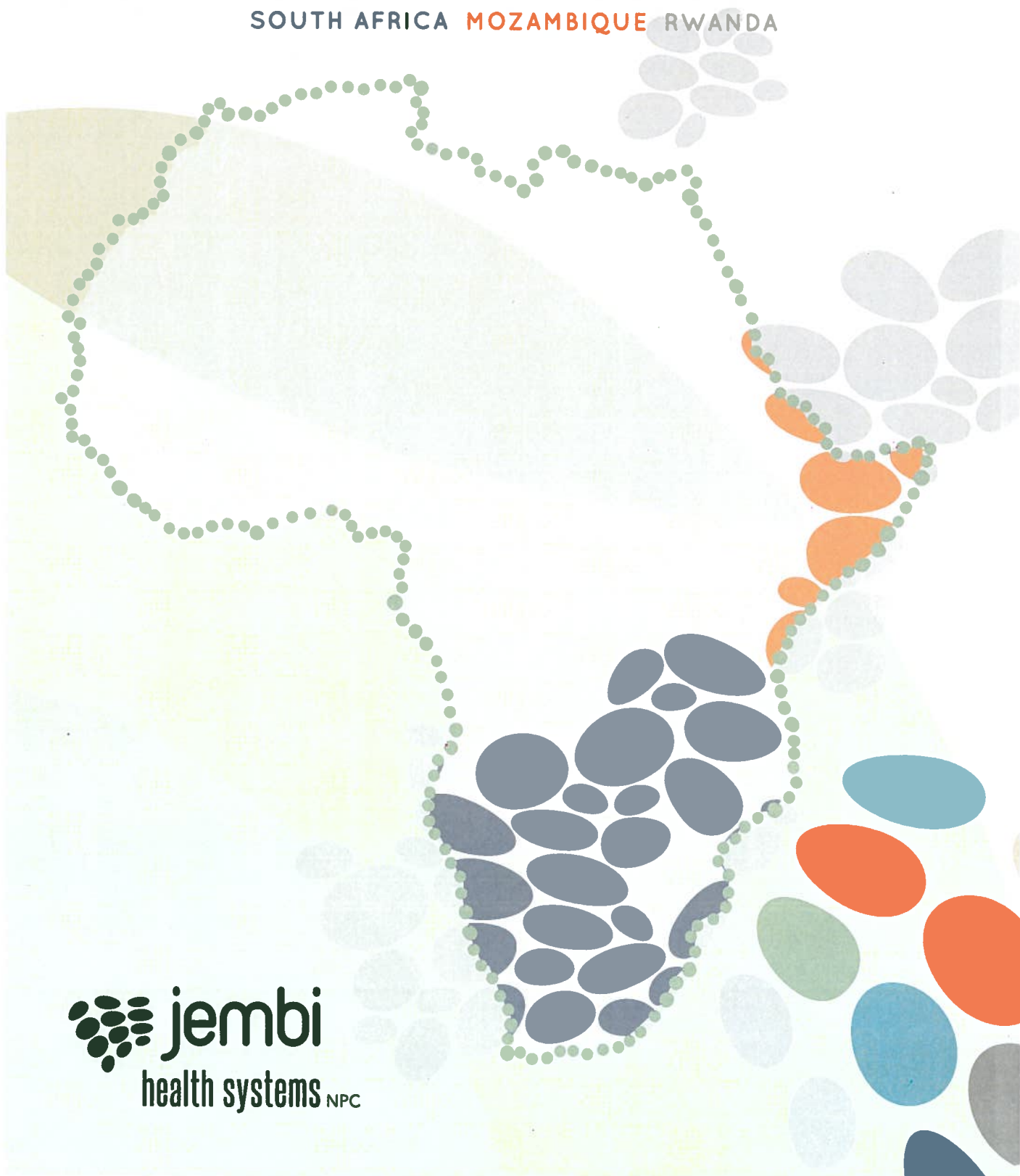


FINANCIAL REPORT 15/16

SOUTH AFRICA MOZAMBIQUE RWANDA



jembi
health systems NPC



JEMBI HEALTH SYSTEMS NPC

**Annual financial statements for the year ended
29 February 2016**

Audited

**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 29 February 2016

<i>Contents</i>	<i>Page</i>
Directors' responsibility statement	2
Chief executive's report	3 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 8
Statement of financial position	9
Statement of comprehensive income	10
Statement of changes in funds	11
Statement of cash flows	12
Notes to the financial statements	13 - 22
<i>Supplementary information not covered by the audit opinion:</i>	
Detailed revenue and income schedule	23 - 24

JEMBI HEALTH SYSTEMS NPC

Directors' responsibility statement

for the year ended 29 February 2016

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 29 February 2016 and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the chief executive's report and directors' report.

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

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

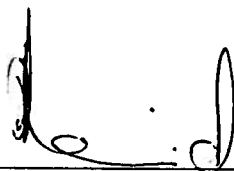
The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the 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 10 August 2016 and signed on their behalf by:



C Seebregts
Authorised Director



S Reid
Authorised Director

JEMBI HEALTH SYSTEMS NPC

Chief Executive's report

for the year ended 29 February 2016

Jembi experienced another consistent year during 2015-2016 maintaining a similar pattern of activities as in previous years, continuing to implement its mission and strategy and expanding its core programmatic and technology platforms. 2015 was a landmark year for Jembi as it began several projects with new partners and contracts. It also applied for a significant number of new opportunities at the beginning of 2016. The organization maintained a similar income and staff complement to the previous financial year but started an active recruitment drive in anticipation of an increase in projects and funding during the next years.

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

In South Africa, Jembi continued its collaborations with the national and provincial departments of health. At national level, Jembi continues to develop and maintain infrastructure for the MomConnect project, including the process of extending to other mobile providers. MomConnect is widely cited as the first national scale mobile health intervention in South Africa and one of the most important mobile health programmes, globally. Jembi is also working closely with the Strategic Planning Chief Directorate of the National Department of Health, the Council for Scientific and Industrial Research's (CSIR) Meraka Institute and the Centre for Infectious Diseases (CIDER) at the University of Cape Town (UCT) on systems at facility-level in South Africa. These include linking the national Health Population Registry System (HPRS) to systems for HIV/TB patient and information management (TIER.Net).

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

Based on work in previous years, Jembi has developed an exciting new Blood Safety Programme and its flagship Blood Safety Information System (BSIS) project. Beginning in April 2015, the programme has developed the first version of a donor management module and coupled this with its first implementation in Lesotho. BSIS was officially launched at the eighth African Society for Blood Transfusion in Rwanda, during June 2016. This substantial Jembi programme is funded for five years, during which time Jembi will develop a sustainable open source application for countries in Africa. The development work is based in South Africa but implementations will a number of other countries in Africa and other low resource settings.

In April 2015, Jembi's Mozambique programme (MOASIS) started work on its second five-year cooperative agreement with CDC Mozambique in the area of health management information systems (HMIS). The project extends the work of Jembi's first five-year project and complements the existing grant with USAID in Mozambique. Jembi-MOASIS will continue to work with the Ministry of Health and a number of partners, including the development of HMIS infrastructure, interoperability and information exchange with patient-based systems to complement its previous work on aggregate information systems.

In April 2015, Jembi's Rwanda Program also started work on a new five-year cooperative agreement with CDC in Rwanda to assist with migrating systems for programmatic reporting, supplementing its subcontract to Management Sciences for Health (MSH) in Rwanda for general health information systems strengthening. The office, with technical assistance from South Africa, continues to support the Rwanda Biomedical Centre in maintaining mobile support for the Mutuelle health insurance programme and the

Rwanda Health Information Exchange (RHIE), originally funded by the United States President's Emergency Plan for AIDS Relief (PEPFAR). The RHIE project has been transformed into the Open Health Information Exchange (OpenHIE) project that continues to be funded by PEPFAR through Cardno Emerging Markets and coordinated by the Regenstrief Institute. Jembi also explored several additional opportunities to expand its Rwanda office with new projects and collaborations.

I am proud of the achievements of the Jembi team in the past year and excited at the opportunities arising to strengthen health systems from the new and renewed projects and funding. Jembi continues to grow its network of partners and collaborators and deliver on its mission. It will undoubtedly continue to excel, in future.

Prof Chris Seebregts
Chief Executive Officer

JEMBI HEALTH SYSTEMS NPC

Directors' report

for the year ended 29 February 2016

The directors have pleasure in presenting their report for the year ended 29 February 2016.

The period running March 2015 to February 2016 was a very exciting period for Jembi Health Systems (JEMBI) with three new prime awards through the Centre for Disease control (CDC) being awarded to JEMBI. All three awards started on April 1st 2015 and run until the end of March 2020. The awards include a new prime award to fund our work in Mozambique which also acts as a continued support mechanism from CDC with the past five year award ending in June 2015. A new prime award to fund our work in Rwanda was awarded as well as a new prime award to support the Blood Safety Strengthening Program (BSSP) through JEMBI.

Alongside continued support from CDC making up 77% of the organisations funding we were able to increase our income through USAID to 14% and also increase smaller contractual/deliverable based income streams to 9%. This is a great achievement for the team where diversification of funding is still a key outcome we are striving to achieve. Income figures grew slightly from year ending February 2015 with income growth of 3%. The forecast for the new year ending February 2017 is that growth of income and expenditure is forecast to be 50% higher than the year-ending February 2016 with new prime awards going into year 2 and full implementation of BSSP to new countries alongside new grant opportunity applications with a very high success probability.

Linked to the increase in funding staff numbers grew to 63 staff members an increase of 21% from the previous year. The largest growth was in the South African based teams with new roles coming in under our BSSP award, strengthening of our Program management team, improving our efficiency with a new Senior Analyst post and adding more highly skilled Technical developer staff members. With the forecast of 50% increase in income and expenditure in the new year we are forecast to see these figures increasing dramatically as we enter year 2 of our new awards and continue to gain a name as experts in National Health Information systems development and implementation in Africa.

Expenditure dipped slightly in FY16 with a reduction of 0.05% with the largest expenditure being on staff payments 76% of total expenditure. This is linked to JEMBI in house expertise and building of in house technical development skills opposed to high level use of external contractors. The split of expenditure across JEMBI three main program areas remained close to FY15 data with South Africa expenditure making up 35% of total expenditure, Mozambique remaining JEMBI main program with expenditure of 58% and Rwanda starting to grow again with new awards through CDC, Sub award through University of Rwanda and continued support through MSH USAID sub award making up the remaining 7% of JEMBI expenditure. JEMBI was able to lower the project support costs to only being 9% of overall expenditure. This is a testament of JEMBI aim to be highly efficient as well as an effective Non-profit organisation utilising donor funds to fulfil our vision of "A world in which Health systems and Information advance global health."

JEMBI HEALTH SYSTEMS NPC

Directors' report (continued)

for the year ended 29 February 2016

Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Events after the reporting period

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

Directors

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

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

Resigned as of 31/12/2015:

A Bunn
L Madden



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Internet <http://www.kpmg.co.za/>

Independent auditor's report

To the Members of Jembi Health Systems NPC

We have audited the financial statements of Jembi Health Systems NPC, which comprise the statement of financial position at 29 February 2016 and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 22.

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 29 February 2016, 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 23 to 24 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 29 February 2016 we have read the Directors' report and the Chief Executive's report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. The Directors' report and the Chief Executive's report are the responsibility of the directors. Based on reading these reports we have not identified material inconsistencies between the Directors' report and the Chief Executive's report and the audited financial statements. However, we have not audited the Directors' report and the Chief Executive's report and accordingly do not express an opinion thereon.

KPMG Inc.



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

Date: 16 August 2016

JEMBI HEALTH SYSTEMS NPC

Statement of financial position

at 29 February 2016

	Note	2016 R	2015 R
Assets			
Non-current assets			
Equipment	7	990 879	595 006
Current assets			
Cash and cash equivalents		2 745 210	4 097 148
Trade and other receivables	8	5 815 375	3 981 189
Accrued income	9	2 823 993	1 121 257
Total assets		12 375 457	9 794 600
Funds and liabilities			
Funds			
Accumulated funds			
General reserves		8 981 423	8 373 843
Current liabilities			
Trade and other payables	10	1 065 605	365 220
Deferred income	9	2 328 429	1 055 537
Total funds and liabilities		12 375 457	9 794 600

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JEMBI HEALTH SYSTEMS NPC

Statement of comprehensive income

for the year ended 29 February 2016

	<i>Note</i>	2016 R	2015 R
Donor income	2	35 247 681	35 294 728
Other income	3	2 048 766	866 299
Operating income		37 296 447	36 161 027
Operating expenses		(36 876 155)	(36 893 335)
Operating surplus/(deficit)	4	420 292	(732 308)
Finance income	5	187 289	157 093
Surplus/(deficit) before taxation		607 581	(575 215)
Surplus/(deficit) for the year		607 581	(575 215)
Total comprehensive income for the year		607 581	(575 215)

2

JEMBI HEALTH SYSTEMS NPC

Statement of changes in funds

for the year ended 29 February 2016

	General reserves R	Total R
Balance at 1 March 2013	8 949 058	8 949 058
Total comprehensive income for the year	(575 215)	(575 215)
Balance at 28 February 2015	<u>8 373 843</u>	<u>8 373 843</u>
Balance at 1 March 2015	8 373 843	8 373 843
Total comprehensive income for the year	607 581	607 581
Balance at 29 February 2016	<u>8 981 423</u>	<u>8 981 423</u>



JEMBI HEALTH SYSTEMS NPC

Statement of cash flows

for the year ended 29 February 2016

	<i>Note</i>	2016 R	2015 R
Cash flows from operating activities			
Cash generated by operations	13.1	(791 032)	(2 914 752)
Finance income	5	187 289	157 093
Net cash outflow from operating activities		<u>(603 743)</u>	<u>(2 757 659)</u>
Cash flows from investing activities			
Acquisition of equipment	7	(750 957)	(399 942)
Disposal of equipment	7	2 762	-
Net cash outflow from investing activities		<u>(748 195)</u>	<u>(399 942)</u>
Net decrease in cash and cash equivalents		(1 351 937)	(3 157 601)
Cash and cash equivalents at beginning of year		4 097 148	7 254 749
Cash and cash equivalents at end of year		<u>2 745 210</u>	<u>4 097 148</u>



JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements

for the year ended 29 February 2016

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

1.2 Use of estimates and judgements

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

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

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

1.3 Foreign currency

Foreign currency transactions

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

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



JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

1. Significant accounting policies (continued)

1.4 Financial instruments

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

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

Trade and other receivables

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

Cash and cash equivalents

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

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

Trade and other payables

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

Derecognition

Financial assets

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

Financial liabilities

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

Offset

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

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JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

1. Significant accounting policies (continued)

1.5 Equipment

Recognition and measurement

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

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

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

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

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



JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

1. Significant accounting policies (continued)

1.6 Leases

Operating leases

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

1.7 Impairment of assets

Non-financial assets

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

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

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

Recoverable amount

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

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

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JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

1. Significant accounting policies (continued)

1.7 Impairment of assets (continued)

Reversal of impairment losses

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

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

Financial assets

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

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

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

All impairment losses are recognised in profit or loss.

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

1.8 General reserves

The balance of accumulated funds is transferred to general reserves.

1.9 Provisions

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

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

JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

1. Significant accounting policies (continued)

1.10 Employee benefits

Short-term employee benefits

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

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

1.11 Donor and other income (revenue)

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

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

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

1.12 Finance income

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

1.13 Income taxes

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

JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

	2016 R	2015 R
2. Donor income		
Grant and contract income	35 183 487	34 902 807
Contract management fee and indirect income	64 194	391 921
	<u>35 247 681</u>	<u>35 294 728</u>
3. Other income		
Project income	2 048 766	866 299
	<u>2 048 766</u>	<u>866 299</u>
4. Operating surplus/(deficit)		
is arrived at after taking into account:		
Depreciation	352 322	287 025
Realised foreign exchange gain	(708 338)	21 847
Salaries	15 715 943	13 651 966
Operating lease rentals - premises	<u>1 790 926</u>	<u>1 726 175</u>
5. Finance income		
Interest received - financial institutions	<u>187 289</u>	<u>157 093</u>
6. Taxation		
No taxation has been provided as the company is a Public Benefit Organisation and is thus exempt from income tax in terms of the Section 10(1)(cN) of the Income Tax Act.		



JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

7. Equipment

2016	Computer equipment R	Software R	Equipment and furniture R	Server R	Networking hardware R	Total R
Cost						
Opening balance	739 589	96 111	457 816	97 184	158 316	1 549 016
Additions	348 887	-	248 418	54 561	99 092	750 958
Disposals	-	-	(2 762)	-	-	(2 762)
Closing balance	1 088 476	96 111	703 472	151 745	257 408	2 297 212
Accumulated depreciation						
Opening balance	(481 402)	(92 676)	(193 296)	(74 989)	(111 647)	(954 010)
Depreciation	(173 868)	(3 435)	(93 777)	(22 352)	(58 891)	(352 323)
Closing balance	(655 270)	(96 111)	(287 073)	(97 341)	(170 538)	(1 306 333)
Net book value	433 206	-	416 399	54 404	86 870	990 879
2015						
Cost						
Opening balance	533 706	96 111	306 663	88 885	123 709	1 149 074
Additions	205 883	-	151 153	8 299	34 607	399 942
Closing balance	739 589	96 111	457 816	97 184	158 316	1 549 016
Accumulated depreciation						
Opening balance	(332 785)	(83 755)	(126 042)	(60 218)	(64 185)	(666 985)
Depreciation	(148 617)	(8 921)	(67 254)	(14 771)	(47 462)	(287 025)
Closing balance	(481 402)	(92 676)	(193 296)	(74 989)	(111 647)	(954 010)
Net book value	258 187	3 435	264 520	22 195	46 669	595 006

JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

	2016 R	2015 R
8. Trade and other receivables		
Employee receivables	61 988	41 553
Trade receivables	4 577 367	3 104 553
Prepayments	122 839	90 419
Deposits	99 188	59 103
VAT receivable	159 383	71 223
Rwanda withholding tax receivable	546 378	476 021
Country offices receivables - Rwanda and Mozambique	248 232	138 317
	5 815 375	3 981 189
9. Accrued income/(deferred income)		
<i>Accrued income</i>	2 823 993	1 121 257
- Centers for Disease Control and Prevention	2 158 281	588 126
- The AIHA Twinning Center	-	40 881
- USAID Mozambique	533 048	313 525
- African Development Bank - CRVS	-	37 713
- Kheth'Impilo	132 664	141 012
<i>Deferred income</i>	(2 328 429)	(1 055 537)
- Health Enterprise Architecture Laboratory - UKZN HEAL	-	(34 652)
- RWHIT: Rwanda Tender	1 162 336	(845 111)
- Medecins Sans Frontiers	-	(95 128)
- Vital Wave	423 552	(80 646)
- Centers for Disease Control and Prevention	142 470	-
- University of Rwanda	89 088	-
- Praekelt Foundation	275 964	-
- Mothers 2 Mother	235 019	-

JEMBI HEALTH SYSTEMS NPC

Notes to the financial statements (continued)

for the year ended 29 February 2016

	2016 R	2015 R
10. Trade and other payables		
Accruals	309 713	219 524
Thirteenth cheque - RSA	197 741	138 269
Other payables	6 758	7 427
Mozambique redundancy	551 393	-
	<u>1 065 605</u>	<u>365 220</u>
11. Directors' emoluments		
Non-executive directors fees	54 000	67 500
Executive director remuneration	1 870 691	1 674 492
	<u>1 924 691</u>	<u>1 741 992</u>
12. Related parties		
The directors of Jembi Health System NPC are listed in the directors' report.		
Other than directors' emoluments disclosed in note 11, no material related party transactions occurred during the year and no other related parties were noted.		
13. Note to the statement of cash flows		
13.1 Cash generated by operations		
Surplus/(deficit) before taxation	607 581	(575 215)
Adjusted for:		
- Depreciation	352 323	287 025
- Finance income	(187 289)	(157 093)
Working capital changes		
Increase/(decrease) in trade and other receivables	(1 834 186)	778 417
Increase/(decrease) in trade and other payables	700 385	(2 867 908)
Increase in accrued income	(1 702 736)	(299 670)
Increase/(decrease) in deferred income	1 272 892	(80 308)
	<u>(791 032)</u>	<u>(2 914 752)</u>

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JEMBI HEALTH SYSTEMS NPC

Detailed revenue and income schedule

for the year ended 29 February 2016

	2016 R	2015 R
Donor income		
<i>Grant and Contract Income</i>		
Kheth'Impilo (HIV Treatment and Care KHET1)	887 729	141 012
SA Society of Anaesthesiologists (SASA)(ANSA1)	58 792	-
IntraHealth International Inc (MHERO)	47 242	-
Praekelt Foundation (PRAE1)	43 753	-
Mothers2Mothers (M2M01)	117 638	-
University of Cape Town (UCT01-SPV)	302 980	-
University of Cape Town (UCT02-TIER)	35 092	-
University of Cape Town (UCT03-REDCAP)	210 443	-
Management Sciences for Health (MSH01)	1 468 619	151 187
Cardno Emerging Markets USA Ltd (HIPPP)	376 631	7 388 672
Centers for Disease Control and Prevention (EMRS1)	443 910	-
Centers for Disease Control and Prevention (UOL01)	246 738	-
Cardno Emerging Markets USA Ltd (OHIE1)	2 538 836	-
Centers for Disease Control and Prevention (BSSP1)	5 026 898	-
Centers for Disease Control and Prevention (CDC01)	5 797 840	18 003 611
Centers for Disease Control and Prevention (CDC02)	11 509 970	-
The AIHA Twinning Center (TWI01)	(40 879)	341 209
University of Zimbabwe (HITRAC)	40 632	99 715
Rwanda Health Insurance Tracker	236 255	674 728
USAID Mozambique	3 872 429	2 491 530
Safe Blood for Africa	25 701	2 295 708
GSMA Mobile for Development Foundation INC	-	232 922
Health Information System Program South Africa Khuphukani	135 968	747 358
Health Information System Program South Africa (MHI01)	1 800 270	1 737 550
World Health Organisation Vital Statistic	-	378 199
Cell Life	-	219 406
Sub total	35 183 487	34 902 807
<i>Unrestricted income including Indirect and Contract Management fees</i>		
Cardno Emerging Markets USA Ltd (HIPPP)	18 831	369 431
The AIHA Twinning Center (TWI01)	45 363	22 490
Sub total	64 194	391 921
Total donor income	35 247 681	35 294 728

JEMBI HEALTH SYSTEMS NPC

Detailed revenue and income schedule (continued)

for the year ended 29 February 2016

	2016 R	2015 R
Other income	2 048 766	866 299
Sports Science Institute of South Africa (SSISA)	30 000	55 000
Health Enterprise Architecture Laboratory (HEAL1)	11 401	322 711
Medecins Sans Frontiers (MSF01)	-	19 838
Medecins Sans Frontiers (MSF02)	226 448	-
African Development Bank (CRVS1)	590 479	37 713
Tides Canada Initiatives (TCIS1)	-	191 198
Vital Wave (VITAL)	907 248	104 111
JEMBI (JEM01)	55 190	-
Other	228 000	135 728
Total income	37 296 447	36 161 027