

# Annual Report

## 2022-2023



**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 2022 to 31 March 2023. 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 2022/23 financial year.

**PAUL SLACK**  
Chairman  
1 September 2023

**GREG BELLAIRS**  
Chief Executive Officer/  
Medical Director  
1 September 2023





# 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, 551 mobile donor clinics, a specialised donation services unit, apheresis collections department, 101 emergency blood banks at 176 hospitals, and eight 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, Association for the Advancement of Blood and Biotherapies Guidelines, ISBT 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.

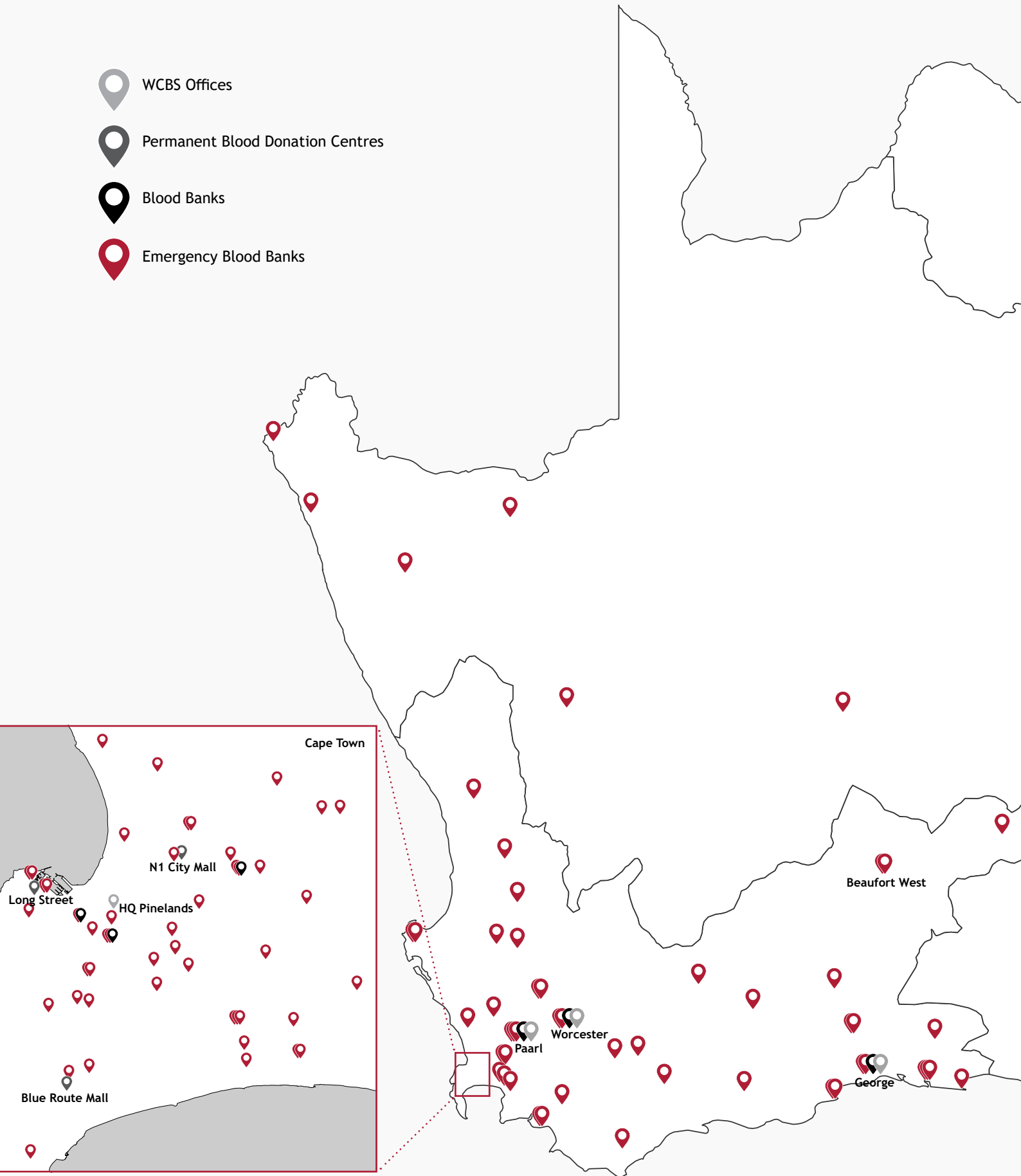


## Values

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

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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)  
Ms N Dhevcharran  
Dr A Huggett  
Dr CF Ingram  
Mr E Johannes  
Prof VJ Louw  
Mr DM Ndebele  
Mr R Ramsbottom  
Dr U Mungal-Singh

## Heads of Departments

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Links Archery (Donor Division)  
Michele Breuninger (Learning & Development)  
Jacques Breslaw (Information Technology)  
Glynis Bowie (Quality Management Systems)  
Theuna Brummer (Finance) - appointed April 2022  
Ashleigh Button (Human Resources)  
Russell Cable (Donation Testing)  
James Cowley (George Region) - appointed September 2022  
Vincent Erasmus (Support Services)  
Faisal Hassen (Continuous Improvement)  
Caroline Hilton (Medical Division)  
Delizia Montgomery (Paarl Region) - retired December 2022  
Meridah Mwase (Blood Banks)  
Debbie Smith (Processing & Inventory Control) - retired May 2022  
Shaldine Sutton (George Region) - moved to Processing & Inventory Control in June 2022  
Michelle Vermeulen (Marketing & Public Relations)  
Janine Wildschut (Worcester Region)

## Company Secretary

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Themis Commercial Legal Advisors (Pty) Ltd.

## Registered Office

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

## Registration Numbers

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



# Key Statistics

The past year at a glance:

**148 903**

Units of donated  
whole blood & plasma

**446 709**

Potential lives saved

**71 621**

Active blood donors

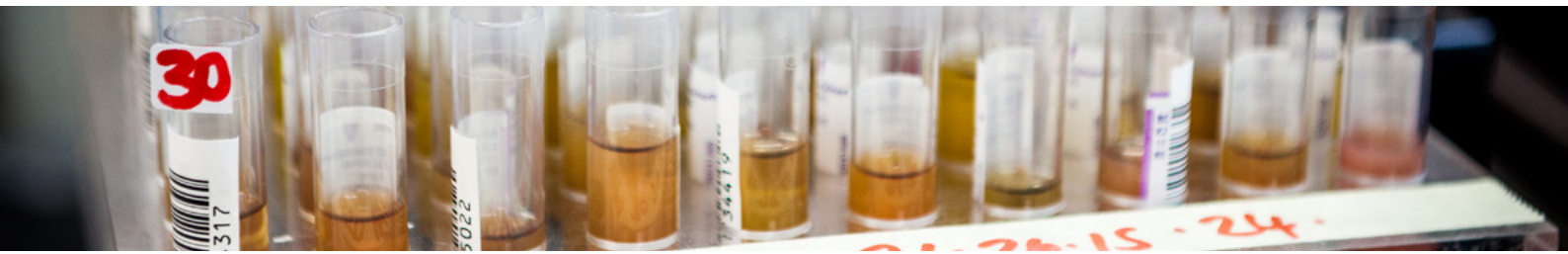
**503**

Employees

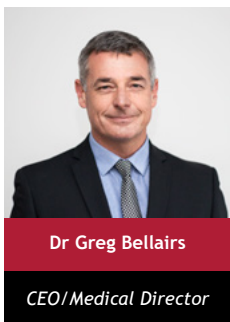
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Emergency Blood Banks



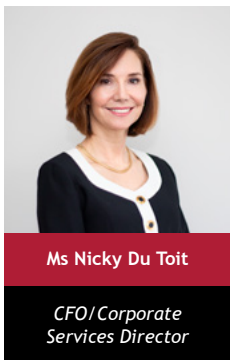


# Messages From Leadership



Dr Greg Bellairs

CEO/Medical Director



Ms Nicky Du Toit

CFO/Corporate  
Services Director

## Directors' Report 2022/23

The 2022-2023 financial year was dominated by two significant themes.

The first of these was the return to relative normality after the major disruptions of the COVID-19 pandemic. All hospital activities returned to normal, and in fact a backlog of surgical procedures resulted in increased blood product usage relative to long-term expected trends. This resulted in challenges in maintaining a sufficient blood supply, compounded by the fact that the percentage of the Western Cape's population comprising blood donors had decreased to below 1% through the COVID-19 years. Although WCBS was able to provide sufficient blood products at all times, on many occasions through the year, buffer stocks were well below the desired 5 days' cover. Considerable efforts were made to recruit new blood donors, and to encourage existing donors to donate blood, and our media partners assisted with numerous campaigns.

The second major theme was that of the relocation of WCBS's headquarters. During the 2021-2022 financial year, a new site was identified, and the building of the new, purpose-built HQ building commenced. The building was completed in October of 2022, and relocations of each department commenced during November and were finally completed early in 2023. A significant challenge was maintaining operations throughout the relocation, with due regard for validation of equipment and processes to maintain strict quality controls. In some laboratories we were fortunate to be able to install new equipment to enable a fully functional new laboratory before decommissioning the old laboratory at the old site. In addition, the IT infrastructure had to be robust at the new site, before anything could be moved. Another crucial requirement was that of asset tracking, to ensure that no items went missing, and that all assets ended up in the correct rooms, laboratories, and storage areas.

Although the relocation was challenging, the process unfolded seamlessly and according to the well-defined project plan and deadlines.



The advantages resulting from the relocation include:

- Improved proximity to major freeways and public transport.
- The warehouse is now on site, and no longer rented.
- Everything is in the correct place, with the first floor mainly housing support activities, and the ground floor housing operational and laboratory activities.
- Every department has sufficient space, and space for future growth.
- Water resilience is secured, and energy resilience (solar) is planned once winter has passed.

Other highlights from the 2022-2023 year include:

- The percentage of active blood donors as a proportion of the population increased from the worryingly low 0.8% of the previous year, to 0.99% - which is almost at the desired minimum that 1% of the population are blood donors.
- WCBS's ability to convene blood donation clinics at businesses, educational institutions, shopping malls, and community centres normalised.
- The activities of the Paarl Regional Branch (public relations, blood donation clinics, and blood banking) were absorbed in the operations of the same divisions for Cape Town Metro.
- The Service increased the collections of Source Plasma donations for use by the local Fractionator to

produce plasma derived medicinal products.

- Despite some delays, progress has been made on enhancing the blood donor experience by enabling a digital interface, and speedier processing of the blood donor questionnaire, as well as blood donation clinical process.
- The South African National Blood Transfusion Congress was held in Durban in August of 2022. Over 50 WCBS staff attended, many of these presenting their research outputs, and all gaining knowledge and insights from the invited experts.

In closing, we would especially like to thank our voluntary, altruistic blood donors throughout the Province for their precious blood donations. Every blood donation enables the Blood Service to produce at least three blood products, which ultimately end up saving or improving the lives of patients in hospitals.

In addition, we thank our Staff who have worked tirelessly to collect sufficient blood donations, and subsequently test, process and issue life-saving blood products to patients from the Blood Banks throughout the Province.

Finally, we thank our partners - the media, our suppliers, colleagues at South African National Blood Service, Western Cape Department of Health, and private sector health care funders - through our work together we've again successfully delivered on our mission.



# Chairman's Report 2022/23



Paul Slack

Chairman of the Board

The Board is guided by corporate best practices as contained in Companies Act and King Codes. During the year the Board once again provided strategic and governance guidance to the Service and confirmed the focus on material issues which could influence the continued sustainability of the Service, particularly following the significant challenges thrust upon the business by the COVID-19 pandemic.

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 sustainability-oriented culture, structures and processes for the governance of sustainability. Key indicators and material sustainability issues and risks are monitored on an ongoing basis, as are local and international regulatory and technical developments.

Two of the most significant sustainability-based decisions relate to the development of the Service's new headquarters - firstly, that of the completion of the new building, with sufficient space for all departments and for future growth, and secondly, the installation of solar power, which will be completed through 2023/24.

Another key sustainability issue that has dominated the Board's attention, is that of attracting and retaining a sufficient blood donor base, to ensure enough safe blood for the Western Cape province. It is pleasing that the number of active blood donors in

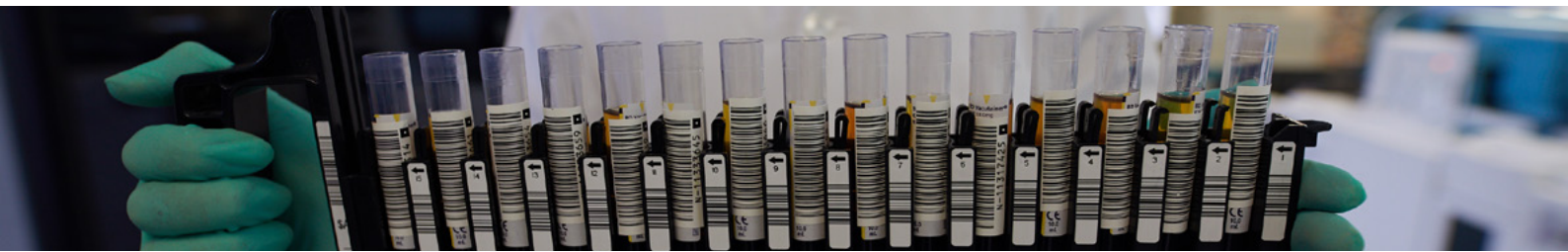
the province continues to increase, although further work is required to meet the ever growing demands for blood products due to population growth as well as the burdens of illness and trauma.

We believe that the Service makes a significant contribution to our country and economy. The Service's core values of teamwork, caring, being professional, responsible and committed position us well for the future. These values ensure that WCBS is an admired, successful business that creates jobs, develops the community, provides blood for the people of our province, and earns the respect and generates pride in the hearts of our donors and personnel.

I would like to thank my co-directors for their support and guidance during the 2022/23 financial year. Exceptional co-operation, diverse thinking and sober reasoning made us a formidable team. Your contributions are of great value. I would also like to thank the Chairs of each of the Board Committees for their hard work throughout the year - by delegating key governance functions to the Committees, we are confident that all areas are comprehensively managed.

Finally, on behalf of the Board I would like to thank our blood donors, personnel, partners, suppliers and the community for continued support, loyalty and friendship. WCBS is well positioned for future growth but without these cornerstones in our business, success will not be possible.

**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 7 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	2022/23	%
Personnel	245 582 090	48.7%
Collections	49 617 848	9.8%
Testing	67 925 508	13.5%
Product costs	53 900 342	10.7%
Administration	49 249 549	9.8%
Repairs/Maintenance	16 206 513	3.2%
Depreciation	18 467 724	3.7%
Other	3 630 159	0.7%
<b>Total</b>	<b>504 579 733</b>	<b>100.0%</b>

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 2022/23 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:

	2021/2022	2022/2023
Number of Incidents and Accidents	49	58
Incidence of Occupational Exposure	5	6
Incidence of Injuries	28	31
Incidence of Disabling Injuries	23	26



### Training & Development

Investment of R 837 268.58 in the development of employees through work-relevant training and development programmes, including:

Training programmes for **323 staff members**.

**16 Pathology Registrars**.

**3 BHSc students** who are employed by WCBS.

**4 phlebotomists** passed their board exams.

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

**5 refresher training** for qualified technicians.

**6 ABD Pad** training.

**12 Donor Course**.

**18 Customer Service Skills**.



### 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:**

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 meetings, and maintain a high level of health and safety in the workplace.

	2020/2021	2021/2022	2022/2023
SANAS Accreditation status	Full	Full	Full
<b>OHSA Compliance Audit:</b>			
N1 City Blood Donation Clinic	n/a	n/a	★★★★★
Red Cross Blood Bank	n/a	★★★★★	n/a
George Regional Branch	n/a	★★★★★	n/a
Ndabeni Head Office	★★★★★	★★★★★	★★★★★
Worcester Regional Branch	n/a	n/a	★★★★★
Groote Schuur Blood Bank	n/a	n/a	★★★★★
Blue Route Mall Donation Clinic	★★★★★	n/a	n/a
Long Street Donation Clinic	n/a	★★★★★	n/a
Tygerberg Blood Bank	n/a	n/a	★★★★★
Khayelitsha Blood Bank	n/a	n/a	n/a
Mediclinic Vergelegen Blood Bank	★★★★★	n/a	n/a
Paarl Regional Branch	★★★★★	n/a	n/a



## Employment Equity

### WCBS EMPLOYEE racial profile compared with Western Cape demographics

	2020/2021	2021/2022	2022/2023	Western Cape <sup>1</sup>
African / Black	23.7%	25%	25.2%	39.5%
Coloured	58.6%	59%	60.04%	46.4%
Indian / Asian	1.3%	2%	1.38%	0.8%
White	14.9%	14%	13.39%	13.3%

1. 23<sup>rd</sup> Annual Commission for Employment Equity



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

Currently 86.62% of staff are from the African designated group and 58.66% of staff are females.

### Human Resources

	2020/2021	2021/2022	2022/2023
Resignations	53	70	87
New appointments	44	68	71

# Intellectual Capital

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

## Outputs during 2022/23 included the following:



### Workforce

WCBS has a talented, skilled and trained full time workforce of **503 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 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.  
Leadership Skills Development (LDP) 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 2022/23 included the following:**



## Financial Highlights

**Capital expenditure for the current year**  
**R122 million**

**Equity**  
**R397 million**

**Personnel cost**  
**R246 million**

**Current year Revenue and Investment returns**  
**R539 million**





# 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 2022/23 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; ferritin testing; 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.

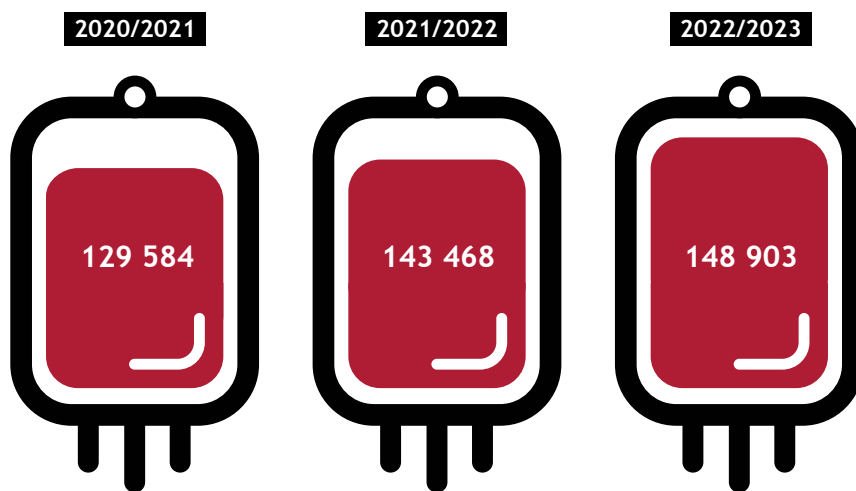


# Manufacturing Capital

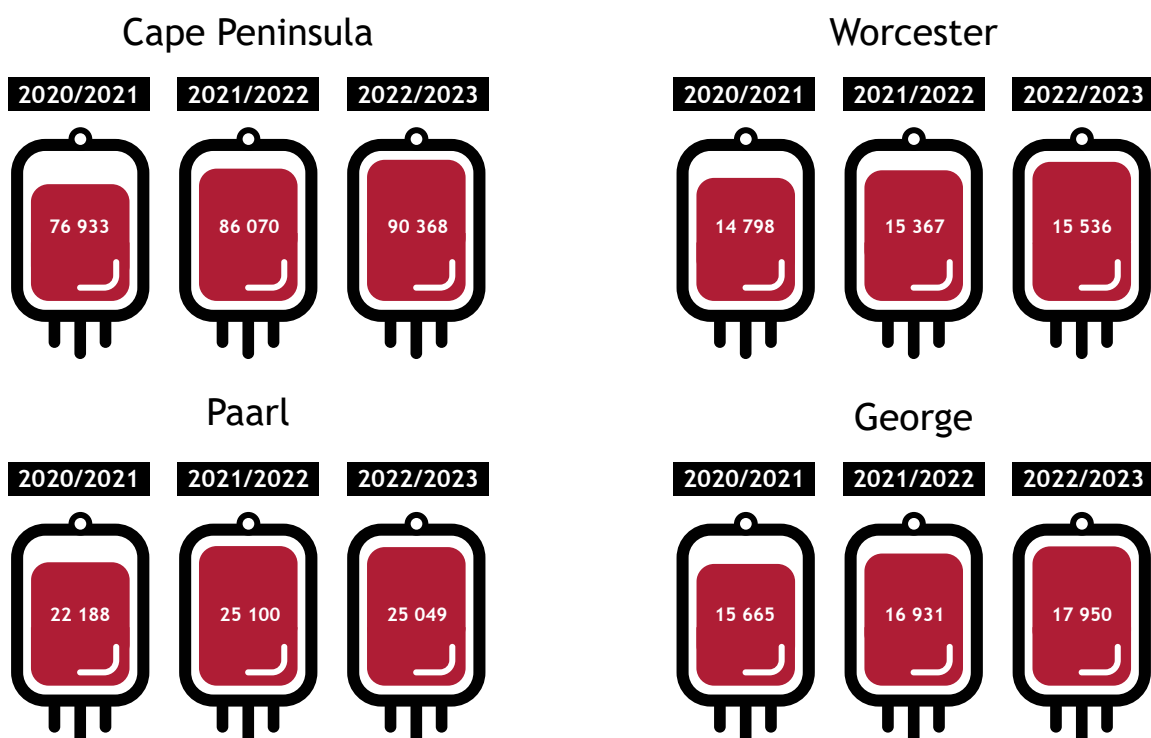
We create value by converting donated whole blood into life-saving products for patients. Our manufacturing capital is informed by our mission to deliver sufficient and safe blood to the communities we serve, while operating at the highest standards and using state-of-the-art technologies.

## Outputs during 2022/23 included the following:

### Total Whole Blood & Plasma Donations Collected at Clinics



### Whole Blood Donations Collected at Clinics

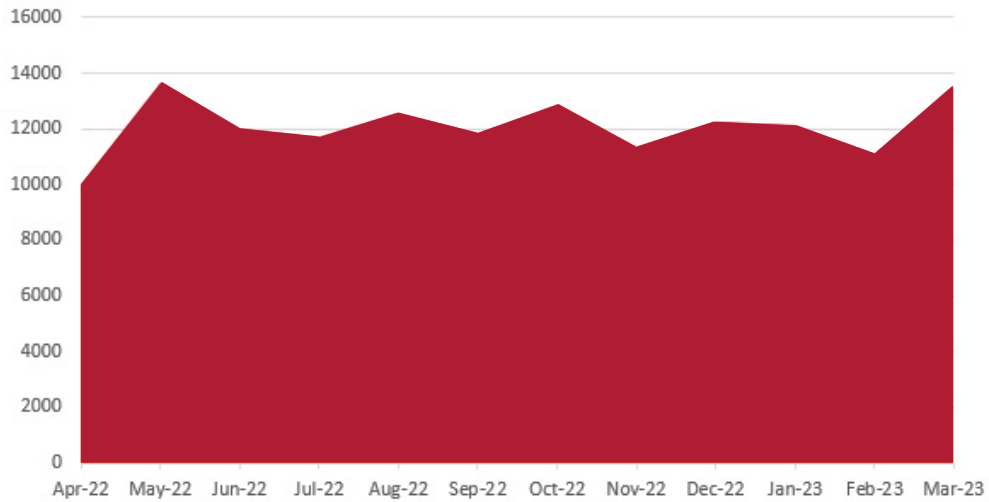




## Sufficient Blood

Donations collected generally met or exceeded monthly targets.

Sufficient Blood Collections



## Donation Information

Donor & Clinic information	2020/2021	2021/2022	2022/2023
Number of first time (new) donors	10 255	13 167	15 241
Total number of donors who donated	60 932	67 394	71 621
New clinics opened	17	41	17
Average donation frequency (per year per donor)	2.13 donations	2.18 donations	2.08 donations

Specialised donor services information	2020/2021	2021/2022	2022/2023
Autologous donations	0	0	0
Designated donations	70	74	68
Therapeutic donations	3 586	4 258	4 991
Apheresis platelets	3 431	3 398	3 377



## Products Manufactured & Issued

	Product	Manufactured	Issued
Plasma products	Cryoprecipitate	22 306	19 695
	Adult fresh frozen plasma products	20 048	18 553
	Leucocyte reduced adult fresh frozen plasma products		456
	Paediatric fresh frozen plasma products	432	353
	Leucocyte reduced paediatric fresh frozen plasma products		7
Platelet products	Adult single donor platelet products	3 080	3 067
	Paediatric single donor platelet products	1 100	629
	Pooled platelet products	7 805	6 673
Red cell products	Infant products	2 100	1 927
	Paediatric products	716	605
	Leucocyte reduced red cell products	30 066	25 956
	Emergency leucocyte reduced red cell products		876
	Red cell products	108 961	96 410
	Emergency red cell products		8 621
Whole blood	Whole blood	1 495	100
	Leucocyte-reduced whole blood		111
	Emergency whole blood		653



## Confirmed Positive Test Results

	2020/2021	2021/2022	2022/2023
Hepatitis B	85	78	92
Hepatitis C	7	8	6
HIV	52	56	82
Syphilis	81	115	122



## Adverse Transfusion Reactions

In South Africa, 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.

The Independent Haemovigilance Committee was established in May 2022 to review serious adverse transfusion events. They started to use this classification, which we did not routinely use before (hence there are no previous records for this).

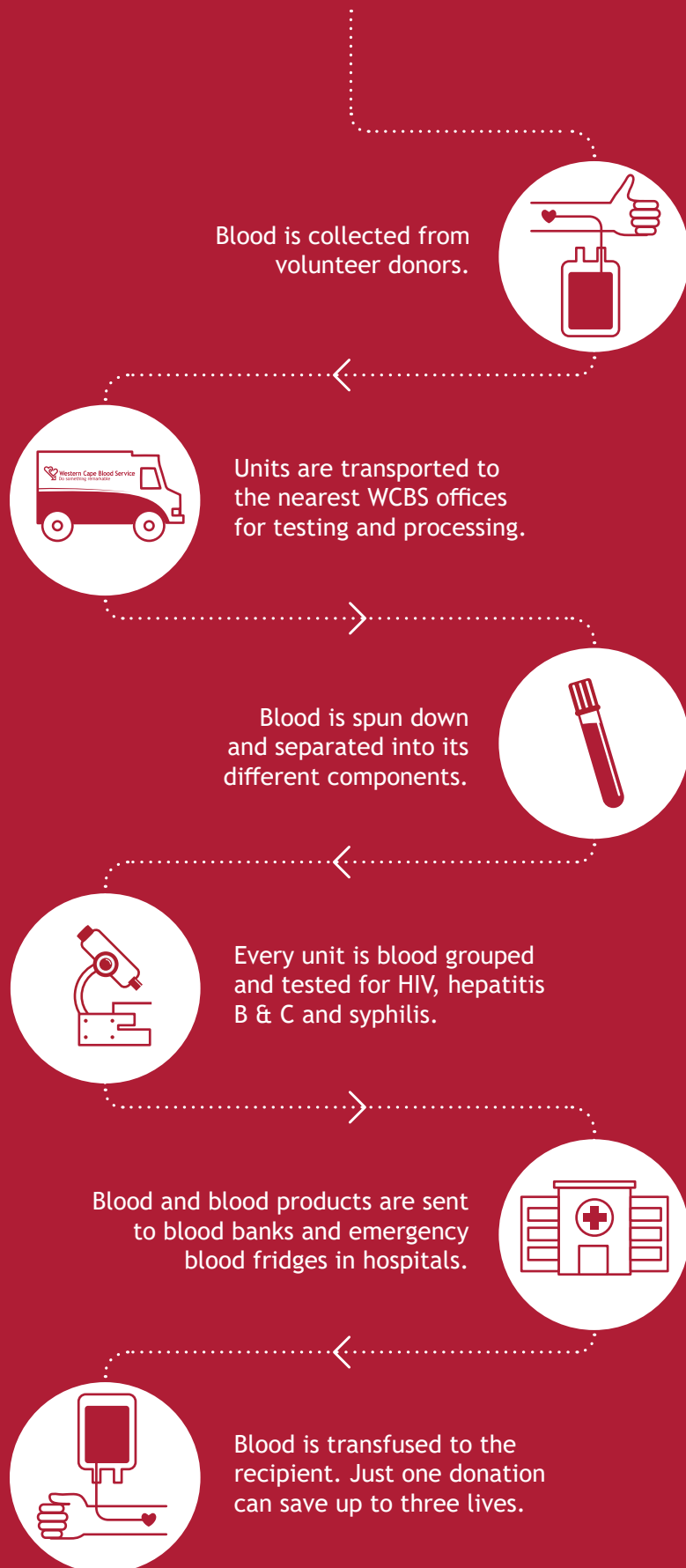
	2020/2021	2021/2022	2022/2023
Allergic	63	59	75
Febrile	79	61	71
Anaphylactic	9	4	6
Hypotensive	2	2	6
Misdirected transfusion	5	5	6
Acute haemolytic reaction	0	0	0
Delayed haemolytic reaction	0	0	0
TRALI (transfusion related acute lung injury)	0	1	0
TACO (transfusion associated circulatory overload)	4	2	3
Unclassifiable (insufficient information)	13	17	6
Transfusion associated dyspnoea (TAD)	0	0	3*
Total	175	151	176

\* all cases reported by the Independent Haemovigilance Committee





# Journey of Blood



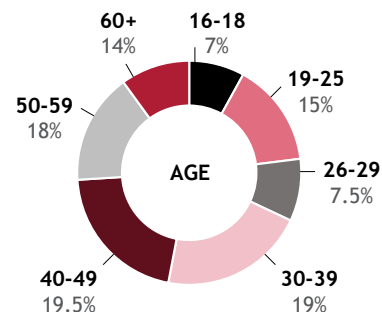
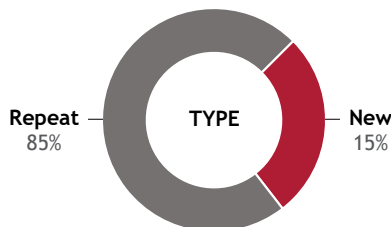
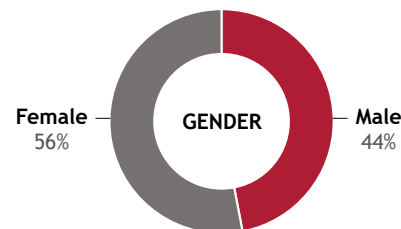
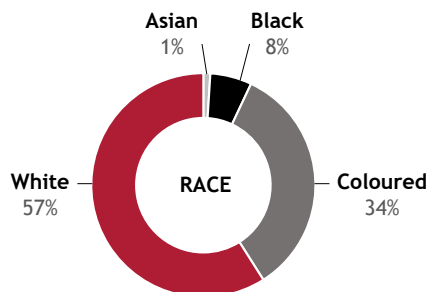
# Current and Potential Blood Donors

## 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 2022/23 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.



**39 624**

total Facebook likes



**5 374**

total Instagram followers



**2 647**

total Twitter followers



**14 907**

App users



**331 526** website pageviews, with **100 908** users



**21 901** donor awards



**80** donor registration exhibitions



**15** wellness exhibition events



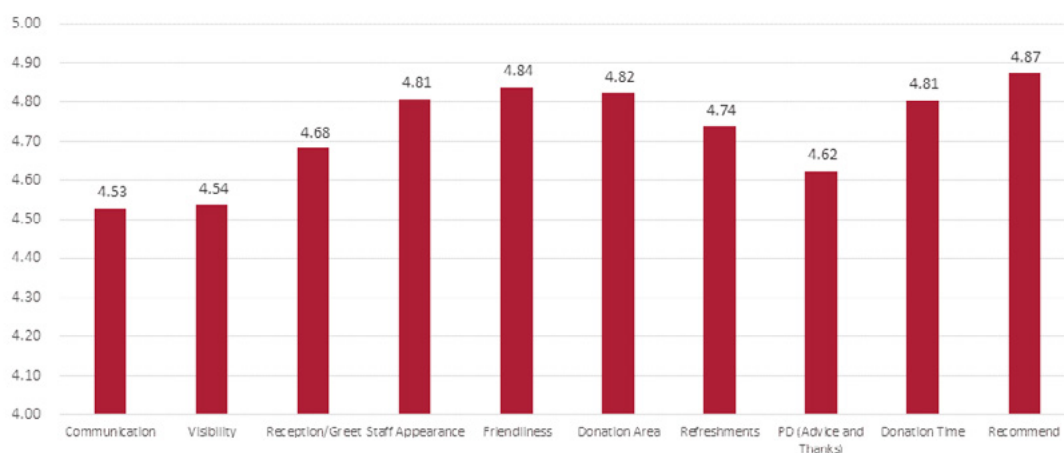
**54** educational talks

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 December 2022 with 2 282 participants throughout the Province.



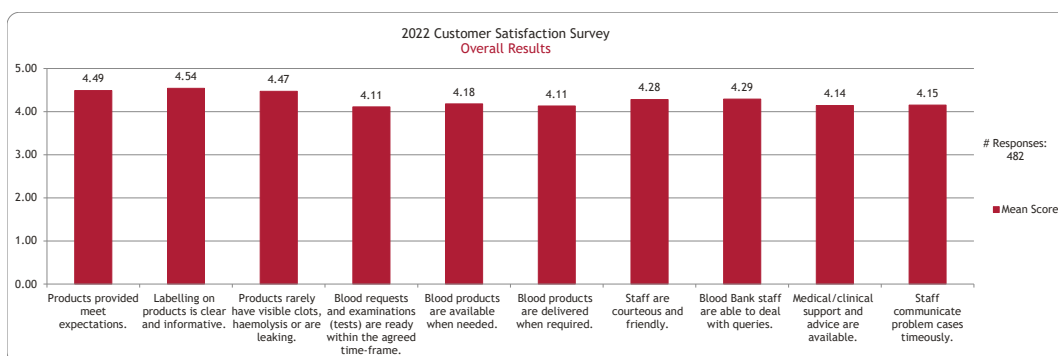
With a 94.6% overall score, donors were generally very happy with the service they received at blood donor clinics. It was also very positive that 97% of donors would recommend WCBS to people considering donating blood. Areas for improvement include the visibility of clinics and signage as well as communication. 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 standardised customer satisfaction survey 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. A total of 45 hospitals situated in the Western Cape participated in the survey over July - December 2022. Responses were received from 482 respondents.

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



# Blood Users

Clinicians, nursing staff, 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, our website, newsletter for blood users, price increase discussions and a service level agreement.

## Our 2022/23 activities:

- Blood user committee meetings (9)
- Hospital meetings (9)
- Customer satisfaction survey (1)
- Newsletter for blood users (3)
- Price increase discussions



# Blood Recipients

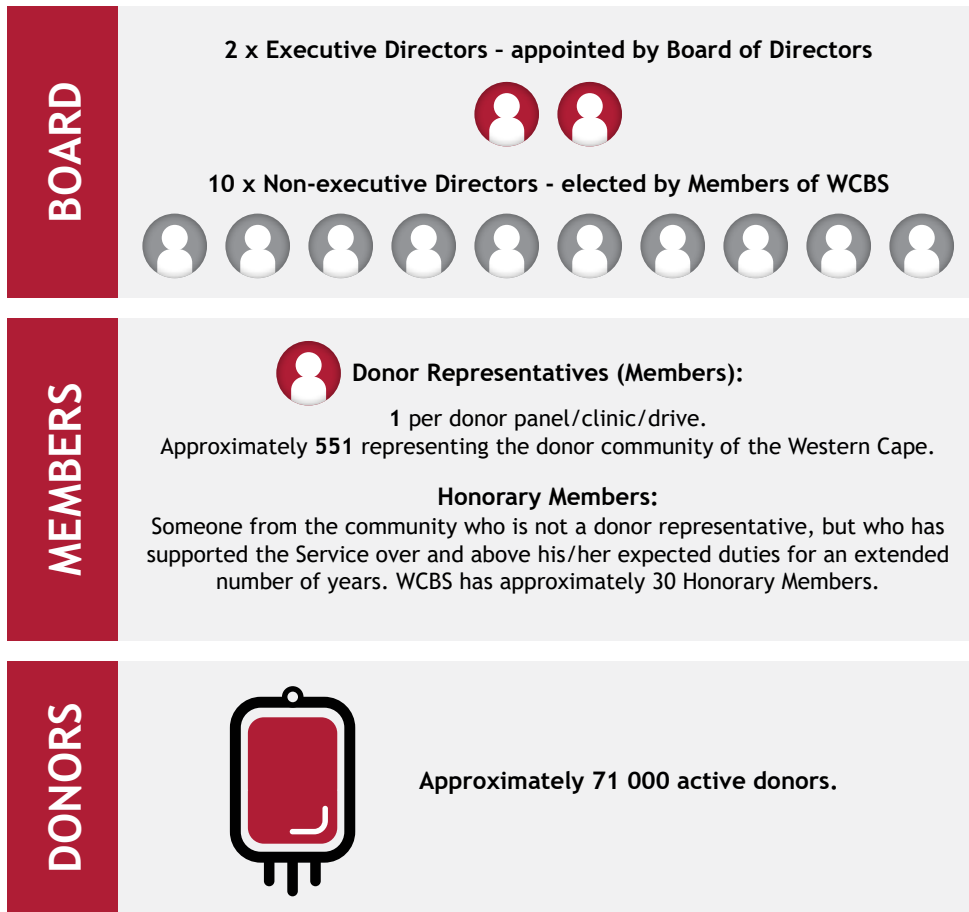
Patients and patient advocacy groups, such as, the South African Haemophilia Foundation.

## How we engage:

We engage with patients through our website and publishing blood recipient stories.



# Members



## How we engage:

- Annual General Meeting

## Our 2022/23 activities:

- Donor representative informational booklet.
- Donor representative recognition through a point-based award system.



# Our Risks and Opportunities

WCBS has a comprehensive risk management process in place.

Risk areas are linked to the Service’s Key Performance Indicators (KPIs). 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
<b>Donor Risk</b> <ul style="list-style-type: none"> <li>Limited or Insufficient blood supply</li> <li>Donor fatigue</li> </ul>	High	Acceptable	CEO/Medical Director
<b>Recipient Risk</b> <ul style="list-style-type: none"> <li>Safety of blood products</li> <li>Transmission of infection</li> </ul>	High	Monitor	CEO/Medical Director
<b>Transfusion Risk</b> <ul style="list-style-type: none"> <li>Safety of blood products</li> <li>Incompatible blood transfusions</li> </ul>	Critical	Monitor	CEO/Medical Director
<b>Medical risk to the donor</b> <ul style="list-style-type: none"> <li>Iron deficiency</li> <li>Taking donations from donors with underlying disorders</li> </ul>	High	Acceptable	CEO/Medical Director
Decrease in sales due to more restrictive transfusion practice	High	Monitor	CEO/Medical Director

## Financial Risk

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

# Compliance Risk

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

# Operational Risks

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

The Board reviews the risk register and risk management processes regularly. The risk management process identifies all risks that relate to the core business of WCBS (mission statement) and that will impact our ability to meet strategic objectives. The existing control measures identified to mitigate the residual risk ratings are regularly 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.

# Blood Donation Process



## Step 1:

Welcome! Please complete the donor questionnaire honestly.



## Step 2:

Your details are captured and a fingerprick test is done to check your haemoglobin level.



## Step 3:

Have your medical screening with blood pressure & pulse checked.



## Step 4:

Collect your blood pack and proceed to the donation bed.



## Step 5:

Donate your unit of lifesaving blood. New, sterile equipment is used for every donation.



## Step 6:

Enjoy some refreshments - you are remarkable and deserve it!





# 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.

	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.
	Principle 9: Board performance evaluation	During 2021 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 has completed a reputation survey with its key stakeholders and finalised its stakeholder engagement policy.
	Principle 17: Responsible investment	Investment practices are approved by the Board.

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 (59)**

*Executive Director*

**BOARD TENURE IN YEARS: 15**

**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 (59)**

*Executive Director*

**BOARD TENURE IN YEARS: 11**

**COMMITTEES:**  
All committees

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

**OTHER DIRECTORSHIPS:**  
South African Society for Blood Transfusion



**Ms Nirvani Dhevcharran (56)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 4**

**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



**Dr Andrea Huggett (47)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 6**

**COMMITTEES:**  
Social & Ethics  
Clinical Governance

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



**Mr Eugene Johannes (39)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 1**

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

**QUALIFICATIONS:**  
Qualified CA (SA)  
Executive Development Programme from University of Stellenbosch Business School

# Our Board



**Prof Vernon Louw (51)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 8**

**COMMITTEES:**  
Risk & Governance  
Social & Ethics  
Clinical Governance

**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 (64)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 6**

**COMMITTEES:**  
Social & Ethics  
Clinical Governance (Chair)

**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 (58)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 3**

**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 (54)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 10**

**COMMITTEE:**  
HR (Chair)

**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 (74)**

*Non-Executive Director*

**BOARD TENURE IN YEARS: 29**  
(Retired in May 2023)

**COMMITTEES:**  
Audit (Chair)  
Finance & IT (Chair)

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



# Our Board



**Mr Paul Slack (64)**

*Non-Executive Director*

**BOARD TENURE IN YEARS:** 19

**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 (49)**

*Non-Executive Director*

**BOARD TENURE IN YEARS:** 8

**COMMITTEES:**  
Risk & Governance (Chair)  
Social & Ethics (Chair)  
HR

**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	Social and Ethics Committee Meetings	Human Resources Committee Meetings	Risk and Governance Committee Meetings	Clinical Governance Committee Meetings	Building Project Committee Meetings	Total
<b>Non-executive directors</b>									
Mr P Slack (Chairman)	5	2	1	-	1	-	-	1	10
Mr PJ Veldhuizen (Deputy Chair)	7	-	1	-	1	-	-	1	10
Mr R Ramsbottom	7	3	1	-	-	-	-	1	12
Prof V Louw	6	-	-	-	-	-	1	-	7
Mr D Ndebele	7	-	-	-	1	-	-	-	8
Dr C Ingram	7	-	-	-	-	-	1	-	8
Dr A Huggett	7	-	-	-	-	-	1	1	9
Mrs N Dhevcharran	6	3	1	-	-	-	-	-	10
Dr U Mungal-Singh	6	-	-	-	-	-	1	-	7
Mr E Johannes	5	2	1	-	-	-	-	1	9

## 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 2022 - March 2023	R 4 566.47	R 912.77	R 2 283.21

Board Chair Rate	Meeting	Monthly Retainer	Committee Meeting
April 2022 - March 2023	R 5 479.24	R 1 096.89	R 2 283.21

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 2023

#### APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 34 to 62 were approved by the board of directors on 28 June 2023 and are signed on its behalf by:



CHAIRMAN



DIRECTOR

# Directors' Report

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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 of R43 million for the financial year ended 31 March 2023 (2022: R44.5 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)	
Mr P J Veldhuizen	(Vice Chairman)	
Dr A Huggett		
Mr D M Ndebele		
Mr R Ramsbottom*		Resigned 01 April 2023
Prof V J Louw		
Dr C F Ingram		
Mrs N Dhevcharran*		
Dr V Mungal-Singh		
Mr E C Johannes*		Appointed 23 May 2022
Mr M Moyo*		Appointed 01 April 2023

\* 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 2023 the company's investment in property, plant and equipment amounted to R237 748 940 (2022:R133 152 368), of which R122 477 589 (2022: R86 907 476) 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 and other equipment to maintain its standards. The company also has commitments in respect of contracts placed for leases of R8 103 813 (2022: R8 052 249) 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.

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.

### 8. Auditors

Ernst & Young Inc. continued in office as auditors for the company for 2023.

At the AGM, the board will be requested to reappoint Ernst & Young Inc. as the independent external auditors of the company for the 2024 financial year.



## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

### 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 2022/2023 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 30 September 2022, the date of the last employment equity submission, the company employed 514 permanent and 0 casual/temporary employees. As at the date of the last submission, 87% of permanent employees were from the black designated group and 59% were female. Of the 17 employees in management, 35% were from the black designated group and 65% 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 39 to 62, which have been prepared on the going concern basis, were approved by the board on 28 June 2023, and were signed on its behalf by:

Approval of annual financial statements



Chairman  
28 June 2023

# Independent Auditor's Report

To the Directors of Western Cape Blood Service

## Opinion

We have audited the financial statements of Western Cape Blood Service ('the Company') set out on pages 39 to 60, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Western Cape Blood Service as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

## Basis for Opinion

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

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the 43-page document titled "Western Cape Blood Service, Formerly Western Province Blood Transfusion Service Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of South Africa and a Detailed Income Statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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 Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young Inc.  
Abdul Majid Cader CA(SA)  
Partner  
Registered Auditor  
28 June 2023  
Cape Town

# STATEMENT OF FINANCIAL POSITION

## AT 31 MARCH 2023

Figures in Rand	Note	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	237 748 940	133 152 368
Right-of-use assets	2	6 206 505	6 444 619
Investments	3	22 752 271	66 068 008
		<b>266 707 716</b>	<b>205 664 995</b>
<b>Current assets</b>			
Inventory	4	38 297 439	36 571 713
Trade and other receivables	5	55 119 070	62 879 570
Cash and cash equivalents	6	113 816 594	97 873 044
FEC Asset	7	670 995	-
Non-current assets held for sale	8	-	32 049 309
		<b>207 904 098</b>	<b>229 373 636</b>
<b>Total assets</b>		<b>474 611 814</b>	<b>435 038 631</b>
<b>Equity</b>			
Other reserves		35 735 217	54 344 632
Accumulated funds		361 111 454	299 594 217
		<b>396 846 671</b>	<b>353 938 849</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Post-retirement medical benefits	9	1 413 000	1 474 000
Operating lease liability	2	5 488 538	5 686 127
		<b>6 901 538</b>	<b>7 160 127</b>
<b>Current liabilities</b>			
Trade and other payables	10	35 283 818	42 351 089
Operating lease liability	2	2 615 276	2 366 122
Provisions	11	32 964 511	27 966 704
FEC Liability	7	-	1 255 740
		<b>70 863 605</b>	<b>73 939 655</b>
<b>Total liabilities</b>		<b>77 765 143</b>	<b>81 099 782</b>
<b>Total equity and liabilities</b>		<b>474 611 814</b>	<b>435 038 631</b>

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 MARCH 2023

Figures in Rand	Note	2023	2022
Turnover	12	528 243 068	479 304 703
Cost of sales	13	(171 443 698)	(151 824 317)
<b>Gross surplus</b>		<b>356 799 370</b>	<b>327 480 386</b>
Other income	14	11 911 201	15 074 086
Operating expenses	15	(333 136 035)	(302 602 238)
<b>Operating surplus</b>		<b>35 574 536</b>	<b>39 952 234</b>
Interest received	16	8 413 244	5 543 138
Finance costs	17	(928 402)	(974 792)
<b>Surplus for the year</b>		<b>43 059 378</b>	<b>44 520 580</b>
Other comprehensive loss	18	(65 000)	(5 000)
<b>Total comprehensive surplus for the year</b>		<b>42 994 378</b>	<b>44 515 580</b>

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 MARCH 2023

Figures in Rand	Actuarial gains/losses	Non-distributable reserves	Revaluation reserve	Non-asset held for sale	Product liability reserve	Total reserves	Accumulated funds	Total equity
Opening balance as previously reported	643 000	2 639 701	26 014 822	-	25 000 000	54 297 523	255 125 746	309 423 269
Balance at 01 April 2021	643 000	2 639 701	26 014 822	-	25 000 000	54 297 523	255 125 746	309 423 269
Surplus for the year	-	-	-	-	-	-	44 520 580	44 520 580
Other comprehensive loss	(5 000)	-	-	-	-	(5 000)	-	(5 000)
<b>Total comprehensive surplus for the year</b>	<b>(5 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 000)</b>	<b>44 520 580</b>	<b>44 515 580</b>
Transfer to non-distributable reserve	-	-	(20 162 421)	20 162 421	-	-	-	-
Transfer to product liability reserve	-	52 109	-	-	-	52 109	(52 109)	-
<b>Total changes</b>	<b>-</b>	<b>52 109</b>	<b>(20 162 421)</b>	<b>20 162 421</b>	<b>-</b>	<b>52 109</b>	<b>(52 109)</b>	<b>-</b>
Balance at 01 April 2022	638 000	2 691 810	5 852 401	20 162 421	25 000 000	54 344 632	299 594 217	353 938 849
Surplus for the year	-	-	-	-	-	-	43 059 378	43 059 378
Other comprehensive loss	(65 000)	-	-	-	-	(65 000)	-	(65 000)
<b>Total comprehensive surplus for the year</b>	<b>(65 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65 000)</b>	<b>43 059 378</b>	<b>42 994 378</b>
Transfer from revaluation reserve	-	-	-	(20 162 421)	-	(20 162 421)	20 162 421	-
Transfer to non-distributable reserve	-	93 643	-	-	-	93 643	(93 643)	-
Transfer to product liability reserve	-	-	-	-	1 524 363	1 524 363	(1 524 363)	-
Effect of adjustment of IFRS 16 leases	-	-	-	-	-	-	(86 556)	(86 556)
<b>Total changes</b>	<b>-</b>	<b>93 643</b>	<b>-</b>	<b>(20 162 421)</b>	<b>1 524 363</b>	<b>(18 544 415)</b>	<b>18 457 859</b>	<b>(86 556)</b>
Balance at 31 March 2023	573 000	2 785 453	5 852 401	-	26 524 363	35 735 217	361 111 454	396 846 671
Note	18	19	20		21			



# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2023

Figures in Rand	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	22	57 394 392	57 040 430
Interest income		6 169 044	3 859 830
Finance costs		(9 754)	(238 370)
<b>Net cash from operating activities</b>		<b>63 553 682</b>	<b>60 661 890</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	1	(122 477 589)	(86 907 476)
Sale of property, plant and equipment	1	33 299 467	318 425
Increase/decrease of investment		45 500 000	50 000 000
<b>Net cash from investing activities</b>		<b>(43 678 122)</b>	<b>(36 589 051)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments relating to lease liability		(3 932 010)	(3 148 777)
<b>Total cash movement for the year</b>		<b>15 943 550</b>	<b>20 924 062</b>
Cash at the beginning of the year		97 873 044	76 948 982
<b>Total cash at end of the year</b>	6	<b>113 816 594</b>	<b>97 873 044</b>

# NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2023

## 1. Property, plant and equipment

Figures in Rand	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and Buildings	171 442 839	(1 164 269)	170 278 570	73 436 770	(242 798)	73 193 972
Plant and machinery	75 421 464	(40 039 995)	35 381 469	78 711 819	(47 128 034)	31 583 785
Motor vehicles	30 807 286	(16 378 431)	14 428 855	31 004 091	(15 553 454)	15 450 637
Office equipment	6 523 860	(2 693 158)	3 830 702	5 066 583	(3 590 494)	1 476 089
Computer equipment and software	27 226 975	(13 397 631)	13 829 344	21 836 539	(10 388 654)	11 447 885
<b>Total</b>	<b>311 422 424</b>	<b>(73 673 484)</b>	<b>237 748 940</b>	<b>210 055 802</b>	<b>(76 903 434)</b>	<b>133 152 368</b>

### Reconciliation of property, plant and equipment - 2023

Figures in Rand	Opening balance	Additions	Disposals	Transfer to Non-current Asset held for sale	Depreciation	Closing balance
Land and buildings	73 193 972	98 021 669	(31 980 385)	32 049 308	(1 005 994)	170 278 570
Technical equipment	31 583 785	10 112 535	(757 347)	-	(5 557 504)	35 381 469
Motor vehicles	15 450 637	4 020 329	(1 029 702)	-	(4 012 409)	14 428 855
Office equipment and furniture	1 476 089	3 093 200	(296 534)	-	(442 053)	3 830 702
Computer equipment and software	11 447 885	7 229 856	(449 445)	-	(4 398 952)	13 829 344
<b>Total</b>	<b>133 152 368</b>	<b>122 477 589</b>	<b>(34 513 413)</b>	<b>32 049 308</b>	<b>(15 416 912)</b>	<b>237 748 940</b>

### Reconciliation of property, plant and equipment - 2022

Figures in Rand	Opening balance	Additions	Disposals	Transfer to Non-current Asset held for sale	Depreciation	Closing balance
Land and buildings	48 800 001	56 685 664	-	(32 049 308)	(242 385)	73 193 972
Technical equipment	20 413 887	15 851 450	(346 635)	-	(4 334 917)	31 583 785
Motor vehicles	11 897 279	7 613 189	(446 089)	-	(3 613 742)	15 450 637
Office equipment and furniture	2 948 722	189 452	(956 825)	-	(705 260)	1 476 089
Computer equipment and software	8 417 959	6 567 721	(107 775)	-	(3 430 020)	11 447 885
<b>Total</b>	<b>92 477 848</b>	<b>86 907 476</b>	<b>(1 857 324)</b>	<b>(32 049 308)</b>	<b>(12 326 324)</b>	<b>133 152 368</b>

### 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. The useful lives have been revised for the period of 2 year up to 5 years. The change in the useful lives was accounted for on a prospective basis as of 1 April 2022. The increase in the useful lives has resulted in a decrease in depreciation for the current and future periods amounting to R96 928.

## 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 prior 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	2023	2022
Pinelands	-	15 578 123
George	395 179	395 179
Worcester	1 608 155	1 592 653
Paarl	11 826 823	11 898 419
Maitland	157 981 509	57 066 694
	<b>171 811 666</b>	<b>86 531 068</b>
<b>DETAILS OF PROPERTIES</b>		
<b>Pinelands</b>		
An office block situated in Old Mill Road, Pinelands, erected on remainder of freehold erf 24179, Cape Town at Maitland (in extent 1,3093 hectares) in the municipality of Pinelands, under Deed of Transfer No T39826/88. This property was sold during the current financial year.		
- Acquisition cost: 14 July 1988	-	2 811 236
- Improvements since acquisition	-	9 827 265
- Revaluation	-	20 162 421
- Transfer to Non-current Asset held for sale	-	(32 800 922)
	-	-
<b>George</b>		
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	3 136 616
	<b>3 531 795</b>	<b>3 531 795</b>
<b>Worcester</b>		
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	1 102 458	1 086 956
- Revaluation	2 715 785	2 715 785
	<b>4 323 940</b>	<b>4 308 438</b>

<b>Paarl</b>		
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	10 050 538	10 122 134
- Impairment loss	(6 308 197)	(6 308 197)
	<b>5 518 626</b>	<b>5 590 222</b>
<b>Maitland</b>		
Portion 2 of Erf 116413, in the City of Cape Town, Division Cape in extent of 1.5 hectares, held by deed of transfer No T43485/2020		
- Acquisition cost: 7 October 2021	33 846 952	33 846 952
- Improvements since acquisition	124 134 557	23 219 742
	<b>157 981 509</b>	<b>57 066 694</b>

## 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
<b>Right-of-use assets - 2023</b>					
Land and buildings	5 823 336	1 228 401	(2 155 474)	(24 901)	4 871 362
Technical equipment	621 283	1 609 198	(895 338)	-	1 335 143
<b>Total</b>	<b>6 444 619</b>	<b>2 837 599</b>	<b>(3 050 812)</b>	<b>(24 901)</b>	<b>6 206 505</b>
<b>Right-of-use assets - 2022</b>					
Land and buildings	5 758 798	1 731 156	(1 789 309)	122 691	5 823 336
Computer equipment and software	210 409	-	(210 409)	-	-
Technical equipment	1 045 109	-	(423 826)	-	621 283
<b>Total</b>	<b>7 014 316</b>	<b>1 731 156</b>	<b>(2 423 544)</b>	<b>122 691</b>	<b>6 444 619</b>

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

### Lease liability

Figures in Rand	2023	2022
Opening balance	(8 052 249)	(8 628 139)
Additions	(2 924 156)	(1 731 156)
Accretion of interest	(918 648)	(736 422)
Payments	3 932 010	3 148 777
Forex adjustments	(165 672)	17 383
Liability re-measured	24 901	(122 692)
	<b>(8 103 814)</b>	<b>(8 052 249)</b>
Non-current liabilities	(5 488 538)	(5 686 127)
Current liabilities	(2 615 276)	(2 366 122)
	<b>(8 103 814)</b>	<b>(8 052 249)</b>

Figures in Rand	Contractual minimum lease payment	Future finance cost	Present value of minimum lease payments
<b>Repayment terms - 2023</b>			
Due within 1 year	3 258 401	(643 125)	2 615 276
Between 1 and 2 years	2 235 462	(447 558)	1 787 904
Between 2 and 3 years	1 601 352	(391 476)	1 209 876
Between 3 and 4 years	1 070 323	(191 559)	878 764
After 4 years	1 698 909	(176 915)	1 521 994
	<b>9 864 447</b>	<b>(1 850 633)</b>	<b>8 013 814</b>

Figures in Rand	Contractual minimum lease payment	Future finance cost	Present value of minimum lease payments
<b>Repayment terms - 2022</b>			
Due within 1 year	3 002 906	(636 784)	2 366 122
Between 1 and 2 years	2 280 843	(429 895)	1 850 948
Between 2 and 3 years	1 698 425	(295 307)	1 403 118
Between 3 and 4 years	1 141 960	(189 773)	952 187
After 4 years	1 637 584	(157 710)	1 479 874
	<b>9 761 718</b>	<b>(1 709 469)</b>	<b>8 052 249</b>

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

The following are the amounts recognised in profit or loss:

Figures in Rand	2023	2022
Depreciation expense of right-of-use assets	3 050 812	2 423 544
Interest expense on lease liabilities	918 618	736 422
Forex adjustment	165 672	(17 384)
Variable lease payments	47 214 504	41 727 316
	<b>51 349 606</b>	<b>44 869 898</b>

During the current financial year the company had total cash outflows for leases of R3 932 010. The company also had non- cash re-measurements of the right-of-use assets and lease liabilities of R24 901.

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:

## 2023

Figures in Rand	Fixed payments	Variable payments	Total
Fixed rent	3 321 030	-	3 321 030
Variable rent with minimum payment	610 980	47 214 504	47 825 484
	<b>3 932 010</b>	<b>47 214 504</b>	<b>51 146 514</b>

## 2022

Figures in Rand	Fixed payments	Variable payments	Total
Fixed rent	2 614 627	-	2 614 627
Variable rent with minimum payment	534 150	41 727 316	42 261 466
	<b>3 148 777</b>	<b>41 727 316</b>	<b>44 876 093</b>



### 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	2023	2022
Liberty Investment	21 295 301	19 860 506
Nedbank Investment	1 456 970	46 207 502
	<b>22 752 271</b>	<b>66 068 008</b>
<b>Reconciliation of Investments - Liberty Gateway Investment</b>		
Opening balance 1 April 2022	19 860 506	18 880 165
Fair value movement for the year	1 434 795	980 341
	<b>21 295 301</b>	<b>19 860 506</b>
<b>Reconciliation of Investments - Nedbank Investment</b>		
Opening balance 1 April 2022	46 207 502	92 365 096
Fair value movement for the year	749 468	3 842 406
Additions	(45 500 000)	(50 000 000)
	<b>1 456 970</b>	<b>46 207 502</b>
<b>Non-current assets</b>		
At fair value	22 752 271	66 068 008

## 4. Inventory

Figures in Rand	2023	2022
Consumables	15 225 638	16 730 937
Finished goods	7 361 836	7 202 143
Raw materials	13 015 297	11 072 571
Work in progress	2 694 668	1 566 062
	<b>38 297 439</b>	<b>36 571 713</b>

## 5. Trade and other receivables

Figures in Rand	2023	2022
Gross trade receivables	60 383 110	63 608 254
Impairment of trade debtors	(10 134 089)	(7 085 081)
Deposits	1 348 734	2 170 781
Prepayments	2 927 853	3 957 536
Other receivables *	364 315	228 080
Loan to South African Society for Blood Transfusion	229 147	-
	<b>55 119 070</b>	<b>62 879 570</b>

\* Other receivables include sundry debtors and staff loans.

Figures in Rand	2023	2022
<b>Non-financial instruments</b>		
Deposits	1 348 734	2 170 781
Prepayments	2 927 853	3 957 536
	<b>4 276 587</b>	<b>6 128 317</b>
<b>Categorisation of trade and other receivables</b>		
Trade and other receivables are categorised as follows in accordance with IFRS 9 - Financial Instruments:		
At Amortised Cost	50 842 483	56 751 253
Non-Financial Instruments	4 276 587	6 128 317
	<b>55 119 070</b>	<b>62 879 570</b>

### 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	2023 Estimated gross carrying amount at default	2023 Loss allowance (Lifetime expected credit loss)	2022 Estimated gross carrying amount at default	2022 Loss allowance (Lifetime expected credit loss)
Not past due: 17% (2022: 11%)	60 976 572	(10 134 089)	63 836 334	(7 085 081)

### 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	2023	2022
Bank balances	113 694 132	97 809 799
Cash on hand	122 462	63 245
	<b>113 816 594</b>	<b>97 873 044</b>

Standard Bank Limited had issued guarantees to the value of R50 000. An additional guarantee for the value of R30 808 230 was issued by Standard bank in favour of Gwapa Holdings (Pty) Ltd for the construction to be done on property purchased in the current financial year.

## 7. FEC Asset/ (Liability)

**Pinelands building**

Figures in Rand	2023	2022
Fair value of FEC liability at year end	670 995	(1 255 740)

Refer to Note 28 Financial instruments and risk management for details of liquidity risk exposure and management.

## 8. Non-current asset held for sale

**Pinelands building**

Figures in Rand	2023	2022
Revalued amount	32 800 923	32 800 923
Accumulated depreciation	(751 614)	(751 614)
Non-current asset sold	(32 049 309)	
	-	<b>32 049 309</b>

Included in the revalued amount of Asset-Held-For-Sale is revaluation reserve of R20 162 421.

During the prior financial year, with the approval of the Board, the property situated at Old Mill Road, Pinelands, was placed on the open market for sale. Before the financial year end of 31 March 2022 and prior to the approval of the financial statements the directors received a binding offer for the sale of the Pinelands property amounting to R36 800 000 inclusive of VAT, which includes the land, buildings and related assets. This was a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property, plant and equipment was appropriately valued.

## 9. 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 2022: 488 employees (2021: 530 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 2023, using the projected unit credit valuation method.

**Principal actuarial assumptions at the reporting date:**

Discount rate	11.50%
Health care cost inflation	7.50%
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	2023	2022
Balance at the beginning of the year	1 474 000	1 466 000
- interest	148 000	148 000
- benefit payments	(144 000)	(135 000)
- actuarial gain / (loss)	(65 000)	(5 000)
	<b>1 413 000</b>	<b>1 474 000</b>

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 2023 is as follows:

**Figures in Rand**

<b>Funding liability</b>	<b>Accrued liability 31 March 2023</b>	<b>% Change</b>
Central assumption - 7.50%	1 413 000	- %
-1%	1 322 000	(6.4)%
+1%	1 515 000	7.2%
<b>Sensitivity results</b>	<b>Current service cost and interest cost 2023/2024</b>	<b>% Change</b>
Central assumption - 7.50%	153 000	- %
-1%	142 000	(7.2)%
+1%	164 000	7.2%
<b>Health care inflation cost</b>	<b>Accrued liability 31 March 2023</b>	<b>% Change</b>
Central assumption - 7.50%	1 413 000	- %
+5 % for 5 years	1 646 000	16.5%
+10% for 5 years	1 819 000	28.7%
<b>Discount rate</b>	<b>Accrued liability 31 March 2023</b>	<b>% Change</b>
Central assumption - 11.50%	1 413 000	- %
-1%	1 516 000	7.3%
+1%	1 323 000	(6.4)%
<b>Expected retirement age</b>	<b>Accrued liability 31 March 2023</b>	<b>% Change</b>
Central assumption - 55 years	1 413 000	- %
1 year younger	1 413 000	- %
1 year older	1 413 000	- %

A quantitative sensitivity analysis for significant assumptions as at 31 March 2022 is as follows:

Figures in Rand

<b>Funding liability</b>	<b>Accrued liability 31 March 2022</b>	<b>% Change</b>
Central assumption - 7.90%	1 474 000	- %
-1%	1 369 000	(7.1)%
+1%	1 593 000	8.1 %
<b>Sensitivity results</b>		
	<b>Current service cost and interest cost 2022/2023</b>	<b>% Change</b>
Central assumption - 7.90%	148 000	- %
-1%	137 000	(7.4)%
+1%	161 000	8.8 %
<b>Health care inflation cost</b>		
	<b>Accrued liability 31 March 2022</b>	<b>% Change</b>
Central assumption - 7.90%	1 474 000	- %
+5 % for 5 years	1 728 000	17.2 %
+10% for 5 years	1 917 000	30.1 %
<b>Discount rate</b>		
	<b>Accrued liability 31 March 2022</b>	<b>% Change</b>
Central assumption - 10.60%	1 474 000	- %
-1%	1 595 000	8.2 %
+1%	1 370 000	(7.1)%
<b>Expected retirement age</b>		
	<b>Accrued liability 31 March 2022</b>	<b>% Change</b>
Central assumption - 55 years	1 474 000	- %
1 year younger	1 474 000	- %
1 year older	1 474 000	- %

## 10. Trade and other payables

Figures in Rand

	<b>2023</b>	<b>2022</b>
Trade payables	22 922 915	29 147 787
Other payables: Salary Creditors	4 016 254	8 527 471
Other payables: Sundry Payables	5 038 939	4 555 860
VAT	3 305 710	119 971
	<b>35 283 818</b>	<b>42 351 089</b>
Other payables include sundry creditors, accrual and other salary creditors.		
<b>Non-financial instruments</b>		
VAT payable	3 305 710	119 971

### Exposure to Liquidity Risk

Refer to Note 28 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.



## 11. Provisions

Figures in Rand	Opening balance	Additions	Utilised during the year	Total
<b>Reconciliation of provisions - 2023</b>				
Leave pay provision	16 611 508	22 750 679	(22 128 177)	17 234 010
Bonus provision	11 355 196	15 730 501	(11 355 196)	15 730 501
	<b>27 966 704</b>	<b>38 481 180</b>	<b>(33 483 373)</b>	<b>32 964 511</b>
<b>Reconciliation of provisions - 2022</b>				
Leave pay provision	16 607 417	20 568 901	(20 564 810)	16 611 508
Bonus provision	13 328 866	11 355 196	(13 328 866)	11 355 196
	<b>29 936 283</b>	<b>31 924 097</b>	<b>(33 893 676)</b>	<b>27 966 704</b>

## 12. Turnover

Figures in Rand	2023	2022
Turnover	528 243 068	479 304 703
Turnover	536 656 312	484 847 841
Interest received - bank deposits	(6 169 044)	(3 868 003)
Interest received - amortisation of debtors	(2 244 200)	(1 675 135)
	<b>528 243 068</b>	<b>479 304 703</b>
<b>Disaggregation of revenue from contracts with customers</b>		
Sale of Goods	528 243 068	479 304 703
<b>Timing of Revenue Recognition</b>		
At a point in time - Sale of Goods	528 243 068	479 304 703

## 13. Cost of sales

Figures in Rand	2023	2022
<b>Sale of goods</b>		
Cost of inventories sold	171 443 698	151 824 317

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

## 14. Other income

Figures in Rand	2023	2022
Fair value gain on investments	2 184 262	4 822 747
Grant income	509 371	241 152
Gain on financial derivatives	6 373 138	-
Profit on exchange differences	-	266 600
Sundry income	2 844 430	9 743 587
	<b>11 911 201</b>	<b>15 074 086</b>

### 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.

## 15. Operating expenses

Operating expenses consist of these main components:

Figures in Rand	2023	2022
Auditors remuneration	469 583	484 200
Bad debts	4 925 334	4 178 485
Cleaning	2 391 586	2 283 147
Computer expenses	3 119 296	3 279 883
Depreciation	18 467 724	14 749 868
Employee cost	245 586 657	228 811 821
Motor vehicle expenses	5 382 575	4 456 473
Loss on exchange differences	3 022 499	-
Loss on financial derivatives	-	1 801 611
Municipal expenses	4 279 482	3 423 505
Professional consultants	5 747 213	5 021 056
Railage, cartage and airfreight	2 089 187	3 828 965
Rentals paid	2 863 599	2 197 301
Repairs and maintenance	5 282 402	3 265 258
Service contracts	8 263 448	7 394 517
Training	586 014	726 379
Other expenses	20 659 436	16 699 769
	<b>333 136 035</b>	<b>302 602 238</b>

## 16. Interest received

Figures in Rand	2023	2022
Amortisation of debtors	2 244 200	1 675 135
Bank	6 169 044	3 868 003
	<b>8 413 244</b>	<b>5 543 138</b>

## 17. Finance costs

Figures in Rand	2023	2022
Interest on lease liability	918 648	736 422
Late payment of tax	-	238 233
Interest on late payment	9 754	137
	<b>928 402</b>	<b>974 792</b>

## 18. Other comprehensive surplus/ (loss)

Figures in Rand	2023	2022
Net actuarial loss	(65 000)	(5 000)

## 19. Non-distributable reserve

Figures in Rand	2023	2022
<b>Professional Development fund surplus</b>		
Balance beginning of year	1 683 610	1 631 501
Notional interest	93 643	52 109
	<b>1 777 253</b>	<b>1 683 610</b>
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.		
<b>Training Development fund</b>		
Balance beginning of year	1 008 200	1 008 200
<b>Total Non-distributable reserve</b>		
Professional Development fund surplus	1 777 253	1 683 610
Training Development fund	1 008 200	1 008 200
	<b>2 785 453</b>	<b>2 691 810</b>

## 20. Revaluation reserve

Figures in Rand	2023	2022
Revaluation at the beginning of the year	5 852 401	26 014 822
Non-Current Asset held for sale transfer	-	(20 162 421)
	<b>5 852 401</b>	<b>5 852 401</b>

## 21. 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	2023	2022
Balance at the beginning of the year	25 000 000	25 000 000
Transfer from retained earnings	1 524 363	
	<b>26 524 363</b>	

## 22. Cash generated from operations

Figures in Rand	2023	2022
Surplus for the year	43 059 378	44 520 580
<b>Adjustments for:</b>		
Depreciation and amortisation of property plant and equipment and right-of-use assets	18 467 725	14 749 869
Loss on sale of assets	1 213 946	1 538 899
Interest received	(6 169 044)	(3 859 830)
Finance costs	928 402	974 792
Post retirement medical aid benefits	(61 000)	8 000
Net loss on actuarial reserves	(65 000)	(5 000)
Fair value gain on investments	(2 184 262)	(4 822 747)
Foreign exchange loss	165 672	(17 384)
<b>Changes in working capital:</b>		
Inventory	(1 725 726)	3 707 984
Trade and other receivables	7 760 500	593 657
Trade and other payables	(7 067 271)	1 723 518
FEC liability	(1 926 735)	(102 329)
Provisions	4 997 807	(1 969 579)
	<b>57 394 392</b>	<b>57 040 430</b>

## 23. Changes in liabilities arising from financing activities

Figures in Rand	Opening balance	Additions	Cash flows	Foreign exchange movement	Other	Closing balance
<b>2023</b>						
Current lease liability	2 366 121	2 366 995	(3 932 010)	165 672	1 648 498	2 615 276
Non-current lease liability	5 686 126	-	-	-	(197 588)	5 488 538
	<b>8 052 247</b>	<b>2 366 995</b>	<b>(3 932 010)</b>	<b>165 672</b>	<b>1 450 910</b>	<b>8 103 814</b>

Figures in Rand	Opening balance	Additions	Cash flows	Foreign exchange movement	Other	Closing balance
<b>2022</b>						
Current lease liability	2 364 667	39 731	(3 148 777)	(17 384)	3 127 884	2 366 121
Non-current lease liability	6 263 472	1 691 425	-	-	(2 268 771)	5 686 126
	<b>8 628 139</b>	<b>1 731 156</b>	<b>(3 148 777)</b>	<b>(17 384)</b>	<b>859 113</b>	<b>8 052 247</b>

## 24. 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.

## 25. Employee cost

Figures in Rand	2023	2022
<b>Employee costs</b>		
Bonuses	29 416 202	21 911 297
Contribution to medical aid	17 605 368	17 483 800
Non-execs directors fees	461 531	410 212
Other salary related payments	9 539 030	7 207 231
Overtime and Night Shift Allowance	7 100 671	9 638 265
Salaries and wages	158 020 822	149 581 700
Salary company contributions	23 438 466	22 579 316
	<b>245 582 090</b>	<b>228 811 821</b>

## 26. Directors' remuneration

### Executive

Figures in Rand	Salaries	Contributions to Retirement Fund	Car Allowance	Medical Aid	Bonuses	Total
<b>2023</b>						
Dr G R M Bellairs	2 923 134	347 229	293 816	69 852	191 818	3 825 849
Ms N B du Toit	2 713 436	317 233	293 816	35 950	175 248	3 535 683
	<b>5 636 570</b>	<b>664 462</b>	<b>587 632</b>	<b>105 802</b>	<b>367 066</b>	<b>7 361 532</b>
<b>2022</b>						
Dr G R M Bellairs	2 654 478	322 050	277 193	66 351	181 333	3 501 405
Ms N B du Toit	2 430 574	294 229	277 193	32 432	165 669	3 200 097
	<b>5 085 052</b>	<b>616 279</b>	<b>554 386</b>	<b>98 783</b>	<b>347 002</b>	<b>6 701 502</b>

### Non-executive

Figures in Rand	Directors' fees	Total
<b>Directors' emoluments - 2023</b>		
Mr P K Slack	49 692	49 692
Mr P J Veldhuizen	49 768	49 768
Dr A Huggett	47 485	47 485
Mr D M Ndebele	45 202	45 202
Mr R Ramsbottom	54 334	54 334
Prof V J Louw	40 635	40 635
Dr C F Ingram	45 202	45 202
Mrs N Dhevcharran	47 485	47 485
Dr V Mungal-Singh	40 635	40 635
Mr E C Johannes	41 093	41 093
	<b>461 531</b>	<b>461 531</b>



Figures in Rand	Directors' fees	Total
<b>Directors' emoluments - 2022</b>		
Mr P K Slack	48 575	48 575
Mr P J Veldhuizen	48 646	48 646
Mr M R Burton	51 421	51 421
Dr A Huggett	35 843	35 843
Mr D M Ndebele	35 843	35 843
Mr R Ramsbottom	52 914	52 914
Prof V J Louw	31 575	31 575
Dr C F Ingram	35 843	35 843
Mrs N Dhevcharran	37 977	37 977
Dr V Mungal-Singh	31 575	31 575
	<b>410 212</b>	<b>410 212</b>

## 27. Commitments

### Capital commitments

Figures in Rand	2023	2022
<b>Capital commitments</b>		
- contracted for	-	74 156 004

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.

## 28. 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	2023	2022
<b>Income statement effect of interest rate risk to above balance:</b>		
1% increase in interest rates	1 138 166	978 730
1% decrease in interest rates	(1 138 166)	(978 730)

### 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	2023	2022
2023: USD 208 005	3 715 446	-
2022: USD 819 275	-	11 893 666

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

Figures in Rand	2023	2022
USD	17.8623	14.5173

The spot rate on 31 March 2023 was used to revalue foreign currency balances at year end.

At 31 March 2023, if the currency had weakened/ strengthened by 10% against the US dollar with all other variables held constant, surplus for the year would have been R371 545 higher/lower (2022: R1 189 367) 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%	2 275 227
Decrease in investment of 10%	2 047 704

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 R21 295 301 and the Nedbank Investment of R1 456 970.

**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
<b>2023</b>			
Trade and other payables	35 283 818	35 283 818	35 283 818
Provisions	32 964 511	32 964 511	32 964 511
Lease liability	2 615 276	9 864 447	8 103 814
	<b>70 863 605</b>	<b>78 112 776</b>	<b>76 352 143</b>

Figures in Rand	Less than 12 months	Total	Carrying amount
<b>2022</b>			
Trade and other payables	42 231 118	42 231 118	42 231 118
Provisions	27 966 704	27 966 704	27 966 704
Lease liability	3 002 906	9 761 718	8 052 249
	<b>73 200 728</b>	<b>79 959 540</b>	<b>78 250 071</b>

### 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
<b>2023</b>			
Trade and other receivables	60 383 110	(10 134 089)	50 249 021
Cash and cash equivalents	113 816 594	-	113 816 594
	<b>174 199 704</b>	<b>(10 134 089)</b>	<b>164 065 615</b>
<b>2022</b>			
Trade and other receivables	63 836 334	(7 085 081)	56 751 253
Cash and cash equivalents	97 873 044	-	97 873 044
	<b>161 709 378</b>	<b>(7 085 081)</b>	<b>154 624 297</b>

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.

## 29. 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	2023	2022
<b>Assets</b>		
Pinelands	-	32 008 339
Maitland	157 119 624	33 846 952
Paarl	7 673 315	7 733 669
George	3 493 591	3 496 795
Worcester	4 226 405	4 232 526
	<b>172 512 935</b>	<b>81 318 281</b>

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

Figures in Rand	Opening balance at fair value	Additions	Impairment loss	Depreciation	Closing balance at fair value
<b>2023</b>					
Pinelands	32 008 339		(31 965 852)	(42 487)	-
Maitland	33 846 952	124 134 557	-	(861 885)	157 119 624
Paarl	7 733 669	30 975	(14 535)	(76 795)	7 673 314
George	3 496 795	-	-	(3 204)	3 493 591
Worcester	4 232 526	15 502	-	(21 623)	4 226 405
	<b>81 318 281</b>	<b>124 181 034</b>	<b>(31 980 387)</b>	<b>(1 005 994)</b>	<b>172 512 934</b>

Figures in Rand	Opening balance at fair value	Additions	Impairment loss	Depreciation	Closing balance at fair value
<b>2022</b>					
Pinelands	32 151 409	-	-	(143 070)	32 008 339
Maitland	-	33 846 952	-	-	33 846 952
Paarl	7 721 238	86 970	-	(74 539)	7 733 669
George	3 499 999	-	-	(3 204)	3 496 795
Worcester	4 254 097	-	-	(21 571)	4 232 526
	<b>47 626 743</b>	<b>33 933 922</b>	-	<b>(242 384)</b>	<b>81 318 281</b>

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 R68.00

**George Actual Inputs**

Price per square metre - Rands R99.00

**Worcester Actual Inputs**

Price per square metre - Rands R49.00

**Maitland Actual Inputs**

Price per square metre R102.00

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			2023	2022
Gateway Investments	Level 1	31-Mar-23	21 295 301	19 860 506
Nedbank Investment	Level 1	31-Mar-23	1 456 970	46 207 502
			<b>22 752 271</b>	<b>66 068 008</b>

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

## Detailed Income Statement

Figures in Rand	Note	2023	2022
<b>Revenue</b>			
Turnover		528 243 068	479 304 703
<b>Cost of sales</b>			
Collections		(49 617 848)	(42 974 381)
Product cost		(53 900 342)	(50 196 197)
Testing		(67 925 508)	(58 653 739)
	13	(171 443 698)	(151 824 317)
<b>Gross surplus</b>			
		<b>356 799 370</b>	<b>327 480 386</b>
<b>Other income</b>			
Fair value gain on investments		2 184 262	4 822 747
Grant income		509 371	241 152
Sundry income		2 844 430	9 743 587
Surplus on exchange differences		-	266 600
Surplus on financial derivatives		6 373 138	-
		<b>11 911 201</b>	<b>15 074 086</b>
<b>Expenses (Refer to page 62)</b>			
		<b>(333 136 035)</b>	<b>(302 602 238)</b>
<b>Operating surplus</b>			
		<b>35 574 536</b>	<b>39 952 234</b>
Interest received	16	8 413 244	5 543 138
Finance costs	17	(928 402)	(974 792)
		<b>7 484 842</b>	<b>4 568 346</b>
<b>Surplus for the year</b>			
		<b>43 059 378</b>	<b>44 520 580</b>



Figures in Rand	Note	2023	2022
<b>Operating expenses</b>			
Accreditation fees		(199 723)	(206 315)
Archival storage		(560 840)	(385 726)
Auditors remuneration		(469 583)	(484 200)
Bad debts		(4 925 334)	(4 178 485)
Bank charges		(346 386)	(313 341)
Canteen expenses		(912 922)	(875 552)
Cleaning		(2 391 586)	(2 283 147)
Clinic general equipment		(80 794)	(82 479)
Computer expenses		(3 119 296)	(3 279 883)
COVID-19 expenses		(84 896)	(540 590)
Cyber-attack recovery cost		61 750	(1 226 269)
Debt collection		(218 373)	(292 055)
Depreciation		(18 467 724)	(14 749 868)
Discount allowed	1 & 2	(224 095)	(145 410)
Donations		(7 558)	(13 800)
Donor privileges		(328 540)	(422 515)
Employee costs	25	(245 582 090)	(228 811 821)
General and support services		(269 077)	(153 383)
Insurance		(1 642 168)	(1 322 009)
Laundry		(233 523)	(212 557)
Library and journals		(38 631)	(24 304)
Licenses		(2 613 867)	(1 601 917)
Loss on exchange differences		(3 022 499)	-
Loss on financial derivatives		-	(1 801 611)
Membership and subscription fees		(1 544 179)	(489 245)
Minor assets		(932 104)	(272 645)
Motor vehicle expenses		(5 382 575)	(4 456 473)
Municipal expenses		(4 279 482)	(3 423 505)
Net loss on disposal of property, plant and equipment		(1 213 946)	(1 538 899)
Office equipment		(96 966)	(72 802)
Office refreshments		(577 720)	(494 424)
Petrol and oil		(31 921)	(93 281)
Postage		(21 527)	(73 966)
Printing and stationery		(1 108 646)	(1 021 657)
Professional consultants		(5 751 780)	(5 021 056)
Protective clothing		(475 631)	(511 452)
Railage, cartage and airfreight		(2 089 187)	(3 828 965)
Rentals paid		(2 863 599)	(2 197 301)
Repairs and maintenance		(5 282 402)	(3 265 258)
Security		(829 673)	(372 965)
Safety expenses		(102 496)	(55 495)
Service contracts		(8 263 448)	(7 394 517)
Staff medical expenses		(199 393)	(172 337)
Staff recruitment		(447 918)	(223 066)
Staff welfare		(359 909)	(106 256)
Telephone and fax		(1 311 609)	(1 285 093)
Training		(586 014)	(726 379)
Travel - local		(2 802 180)	(1 082 011)
Travel - overseas		(117 810)	(130 884)
Uniforms		(786 165)	(885 069)
		<b>(333 136 035)</b>	<b>(302 602 238)</b>

# Abbreviations & Acronyms

AGM	Annual General Meeting
AVE	Advertising Value Equivalent
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
EY	Ernst and Young
HB	Haemoglobin
HBV	Hepatitis B Virus
HCV	Hepatitis C Virus
HIV	Human Immunodeficiency Virus
HPCSA	Health Professions Council of South Africa
EWP	Employee Wellness Program
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
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANBS	South African National Blood Service
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