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JEMBI HEALTH SYSTEMS NPC

Annual financial statements

for the year ended 28 February 2013

Audited

Prepared by: These financial statements have been prepared under the supervision of J Smith CIMA, Adv Dip MA.

JEMBI HEALTH SYSTEMS NPC

Registration no: 2009/018985/08
NPO no: 054-906NPO
PBO no: 930034124
VAT no: 4480259243

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for the year ended 28 February 2013

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Directors' responsibility statement

for the year ended 28 February 2013

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 2013 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 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 07 August 2013 and signed on their behalf by

C Seebregts
Authorised Director

A Gray
Authorised Director

JEMBI HEALTH SYSTEMS NPC

Executive director's report

for the year ended 28 February 2013

Jembi concluded another successful year during the 2012 – 2013 financial year with several successful projects and continued growth in most aspects of the organization. Highlights include an overall financial growth of 40% and personnel growth of 10%, indicating both the continued ability to attract donor funding and an improvement in operating efficiency. Most of the financial growth has resulted from donor income to the Mozambique programme and an increase in the number of contract projects in South Africa. The Rwanda program remained on track during a period with some changes in the overall structure of the program. However, there was an increase in personnel and services offered by the corporate services division. Jembi also continued to apply for grants to maintain the organization in coming years and continue its growth. Jembi staff participated in a number of local and international conferences over this period and published a number of scientific papers in international peer-reviewed publications. Jembi also launched its new web site (www.jembi.org) and communications strategy, both internally and externally.

Mozambique Program

The Mozambique Open Architectures Standards and Information Systems (MOASIS) project and office in Maputo is Jembi's flagship programme. Jembi/MOASIS increased the number of eHealth projects in association with the Mozambique Ministry of Health (MOH) and the Universidade Eduardo Mondlane (UEM) during this period, including expansion of the vital registration system and management of a new tender for a national data warehouse, on behalf of the MOH. Jembi also registered as an international organization in Mozambique and transferred MOASIS staff from UEM to Jembi Health Systems Mozambique. Jembi is continuing to explore the possibility of a collaborative eHealth centre in Mozambique with the national Universidade Eduardo Mondlane. The MOASIS programme experienced another increase in funding for its 5-year cooperative agreement through the United States Centers for Disease Control and Prevention (CDC). The programme originally started with an award of $400,000 USD in Year One (2010-2011). This was increased to $660,000 USD in Year Two (2011-2012) and $1,300,000 USD in Year 3 (2012-2013). The grant ends in September 2015 but Jembi is hopeful of an extension or renewal. Jembi has also applied to the United States Agency for International Development (USAID) for a grant to extend eHealth services in the provinces and to develop eHealth services in association with the Ministry of Women and Social action.

Rwanda Program

The Rwanda Health Enterprise Architecture (RHEA) project achieved a notable milestone when it delivered the Rwanda Health Information Exchange (HIE) into production in September 2012 in Rwanda (http://rwandahie.blogspot.sg/). The RHIE currently connects community health workers with mobile phone applications to two antenatal care clinics in the Rwamagana district of Rwanda and the national data centre in Kigali. There are plans to extend the application in future years to include additional sites and additional health services. This is the first known example of an HIE implementation in Africa and has resulted in the development of the Open Health Information Exchange (OpenHIE) project, led by the Regenstrief Institute and funded by the United States President's Emergency Plan for AIDS Relief (PEPFAR). Jembi will continue to work with the Government of Rwanda to elaborate this project and is also leading some aspects of the OpenHIE development project. Jembi technical staff participated in a successful demonstration of the application at a prestigious connectathon in the USA in January 2013. The Rwanda office also won its first tender in Rwanda during this period to develop a mobile interface to the national health insurance scheme (Mutuelle).

South Africa Program

Traditionally, Jembi has not competed actively for eHealth grants in South Africa because of its relationship with the South African Medical Research Council (MRC) and, instead, it has focused on eHealth contract work with other NGOs. Over this period, Jembi has increased the number and extent of its contract work. In addition, Jembi has separated from the MRC and begun applying for grants in South Africa. Jembi expects to see growth in this area within the next year or two. Jembi is also working actively with other NGOs and parastatal organizations, notably the Council for Scientific and Industrial Research (CSIR) and advising the national department of health through participation on two task teams (mHealth and HIV drug resistance).

Health Architecture Laboratory

Jembi continued to participate actively as a partner in the Health Architecture Laboratory (HeAL) in the School of Mathematics, Statistics and Computer Science at the University of KwaZulu-Natal (UKZN). HeAL has been incorporated into the UKZN/Meraka Centre for Artificial Intelligence Research (CAIR). The consortium is pursuing several projects in South Africa and two Jembi staff members are finishing MSc degrees at UKZN funded by scholarships from HeAL.

Corporate Services Division

The Corporate Services Division (CSD) continued to provide strong financial, administrative, legal and human resources support to Jembi over this period of growth. The team appointed a new finance assistant over this period and continued to work and develop support systems with finance and admin staff at the two country offices in Mozambique and Rwanda. CSD continues to excel in all aspects of corporate services and provides a solid base on which the programs are based. Jembi has continued to strengthen its governance framework with increased emphasis on policies and procedures as well as adherence to these policies and procedures. The CSD team is currently working on a Standard Operating Procedures (SOP) manual which they are forecasting to roll out early 2014 to ensure full compliance across offices.

Resource Mobilization

Resource mobilization efforts have been strengthened and Jembi has submitted a number of substantial grants during this period. Over the 2012-2014 period Jembi applied for approximately R80 million in grants/contracts, including R20 million towards the YR14 non-competitive continuation application's for CDC Mozambique. Jembi has been unsuccessful in grants amounting to R10.4 Million rand in the past year. A number of grant applications were outstanding at the end of this period.

Financial

Addition to reserves stands at R2.8 million at the end of the financial year. The increase in reserves for the past year has been linked to core support grants, contract management fees and indirect allowable charges unutilized at year end. Much of the R2.8 million accumulated as a result of exchange rate fluctuations due to the weakening Rand to the US Dollar in FY13. Jembi added R300 000 to its South Africa assets with a net increase in fixed assets amounting to R82 000 as a result of accumulated depreciation of assets. Jembi also realized a reduction in long term liabilities of R1.4 million due to payments being made to the MRC for secondment of Dr Chris Seebregts resulting in final closure of the MRC liability. Jembi also realized an overall increase in the organizations balance sheet from YR12 to YR13 with higher reserves held and less long-term liabilities owed. In summary, the financials show a year of strong financial growth.

For the first year, Jembi will be publishing an annual report showing deliverables for the year and how Jembi has created impact from the work undertaken.

JEMBI HEALTH SYSTEMS NPC

Directors' report

for the year ended 28 February 2013

The directors have pleasure in presenting their report for the year ended 28 February 2013.

General review of operations

The organisation has seen substantial growth from the year ending 29 February 2012 to the year ending 28 February 2013 with a marked increase in expenditure linked to increase donor funded projects been delivered through Jembi Health Systems offices in South Africa, Mozambique and Rwanda.

It is forecast with this growth that FY2014 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:

A Bunn
S Dove
A Gray
D Moodley
S Reid
CJ Seebregts*
J Smith*
A Campione*
L Madden (Appointed 25 April 2013)

* (Executive)

Secretary

A secretary has not been appointed.

KPMG

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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 2013 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 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.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Jembi Health Systems NPC at 28 February 2013, 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 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 2013 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

07 August 2013

JEMBI HEALTH SYSTEMS NPC

Statement of comprehensive income

for the year ended 28 February 2013

	Note	2013 R	2012 R
Donor income	*2*	**24 144 214**	16 267 082
Other income	*3*	**398 760**	1 191 740
		24 542 974	17 458 822
Operating expenses		**(21 855 581)**	(15 588 925)
Operating surplus	*4*	**2 687 393**	1 869 897
Finance income	*5*	**148 838**	110 601
Surplus before taxation		**2 836 231**	1 980 498
Taxation	*6*	**-**	-
Total comprehensive income for the year		**2 836 231**	1 980 498

JEMBI HEALTH SYSTEMS NPC

Statement of financial position

at 28 February 2013

	Note	2013 R	2012 R
Assets			
Non-current asset			
Plant and equipment	*7*	**542 169**	459 614
Current assets		**7 812 184**	7 429 016
Cash and cash equivalents		**4 210 692**	5 111 611
Trade and other receivables	*8*	**2 616 448**	1 722 686
Accrued income	*9*	**985 044**	594 719
Total assets		**8 354 353**	7 888 630
Funds and liabilities			
Funds			
Accumulated funds		**6 697 675**	3 861 444
General reserves		**6 697 675**	3 861 444
Current liabilities		**1 656 678**	4 027 186
Trade and other payables	*10*	**896 444**	2 240 884
Deferred income	*9*	**760 234**	1 786 302
Total funds and liabilities		**8 354 353**	7 888 630

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JEMBI HEALTH SYSTEMS NPC

Statement of changes in funds

for the year ended 28 February 2013

	General reserves R	Total R
Balance at 1 March 2011	1 880 946	1 880 946
Total comprehensive income for the year	1 980 498	1 980 498
Balance at 29 February 2012	3 861 444	3 861 444
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	**6 697 675**	**6 697 675**

JEMBI HEALTH SYSTEMS NPC

Statement of cash flows

for the year ended 28 February 2013

	Note	2013 R	2012 R
Cash flows from operating activities			
Cash (utilised in)/generated by operations	*13*	**(765 727)**	1 476 194
Finance income	*5*	**148 838**	110 601
Net cash (outflow)/inflow from operating activities		**(616 889)**	1 586 795
Cash flows from investing activities			
Acquisition and disposals of plant and equipment		**(284 030)**	(289 058)
Net cash outflow from investing activities		**(284 030)**	(289 058)
Net (decrease)/increase in cash and cash equivalents		**(900 919)**	1 297 737
Cash and cash equivalents at beginning of year		**5 111 611**	3 813 874
Cash and cash equivalents at end of year		**4 210 692**	5 111 611

1. Significant accounting policies

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

1.1 Basis of preparation

The annual 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 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 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.

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.

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 and recognised it as accrued income at year end.

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.

1.15 Comparative figures

Comparative figures are regrouped or restated where necessary in accordance with current year classification.

		2013 R	2012 R
2.	**Donor income**		
	Grants and contract income	**22 662 419**	14 737 288
	Contract management fee and indirect income	**1 481 795**	1 529 794
		24 144 214	16 267 082
3.	**Other income**		
	Project income	**398 760**	1 191 740
		398 760	1 191 740
4.	**Operating surplus**		
	is arrived at after taking into account:		
	Depreciation	**201 475**	143 778
	Realised foreign exchange profit	**(693 702)**	(404 695)
	Salaries	**7 000 329**	5 181 730
	Audit fees	**137 500**	106 188
	Operating lease rentals - premises	**1 293 643**	624 836
5.	**Finance income**		
	Interest received - financial institutions	**148 838**	110 601

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.

7. Plant and equipment

2013	**Computer equipment R**	**Software R**	**Equipment and furniture R**	**Server R**	**Networking hardware R**	**Total R**
Cost						
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)**
Closing balance	**384 262**	**96 111**	**276 898**	**82 676**	**123 709**	**963 656**
Accumulated depreciation						
Opening balance	**113 188**	**33 976**	**43 406**	**26 630**	**2 812**	**220 012**
Depreciation	**99 386**	**27 605**	**36 573**	**16 535**	**21 376**	**201 475**
Closing balance	**212 574**	**61 581**	**79 979**	**43 165**	**24 188**	**421 487**
Net book value	**171 688**	**34 530**	**196 919**	**39 511**	**99 521**	**542 169**

2012	Computer equipment R	Software R	Equipment and furniture R	Server R	Networking hardware R	Total R
Cost						
Opening balance	143 531	60 703	141 687	38 807	5 840	390 568
Additions	139 930	16 299	88 960	43 869	-	289 058
Closing balance	283 461	77 002	230 647	82 676	5 840	679 626
Accumulated depreciation						
Opening balance	38 463	11 001	13 597	12 288	885	76 234
Depreciation	74 725	22 975	29 809	14 342	1 927	143 778
Closing balance	113 188	33 976	43 406	26 630	2 812	220 012
Net book value	170 273	43 026	187 241	56 046	3 028	459 614

		2013 R	2012 R
8.	**Trade and other receivables**		
	Employee receivables	**47 930**	25 968
	Trade receivables	**1 403 337**	1 324 453
	Prepayments	**112 053**	40 815
	Deposits	**679 382**	36 113
	VAT receivable	**151 641**	9 690
	Rwanda WHT receivable	**74 385**	-
	Sub-grantee receivables	**147 720**	285 647
		2 616 448	1 722 686
9.	**Accrued income / (Deferred income)**		
	Accrued income	**985 044**	594 719
	- Center for Disease Control	**702 500**	91 657
	- Vanderbilt University/University of California San Francisco	**282 544**	334 433
	- Sports Science Institute of South Africa	**-**	168 629
	Deferred income	**(760 234)**	(1 786 302)
	- IDRC2	**-**	(474 743)
	- Rockefeller	**-**	(314 850)
	- WHO Move IT/HMN	**(31 820)**	(417 474)
	- IDRC3	**(195 296)**	(402 272)
	- The AIHA Twinning Center	**(155 505)**	(176 963)
	- ESA through GMS	**(142 298)**	-
	- KIST	**(121 970)**	-
	- RWHIT: Rwanda Tender	**(113 345)**	-
		224 810	(1 191 583)
10.	**Trade and other payables**		
	Accruals	**249 055**	190 306
	Medical Research Council of South Africa	**647 389**	2 050 578
		896 444	2 240 884

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		2013 R	2012 R
11.	**Directors' emoluments**		
	Non-executive directors fees	**67 500**	63 000
	Executive director remuneration	**4 158 272**	1 275 260
		4 225 772	1 338 260

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

		2013 R	2012 R
13.1	**Cash (utilised in)/generated by operations**		
	Surplus before taxation	**2 836 231**	1 980 498
	Adjusted for:		
	- Depreciation	**201 475**	143 778
	- Finance income	**(148 838)**	(110 601)
	- Movement in accrued income	**(390 325)**	(594 719)
	- Movement in deferred income	**(1 026 068)**	205 762
	Working capital changes		
	Increase in trade and other receivables	**(893 762)**	(690 368)
	Increase/(decrease) in trade and other payables	**(1 344 440)**	541 844
		(765 727)	1 476 194

JEMBI HEALTH SYSTEMS NPC

Detailed revenue and income schedule

for the year ended 28 February 2013

	2013 R	2012 R
Donor income		
Grants and Contract Income		
International Development Research Centre (IDRC2)	**1 110 219**	2 569 183
Greenfield Management Solutions (ESA Contract)	**1 044 298**	-
The Rockefeller Foundation (RF001)	**314 850**	1 060 432
Karolinska Institute, Dept of Public Health Sciences	**104 703**	-
Open Health Tools, Inc (Hing X) HEART	**308 221**	-
Cardno Emerging Markets USA Ltd (HIPPP)	**8 560 173**	6 874 766
Center for Disease Control and Prevention (CDC01)	**6 306 410**	2 986 560
World Health Organisation: HMN Move IT (HMN01)	**913 340**	232 610
The International Development Research Centre (IDRC3)	**206 976**	84 485
The AIHA Twinning Center (TWI01)	**360 540**	446 200
Vanderbilt University/UCSF (VAN01)	**2 935 511**	483 052
University of Zimbabwe (HITRAC)	**25 359**	-
Ministry of Health of Rwanda (RWHIT)	**471 819**	-
Sub total	**22 662 419**	14 737 288
Unrestricted income including Indirect and Contract Management fees		
International Development Research Centre (IDRC2)	**61 890**	333 994
Cardno Emerging Markets USA Ltd (HIPPP)	**428 011**	296 374
World Health Organisation (WHOO1)	**-**	-
The AIHA Twinning Center (TWI01)	**64 897**	89 240
The Rockefeller Foundation (RF002)	**888 360**	810 186
Open Health Tools, Inc (Hing X) HEART	**38 637**	-
Sub total	**1 481 795**	1 529 794
Total donor income	**24 144 214**	16 267 082
Other income		
Sports Science Institute of South Africa (SSISA)	**68 706**	758 554
World Health Organisation (WH001)	**-**	206 283
Health Enterprise Architecture Laboratory (HEAL1)	**316 036**	184 477
Medecins Sans Frontiers (MSF01)	**13 518**	42 426
Other	**500**	-
Total other income	**398 760**	1 191 740
Total income	**24 542 974**	17 458 822

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JEMBI HEALTH SYSTEMS NPC