

# Financial Statements 2013-14

## **JEMBI HEALTH SYSTEMS NPC**

**Audited financial statements for the year ended  
28 February 2014**

**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 2014*

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# **JEMBI HEALTH SYSTEMS NPC**

## **Directors' responsibility statement**

*for the year ended 28 February 2014*

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 2014 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, 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.

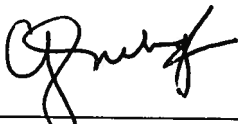
The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk 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 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 12 August 2014 and signed on their behalf by



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**C Seebregts**  
Authorised Director



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**S Reid**  
Authorised Director

# **JEMBI HEALTH SYSTEMS NPC**

## **Executive director's report**

*for the year ended 28 February 2014*

Jembi has completed another successful year during the 2013 – 2014 period, building on successes in previous years and continuing to deliver value in line with its core mission. All existing line and administrative functions continued to perform well and Jembi also experienced encouraging growth in new areas as determined by the strategy completed at the end of 2013. Jembi continued to grow its income stream with a record growth of 59% in expenditure, an increase of 51% over the previous financial year in income received via grants and contracts, again showing ongoing support from the international donor community for the core mission and services of Jembi. The staff complement also increased over this period by 25% indicating that Jembi continues to increase its efficiency and deliver more value with fewer resources.

As in previous years, the biggest increase in financial growth and staff resulted occurred in Jembi's Mozambique programme which also won the first USAID award to Jembi, following a rigorous and successful assessment of Jembi. Jembi has held a cooperative agreement with the US Centers for Disease Control and Prevention (CDC) for the past four years, servicing the Mozambique Ministry of Health. The USAID award to the Mozambique program extends Jembi's work in Mozambique to include another US agency as well as two additional government departments, the Ministry of Women and Social Affairs and the Ministry of Justice. Jembi is presently running more than 20 projects in Mozambique and continues to play an important role in national health information systems development, such as the national monitoring and evaluation system as well as civil registration and vital statistics systems.

Jembi's Rwanda programme continued with its project funded by the US President's Emergency Plan for AIDS Relief (PEPFAR) and CDC to implement the Rwanda Health Information Exchange (RHIE), a world first for health information systems interoperability in a low resource African setting. The project has achieved its aim to extend the system to all facilities in the Rwamagana district in Rwanda and the project will enter a close-down phase during the latter part of 2014. The Jembi Rwanda and South Africa teams have begun applying for alternative funding sources both within Rwanda as well as in partnership with other NGOs in response to international donor priorities.

Jembi experienced a substantial increase in its work in South Africa, during this period, including participation in a leading project in mobile maternal health, sponsored by the Minister of Health, the national department of health and a consortium of organizations. The project is re-using technologies and skills developed in other programs, including Rwanda and Mozambique. Jembi is also engaging with provincial departments of health and was a sub-awardee on a successful award for advanced HIV/TB care in the Free State with a local NGO. Jembi staff continued participation in local and international conferences and contributed to four scientific papers in peer-reviewed journals.

Jembi's Corporate Services Division continued to provide strong financial, legal, human resources and administrative support to the entire organization, across all three countries. The division delivers enviable value and support to the organization and continues to excel in many areas related to the core operation of the business. It is seen as a seat of excellence by funders and partners. The finalization of a manual of policies and procedures was a highlight over this period.

I am deeply proud of the achievements that the Jembi team has accomplished over the past year, and believe we will continue to do justice to Jembi's ambitious vision and mission.

# JEMBI HEALTH SYSTEMS NPC

## **Directors' report**

*for the year ended 28 February 2014*

The directors have pleasure in presenting their report for the year ended 28 February 2014.

### **General review of operations**

The organisation has seen another year of substantial growth from the year ending 28 February 2013 to the year ending 28 February 2014 with a marked increase in expenditure of 59% from 2013 to 2014 year-end linked to increase donor funded projects been delivered through Jembi Health Systems offices in particular South Africa and Mozambique. The South African team has seen a growth of 10% in staff and the Mozambique team have seen growth of 56%. This has been a result of an increase in South African based projects including the Safe Blood for Africa agreement and The South African National Pregnancy registry amongst others. In Mozambique the introduction of our first USAID funded project has started in October 2013 as well as increased projects with the Centre of Disease Control and ongoing relationships with The World Health Organisation, The Twinning centre and The University of California San Francisco. The Rwanda Programme though not seeing major growth in expenditure has seen growth in the delivery of projects in-country, including the Rwanda Health Information Exchange funded through the Cardno Emerging Markets (funded by the Centre for Disease Control) and the National Health Insurance System (through the government of Rwanda).

It is forecast with this growth that 2015 promises to be another year of increased growth and learning as the organisation matures and aligns its strategy to deliver impactful and innovative projects to realise its vision of A World in which Health Systems and information advance Global Health.

### **Directors**

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

S Reid  
D Moodley  
A Bunn  
A Gray  
L Madden  
CJ Seebregts

#### *Resigned as of 31/12/2013:*

S Dove  
A Campione (separated Board duty from senior leadership of the organisation)  
J Smith (separated Board duty from senior leadership of the organisation)



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## 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 2014 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, as set out on pages 7 to 20.

#### *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.



*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Jembi Health Systems NPC at 28 February 2014, 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 21 to 22 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 2014 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

12 August 2014



# JEMBI HEALTH SYSTEMS NPC

## Statement of financial position

at 28 February 2014

	<i>Note</i>	<b>2014</b> <b>R</b>	<b>2013</b> <b>R</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	7	482 089	542 169
<b>Current assets</b>			
Cash and cash equivalents		7 254 749	4 210 692
Trade and other receivables	8	4 759 606	2 616 448
Accrued income	9	821 587	985 044
<b>Total assets</b>		<b>13 318 031</b>	<b>8 354 353</b>
<b>Funds and liabilities</b>			
<b>Funds</b>			
<b>Accumulated funds</b>			
General reserves		8 949 058	6 697 675
<b>Current liabilities</b>			
Trade and other payables	10	3 233 128	896 444
Deferred income	9	1 135 845	760 234
<b>Total funds and liabilities</b>		<b>13 318 031</b>	<b>8 354 353</b>

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# JEMBI HEALTH SYSTEMS NPC

## Statement of comprehensive income for the year ended 28 February 2014

	<i>Note</i>	<b>2014</b> <b>R</b>	<b>2013</b> <b>R</b>
<b>Donor income</b>	2	<b>36 411 409</b>	24 144 214
Other income	3	<b>530 199</b>	398 760
		<b>36 941 608</b>	24 542 974
<b>Operating expenses</b>		<b>(34 831 859)</b>	(21 855 581)
<b>Operating surplus</b>	4	<b>2 109 749</b>	2 687 393
Finance income	5	<b>141 634</b>	148 838
<b>Surplus before taxation</b>		<b>2 251 383</b>	2 836 231
Taxation	6	-	-
<b>Total comprehensive income for the year</b>		<b>2 251 383</b>	2 836 231

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# JEMBI HEALTH SYSTEMS NPC

## Statement of changes in funds

*for the year ended 28 February 2014*

	<b>General reserves R</b>	<b>Total R</b>
Balance at 1 March 2012	3 861 444	3 861 444
Total comprehensive income for the year	2 836 231	2 836 231
Balance at 28 February 2013	<u>6 697 675</u>	<u>6 697 675</u>
<b>Balance at 1 March 2013</b>	<b>6 697 675</b>	<b>6 697 675</b>
Total comprehensive income for the year	<u>2 251 383</u>	<u>2 251 383</u>
<b>Balance at 28 February 2014</b>	<u><b>8 949 058</b></u>	<u><b>8 949 058</b></u>

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# JEMBI HEALTH SYSTEMS NPC

## Statement of cash flows

for the year ended 28 February 2014

	Note	2014 R	2013 R
<b>Cash flows from operating activities</b>			
Cash generated/(utilised in) by operations	13	3 087 841	(765 727)
Finance income	5	141 634	148 838
<b>Net cash inflow/(outflow) from operating activities</b>		<b>3 229 475</b>	<b>(616 889)</b>
<b>Cash flows from investing activities</b>			
Acquisition and disposals of plant and equipment		(185 418)	(284 030)
<b>Net cash outflow from investing activities</b>		<b>(185 418)</b>	<b>(284 030)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3 044 057</b>	<b>(900 919)</b>
Cash and cash equivalents at beginning of year		4 210 692	5 111 611
<b>Cash and cash equivalents at end of year</b>		<b>7 254 749</b>	<b>4 210 692</b>

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# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements

for the year ended 28 February 2014

### 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 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.

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# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

### 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.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

### 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.

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# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

### 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 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 annual financial statements (continued)

for the year ended 28 February 2014

### 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.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

### 1. Accounting policies (continued)

#### 1.10 Employee benefits (continued)

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 is 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 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 NPC is a Public Benefit Organisation and is exempt from paying Income Tax.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

	2014 R	2013 R
<b>2. Donor income</b>		
Grants and contract income	34 885 862	22 662 419
Contract management fee and indirect income	1 525 547	1 481 795
	<u>36 411 409</u>	<u>24 144 214</u>
<b>3. Other income</b>		
Project income	530 199	398 760
	<u>530 199</u>	<u>398 760</u>
<b>4. Operating surplus</b>		
is arrived at after taking into account:		
Depreciation	245 498	201 475
Realised foreign exchange profit	(406 291)	(693 702)
Salaries	10 038 541	7 000 329
Audit fees	146 205	137 500
Operating lease rentals - premises	1 457 239	1 293 643
	<u>141 634</u>	<u>148 838</u>
<b>5. Finance income</b>		
Interest received - financial institutions	141 634	148 838

### 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.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

### 7. Plant and equipment

2014	Computer equipment R	Software R	Equipment and furniture R	Server R	Networking hardware R	Total R
<b>Cost</b>						
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)
<b>Closing balance</b>	<b>533 706</b>	<b>96 111</b>	<b>306 663</b>	<b>88 885</b>	<b>123 709</b>	<b>1 149 074</b>
<b>Accumulated depreciation</b>						
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)
<b>Closing balance</b>	<b>332 785</b>	<b>83 755</b>	<b>126 042</b>	<b>60 218</b>	<b>64 185</b>	<b>666 985</b>
<b>Net book value</b>	<b>200 921</b>	<b>12 356</b>	<b>180 621</b>	<b>28 667</b>	<b>59 524</b>	<b>482 089</b>
2013	Computer equipment R	Software R	Equipment and furniture R	Server R	Networking hardware R	Total R
<b>Cost</b>						
Opening balance	283 461	77 002	230 647	82 676	5 840	679 626
Additions	114 617	19 109	52 487	-	117 869	304 082
Disposals	(13 816)	-	(6 236)	-	-	(20 052)
<b>Closing balance</b>	<b>384 262</b>	<b>96 111</b>	<b>276 898</b>	<b>82 676</b>	<b>123 709</b>	<b>963 656</b>
<b>Accumulated depreciation</b>						
Opening balance	113 188	33 976	43 406	26 630	2 812	220 012
Depreciation	113 202	27 605	42 809	16 535	21 376	221 527
Disposals	(13 816)	-	(6 236)	-	-	(20 052)
<b>Closing balance</b>	<b>212 574</b>	<b>61 581</b>	<b>79 979</b>	<b>43 165</b>	<b>24 188</b>	<b>421 487</b>
<b>Net book value</b>	<b>171 688</b>	<b>34 530</b>	<b>196 919</b>	<b>39 511</b>	<b>99 521</b>	<b>542 169</b>

# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

	2014 R	2013 R
<b>8. Trade and other receivables</b>		
Employee receivables	921	47 930
Trade receivables	3 690 245	1 403 337
Prepayments	225 215	112 053
Deposits	36 343	679 382
VAT receivable	10 983	151 641
Rwanda WHT receivable	369 703	74 385
Country offices Rwanda and Mozambique	426 196	147 720
	<u>4 759 606</u>	<u>2 616 448</u>
<b>9. Accrued income / (Deferred income)</b>		
<i>Accrued income</i>	<b>821 587</b>	985 044
- Center for Disease Control	-	702 500
- Vanderbilt University/University California San Francisco	-	282 544
- USAID Mozambique	<b>719 694</b>	-
- Cell Life	<b>26 374</b>	-
- HISP: Mom Connect	<b>75 519</b>	-
<i>Deferred income</i>	<b>(1 135 845)</b>	(760 234)
- WHO Move IT/HMN	-	(31 820)
- IDRC3	-	(195 296)
- The AIHA Twinning Center	<b>(134 940)</b>	(155 505)
- ESA through GMS	-	(142 298)
- KIST	-	(121 970)
- RWHIT: Rwanda Tender	<b>(683 468)</b>	(113 345)
- Center for Disease Control	<b>(129 871)</b>	-
- WHO Vital Statistics	<b>(103 246)</b>	-
- GSMA	<b>(84 320)</b>	-
	<u>(314 258)</u>	<u>224 810</u>

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# JEMBI HEALTH SYSTEMS NPC

## Notes to the annual financial statements (continued)

for the year ended 28 February 2014

	2014 R	2013 R
<b>10. Trade and other payables</b>		
Accruals	3 111 464	152 149
Thirteenth Cheque - RSA	121 664	96 907
Medical Research Council of South Africa	-	647 389
	<u>3 233 128</u>	<u>896 444</u>
<b>11. Directors' emoluments</b>		
Non-executive directors fees	76 500	67 500
Executive director remuneration	4 312 165	4 158 272
	<u>4 388 665</u>	<u>4 225 772</u>
<b>12. Related parties</b>		
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.		
<b>13. Note to the statement of cash flows</b>		
<b>13.1 Cash (utilised in)/generated by operations</b>		
Surplus before taxation	2 251 383	2 836 231
Adjusted for:		
- Depreciation	245 498	201 475
- Finance income	(141 634)	(148 838)
- Movement in accrued income	163 457	(390 325)
- Movement in deferred income	375 611	(1 026 068)
Working capital changes		
Increase in trade and other receivables	(2 143 158)	(893 762)
Increase/(decrease) in trade and other payables	2 336 684	(1 344 440)
	<u>3 087 841</u>	<u>(765 727)</u>

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# JEMBI HEALTH SYSTEMS NPC

## Detailed revenue and income schedule

for the year ended 28 February 2014

	2014 R	2013 R
<b>Donor income</b>		
<i>Grants and Contract Income</i>		
International Development Research Centre (IDRC2)	-	1 110 219
Greenfield Management Solutions (ESA Contract)	1 422 329	1 044 298
The Rockefeller Foundation (RF001)	-	314 850
Karolinska Institute, Dept of Public Health Sciences	224 439	104 703
Open Health Tools Inc (Hing X) HEART	-	308 221
Cardno Emerging Markets USA Ltd (HIPPP)	8 019 802	8 560 173
Center for Disease Control and Prevention	16 918 218	6 306 410
World Health Organisation: HMN Move IT	387 241	913 340
The International Development Research Centre (IDRC3)	214 419	206 976
The AIHA Twinning Center	454 113	360 540
Vanderbilt University/UCSF	2 416 172	2 935 511
University of Zimbabwe (HITRAC)	192 355	25 359
Rwanda Health Insurance Tracker	1 738 082	471 189
USAID Mozambique	1 017 130	-
Safe Blood for Africa	1 363 206	-
GSMA Mobile for Development Foundation INC	15 595	-
Health Information System Program South Africa Khuphukani	99 010	-
Health Information System Program South Africa Mom Connect	75 519	-
World Health Organisation Vital Statistic Cell Life	301 858	-
	26 374	-
<b>Sub total</b>	34 885 862	22 662 419
<i>Unrestricted income including Indirect and Contract Management fees</i>		
Cardno Emerging Markets USA Ltd (HIPPP)	400 990	428 011
The AIHA Twinning Center (TWI01)	90 822	64 897
The Rockefeller Foundation (RF002)	1 033 735	888 360
Open Health Tools Inc (Hing X) HEART	-	38 637
<b>Sub total</b>	1 525 547	1 481 795
<b>Total donor income</b>	36 411 409	24 144 214

# JEMBI HEALTH SYSTEMS NPC

## Detailed revenue and income schedule (continued)

for the year ended 28 February 2014

### Other income

Sports Science Institute of South Africa (SSISA)	123 900	68 706
Health Enterprise Architecture Laboratory (HEAL1)	345 245	316 036
Medecins Sans Frontiers (MSF01)	-	13 518
Other	61 054	500
<b>Total other income</b>	<b>530 199</b>	<b>398 760</b>
<b>Total income</b>	<b>36 941 608</b>	<b>24 542 974</b>