

80

REMARKABLE
YEARS

INTEGRATED REPORT 2017 – 2018



WP Blood Transfusion Service
Do something remarkable



CONTENTS

ABOUT OUR REPORT

This integrated report of the Western Province Blood Transfusion Service (WPBTS) covers the year 1 April 2017 to 31 March 2018. This report was prepared using the International Integrated Reporting <IR> Framework as a guideline. It is also in compliance with:

- The Companies Act, No. 71 of 2008, as amended (Companies Act); and
- King IV report on Corporate Governance for South Africa 2016 (King IV).

The integrated report is our primary communication regarding value creation.

The report focuses on providing WPBTS members and key stakeholders with a holistic view of the Service's operations, performance, risks and opportunities, and also includes the Service's annual financial statements.

The Board of Directors has strived to ensure that all material matters are presented and that the report fairly represents the performance and practices of WPBTS for the 2017/18 financial year. ⁸⁰

PAUL SLACK
Chairman
13 August 2018

GREG BELLAIRS
Chief Executive Officer/
Medical Director
13 August 2018




The WP Blood Transfusion Service was originally established in October 1938.

1938

OUR ORGANISATION

The Western Province Blood Transfusion Service (WPBTS) is an independent, non-profit, provincial healthcare organisation, which collects blood from blood donors, and subsequently supplies safe blood products to all people in the Western Cape. The Service has regional branches in Paarl, Worcester and George, six permanent blood donor clinics, 1 143 mobile donor clinics, a specialised donation services unit, apheresis collections department, 101 emergency blood banks at 92 hospitals, and seven blood banks.

WPBTS must collect approximately 700 units of whole blood from voluntary blood donors every day to meet the demand for blood products in the Western Cape. Our blood donors and blood recipients are our first priority. We follow strict standards and use appropriate technologies and research to ensure safe procedures from the vein of the donor to that of the recipient.

The Service is also guided by international best practices: Council of Europe Recommendations, American Association of Blood Banks Guidelines, and World Health Organisation Guidelines. The Service is accredited by the South African National Accreditation System (SANAS). 



The first blood bank was established to provide blood serum and whole blood to military hospitals for the duration of World War II.

1939

OUR PROUD HISTORY

The Western Province Blood Transfusion Service was established in October 1938 when the first meeting of the Cape Peninsula Blood Transfusion Service took place at Groote Schuur Hospital. It was a slow start, with only 200 donors enrolling in the first three months and an average of 30 transfusions per month.

In the 1930s, transfusion practice was in its most basic phase of development. Hospitals would request a donation and when a suitable donor was found, they would report to the hospital. There, blood would be transfused directly from the donor to the recipient with only a screen separating them - a far cry from today's procedures!

The Service was able to provide blood serum and whole blood to military hospitals for the duration of the Second World War from 1939.

In 1942, the Service obtained its own building in St. George's Street where three donors could be accommodated at a time. Back then, blood was collected in Horlicks milk bottles.

At that stage, blood was delivered to government laboratories at Groote Schuur Hospital for testing and cross-matching. These government laboratories assisted the Service in developing suitable storage techniques and serum processing.

By October 1943 the donor base had grown to 1 394 active donors providing blood for an average of 182 transfusions a month. When the Service got its first mobile unit in 1949 it was able to start scouting for donors throughout the province. The company name was incorporated and changed to the Western Province Blood Transfusion Service. In 1953 the Service moved its head office to Commerce House. »



The Service obtained its own building in the Cape Town city centre (Atlas Building, St George's Street) where three donors could be accommodated at a time. Back then, blood was collected in Horlicks milk bottles.

1942

» The first blood bank technical staff were employed in 1960. In the mid-1960s the Service transcended the Cape Peninsula's borders and a branch was opened in Worcester, followed shortly by Paarl, George and later Upington. The increased demand for blood saw a second mobile unit put into action. During this decade the head office moved its premises to Broadway Centre where 15 donors could be accommodated at a time.

From there, the Western Province Blood Transfusion Service grew in strength and donor numbers. By June 1961, over 50 000 donors had given blood and the mobile units had visited 352 external clinics.

During 1967 the Service moved again, to Medipark on the Foreshore. This expansion made it possible for the organisation to provide a comprehensive service for the technical aspects of blood transfusion. In addition donor grouping, cross-matching, serological, biochemistry and plasma aspirating laboratories were housed in the same building. It was also home to the largest single-unit blood bank in the country at the time. Things continued to improve, and the Service now employed 160 staff members, which allowed for the collection and distribution of almost 7 000 units of blood per month.

It was a momentous day for the organisation when, in 1967, it was closely involved with the first heart transplant that took place at Groote Schuur Hospital.

New technology in the early 70s dramatically improved the Service's capabilities. New, light-weight mobile equipment was a welcome introduction, allowing standard vehicles to be used as mobile units.

Glass bottles made way for plastic containers for the collection of blood in 1973. The new containers were better suited to the separation of components such as platelets and fresh frozen plasma. A new laboratory

featuring a walk-in cold room was also built. Hepatitis B testing was introduced in 1974. Blood banks were opened at Conradie, Victoria, Karl Bremmer and Somerset Hospitals.

In 1975 the Cell Separation clinic was opened, a first of its kind in Africa.

The following year, the scientific division of the Service was established and the first automated blood grouping analyser was installed. In 1978 a bank for frozen red blood cells was established. The Service then took over responsibility for all the blood banking services at all Provincial hospitals.

In 1980, a Human Leukocyte Antigen (HLA) and paternity testing service was introduced, and in 1983 the quality assurance department was established. A new laboratory facility was set up in 1985 to facilitate testing blood for HIV infection.

The Service was accredited to the American Association of Blood Banks (AABB) in 1987. The following year - marking 50 years of existence - the Service opened its fractionation plant at Beaconvale in Parow.

In April 1990, the Service moved to its current head office in Pinelands and the permanent donor centre was moved to the Parkade Building in Cape Town. Further progress was made regarding technology and automation in the field of blood grouping and viral testing.

The permanent donor centre moved to Long Street during 2005 and the opening of another two blood donor centres followed - N1 City Mall in 2009 and Blue Route Mall in 2013. Towards the end of 2005 the Service introduced the latest technology to test donated blood - Nucleic Acid Testing (NAT). NAT uses DNA technology to narrow the "window period" of HIV infection.

The WPBTS Memorandum of Incorporation replaced the Articles of Association in 2013. WPBTS also started offering iron replacement tablets for donors at risk of iron deficiency.

In 2014 the donor acceptance criteria changed regarding male-to-male sex (MSM).

During 2016 electronic cross-matching was introduced at all blood banks. The blood component separation process was also significantly improved.

The WP Blood mobile application was launched in 2017 and platelet additive solution (PAS) was introduced.

The Western Province Blood Transfusion Service is proud to have grown from a small community organisation into one of the most technologically advanced blood services in Africa. Today, the Service is widely respected for its tireless efforts to supply sufficient, safe blood to patients throughout the Western Cape. ⁸⁰



By October 1943 the blood donor base had grown to include 1 394 active donors.

1943

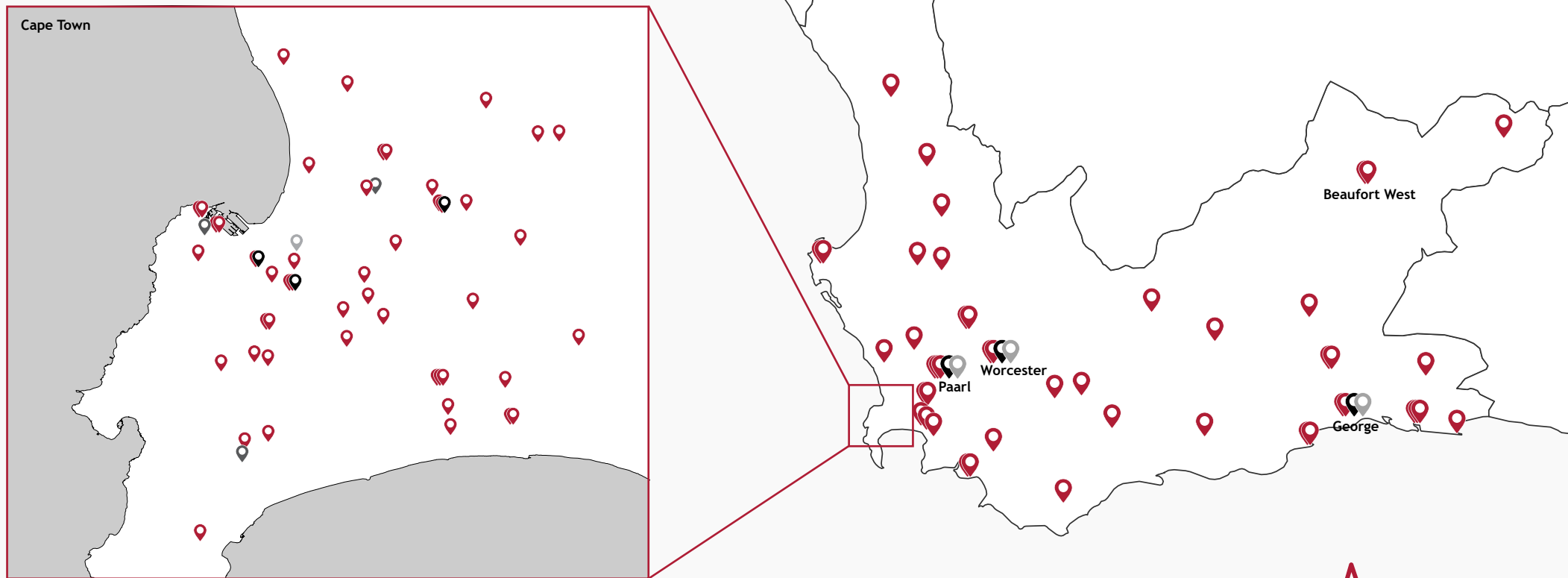


The Service acquired
its first mobile unit.

1949

WPBTS AT A GLANCE

-  WPBTS Offices
-  Blood Banks
-  Permanent Blood Donation Centres
-  Emergency Blood Banks



MISSION

Western Province Blood Transfusion Service is a community based regional health care organisation formed by an association of voluntary blood donors, dedicated to providing the safest blood products and efficient service to the community, while operating at the highest professional and ethical standards and remaining a viable organisation.

VISION

To maintain a Blood Transfusion Service that is appropriate to the needs of the South African community; to be prepared for wider Regional and National needs and to provide leadership in Transfusion Practice.

VALUES

we
are
caring
professional
responsible
committed
teamwork



The Service expanded its premises to accommodate up to 15 donors at a time.

1959

THANK YOU FOR 80 REMARKABLE YEARS

GET IN TOUCH



Telephone
021 507 6300



E-mail
info@wpbts.org.za



Website
www.wpblood.org.za



SMS
SMS the word 'Blood' to 33507



Facebook
Like us on WP Blood



Twitter
Follow us @WPBlood



Instagram
Follow us @WP_Blood



WP Blood App
Download our app

SENIOR LEADERSHIP

BOARD OF DIRECTORS

.....

Mr PK Slack (Chairman)
Dr GRM Bellairs (Chief Executive Officer/Medical Director)
Ms NB du Toit (Corporate Services Director/Chief Financial Officer)
Dr AR Bird
Mr MR Burton
Prof BDL Figaji
Dr A Huggett
Prof VJ Louw
Mr DM Ndebele
Mr N Parker (Resigned 11 September 2017)
Mr R Ramsbottom (Vice Chairman until 29 January 2018)
Mr PJ Veldhuizen (Vice Chairman from 29 January 2018)
Dr CF Ingram (Appointed 21 September 2017)

COMPANY SECRETARY

.....

Mrs I van Schalkwyk

REGISTERED OFFICE

.....

Southern House, Old Mill Road, Pinelands, 7405
P.O. Box 79, Howard Place, 7450

MANAGERS

.....

Michelle Breuninger (Professional Development and Training)
Zane Davids/Jacques Breslaw (Information Technology)
Glynis Bowie (Quality Assurance)
Ashleigh Button (Human Resources)
Ronald Davids (George Region)
Karen Dramat (Blood Banks)
Vincent Erasmus (Materials - Maintenance/Purchasing/Transport)
Helen Ferris/Links Archery (Donor Collections)
Caroline Hilton (Transfusion Medical Specialist)
Ebrahiema Jacobs/Janine Wildschut (Worcester Region)
Imtiaz Kaprey (Finance)
Bev Mitchell (Technical Services)
Delizia Montgomery (Paarl Region)
Debbie Smith (Processing)
Irene van Schalkwyk (Promotions/Public Relations and Planning)

REGISTRATION NUMBERS

.....

Registration Number: 1943/016692/08
NPO Registration Number: 031-336-NPO
PBO Reference Number: 93000 4391



The Service's technical laboratories were fully operational - prior to this testing was performed at Government Labs / Groote Schuur.

1960

THE BLOOD DONATION PROCESS



1.

Fill in the confidential donor questionnaire (personal details, health and lifestyle) completely and honestly.



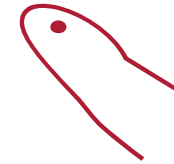
2.

Your details are captured (on our computer system).



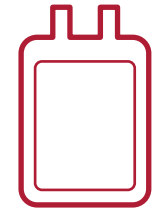
3.

Confidential interview
- for new donors and when required.



4.

A finger prick test is done to check your haemoglobin level. We require a Hb level of 12.5 g/dl for women and 13.5g/dl for men.



5.

Collect your blood bag and proceed to the donation bed.



6.

Your blood pressure and pulse are checked.



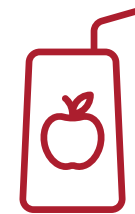
7.

Donate your unit (approximately 475ml) of lifesaving blood. New, sterile equipment is used for every donation.



8.

Samples are taken for testing. We test your blood group, and for HIV, hepatitis B & C and syphilis with every donation.



9.

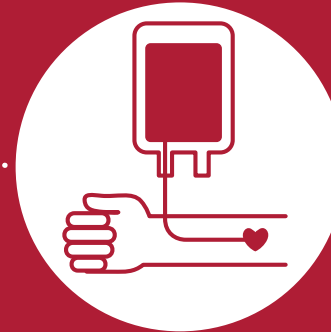
Enjoy some refreshments
- you are remarkable and deserve it!

THE JOURNEY OF BLOOD

Blood is collected from volunteer donors.



Blood is transfused to the recipient. Just one donation can save three lives.



WP Blood Transfusion Service
Do something remarkable

Units are transported to the nearest WPBTS offices for testing and processing.



Blood is spun down and separated into its different components.

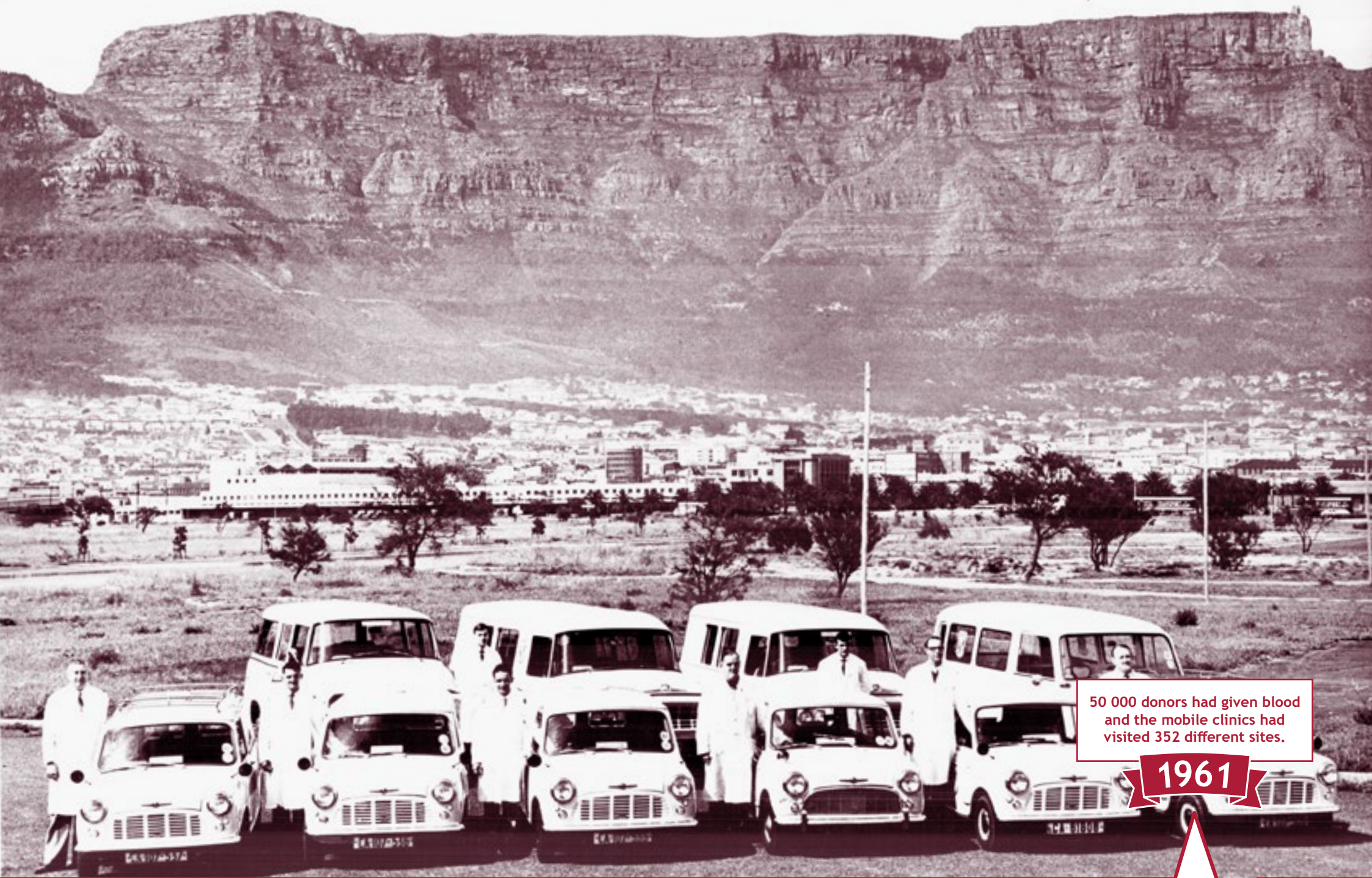


Every unit is blood grouped and tested for HIV, hepatitis B & C and syphilis.



Blood and blood products are sent to blood banks and emergency blood fridges.





50 000 donors had given blood
and the mobile clinics had
visited 352 different sites.

1961

MESSAGES FROM LEADERSHIP

DIRECTORS' REPORT 2017/18

The 2017/18 year was an excellent one for the Western Province Blood Transfusion Service. Apart from a stellar financial performance, the Service delivered on its mission to provide sufficient, safe blood products to patients throughout the Province.

SUSTAINABILITY

Blood product sales

The sales of red cell products comprise 54% of income. For the last three years, red cell product unit sales were 143 781 in 2015/16, 139 414 in 2016/17 and 140 289 in 2017/18. Despite anticipating muted growth or even a reduction in blood product sales - due partly to cost saving measures in both the private and state health care sectors, and partly due to patient blood management strategies which promote more restrictive transfusion thresholds - demand remains strong. »



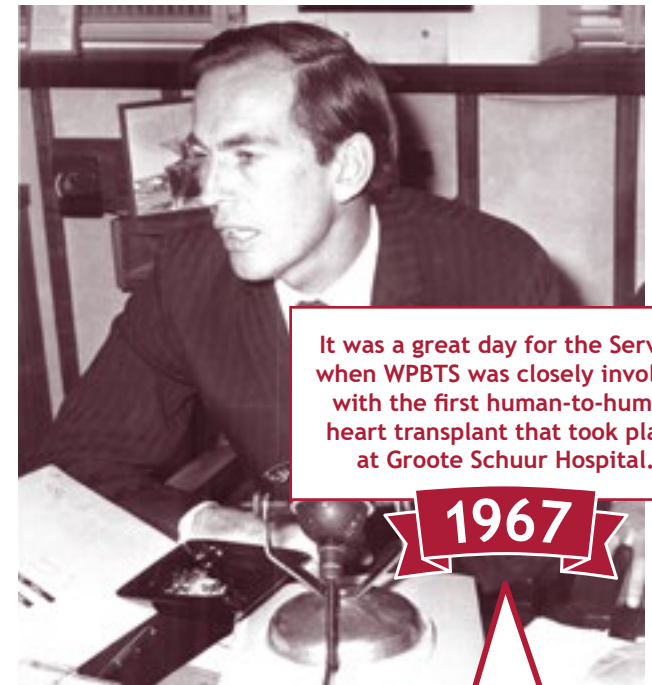
Greg Bellairs

CEO/Medical Director



Ms Nicky Du Toit

CFO/Corporate Services Director



It was a great day for the Service when WPBTS was closely involved with the first human-to-human heart transplant that took place at Groote Schuur Hospital.

1967

» Financial

The total income for the year was R440 million, and expenses were R390 million, resulting in a surplus of R50 million (11%). After a few years of holding back on capital procurement due to limited cash flow, the Service is now in a position to procure capital items as well as make adequate provisions for other expense commitments - e.g. leave pay provision, public liability cover, and investment in new purpose-built premises.

Bad debt remains an issue, particularly in the Private Sector. Bad debt write offs amounted to R1.3 million for the year. Conversely, payments from the State Sector (Western Cape Department of Health) have been timely and overall debtors' days for the period under review were 46.

BLOOD RECIPIENT SAFETY

The Service's comprehensive blood safety strategy remains the same - collection of blood from low-risk donors, deferral of donors at risk of transfusion-transmissible infections, individual nucleic testing of all donations, and promotion of restrictive transfusion practices.

Together with colleagues at the South African National Blood Service, a working group was established which included experts at the National Institute for Communicable Diseases. The initial objective of this working group was to understand potential emerging infectious diseases which could affect the safety of South Africa's blood supply. The list of infections under consideration has been focussed, and currently the group is working towards understanding the prevalence of these diseases in the general population as well as the donor population - after which strategies can be developed to further minimise risks to blood recipients. »



WPBTS moved its head office to the Medipark offices, on the Foreshore of Cape Town and employed approximately 150 staff members.

1967

» The introduction of pathogen reduction technology remains on the near-term agenda, but as this is an incremental improvement to the safety of platelet products, it will be coordinated nationally with SANBS to ensure a consistent national offering and blood safety strategy.

A total of 169 adverse transfusion reactions were reported during the year. Most of these were of minor clinical significance and no fatalities due to blood transfusion were reported. It remains concerning that there were five misdirected transfusions due to patient, sample, or product identification errors made in healthcare institutions. The Service continues to minimise these risks through educational interventions and ongoing communications with clinicians and hospital management.

BLOOD DONOR SAFETY

70 434 blood donors donated blood during the year compared with 69 375 the prior year. As a result, the average number of donations per donor per year decreased from 2.15 to 2.11. This reduction in donation frequency, although small, reduces the risk of iron deficiency and is thus welcomed. The Service strives to increase the number of active donors on an ongoing basis, which could in future allow for a reduction in the maximum number of donations from 6 to e.g. 4, which will considerably improve donor safety.

The number of adverse donor reactions, most of which were vasovagal episodes (commonly known as faints) was higher at 1.27%. This increase was partly due to the increased collections from first-time and young donors, both of which are associated with higher risks of fainting. Donor safety is managed by the self-completion of a health questionnaire to detect any medical condition which may preclude safe donation, pulse and blood pressure checks, and measurement of donor haemoglobin levels to ensure they exceed a predefined minimum level. A total of 36 319 donors were deferred from donating - »



WPBTS employed 160 staff members. This allowed for the collection & distribution of almost 7 000 units of blood per month.

1969

» mainly due to low haemoglobin levels. The Service's oral iron replacement programme for donors most at risk of iron deficiency anaemia has delivered pleasing results in recent years, with the number of donors with anaemia decreasing year-on-year.

SUFFICIENT BLOOD SUPPLY

148 377 units of whole blood and 4 551 adult single-donor platelet products were collected from blood donors throughout the Province. These were processed into various blood products which were issued to patients in 140 healthcare institutions in the Western Cape. The Service strives to maintain 5-day stocks of each blood type, in order to have a buffer stock available should usage exceed supply (e.g. in mass casualty situations) or should supply be temporarily compromised (e.g. during holiday periods). Although blood stock levels were sufficient to ensure that all patients received the blood they required, during the mid-winter period stocks were lower than desired which required considerable additional resources to mobilise blood donation.

EFFICIENT OPERATIONS AND CONSOLIDATION

Various approaches are being considered for measuring 'efficiency'. One of these is red cell products issued per staff member which was 266 for 2015/16, 267 for 2016/17, and 258 for 2017/18. Another measure of efficiency is the proportion salaries comprise of total expenses - currently 46% (as in the previous year).

A structured continuous improvement programme was introduced in early 2017. Five modules have been completed and an average maturity level of 80% has already been reached. Efficiencies have been optimised - for example, certain raw material inventories have

been reduced (resulting in less cash being committed to WIP) and product discards due to weight deviations have been managed down substantially (a pleasing end-result of the Service's investment in automated blood mixers and collection scales). A managerial position focussed on Continuous Improvement has been created to ensure we maintain our commitment to continuous improvement in the long term. Despite having no direct competition, it is a duty of the Service to operate as efficiently and economically as possible to provide affordable products.

PEOPLE DEVELOPMENT AND STAFF RETENTION

The Service continued to deliver in-house training and fund staff receiving external training.

The South African National Blood Transfusion Congress was held in August of 2017, at the Sun City Convention Centre. The Congress was organised by the South African Society for Blood Transfusion which includes people from both SANBS and WPBTS. Approximately 40 staff and 4 board members from WPBTS attended the Congress, of which 29 presented research projects which were well received - and significant end results of the research were the improvement of work processes, blood safety, and donor recruitment practices at the Service.

Staff turnover due to resignations was approximately 8% overall. The Service remains stretched at times due to the challenge of filling certain posts, but strategies are in place to train, retain and attract talented staff in certain specialised areas.

COMPLIANCE AND GOVERNANCE

The governance of compliance is of great importance to the Service, particularly in the absence of a robust

regulatory environment in certain areas. From a corporate governance perspective, the Service follows the King Code, subscribes to regular updates in legislation, and follows the prescripts of the Memorandum of Incorporation. In addition, Board Members are members of the Institute of Directors of South Africa, and encouraged to attend professional development programmes.

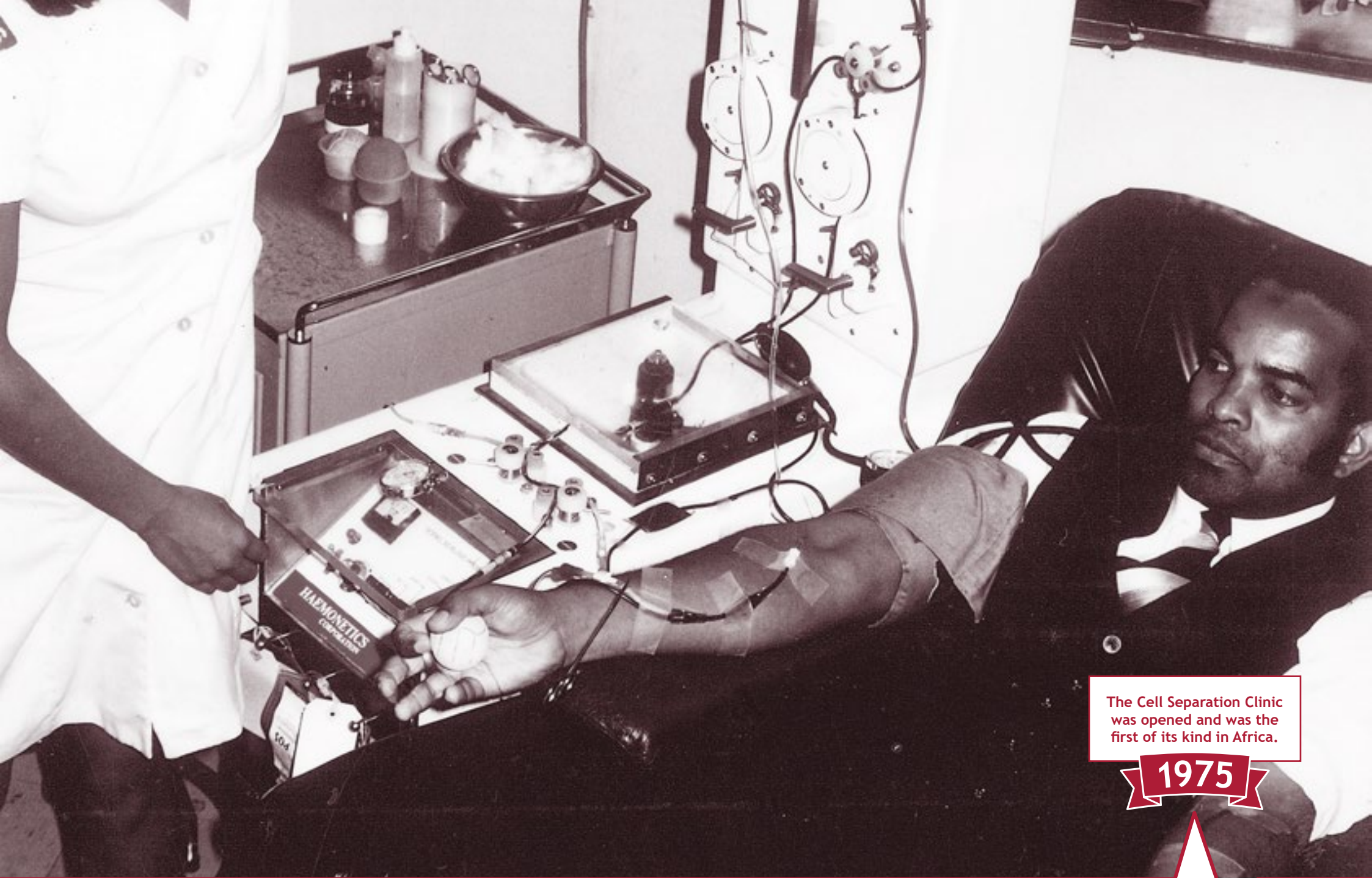
Operational compliance is maintained through adhering to the Standards of Practice for Blood Transfusion in South Africa - which is audited yearly by SANAS, as well as following the applicable legislative frameworks, the most important of which are the National Health Act and associated Regulations and Policies. Several weaknesses have been identified within the legislative framework, and we continue to address these with the National Department of Health.

In the area of financial compliance, the financial audit provides assurance that the Service complies with legislation and disclosure requirements. At times, improvements are required (e.g. through management letters raised by the auditors) and these are made under the oversight of the Audit Committee.

THANKS

We would like to thank all blood donors, staff, customers and suppliers for their support during the year. In addition, the Executive Directors, Management Team, and all Staff are grateful for the wisdom and support of the Board of Directors.

Finally, at the time of writing this report, the Service approaches its 80th anniversary. We look forward to the challenges and successes of the next 80 years, and hope that we have laid a secure foundation for the future. ⁸⁰



The Cell Separation Clinic
was opened and was the
first of its kind in Africa.

1975

CHAIRMAN'S REPORT



Paul Slack

Chairman of the Board

During the year under review the Board once again critically evaluated its role in providing strategic guidance to the Service. It confirmed as such that it would continue to focus on the material aspects which could promote the continued sustainability and growth of the Service.

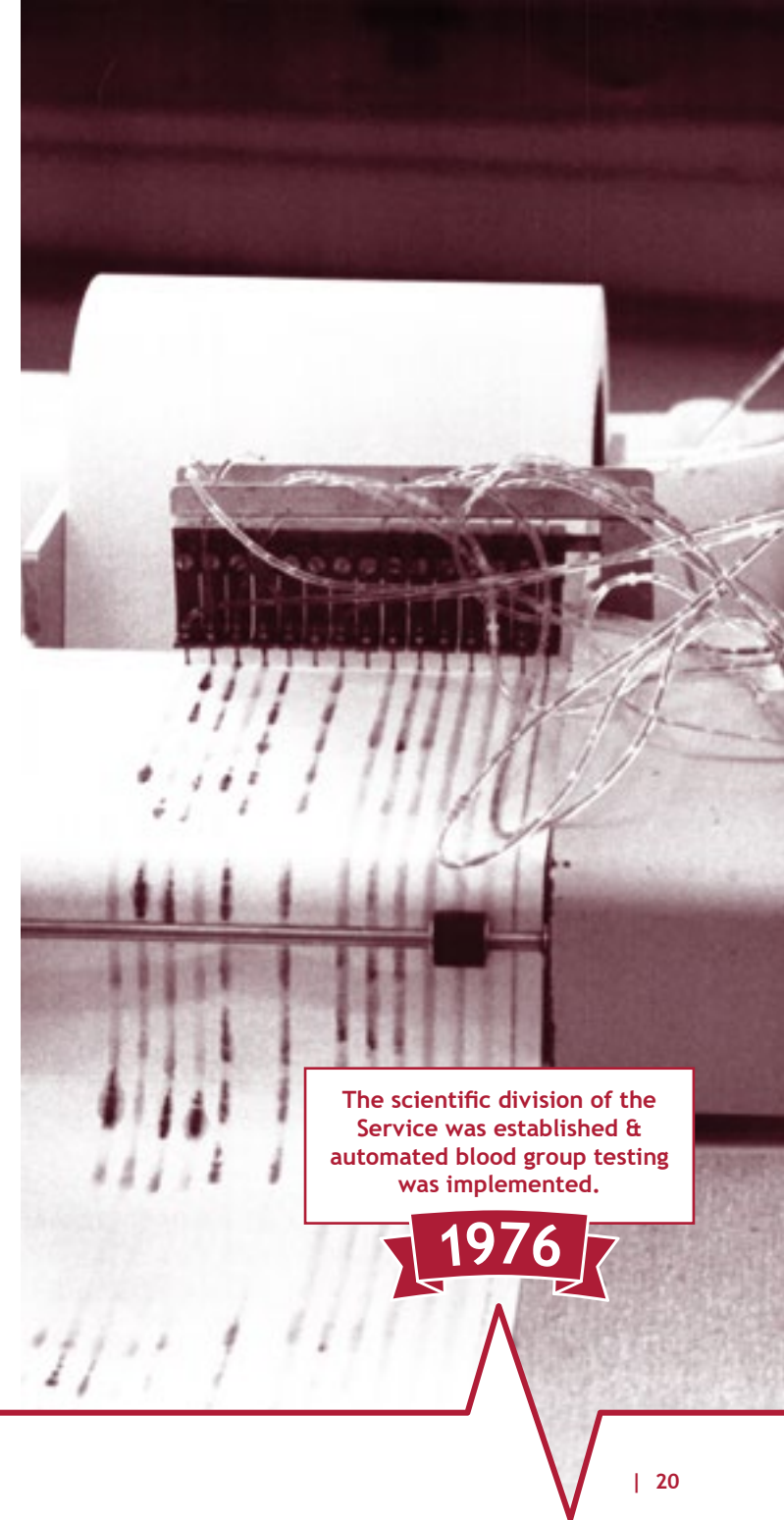
We understand that all WPBTS team members, including the Board, are merely custodians of the organisation and have been given the responsibility of operating sustainably, in order to hand over the business to future generations in a better state than it was when we received it from past generations. We believe that it is critical for our organisation to have a growth-oriented culture and to have structures and processes in place for the governance of sustainability. Key indicators and material sustainability issues and risks are monitored on an ongoing basis.

The Board is responsible for setting the strategic direction of WPBTS. Annually, the Board considers, debates and adopts (with or without amendments) a strategic plan presented by the executives. The Board delegates the authority and responsibility to executive management to lead the implementation and execution of WPBTS's

strategy, policies and operational planning. Full and effective control of the WPBTS affairs is retained through monitoring the executive management and ensuring that decisions of a material and policy nature are in the hands of the Board.

I would like to thank my co-directors for their wisdom, support and guidance during the 2017/2018 financial year. Exceptional co-operation, diverse thinking and sober reasoning made us a formidable team. Your contributions are of great value.

The composition of the Board makes provision for appropriate and effective decision-making, which ensures that no individual can exercise undue influence. The activities of the Board are controlled by the provisions of the Memorandum of Incorporation. »



The scientific division of the Service was established & automated blood group testing was implemented.

1976

» I would like to compliment my fellow Board members on maintaining open, transparent and honest participation in the execution of our duties.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

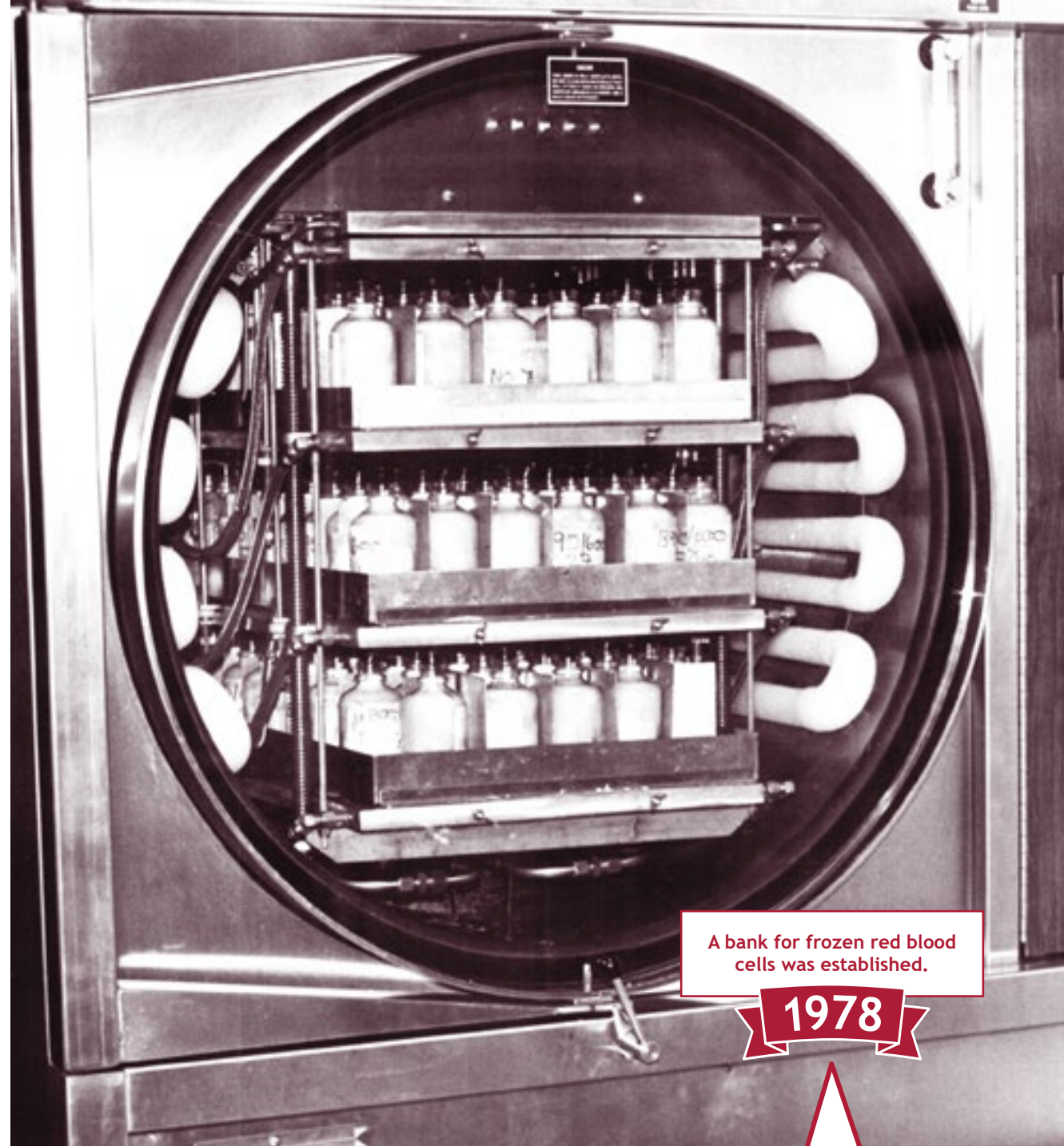
On behalf of the Board I would like to specifically honour our donors. Our donors are literally and figuratively the life-blood of WPBTS and many lives are saved due to their selfless donations. You have sustained the population in the Western Cape for the past 80 years and you continue to roll up your sleeves year on year.

Thank you to our partners, suppliers and the community for their continued support, loyalty and friendship. WPBTS is well positioned for future growth but without these cornerstones in our business, success will not be possible.

I would also like to thank our employees on behalf of the Board of Directors for their loyalty, energy and diligence in advancing our work to realise the company's commitment to provide safe blood to the Western Cape Province. To the management team, thank you for the sterling work you have done and ensuring that we have grown from strength to strength.

We believe that the Service can make a contribution to our country and economy in which we operate by continuing to build on our current business model. The Service's core values of teamwork, caring, being professional, responsible and committed, position us well for the future. These values will ensure that WPBTS will be an admired, successful business that creates jobs, develops the community, provides blood for the people of our province, whilst generating pride in the hearts of our donors and personnel. ⁸⁰

Paul Slack
Chairman of the Board



A bank for frozen red blood cells was established.

1978

OUR BUSINESS MODEL

The Western Province Blood Transfusion Service (WPBTS) has been in existence since 1938, and is a non-profit company incorporated in terms of the Companies Act, 71 of 2008. The main activity of the Service is the collection, testing, processing, storing, distribution and issuing of blood products within the greater Western Cape region (an area approximately bordered by Plettenberg Bay, Springbok, and Beaufort West) to approximately 6.5 million people.

Blood collection cost and pricing strategy
Clause 6.1.1 of the draft National Blood Policy for South Africa (August 2010) states that “to ensure sustainability and appropriate development of the national blood programme, fees will be levied for all blood, blood components and blood products provided by the licence holders in the National Blood Programme on a cost recovery basis. Fee for service will be the main source of funding and will provide for recurrent expenditure and ongoing, sustainable development”. In South Africa most patients treated within the State sector are funded by the State (Provincial

Departments of Health), while those treated in the Private sector are funded by medical insurance or their own funds.

WPBTS has an array of approximately 70 products and 40 services with annual price increases implemented across the full product range as per the WPBTS published price list. Approximately 87% of income is contributed by red cell concentrate, fresh frozen plasma and platelets.

Because individual product input costs are not computed, the cost per unit of blood needs to be viewed by dividing total

expenses into various categories. This allows a reasonable allocation of costs to the “generic” blood product.

Recent allocations of expenses are summarised in the following table:

Expense	2017/18	%
Personnel	180 757 697	46.6%
Collections	33 325 916	8.6%
Testing	61 380 332	15.8%
Product costs	51 405 570	13.3%
Administration	39 444 081	10.2%
Repairs/Maintenance	9 867 790	2.5%
Depreciation	11 593 276	3.0%
Total	387 774 662	100%

Annually WPBTS projects future demand (with reference to recent trends) and then targets blood collections to meet these demands. In determining blood product price increases, the following key factors are taken into account:

- Sales volume forecasts for the following year.
- Budget to achieve sufficient collections to meet the projected demand, including factors such as inflation, discard rates, exchange rates, salary increases, projects and efficiency gains.

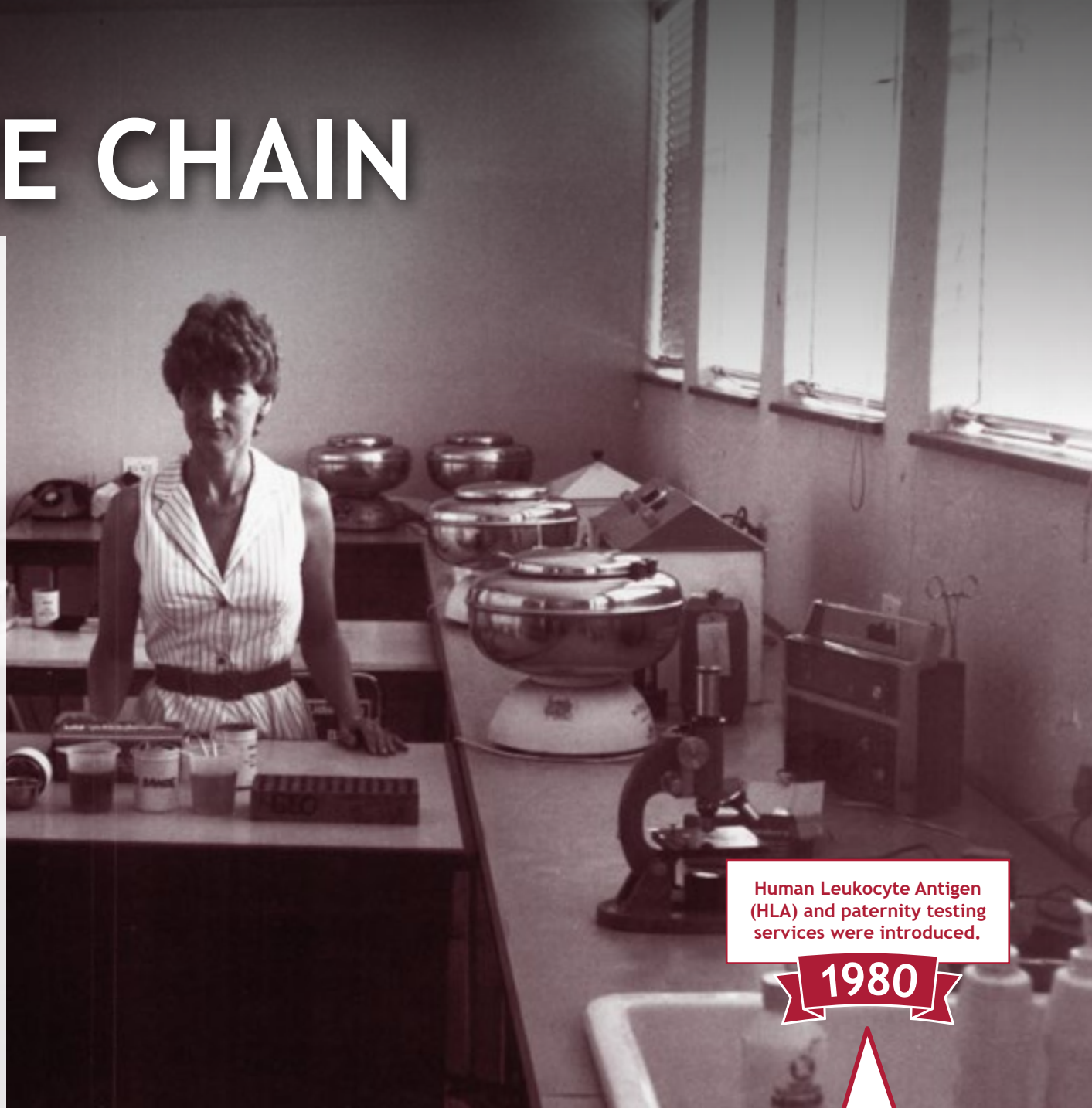
- Achieving a cash surplus to fund capital purchases, maintenance and expansion of existing facilities, and to implement appropriate new technologies.

A question often asked of Blood Services is “why do blood products cost what they do, if blood is given free-of-charge by blood donors?” The expense categories in the above table indicate the proportion of expenses incurred to convert the “free” raw material into a safe end-product suitable for transfusion - and the overall expenses dictate the income required to cover these expenses, to ensure the long-term sustainability of WPBTS and the Service therefore employs a cost-recovery model in determining the selling price of blood.

It must be noted that Blood Service provision in South Africa is on par with that of most first-world countries - with the result that most of the processing and testing technologies used are imported, and thus subject to global pricing and exchange rate fluctuations. In spite of this, red cell products cost significantly less in South Africa than they do in the USA and UK - possibly due to certain locally incurred costs such as staff salaries being lower, or operational efficiencies in the South African Blood Services, or different degrees of beneficiation, or a combination of these and other factors. ⁸⁰

OUR VALUE CHAIN

The WPBTS considers the Six Capitals as significant resources and these determine decisions and activities in the short, medium and long-term. We need the input of each of these capitals to deliver on our Mission and to generate value for our stakeholders. We carefully consider the trade-offs between the Capitals when making decisions on growing and sustaining our business, aiming to maximise positive outputs and outcomes, and limit any negative impacts.



Human Leukocyte Antigen (HLA) and paternity testing services were introduced.

1980

HUMAN CAPITAL

WPBTS aims to attract and retain appropriately-skilled employees by offering market-related remuneration, comprehensive benefits, rewarding good performance, creating development and growth opportunities, and providing a safe and healthy working environment.

Outputs during 2017/18 included the following:



Careful monitoring of any **incidents and accidents**, the incidence of hazardous occupational exposure and disabling injuries, with corrective action plans:

	2016/2017	2017/2018
Number of Incidents and Accidents	34	26
Incidence of Occupational Exposure	9	15
Incidence of Injuries	22	10
Incidence of Disabling Injuries	15	9



Investment of **R1 543 475** in the development of employees through work-relevant training and development programmes, including:

Training programmes for 416 staff members.

1 Medical Technician qualified.

10 bursary-funded Bachelor of Health Science interns passed their Board exams and are now employed at WPBTS as Medical Laboratory Scientists.

4 Laboratory Assistants passed their Board exams.

1 staff member graduated with a Master's degree in Biomedical Science.



Health and safety compliance:

Health and safety committee members (health and safety representatives, first aiders, fire team) attend regular refresher training.

5-star safety rating following an annual external safety audit that influences the company KPIs.

General staff safety training.

QUALITY & SAFETY

	2015/2016	2016/2017	2017/2018
SANAS Accreditation status	Full	Full	Full
OHSA Compliance Audit:			
N1 City Blood Donation Clinic	★★★★★	★★★★★	n/a
Red Cross Blood Bank	★★★★★	★★★★★	n/a
George Regional Office	★★★★★	★★★★★	n/a
Pinelands Head Office	★★★★	★★★★★	★★★★★
Worcester Regional Branch	n/a	n/a	★★★★★
Groote Schuur Blood Bank	n/a	n/a	★★★★★
Blue Route Mall Donation Clinic	n/a	n/a	★★★★★



Annual employee wellness day.

Staff health awareness campaigns.

Employee wellness assistance through a dedicated staff nurse that conducts annual staff medical assessments, hepatitis B antibody screening, dispenses medication for acute medical conditions and family planning.

Team engagements through social interactions and team-buildings events.



Employment Equity Committee activities:

WPBTS EMPLOYEE RACIAL PROFILE COMPARED WITH WESTERN CAPE DEMOGRAPHICS

	2015/2016	2016/2017	2017/2018	Western Cape ¹
African / Black	14.6%	14.1%	19%	36.0%
Coloured	63.0%	63.2%	61%	48.7%
Indian / Asian	1.1%	1.2%	0.9%	0.5%
White	21.7%	20.6%	19.1%	14.9%

1. Statistics South Africa (QLFS 3rd Quarter, 2016)

HUMAN RESOURCES

	2015/2016	2016/2017	2017/2018
Resignations	35	31	42
New appointments	51	54	45



Equity figures:

Employment equity targets are monitored and reviewed regularly. Once again WPBTS met its targets for the period under review.

Currently 80.9% of staff are from the black designated group and 65% of staff are females.

INTELLECTUAL CAPITAL

Intellectual capital refers to the expertise and knowledge in our organisation and it is a key driver of sustainable growth.

Outputs during 2017/18 included the following:



WPBTS has a talented, skilled and trained full time workforce of

543 people.



Experienced Board and Management Team.



Ongoing training and development:

Induction training.

40 staff members and 4 Board members attended the South African National Blood Transfusion Congress and one staff member attended the ISBT Congress in Copenhagen.

Continuous Improvement Workshops with quarterly maturity assessments.

Supervisory Skills Development (SDP) courses.

Competency Assessments and Proficiency testing for all technical staff.



Quality Management System with continued commitment from management.

Annual external SANAS surveillance assessment to maintain accreditation status.

ICT Planning process and project methodology.

IT SMARTDESK call logging system.

Annual strategic planning meeting for management team.

Comprehensive stakeholder engagement on a continuous basis.

A testing facility for HIV was set up.

1985



Information sharing:

11 Continuous Professional Development (CPD) talks and 1 Hot Topics Seminar were hosted.

Corporate and Educational DVDs.

Clinical guidelines for the Use of Blood Products in South Africa.

Standards of Practice for Blood Transfusion in South Africa.

3 articles were published on an accredited medical education website.

Lecturing in Immunohaematology for 2nd year CPUT students.

Talks for Nursing and Medical students on the "Administration and use of blood products".

The Service was accredited by the American Association of Blood Banks (AABB).

1987

SOCIAL AND RELATIONSHIP CAPITAL



WPBTS's corporate social investment initiatives during 2017/18 were aligned with our strategic objectives, and included the following:

50 blood mixing devices were donated to the Zambia National Blood Transfusion Service (ZNBTS).

Irradiation of blood for the Clinical Haematology unit at Groote Schuur Hospital, amounting to R110 600.

Sponsoring a refreshment station at the 2018 Cape Town Cycle Tour.

Donation of laboratory glassware to the Department of Dental Sciences, Cape Peninsula University of Technology.

All recycled waste is donated to the Oasis Foundation Recycling programme, which creates employment for youth and adults with intellectual disabilities.



Blood is donated by the community for the community. As a result we see social and relationship capital as the link between our business and society. By managing this capital, we are able to create and identify mutually beneficial opportunities to the community in which we operate. Outputs during 2017/18 included the following:

Donor health care:

- Iron replacement therapy to all donors at risk of iron deficiency.
- Mini-medical at every blood donation, which includes haemoglobin level, blood pressure, and pulse check.
- Full blood count (FBC) testing for donors with low haemoglobin levels.
- Therapeutic venesection programme.

Milestone donor reward programmes from 50 donations upwards and donor recognition functions.

Recognition and development of donor representatives.

Donor appreciation token gifts, including the commitment campaign.

Recruitment opportunities for stem cell donors.

Complaint and feedback management system.

Bursaries and internships.

FINANCIAL CAPITAL

Our financial capital is the pool of funds available to us for deployment. How we manage and utilise our financial capital is fundamental to our ability to create sustained value for our stakeholders and for remaining sustainable as an organisation.

Outputs during 2017/18 included the following:



Capital expenditure
for the current year

R19.4 million

Equity

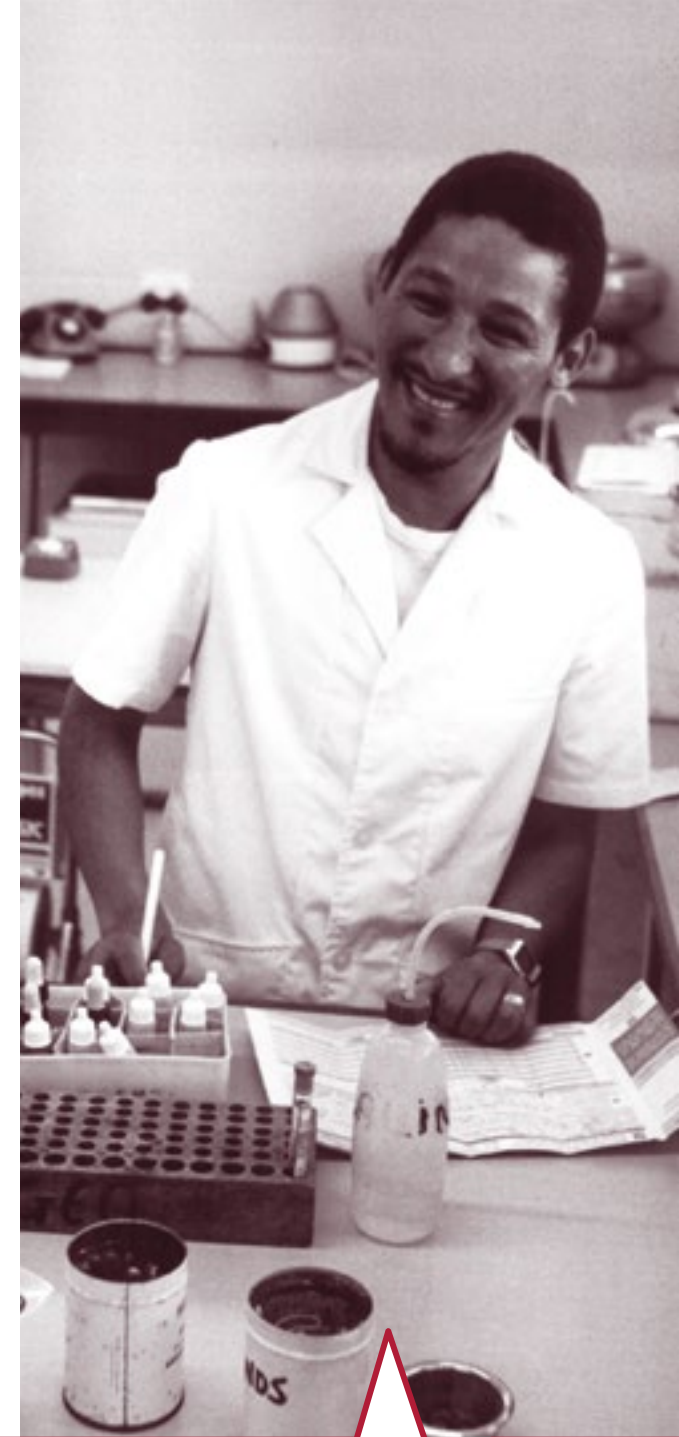
R214.3 million

Personnel cost

R180.8 million

Current year Revenue and
Investment returns

R434.0 million



NATURAL CAPITAL

WPBTS considers the environment in which we operate, as reliable supplies of water and energy are critical to the sustainability of our operations. Outputs for renewable and non-renewable environmental resources support current and future sustainability for our business and our stakeholders.

Outputs during 2017/18 included the following:



A water resilience strategy was introduced following the severe drought in the Western Cape, which included the following:

All vehicles (including caravans, trailers and the bus) are cleaned with waterless products.

Water-efficient aerators were fitted to all taps to minimise usage, reducing water consumption from 20-30 litres to 6-10 litres per minute.

Water tanks have been installed to harvest rainwater.

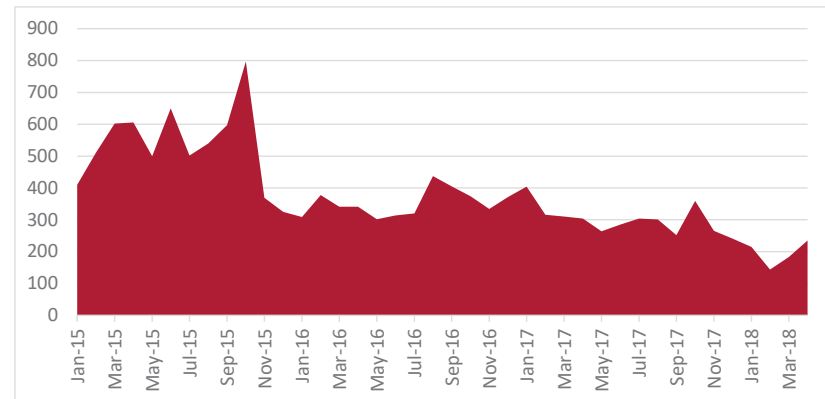
Hand-sanitizer units were installed in all bathrooms.

Lily dome waterless urinals were fitted in all men's bathrooms.

Treated borehole water is supplied to all technical laboratories. Borehole water is pre-filtered to remove iron and other metals and to correct the pH, where after it is purified with a reverse osmosis (RO) process.

Excess Reverse Osmosis (RO) water is circulated for the flushing of toilets.

The graph below shows the reduction in water consumption (kl/month) at WPBTS headquarters, Pinelands, following the implementation of a water resilience strategy:





A recycling programme

was introduced on 1 August 2017 to recycle all paper, cardboard, cans and plastic generated in offices and laboratories. This waste is donated to the Oasis Association, which creates employment for people with intellectual disabilities.



An agreement has been signed to install a **284kW solar panel system**, which is anticipated to save 366 tons of CO₂ per year.



Biohazardous waste

is disposed by a licensed biohazardous waste contractor - 86 235 lt of biohazardous waste was disposed of during 2017/18.



An environmental impact assessment

was done in 2017 to determine WPBTS's carbon footprint, as indicated in the table, and which will inform future decisions regarding resource management programmes:

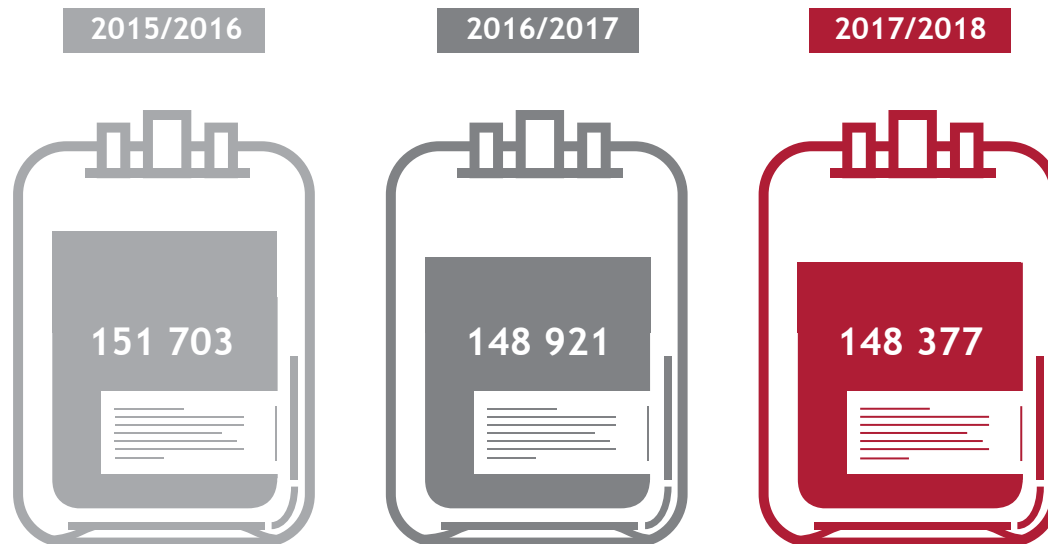
Source	TOTAL (tCO ₂ e)	Percent of total
Company-owned and controlled vehicles	332.97	9.2%
Stationary fuels	2.28	0.1%
Fugitive emissions (refrigerants)	174.70	4.8%
Electricity	2147.77	59.6%
Purchased goods and services (Packaging materials)	189.64	5.3%
Purchased goods and services (Paper consumptions)	11.32	0.3%
Outsourced distribution	59.67	1.7%
Employee commuting	373.93	10.4%
Waste	177.39	4.9%
Water	11.89	0.3%
Other	123.08	3.4%
TOTAL	3604.65	100.0%

MANUFACTURING CAPITAL

We create value by converting donated blood into life-saving products for patients. Our manufacturing capital is informed by our mission to deliver sufficient and safe blood to the communities we serve, while operating at the highest standards and using state-of-the-art technologies.

Outputs during 2017/18 included the following:

TOTAL BLOOD DONATIONS COLLECTED AT CLINICS

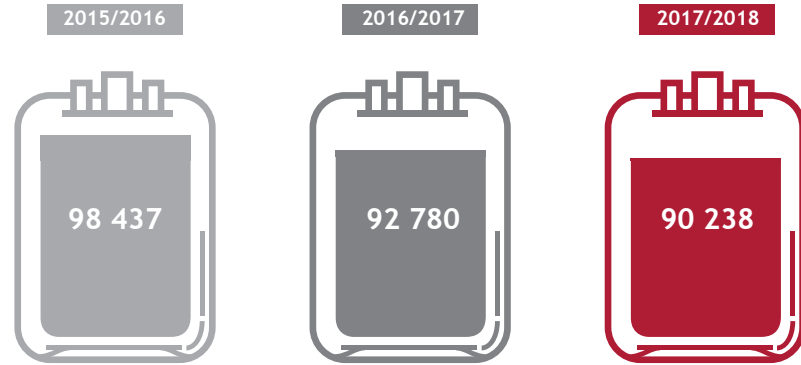


Marking 50 years of existence and opened its Fractionation Plant at Beaconvale, Parow.

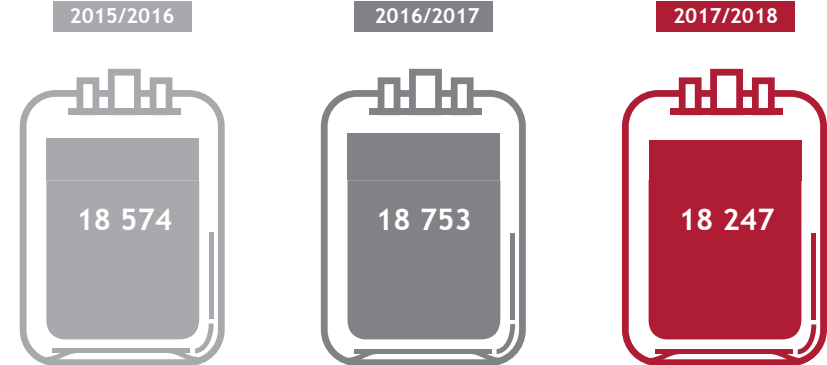
1988

BLOOD DONATIONS COLLECTED AT CLINICS

Cape Peninsula



Worcester



Paarl



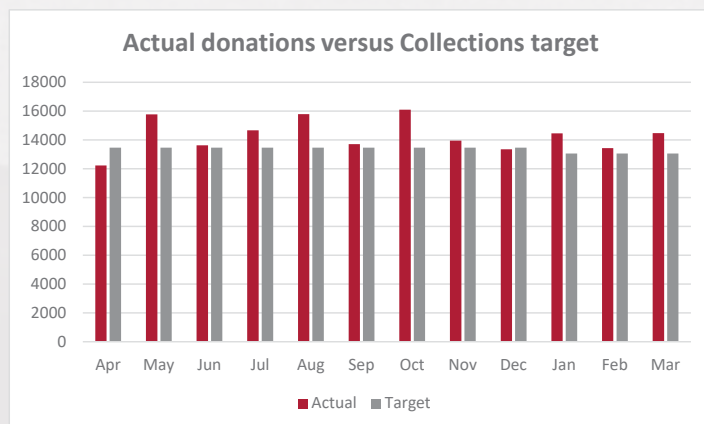
George



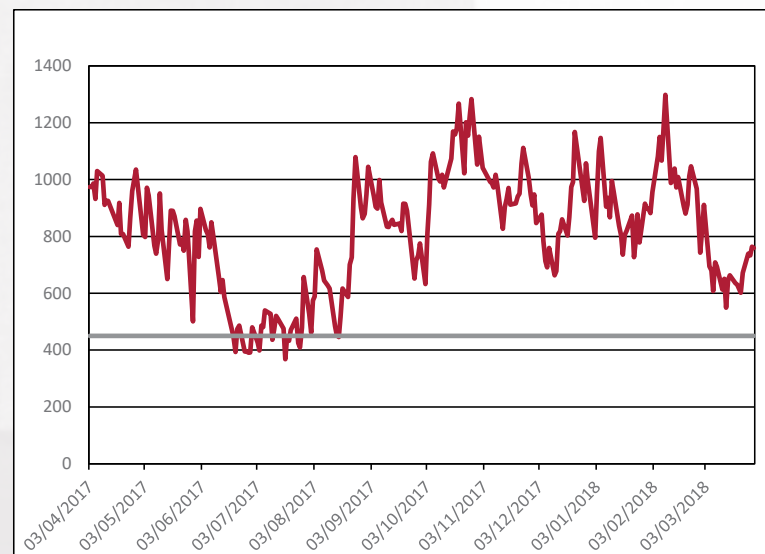


SUFFICIENT BLOOD

Donations collected generally met or exceeded monthly targets. In an effort to alleviate transient group O stock shortages during the winter period when demand is higher, collections targets have been weighted up by 10% for the months of May to August 2018.



GROUP O BLOOD PRODUCT LEVELS





DONOR & CLINIC INFORMATION

	2015/2016	2016/2017	2017/2018
Number of first time (new) donors	22 840	20 638	23 538
Total number of donors who donated	70 767	69 375	70 434
New clinics opened	20	21	23
Average donation frequency (per year per donor)	2.14 donations	2.15 donations	2.11 donations

SPECIALISED DONOR SERVICES INFORMATION

	2015/2016	2016/2017	2017/2018
Autologous donations	16	6	9
Designated donations	37	36	77
Therapeutic donations	2 793	3 348	3 354

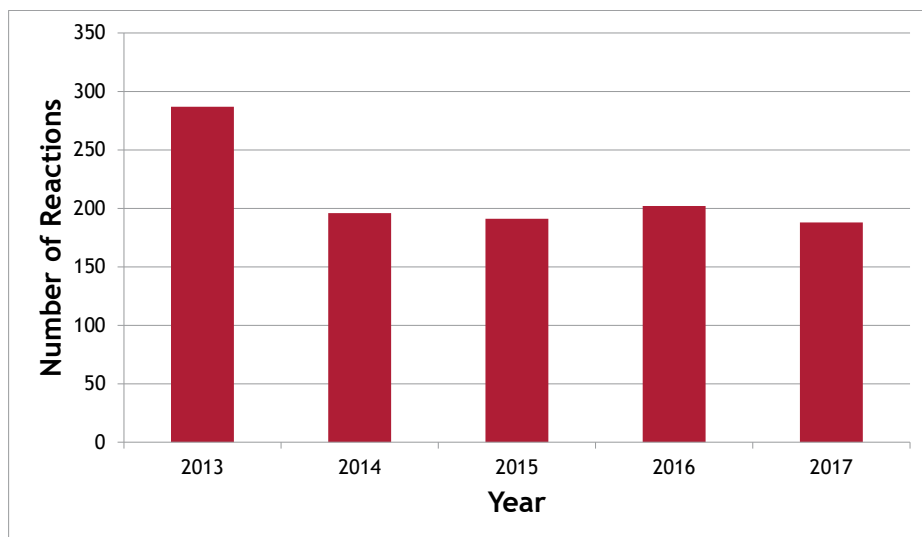
OVERALL PRODUCTS MANUFACTURED AND ISSUED

	Product	Manufactured	Issued
Plasma products	Cryoprecipitate	15 694	14 920
	Adult fresh frozen plasma products	23 604	22 616
	Leucocyte reduced adult fresh frozen plasma products		276
	Paediatric fresh frozen plasma products	690	594
	Leucocyte reduced paediatric fresh frozen plasma products		43
Platelet products	Adult single donor platelet products	4 581	4 103
	Paediatric single donor platelet products	1 305	746
	Pooled platelet products	6 784	5 560
Red cell products	Infant products	1 998	1 799
	Paediatric products	764	702
	Leucocyte reduced red cell product	32 810	31 665
	Emergency leucocyte reduced red cell product		703
	Red cell products	112 727	96 435
	Emergency red cell products		8 985
Whole blood	Whole blood	921	357
	Emergency whole blood		83



ADVERSE TRANSFUSION REACTIONS (2013-2017)

In South Africa, it is a statutory requirement that adverse reactions are reported. Reporting of adverse reactions and events (i.e. the undesirable and unintended occurrences associated with transfusion) helps us monitor the safety of our operations and products.



Confirmed positive test results

	2015/2016	2016/2017	2017/2018
Hepatitis B	73	63	80
Hepatitis C	1	5	2
HIV	51	52	66
Syphilis	82	74	79

	2015/2016	2016/2017	2017/2018
Allergic	79	93	81
Febrile	57	65	71
Anaphylactic	13	10	8
Hypotensive	2	4	2
Misdirected transfusion	6	2	5
Acute haemolytic reaction	1	0	0
Delayed haemolytic reaction	0	0	0
TRALI (transfusion related acute lung injury)	1	0	0
TACO (transfusion associated circulatory overload)	0	2	2
Total	159	176	169

OUR STAKEHOLDER LANDSCAPE

WPBTS recognises that building and maintaining relationships with our stakeholders is a key priority. The Service actively engages with these stakeholders and their feedback informs and influences our activities and initiatives.

In April 1990, the Service moved to its current head office in Pinelands, Cape Town.

1990

CURRENT AND POTENTIAL BLOOD DONORS

How we engage:

Interactions at blood donor clinics and drives, recruitment calls, SMSs and e-mails, "The Blood Buzz" quarterly newsletter, annual donor survey, social media, donor awards function, feedback mechanisms, website, educational and motivational talks, marketing and advertising campaigns, research and surveys.

Our 2017/18 activities:

- Commitment campaign.
- Electronic Donor Survey.
- Increased digital marketing presence.
- Sponsorship of refreshment stations at big sporting events.
- YouTube campaign.
- Peer Promoter Programme.
- Annual donor commitment campaign.
- WP Blood Mobile Application launched in June 2017 with 6 435 registered users.
- E-mail recruitment and e-newsletters launched in December 2017.



23 085 Donor Awards



27 336 total Facebook likes



1 044 total Instagram followers



2 126 total Twitter followers



165 943 website sessions, with 64 625 users



59 blood grouping/Hb screening sessions



46 donor registration exhibitions



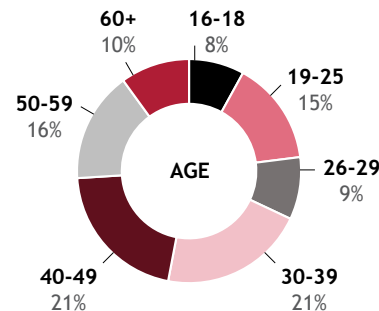
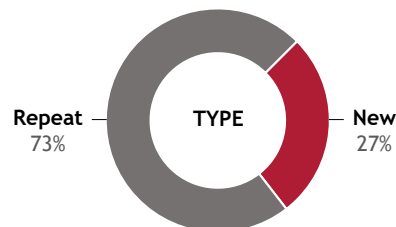
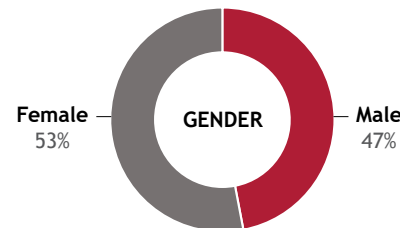
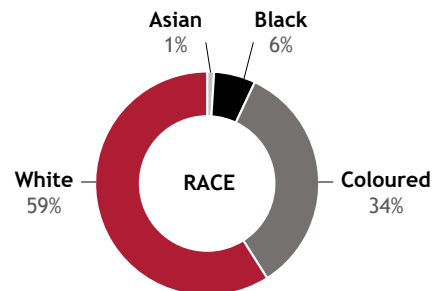
46 wellness exhibition events



40 educational talks



15 tertiary exhibitions

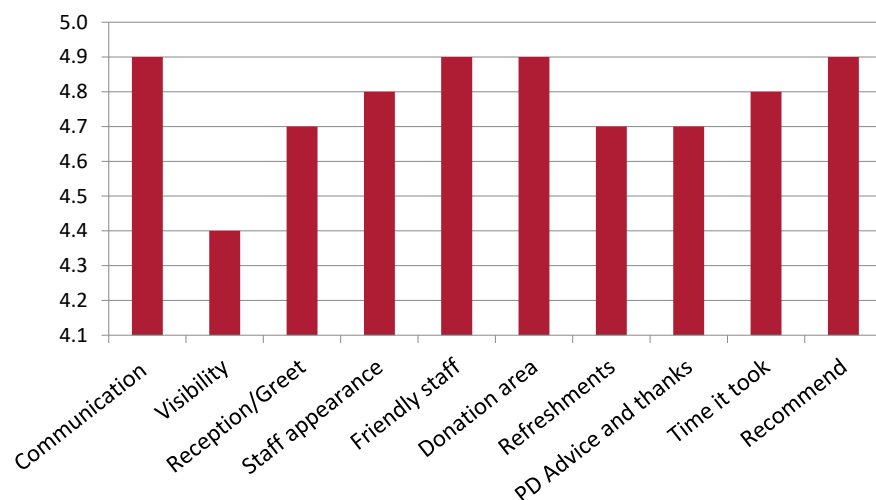


WPBTS recognises the need to regularly review our understanding of the needs and interests of two of our biggest stakeholders, blood donors and blood users.

DONOR SATISFACTION SURVEY

Without the continued altruism of blood donors the provision and delivery of quality, safe and adequate blood products and services would not be possible. The donor survey gives a good overview of customer service at all WPBTS blood donor clinics.

A comprehensive annual donor satisfaction survey was conducted during November 2017 with 3 571 participants throughout the Province.



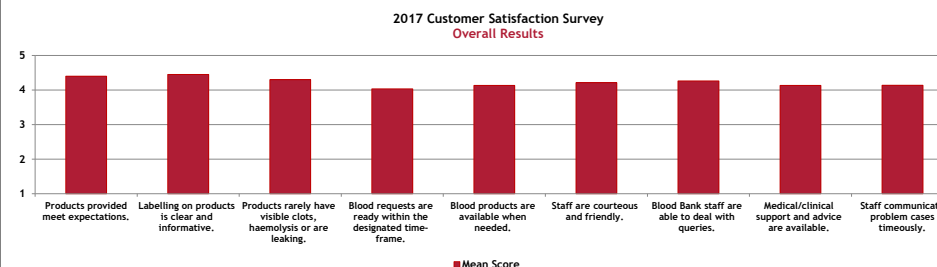
With a 95% overall score, donors were generally very happy with the service they received at blood donor clinics. It was also very positive that 97% of donors would recommend WPBTS to people considering donating blood. Areas for improvement (90% and below) include the visibility of clinics and signage. The comments sections offered valuable insights and suggestions for improvement.

The results from this survey inform our strategy review and business planning processes, and guide decision-making.

BLOOD USER/CUSTOMER SATISFACTION SURVEY

WPBTS conducts an annual blood user/customer satisfaction survey as part of its ongoing process to monitor the quality of service provided. The outcomes are analysed to identify areas for improvement in product quality and service delivery. The 2017 blood user customer satisfaction survey was distributed to a total of 31 hospitals across the Province from November to December 2017 and responses were received from 1 376 individual participants.

The survey results indicated that blood users are generally satisfied with the quality of blood products, service delivery at the Blood Banks, product availability and their experiences with dealing with WPBTS staff members.



Score legend: 1 = Strongly disagree, 2 = Disagree, 3 = Indifferent, 4 = Agree, 5 = Strongly agree. When more than one score was completed for the same statement, the score was not counted. Areas/parameters which scored less than 4 were acted upon by the relevant department.



BLOOD USERS

Provincial government, public hospitals, medical aid schemes, hospital management and clinicians.

How we engage:

Annual meetings to discuss price increases, Blood users' committee meetings, Training of 3 haematology and 1 clinical pathology registrar. Service Level Agreements (SLAs).

Our 2017/18 activities:

- Blood user customer satisfaction survey.
- 40% private vs 60% state use.
- CPD seminars and Hot Topics seminars.
- Clinical usage reports and audit.
- 'Ordering and administration of blood products' DVD.
- Clinical Guidelines for the Use of Blood Products in South Africa, 5th edition.

BLOOD RECIPIENTS

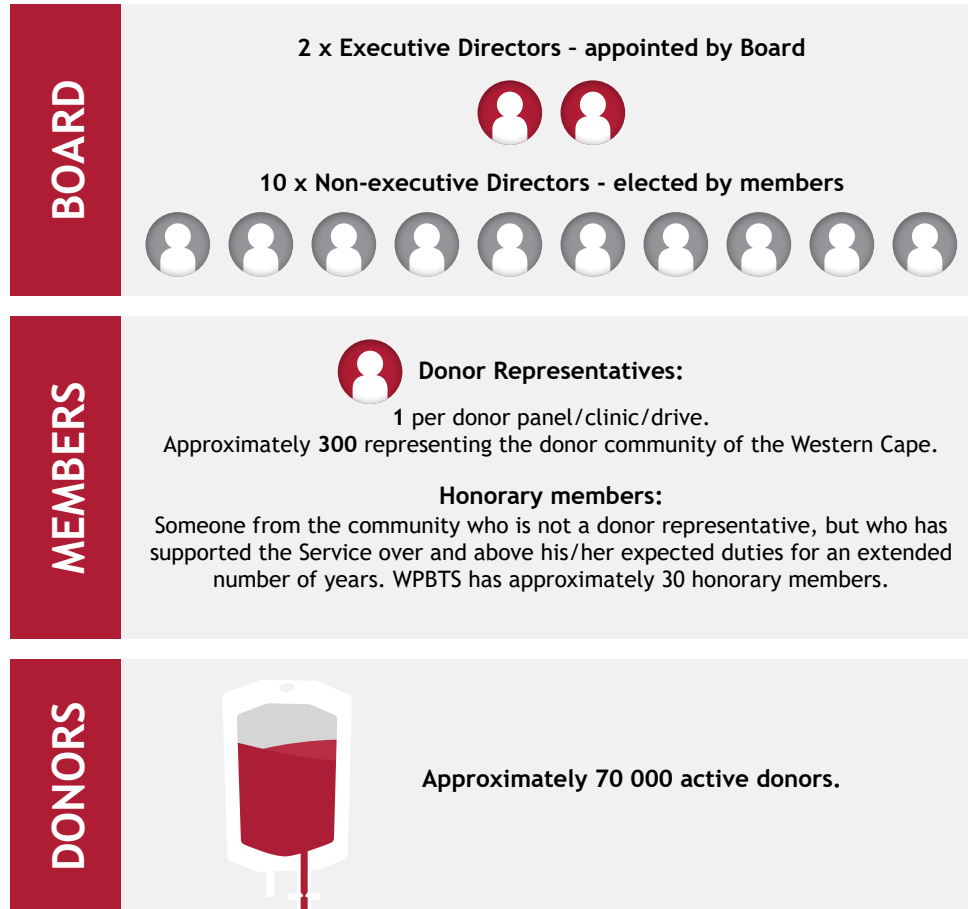
How we engage:

Detailed accounts including information on donor claims, communication via clinicians.

Our 2017/18 activities:

- Haemovigilance programme.
- Transfusion Transmission Lookback Programme.

MEMBERS



How we engage:

- Donor representative function
- Annual General Meeting

Our 2017/18 activities:

- Developed Terms of References for the Audit, HR and Risk & Governance Committees.
- Compliance management through Lexis Nexis alerts and checks by the Company Secretary on relevant legislation.
- Donor representative challenge during July and August 2017.
- Donor representative informational booklet.
- Donor representative recognition through a point-based award system.
- 4 Board members attended the South African National Blood Transfusion Congress.



EMPLOYEES

How we engage:

New employee induction, annual employee wellness day, formalised performance appraisal process, daily meetings with visual management boards, Directorate road shows, high performance team meetings, Gemba walks, “From the Heart” e-mail notices, “Remarkable Chronicles” quarterly internal newsletter, Journal Club talks (sharing experiences from congresses attended and research done), long service awards.

Our 2017/18 activities:

- Continuous Improvement Programme.
- Supervisory Development Programme.
- Health Professions Council of South Africa (HPCSA) national board exams.
- In-house training.
- Bursaries.
- WPBTS staff members contributed R 9 468 towards Casual Day, Slipper Day and Tekkie Tax day + 254 packets of sanitary products supplied to Homelands Ladies without Sanitary Towels as their Mandela Day initiative.
- Knowledge sharing: 40 staff members attended local conferences and 1 attended an international congress.

UNIONS

PSA (Public Servants
Association of South Africa)

How we engage:

Ongoing labour forum meetings, discussions regarding workplace issues and annual wage negotiations.

Our 2017/18 activities:

- Bi-monthly labour forum meetings.
- Quarterly Employment Equity Committee meetings.

THE MEDIA

How we engage:

Targeted media releases, direct communication to build public awareness.

Our 2017/18 activities:

- The total advertising value equivalent (AVE) for the period, measured as an equivalent of advertising rates, was valued at R8 924 245.
- 183 interviews.
- 3 623 items of editorial media coverage across print, online and radio channels.

SUPPLIERS AND VENDORS

How we engage:

Supplier registration process,
Service Level Agreements (SLAs).

Our 2017/18 activities:

- Vendor audits.
- Tariff negotiations and agreements.

REGULATORS AND POLICY MAKERS

National and Provincial Department of Health, Western Cape Government

How we engage:

Relationship and contact channels via Director General of Health with direct access to the Minister.

Our 2017/18 activities:

- Part of committee on Water Supply Preparedness Plan with the Western Cape Government.
- Meetings with WCDoh and NDoH.

NATIONAL BIOPRODUCTS INSTITUTE (NBI)

How we engage:

Regular meetings and audits.

Our 2017/18 activities:

- Supply of 26 269 litres of plasma from which medicinal products are manufactured.

SOUTH AFRICAN NATIONAL BLOOD SERVICE (SANBS)

How we engage:

National Blood Safety meetings.
National Haemovigilance Report.
Bi-annual SA National Blood Transfusion Congress (SANBTC).
South African Society for Blood Transfusion (SASBT).
National Marketing Campaigns.

Our 2017/18 activities:

- Supplied 635 units to SANBS.
- Co-organisation of SANBTC.
- IT department interactions working towards a shared donor and recipient database and BCP.
- Varsity Cup campaign.

RELATED ORGANISATIONS

Including The South African Bone Marrow Registry, Organ Donor Foundation, Safe Blood for Africa Foundation, Africa Society of Blood Transfusion (AfSBT), International Society of Blood Transfusion (ISBT), WHO, AABB, Namibian Blood Transfusion Service (NBTS), SA Haemophilia Foundation, CHOC, CANSA

How we engage:

Collaboration on common policies, procedures and standards.
Promotional campaigns.
Congress attendance.

Our 2017/18 activities:

- 34th South African National Blood Transfusion Congress, Sun City.
- ISBT Regional Congress, Copenhagen, Denmark.
- Global Database for Blood Safety report submitted to WHO.

WHOLE BLOOD

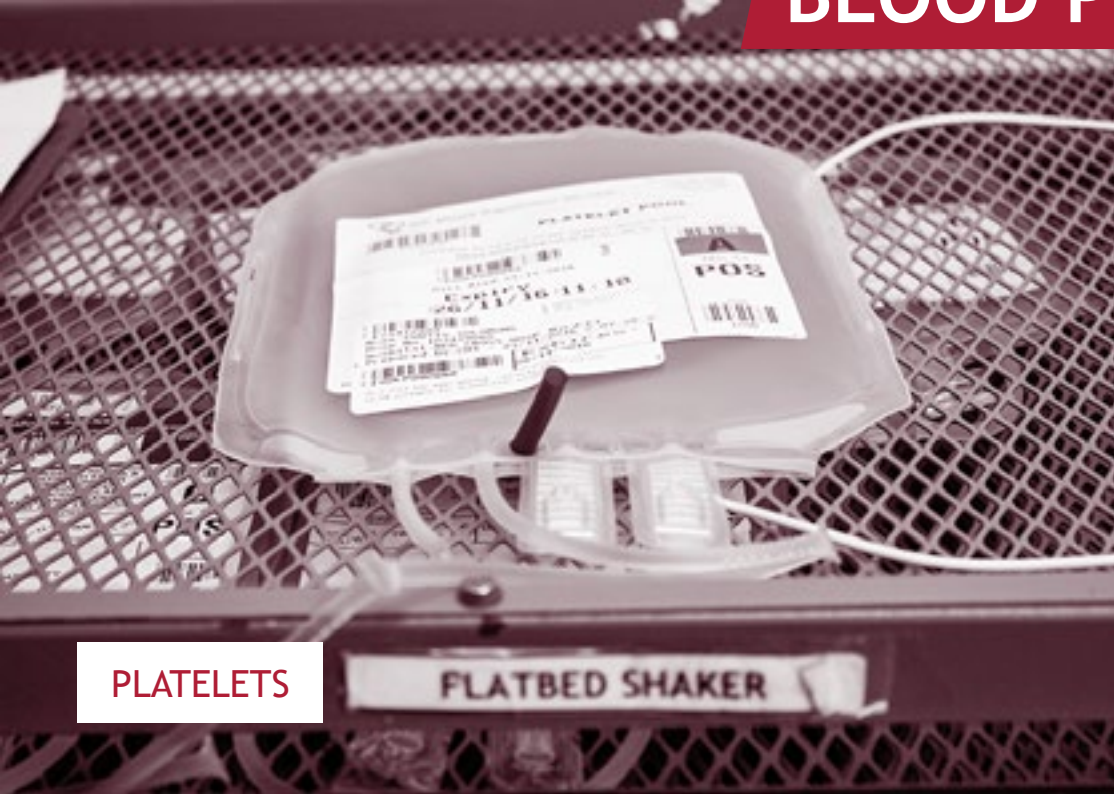


RED BLOOD CELLS CONCENTRATE



BLOOD PRODUCTS

PLATELETS



PLASMA



OUR RISKS AND OPPORTUNITIES

A comprehensive high-level strategic risk assessment (SRA), including workshops with senior management and interviews with key committee members, was conducted in 2014, with the outcome being a detailed Risk Register. A total of 23 significant risks were identified, with 13 having “high” or “critical” inherent risk ratings. All risks were reviewed and control measures were identified to mitigate each. After the application of preventative and corrective measures, the residual risks were categorised as “acceptable” and “to be monitored”. Risk assessment is an integral part of strategic planning and oversight of risk is exercised by the Board of Directors regularly.



STRATEGIC RISKS

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner
Donor Risk			
<ul style="list-style-type: none"> Limited or Insufficient blood supply Donor fatigue 	High	Acceptable	CEO/Medical Director
Recipient Risk			
<ul style="list-style-type: none"> Safety of blood products Transmission of infection 	High	Monitor	CEO/Medical Director
Transfusion Risk			
<ul style="list-style-type: none"> Safety of blood products Incompatible blood transfusions 	Critical	Monitor	CEO/Medical Director
Medical risk to the donor			
<ul style="list-style-type: none"> Iron deficiency Taking donations from donors with underlying disorders 	High	Acceptable	CEO/Medical Director
Decrease in sales due to more restrictive transfusion practice	High	Monitor	CEO/Medical Director

FINANCIAL RISK

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner
Financial sustainability			
<ul style="list-style-type: none"> Insufficient cash flow - sustaining operations as current entity Exchange rate risk 	High	Monitor	CFO/ Corporate Services Director

COMPLIANCE RISK

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner
Non-compliance with key legislation			
<ul style="list-style-type: none"> National Health Act (NHA) Self-regulatory environment SAHPRA/MCC Protection of Personal Information Act (POPIA) 	High	Monitor	CEO/Medical Director

OPERATIONAL RISKS

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner
Damage to/failure of key technical/specialised equipment <ul style="list-style-type: none"> Loss of product Downtime on automated testing of samples 	High	Monitor	CFO/ Corporate Services Director
Security and safety risk <ul style="list-style-type: none"> Damage to infrastructure/assets Safety of staff/clinics with civil unrest, protest action/crime 	High	Monitor	CEO/Medical Director
Inadequate IT infrastructure, processes and resources	High	Monitor	CFO/ Corporate Services Director
Medical risk to staff safety <ul style="list-style-type: none"> Needle stick injury with exposure to potentially infectious blood products 	High	Monitor	CEO/Medical Director
Inadequate staffing/attraction and retention of specialists/scarcity of specialist skills	High	Monitor	CFO/ Corporate Services Director
Inability to find compatible blood in sub-groups of multi-transfused recipients	High	Monitor	CEO/Medical Director
Infrastructure risk: Water and Electricity	High	Monitor	CFO/ Corporate Services Director

The Board reviews the risk register and risk management processes regularly. The risk management process identifies all risks that relate to the core business of WPBTS (mission statement) and that will impact our ability to meet strategic objectives. The existing control measures identified to mitigate the residual risk ratings were reviewed to ensure that they are maintained and to establish whether new or additional controls should be applied to the relevant risks to ensure that these risks do not escalate in the future.



Introduction of DNA testing for Paternity.

1996

PERFORMANCE REVIEW

WPBTS's mission statement is fulfilled by remaining dedicated to providing the safest blood products, efficient service to the community, operating at the highest professional and ethical standards, yet remaining a viable organisation. The following formed the basis of the Service's Key Performance Indicators (KPIs) and strategic targets for 2017/18, based on the pillars of Compliance, Sufficient blood, Blood donor and recipient safety and Sustainability.



The Service started testing individual donations using Nucleic Acid Testing (NAT) on the two Tigris instruments.

2005

	Service Key Performance Indicators	Score	Weighting	Weighted Score
COMPLIANCE	1. Following the annual audit by the South African National Accreditation System (SANAS) in July 2016, a total of 17 corrective actions were required.	100%	15%	15%
	2. An annual safety audit was conducted by Safe Working Practices in February/March 2018. A score of >91% was obtained at each site.	110%	10%	11%
SUFFICIENT BLOOD	3. Reb blood cell (RBC) stocks fell below 450 Group O blood group daily for three consecutive days.	0%	10%	0%
	4. Platelet stocks were maintained for the entire year.	100%	5%	5%
SAFETY	5. The average number of donor adverse reactions (DAR) for 2017/18 were 1.27% of total units collected.	50%	10%	5%
	6. The total number of donors falling into risk categories, and were bled during their deferral period, were 3.	120%	10%	12%
SUSTAINABILITY	7. The number of under/overweight units was 1 539 for 2017/18.	100%	10%	10%
	8. Pathogen reduction technology was not implemented. ¹	0%	0%	0%
	9. Departmental Continuous Improvement (CI) impact projects were completed 100%, average score for 4 module maturity assessments was 80%.		10%	8%
	10. WPBTS maintained the existing financial ratios (current ratio, acid test ratio, debtors days, creditors settlement and debt/equity %) equal or above industry norms following the year-end financial audit.	100%	10%	10%
	TOTAL		90%	76%

Note 1: The final calculation was only out of 90, as the implementation of Pathogen Reduction Technology, which was outside of WPBTS's complete control, was removed from the calculation.

Following the financial audit and based on KPI achievements, the score for 2017/18 was 84.44% (76/90).

TBH Blood Bank evaluated and validated a fully automated analyser capable of performing blood grouping, antibody identification and crossmatching.

2005

GOVERNANCE

The WPBTS Board of Directors are made up of ten independent non-executive directors and two executive directors.

OUR BOARD



Dr Greg Bellairs (54)

Executive Director

BOARD TENURE IN YEARS: 10

COMMITTEES:
All committees

QUALIFICATIONS:
WPBTS CEO & Medical Director [BSc, MBChB, MBA (UCT), Postgraduate Diploma in Tfn Med (UFS)]

OTHER DIRECTORSHIPS:
South African Society of Blood Transfusion



Ms Nicky du Toit (54)

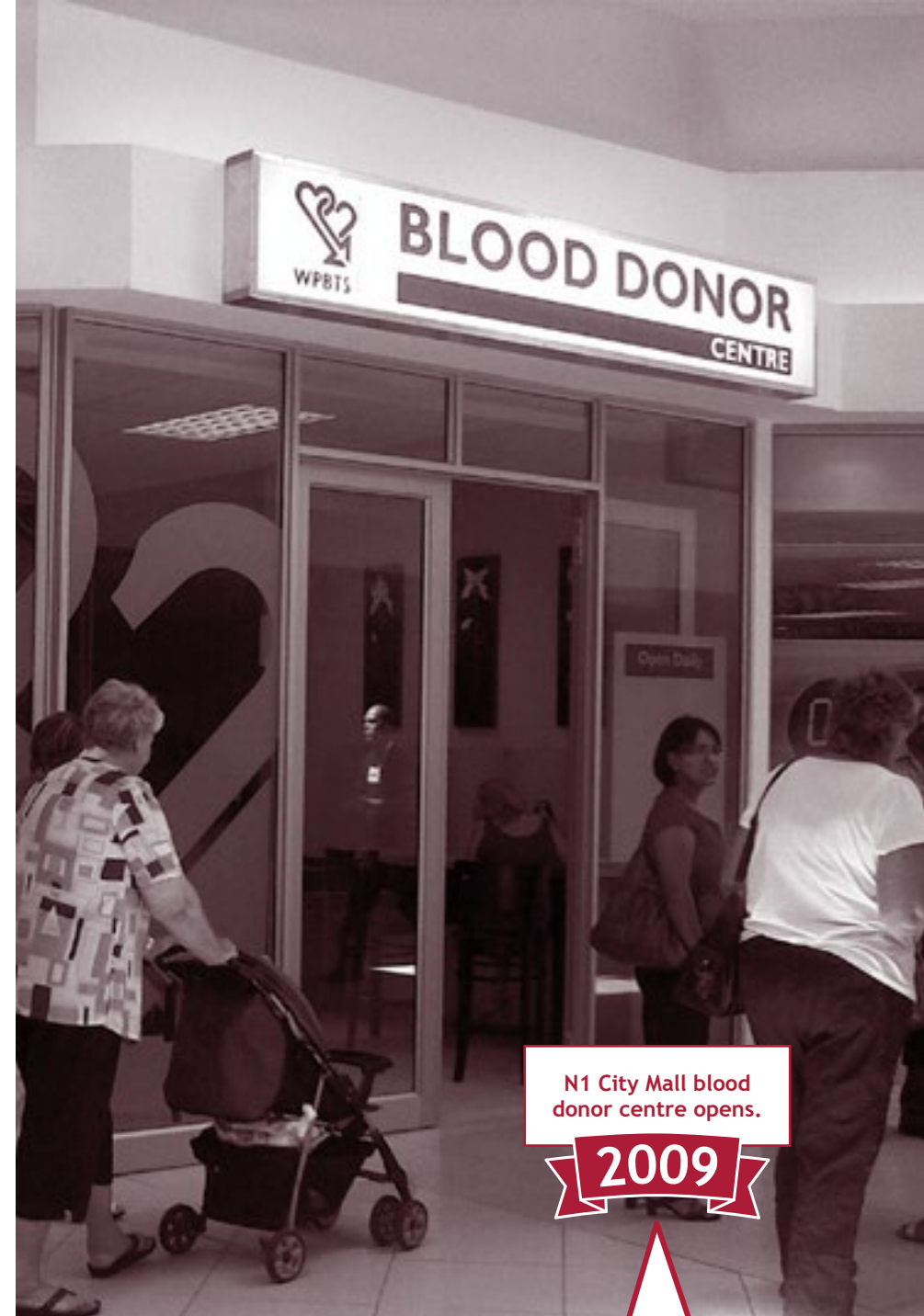
Executive Director

BOARD TENURE IN YEARS: 6

COMMITTEES:
All committees

QUALIFICATIONS:
WPBTS CFO and Corporate Services Director [B.Compt & Advanced Certificate in Tax]

OTHER DIRECTORSHIPS:
South African Society of Blood Transfusion



N1 City Mall blood donor centre opens.

2009



Dr Arthur Bird (71)

Non-Executive Director

BOARD TENURE IN YEARS: 25*

COMMITTEE:
Social & Ethics

QUALIFICATIONS:
Executive leadership, Transfusion Medicine [MBChB (UCT), M.Med. (Path) (Haem) (UCT), F.C.Path (Haem) (SA)]

* Includes period as CEO/Medical Director.



Mr Mervyn Burton (60)

Non-Executive Director

BOARD TENURE IN YEARS: 7

COMMITTEES:
Risk & Governance
Audit (Chair)
Finance & IT

QUALIFICATIONS:
Chartered Accountant [B Compt., B Compt. (HONS), CA (SA)]

OTHER DIRECTORSHIPS:
Ilimalethu Consulting, Africa Society for Blood Transfusion, L&C Messaris Brothers Manufacturing, Cullinan Holdings, SA Maritime Authority, Cape Nature



Prof Brian Figaji (74)

Non-Executive Director

BOARD TENURE IN YEARS: 13

COMMITTEES:
Audit
Remuneration & Nominations (Chair)

QUALIFICATIONS:
Education / Management / Engineering [B Sc (UWC), B Sc (Eng) (UCT), GDE (UCT), DTE (UNISA), M Ed (Harvard), D Litt (hc) (Cal State), D Ed (hc) (Coventry)]

OTHER DIRECTORSHIPS:
I & J Ltd, Marib Holdings, Entilini Operations, Jet Education Services, CDE, Wesgro, Oasis Controlling Company, Nedbank Green Trust



Dr Andrea Huggett (44)

Non-Executive Director

BOARD TENURE IN YEARS: 4

COMMITTEES:
Social & Ethics
Finance & IT

QUALIFICATIONS:
Medical Doctor [MBChB (UCT), Diploma in Emergency Care, MBA (UCT), Post Graduate Diploma in Financial Planning (UOFS)]



Prof Vernon Louw (49)

Non-Executive Director

BOARD TENURE IN YEARS: 3

COMMITTEES:
Risk & Governance
Social & Ethics

QUALIFICATIONS:
Clinical Haematologist [MBChB (Stell), MMed (Int.Med) (Stell), FCP (SA), PhD (HPE) (UFS), Registered Specialist Physician and Clinical Haematologist]

OTHER DIRECTORSHIPS:
Prof Vernon J Louw Inc



Mr Dumisane Ndebele (51)

Non-Executive Director

BOARD TENURE IN YEARS: 5

COMMITTEE:
Remuneration & Nominations

QUALIFICATIONS:
Human Resources Director, Pathcare
[BA degree, BSoc Sc (Hons), PDM (Post
Graduate Diploma in Management),
Certificate in Strategic HR Planning
and CEDR Mediator]

OTHER DIRECTORSHIPS:
Uthando Boran and Nguni Stud Pty Ltd



Mr Nazir Parker (55)

Non-Executive Director

BOARD TENURE IN YEARS: 16

COMMITTEES:
Remuneration & Nominations
Finance & IT

QUALIFICATIONS:
Attorney, Parker Holt Attorneys
[B.Proc, MBL, Admitted attorney,
Conveyancer and Notary]



Mr Roger Ramsbottom (71)

Non-Executive Director

BOARD TENURE IN YEARS: 26

COMMITTEES:
Audit
Finance & IT (Chair)

QUALIFICATIONS:
Business Management / Chartered
Accountant [CA (SA) (retired), CTA
(UCT), BComm (Hons) (UCT)]



Mr Paul Slack (61)

Non-Executive Director

BOARD TENURE IN YEARS: 14

COMMITTEES:
Risk & Governance
Remuneration & Nominations
Finance & IT

QUALIFICATIONS:
Chartered Accountant
[B Comm (Hons) Financial
Management, CA (SA)]

OTHER DIRECTORSHIPS:
National Alliance for Development
of Community Advice Offices,
South African Oil and Gas Alliance,
Saldanha Bay IDZ, Western Cape
Nature Conservation Board



Mr PJ Veldhuizen (46)

Non-Executive Director

BOARD TENURE IN YEARS: 3

COMMITTEES:
Risk & Governance (Chair)
Social & Ethics
Finance & IT

QUALIFICATIONS:
Lawyer [B Proc., Cert. Tax, LLM, MBA,
Adv. Corp Law & Securities]

OTHER DIRECTORSHIPS:
Gillan and Veldhuizen, Warwick Trust
and Estates, Cape Town Stadium



Dr Charlotte Ingram (61)

Non-Executive Director

BOARD TENURE IN YEARS: 1

COMMITTEES:
Social & Ethics

QUALIFICATIONS:
Haematologist, CEO South African Bone Marrow Registry, Medical Doctor (MBBCh) (Wits), FCPATH (Haem) (CMSA), MMed Haem (Wits) Subspeciality Clinical Haem MBA (Wits)



Ms Irene van Schalkwyk (40)

Company Secretary

BOARD TENURE IN YEARS: 3

QUALIFICATIONS:
WPBTS Manager: PR, Promotions and Planning; Company Secretary [B.Tech Language Practice (TUT), MBA (UFS), Company Secretarial and Governance Practice (ICSSA)]

BLOOD DONATION CENTRE

Blue Route Mall blood donor centre opens.

2013

BOARD COMMITTEES 2017/2018

AUDIT COMMITTEE

The Audit Committee is required to report in terms of section 94(7)(f) of the Companies Act, Act 71 of 2008 on:

- How the Committee carried out its functions;
- The independence of the auditor of the company; and
- Commenting on the financial statements, the accounting practices and internal control of the company.

The Committee considers that it has adequately performed its duties in terms of its mandate, King IV and the Companies Act 2008, as amended.

In line with the International Financial Reporting Standards and Corporate Governance, this Committee must ensure Risk Management Oversight as well as responsible and transparent assurance processes. The Committee meets several times a year to review company financial statements, and monitor the mechanisms of financial reporting. There is a separate Risk Committee which reports to the Board. To ensure congruency and oversight between the Audit Committee and the Risk Committee, the chair of the Audit Committee has a seat on the Risk Committee.

The Audit Committee is comprised of three non-executive directors. The senior management dealing with the financial affairs of the company have no voting powers. Two meetings were held during the year and were also attended by the auditors, currently Ernst and Young (EY).

In terms of its mandate, this Committee is required inter alia to:

- Review the annual financial statements of the Service.
- Ensure that the financial statements are prepared

in accordance with International Financial Reporting Standards.

- Review the accounting policies adopted by the Service and any changes thereto.
- Consider the going concern principles and reasons for recommendation to the Board.
- Make recommendations on the appointment of the external auditors and their fees.
- Evaluate the independence and effectiveness of the external auditors, consider any non-audit services by such auditors; and whether the rendering of such services would substantially affect their independence.
- Agree the annual audit plan and audit budget with External Auditors.
- Review the effectiveness of management information, the annual audit and the internal system of controls.
- Monitor compliance with applicable legislation and regulatory aspects.
- The Board has assessed the need for a separate Internal Audit Function. The Board's decision is that the organisation does not currently require this function as it mitigates its risks through a rigorous Enterprise Risk Management System and the utilisation of Combined Assurance Principles which includes the work of our External Auditors, Management Controls and Third Party and Internal operations and quality audits which are compulsory for this type of Entity.
- Mandatory Audit Firm Rotation (MAFR) (effective 1 April 2023) does not apply to WPBTS, as the company does not fall into the definition of a Public Interest Entity (PIE). In addition, the external audit partner, Pierre du Plessis, has been a partner for two years, and will therefore rotate in 2021.

- In addition, members of this Committee recommend the payment of the performance bonus which is based on several key performance indicators.

The Committee performed all its duties as set out above.

The Committee and Board had considered the skills, qualifications and performance of the Chief Financial Officer, Nicky du Toit, and are unanimously satisfied with her suitability for the position and her competence in handling the finance function.

The external auditors have unlimited access to the chairperson of the Committee and the monthly management reports received by the executives on day-to-day matters.

The Committee is satisfied that the 2018 audit conducted by the external auditors was independent and concurs with the audit report. The auditors' report is included in the annual financial statements which can be viewed here. [80](#)

Mervyn Burton

Chairman: Audit Committee

WPBTS changed its donor acceptance criteria regarding male-to-male-sex (MSM).

2014

HUMAN RESOURCES COMMITTEE

The Human Resources (HR) Committee has oversight of all Human Resources related matters including remuneration and reward, legal compliance, best practice and governance.

This Committee ensures that the general remuneration strategy of the organisation is in line with industry standards. WPBTS continues to provide market-related salaries and a comprehensive benefits package, enabling us to attract and retain skilled staff. Wherever and whenever possible, we strive to appoint demographically representative staff with the appropriate skill sets. The current remuneration policy at WPBTS includes individual performance measurement and reward.

The HR Committee is comprised of four non-executive directors and two executive directors. The WPBTS HR Manager is co-opted to attend meetings when required. The HR Committee had three meetings in the 2017/2018 period. Issues relating to remuneration were however comprehensively addressed at the full Board Meetings. This Committee was renamed from the Remuneration and Nomination Committee to the Human Resources Committee to better reflect its mandate and responsibilities as per its Terms of Reference.

The HR Committee, as per its Terms of Reference, is responsible for the following:

- Review and maintain appropriate human resources and remuneration policies and recommend any changes to the Board for approval.
- Monitor the implementation of relevant labour legislation.
- Monitor transformation policies in terms of employment equity and reporting to the Department of Labour.
- Oversee the setting and administering of remuneration bands at all levels in the company and recommend


final framework to the Board.

- Oversee the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
- Advise the Board on the remuneration for executive and non-executive directors.
- Propose annual mandates for salary increases for Board approval.
- Approve annual performance bonus payments in terms of pre-approved rules.

WPBTS set remuneration at levels that attract, retain and motivate the appropriate calibre of directors and staff. In pursuit of the remuneration objectives the Service regularly benchmarks the existing salary bands against appropriate external remuneration levels. Further, the WPBTS requires each employee to be appraised annually against a clear set of key performance indicators (KPIs). Their performance is used to determine salary increases and performance rewards.

Key areas of focus during the reporting period included remuneration benchmarking and legislative compliance.

It remains a challenge for WPBTS to recruit scarce skills such as Medical Technologists, Professional Nurses and other support services.

The HR Committee is satisfied that it has fulfilled its obligation in accordance with its Terms of Reference for the reporting period. The HR Committee will in the upcoming year review the Service's remuneration policy and continue to deliver on its mandated responsibilities. 

Brian Figaji
Chairman: HR Committee



RISK AND GOVERNANCE COMMITTEE

As per King IV recommendations it gives me pleasure in providing the following report.

The Risk and Governance Committee is responsible for the governance of risk, identification of potential risk issues, compliance with good corporate governance, applicable legislation and for communication of identified risk areas to the Board.

The Risk Committee comprises of three non-executive directors and the two executive directors. External advisers are co-opted to attend meetings when required. Notwithstanding the composition of the Committee, risks identified by executive management are frequently considered at the main Board meetings or by a round-robin email and debated immediately rather than delaying decision-making by first having to serve the Committee level. This, in my view, remains as in previous years, particularly efficient.

Even though the Committee didn't meet during the 2017/18 financial year, potential risks such as the water crises, were identified and dealt with at the main Board and risk mitigation processes were put in place in the event that day-zero had arrived. These processes remain in place as it is likely that water in the Western Cape will remain a significant concern.

In addition, the main Board continues to consider:

- Rotation of directors with a focus on transformation;
- The National Blood Programme;
- Possible transfusion transmitted infections and medico-legal issues.

Single Blood Service

In the 2016/2017 Risk and Governance Board Committee Report the uncertainty of the continued validity of the current WPBTS license issued under previous legislation in the light of the National Health Act's requirement for a single license transfusion service was highlighted. The service instructed a junior and a senior advocate of the Cape Bar to provide a written opinion on the question of the continued validity. Both the junior and senior advocate advised in writing that the Service's current licence remains valid.

Additional Ongoing Risks

- Recipient risk - blood product safety.
- Donor risk - regularity of donations and donor fatigue.
- Succession Planning.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the reporting period. 80

PJ Veldhuizen

Chairman: Risk and Governance Committee



FINANCE AND IT STEERING COMMITTEE

The Committee comprises six non-executive directors, and two executive directors. External advisers are co-opted to attend meetings when required.

The Finance and IT Committee reports to the Board on a number of matters and is therefore directly involved in the following:

- Ensuring the Service's accountability for the proper use of funds.
- Supervising the financial position of the Service.
- Financial supervision of the Service's assets.
- Providing information to the Board, Risk Committee and Audit Committee to support the overall management of IT Governance.
- Overseeing the execution of the IT strategy.
- Monitoring the execution of the IT governance arrangements.


Even though the Committee didn't meet, the following IT projects were monitored through the Board:

- In 2017/2018 WPBTS IT launched a self-service IT Call Logging solution and process, whereby consumers of IT services within the organisation were enabled to log their own IT service requests and issues without having to make a phone call. This helped improve the efficiency and quality of service that consumers of IT received from the IT department.
- A new strategy was launched during the year which focussed on internal IT Process Improvement. The formulation of an 'ICT Planning Process' and the development of a WPBTS 'Project Methodology' were key points of this strategy.

The objectives of the two IT projects were to:

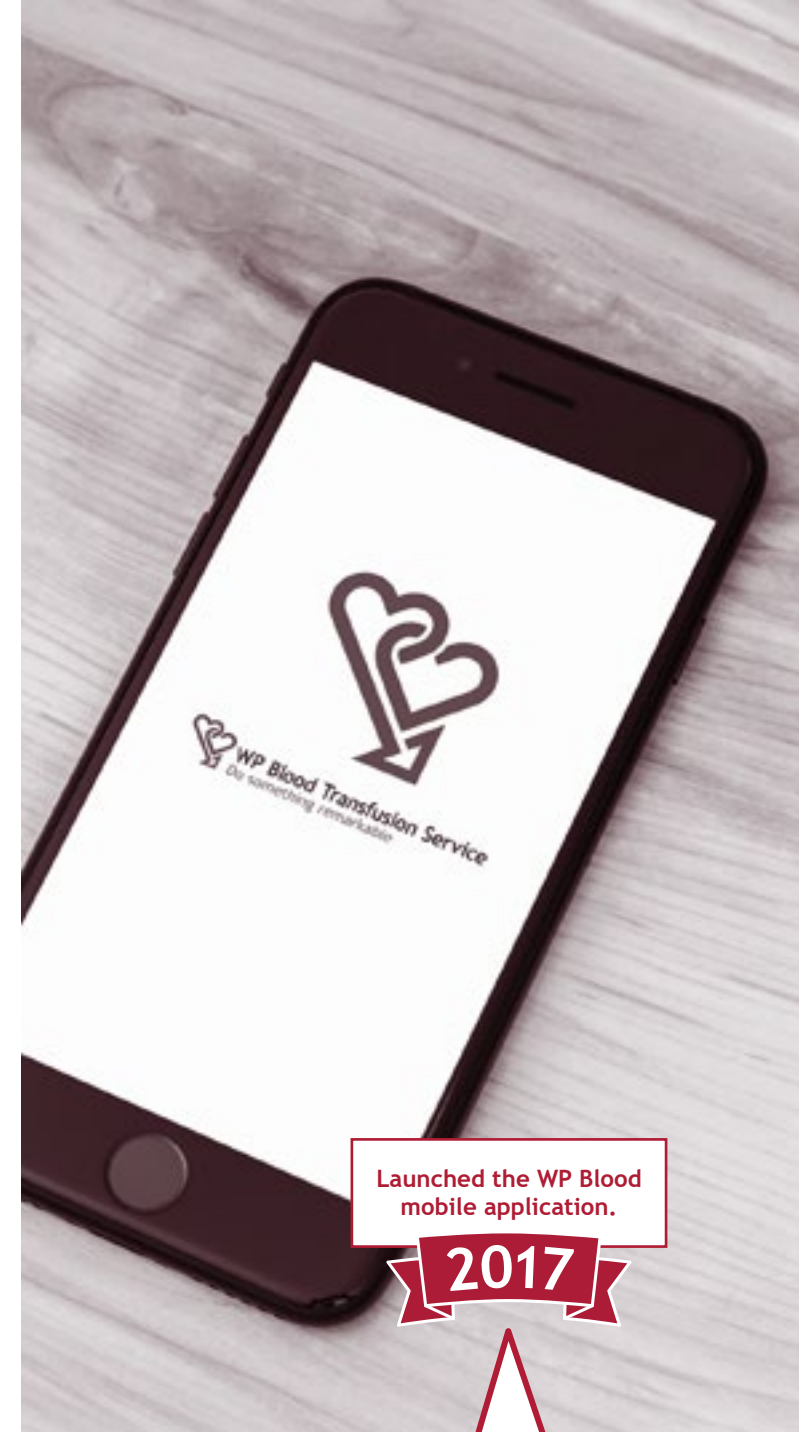
- a) Assist the various business units within the organisation to identify and articulate business needs. Key criteria, e.g. Legislative, Risk Based, Operational Efficiencies and Strategic are then used to prioritise various projects based on the identified needs. These are then mapped to resource availability and operational imperatives in order to develop a forward-thinking IT plan for the organisation.
- b) Implement a methodology/framework that suits WPBTS (and which is aligned with internationally accepted project management principles, e.g. Prince II) with the objective of ensuring that projects are successfully executed and implemented within the expected parameters of cost, time and quality, while delivering on the business requirements.

WPBTS has a well-structured Information Technology Department with appropriately appointed staff that is skilled in managing the technology deployed within the environment, as well as able to support the solutions deployed within WPBTS.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the reporting period. 

Roger Ramsbottom

Chairman: Finance and IT Steering Committee



Launched the WP Blood mobile application.

2017

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee comprises five non-executive directors. External advisors are co-opted to attend meetings when required.

The Committee reports to the Board on a number of matters and as per its Terms of Reference, is responsible for the following:

- Ensuring that WPBTS upholds the fundamental principles of biomedical ethics, including research ethics.
- Monitoring the company's activities having regard to any relevant legislation or prevailing codes of best practice with regard to:
 - Social and Economic Development
 - Environmental health and public safety
 - Stakeholder relationships
- Governing the organisation's corporate citizenship activities.

Ethics

WPBTS is governed by a Code of Ethics that was reviewed during this year. The Code specifies principles/codes of conduct regarding Confidentiality, Professionalism, Conflicts of Interest and Governance for dealings with all stakeholders. The Code of Ethics applies to the WPBTS Board of Directors and all employees.

Corporate Social Responsibility

WPBTS's corporate social investment initiatives during 2017/18 were aligned with our strategic objectives which are reported in the Social and Relationship Capital section of this report.

Environmental impact

Outputs for renewable and non-renewable environmental

resources are reported in the Natural Capital section of this report. The single biggest undertaking following an environmental impact assessment report is the installation of photovoltaic panels at WPBTS HQ which will reduce electricity consumption as well as our carbon footprint. A comprehensive water resilience strategy and continuity plan was introduced following the severe drought in the Western Cape.

Research ethics and approvals

All blood donors complete a medical questionnaire including consenting for samples of their blood and/or donation to be used on occasion for research purposes and assay development.

The Committee approved several research projects which are being undertaken by graduates and which require data from WPBTS, including the following:

- An estimation of the burden of blood transfusion need and viability of red blood cells in the emergency medical services.
- Citizenship, Diversity and Sustainability in South African Blood Safety.
- A cross-sectional study to estimate the total cost per unit of blood products transfused from a provider's perspective and the relationship between costs and selected blood product transfusions for elective hip replacement surgery in the Western Cape, South Africa.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the reporting period. ⁸⁰

Dr Arthur Bird

Chairman: Social and Ethics Committee



BOARD MEETINGS

Board meeting attendance:

Name	Social & Ethics	Board Meetings	Audit Committee Meetings	Finance and IT Steering Committee Meetings	Human Resources ¹ Committee Meetings	Risk & Governance Committee Meeting
Number of meetings	1	6	1	0	3	0
Non-executive directors						
Dr A Bird		4				
Mr M Burton		6	1			
Mr PJ Veldhuizen	1	5				
Dr C Ingram		3				
Prof V Louw		6				
Prof B Figaji		5	1		3	
Mr N Parker ²		2			1	
Mr D Ndebele		6			2	
Mr R Ramsbottom		4	1			
Mr P Slack		6			3	
Dr A Huggett	1	6				
Executive directors						
Dr G Bellairs	1	6	1		3	
Ms N du Toit	1	6	1		3	

Note 1: The Remuneration and Nominations Committee was renamed as the HR Committee.

Note 2: Mr Parker resigned on 11 September and Dr Ingram was appointed on 21 September 2017.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Directors' remuneration can be viewed in the annual financial statements and is broken down as follows:

Board Member Rates	Meeting	Monthly Retainer	Committee Meeting
July 2017 - June 2018	R 2 389.32	R 477.59	R 1 194.66

Board Chair Rate	Meeting	Monthly Retainer	Committee Meeting
July 2017 - June 2018	R 2 866.91	R 573.93	R 1 194.66

The elements of non-executive remuneration include a monthly retainer, a meeting attendance fee and travelling and actual expenses where applicable. During this financial year, Terms of References for the Audit, Risk and Governance, as well as the HR Committees were formulated and adopted. The new director induction pack was also streamlined. All corporate governance documents now form part of the WPBTS Quality Assurance Document system.



Celebrating our 80 year legacy.

2018

FINANCIAL STATEMENTS

WESTERN PROVINCE BLOOD TRANSFUSION SERVICE

Non-Profit Company Incorporated in Terms of the
South African Companies Act 71 of 2008

(Registration Number 1943/016692/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 64 to 85 were approved by the board of directors on 30 July 2018 and are signed on its behalf on 1 August 2018 by:

.....
CHAIRMAN

.....
DIRECTOR

DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Non-Profit Company Incorporated in Terms of the South African Companies Act 71 of 2008 (Registration Number 1943/016692/08)

BUSINESS AND OPERATIONS

The principal activity of the Western Province Blood Transfusion Service is the collection, testing, processing and distribution of blood products and services.

CORPORATE STRUCTURE

Western Province Blood Transfusion Service was incorporated as an association not for gain in 1943 in terms of Section 21 of the previous Companies Act, 1973. The company continues to exist and in terms of Schedule Transitional Arrangement of the Companies Act, 2008, the company is deemed to have been incorporated and registered under Section 8 of the said Act as a non-profit company, with at least one of its objects being a public benefit social activities, or communal interests.

RESULTS FOR THE YEAR

The results of operations for the year are set out in the attached Statement of Comprehensive Income which reflects a profit of R50 million for the year ended 31 March 2018 (2017: R2.9 million profit).

CAPITAL COMMITMENTS

In keeping with the Western Province Blood Transfusion Service's mission statement, the company continues investing in technical equipment to maintain its standards. Expected total capital expenditure for the next year is R28.5 million (2017: R24.1 million).

DIRECTORS AND COMPANY SECRETARY

Particulars of the present directors and secretary are given on pages 52 - 55.

EMPLOYMENT EQUITY

The employment equity plan was originally developed in consultation with Protusa and is currently being monitored in consultation with Public Servants Association of South Africa, the Union which now represents the majority of the workforce.

The action over the past three years has focused on maintaining or improving the ratios which have been achieved.

As at 1 October 2017, the date of the last employment equity submission, the Service employed 527 permanent and 0 casual/temporary employees. As at the date of the last submission, 80% of permanent employees were from the black designated group and 63% were female. Of the 17 employees in management, 35% were from the black designated group and 76% were female.

NATIONAL BLOOD TRANSFUSION LICENCE

Section 53 of the National Health Act was signed by the Office of the Presidency in June 2009. The Act makes provision for a single licence for a single blood transfusion service in South Africa.

Draft regulations for blood and blood products were published for comment during 2011. SANBS, NBI and WPBTS submitted recommendations in June 2011. The regulations published in early 2012 did not include several of our recommendations, and a response was subsequently sent to the National Department of Health. Official feedback is awaited.

Legal opinion remains that the Act cannot be currently enforced, and that WPBTS is currently operating legally based on pre-existing licensing under the Human Tissues Act. WPBTS continues to cooperate with SANBS and the National Department of Health and remains committed to a solution that best serves regional and national blood transfusion requirements.

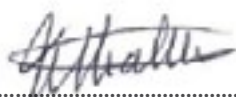
EVENTS SUBSEQUENT TO THE YEAR END

During the financial year, with the approval of the Board, the property situated at Main Road, Paarl, was placed on the open market for sale. Before the financial year-end of 31 March 2018 and prior to the approval of the financial statements the directors received a binding offer for the sale of the Paarl Property amounting to R5 million inclusive of VAT, which includes the land and buildings. The board carefully considered the impact of this offer on the valuation of the property at year end. This is a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property Plant and Equipment was appropriately valued.

This transaction was processed by the Deeds Office on 6 June 2018 confirming that the risk and rewards only transferred after year end.

COMPANY SECRETARY'S CERTIFICATE

In my capacity as Company Secretary, I hereby certify, in terms of the Companies Act, that for the period ended 31 March 2018, the company has lodged with the Registrar of Companies all such returns as are required of a private company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Irene van Schalkwyk
30 July 2018

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2018

	Note	2018 R	2017 R
ASSETS			
Non-current assets			
Property, plant and equipment	7	89 320 303	90 075 684
Investments	8	72 028 172	15 784 978
		161 348 475	105 860 662
Current assets			
Inventory	10	24 931 919	38 076 122
Trade and other receivables	11	50 052 558	47 940 519
Cash and cash equivalents	12	39 997 990	30 862 049
		114 982 467	116 878 690
Non-current assets held for sale			
Assets held-for-sale	9(a)	3 658 442	10 471 981
		3 658 442	10 471 981
Total assets		279 989 384	233 211 333
EQUITY AND LIABILITIES			
Accumulated funds		159 576 030	111 473 527
Revaluation reserve	13	31 572 776	34 545 173
Non-current asset held for sale	9(a)	2 972 397	9 081 800
Non-distributable reserves	14	2 368 596	2 282 262
Product liability reserve	15	17 393 299	6 940 271
Actuarial gain/loss reserve	21	388 000	(64 000)
		214 271 098	164 259 033
Non-current liabilities			
Post-retirement medical benefits	21	1 662 000	2 069 000
Non-current portion of finance lease	22	-	765 134
		1 662 000	2 834 134
Current liabilities			
Interest bearing liabilities	22	-	243 330
FEC liability	23.4	3 821 019	2 535 330
Operating lease liability	23.3	88 755	260 070
Trade and other payables	16	34 125 123	37 817 205
Provisions	17	26 021 389	25 262 231
		64 056 286	66 118 166
Total equity and liabilities		279 989 384	233 211 333

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 R	2017 R
TURNOVER	1	426 082 417	370 761 082
COST OF SALES	6	142 053 096	150 768 640
Collections		33 325 916	34 354 637
Testing		59 350 971	65 401 826
Product costs		49 376 209	51 012 177
GROSS SURPLUS		284 029 321	219 992 442
INCOME		13 924 971	12 441 148
Fair value gain on investments	8	2 243 194	250 045
Interest received			
- bank deposits	1	2 454 715	2 106 561
- amortisation of debtors	1	5 503 401	5 047 398
Net surplus and scrapping on disposal of property, plant and equipment		-	801 610
Realised gains on foreign exchange		1 396 214	1 807 532
Unrealised gains on foreign exchange		824 447	367 938
Sundry income	2	1 179 899	1 801 063
Grant income	3	319 523	257 599
Professional development fund income	14(a)	3 110	226
Product liability income	15	468	1 176
EXPENSES		247 942 227	229 502 925
Personnel	5	180 757 697	174 874 456
Administration	6	33 653 202	28 508 125
Net loss and scrapping on disposal of property, plant and equipment	9(b)	5 585 828	-
Realised losses on derivative financial instruments		2 458 363	4 965 270
Fair value of FEC liability - unrealised loss		3 821 019	2 535 330
Finance costs	18	205 052	70 554
Repairs and maintenance		9 867 790	8 318 382
Depreciation	7	11 593 276	10 139 412
Professional development fund expense	14(a)	-	91 396
SURPLUS FOR THE YEAR		50 012 065	2 930 665
OTHER COMPREHENSIVE INCOME			
Items not reclassified to profit or loss		(452 000)	-
Net actuarial gains		(452 000)	-
Items reclassified to profit or loss			
TOTAL COMPREHENSIVE INCOME		49 560 065	2 930 665

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

Note	Non-distributable reserves R	Revaluation reserve R	Non-current asset held for sale R	Product liability reserve R	Actuarial gains/losses reserve R	Accumulated funds R	Total R
Balance at 31 March 2016	2 224 787	43 626 973	-	6 144 890	(64 000)	109 395 718	161 328 368
Loss for the year	-	-	-	-	-	2 930 665	2 930 665
Other comprehensive income	13/21	-	-	-	-	-	-
Transfer to/from non-distributable reserve	14(a)	57 475	-	-	-	(57 475)	-
Transfer to product liability reserve	15	-	-	795 381	-	(795 381)	-
Transfer from revaluation reserve	9(a)	-	(9 081 800)	9 081 800	-	-	-
Balance at 31 March 2017	2 282 262	34 545 173	9 081 800	6 940 271	(64 000)	111 473 527	164 259 033
Profit for the year	-	-	-	-	-	50 012 065	50 012 065
Other comprehensive income	13/21	-	-	-	452 000	(452 000)	-
Transfer to non-distributable reserve	14(a)	86 334	-	-	-	(86 334)	-
Transfer to product liability reserve	15	-	-	10 453 028	-	(10 453 028)	-
Transfer from revaluation reserve	9(a)	-	(2 972 397)	(6 109 403)	-	9 081 800	-
Balance at 31 March 2018	2 368 596	31 572 776	2 972 397	17 393 299	388 000	159 576 030	214 271 098

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

Note	2018 R	2017 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated by operations	(i) 55 779 447	5 997 481
Interest received	5 503 401	5 047 398
Working capital movements	(ii) 9 213 614	2 241 397
Cash generated by operating activities	70 496 462	13 286 276
Finance Cost	(205 052)	(70 554)
Net cash inflow from operating activities	70 291 410	13 215 722
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(iii) (19 416 521)	(8 064 884)
Acquisition of investments	(54 000 000)	-
Proceeds on disposal of property, plant and equipment	(iv) 9 806 337	2 177 034
Interest received	2 454 715	2 106 561
Net cash outflow from investing activities	(61 155 469)	(3 781 289)
Net movement in cash and cash equivalents for the year	9 135 941	9 434 433
Cash and cash equivalents at beginning of year	(v) 30 862 049	21 427 616
Cash and cash equivalents at end of year	(v) 39 997 990	30 862 049

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	2018 R	2017 R
(i) Cash generated by operations		
Profit/(loss) for the year	50 012 065	2 930 665
Adjustment for:		
Impairment of inventory	-	-
Finance costs	205 052	70 554
Depreciation	11 593 276	10 139 412
Post-retirement medical benefits	(407 000)	54 000
Interest bearing liabilities	(1 008 464)	1 008 464
Surplus on disposal of property, plant and equipment	5 585 828	(801 610)
Interest received	(7 958 116)	(7 153 959)
Fair value gain on investments	(2 243 194)	(250 045)
	55 779 447	5 997 481
(ii) Working capital movements		
Inventory	13 144 203	(4 741 403)
Trade and other receivables	(2 112 039)	(8 307 659)
Trade and other payables	(3 692 082)	8 618 982
Movement in FEC liability/(asset)	1 285 689	(1 766 048)
Movement in operating lease liability	(171 315)	(5 280)
Movement in provisions	759 158	8 442 805
	9 213 614	2 241 397
(iii) Acquisition of property, plant and equipment		
Land and buildings	-	-
Technical equipment	12 548 118	2 895 564
Computer equipment and software	2 841 414	1 722 605
Office furniture and equipment	497 581	591 068
Motor vehicles	3 529 408	2 855 647
	19 416 521	8 064 884
(iv) Proceeds on disposal of property, plant and equipment		
Book value of assets disposed of	15 392 165	1 375 424
Surplus/(Loss)	(5 585 828)	801 610
	9 806 337	2 177 034
(v) Cash and cash equivalents comprise:		
Cash at bank and on hand	39 997 990	30 862 049

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2018

1 TURNOVER

	2018 R	2017 R
Revenue	434 040 533	377 915 041
Interest received		
- bank deposits	(2 454 715)	(2 106 561)
- amortisation of debtors	(5 503 401)	(5 047 398)
Turnover	426 082 417	370 761 082

2 SUNDRY INCOME

	2018 R	2017 R
Donation received on computer equipment	-	294 000
ETI Refund from SARS	91 000	115 119
Other income	1 088 899	1 391 944
	1 179 899	1 801 063

3 PROJECT SPECIFIC FUNDING INCLUDING GRANT INCOME

Grant income

Grant income from the Health and Welfare SETA (HWSETA) is received for the purpose of skills development and training and is recognised as income when the costs that the funding is intended to cover are incurred. All grant income for the year has been received and no amounts were owing at year end.

4 PERSONNEL COSTS

	2018 R	2017 R
Staff costs		
- salaries and wages	136 997 043	130 558 352
- contributions to defined contribution retirement fund	14 451 818	15 400 934
- contributions to medical aids	13 907 768	12 962 574
- bonuses	7 429 548	8 030 674
- staff canteen costs	789 451	770 869
- staff uniform and protective clothing	1 097 276	1 438 849
- other staff costs	801 145	772 858
Directors' emoluments		
- non-executive directors' fees	196 688	288 093
- salaries	4 251 256	3 844 650
- contributions to retirement fund	505 951	454 992
- medical aid contributions	81 917	73 510
- bonuses	247 836	278 101
	180 757 697	174 874 456
Included in personnel costs above is the post-retirement medical benefit expense (see note 22 for further information)		
Average number of employees	528	522

5 ADMINISTRATION EXPENSES

Administration expenses include:		
Auditor's remuneration	487 443	467 409
- audit fee provision	441 042	412 189
- under provision previous year	43 500	52 743
Other	2 901	2 477
Rent	2 497 824	2 244 047
- buildings	486 022	519 639
- equipment	2 011 802	1 724 408

6 COST OF SALES

Cost of inventories sold	142 053 096	150 768 640
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Cost of sales includes the historical cost of inventory expensed during the year.

7 PROPERTY, PLANT AND EQUIPMENT

	2018					
	(At valuation) Land and buildings R	Technical equipment R	Computer equipment and software R	Office furniture and equipment R	Motor vehicles R	Total R
Beginning of year						
- Gross carrying value	45 649 110	62 260 960	8 243 287	6 101 514	22 029 063	144 283 934
- Accumulated depreciation	(344 655)	(37 305 281)	(3 762 663)	(2 921 597)	(9 874 054)	(54 208 250)
- Net book value	45 304 455	24 955 679	4 480 624	3 179 917	12 155 009	90 075 684
Current year movements						
- Additions	-	12 548 118	2 841 414	497 581	3 529 408	19 416 521
- Held for sale at net book value	(3 658 442)	-	-	-	-	(3 658 442)
- Disposals at net book value	(9 180)	(3 610 570)	(23 344)	(282 809)	(994 281)	(4 920 184)
- Depreciation	(30 186)	(6 778 907)	(1 047 391)	(621 367)	(3 115 425)	(11 593 276)
Balance at end of year	41 606 647	27 114 320	6 251 303	2 773 322	11 574 711	89 320 303
Made up as follows:						
- Gross carrying value	41 932 999	63 854 363	10 910 967	5 843 278	22 364 601	144 906 208
- Accumulated depreciation	(326 352)	(36 740 043)	(4 659 664)	(3 069 956)	(10 789 890)	(55 585 905)
- Net book value	41 606 647	27 114 320	6 251 303	2 773 322	11 574 711	89 320 303

The useful lives were extended based on the expectation that the classes of the property, plant and equipment will be used for longer periods than initially expected. Management's expectation is based on historical practise.

The affected class of property, plant and equipment is Technical equipment, Computer equipment, Office equipment and furniture and Motor Vehicles. The useful lives have been revised for period of 1 year to 3 years. The change in the useful lives was accounted for on a prospective basis as of 1 April 2017. The increase in the useful lives has resulted in a decrease in depreciation for the current and future periods amounts to R 1 219 541.

	R
Current Period	279 376
Future Periods	940 165
	1 219 541

	2017					
	(At valuation) Land and buildings R	Technical equipment R	Computer equipment and software R	Office furniture and equipment R	Motor vehicles R	Total R
Beginning of year						
- Gross carrying value	56 181 737	60 445 312	6 708 986	5 602 093	23 156 897	152 095 025
- Accumulated depreciation	(373 552)	(32 708 797)	(2 863 719)	(2 374 351)	(9 776 989)	(48 097 408)
- Net book value	55 808 185	27 736 515	3 845 267	3 227 742	13 379 908	103 997 617
Current year movements						
- Additions	-	2 895 564	1 722 605	591 068	2 855 647	8 064 884
- Held for sale at net book value	(10 471 981)	-	-	-	-	(10 471 981)
- Disposals at net book value	(31 749)	(5 360 466)	(42 853)	(11 500)	(1 005 137)	(1 375 424)
- Depreciation	(31 749)	(5 360 466)	(1 044 395)	(627 393)	(3 075 409)	(10 139 412)
Balance at end of year	45 304 455	24 955 679	4 480 624	3 179 917	12 155 009	90 075 684
Made up as follows:						
- Gross carrying value	45 649 110	62 260 960	8 243 287	6 101 514	22 029 063	144 283 934
- Accumulated depreciation	(344 655)	(37 305 281)	(3 762 663)	(2 921 597)	(9 874 054)	(54 208 250)
- Net book value	45 304 455	24 955 679	4 480 624	3 179 917	12 155 009	90 075 684

Land and buildings consist of:

(i) Beaconvale

A factory situated at Connaught Road, Beaconvale, Parow, erected on freehold erven 12364 and 12367 (in extent 2578 square metres) in the Municipality of Parow, acquired on May 29 1986, under Deed of Transfer No T20026/86. This property was sold in November 2017.

(ii) Pinelands

An office block situated in Old Mill Road, Pinelands, erected on remainder of freehold erf 24179, Cape Town at Maitland (in extent 1,3093 hectares) in the Municipality of Pinelands, acquired on July 14 1988, under Deed of Transfer No T39826/88.

(iii) Paarl

An office building situated at 263 Main Road, Paarl, erected on remainder of freehold erf 15375 (in extent 1193 square metres) in the Municipality of Paarl, acquired on August 12 1992, under Deed of Transfer No T50274/92.

(iv) George

An office building situated at Courtenay Street, George, Sections 4,9,10 and 11 of Sectional Plan No 55217/93 of Medical Centre (in extent 354 square metres) in the Municipality of George, acquired on June 28 1993, under Deed of Transfer No T10014/93.

(v) Worcester

An office building situated at 26 Napier Street, Worcester, erected on freehold Erf 4326, Worcester (in extent 1736 square metres) in the Municipality and Division of Worcester, acquired on June 10 1994, under Deed of Transfer No T38986/94.

The cost of the properties comprises:

	Acquired in	Acquisition cost	Improvements since acquisition	2018	2017
Beaconvale (sold in November 2017)	May 1986	500 000	977 179	-	1 477 179
Pinelands	July 1988	2 811 236	5 503 660	8 314 896	8 314 896
Paarl	August 1992	372 633	348 935	721 568	721 568
George	June 1993	160 200	234 979	395 179	395 179
Worcester	June 1994	505 697	1 140 245	1 645 942	1 645 942
Total cost		4 349 766	8 204 998	11 077 585	12 554 764
Revaluation surplus				34 545 173	43 626 973
Assets Held-for-Sale				(3 702 975)	(10 532 627)
Total valuation at cost				41 919 783	45 649 110

The properties were independently valued on an open market basis, as at 31 March 2016 by RA Gibbons, AEI (Zim), FIV (SA), Professional Valuers. Refer to Note 26 for the detail of the fair value information on the revalued land and buildings.

Had land and buildings been carried on the cost model (excluding depreciation) the value would be R10 356 017 (2017: R11 077 585).

8 INVESTMENTS

	2018 R	2017 R
Liberty Gateway Investment	6 980 966	6 784 978
Liberty Investment	9 176 210	9 000 000
Nedbank Investment	55 870 996	-
	72 028 172	15 784 978

Reconciliation of Investments

Liberty GateWay Investment	2018 R	2017 R
Opening balance at 1 April 2017	6 784 978	6 534 933
Additions	-	-
Fair value movement for the year	195 988	250 045
Closing balance as at 31 March 2018	6 980 966	6 784 978

Liberty Investment	2018 R	2017 R
Opening balance at 1 April 2017	9 000 000	9 000 000
Additions	-	-
Fair value movement for the year	176 210	-
Closing balance as at 31 March 2018	9 176 210	9 000 000

Nedbank Investment	2018 R	2017 R
Opening balance at 1 April 2017	-	-
Additions	60 000 000	-
Withdrawals	(6 000 000)	-
Fair value movement for the year	1 870 996	-
Closing balance as at 31 March 2018	55 870 996	-

The current fair value of the Liberty Investment is R 9 176 210 (2017: R 8 562 861), as per the investment contract terms and conditions, at a minimum the full capital invested at commencement date, R 9 000 000, is guaranteed.

9(a) ASSETS HELD-FOR-SALE

Paarl Building	2018 R
Cost	3 702 975
Accumulated depreciation	(44 533)
	3 658 442

Included in the cost of the Asset-Held-For-Sale is revaluation reserve of R2 972 397.

During the financial year, with the approval of the Board, the property situated at Main Road, Paarl, was placed on the open market for sale. Before the financial year-end of 31 March 2018 and prior to the approval of the financial statements the directors received a binding offer for the sale of the Paarl Property amounting to R5 million inclusive of VAT, which includes the land, building and related assets. The board carefully considered the impact of this offer on the valuation of the property at year end. This is a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property Plant and Equipment was appropriately valued.

Beaconvale	2017 R
Cost	10 532 627
Accumulated depreciation	(60 646)
	10 471 981

During December 2016, with the approval of the Board, the property situated at Connaught Road, Beaconvale, Parow, was placed on the open market for sale. Subsequent to financial year-end of 31 March 2017 and prior to the approval of the financial statements the directors received a binding offer on 16 May 2017 for the sale of the Fractionation Plant amounting to R 7 million, which includes the land, building and related assets. The board carefully considered the impact of this offer on the valuation of the property at year end. This is a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property Plant and Equipment was appropriately valued. The rationale for accepting this offer on 29 May 2017 was based mainly on the fact that the prospective purchaser has committed to renting a portion of the premises at a favourable rate per square metre for the following 36 months. Although the sale results in a loss to the Service, the directors deemed this a reasonable offer considering the given soft rental offer from the prospective purchaser.

9(b) NET LOSS AND SCRAPPING ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	2018 R	2017 R
Loss on Disposal of Beaconvale Property, Plant and Equipment	3 481 161	-
Net Loss / (Profit) on Disposal of Other Property, Plant and Equipment	2 104 668	-
	5 585 828	-

10 INVENTORY

	2018 R	2017 R
Raw materials	9 945 450	15 232 286
Work in progress	1 139 587	998 406
Finished goods	5 659 985	6 297 551
Consumables	8 186 897	15 547 879
	24 931 919	38 076 122

11 TRADE AND OTHER RECEIVABLES

	2018 R	2017 R
Gross trade receivables	54 129 946	53 533 355
Impairment of trade debtors	(8 051 720)	(7 587 012)
Net trade receivables	46 078 226	45 946 343
Other receivables*	1 353 342	1 313 836
Deposits paid to suppliers	2 620 990	680 340
	50 052 558	47 940 519

	2018 R	2017 R
Movements in the provision for impairment of debtors:		
Opening balance	7 587 012	7 123 593
Charge for the year	1 770 221	1 751 864
Amounts written off	(1 305 513)	(1 288 445)
Closing balance	8 051 720	7 587 012

On 31 March 2018, the analysis of trade receivables net of impairment is as follows:

	Current R	30 days R	60 days R	90 days R	120 days R	150 plus days R	Total R
2018	29 743 401	4 713 959	2 474 491	1 383 868	1 011 085	6 751 422	46 078 226
2017	29 192 532	6 168 429	2 282 936	1 190 193	885 162	6 227 091	45 946 343

*Other receivables include prepayments, sundry debtors and staff loans.

12 CASH AND CASH EQUIVALENTS

	2018 R	2017 R
Cash at bank and on hand	39 997 990	30 862 049

Standard Bank Limited has issued guarantees to the value of R40 000 (2017: R40 000) in favour of the Service to South African Airways (Pty) Ltd as evidence of the Service's ability to cover its debt. The service has, in turn, pledged cash to the value of R40 000 (2017: R40 000) in favour of Standard Bank Limited as security for the guarantee.

13 REVALUATION RESERVE

	2018 R	2017 R
Revaluation at the beginning of the year	34 545 173	43 626 973
Net gain/(loss) on revalued property through OCI	(2 972 397)	(9 081 800)
Asset Held-for-Sales Transfer	31 572 776	34 545 173
Revaluation at the end of the year	34 542 173	43 626 973

14 NON-DISTRIBUTABLE RESERVES

	2018 R	2017 R
(a) Professional development fund surplus	1 360 396	1 274 062
Balance at beginning of period	1 274 062	1 216 587
Transfer to retained earnings	86 334	57 475
Balance at end of period	1 360 396	1 274 062
The Professional Development Fund was established with surplus funds from hosting the International Society of Blood Transfusion Congress in 2006. The essential purpose of the fund is to support staff in further education and training.		
(b) Training development fund	1 008 200	1 008 200
The Training Development fund was established with employer surplus funds received from the Western Province Blood Transfusion Service Retirement Fund in 2012. The surplus is to be utilised for training and leadership development of staff.		
Total non-distributable reserves	2 368 596	2 282 262

15 PRODUCT LIABILITY RESERVE

The Product Liability Reserve has been established as a non-distributable reserve to cover potential uninsurable product liability claims.

	2018 R	2017 R
Opening balance	6 940 271	6 144 890
Transfer from retained earnings	10 453 028	795 381
Balance at end of year	17 393 299	6 940 271

16 TRADE AND OTHER PAYABLES

	2018 R	2017 R
Trade payables	26 284 771	30 361 827
Other payables*	7 840 352	7 455 378
	34 125 123	37 817 205
Trade and other payables are non-interest bearing and are normally settled on 30 day terms.		
*Other payables include VAT payable, sundry creditors, accruals and salary creditors.		
Other payables		
VAT payable	2 667 376	2 397 747
Salary creditors	2 308 273	2 239 706
Sundry payables	2 864 703	2 817 925
	7 840 352	7 455 378

17 PROVISIONS

	2018 R	2017 R
Leave pay provision		
At 1 April 2016	13 671 802	13 518 782
Arising during the year	15 136 452	13 828 413
Utilised	(14 308 192)	(13 675 393)
At 31 March 2017	14 500 062	13 671 802
Salary related accruals		
At 1 April 2016	11 590 429	3 300 644
Arising during the year	11 521 327	11 590 429
Utilised	(11 590 429)	(3 300 644)
At 31 March 2017	11 521 327	11 590 429
TOTAL	26 021 389	25 262 231

Salary related accruals relate to prorata provision of guaranteed pay, performance bonus and accrual of overtime.

18 FINANCE COSTS

	2018 R	2017 R
Interest expense	205 052	70 554

19 TAXATION

No provision has been made for taxation as the income of the Service is exempt in terms of Section 10 (cN) of the Income Tax Act, 1962.

20 COMMITMENTS

	2018 R	2017 R
20.1 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure		
- contracted for	2 084 027	7 420 514
- not contracted for	26 447 460	16 639 226
	28 531 487	24 059 740

The expenditure will be financed from cash generated from normal business operations and covers the replacement and maintenance of technical equipment, motor vehicles, office equipment and furniture and computer equipment and software.

	Not later than one year R	Later than one year and not later than five years R
20.2 COMMITMENTS IN RESPECT OF OPERATING LEASES		
2017		
Operating leases	2 642 099	1 567 005
2016		
Operating leases	3 860 631	6 199 361

The expenditure will be financed from cash generated from normal business operations and covers the replacement and maintenance of technical equipment, motor vehicles, office furniture and equipment.

21 RETIREMENT BENEFIT INFORMATION

Defined contribution plan

The Service continues to contribute to the Western Province Blood Transfusion Service Retirement Fund which is a defined contribution plan. The fund is registered under and governed by the Pension Funds Act, 1956 as amended.

All of the Service's permanent employees belong to the fund. The Financial Services Board now requires a fund to analyse the membership of the Fund in terms of citizenship. The Fund together with the Fund benefit administrator, is in the process of analysing membership. With effect 1 September 2017 the Fund switched from being a stand alone fund to an umbrella fund. At 31 December 2017, 491 employees (2016: 506 employees) belonged to the defined contribution plan.

Post-retirement medical benefits

The Service offers medical aid schemes for the benefit of permanent employees. Members entitled to post retirement contributions. At the year-end there was 3 pensioners who were entitled to this benefit, medical benefits consisting of a subsidy of a portion of the medical aid. Full actuarial valuations are performed on an annual basis.

The last actuarial valuation was performed as at 31 March 2018, using the projected unit credit valuation method.

Principal actuarial assumptions at the reporting date:

Discount rate	8,80%
Health care cost inflation	8,00%
Average retirement age	55

The provision for post-retirement health care benefits determined in terms of IAS19 is as follows:

	2018 R	2017 R
Funding liability	1 662 000	2 069 000
Reconciliation:		
Balance at the beginning of the year	2 069 000	2 015 000
- interest cost	195 000	190 000
- benefit payments	(150 000)	(136 000)
- actuarial loss/(gain)	(452 000)	-
Balance at the end of the year	1 662 000	2 069 000

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 is as follows:

	Central assumption 8.0%	-1%	+1%
HEALTH CARE COST INFLATION:			
Accrued liability 31 March 2017	1 662 000	1 526 000	1 820 000
% Change		-8.2%	9.5%
Current service cost and interest cost 2017/2018	141 000	129 000	155 000
% Change		-8.5%	9.9%

	Central assumption 9.0%	-1%	+1%
SENSITIVITY RESULTS AS AT 31 MARCH 2017 WERE:			
Accrued liability 31 March 2017	2 069 000	1 897 000	2 266 000
% Change		-8.3%	9.5%

	Central assumption 8.0%	+5% for 5 years	+10% for 5 years
HEALTH CARE COST INFLATION:			
Accrued liability 31 March 2018	1 662 000	1 956 000	2 182 000
% Change		17.7%	31.3%

	Central assumption 8.8%	+1%	-1%
DISCOUNT RATE:			
Accrued liability 31 March 2018	1 662 000	1 835 000	1 515 000
% Change		10.4%	-8.8%

	Central assumption 55 years	1 year younger	1 year older
EXPECTED RETIREMENT AGE:			
Accrued liability 31 March 2018	1 662 000	1 662 000	1 662 000
% Change		0.0%	0.0%

	Central assumption 9.0%	+5% for 5 years	+10% for 5 years
HEALTH CARE COST INFLATION:			
Accrued liability 31 March 2017	2 069 000	2 426 000	2 625 000
% Change		17.3%	26.9%

	Central assumption 9.8%	+1%	-1%
DISCOUNT RATE:			
Accrued liability 31 March 2017	2 069 000	2 286 000	1 886 000
% Change		10.5%	-8.8%

	Central assumption 55 years	1 year younger	1 year older
EXPECTED RETIREMENT AGE:			
Accrued liability 31 March 2017	2 069 000	2 069 000	2 069 000
% Change		0.00%	0.00%

22 INTEREST BEARING LIABILITIES

	2018 R	2017 R
Finance lease liabilities	-	1 008 464
Less: portion payable within one year	-	(243 330)
Balance at end of year	-	765 134

The obligation was secured over computer equipment. All agreements have been settled in the current year.

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Service's exposure to the risk of changes in foreign exchange rates relates primarily to the Service's operating activities (when revenue or expense is denominated in a foreign currency).

Equity price risk

The Service's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Service's management on a regular basis. The Service's Board of Directors reviews and approves all equity investment decisions.

Liquidity risk

This is the risk of not meeting contractual liabilities as they fall due. Management monitors current cash position and future cash flow requirements on a routine basis.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Service is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

23.1 Financial instruments

The Service's financial instruments can be summarised as follows:

2018	Financial assets at fair value through profit and loss R	Loans and receivables R	Non-financial assets R	Total R
FINANCIAL ASSETS				
Trade and other receivables	-	46 181 096	3 871 462	50 052 558
Cash and cash equivalents	-	39 997 990	-	39 997 990
Investments	72 028 172	-	-	72 028 172
Total	72 028 172	86 179 086	3 871 462	162 078 720

2018	Financial liabilities measured at amortised cost R	Financial liabilities at fair value through profit and loss R	Non-financial liabilities R	Total R
FINANCIAL LIABILITIES				
Trade and other payables	31 457 745	-	2 667 376	34 125 121
FEC liability	-	3 821 019	-	3 821 019
Operating lease liability	-	-	88 755	88 755
Interest bearing liabilities	-	-	-	-
Total	31 457 745	3 821 019	2 756 131	38 034 895

2017	Financial assets at fair value through profit and loss R	Loans and receivables R	Non-financial assets R	Total R
FINANCIAL ASSETS				
Trade and other receivables	-	46 048 034	1 892 485	47 940 519
Cash and cash equivalents	-	30 862 049	-	30 862 049
Investments	15 784 978	-	-	15 784 978
Total	15 784 978	76 910 083	1 892 485	94 587 546

2017	Financial liabilities measured at amortised cost R	Financial liabilities at fair value through profit and loss R	Non-financial liabilities R	Total R
FINANCIAL LIABILITIES				
Trade and other payables	35 419 458	-	2 397 747	37 817 205
FEC liability	-	2 535 330	-	2 535 330
Operating lease liability	-	260 070	-	260 070
Interest bearing liabilities	-	-	1 008 464	1 008 464
Total	35 419 458	2 795 400	3 406 211	41 621 069

CATEGORY	RISK			
	Low R	Medium R	High R	Total R
2018				
Hospitals	14 860 511	-	-	14 860 511
Medical aids	24 307 877	-	-	24 307 877
Private patients	-	-	4 726 725	4 726 725
Workman's compensation claims	-	2 170 369	-	2 170 369
Road accident fund	-	12 745	-	12 745
Estates	-	-	-	-
Other receivables	102 869	-	-	102 869
Total	39 271 257	2 183 114	4 726 725	46 181 096
2017				
Hospitals	17 353 538	-	-	17 353 538
Medical aids	24 217 990	-	-	24 217 990
Private patients	-	-	2 847 861	2 847 861
Workman's compensation claims	-	1 522 335	-	1 522 335
Road accident fund	-	612	-	612
Estates	-	4 007	-	4 007
Other receivables	101 691	-	-	101 691
Total	41 673 219	1 526 954	2 847 861	46 048 034

The maximum exposure to credit risk approximates the carrying value.

23.2 Interest rate risk

The Service's exposure to interest rate risk can be quantified as follows:

	2018 R	2017 R
CASH AND BANK BALANCE EXPOSED TO INTEREST RATE RISK		
Income statement effect of interest rate risk to above balance:		
1% increase in interest rates	399 980	308 620
1% decrease in interest rates	-399 980	-308 620

23.3 Liquidity risk

2018	Year 1 R	Years 2 - 5 R	Over 5 years R	Total R
FINANCIAL ASSETS				
Trade and other receivables	46 181 096	-	-	46 181 096
Cash and cash equivalents	39 997 989	-	-	39 997 989
Investments	72 028 172	-	-	72 028 172
Total	158 207 257	-	-	158 207 257
FINANCIAL LIABILITIES				
Trade and other payables	31 457 744	-	-	31 457 744
FEC liability	3 821 019	-	-	3 821 019
Operating lease liability	88 755	-	-	88 755
Interest bearing liabilities	-	-	-	-
Total	35 367 518	-	-	35 367 518

2017	Year 1 R	Years 2 - 5 R	Over 5 years R	Total R
FINANCIAL ASSETS				
Trade and other receivables	46 048 034	-	-	46 048 034
Cash and cash equivalents	30 862 049	-	-	30 862 049
Investments	15 784 978	-	-	15 784 978
Total	92 695 061	-	-	92 695 061
FINANCIAL LIABILITIES				
Trade and other payables	35 419 458	-	-	35 419 458
FEC liability	2 535 330	-	-	2 535 330
Operating lease liability	260 070	-	-	260 070
Interest bearing liabilities	243 330	765 134	-	1 008 464
Total	38 458 188	765 134	-	39 223 322

23.4 Foreign currency risk

	2018	2017
Fair value of FEC (liability) at year end	(3 821 019)	(2 535 330)
Current liabilities		
2018: USD 1 075 064	12 860 457	
2017: USD 1 217 278		16 443 964
Exchange rates at 31 March used for conversion of foreign items were:		
USD	11.9625	13.5088

The spot rate on 31 March was used to revalue foreign currency balances at year end.

At 31 March 2018, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been R1 286 046 higher/lower (2017: R1 644 396) mainly as a result of foreign exchange gains or losses on translation of US dollar denominated financial liabilities at fair value measured to amortised cost.

24.5 Price risk

The Service is exposed to price risk through their investment holdings.

Sensitivity analysis

The Service's exposure to price risk can be quantified as follows:

Increase in investment of 10%	R 7 202 817
Decrease in investment of 10%	R 6 285 196

The sensitivity of the investment in relation to the decrease as a result of the price risk are related only to the Gateway Investment of R6 980 966 and the Nedbank Investment of R55 870 996 as there is no downside risk to the Liberty Investment of R9 176 210.

24 DIRECTORS' REMUNERATION

2018

Executive Directors	Salaries R	Contributions to Retirement Fund R	Car Allowance R	Medical Aid R	Bonuses R	Total R
Dr G Bellairs	1 974 426	264 395	236 212	50 037	129 512	2 654 582
Ms N du Toit	1 804 405	241 556	236 212	31 880	118 324	2 432 377
Total	3 778 831	505 951	472 424	81 917	247 836	5 086 959

Non-Executive Directors' fees

	Fees R	Total R
Dr A R Bird	15 038	15 038
Mr M R Burton	20 933	20 933
Prof B D L Figaji	20 133	20 133
Mr N Parker	8 028	8 028
Mr D M Ndebele	20 772	20 772
Mr R Ramsbottom	16 789	16 789
Mr P K Slack	28 377	28 377
Prof V J Louw	20 295	20 295
Mr P J Veldhuizen	17 905	17 905
DR C F Ingram	8 123	8 123
Dr A Huggett	20 295	20 295
Total	196 688	196 688

Directors fee paid to non-executive directors are the only related party transactions.
Non-executive directors receive fees for attendance of meetings and a monthly retainer.

2017

Executive Directors	Salaries R	Contributions to Retirement Fund R	Car Allowance R	Medical Aid R	Bonuses R	Total R
Dr G Bellairs	1 798 286	240 645	222 213	46 116	145 328	2 452 588
Ms N du Toit	1 601 938	214 347	222 213	27 394	132 773	2 198 665
Total	3 400 224	454 992	444 426	73 510	278 101	4 651 253

Non-Executive Directors' fees

	Fees R	Total R
Dr A R Bird	23 050	23 050
Mr M R Burton	36 235	36 235
Prof B D L Figaji	36 288	36 288
Mr N Parker	24 007	24 007
Mr D M Ndebele	26 346	26 346
Mr R Ramsbottom	29 590	29 590
Mr P K Slack	38 056	38 056
Prof V J Louw	15 288	15 288
Mr P J Veldhuizen	29 590	29 590
DR C F Ingram	-	-
Dr A Huggett	29 643	29 643
Total	288 093	288 093

Directors fee paid to non-executive directors are the only related party transactions.
Non-executive directors receive fees for attendance of meetings and a monthly retainer.

25 FAIR VALUE INFORMATION

Fair value hierarchy

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Property, plant and equipment

Recurring fair value measurements - Level 3	Note	2018 R	2017 R
ASSETS			
Beaconvale - erven 12364 and 12367	8/10	-	10 471 981
Pinelands - erven 24179	8	-	35 629 231
Paarl - erven 15375	8	-	3 661 890
George - Sections 4, 9, 10 and 11 of Sectional Plan No 55217/93	8	-	2 653 614
Worcester - Erf 4326	8	-	3 359 720
		-	55 776 436

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

2018	Opening balance at fair value R	Additions R	Revaluation R	Disposals R	Depreciation R	Closing balance at fair value R
Beaconvale	10 471 981	-	-	(10 468 036)	(3 945)	-
Pinelands	35 629 231	-	-	-	(18 458)	35 610 773
Paarl	3 661 890	-	-	-	(3 448)	3 658 442
George	2 653 614	-	-	-	(1 698)	2 651 916
Worcester	3 359 720	-	-	-	(2 637)	3 357 083
	55 776 436	-	-	(10 468 036)	(30 186)	45 278 214
Assets Held-for-Sale	(3 661 890)				3 448	(3 658 442)
	52 114 546	-	-	(10 468 036)	(26 738)	41 619 772

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

2017	Opening balance at fair value R	Additions R	Revaluation R	Disposals R	Depreciation R	Closing balance at fair value R
Beaconvale	10 476 669	-	-	-	(4 688)	10 471 981
Pinelands	35 647 689	-	-	-	(18 458)	35 629 231
Paarl	3 665 338	-	-	-	(3 448)	3 661 890
George	2 655 312	-	-	-	(1 698)	2 653 614
Worcester	3 363 177	-	-	-	(3 457)	3 359 720
	55 808 185	-	-	-	(31 749)	55 776 436
Assets Held-for-Sale	(10 476 669)				4 688	(10 471 981)
	45 331 516	-	-	-	(27 061)	45 304 455

Information about valuation techniques and inputs used to derive level 3 fair values

Owner - Occupied Property - Owner occupied property held at revalued amount

Owner Occupied Property - commercial property for leasing is determined by applying a comparable sales method, using price per square metre for buildings, gross rentals in the market and applying a capitalisation rate.

Beaconvale Actual Inputs	
Price per square metre - Rands	R36.50
Pinelands Actual Inputs	
Price per square metre - Rands	R70.00
Paarl Actual Inputs	
Price per square metre - Rands	R60.00
George Actual Inputs	
Price per square metre - Rands	R80.00
Worcester Actual Inputs	
Price per square metre - Rands	R42.50

The higher the price per square metre, the higher the fair value.

The carrying amount of all other financial assets and liabilities not disclosed above approximate fair value.

Investments

Fair value measurements of Level 1 investments are based on quoted prices and Fair Value Measurement of Level 2 Investments are based on quoted Prices adjusted for guaranteed amounts.

	Note	Level	Valuation date	2018 R	2017 R
Gateway Investments	9	Level 1	31-Mar-18	6 980 965	6 784 978
Nedbank Investment	9	Level 1	31-Mar-18	55 870 997	-
Liberty Investment	9	Level 2	31-Mar-18	9 176 210	9 000 000
				72 028 172	15 784 978

The carrying value of all other financial assets and liabilities not disclosed in the fair value note approximates fair value.

ABBREVIATIONS AND ACRONYMS

AABB	American Association of Blood Banks
AFSBT	African Society for Blood Transfusion
AGM	Annual General Meeting
AVE	Advertising Value Equivalent
BCP	Business Continuity Plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CI	Continuous Improvement
COD	Compensation for Occupation Injuries and Disease
CPD	Continuing Professional Development
CPI	Consumer Price Index
CPUT	Cape Peninsula University of Technology
EY	Ernst and Young
GDBS	Global database on blood safety
HB	Haemoglobin
HBV	Hepatitis B Virus
HCV	Hepatitis C Virus
HIV	Human Immunodeficiency Virus
HPCSA	Health Professions Council of South Africa
ICT	Information and Communication Technology
IIRF	International Integrated Reporting Framework
ISBT	International Society of Blood Transfusion
KPI	Key Performance Indicator
MCC	Medicines Control Council
MOI	Memorandum of Incorporation
NAT	Nucleic Acid Amplification Testing
NBI	National Bioproducts Institute
NDoH	National Department of Health
NHA	National Health Act
NPO	Non-profit organisation
OHSA	Occupational Health and Safety Act
PBO	Public Benefit Organisation
POPIA	Protection of Personal Information Act
PSA	Public Servants Association of South Africa
QLFS	Quarterly Labour Force Survey
SABMR	South African Bone Marrow Registry
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANBS	South African National Blood Service
SANBTC	South African National Blood Transfusion Congress
SASBT	South African Society for Blood Transfusion
SEQ	Self Exclusion Questionnaire
SLA	Service Level Agreement
SRA	Strategic Risk Assessment
TACO	Transfusion Associated Circulatory Overload
TRALI	Transfusion Related Acute Lung Injury
WCDoH	Western Cape Department of Health
WHO	World Health Organisation
WIP	Work in Progress
WPBTS	Western Province Blood Transfusion Service