409

JEMBI HEALTH SYSTEMS NPC

Detailed revenue and income schedule

for the year ended 28 February 2015

	2015 R	2014 R
Other income		
Sports Science Institute of South Africa (SSISA)	55 000	123 900
Health Enterprise Architecture Laboratory (HEALI)	322 711	345 245
Medecins Sans Frontiers (MSF01)	19 838	-
African Development Bank (CRVS1)	37 713	-
Tides Canada Initiatives (TCIS1)	191 198	-
Vital Wave (VITAL)	104 111	-
Other	135 728	61 054
Total other income	<u>866 299</u>	<u>530 199</u>
Total income	<u><u>36 161 027</u></u>	<u><u>36 941 608</u></u>