

Jembi Health Systems

# FINANCIAL REPORT

**2023/24**

JEMBI HEALTH SYSTEMS  
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SOUTH AFRICA

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## **JEMBI HEALTH SYSTEMS NPC**

Financial statements for the year ended  
**29 February 2024**

Audited

Prepared under the supervision of  
**Mrs J Smith (ACMA – Associate Chartered Management  
Accountant)**

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

# COMPANY INFORMATION

## **Country of Incorporation**

South Africa

## **Nature of Business**

Health Information Systems

## **Directors**

D Moodley

A Gray

CJ Seebregts – Ex-officio

Q Williams

Z Vundle

T Mudaly

## **Registered Office**

Jembi Health Systems  
Unit 5A-C Tokai on main  
382 main road, Tokai,  
Cape Town,  
South Africa

## **Business Address**

Jembi Health Systems  
Unit 5A-C Tokai on main  
382 main road, Tokai,  
Cape Town,  
South Africa

## **Postal Address**

Jembi Health Systems  
Postnet Suite 280,  
Private Bag X 26  
Tokai,  
7966

## **Auditors**

BDO South Africa Incorporated

## **Country Registration**

SOUTH AFRICA

# **JEMBI HEALTH SYSTEMS NPC**

*Registration no: 2009/018985/08*

*NPO no: 054-906NPO*

*PBO no: 930034124*

*VAT no: 4480259243*

## **Financial statements**

*for the year ended 29 February 2024*

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These financial statements have been prepared under the supervision of Mrs J Smith (ACMA – Associate Chartered Management Accountant), and audited in compliance with the applicable requirements of the Companies Act no. 71 of 2008.

# JEMBI HEALTH SYSTEMS NPC

## Directors' responsibility statement

*for the year ended 29 February 2024*

The directors are responsible for the preparation and fair presentation of the financial statements of Jembi Health Systems NPC ("Jembi Health Systems") comprising the statement of financial position at 29 February 2024 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 with IFRS for SMEs Accounting Standard 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.

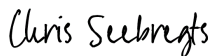
The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk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

The financial statements of Jembi Health Systems NPC, as identified in the first paragraph, were approved by the board of directors on **29th August 2024** and signed on their behalf by:

DocuSigned by:  
  
2987C7530BEE490

**C Seebregts**  
Authorised Director

Signed by:  
  
E0756B2661BB44A...

**D Moodley**  
Authorised Director

# **JEMBI HEALTH SYSTEMS NPC**

## **Chief Executive's report**

*for the year ended 29 February 2024*

I am pleased to report on Jembi Health System's successful and productive 2023-2024 fiscal year, including significant achievements in a number of important areas. Some of the highlights are detailed below.

Despite programmatic challenges and a reduction in staff, Jembi's Mozambique program continued more than thirteen years of cooperation with CDC Mozambique and support for the national HIV electronic medical record system. The team also worked with the Ministries of Health and Justice on an innovative technical project to strengthen interoperability between the health and national civil registration and vital statistics systems. A productive collaboration with Palladium on the USAID-funded Data.FI project was extended to local organisation, FACT Zimbabwe, to continue training in DHIS2. The program also received a new sub-award from an Italian organisation to develop technology hubs as part of a project funded by the Italian Corporation.

Jembi's HQ Programme and Technology Division based in South Africa continued its work in several other countries in sub-Saharan Africa and South Asia. As one of the prime awardees under CDC Atlanta's Technical Assistance Platform (TAP) program, Jembi continued digital health strengthening projects in Cameroon, Ethiopia and Botswana. These include data integration, interoperability and digital health records as a sub-contractor to JSI under the Country Health Information Systems and Data Use (CHISU) programme, Jembi implemented the OpenHIM and mediators for HIV and maternal health programmes in Indonesia, working with local organisations. Funding from CDC Atlanta and the Patrick J McGovern Foundation was also used to strengthen Jembi's OpenHIM Platform and Implementers Community. The generous funding from the McGovern Foundation was also used to help Jembi support the Ministry of Health in Sri Lanka with the implementation of a health information exchange and assist Palladium Kenya to de-duplicate the national HIV data warehouse. In March 2023, Jembi completed its DATIM project support with funding from Digital Square through PATH.

Jembi's Corporate Services division continued to provide exceptional support to the company as a whole, finishing the fiscal year with another set of clear audits from South African and the USA government. Jembi's turnover across all programs in South Africa and Mozambique increased by 13% to a combined total of R 125.5 million over this period. Jembi's headcount was 77 over the period, including 31 staff in the Mozambique program and 46 staff in the HQ programme, based mainly in South Africa as well as other countries in Africa and India.

Over the past three years, Jembi has focussed on its main awards from CDC and USAID and impact funding from the Patrick J McGovern Foundation and a few other funders. This has resulted in 90% of Jembi's funding coming from US government, comprising 81% from CDC and 8% from USAID. Jembi is now in year four of its two primary grants with CDC on TAP and in Mozambique and also in the final year of its subcontract with CHISU.

During this period, Jembi also conducted an internal strategic planning exercise that focussed its activities in line with its core software products and services. In coming years, Jembi plans to build on this foundation and continue to diversify its programmes and funders, including impact funders such as the Dovetail Impact Foundation.

It has been a pleasure to lead Jembi over this period and rejuvenating the organisation through its revised strategy and new funding sources. We anticipate an exciting next phase with new programmes beginning in 2025.

With best wishes

Dr Christopher Seebregts  
Founder and Chief Executive Officer

# **JEMBI HEALTH SYSTEMS NPC**

## **Directors' report**

*for the year ended 29 February 2024*

The directors have pleasure in presenting their report for the year ended 29 February 2024.

### **General review of operations**

Jembi Health Systems NPC ("Jembi") had an increase in both income and expenditure during the financial year running March 2023 to February 2024 which is explained in further detail in the Operations and CEO reports. Jembi's planning works around a five-year cycle that also links into the period of our funding awards. In October 2023 Jembi moved into year four of our five year COAGS with CDC. Jembi feels very fortunate in today's trying times to have been able to enter into year 4 of our COAGS and in addition to many shorter projects starting within this new cycle. This cements Jembi ongoing situation as a going concern as we enter FY25.

Jembi's overall income increased by 13% to ZAR124.1 million at the end of financial year FY24. This figure is not including interest earned. Expenditure figures were closely aligned to income over the same period increasing by 14% to ZAR125.5 million excluding non-current asset expenditure. The company reserves saw an increase of ZAR539k linked to interest earned.

Income in this financial year was mainly derived from United States government federal grants, which represented 90% of the total income and was split between the Centers for Disease Control (81%) and USAID (8%), both through Prime awards and Sub agreements. The remaining 10% of annual income was derived from other donors. Our non-USG funders are a combination of local and international organisations, with funding coming through philanthropy and foundations as well as partner organisations.

Jembi's programmes are grouped into two programme areas for the year ending FY2024: The Mozambique Program and the HQ Programmes Division. The Expenditure across the Two Programme Areas was broken down as: Mozambique 25% of expenditure and HQ Programmes Division at 75% of annual expenditure.

At the end of February 2024, Jembi's staff numbers had decreased to 77, with the Mozambique office experiencing a decrease of 30%, ending the year with 31 staff members and the South Africa/International base increasing by 15% to 46 staff members.

Jembi's expenditure by cost category maintained the use of contractual to supplement Jembi's staff component to fulfil our workplans within the HQ Program division. The hybrid model of staff and contractual ensure that we have flexible teams to ensure delivery of our workplans. The main cost area for Jembi remains staff with 56% of our spend being linked to staff and 26% of our spend linked to contractual.





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PO Box 2275  
Cape Town, 8000

## Independent Auditor's Report

To the Directors of

### Jembi Health Systems NPC

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#### Opinion

We have audited the financial statements of Jembi Health Systems NPC (the company) set out on pages 9 to 27, which comprise the statement of financial position as at 29 February 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jembi Health Systems NPC as at 29 February 2024, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa.

#### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Jembi Health Systems NPC Financial Statements for the year ended 29 February 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BDO South Africa Incorporated  
Registration number: 1995/002310/21  
Practice number: 905526  
VAT number: 4910148685

Chief Executive Officer: L.D Mokoena

A full list of all company directors is available on [www.bdo.co.za](http://www.bdo.co.za)

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with *IFRS for SMEs Accounting Standard* 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BDO South Africa Incorporated**  
Registered Auditors

**Karlien Groenewald**  
Partner  
Registered Auditor

**Date:**

119-123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001

# JEMBI HEALTH SYSTEMS NPC

## Statement of financial position

for the year ended 29 February 2024

|                                    | <i>Note</i> | 2024<br>R  | 2023<br>R  |
|------------------------------------|-------------|------------|------------|
| <b>Assets</b>                      |             |            |            |
| <b>Non-current assets</b>          |             |            |            |
| Equipment                          | 7           | 1 734 266  | 2 020 487  |
| Other Receivables                  | 18          | 504 946    | 527 167    |
| <b>Current assets</b>              |             |            |            |
| Cash and cash equivalents          | 8           | 26 338 705 | 25 908 403 |
| Trade and other receivables        | 9           | 3 854 971  | 6 527 408  |
| Accrued income                     | 10          | 1 747 717  | 522 681    |
| <b>Total assets</b>                |             | 34 180 605 | 35 506 146 |
| <b>Funds and liabilities</b>       |             |            |            |
| <b>Funds</b>                       |             |            |            |
| <b>Accumulated funds</b>           |             |            |            |
| General reserves                   |             | 18 356 699 | 17 817 472 |
| <b>Current liabilities</b>         |             |            |            |
| Trade and other payables           | 11          | 7 586 457  | 6 175 547  |
| Deferred income                    | 10          | 8 237 449  | 11 513 127 |
| <b>Total funds and liabilities</b> |             | 34 180 605 | 35 506 146 |

# JEMBI HEALTH SYSTEMS NPC

## Statement of comprehensive income

for the year ended 29 February 2024

|   | <i>Note</i> | <b>2024</b><br><b>R</b> | 2023<br><b>R</b>        |
|---|-------------|-------------------------|-------------------------|
| <b>Donor income</b>                                 | 2           | 123 906 958             | 110 175 930             |
| Other income  | 3           | 223 705                 | -                       |
| <b>Operating income</b>                             |             | <u>124 130 663</u>      | <u>110 175 930</u>      |
| <b>Operating expenses</b>                           |             | <u>125 552 664</u>      | <u>110 019 871</u>      |
| <b>Operating surplus/(deficit)</b>                  | 4           | (1 422 001)             | 156 059                 |
| Finance income                                      | 5           | <u>1 961 228</u>        | <u>1 217 249</u>        |
| <b>Surplus before taxation</b>                      |             | <u>539 227</u>          | <u>1 373 308</u>        |
| <b>Surplus for the year</b>                         |             | <u>539 227</u>          | <u>1 373 308</u>        |
| <b>Total comprehensive Surplus<br/>for the year</b> |             | <u><u>539 227</u></u>   | <u><u>1 373 308</u></u> |

# JEMBI HEALTH SYSTEMS NPC

## Statement of changes in funds

*for the year ended 29 February 2024*

|   | <b>General<br/>reserves<br/>R</b> | <b>Total<br/>R</b>       |
|---|-----------------------------------|--------------------------|
| Balance at 1 March 2022                         | 16 444 164                        | 16 444 164               |
| Total comprehensive surplus for the year        | 1 373 308                         | 1 373 308                |
| Balance at 28 February 2023                     | <u>17 817 472</u>                 | <u>17 817 472</u>        |
| <br>  |                                   |                          |
| <b>Balance at 1 March 2023</b>                  | 17 817 472                        | 17 817 472               |
| <b>Total comprehensive surplus for the year</b> | 539 227                           | 539 227                  |
| <b>Balance at 29 February 2024</b>              | <u><u>18 356 699</u></u>          | <u><u>18 356 699</u></u> |

# JEMBI HEALTH SYSTEMS NPC

## Statement of cash flows

for the year ended 29 February 2024

|   | <i>Note</i> | <b>2024</b><br><b>R</b> | 2023<br><b>R</b>  |
|---|-------------|-------------------------|-------------------|
| <b>Cash flows from operating activities</b>                 |             |                         |                   |
| Cash generated by operations                                | <i>14.1</i> | (845 898)               | 6 704 494         |
| Finance income  | <i>5</i>    | 1 961 228               | 1 217 249         |
| <b>Net cash outflow from operating activities</b>           |             | <u>(1 115 330)</u>      | <u>7 921 743</u>  |
| <b>Cash flows from investing activities</b>                 |             |                         |                   |
| Acquisition of equipment                                    | <i>7</i>    | (685 028)               | (906 673)         |
| Proceeds on disposal of PPE                                 | <i>7</i>    | -                       | 9 999             |
| <b>Net cash outflow from investing activities</b>           |             | <u>(685 028)</u>        | <u>(896 674)</u>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |             |                         |                   |
|   |             | 430 302                 | 7 025 069         |
| Cash and cash equivalents at beginning of year              |             | <u>25 908 403</u>       | <u>18 883 334</u> |
| <b>Cash and cash equivalents at end of year</b>             |             | <u>26 338 705</u>       | <u>25 908 403</u> |

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements

for the year ended 29 February 2024

### 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 IFRS for SMEs Accounting Standard 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 Accounting Standard 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 Accounting Standard 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 Accounting Standard.

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 2024

### 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.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

### 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 = 4 years (Depreciation 25% 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 2024

### 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.

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

### 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 2024

### 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 USA 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 2024

|  | 2024<br>R          | 2023<br>R          |
|--|--------------------|--------------------|
| <b>2. Donor income</b>                   |                    |                    |
| Grant and contract income                | <u>123 906 958</u> | <u>110 175 930</u> |
| <b>3. Other income</b>                   |                    |                    |
| Project income                           | <u>223 705</u>     | <u>-</u>           |
|  | <u>223 705</u>     | <u>-</u>           |
| <b>4. Operating surplus</b>              |                    |                    |
| is arrived at after taking into account: |                    |                    |
| Depreciation                             | 843 489            | 1 114 879          |
| Realised foreign exchange (gain)/loss    | (267 507)          | (440 889)          |
| Salaries                                 | 42 007 813         | 42 551 654         |
| Audit fees                               | 863 561            | 736 343            |
| (Gain)/loss on Disposal of asset         | 800                | 54 008             |
| Operating lease rentals – premises       | <u>2 531 549</u>   | <u>2 680 926</u>   |
| <b>5. Finance income</b>                 |                    |                    |
| Interest received – SB/Investec          | 1 441 768          | 1 106 127          |
| Investment income – Investec unit trust  | 156 350            | -                  |
| Interest received – BMGF funds           | -                  | 1 046              |
| Interest received – MRC funds            | -                  | 1 018              |
| Interest received –PMCG funds            | 363 110            | 109 058            |
|  | <u>1 961 228</u>   | <u>1 217 249</u>   |
| <b>6. Taxation</b>                       |                    |                    |

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 2024

| 7. Equipment                    | Computer equipment<br>R | Software<br>R    | Equipment and furniture<br>R | Server<br>R      | Networking hardware<br>R | Total<br>R         |
|---------------------------------|-------------------------|------------------|------------------------------|------------------|--------------------------|--------------------|
| <b>2024</b>                     |                         |                  |                              |                  |                          |                    |
| <b>Cost</b>                     |                         |                  |                              |                  |                          |                    |
| Opening balance                 | 5 868 616               | 156 105          | 2 393 023                    | 280 125          | 1 537 262                | 10 235 130         |
| Additions                       | 593 811                 | -                | 91 217                       |                  |                          | 685 028            |
| Disposals                       | (3 032 667)             | (156 105)        | (1 606 489)                  | (151 745)        | (1 350 132)              | (6 297 138)        |
| <b>Closing balance</b>          | <b>3 429 760</b>        | <b>-</b>         | <b>877 751</b>               | <b>128 380</b>   | <b>187 130</b>           | <b>4 623 021</b>   |
| <b>Accumulated depreciation</b> |                         |                  |                              |                  |                          |                    |
| Opening balance                 | (4 346 528)             | (156 105)        | (1 994 676)                  | (258 754)        | (1 458 581)              | (8 214 644)        |
| Depreciation                    | (654 468)               | -                | (114 661)                    | (16 412)         | (57 948)                 | (843 489)          |
| Disposals                       | 2 987 855               | 156 105          | 1 523 543                    | 151 744          | 1 350 131                | 6 169 378          |
| <b>Closing balance</b>          | <b>(2 013 141)</b>      | <b>-</b>         | <b>(585 794)</b>             | <b>(123 422)</b> | <b>(166 398)</b>         | <b>(2 888 755)</b> |
| <b>Net book value</b>           | <b>1 416 619</b>        | <b>-</b>         | <b>291 957</b>               | <b>4 958</b>     | <b>20 732</b>            | <b>1 734 266</b>   |
| <b>2023</b>                     |                         |                  |                              |                  |                          |                    |
| <b>Cost</b>                     |                         |                  |                              |                  |                          |                    |
| Opening balance                 | 5 151 894               | 156 105          | 2 365 409                    | 283 567          | 1 537 262                | 9 494 237          |
| Additions                       | 828 744                 | -                | 77 929                       | -                | -                        | 906 673            |
| Disposals                       | (112 022)               | -                | (50 315)                     | (3 442)          | -                        | (165 779)          |
| <b>Closing balance</b>          | <b>5 868 616</b>        | <b>156 105</b>   | <b>2 393 023</b>             | <b>280 125</b>   | <b>1 537 262</b>         | <b>10 235 130</b>  |
| <b>Accumulated depreciation</b> |                         |                  |                              |                  |                          |                    |
| Opening balance                 | (3 553 783)             | (156 105)        | (1 766 213)                  | (235 430)        | (1 388 234)              | (7 099 765)        |
| Depreciation                    | (858 174)               | -                | (262 454)                    | (25 676)         | (70 347)                 | (1 216 650)        |
| Disposals                       | 65 429                  | -                | 33 991                       | 2 352            | -                        | 101 771            |
| <b>Closing balance</b>          | <b>(4 346 528)</b>      | <b>(156 105)</b> | <b>(1 994 676)</b>           | <b>(258 754)</b> | <b>(1 458 581)</b>       | <b>(8 214 644)</b> |
| <b>Net book value</b>           | <b>1 522 088</b>        | <b>-</b>         | <b>398 347</b>               | <b>21 371</b>    | <b>78 681</b>            | <b>2 020 487</b>   |

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

|   | 2024<br>R         | 2023<br>R         |
|---|-------------------|-------------------|
| <b>8. Cash and cash equivalents</b>                               |                   |                   |
| Cash on hand (SA and Mozambique)                                  | 1 705             | 427               |
| Bank balances (SA, Mozambique and Rwanda)                         | 26 337 000        | 25 907 976        |
|   | <u>26 338 705</u> | <u>25 908 403</u> |
| <b>9. Trade and other receivables</b>                             |                   |                   |
| Employee receivables  | 113 116           | 220 110           |
| Trade receivables   | 1 464 176         | 4 351 202         |
| Prepayments   | 669 810           | 241 303           |
| VAT Receivable  | 399 770           | 531 869           |
| Deposits  | 1 208 099         | 1 182 924         |
|   | <u>3 854 971</u>  | <u>6 527 408</u>  |
| <b>10. Accrued income/(deferred income)</b>                       |                   |                   |
| <i>Accrued income</i>   | 1 747 717         | 522 681           |
| - Palladium DFI   | -                 | 10 430            |
| - Centers for Disease Control and Prevention (Ethiopia)           | -                 | 89 494            |
| - Centers for Disease Control and Prevention (Rwanda)             | -                 | 155 015           |
| - Centers for Disease Control and Prevention (Mozambique)         | 1 691 394         | -                 |
| - Vital Strategies (CRVS5)  | 56 323            | -                 |
| - CHISU Indonesia   | -                 | 207 467           |
| - CHISU Madagascar  | -                 | 60 275            |
| <i>Deferred income</i>  | (8 237 449)       | (11 513 127)      |
| - Centers for Disease Control and Prevention (Mozambique Program) | -                 | (1 148 839)       |
| - Centers for Disease Control and Prevention (TAP)                | (740 807)         | (319 994)         |
| - Centers for Disease Control and Prevention (CARES ACT)          | -                 | (680 712)         |
| - Centers for Disease Control and Prevention (Cameroon)           | (88 220)          | (170 564)         |
| - Centers for Disease Control and Prevention (Ethiopia)           | (500 195)         | -                 |
| - Centers for Disease Control and Prevention (ARPA)               | (207 516)         | (129 616)         |
| - UNICEF (Mozambique In Country)                                  | -                 | (478 687)         |
| - CHISU   | -                 | (6 952)           |
| - Regenstrief Institute   | (262 791)         | -                 |
| - FACT  | (342 042)         | -                 |



# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

### 10. Accrued income/(deferred income) (continued)

|                               | 2024<br>R   | 2023<br>R   |
|-------------------------------|-------------|-------------|
| - Digital Square DATIM        | -           | (40 271)    |
| - Palladium DFI               | -           | (26 546)    |
| - Patrick McGovern Foundation | (5 372 941) | (7 179 746) |
| - Vital Strategies CRVS       | -           | (608 263)   |
| - Grand Challenges            | (722 937)   | (722 937)   |

|                                     | 2024<br>R        | 2023<br>R        |
|-------------------------------------|------------------|------------------|
| <b>11. Trade and other payables</b> |                  |                  |
| Accruals                            | 4 032 239        | 3 747 266        |
| Thirteenth cheque – SA              | 556 930          | 513 334          |
| Mozambique redundancy               | 2 378 108        | 1 285 799        |
| Leave Pay Provision – SA/Moz        | 619 180          | 629 148          |
| Trade Payables                      | -                | -                |
| VAT payable                         | -                | -                |
|                                     | <u>7 586 457</u> | <u>6 175 547</u> |

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

### 12. Directors Emoluments

| Directors    | Designation                   | Basic<br>Remunerati<br>on<br>R | Retirement<br>Benefits<br>R | Other<br>Benefits<br>R | Director Fees<br>R | Total<br>Remunerati<br>on<br>R |
|--------------|-------------------------------|--------------------------------|-----------------------------|------------------------|--------------------|--------------------------------|
| <b>2024</b>  |                               |                                |                             |                        |                    |                                |
| C Seebregt   | Executive<br>Director         | 3 653 468                      | -                           | 332 891                | -                  | 3 986 359                      |
| D Moodley    | Chair of the<br>Board         | -                              | -                           | -                      | 57 458             | 57 458                         |
| A Gray       | Non-<br>Executive<br>Director | -                              | -                           | -                      | 43 040             | 43 040                         |
| Q Williams   | Non-<br>Executive<br>Director | -                              | -                           | -                      | 55 414             | 55 414                         |
| Z Vundle     | Non-<br>Executive<br>Director | -                              | -                           | -                      | 9 550              | 9 550                          |
| T Mudaly     | Non-<br>Executive<br>Director | -                              | -                           | -                      | 42 502             | 42 502                         |
| <b>Total</b> |                               | 3 653 468                      | -                           | 332 891                | 207 964            | 4 194 323                      |

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

| Directors    | Designation                   | Basic<br>Remunerati<br>on<br>R | Retirement<br>Benefits<br>R | Other<br>Benefits<br>R | Director Fees<br>R | Total<br>Remunerati<br>on<br>R |
|--------------|-------------------------------|--------------------------------|-----------------------------|------------------------|--------------------|--------------------------------|
| <b>2023</b>  |                               |                                |                             |                        |                    |                                |
| C Seebregt   | Executive<br>Director         | 3 295 882                      | -                           | 323 885                | -                  | 3 619 767                      |
| D Moodley    | Chair of the<br>Board         | -                              | -                           | -                      | 64 050             | 64 050                         |
| D Morkel     | Vice Chair<br>of the Board    | -                              | -                           | -                      | 28 250             | 28 250                         |
| A Gray       | Non-<br>Executive<br>Director | -                              | -                           | -                      | 47 375             | 47 375                         |
| S Reid       | Non-<br>Executive<br>Director | -                              | -                           | -                      | 31 625             | 31 625                         |
| Q Williams   | Non-<br>Executive<br>Director | -                              | -                           | -                      | 42 375             | 42 375                         |
| Z Vundle     | Non-<br>Executive<br>Director | -                              | -                           | -                      | 44 250             | 44 250                         |
| T Mudaly     | Non-<br>Executive<br>Director | -                              | -                           | -                      | -                  | -                              |
| <b>Total</b> |                               | <b>3 295 882</b>               | <b>-</b>                    | <b>323 885</b>         | <b>257 925</b>     | <b>3 877 692</b>               |

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

### 13. Related parties

The directors of Jembi Health System NPC are listed in the directors' report. Other than directors' emoluments disclosed in note 12, no material related party transactions occurred during the year and no other related parties were noted.

|   | 2024<br>R        | 2023<br>R        |
|---|------------------|------------------|
| <b>14. Note to the statement of cash flows</b>      |                  |                  |
| <b>14.1 Cash generated by operations</b>            |                  |                  |
| Surplus before taxation                             | 539 227          | 1 373 308        |
| Adjusted for:                                       |                  |                  |
| - Depreciation                                      | 843 489          | 1 216 650        |
| - Finance income                                    | (1 961 228)      | (1 217 249)      |
| - Loss on disposal of PPE                           | 127 760          | 54 008           |
| Working capital changes                             |                  |                  |
| (Increase) /Decrease in trade and other receivables | 2 694 658        | (2 845 745)      |
| Increase in trade and other payables                | 1 410 910        | 1 512 455        |
| (Increase)/Decrease in accrued income               | (1 225 036)      | (275 721)        |
| Increase/(Decrease) in deferred income              | (3 275 678)      | 6 886 787        |
|   | <u>(845 898)</u> | <u>6 704 494</u> |

### 15. Operating leases commitments

#### Minimum lease payments due

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| - within one year                   | 1 849 578        | 1 870 712        |
| - in second to fifth year inclusive | 887 775          | -                |
| - later than five years             | -                | -                |
|                                     | <u>2 737 353</u> | <u>1 870 712</u> |

# JEMBI HEALTH SYSTEMS NPC

## Notes to the financial statements (continued)

for the year ended 29 February 2024

### 16. Events after the reporting period

At the date of finalization of the financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognized in the financial statements.

### 17. Going concern

The company made a surplus of R539 227 for the year ended 29 February 2024 (2023: R1 373 308) and as of that date its current assets exceeded its current liabilities by R16 117 487 (2023: R15 269 818) and its total assets exceeded its total liabilities by R18 356 699 (2023: R17 817 472).

|                                   | 2024<br>R | 2023<br>R |
|-----------------------------------|-----------|-----------|
| <b>18. Other Receivables</b>      | 504 946   | 527 167   |
| Rwanda withholding tax receivable |           |           |

This is classified as a long term receivable due to the funds only being claimable at the closure of the Rwanda office registrations in Rwanda. It is confirmed with Rwanda Revenue that the credit will be held and remains an asset of the company which is also disclosed on the Rwanda annual CIT/Audit submissions to Revenue. JEMBI has now deregistered the company in Rwanda and has started the process to request the refund of the held WHT by Rwanda revenue authority. These funds are held in Rwanda Franc and will be paid back in the same currency if the company dissolves.

### 19. Categories of Financial Instruments

|  | 2024<br>R  | 2023<br>R  |
|--|------------|------------|
| <b>Debt instruments at amortised cost</b>      |            |            |
| Cash and cash equivalents                      | 26 338 705 | 25 908 403 |
| Trade and other receivables                    | 3 854 971  | 6 527 408  |
| <b>Financial liabilities at amortised cost</b> |            |            |
| Trade and other payables                       | 7 586 457  | 6 175 547  |

# JEMBI HEALTH SYSTEMS NPC

## Detailed revenue and income schedule

for the year ended 29 February 2024

|   | 2024<br>R          | 2023<br>R          |
|---|--------------------|--------------------|
| <b>Donor income</b>   |                    |                    |
| <b><i>Grant and Contract Income</i></b>   |                    |                    |
| BD SAP APP (BDSAP)  | -                  | 489 109            |
| Grand Challenges (GCA01)  | -                  | 3 479              |
| HISP South Africa CDC sub award (HISP2)   | -                  | 1 557 326          |
| Centers for Disease Control and Prevention (CDC03, CDC08)                               | 23 701 981         | 30 815 021         |
| Centers for Disease Control and Prevention (AHIE1, CDC04, CDC05, CDC06, CDC07, ARPA1-5) | 77 047 671         | 59 730 345         |
| Patrick McGovern Foundation (PMCG1, PMCG2 and PMCG3)                                    | 7 417 284          | 4 079 237          |
| SA Medical Research Council (MRC02 and MRC03)   | -                  | 80 000             |
| German Cooperation (GIZM1+2 and IMIS1)  | -                  | (14 237)           |
| Mott Macdonald Limited (BHP01)  | -                  | 323 435            |
| JSI Research & Training Institute Inc (CHISU, CHIS1, CHIS2 and CHIS3)                   | 5 582 183          | 6 688 958          |
| Palladium International LLC (DFI01, DFI02)  | 2 862 217          | 2 314 061          |
| Praekelt Foundation (MOM01)   | 79 615             | 226 845            |
| UNICEF In country fundraising (UNIM2)   | 478 688            | 297 623            |
| Digital Square PATH through USAID (DATIM)   | 1 906 136          | 964 749            |
| Digital Square OpenHIM-Global Goods Innovators Summit (OHIM2)                           | 190 214            | -                  |
| Regenstrief Institute Inc (RII02)   | 75 024             | -                  |
| The Health Foundation (THF01)   | 1 659 779          | 409 878            |
| Vital Strategy (CRVS4 and CRVS5)  | 2 906 166          | 1 642 756          |
| Digital Clearing House Interop (NTT01)  | -                  | 398 391            |
| ICAP TRACE (ICAP2)  | -                  | 77 853             |
| The University Of Cape Town (UKRI1)   | -                  | 83 828             |
| JEMBI grant income (JEMBI)  | 223 705            | 7 273              |
|   | <hr/>              | <hr/>              |
| <b>Total donor income</b>   | <b>124 130 663</b> | <b>110 175 930</b> |
|   | <hr/>              | <hr/>              |
| <b>Total income</b>   | <b>124 130 663</b> | <b>110 175 930</b> |