JEMBI HEALTH SYSTEMS

(Incorporated under Section 21)

Annual financial statements

for the year ended 28 February 2011

JEMBI HEALTH SYSTEMS

Incorporated under Section 21
Registration no: 2009/018985/08
NPO no: 054-906NPO
PBO no: 930034124

Annual financial statements

for the year ended 28 February 2011

Contents

JEMBI HEALTH SYSTEMS

Directors' responsibility statement

for the year ended 28 February 2011

The directors are responsible for the preparation and fair presentation of the annual financial statements of Jembi Health Systems (Incorporated under Section 21), "Jembi Health Systems" comprising the statement of financial position at 28 February 2011 and the statements of comprehensive income, changes in equity 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, and the directors' report, in accordance International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

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 annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of annual financial statements

The annual financial statements of Jembi Health Systems, as identified in the first paragraph, were approved by the board of directors on 16 August 2011 and signed on their behalf by

C Seebregts

A Gray

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Independent auditor's report

To the members of Jembi Health Systems (Incorporated under Section 21)

Report on the financial statements

We have audited the annual financial statements of Jembi Health Systems Systems (Incorporated under Section 21), which comprise the statement of financial position at 28 February 2011 and the statements of comprehensive income, changes in equity 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, and the directors' report, as set out on pages 7 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 Enterprises, and in the manner required by 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 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.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Jembi Health Systems (Incorporated under Section 21) at 28 February 2011 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Enterprises, and in the manner required by the Companies Act of South Africa.

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

KPMG Inc.

Per BR Heuvel
Chartered Accountant (SA)
Registered Auditor
Director

16 August 2011

JEMBI HEALTH SYSTEMS

Executive director's report

for the year ended 28 February 2011

Jembi has had another exceptional year in 2011, growing its core organisational structure and income as well as excelling in all its main business areas.

The finance and administration team has pioneered the implementation of a finance and administration system and consolidated policies and procedures that has delivered Jembi into a new era with solid financial management and governance. This system has been essential to the growth and organisational development of Jembi as well as its ability to continue attracting and spending substantial donor funding.

A new office has been opened in Kigali to supplement the two existing country offices in Maputo and Harare and the established Jembi offices in Cape Town and Durban. Jembi has increased its core staff in South Africa from 8 in 2010 to 14 in 2011 (75% growth), including Cape Town (12) and Durban (2). Jembi has also increased its country office staff complement from 10 in 2010 to 17 in 2011 (70% growth), including Mozambique (12), Rwanda (2) and Zimbabwe (3). The total staff complement across all sites has increased from 18 in 2010 to 31 in 2011 (72% growth in number of staff). Jembi supplements its staff complement with the services of several local and international consultants on a part-time basis. Some difficulties have been encountered with consultants and Jembi intends to focus more on core capacity building, in future. In the next year, Jembi will increase the number of top management roles to spread the leadership as well as skilled staff and interns.

Jembi has also increased its income and a number of new grants have been awarded to supplement the existing set of grants. The core of Jembi's income (approximately 60%) derives from the Health Informatics Public Private Partnership (HI-PPP) funded by the United States Emergency Plan for AIDS Relief (PEPFAR) through the Office of the US Global AIDS Coordinator (OGAC). HI-PPP funds the enterprise architecture and health information exchange projects in Rwanda. Jembi also receives a generous grant from the Centers for Disease Control and Prevention (CDC) in Mozambique under a cooperative agreement. This grant funds the MOASIS team and, importantly, has served as a platform to attract supplementary funding for MOASIS from CDC implementing partners in Mozambique and from the World Health Organisation and newly reformed Health Metrics Network. Jembi continues to work on grants from the Rockefeller Foundation and the Canadian International Development Research Centre (IDRC). In 2011, Jembi entered into an innovative partnership with the School of Computer Science at the University of KwaZulu-Natal to build a Health Enterprise Architecture Laboratory. Jembi has also recognised the difficulties in building and sustaining its core infrastructure on project-based funding and has turned some of its attention to attracting grants for organisation development. Two grants have already been awarded, from the IDRC and the Twinning Centre and Jembi is also working on a third proposal to the Rockefeller Foundation. The organisational development grants will provide Jembi with much-needed core funding to help in building core infrastructure.

Jembi's projects are mostly progressing well and, as expected. Jembi has developed core expertise in enterprise architecture (EA) and has established EA projects in Rwanda, Mozambique and Zimbabwe. Jembi has also applied for a grant to develop an EA for South Africa with the Health Information Systems Program. Jembi's project with the High Performance Centre and Sports Science Institute of South Africa is progressing and we expect the first product by the end of 2011. The Mozambique Open Architectures, Standards and Information Systems (M-OASIS) project remains the flagship Jembi implementation with more than ten projects being developed in association with the Ministry of Health of Mozambique. M-OASIS has been recognised as a flagship initiative and example of sustainable eHealth capacity development in a low resource setting. In the next year, we will develop a closer link between core Jembi and the M-OASIS developer group. The Rwanda Health Enterprise Architecture is one of Jembi's most ambitious projects and includes a health information exchange, customised and implemented in partnership with eZ-Vida, a Brazilian company that develops and markets HIE software.

Executive director's summary on 2011 audit report (continued)

for the year ended 28 February 2011

In addition to Jembi's direct projects the Jembi team continues to support the larger community of OpenMRS through development of the OpenMRS Concept Collaborative and Google Summer of Code Mentoring initiatives as well as participating in the leadership of OpenMRS.

In summary, Jembi is continuing to develop well and is developing the core management, administration and infrastructure necessary to competently manage large donor-funded health information projects. Challenges for the next year include the need to solicit more organisational development funding, to complete the strategic and operational planning processes that were started in 2010 and to continue its focus on donor-funded project work.

Sincerely

Dr Christopher Seebregts
Executive Director

JEMBI HEALTH SYSTEMS

Directors' report

for the year ended 28 February 2011

The directors have pleasure in presenting their report for the year ended 28 February 2011.

General review of operations

The organisation has seen substantial growth from the year ending 28/02/2010 to the year ending 28/02/2011. This includes moving of the Cape Town office to a bigger space, increasing staff numbers in South Africa, Rwanda and Mozambique, diversifying funding through various grants, contracts and COAG's and improving internal controls by implementing robust internal policies and procedures. The year ahead promises further growth and Jembi Health Systems is gearing up to be ready to facilitate this growth.

Income taxation

On 4 February 2011, the organisation has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act, and is exempt from income tax in terms of Section 10 (1)(cN) of the Act.

The public benefit organisation has been approved for purposes of Section 18A(1)(a) of the Act and donations to the organisation will be tax deductable in the hands of the donor subject to the limitations prescribed in section 18A of the Act.

Directors

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

A Bunn
S Done
A Gray
D Moodley
S Reid
CJ Seebregts

Secretary

A secretary has not been appointed.

JEMBI HEALTH SYSTEMS

Statement of comprehensive income

for the year ended 28 February 2011

	Note	2011 R	*Restated* 2010 R
Donor income	*2*	**14 474 067**	3 298 619
Other income	*3*	**1 128 310**	597 451
		15 602 377	3 896 070
Operating expenses		**(15 048 569)**	(2 629 913)
Operating surplus	*4*	**553 808**	1 266 157
Finance income	*5*	**48 633**	9 572
Finance expense	*6*	**(225)**	-
Surplus before taxation		**602 216**	1 275 729
Taxation	*7*	-	-
Surplus for the year		**602 216**	1 275 729

JEMBI HEALTH SYSTEMS

Statement of financial position
at 28 February 2011

	Note	**2011** **R**	*Restated* 2010 R
Assets			
Non-current asset			
Plant and equipment	*8*	**314 334**	131 573
Current assets		**4 846 192**	6 394 964
Cash and cash equivalents		**3 813 874**	6 394 964
Trade and other receivables	*9*	**1 032 318**	-
Total assets		**5 160 526**	6 526 537
Funds and liabilities			
Funds			
Accumulated funds		**1 880 946**	1 278 730
General reserves		**1 880 946**	1 278 730
Current liabilities		**3 279 580**	5 247 807
Trade and other payables	*11*	**1 699 040**	-
Deferred income	*10*	**1 580 540**	5 247 807
Total funds and liabilities		**5 160 526**	6 526 537

JEMBI HEALTH SYSTEMS

Statement of changes in funds

for the year ended 28 February 2011

	Note	Accumulated funds R	Total R
Balance at 1 March 2009		3 001	3 001
Surplus for the year		6 803 546	6 803 546
Prior period error	*15*	(5 527 817)	(5 527 817)
Balance at 28 February 2010 (Restated)		1 278 730	1 278 730
Balance at 1 March 2010 *(Restated)*		1 278 730	1 278 730
Total comprehensive income for the year		602 216	602 216
Balance at 28 February 2011		1 880 946	1 880 946

JEMBI HEALTH SYSTEMS

Statement of cash flows

for the year ended 28 February 2011

	Note	2011 R	*Restated* 2010 R
Cash flows from operating activities			
Cash (utilised in)/generated by operations	*14*	**(2 384 738)**	6 528 199
Finance income		**48 633**	9 572
Finance expense		**(225)**	-
Net cash (outflow)/inflow from operating activities		**(2 336 330)**	6 537 771
Cash flows from investing activities			
Acquisition of plant and equipment		**(244 760)**	(145 808)
Net cash outflow from investing activities		**(244 760)**	(145 808)
Net (decrease)/increase in cash and cash equivalents		**(2 581 090)**	6 391 963
Cash and cash equivalents at beginning of year		**6 394 964**	3 001
Cash and cash equivalents at end of year		**3 813 874**	6 394 964

1. Accounting policies

Jembi Health Systems is a company domiciled in South Africa.

1.1 Basis of preparation

The financial statements for the company are prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises ("IFRS for SMEs") and the Companies Act of South Africa.

The financial statements are presented in South African Rands ("Rands"). 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 discusses and reviews 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 date of the transaction. The date of transactions 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.

1. Accounting policies (continued)

1.4 Financial instruments

Non-derivative financial instruments are initially recognised at fair value plus directly attributable transaction costs except for financial instruments that are classified as being carried at fair value through profit and loss. 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.

1. 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.

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

Borrowing costs are expensed as incurred.

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 when 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.

1. Accounting policies (continued)

1.6 Leases

Finance leases

Finance leases are leases whereby substantially all the risks and rewards of ownership are passed on to the lessee. Assets acquired in terms of finance leases are capitalised and depreciated over the shorter of the useful life of the asset or the lease period, with a corresponding liability in the statement of financial position. The asset and liability is initially recognised at the lower of the fair value and the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Related finance costs are charged to income using the effective interest method over the period of the lease.

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 leases 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.

1. 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 the general reserve.

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.

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. Accounting policies (continued)

1.11 Donor and other income

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.

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 Finance expense

Finance expense comprise interest payable on borrowings calculated using the effective interest rate method and unwinding of the discount on provisions.

The company has elected not to capitalise borrowing costs on qualifying assets.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

1.14 Income taxes

Jembi Health Systems is a Public Benefit Organisation and is exempt from paying Income Tax.

		2011 R	*Restated* 2010 R
2.	**Donor income**		
	Grants and contract income	**13 411 118**	3 024 095
	Contract management fee and indirect income	**1 062 949**	274 524
		14 474 067	3 298 619
3.	**Other income**		
	Project income	**1 128 310**	597 451
		1 128 310	597 451
4.	**Operating profit**		
	is arrived at after taking into account:		
	Depreciation	**61 999**	14 235
	Realised foreign exchange loss/(profit)	**304 470**	(268 189)
	Salaries	**3 211 146**	609 760
	Audit fees	**35 742**	-
	Lease rentals - premises	**214 051**	61 560
5.	**Finance income**		
	Interest received - financial institutions	**48 633**	9 572
6.	**Finance expense**		
	Interest paid	**(225)**	

7. 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.

8. Plant and equipment

2011	**Computer equipment R**	**Software R**	**Equipment and furniture R**	**Server R**	**Hardware networks R**	**Total R**
Cost						
Opening balance	71 067	9 589	26 345	38 807	-	145 808
Additions	102 440	51 114	115 342	-	5 840	274 736
Disposals	(29 976)	-	-	-	-	(29 976)
Closing balance	143 531	60 703	141 687	38 807	5 840	390 568
Accumulated depreciation						
Opening balance	7 879	720	1 109	4 527	-	14 235
Depreciation	33 057	10 281	12 488	7 761	885	64 472
Disposals	(2 473)	-	-	-	-	(2 473)
Closing balance	38 463	11 001	13 597	12 288	885	76 234
Net book value	105 068	49 702	128 090	26 519	4 955	314 334

2010	Computer equipment R	Software R	Equipment and furniture R	Server R	Hardware networks R	Total R
Cost						
Opening balance	-	-	-	-	-	-
Additions	71 067	9 589	26 345	38 807	-	145 808
Closing balance	71 067	9 589	26 345	38 807	-	145 808
Accumulated depreciation						
Opening balance	-	-	-	-	-	-
Depreciation	7 879	720	1 109	4 527	-	14 235
Closing balance	7 879	720	1 109	4 527	-	14 235
Net book value	63 188	8 869	25 236	34 280	-	131 573

		2011 R	*Restated* 2010 R
9.	**Trade and other receivables**		
	Employee receivables	**13 600**	-
	Other receivables	**915 439**	-
	Other current assets	**103 279**	-
		1 032 318	-
10.	**Deferred income**		
	Donor income	**1 375 282**	5 082 126
	-IDRC2	**-**	2 923 583
	-Rockefeller	**1 375 282**	2 158 543
	Other income - projects	**205 258**	165 681
	-University of Pretoria	**-**	165 681
	-Sports Science Institute of South Africa	**205 258**	-
		1 580 540	5 247 807
11.	**Trade and other payables**		
	Accruals	**248 786**	-
	Medical Research Council of South Africa	**1 450 254**	-
		1 699 040	-
12.	**Directors' emoluments**		
	Non-executive directors fees	**22 500**	-
	Executive director	**539 980**	84 000
		562 480	84 000

13. Related parties

The directors of Jembi Health System (Incorporated under Section 21) are listed in the directors' report.

Other than directors' emoluments disclosed in note 12, no material related party transactions occurred.

		2011 R	*(Restated)* 2010 R
14.	**Note to the statement of cash flows**		
14.1	**Cash (utilised in)/ generated by operations**		
	Surplus before taxation	**602 216**	1 275 729
	Adjusted for:		
	- Depreciation and impairment	**61 999**	14 235
	- Finance expense	**225**	-
	- Finance income	**(48 633)**	(9 572)
	Working capital changes		
	Increase in debtors	**(1 032 318)**	-
	(Decrease)/increase in creditors and deferred income	**(1 968 227)**	5 247 807
		(2 384 738)	6 528 199

15. Prior period error

Income received in advance during 2010 was not deferred during the 2010 financial year. The deferral of income will result in the recognition of a current liability of R5 247 807, a decrease of grants and contracts income of R5 082 126 and a decrease of other income of R165 681.

Foreign bank balances were converted using the incorrect spot rate during the 2010 financial year. The adjustment made to correct this error resulted in a decrease in cash and cash equivalents of R280 010 and an increase in operating expenses in of R280 010.

The prior year financial statements were restated as follows:

	Balance as previously reported at 28 February 2010 R	Adjustment R	Restated balance at 28 February 2011 R
Balance sheet			
Current assets			
Cash and cash equivalents	6 674 974	(280 010)	6 394 964
Current liabilities			
Deferred income	-	5 247 807	5 247 807
Income statement			
Donor income (Grants and Contracts)	7 991 774	(4 967 679)	3 024 095
Contract management fee and indirect income	388 971	(114 447)	274 524
Other income	763 132	(165 681)	597 451
Operating expenses	(2 349 903)	(280 010)	(2 629 913)
Surplus for the year	6 803 546	(5 527 817)	1 275 729

JEMBI HEALTH SYSTEMS

Detailed revenue and income schedule

for the year ended 28 February 2011

	2011 Rand	*(Restated)* 2010 Rand
Donor income		
Grants and Contract Income		
International Development Research Centre (IDRC1)	-	578 910
International Development Research Centre (IDRC2)	**7 018 116**	2 111 728
The Rockefeller Foundation (RF001)	**1 777 269**	333 457
Cardno Emerging Markets USA Ltd (HIPPP)	**3 565 733**	-
Centers for Disease Control and Prevention (CDC01)	**1 050 000**	-
Sub Total	**13 411 118**	3 024 095
International Development Research Centre (IDRC2)	**912 355**	274 524
Cardno Emerging Markets USA Ltd (HIPPP)	**148 278**	-
World Health Organisation (WHOO1)	**2 316**	-
Sub Total	**1 062 949**	274 524
Total donor income	**14 474 067**	3 298 619
Other income		
VitalCare t/a JCMG	-	26 074
MRC EFT Healthnet SO Reimbursement of Expenses	-	20 862
Partners in Health (PIH 01)	-	128 065
University of California, San Francisco (UCSF1)	-	349 945
University of Pretoria (UP001)	**261 001**	72 505
ecGroup Inc (ECGO1)	**340 825**	-
VitalCare t/a JCMG	**97 590**	-
Partners in Health (PIH 01)	**155 450**	-
Sports Science Institute of South Africa (SSISA)	**188 409**	-
World Health Organisation (WH001)	**85 035**	-
Total other income	**1 128 310**	597 451
Total income	**15 602 377**	3 896 070