

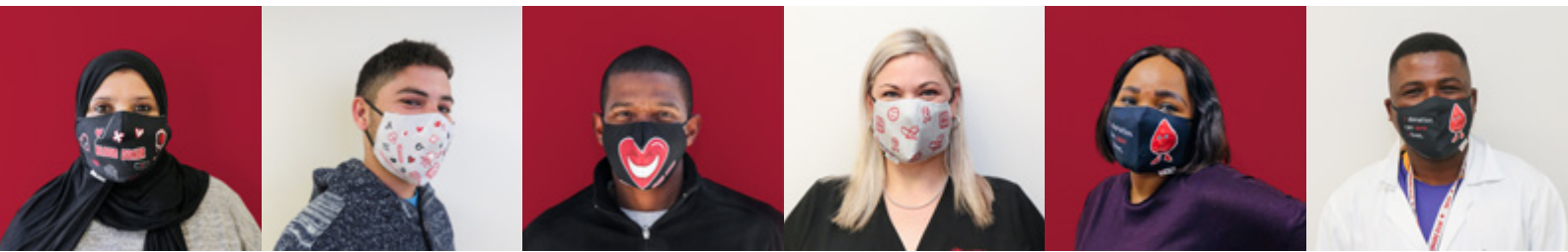


A Remarkable Team

Annual Report 2020-2021



Western Cape Blood Service
Do something remarkable



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About Our Report

This integrated report of the Western Cape Blood Service (WCBS) covers the year 1 April 2020 to 31 March 2021. 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 WCBS members and key stakeholders with a holistic view of the Service's operations, performance, risks and opportunities, and also includes the Service's 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 WCBS for the 2020/21 financial year.

PAUL SLACK
Chairman
1 October 2021

GREG BELLAIRS
Chief Executive Officer/
Medical Director
1 October 2021



Our Organisation

The Western Cape Blood Service (WCBS) 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, 5 permanent blood donor clinics, 625 mobile donor clinics, a specialised donation services unit, apheresis collections department, 102 emergency blood banks at 138 hospitals, and seven blood banks.

WCBS must collect approximately 700 units of whole blood from voluntary, non-remunerated 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).



Mission

Western Cape Blood Service is a non profit regional health organisation, dedicated to collecting blood from voluntary blood donors, and 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 Service that is appropriate to the needs of the South African Community. To be prepared to extend the service to provide for wider regional or national needs and to provide leadership in transfusion practice.

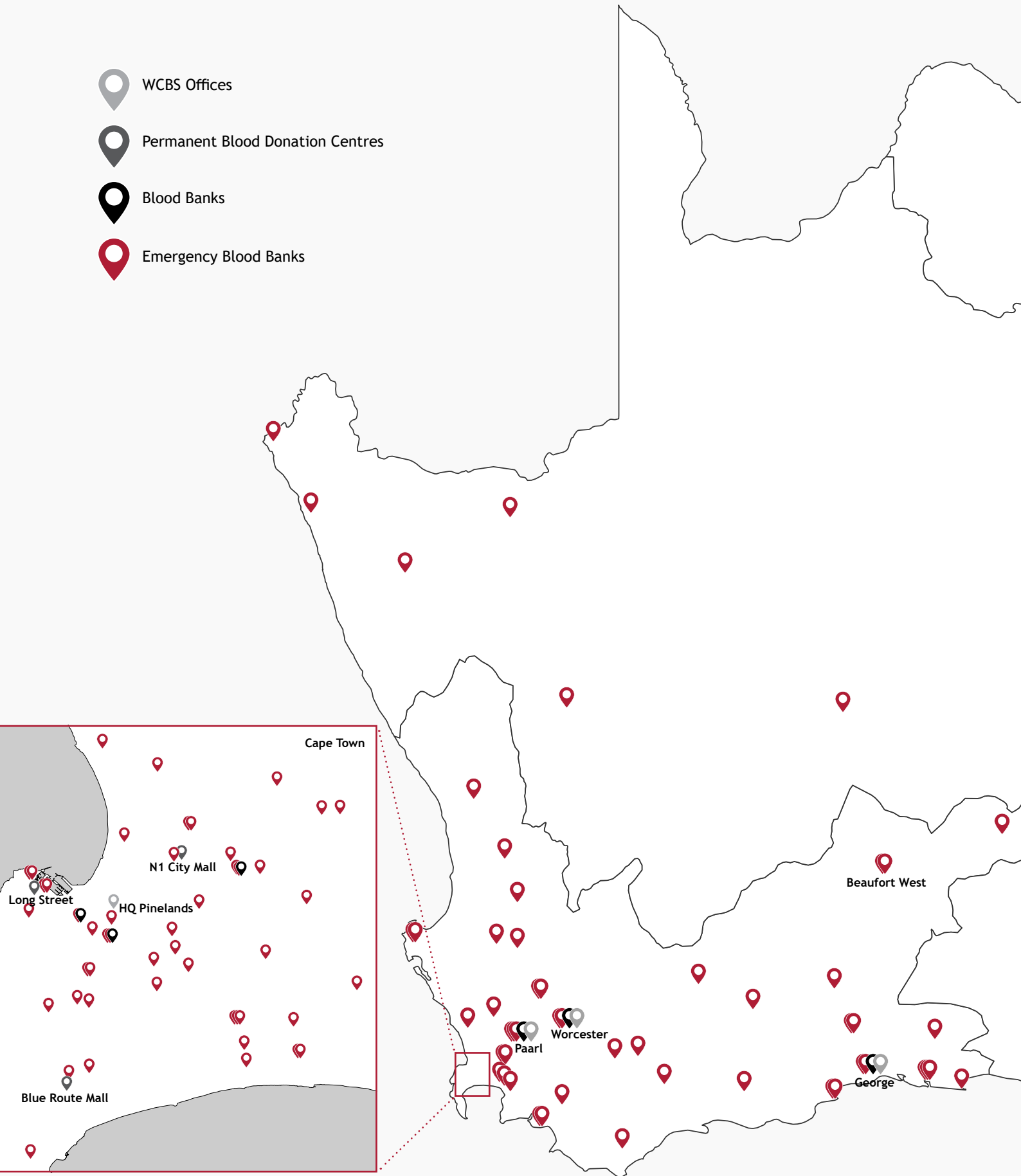


Values

we
are
caring
professional
responsible
committed
teamwork

WCBS at a Glance

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



Senior Leadership

Board of Directors

Mr PK Slack (Chairman)
Mr PJ Veldhuizen (Vice 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
Ms N Dhevcharan
Dr A Huggett
Prof VJ Louw
Mr DM Ndebele
Mr R Ramsbottom
Dr CF Ingram
Dr U Mungal-Singh (Appointed Nov 2020)

Heads of Departments

Links Archery (Donor Division)
Michele Breuninger (Learning & Development)
Jacques Breslaw (Information Technology)
Glynis Bowie (Quality Management Systems)
Russell Cable (Donation Testing)
Ashleigh Button (Human Resources)
Ronald Davids (George Region) - retired Dec 2020
Karen Dramat (Blood Banks)
Vincent Erasmus (Support Services)
Faisal Hassen (Continuous Improvement)
Caroline Hilton (Medical Division)
Imtiaz Kaprey (Finance)
Delizia Montgomery (Paarl Region)
Debbie Smith (Processing & Inventory Control)
Shaldine Sutton (George Region) - appointed Dec 2020
Michelle Vermeulen (Marketing & Public Relations)
Janine Wildschut (Worcester Region)

Company Secretary

Themis Commercial Legal Advisors (Pty) Ltd.

Registered Office

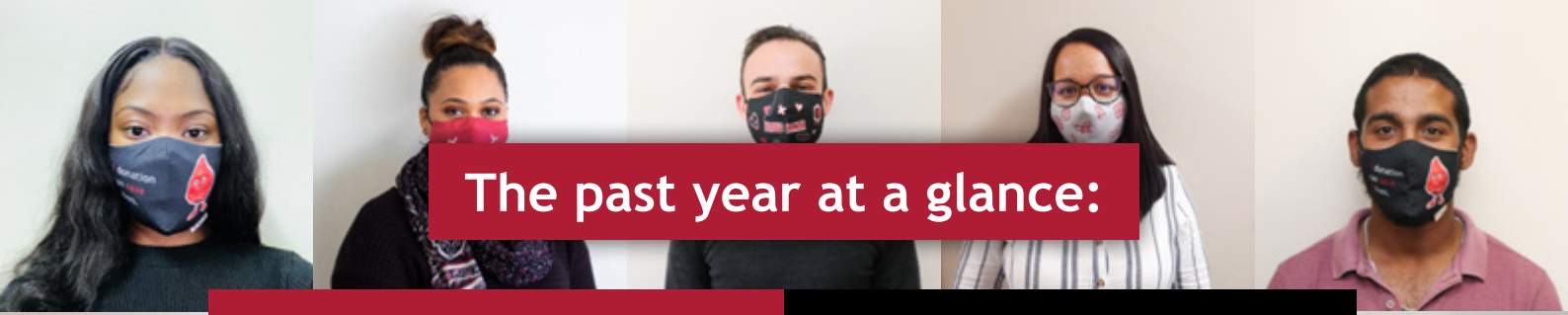
Southern House, Old Mill Road, Pinelands, 7405
P.O. Box 79, Howard Place, 7450

Registration Numbers

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



Key Statistics



The past year at a glance:

129 584
Units of donated whole blood

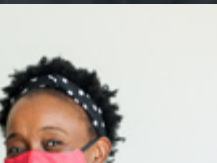
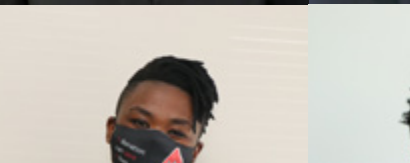
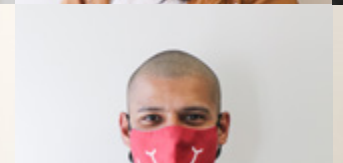
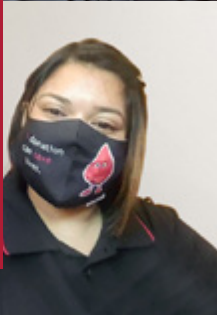
398 502
Potential lives saved



60 932
Active blood donors

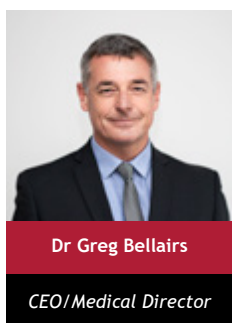
531
Employees

102
Emergency Blood Banks



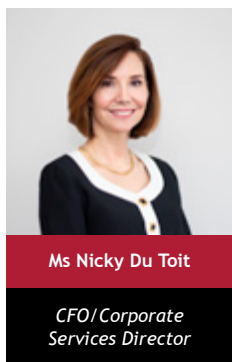


Messages From Leadership



Dr Greg Bellairs

CEO/Medical Director



Ms Nicky Du Toit

CFO/Corporate Services Director

Directors' Report 2020/21

The 2020-2021 year was dramatically impacted by the arrival of the COVID-19 virus in South Africa, which created significant upheaval in all aspects of life. Western Cape Blood Service's mission has always been to collect, process, test and distribute blood products throughout the Western Cape Province, which is an essential service ultimately providing for the blood transfusion needs of patients in hospitals. Recent years have been characterised by relative stability and predictability of blood product usage, and blood donation collections, but the COVID-19 environment resulted in considerable turbulence and unpredictability, requiring rapid responses to the ever-changing environment.

It is easiest to report on the challenges presented by Covid-19 through the Service's main strategic pillars, which are:

- sufficiency - collecting and providing enough blood;
- safety - enabling safe blood donation, providing safe blood products, and providing a safe working environment;
- sustainability - financial and operational.

Blood donations were significantly impacted by Covid-19, as well as the various degrees of lockdown imposed during the year. At Level 5 of Lockdown, with restrictions imposed on people travelling, blood donors were assured that travel for blood donation was allowed. WCBS also needed to provide a safe environment for blood donation - which included increasing the spacing between donation chairs and beds, amending blood donation clinic workflows, providing PPE for staff and donors, pre-screening of blood donors, and enhanced sanitization procedures.

As WCBS collects significant amounts of blood from schools, universities, and corporate clinics, the closure of these and restrictions on visitors markedly reduced opportunities to collect blood. Adjusted blood collection strategies included convening more clinics, for example at shopping malls, as people still needed to continue to shop for food, as well as clinics in residential areas. We were able to redirect blood donors to newly convened clinics by the Call Centre, SMS, website and email. However, opportunities to enrol new donors were constrained, for example, by recruiting younger donors at schools and universities.

Despite all of these challenges, we were able to collect sufficient blood throughout the year, although at times blood stock levels were lower than the ideal buffer stock levels of 5 days' cover for every blood group.

Staff availability was also impacted, especially during the waves of increased community infections - some staff developed COVID-19 illness, and many had high-risk exposures to COVID-19 positive people, almost all of which were in household or community settings. Many working hours were lost, but there were always sufficient staff available to ensure operations continued seamlessly, albeit sometimes under increased pressure and by working lengthy hours.

Blood usage varied significantly depending on the degree of lockdown. At the height of restrictions, and during the period when alcohol was banned and elective surgery curtailed (to free up hospital beds for COVID-19 patients), the volumes of blood products sold were reduced by 30%. As restrictions were lifted, sales improved but remained lower than originally expected. In South Africa, trauma is influenced by the availability and use of alcohol - and we saw evidence of this when alcohol became available, blood usage increased.

During the second COVID-19 wave, sales were affected, but less so than during the first wave, as the healthcare system's capacity to deal with COVID-19 and other patients improved. In order to deal with the financial uncertainties, non-essential expenditure was curtailed and capital purchases were put on hold unless absolutely critical to continuing operations. We were fortunate to have sufficient reserves to weather the financial storm - and the early uncertainty levels (which were high) were gradually replaced by recent experiences demonstrating that although sales (and income) were reduced, we could



predict the impacts of later waves of the pandemic. Despite our financial challenges, we recognise that we are fortunate to operate in the healthcare space, which somewhat insulated us from the financial devastation faced by organisations which could not operate at all during the lockdown.

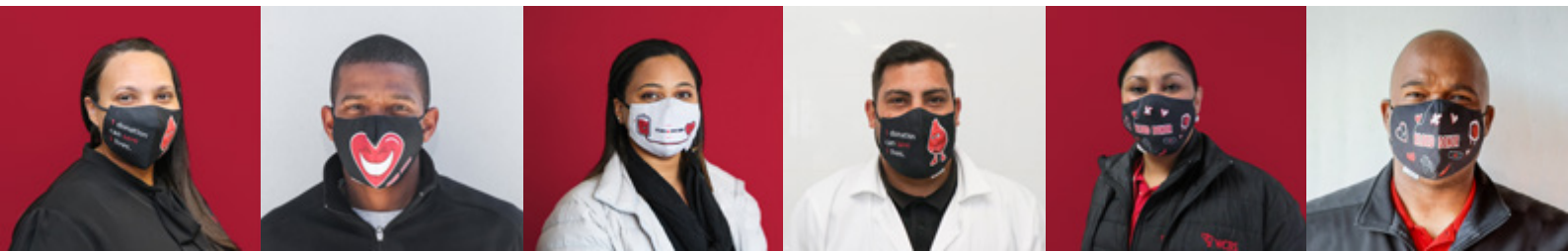
With the arrival of vaccines in early 2021, noting that WCBS provides essential medical products, we were supported by the Western Cape Department of Health and the Sisonke vaccination program, which ensured that approximately 60% of WCBS Staff were vaccinated by the end of May.

The role of the South African Blood Services was expanded to respond to two important areas of public benefit. The first was the rapid rollout of the collection of plasma from people who had recovered from COVID-19 (known as COVID-19 convalescent plasma) for use in a clinical trial for patients hospitalised with COVID-19. Many similar trials were conducted elsewhere in the world, but concerns were raised that the antibodies in plasma from earlier variants may not be effective in modifying the clinical course of COVID-19 illness caused by new variants. As a consequence the South African trial was stopped, but there were many valuable learnings for the consortium involved.

Secondly, both Blood Services collaborated on a research project to understand the prevalence of COVID-19 antibodies (indicating past infection) amongst blood donors, which was extrapolated the wider population in each Province, and Nationally. Based on the results of tests done in January and May of 2021, the National seroprevalence was estimated at 42.8%, indicating that the number of people who had had COVID-19 was several fold higher than the prevalence based on nasal swab PCR tests.

Although the COVID-19 pandemic has had significant impacts on WCBS, and will continue to do so, the Service has adjusted to the 'new normal' and we would especially like to thank all blood donors for continuing to donate blood despite adversity, as well as all staff who have selflessly and loyally ensured that the Service delivered on its mission over this past turbulent year.





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 WCBS 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 WCBS. 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 WCBS's strategy, policies and operational planning. Full and effective control of the WCBS 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 2020/2021 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 two executive directors have a 6-month notice

period, which allows sufficient time to identify and appoint replacements. There are a limited number of internal candidates who could replace the current executive directors, however, a revision of the executive responsibilities could be a possible strategy to maximise the potential to appoint suitable candidates.

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 WCBS and many lives are saved due to their selfless donations. You have sustained the population in the Western Cape for the past 81 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. WCBS 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 WCBS 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.

PAUL SLACK
Chairman of the Board



Our Business Model

The Western Cape Blood Service (WCBS) 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.

WCBS has an array of approximately 70 products and 40 services with annual price increases implemented across the full product range as per the WCBS 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	2020/21	%
Personnel	220 102 147	50.4%
Collections	33 853 211	7.8%
Testing	54 233 111	12.4%
Product costs	49 295 044	11.3%
Administration	43 275 044	9.9%
Repairs/Maintenance	12 798 962	2.9%
Depreciation	14 607 160	3.3%
Other	8 353 617	1.9%
Total	436 518 296	100%

Annually WCBS 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 WCBS 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.

Human Capital

WCBS 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 2020/21 included the following:



Incidents & Accidents

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

	2019/2020	2020/2021
Number of Incidents and Accidents	35	37
Incidence of Occupational Exposure	9	5
Incidence of Injuries	25	20
Incidence of Disabling Injuries	15	15



Training & Development

Investment of R 639 796.11 in the development of employees through work-relevant training and development programmes, including:

Training programmes for **348 staff members**.

15 Pathology Registrars.

3 BHSc students who are employed by WCBS.

1 lab assistant wrote and passed her board exam.

7 technicians passed their exams with distinction.

2 phlebotomists passed their board exams.

CPD was all online because of COVID.

2 proficiency tests were sent out as per SANAS requirements and all staff were ultimately found to be proficient at their work.



Staff Health & Wellness

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.

ICAS:

It is well-established that the challenges brought on by the Covid-19 pandemic have negatively impacted employee wellness worldwide.

At WCBS, we know that it's difficult for staff to stay engaged at work if they feel unwell physically, mentally or emotionally. This is why we partnered with ICAS in 2020 to implement an Employee Wellness Program (EWP).

Our staff are the life-blood of the organisation which is why it is vital for us to provide them with the necessary support to help them live and work at their best. The EWP has been a key business resource and can assist with:

- Improving employee morale and commitment
- Enhancing performance and productivity
- Reducing interpersonal conflict amongst staff
- Developing the skills of managers and supervisors.



Health & 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.

	2018/2019	2019/2020	2020/2021
SANAS Accreditation status	Full	Full	Full
OHSA Compliance Audit:			
N1 City Blood Donation Clinic	n/a	★★★★★	n/a
Red Cross Blood Bank	n/a	n/a	n/a
George Regional Office	★★★★★	n/a	n/a
Pinelands Head Office	★★★★★	★★★★★	★★★★★
Worcester Regional Branch	n/a	★★★★★	n/a
Groote Schuur Blood Bank	n/a	n/a	n/a
Blue Route Mall Donation Clinic	n/a	n/a	★★★★★
Long Street Donation Clinic	★★★★★	n/a	n/a
Tygerberg Blood Bank	★★★★★	n/a	n/a
Khayelitsha Blood Bank	n/a	★★★★★	n/a
Mediclinic Vergelegen	n/a	n/a	★★★★★
Paarl Regional Office	n/a	n/a	★★★★★



Employment Equity

WCBS EMPLOYEE racial profile compared with Western Cape demographics

	2018/2019	2019/2020	2020/2021	Western Cape ¹
African / Black	20.5%	24.3%	23.7%	39.5%
Coloured	61.2%	58.8%	58.6%	43.8%
Indian / Asian	0.9%	0.9%	1.3%	0.8%
White	17.3%	15.9%	14.9%	15.9%

1. Statistics South Africa (QLFS 3rd Quarter, 2017)



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

Currently **83.6%** of staff are from the black designated group and **61.8%** of staff are females.

Human Resources

	2018/2019	2019/2020	2020/2021
Resignations	49	78	53
New appointments	61	60	44

Intellectual Capital

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

Outputs during 2020/21 included the following:



Workforce

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

531 people.



Management

Experienced Board and Management Team.



Information Sharing

Corporate and Educational DVDs.
Clinical guidelines for the Use of Blood Products in South Africa.
Standards of Practice for Blood Transfusion in South Africa.



Quality

Quality Management System with continued commitment from management.
Annual external SANAS surveillance assessment to maintain accreditation status.
ICT Planning process and project methodology.
Annual strategic planning meeting for management team.
Comprehensive stakeholder engagement on a continuous basis.
IT SLA metrics shared monthly.



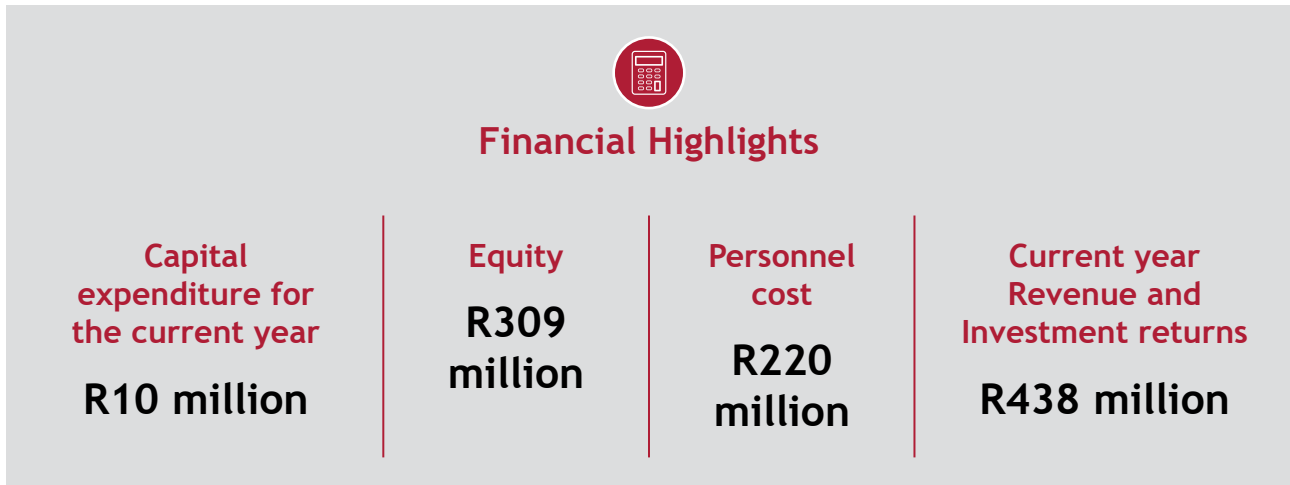
Training & Development

Continuous Improvement Workshops with quarterly maturity assessments.
Supervisory Skills Development (SDP) courses.
Competency Assessments and Proficiency testing for all technical staff.


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 2020/21 included the following:



Social & Relationship Capital



Blood Donor Community

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 2020/21 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.
- 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.

Natural Capital

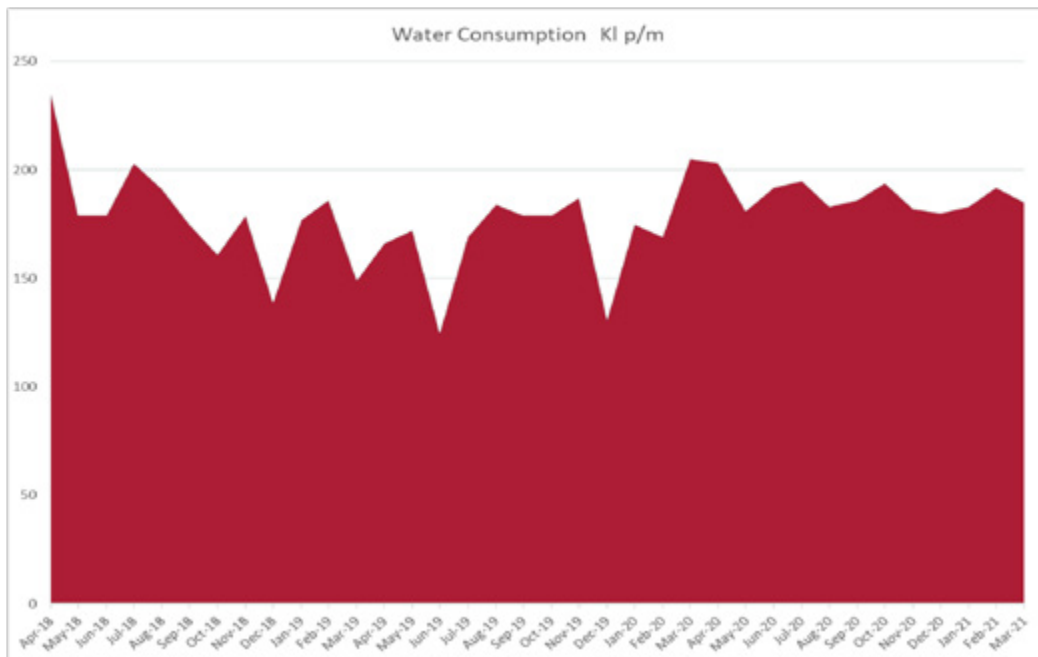
WCBS considers the environment in which we operate, as reliable supplies of water and energy are critical to the sustainability of our operations. Outputs for renewable and non-renewable environmental resources support current and future sustainability for our business and our stakeholders.

Outputs during 2020/21 included the following:

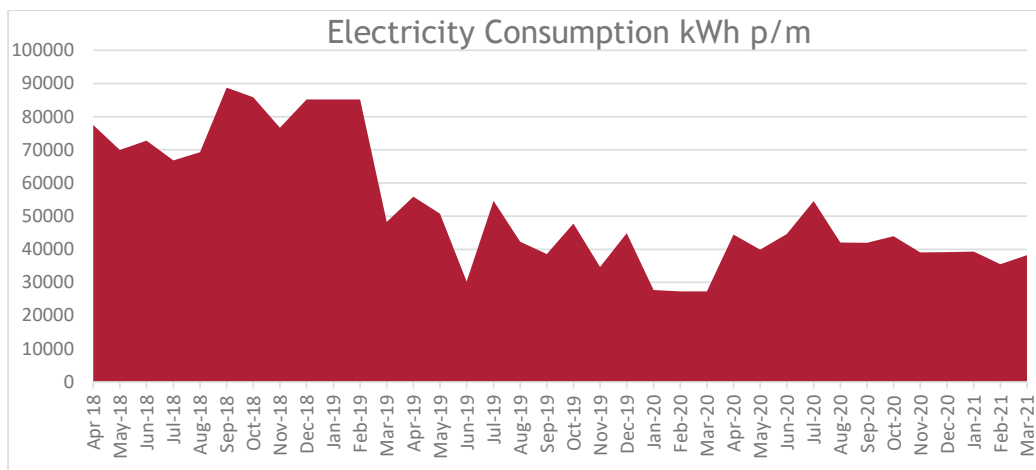
Biohazardous waste

Biohazardous waste is disposed by a licensed biohazardous waste contractor - 632 965.89 kg of biohazardous waste was disposed of during 2020/21.

Water



Electricity

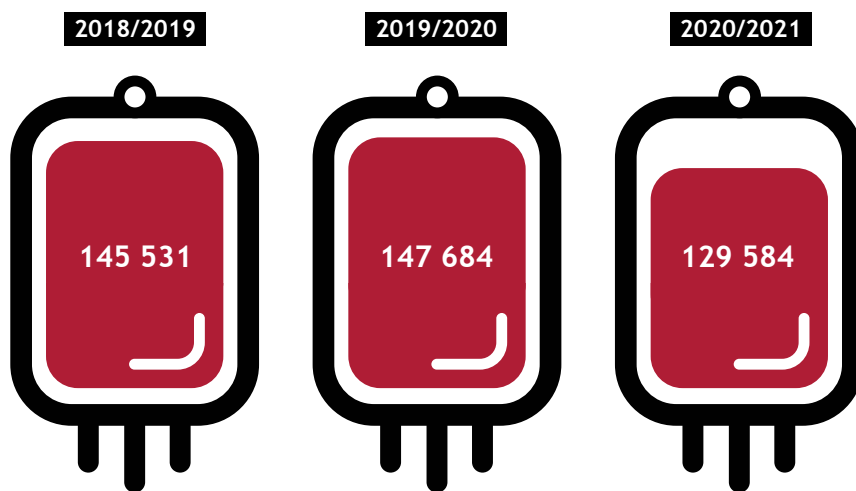


Manufacturing Capital

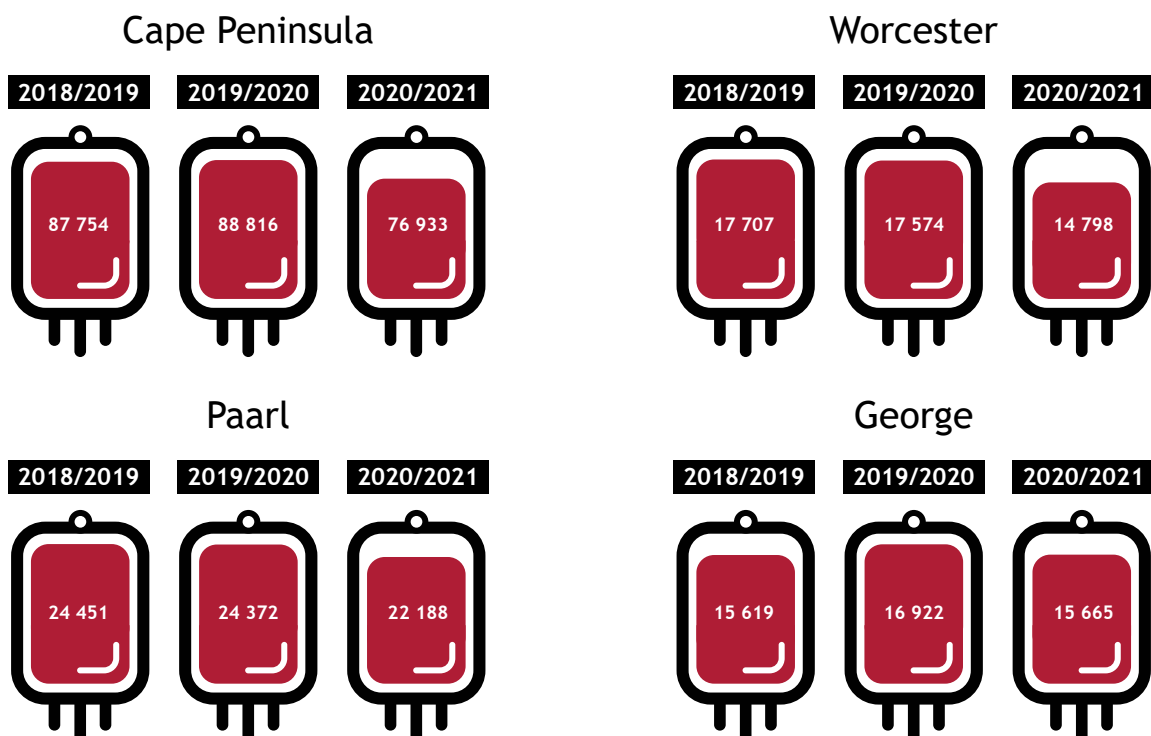
We create value by converting donated blood into life-saving products for patients. Our manufacturing capital is informed by our mission to deliver sufficient and safe blood to the communities we serve, while operating at the highest standards and using state-of-the-art technologies.

Outputs during 2020/21 included the following:

Total Blood Donations Collected at Clinics



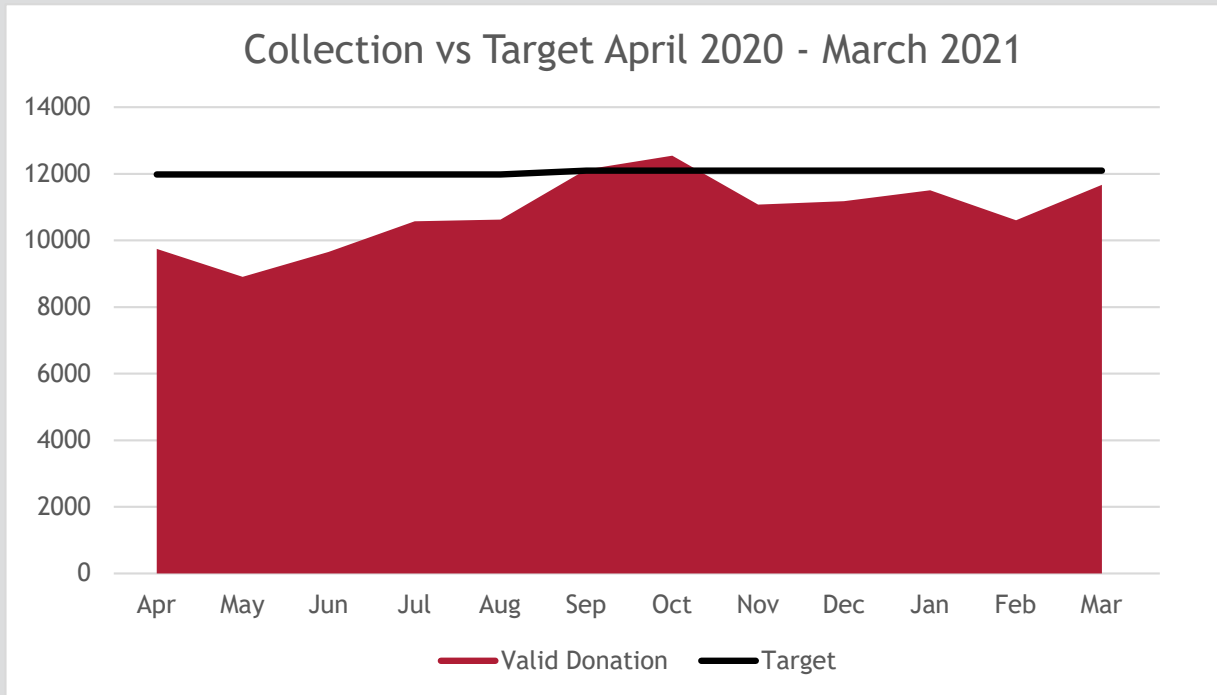
Blood Donations Collected at Clinics





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 2020.



Donation Information

Donor & Clinic information	2018/2019	2019/2020	2020/2021
Number of first time (new) donors	24 264	24 616	10 255
Total number of donors who donated	70 610	72 780	60 932
New clinics opened	37	66	17
Average donation frequency (per year per donor)	2.06 donations	2.03 donations	2.13 donations

Specialised donor services information	2018/2019	2019/2020	2020/2021
Autologous donations	0	1	0
Designated donations	102	64	70
Therapeutic donations	3 435	3 361	3 586
Apheresis platelets	3 684	3 623	3 431



Products Manufactured & Issued

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 2020.

	Product	Manufactured	Issued
Plasma products	Cryoprecipitate	14 190	13 892
	Adult fresh frozen plasma products	15 433	16 682
	Leucocyte reduced adult fresh frozen plasma products		22
	Paediatric fresh frozen plasma products	484	486
	Leucocyte reduced paediatric fresh frozen plasma products		10
Platelet products	Adult single donor platelet products	3 093	2 995
	Paediatric single donor platelet products	1 184	700
	Pooled platelet products	7 070	5 853
Red cell products	Infant products	1 992	1 849
	Paediatric products	570	507
	Leucocyte reduced red cell product	28 102	27 290
	Emergency leucocyte reduced red cell product		622
	Red cell products	97 144	85 852
	Emergency red cell products		8 181
Whole blood	Whole blood	1 651	214
	Leucocyte-reduced whole blood		119
	Emergency whole blood		336



Confirmed Positive Test Results

	2018/2019	2019/2020	2020/2021
Hepatitis B	83	70	85
Hepatitis C	5	5	7
HIV	53	62	52
Syphilis	69	84	81



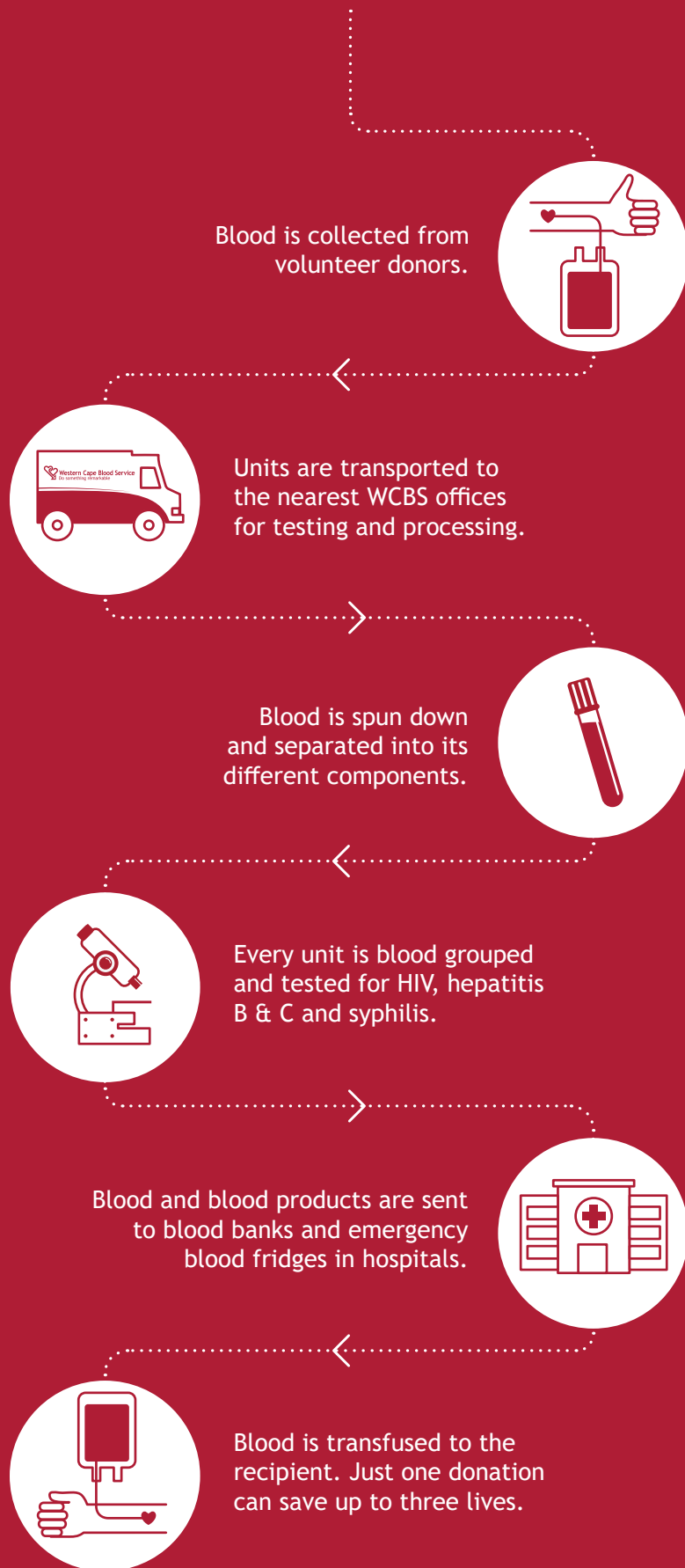
Adverse Transfusion Reactions

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.

	2018/2019	2019/2020	2020/2021
Allergic	66	73	63
Febrile	48	49	79
Anaphylactic	9	12	9
Hypotensive	1	3	2
Misdirected transfusion	3	4	5
Acute haemolytic reaction	0	0	0
Delayed haemolytic reaction	0	0	0
TRALI (transfusion related acute lung injury)	1	2	0
TACO (transfusion associated circulatory overload)	0	6	4
Total	128	149	162



Journey of Blood



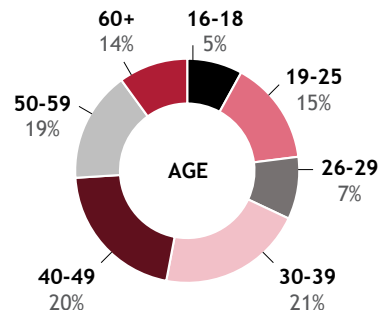
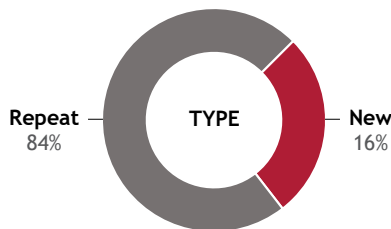
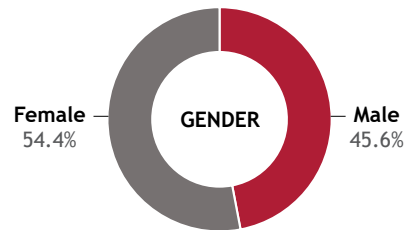
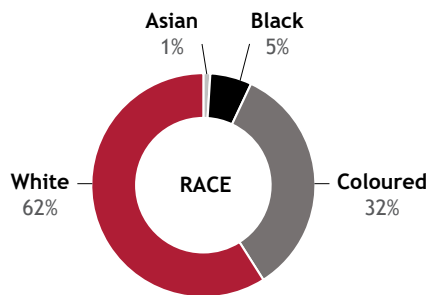
Current and Potential Blood Donors

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 2020/21 activities:

- Electronic Donor Survey.
- Increased digital marketing presence.
- Sponsorship of refreshment stations at big sporting events.
- YouTube campaign.
- Peer Promoter Programme.
- Annual donor commitment campaign.
- WCBS Mobile Application.



34 023

total Facebook likes



3 656

total Instagram followers



2 472

total Twitter followers



7 031

App users



100 346 website sessions, with **66 109** users



20 494 donor awards



13 donor registration exhibitions



2 wellness exhibition events



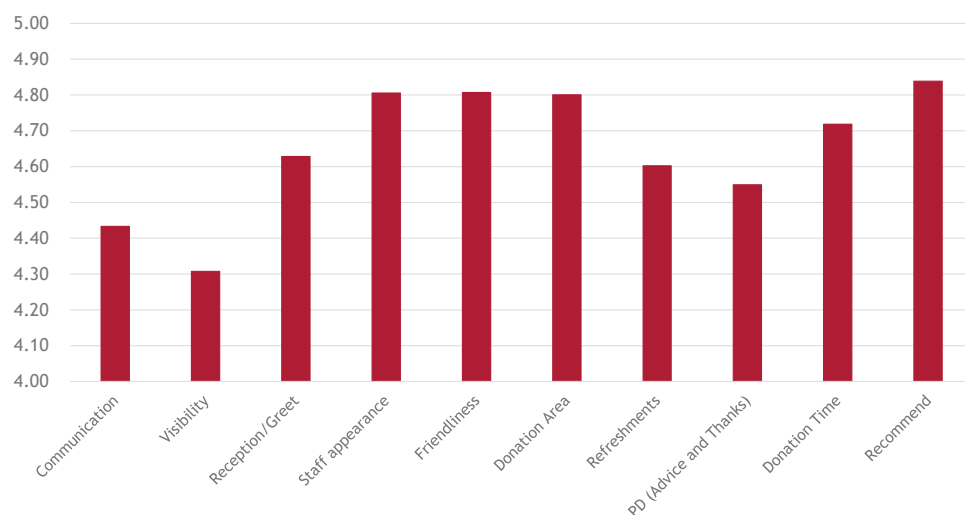
13 educational talks

WCBS 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 WCBS blood donor clinics.

A comprehensive annual donor satisfaction survey was conducted during January 2021 with 702 participants throughout the Province.



With a 93% overall score, donors were generally very happy with the service they received at blood donor clinics. It was also very positive that 96% of donors would recommend WCBS to people considering donating blood. Areas for improvement (90% and below) include the visibility of clinics and signage as well as communication. 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

WCBS conducts an annual customer satisfaction survey for hospitals, as part of its ongoing process to monitor the quality of product and service it provides. We analyse the outcomes to identify areas for improvement in product quality and service delivery. The 2020 survey was distributed to 40 hospitals (includes 1 kidney dialysis centre) in the Western Cape, from October until December. A total of 268 individual hospital staff responded to the survey.

The results indicate that hospital staff are generally satisfied with the quality of blood products, service delivery at blood banks, product availability and their experiences dealing with WCBS staff members.



Score legend: 1 = Strongly disagree, 2 = Disagree, 3 = Indifferent, 4 = Agree, 5 = Strongly agree.

Blood Users

Clinicians, nurses, hospitals, community health centres, day clinics, kidney and dialysis centres, oncology centres, provincial department of health, tertiary-training institutions and affiliations, biopharmaceutical companies, pathology laboratories. Payers, such as, medical aid schemes also fall under this category.

How we engage:

We engage with blood users through provincial government, hospital managements, hospital blood user committees, visits to clinicians, lectures for registrars and medical students, visits to nursing staff, lectures for nursing students, educational meetings, the customer satisfaction survey for hospitals, marketing campaigns, our website, our newsletter for blood users, price increase discussions and a service level agreement.

Our 2020/21 activities:

- Blood user committee meetings (3)
- In-person hospital visits (4)
- Lectures for 11 pathology registrars
- Lectures for medical students (10)
- Customer satisfaction survey for hospitals (1)
- Newsletter for blood users (3)
- Price increase discussions



Blood Recipients

Patients and patient advocacy groups, such as, the South African Haemophilia Foundation.

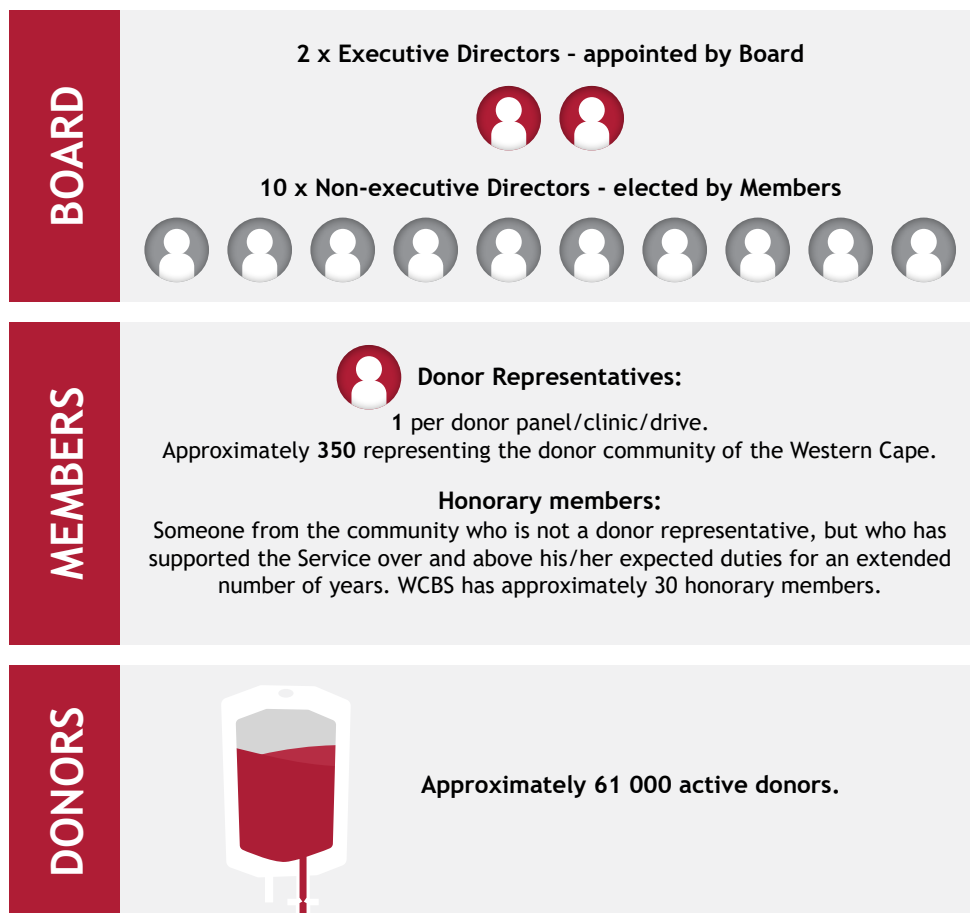
How we engage:

We engage with patients through our website, publishing blood recipient stories and donations to patient advocacy groups.

Our 2020/21 activities:

- Blood safety information on our website
- Published blood recipient stories on our website

Members

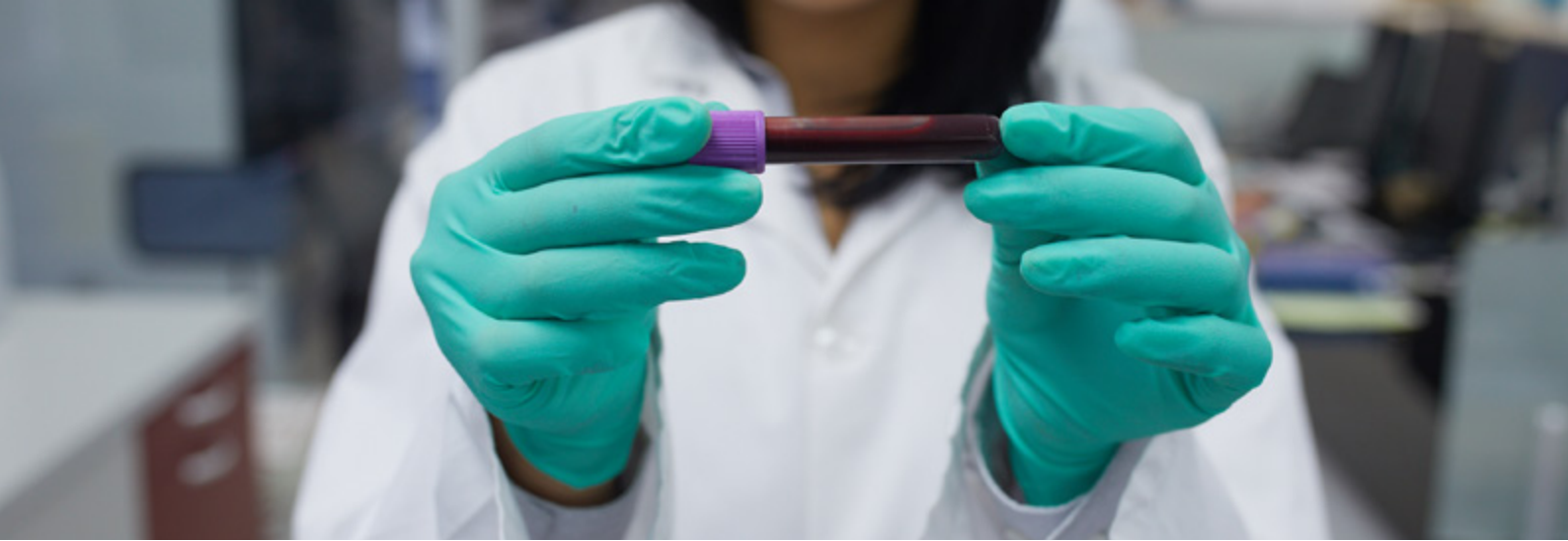


How we engage:

- Annual General Meeting

Our 2020/21 activities:

- Compliance management through Lexis Nexis alerts and checks by the Company Secretary on relevant legislation.
- Donor representative challenge during July and August 2020.
- Donor representative informational booklet.
- Donor representative recognition through a point-based award system.



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”.

Each risk is linked to the Service’s Key Performance Indicators (KPIs), in line with the Service’s Strategic Pillars as indicated on page 7. 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	KPI
Donor Risk <ul style="list-style-type: none"> Limited or Insufficient blood supply Donor fatigue 	High	Acceptable	CEO/Medical Director	3, 4
Recipient Risk <ul style="list-style-type: none"> Safety of blood products Transmission of infection 	High	Monitor	CEO/Medical Director	6
Transfusion Risk <ul style="list-style-type: none"> Safety of blood products Incompatible blood transfusions 	Critical	Monitor	CEO/Medical Director	6
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	5
Decrease in sales due to more restrictive transfusion practice	High	Monitor	CEO/Medical Director	10

Financial Risk

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
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	10

Compliance Risk

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
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	1

Operational Risks

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
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	8
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	2
Inadequate IT infrastructure, processes and resources	High	Monitor	CFO/ Corporate Services Director	8
Medical risk to staff safety Needle stick injury with exposure to potentially infectious blood products	High	Monitor	CEO/Medical Director	2
Inadequate staffing/attraction and retention of specialists/ scarcity of specialist skills	High	Monitor	CFO/ Corporate Services Director	8
Inability to find compatible blood in sub-groups of multi-transfused recipients	High	Monitor	CEO/Medical Director	3, 4
Infrastructure risk: Water and Electricity	High	Monitor	CFO/ Corporate Services Director	8

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 WCBS (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.



Performance Review

WCBS'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 2020/21, based on the strategic pillars of Compliance, Sufficient blood, Blood donor and recipient safety and Sustainability.

Results To Date

KPI	WEIGHTING	SCORE
Quality Management System	15%	18
Safety Standards	10%	10
Blood Product Supply Levels - RBC	15%	3,75
Blood Product Supply Levels - PLC	5%	5
Discard of Blood Collections	5%	3,75
Donor Adverse Reactions	10%	10
Male Only Plasma	7,5 %	7,5
Improved Blood Donor Arm Cleansing	7,5 %	7,5
Continuous Improvement (LEAN)	15%	15
Financial Ratios (2 % each)	10%	8
TOTAL	100%	88,5

Congratulations to all staff on these KPI results.



Governance

King IV Application Register

The Board’s governance oversight is evaluated in applying the King IV™ principles and outcomes.

	Principle	Application
Leadership, ethics and corporate citizenship	Principle 1: The governing body should lead ethically and effectively.	The Board of Directors provides leadership and strategic guidance within the framework of a Code of Ethics, which supports the establishment of an ethical culture. Registers are maintained of individual directors’ interests outside WCBS and these are updated annually. The Social and Ethics Committee plays a key role in exercising oversight and are governed by WCBS’s corporate values. Through the management of our operations, CSI initiatives and sustainability enhancements, we aim to maintain our position as a responsible corporate citizen. The Board believes that Natural and Social and Relationship Capitals should be integrated into the everyday business of the organisation. We have a key role to play in society in 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.
	Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	
	Principle 3: Responsible corporate citizenship.	
Strategy, performance and reporting	Principle 4: The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board annually approves the WCBS Strategy, Key Strategic Risks and Performance Management Scheme Principles and Parameters, in line with our vision, mission, values and targets.
	Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance, and its short-medium- and long-term prospects.	The integrated report is our primary communication regarding value creation. The report focuses on providing WCBS members and key stakeholders with a holistic view of the Service’s operations, performance, risks and opportunities, and also includes the Service’s financial statements. The Integrated Report includes a Director’s report, the Chairman’s report and reports by Board committees’ chairpersons. WCBS received the Merit Award for our integrated report in the NGO/NPO category at the prestigious 2018 Integrated Reporting Awards.

	Principle	Application
Governing structures and delegation	Principle 6: Board as custodian of good governance	The Board has ultimate accountability and responsibility for the performance and affairs of the company, including good governance practices and principles. The Board Charter sets out the Board's role and responsibilities, together with the Directors' Code of Conduct and Board committees' Terms of References.
	Principle 7 Board composition	The Board composition is aligned with the requirements of King IV™ regarding the number of executive versus non-executive directors. Skills, experience and tenure of Board members are monitored continually.
	Principle 8 Effective board structures and delegation of authority	Board structures are effective through the delegation of matters and mandates to Board committees and to individuals through a formal delegation of authority process and accompanying board resolutions. A newly formed Clinical Governance committee was established early in 2019.
	Principle 9: Board performance evaluation	During 2018 an internal Board self-evaluation was conducted, in line with established governance practices.
	Principle 10: Board/Management relationships	WCBS continuously adheres to sound practices in respect of succession planning and executive director performance evaluations.
Governance functional areas	Principle 11: Risk governance	Risk assessment is an integral part of strategic planning and oversight of risk is exercised by the Board of Directors regularly. The Board ensures that risk management is embedded into key decision-making processes.
	Principle 12: Technology and information governance	Strategies are in place for technology enhancements and the Finance and IT governance committee are mandated to oversee this function. This committee ensures that the IT strategy supports the business goals and objectives, as well as the sustainability objectives of WCBS.
	Principle 13: Compliance governance	WCBS subscribes to regular updates in applicable laws, regulations, codes and standards. 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. In the area of financial compliance, the financial audit provides assurance that the Service complies with legislation and disclosure requirements.
	Principle 14: Remuneration governance	The Board, through the HR committee, ensures that WCBS's remuneration is appropriately designed, fair and market-related to attract and retain high-calibre employees. WCBS's remuneration policies facilitate an ongoing dialogue with stakeholders.
	Principle 15: Assurance	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.
Stakeholder relationships	Principle 16: Stakeholder-inclusive approach	WCBS invests in understanding stakeholder's views and need. WCBS is in the process of conducting a reputation survey with its key stakeholders and formalising its stakeholder engagement policy.
	Principle 17: Responsible investment	Investment practices are approved by the Board.

It was established that WCBS's current corporate governance practices are supportive of King IV™ principles.

Our Board

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



Dr Greg Bellairs (57)

Executive Director

BOARD TENURE IN YEARS: 13

COMMITTEES:
All committees

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

OTHER DIRECTORSHIPS:
South African Society for Blood Transfusion



Ms Nicky Du Toit (57)

Executive Director

BOARD TENURE IN YEARS: 9

COMMITTEES:
All committees

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

OTHER DIRECTORSHIPS:
South African Society for Blood Transfusion



Dr Arthur Bird (74)
(Passed away 10/05/2021)

Non-Executive Director

BOARD TENURE IN YEARS: 28*

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 (63)

Non-Executive Director

BOARD TENURE IN YEARS: 10

COMMITTEES:
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



Ms Nirvani Dhevcharran (54)

Non-Executive Director

BOARD TENURE IN YEARS: 2

COMMITTEES:
Finance & IT
Audit

QUALIFICATIONS:
MSc (Computer Science),
Advanced Business Diploma

OTHER DIRECTORSHIPS:
Oprah Winfrey Leadership Academy for Girls
Cape Peninsula University of Technology
The EDL Foundation

Our Board



Dr Andrea Huggett (45)

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: 6

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



Dr Charlotte Ingram (62)

Non-Executive Director

BOARD TENURE IN YEARS: 4

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)



Dr Urvashi Mungal-Singh (56)

Non-Executive Director

BOARD TENURE IN YEARS: 1

COMMITTEE:

Social & Ethics
Clinical Governance

QUALIFICATIONS:

Haematopathologist at Lancet Laboratories (current), CEO Heart and Stroke Foundation SA (previous), MBA (UCT), FCPATH (Haem) (CMSA), MBChB (UKZN)



Mr Dumisane Ndebele (52)

Non-Executive Director

BOARD TENURE IN YEARS: 8

COMMITTEE:

HR

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 Roger Ramsbottom (72)

Non-Executive Director

BOARD TENURE IN YEARS: 27

COMMITTEES:

Audit
Finance & IT (Chair)

QUALIFICATIONS:

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

Our Board



Mr Paul Slack (62)

Non-Executive Director

BOARD TENURE IN YEARS: 17

COMMITTEES:
Risk & Governance
HR
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 (47)

Non-Executive Director

BOARD TENURE IN YEARS: 6

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

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

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

COMPANY SECRETARY:
Themis Commercial Legal
Advisors (Pty) Ltd
Established in 2005.

Themis consists of a team of legal experts specialising in mergers and acquisitions, company secretarial, and corporate and commercial law.



Meryl Cummings

Company Secretarial

QUALIFICATIONS:
Accounting Diploma - Cape Peninsula,
University of Technology (2002) majoring
in Company Administration



Noelle Greeff

Legal

QUALIFICATIONS:
LLB - University of Stellenbosch (2014),
LLM (mercantile law) - University
of Stellenbosch (2015),
Advanced Short Course in Business
Rescue practice - Unisa (2018)
Attorney of the High Court of South
Africa, Notary Public of the High Court
of South Africa

Board Meetings

Board meeting attendance:

Name	Board Meetings	Audit Committee Meetings	Finance and IT Steering Committee Meetings	Human Resources Committee Meetings	Building Project	Total
Non-executive directors						
Dr A Bird	5	-		-	-	5
Mr M Burton	7	2	4	1	1	15
Ms N Dhercharran	7	2	4	1		14
Dr A Huggett	5		2			7
Dr C Ingram	4	-	-	-		4
Prof V Louw	6					6
Dr U Mungal-Singh	1					1
Mr D Ndebele	7		1	2		10
Mr R Ramsbottom	7	2	4	1	1	15
Mr P Slack	7	1	4	2		14
Mr PJ Veldhuizen	7	-	1	2	1	11

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	Sub-committee Meeting
April 2020 - March 2021	R 4 267.72	R 853.06	R 2 133.85

Board Chair Rate	Meeting	Monthly Retainer	Committee Meeting
April 2020 - March 2021	R 5 120.78	R 1 025.13	R 2 133.85

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, a Board self-evaluation was conducted. Board composition in terms of diversity and representivity was identified as an area for improvement.

Financial Statements

WESTERN CAPE BLOOD SERVICE

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

(Registration Number 1943/016692/08)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 34 to 62 were approved by the board of directors on 30 July 2019 and are signed on its behalf on 1 August 2019 by:



.....
CHAIRMAN



.....
DIRECTOR

Directors' Report

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

1. Incorporation

Western Cape Blood Service was incorporated as an association not for gain in 1943 in term of Section 21 of the previous Companies Act, 1973. Western Cape Blood Service changed its name from Western Province Blood Transfusion Service on the 1st of January 2019. The company continues to exist and in term 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 interest.

2. Nature of business

The principal activities of the Western Cape Blood Service is the collection, testing, processing and distribution of blood products and services.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Surplus per the attached Statement of Comprehensive Income equals R6 million for the financial year ending 31 March 2021 (2020: R42 million). Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Changes
Mr P K Slack	(Chairman)	
Dr G R M Bellairs	(Executive)	
Ms N B du Toit	(Executive)	
Dr A R Bird		Resigned 30 March 2021
Mr M R Burton*		Resigned 30 November 2020;
Dr A Huggett		re-appointed 30 March 2021
Mr D M Ndebele		Resigned 30 November 2020;
		re-appointed 30 March 2021
Mr R Ramsbottom*		
Prof V J Louw		
Mr P J Veldhuizen	(Vice Chairman)	
Dr C F Ingram		
Mrs N Dhevcharran*		
Dr V Mungal-Singh		Appointed 30 November 2020

* Member of audit committee

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2021 the company's investment in property, plant and equipment amounted to R92 477 848 (2020:R114 206 568), of which R10 203 398 (2020: R24 155 199) was added in the current year through additions.

In keeping with the Western Cape Blood Service's mission statement, the company continues investing in technical equipment to maintain its standards. Expected total capital expenditure for the next year is R32 319 365 (2020:R14 612 196). The company also has commitments in respect of contracts placed for leases of R8 628 139 (2020: R11 476 929) over the period of the lease. These commitments have been approved by the board of the company. Refer to Note 1 and Note 2 of the annual financial statements for further details.

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

As a result of lockdown and succeeding various alert levels, the company has reassessed its ability to continue to operate over the foreseeable future. The company is confident that though the actions that have been taken, including engagement with stakeholders, as well as the cost saving initiatives which have been implemented since the commencement of lockdown, combined with the company's liquidity position will allow the company to continue as a going concern.

The company has reviewed its debtors recoverability and believe that the provision raised at year end should still be sufficient.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

8. Auditors

Ernst & Young Inc. continued in office as auditors for the company for 2021.

At the AGM, the board will be requested to reappoint Ernst & Young Inc. as the independent external auditors of the company for the 2022 financial year.

9. Social and Ethics Committee

The Social and Ethics Committee comprises five non-executive directors. External advisors are co-opted to attend meetings when required. WCBS 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 WCBS Board of Directors and all employees.

WCBS's corporate social investment initiatives during 2020/2021 were aligned with our strategic objectives which are reported in the Social and Relationship Capital section of this report. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of Reference for the reporting period.

10. Secretary

The company secretary is Themis Commercial Legal Advisors (Pty) Ltd.

11. 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 01 October 2020, the date of the last employment equity submission, the company employed 531 permanent and 0 casual/ temporary employees. As at the date of the last submission, 85% of permanent employees were from the black designated group and 62% were female. Of the 18 employees in management, 44% were from the black designated group and 56% were female.

12. 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 license 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 WCBS submitted recommendations in June 2011. The regulations

published by SANBS, NBI and WCBS 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 WCBS is currently operating legally based on pre-existing licensing under the Human Tissues Act.

WCBS continues to operate with SANBS and the National Department of Health remains committed to a solution that best serves regional and national blood transfusion requirements.

The annual financial statements set out on pages 9 to 44, which have been prepared on the going concern basis, were approved by the board on 05 July 2021, and were signed on its behalf by:

Approval of annual financial statements



Chairman
05 July 2021

Independent Auditor's Report

To the Shareholder of Western Cape Blood Service

Opinion

We have audited the annual financial statements of Western Cape Blood Service (the company) set out on pages 10 to 42, which comprise the statement of financial position as at 31 March 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Western Cape Blood Service as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Western Cape Blood Service annual financial statements for the year ended 31 March 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary

information as set out on pages 43 to 44, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

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

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

Ernst & Young Inc.
Majid Cader Partner
05 July 2021 Pinelands

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2021

Figures in Rand	Note	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	1	92 477 848	114 206 568
Right-of-use assets	2	7 014 315	9 869 866
Investments	3	111 245 261	80 579 559
		210 737 424	204 655 993
Current assets			
Inventory	4	40 279 697	54 279 905
Trade and other receivables	5	63 473 227	71 155 072
Cash and cash equivalents	6	76 948 982	87 786 782
FEC Asset	7	-	5 167 865
		180 701 906	218 389 624
Total assets		391 439 330	423 045 617
Equity			
Other reserves		54 297 523	65 998 838
Accumulated funds		255 125 746	249 001 488
		309 423 269	315 000 326
Liabilities			
Non-current liabilities			
Post-retirement medical benefits	8	1 466 000	1 290 000
Lease liability	2	6 263 472	8 900 761
		7 729 472	10 190 761
Current liabilities			
Trade and other payables	9	40 627 570	66 050 130
Lease liability	2	2 364 667	2 576 168
Provisions	10	29 936 283	29 228 232
FEC Liability	7	1 358 069	-
		74 286 589	97 854 530
Total liabilities		82 016 061	108 045 291
Total equity and liabilities		391 439 330	423 045 617

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note	2021	2020
Turnover	11	430 589 645	464 680 738
Cost of sales	12	(137 381 367)	(145 112 545)
Gross surplus		293 208 278	319 568 193
Other income	13	14 166 909	12 155 496
Operating expenses	14	(305 445 126)	(295 564 484)
Operating surplus		1 930 061	36 159 205
Interest received	15	5 222 925	6 559 868
Finance costs	16	(977 284)	(1 216 861)
Surplus for the year		6 175 702	41 502 212
Other comprehensive surplus/ (loss)	17	(155 000)	127 000
Total comprehensive surplus for the year		6 020 702	41 629 212

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Actuarial gains/losses	Non-distributable reserves	Revaluation reserve	Product liability reserve	Total reserves	Accumulated funds	Total
Opening balance as previously reported	671 000	2 485 587	37 612 581	20 000 000	60 769 168	212 928 351	273 697 519
Balance at 01 April 2019	671 000	2 485 587	37 612 581	20 000 000	60 769 168	212 928 351	273 697 519
Surplus for the year	-	-	-	-	-	41 502 212	41 502 212
Other comprehensive surplus	127 000	-	-	-	127 000	-	127 000
Total comprehensive surplus for the year	127 000	-	-	-	127 000	41 502 212	41 629 212
Transfer to non-distributable reserve	-	102 670	-	-	102 670	(102 670)	-
Effect of adoption of IFRS 16 Leases	-	-	-	-	-	(326 405)	(326 405)
Transfer to product liability reserve	-	-	-	5 000 000	5 000 000	(5 000 000)	-
Total changes	-	102 670	-	5 000 000	5 102 670	(5 429 075)	(326 405)
Balance at 01 April 2020	798 000	2 588 257	37 612 581	25 000 000	65 998 838	249 001 488	315 000 326
Surplus for the year	-	-	-	-	-	6 175 702	6 175 702
Other comprehensive surplus	(155 000)	-	-	-	(155 000)	-	(155 000)
Total comprehensive surplus for the year	(155 000)	-	-	-	(155 000)	6 175 702	6 020 702
Transfer to non-distributable reserve	-	51 444	-	-	51 444	(51 444)	-
Transfer to product liability reserve	-	-	(11 597 759)	-	(11 597 759)	-	(11 597 759)
Total changes	-	51 444	(11 597 759)	-	(11 546 315)	(51 444)	(11 597 759)
Balance at 01 April 2020	643 000	2 639 701	26 014 822	25 000 000	54 297 523	255 125 746	309 423 269
Note	17	18	19	20			

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	21	21 642 914	42 960 365
Interest income		3 664 391	5 560 575
Finance costs		(645)	(3 728)
Net cash from operating activities		25 306 660	48 517 212
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	1	(10 203 398)	(24 155 199)
Sale of property, plant and equipment	1	1 137 474	2 927 642
Increase of investment		(23 000 000)	-
Net cash from investing activities		(32 065 924)	(21 227 557)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments relating to lease liability		(3 499 876)	(3 663 082)
Total cash movement for the year		(10 259 140)	23 626 573
Cash at the beginning of the year		87 786 782	59 113 790
Net foreign exchange differences		(578 660)	5 046 419
Total cash at end of the year	6	76 948 982	87 786 782

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2021

1. Property, plant and equipment

Figures in Rand	2020			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and Buildings	49 552 029	(752 028)	48 800 001	64 202 573	(581 315)	63 621 258
Plant and machinery	64 828 880	(44 414 993)	20 413 887	65 738 698	(42 200 143)	23 538 555
Motor vehicles	24 681 997	(12 784 718)	11 897 279	25 338 644	(11 128 864)	14 209 780
Office equipment	7 458 849	(4 510 127)	2 948 722	7 959 435	(4 205 939)	3 753 496
Computer equipment and software	16 284 540	(7 866 581)	8 417 959	15 898 804	(6 815 325)	9 083 479
Total	162 806 295	(70 328 447)	92 477 848	179 138 154	(64 931 586)	114 206 568

Reconciliation of property, plant and equipment - 2021

Figures in Rand	Opening balance	Additions	Disposals	Revaluations	Depreciation	Impairment loss	Closing balance
Land and buildings	63 621 258	3 255 402	-	(11 597 759)	(170 703)	(6 308 197)	48 800 00
Technical equipment	23 538 555	2 611 812	(1 052 783)	-	(4 683 697)	-	20 413 88
Motor vehicles	14 209 780	1 762 667	(578 003)	-	(3 497 165)	-	11 897 27
Office equipment and furniture	3 753 496	118 148	(127 918)	-	(795 004)	-	2 948 72
Computer equipment and software	9 083 479	2 455 369	(512 606)	-	(2 608 283)	-	8 417 95
Total	114 206 568	10 203 398	(2 271 310)	(11 597 759)	(11 754 852)	(6 308 197)	92 477 84

Reconciliation of property, plant and equipment - 2020

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land and buildings	54 387 524	9 399 534	-	(165 800)	63 621 258
Technical equipment	24 168 514	5 060 229	(308 339)	(5 381 849)	23 538 555
Motor vehicles	12 728 230	5 573 253	(1 158 034)	(2 933 669)	14 209 780
Office equipment and furniture	3 710 137	964 064	(104 760)	(815 945)	3 753 496
Computer equipment and software	8 209 506	3 158 119	(174 390)	(2 109 756)	9 083 479
Total	103 203 911	24 155 199	(1 745 523)	(11 407 019)	114 206 568

Changes in estimates

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

The affected class of property, plant and equipment is Technical equipment, Computer equipment and Office equipment. The useful lives have been revised for the period of 1 year up to 5 years. The change in the useful lives was accounted for on a prospective basis as of 1 April 2020. The increase in the useful lives has resulted in a decrease in depreciation for the current and future periods amounting to R2 070 011.

Revaluations

The company's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value. In the current financial year management decided to revalue its land and buildings due to the Covid 19 pandemic and the material effect it had on the fair value of land and buildings.

The fair value measurements as of 31 March 2021 were performed by Ms K Kilian, Pr Val under the supervision of Mr P Venter, MRICS, Pr Val, MIVSA, independent valuers not related to the company. K Kilian and P Venter are members of the Institute of Valuers and they have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The fair values of office buildings have been generally derived using the income capitalisation method. The International Valuation Standards 2013 defines capitalisation as the conversion of income into a capital sum through the application of an appropriate rate. Therefore, the net normalised income of the property is determined based on the assumption that the property is fully let at open market rentals, market escalation applies and that market related operating cost are incurred. The net normalised income is then capitalised into perpetuity using market related capitalisation rate to reflect the open market value. The capitalisation rate used for the valuation was at a rate of 10.50%.

The carrying value of the revalued assets under the cost model (excluding depreciation) would have been:

Figures in Rand	2021	2020
Pinelands	16 046 123	15 578 123
George	395 179	395 179
Worcester	1 592 653	1 592 653
Paarl	11 811 449	9 024 036
	29 845 404	26 589 991
DETAILS OF PROPERTIES		
Pinelands		
An office block situated in Old Mill Road, Pinelands, erected on remained of freehold erf 24179, Cape Town at Maitland (in extent 1,3093 hectares) in the municipality of Pinelands, under Deed of Transfer No T39826/88		
- Acquisition cost: 14 July 1988	2 811 236	2 811 236
- Improvements since acquisition	13 234 887	12 766 887
- Revaluation	20 162 421	32 569 732
	36 208 544	48 147 855
George		
An office building situated at Courtney 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, under Deed of Transfer No T10014/93		
- Acquisition cost: 28 June 1993	160 200	160 200
- Improvements since acquisition	234 979	234 979
- Revaluation	3 136 616	2 780 207
	3 531 795	3 175 386
Worcester		
An office building situated at 26 Napier Street, Worcester, erected on Freehold erf 15375 (in extent 1736 square metres) in the Municipality and Division of Worcester, under Deed of Transfer No T38986/94		
- Acquisition cost: 10 June 1994	505 697	505 697
- Improvements since acquisition	1 086 956	1 086 956
- Revaluation	2 715 785	2 262 642
	4 308 438	3 855 295
Paarl		
Erf 31275 Paarl, situated in the proposed township of Zandwyk Park Development, under Deed of transfer No T15496/2018		
- Acquisition cost: April 2018	1 776 285	1 776 285
- Improvements since acquisition	10 035 164	7 247 751
- Impairment loss	(6 308 197)	-
	5 503 252	9 024 036

2. Leases

Company as a lessee

The company has lease contracts for various items of computer equipment, technical equipment and property rentals used in its operations. Leases of computer equipment generally have lease terms of 3 years, technical equipment generally has a lease term of 5 years and property rentals generally have a lease term of between 3 and 10 years.

The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period:

Figures in Rand	Opening balance	Additions	Depreciation	Asset re-measured	Closing balance
Right-of-use assets - 2021					
Land and buildings	7 631 334	-	(1 869 293)	(3 243)	5 758 798
Computer equipment and software	726 575	-	(516 166)	-	210 409
Technical equipment	1 511 957	-	(466 848)	-	1 045 109
Total	9 869 866	-	(2 852 307)	(3 243)	7 014 316
Right-of-use assets - 2020					
Land and buildings	9 720 411	88 851	(2 177 928)	-	7 631 334
Computer equipment and software	1 244 155	-	(517 580)	-	726 575
Technical equipment	1 934 670	-	(422 713)	-	1 511 957
Total	12 899 236	88 851	(3 118 221)	-	9 869 866

Set out below are the carrying amounts of lease liabilities and movements during the period:

Lease liability

Figures in Rand	2021	2020
Opening balance	(11 476 929)	(13 405 147)
Additions	-	(88 851)
Accretion of interest	(976 639)	(1 213 133)
Payments	3 499 876	3 663 082
Forex adjustments	322 310	(432 880)
Liability re-measured	3 243	-
	(8 628 139)	(11 476 929)
Non-current liabilities	(6 263 472)	(8 900 761)
Current liabilities	(2 364 667)	(2 576 168)
	(8 628 139)	(11 476 929)

Figures in Rand	Contractual minimum lease payment	Future finance cost	Present value of minimum lease payments
Repayment terms - 2021			
Due within 1 year	3 084 286	(719 619)	2 364 667
Between 1 and 2 years	2 382 539	(521 097)	1 861 442
Between 2 and 3 years	1 621 023	(355 307)	1 265 716
Between 3 and 4 years	1 028 536	(270 081)	758 455
After 4 years	2 722 693	(344 834)	2 377 859
	10 839 077	(2 210 938)	8 628 139

Figures in Rand	Contractual minimum lease payment	Future finance cost	Present value of minimum lease payments
Repayment terms - 2020			
Due within 1 year	3 569 597	(993 427)	2 576 170
Between 1 and 2 years	3 197 151	(741 742)	2 455 409
Between 2 and 3 years	2 495 404	(533 775)	1 961 629
Between 3 and 4 years	1 705 434	(358 026)	1 347 408
After 4 years	3 751 230	(614 917)	3 136 313
	14 718 816	(3 241 887)	11 476 929

The interest rate related to the lease liability is 10% pa.

The following are the amounts recognised in profit or loss:

Figures in Rand	2021	2020
Depreciation expense of right-of-use assets	2 852 307	3 118 221
Interest expense on lease liabilities	976 639	1 213 133
Forex adjustment	(322 310)	432 880
Variable lease payments	41 075 385	40 414 287
	44 582 021	45 178 521

During the current financial year the company had total cash outflows for leases of R3 499 876. The company also had non- cash re-measurement of the right-of-use assets and lease liabilities of R3 243.

Included in the Ilex lease agreement is an amount for testing kits, however the payment is based on monthly usage and therefore this portion of the lease has not been capitalised, only the Panther equipment included in the agreement has been capitalised. The following provides information on the company's variable lease payments, including the magnitude in relation to fixed payments:

2021

Figures in Rand	Fixed payments	Variable payments	Total
Fixed rent	2 915 387	-	2 915 387
Variable rent with minimum payment	584 489	41 075 385	41 659 874
	3 499 876	41 075 385	44 575 261

2020

Figures in Rand	Fixed payments	Variable payments	Total
Fixed rent	3 129 711	-	3 129 711
Variable rent with minimum payment	533 371	40 414 287	40 947 658
	3 663 082	40 414 287	44 077 369

Extension options

Some leases of office buildings contain extension option exercisable by the company up to one year before the end of the non- cancelable contract period. Where applicable, the company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the company and not by the lessors. The company assesses at lease commencement whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

3. Investments

Figures in Rand	2021	2020
Liberty Investment	-	7 679 281
Liberty Gateway Investment	18 880 165	7 793 783
Nedbank Investment	92 365 096	65 106 495
	111 245 261	80 579 559
Reconciliation of Investments - Liberty Gateway Investment		
Opening balance 1 April 2020	7 793 783	7 704 115
Transfer from Liberty Investment	9 166 584	-
Fair value movement for the year	1 919 798	89 668
	18 880 165	7 793 783
Reconciliation of Investments - Liberty Investment		
Opening balance 1 April 2020	7 679 281	9 468 284
Transfer to Liberty Gateway Investment	(9 166 584)	-
Fair value movement for the year	1 487 303	(1 789 003)
	-	7 679 281
Reconciliation of Investments - Nedbank Investment		
Opening balance 1 April 2020	65 106 495	60 224 231
Fair value movement for the year	4 258 601	4 882 264
Additions	23 000 000	-
	92 365 096	65 106 495
Non-current assets		
At fair value	111 245 261	80 579 559

4. Inventory

Figures in Rand	2021	2020
Consumables	18 164 927	14 769 242
Finished goods	6 708 499	8 662 897
Raw materials	14 875 800	30 341 794
Work in progress	530 471	505 972
	40 279 697	54 279 905

5. Trade and other receivables

Figures in Rand	2021	2020
Gross trade receivables	59 251 941	63 865 638
Impairment of trade debtors	(5 339 472)	(3 606 402)
Deposits	7 550 701	9 551 308
Prepayments	1 835 252	1 206 214
Other receivables *	174 805	138 314
	63 473 227	71 155 072

* Other receivables include sundry debtors and staff loans.

Figures in Rand	2021	2020
Non-financial instruments		
Deposits	7 550 701	9 551 308
Prepayments	1 835 252	1 206 214
	9 385 953	10 757 522
Categorisation of trade and other receivables		
Trade and other receivables are categorised as follows in accordance with IFRS 9 - Financial Instruments:		
At Amortised Cost	54 087 274	60 397 550
Non-Financial Instruments	9 385 953	10 757 522
	63 473 227	71 155 072

Exposure to Credit Risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. The models make use of information submitted by the customers as well as external bureau data (where available). Customers credit limits are in place and are reviewed and approved by credit management committees. The exposure to risk and creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and process since the prior reporting period.

No interest is charged on trade receivables. The company assesses whether receivables over 120 days must be provided for because historical experience is such that receivables that are past due beyond 120 days are generally not recovered. Trade receivables between 90 days and 120 days are provided for based on estimated irrecoverable amounts.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry at the reporting date.

The estimation techniques explained have been applied for the first time in the previous financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

Expected Credit Loss Rate:

Figures in Rand	2021 Estimated gross carrying amount at default	2021 Loss allowance (Lifetime expected credit loss)	2020 Estimated gross carrying amount at default	2020 Loss allowance (Lifetime expected credit loss)
Not past due: 9% (2020: 6%)	59 426 746	(5 339 472)	64 003 952	(3 606 402)

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	2021	2020
Bank balances	76 898 672	87 748 634
Cash on hand	50 310	38 148
	76 948 982	87 786 782

Standard Bank Limited had issued guarantees to the value of R50 000.

7. FEC Asset / (Liability)

Figures in Rand	2021	2020
Fair value of FEC asset/ (liability) at year end	(1 358 069)	5 167 865

Refer to Note 27 Financial instruments and risk management for details of liquidity risk exposure and management.

8. Retirement benefit information

Defined contribution plan

The company continues to contribute to the Western Cape Blood 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 company'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 2020, 529 employees (2019: 497 employees) belonged to the defined contribution plan.

Post-retirement medical benefits

The company offers medical aid schemes for the benefit of permanent employees. Members of the defined benefit retirement plan and certain pensioners are entitled to post retirement contributions. At the year-end there were 3 pensioners who were entitled to 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 2020, using the projected unit credit valuation method.

Principal actuarial assumptions at the reporting date:

Discount rate	10.60%
Health care cost inflation	8.20%
Average retirement age	55

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

Funding liability

Figures in Rand	2021	2020
Balance at the beginning of the year	1 290 000	1 400 000
- interest	148 000	131 000
- benefit payments	(127 000)	(114 000)
- actuarial gain	155 000	(127 000)
	1 466 000	1 290 000

Post-retirement health care benefits expense included in profit or loss is as follows:

- interest cost

Total expenses/(gain) included in personnel costs

A quantitative sensitivity analysis for significant assumptions as at 31 March 2021 is as follows:

Figures in Rand

Funding liability	Accrued liability 31 March 2021	% Change
Central assumption - 8.20%	1 466 000	- %
-1%	1 356 000	(7.5)%
+1%	1 590 000	8.5 %
Sensitivity results		
	Current service cost and interest cost 2021/2022	% Change
Central assumption - 8.20%	148 000	- %
-1%	136 000	(8.1)%
+1%	161 000	8.8 %
Health care inflation cost		
	Accrued liability 31 March 2021	% Change
Central assumption - 8.20%	1 466 000	- %
+5 % for 5 years	1 725 000	17.7 %
+10% for 5 years	1 919 000	30.9 %
Discount rate		
	Accrued liability 31 March 2021	% Change
Central assumption - 10.60%	1 466 000	- %
-1%	1 593 000	8.7 %
+1%	1 357 000	(7.4)%
Expected retirement age		
	Accrued liability 31 March 2021	% Change
Central assumption - 55 years	1 466 000	- %
1 year younger	1 466 000	- %
1 year older	1 466 000	- %
Health care inflation cost		
	Accrued liability 31 March 2020	% Change
Central assumption - 8.40%	1 290 000	- %
+5 % for 5 years	1 197 000	(7.2)%
+10% for 5 years	1 394 000	8.1 %
Sensitivity results		
	Current service cost and interest cost 2020/2021	% Change
Central assumption - 8.40%	148 000	- %
-1%	137 000	8.8 %
+1%	161 000	8.1 %
Health care inflation cost		
	Accrued liability 31 March 2020	% Change
Central assumption - 8.40%	1 290 000	- %
+5 % for 5 years	1 512 000	17.2 %
+10% for 5 years	1 680 000	30.2 %

Figures in Rand

Discount rate	Accrued liability 31 March 2020	% Change
Central assumption - 12.10%	1 290 000	- %
-1%	1 395 000	8.1 %
+1%	1 198 000	(7.1)%
Expected retirement age		
Expected retirement age	Accrued liability 31 March 2020	% Change
Central assumption - 55 years	1 290 000	- %
1 year younger	1 290 000	- %
1 year older	1 290 000	- %

9. Trade and other payables

Figures in Rand	2021	2020
Trade payables	26 248 458	50 476 499
Other payables: Salary Creditors	7 396 312	6 187 871
Other payables: Sundry Payables	4 610 155	6 642 603
VAT	2 372 645	1 715 446
Loan from South African Society for Blood Transfusion	-	1 027 711
	40 627 570	66 050 130
Other payables include sundry creditors, accrual and other salary creditors.		
Non-financial instruments		
VAT payable	2 372 645	1 715 446

Exposure to Liquidity Risk

Refer to Note 27 Financial instruments and risk management for details of liquidity risk exposure and management.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

10. Provisions

Figures in Rand	Opening balance	Arising during the year	Utilised during the year	Total
Reconciliation of provisions - 2021				
Leave pay provision	15 800 674	18 444 331	(17 637 588)	16 607 417
Bonus provision	13 427 558	13 328 866	(13 427 558)	13 328 866
	29 228 232	31 773 197	(31 065 146)	29 936 283
Reconciliation of provisions - 2020				
Leave pay provision	14 947 904	18 351 571	(17 498 801)	15 800 674
Bonus provision	10 890 026	13 427 558	(10 890 026)	13 427 558
	25 837 930	31 779 129	(28 388 827)	29 228 232

11. Turnover

Figures in Rand	2021	2020
Turnover	430 589 645	464 680 738
Turnover	435 812 570	476 122 871
Interest received - bank deposits	(3 664 391)	(10 442 840)
Interest received - amortisation of debtors	(1 558 534)	(999 293)
	430 589 645	464 680 738
Disaggregation of revenue from contracts with customers		
Sale of Goods	430 589 645	464 680 738
Timing of Revenue Recognition		
At a point in time - Sale of Goods	430 589 645	464 680 738

12. Cost of sales

Figures in Rand	2021	2020
Sale of goods		
Cost of inventories sold	137 381 367	145 112 545

Cost of sales includes the historical cost of inventory expensed during the year.

13. Other income

Figures in Rand	2021	2020
Fair value gain on investments	7 665 703	3 182 929
Grant income	242 999	271 129
Gain on financial derivatives	-	6 012 173
Net surplus on scrapping or disposal of property, plant and equipment	-	1 182 119
Profit on exchange differences	3 845 797	-
Professional development fund income	-	10 755
Sundry income	2 412 410	1 496 391
	14 166 909	12 155 496

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.

14. Operating expenses

Operating expenses consist of these main components:

Figures in Rand	2021	2020
Auditors remuneration	420 649	433 823
Bad debts	4 342 107	3 952 926
Cleaning	2 580 377	2 012 539
Computer expenses	3 411 312	3 275 968
Depreciation	14 607 159	14 525 240
Employee cost	220 102 147	215 635 608
Motor vehicle expenses	3 372 731	3 442 837
Impairment loss	6 308 197	-
Loss on exchange differences	-	5 890 971
Loss on financial derivatives	4 654 237	-
Municipal expenses	3 098 562	3 261 296
Professional consultants	4 987 571	4 016 306
Railage, cartage and airfreight	9 100 751	9 165 413
Rentals paid	1 993 441	2 035 463
Repairs and maintenance	3 757 159	7 283 109
Service contracts	6 461 426	4 976 967
Training	716 575	2 202 292
Other expenses	15 530 725	13 453 726
	305 445 126	295 564 484

15. Interest received

Figures in Rand	2021	2020
Amortisation of debtors	1 558 534	999 293
Bank	3 664 391	5 560 575
	5 222 925	6 559 868

16. Finance costs

Figures in Rand	2021	2020
Interest on lease liability	976 639	1 213 133
Interest on late payment	645	3 728
	977 284	1 216 861

17. Other comprehensive surplus/ (loss)

Figures in Rand	2021	2020
Net actuarial gains/ (loss)	(155 000)	127 000

18. Non-distributable reserve

Figures in Rand	2021	2020
Professional Development fund surplus		
Balance beginning of year	1 580 057	1 477 387
Notional interest	51 444	102 670
	1 631 501	1 580 057
<p>The Professional Development Fund was established with surplus funds from hosting International Society of Blood Transfusion Congress in 2006. The essential purpose of the fund is to support staff in further education and training.</p>		
Training Development fund		
Balance beginning of year	1 008 200	1 008 200
Total Non-distributable reserve		
Professional Development fund surplus	1 631 501	1 580 057
Training Development fund	1 008 200	1 008 200
	2 639 701	2 588 257

19. Revaluation reserve

Figures in Rand	2021	2020
Revaluation at the beginning of the year	37 612 581	37 612 581
Transfer from revaluation reserve	(11 597 759)	-
	26 014 822	37 612 581

20. Product liability reserve

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

Figures in Rand	2021	2020
Balance at the beginning of the year	25 000 000	20 000 000
Transfer from retained earnings	-	5 000 000
	25 000 000	25 000 000

21. Cash generated from operations

Figures in Rand	2021	2020
Surplus for the year	6 175 702	41 502 212
Adjustments for:		
Depreciation and amortisation of property plant and equipment and right-of-use assets	14 607 159	14 525 240
Loss (profit) on sale of assets	1 133 836	(1 182 119)
Interest received	(3 664 391)	(5 560 575)
Finance costs	977 284	1 216 861
Post retirement medical aid benefits	176 000	(110 000)
Net gain on actuarial reserves	(155 000)	127 000
Fair value gain on investments	(7 665 702)	(3 182 929)
FEC asset	6 525 934	(4 625 379)
Impairment loss	6 308 197	-
Provisions	708 051	3 390 302
Foreign exchange gain/ (loss)	256 350	(4 613 539)
Changes in working capital:		
Inventory	14 000 208	(20 278 160)
Trade and other receivables	7 681 845	(9 845 351)
Trade and other payables	(25 422 559)	31 596 802
	21 642 914	42 960 365

22. Changes in liabilities arising from financing activities

Figures in Rand	Opening balance	Cash flows	Foreign exchange movement	Other	Closing balance
2021					
Current lease liability	2 576 168	(3 499 876)	(322 310)	3 610 685	2 364 667
Non-current lease liability	8 900 761	-	-	(2 637 289)	6 263 472
	11 476 929	(3 499 876)	(322 310)	973 396	8 628 139
2020					
Current lease liability	2 486 831	(3 663 082)	432 880	3 319 539	2 576 168
Non-current lease liability	10 730 529	-	-	(1 829 768)	8 900 761
	13 217 360	(3 663 082)	432 880	1 489 771	11 476 929

23. Taxation

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

24. Employee cost

Figures in Rand	2021	2020
Employee costs		
Bonuses	23 922 492	23 320 453
Contribution to medical aid	17 014 805	15 875 697
Non-execs directors fees	318 104	340 481
Other salary related payments	8 555 740	7 929 842
Overtime and Night Shift Allowance	5 677 702	8 692 305
Salaries and wages	143 683 160	138 515 911
Salary company contributions	20 930 144	20 960 920
	220 102 147	215 635 609

25. Directors' remuneration

Executive

Figures in Rand	Salaries	Contributions to Retirement Fund	Car Allowance	Medical Aid	Bonuses	Total
2021						
Dr G R M Bellairs	2 498 198	330 278	265 159	58 800	180 072	3 332 507
Ms N B du Toit	2 279 526	301 747	265 159	30 046	164 517	3 040 995
	4 777 724	632 025	530 318	88 846	344 589	6 373 502
2020						
Dr G R M Bellairs	2 369 182	316 149	259 185	57 035	141 195	3 142 746
Ms N B du Toit	2 168 622	288 839	259 185	50 188	128 997	2 895 831
	4 537 804	604 988	518 370	107 223	270 192	6 038 577

Non-executive

Figures in Rand	Directors' fees	Total
Directors' emoluments - 2021		
Mr P K Slack	44 521	44 521
Dr A R Bird	20 415	20 415
Mr M R Burton*	38 793	38 793
Dr A Huggett	20 008	20 008
Mr D M Ndebele	32 667	32 667
Mr R Ramsbottom*	38 793	38 793
Prof V J Louw	24 499	24 499
Mr P J Veldhuizen	34 709	34 709
Dr C F Ingram	20 415	20 415
Mrs N Dhevcharran*	36 751	36 751
Dr V Mungal-Singh	6 533	6 533
	318 104	318 104

Figures in Rand	Directors' fees	Total
Directors' emoluments - 2020		
Mr P K Slack	34 220	34 220
Dr A R Bird	34 284	34 284
Mr M R Burton*	30 432	30 432
Prof B D L Figaji*	11 159	11 159
Dr A Huggett	36 211	36 211
Mr D M Ndebele	34 285	34 285
Mr R Ramsbottom*	32 358	32 358
Prof V J Louw	38 137	38 137
Mr P J Veldhuizen	33 128	33 128
Dr C F Ingram	38 137	38 137
Mrs N Dhevcharran*	18 130	18 130
	340 481	340 481

26. Commitments

Capital commitments

Figures in Rand	2021	2020
Capital commitments		
- contracted for	6 887 563	1 600 000
- not contracted for	25 431 802	13 012 196
	32 319 365	14 612 196

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, furniture, computer equipment and software.

27. 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.

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

Cash and bank balance exposed to interest rate risk

Figures in Rand	2021	2020
Income statement effect of interest rate risk to above balance:		
1% increase in interest rates	769 490	877 868
- not contracted for	(769 490)	(877 868)

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 company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency).

Current assets / (liabilities)

Figures in Rand	2021	2020
2021: USD 1 039 005	15 460 394	-
2020: USD 2 034 197	-	36 500 607

Exchange rates at 31 March used for conversion of foreign items were

Figures in Rand	2021	2020
USD	14.8800	17.9435

The spot rate on 31 March 2021 was used to revalue foreign currency balances at year end.

At 31 March 2021, 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 546 039 higher/lower (2020: R3 650 061) 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.

Equity price risk

The company'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 company's management on a regular basis. The company's Board of Directors reviews and approves all equity investment decisions.

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

Sensitivity analysis

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

Figures in Rand	
Increase in investment of 10%	11 124 526
Decrease in investment of 10%	10 012 073

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 R18 880 165 and the Nedbank Investment of R92 365 096. All funds in the Liberty Investment was transferred to the Gateway Investment account during the current financial year.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Figures in Rand	Less than 12 months	Total	Carrying amount
2021			
Trade and other payables	38 254 924	38 254 924	38 254 924
Provisions	29 936 283	29 936 283	29 936 283
Lease liability	3 084 286	10 839 077	8 628 139
	71 275 493	79 030 284	76 819 346

Figures in Rand	Less than 12 months	Total	Carrying amount
2020			
Trade and other payables	64 334 684	64 334 684	64 334 684
Provisions	29 228 232	29 228 232	29 228 232
Lease liability	3 569 595	14 718 814	11 476 929
	97 132 511	108 281 730	105 039 845

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The company is exposed to credit risk on trade and other receivables, cash and cash equivalents and cash deposits.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

Figures in Rand	Gross carrying amount	Credit loss allowance	Amortised cost
2021			
Trade and other receivables	59 426 746	(5 339 472)	54 087 274
Cash and cash equivalents	76 948 982	-	76 948 982
	136 375 728	(5 339 472)	131 036 256
2020			
Trade and other receivables	64 003 952	(3 606 402)	60 397 550
Cash and cash equivalents	87 786 782	-	87 786 782
	151 790 734	(3 606 402)	148 184 332

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

28. 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

Figures in Rand	2021	2020
Assets		
Pinelands	44 558 720	44 701 790
Paarl	14 029 435	4 091 935
George	3 143 590	3 146 794
Worcester	3 800 954	3 822 525
	65 532 699	55 763 044

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

Figures in Rand	Opening balance at fair value	Additions	Revaluation	Impairment loss	Depreciation	Closing balance at fair value
2021						
Pinelands	44 701 790	-	-	-	(143 070)	44 558 720
Paarl	4 091 935	9 940 358	-	-	(2 858)	14 029 435
George	3 146 794	-	-	-	(3 204)	3 143 590
Worcester	3 822 525	-	-	-	(21 571)	3 800 954
	55 763 044	9 940 358	-	-	(170 703)	65 532 699

Figures in Rand	Opening balance at fair value	Additions	Revaluation	Impairment loss	Depreciation	Closing balance at fair value
2020						
Pinelands	43 409 032	1 433 389	-	-	(140 631)	44 701 790
Paarl	3 997 523	94 806	-	-	(394)	4 091 935
George	3 149 998	-	-	-	(3 204)	3 146 794
Worcester	3 844 096	-	-	-	(21 571)	3 822 525
	54 400 649	1 528 195	-	-	(165 800)	55 763 044

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.

Pinelands Actual Inputs

Price per square metre - Rands R85.00

Paarl Actual Inputs

Price per square metre - Rands R60.00

George Actual Inputs

Price per square metre - Rands R90.00

Worcester Actual Inputs

Price per square metre - Rands R45.00

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 approximates fair value.

Investments

Fair value measurements of Level 1 investments are based on quoted prices and Fair Value Measurement of Level 2 Investments

Figures in Rand			2021	2020
Gateway Investments	Level 1	31-Mar-21	18 880 165	7 793 783
Nedbank Investment	Level 1	31-Mar-21	92 365 096	65 106 495
Liberty Investment	Level 2	31-Mar-21	-	7 679 281
			111 245 261	80 579 559

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

29. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

As a result of numerous lockdown and Covid alert levels, the company has reassessed its ability to continue to operate over the foreseeable future. The company is confident that through the actions that have been taken, including engagement with stakeholders, as well as cost saving initiatives which have been implemented since the commencement of lockdown, combined with the company's liquidity position will allow the company to continue to operate as a going concern.

The company has reviewed its debtors recoverability and believe that the provision raised at year end should still be sufficient.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

30. Events after the reporting period

Whilst the effects of the global outbreak of the COVID-19 virus on the company is continually being reassessed, the full impact of the pending third wave remains unknown. During the nationwide lockdown we were able to trade as we were considered to be an essential service, however there has been a decrease in our sales figure in the past financial year. This was mainly due to elective surgeries being postponed and there was a decrease in the number of trauma cases during lockdown and the relevant alert levels which followed lockdown. The high level of uncertainty, due to the unpredictable outcomes of this disease, complicates the estimation of the financial effects of the outbreak and as a result could materially impact the results of the company negatively and the assumptions applied in our assessment of provisions and impairment considerations. Management has established high-level task teams that are continually assessing and monitoring developments with regard to the disease and at the time of finalising the report, the board is confident that our responses are adequate and the crisis is being continuously monitored to assess the impact on the company.

The board is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. The pandemic related events are considered to be adjusting events after the reporting period. There is no immediate concern around going concern. Management has established high-level task teams that are continually assessing and monitoring developments with regard to the disease and at the time of finalising the report, the board is confident that our responses are adequate and the crisis is being continuously monitored to assess the impact on the company. The following assets and liabilities have been adjusted to take into account the effects of COVID-19:

Detailed Income Statement

Figures in Rand	Note	2021	2020
Revenue			
Turnover		430 589 645	464 680 738
Cost of sales			
Collections		(33 853 211)	(37 575 785)
Product cost		(49 295 045)	(51 794 510)
Testing		(54 233 111)	(55 742 250)
	13	(137 381 367)	(145 112 545)
Gross surplus			
		293 208 278	319 568 193
Other income			
Fair value gain on investments		7 665 703	3 182 929
Gain on financial derivatives		-	6 012 173
Grant income		242 999	271 129
Net surplus on disposal of property, plant and equipment		-	1 182 119
Professional development fund income		-	10 755
Sundry income		2 412 410	1 496 391
Surplus on exchange differences		3 845 797	-
		14 166 909	12 155 496
Expenses (Refer to page 62)			
		(305 445 126)	(295 564 484)
Operating surplus			
		1 930 061	36 159 205
Interest received	16	5 222 925	6 559 868
Finance costs	17	(977 284)	(1 216 861)
		4 245 641	5 343 007
Surplus for the year			
		6 175 702	41 502 212

Figures in Rand	Note	2021	2020
Operating expenses			
Accounting fees		(429 513)	(258 277)
Accreditation fees		(140 571)	(175 168)
Archival storage		(367 296)	(381 390)
Auditors remuneration		(420 649)	(433 823)
Bad debts		(4 342 107)	(3 952 926)
Bank charges		(298 544)	(255 690)
Canteen expenses		(900 855)	(890 679)
Cleaning		(2 580 377)	(2 012 539)
Clinic general equipment		(28 051)	(63 056)
Computer expenses		(3 411 312)	(3 275 968)
COVID-19 expenses		(3 376 858)	(355 184)
Depreciation	2 & 3	(14 607 159)	(14 525 240)
Discount allowed		(427 466)	(357 793)
Donations		(7 726)	(33 600)
Donor privileges		(452 514)	(298 313)
Employee costs	25	(220 102 147)	(215 635 609)
Impairment loss		(6 308 197)	-
Insurance		(1 292 605)	(1 295 086)
Laundry		(230 654)	(216 741)
Library and journals		(51 446)	(71 905)
Licenses		(1 403 932)	(1 129 511)
Loss on exchange differences		-	(5 890 971)
Loss on financial derivatives		(4 654 237)	-
Membership and subscription fees		(517 029)	(435 056)
Motor vehicle expenses		(3 372 731)	(3 442 837)
Municipal expenses		(3 098 562)	(3 261 296)
Net loss on disposal of property, plant and equipment		(1 133 836)	-
Office equipment		(70 936)	(146 476)
Office refreshments		(448 140)	(648 917)
Petrol and oil		(63 403)	(132 206)
Postage		(115 691)	(215 077)
Printing and stationery		(752 891)	(916 044)
Professional consultants		(4 987 574)	(4 016 306)
Protective clothing		(515 148)	(273 153)
Railage, cartage and airfreight		(9 100 751)	(9 165 413)
Rentals paid		(1 993 441)	(2 035 463)
Repairs and maintenance		(3 757 159)	(7 283 109)
Safety expenses		(59 422)	(49 336)
Service contracts		(6 461 426)	(4 976 967)
Staff medical expenses		(123 652)	(29 699)
Staff recruitment		(151 917)	(139 763)
Staff welfare		(98 056)	(471 644)
Telephone and fax		(1 423 031)	(2 095 125)
Training		(716 575)	(2 202 292)
Travel - local		(400 499)	(666 754)
Travel - overseas		-	(284 819)
Uniforms		(249 040)	(1 167 263)
		(305 445 126)	(295 564 484)

Abbreviations & 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
IPFA	International Plasma and Fractionation Association
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
WCBS	Western Cape Blood Service
WCDoH	Western Cape Department of Health
WHO	World Health Organisation
WIP	Work in Progress