

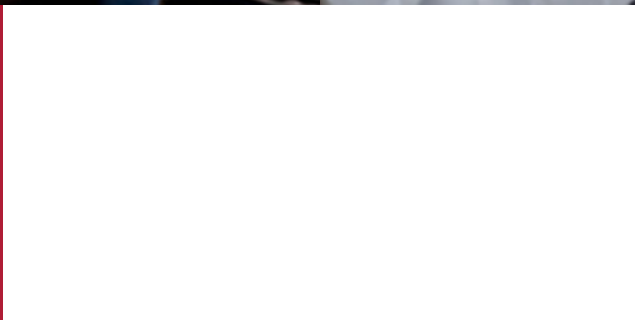
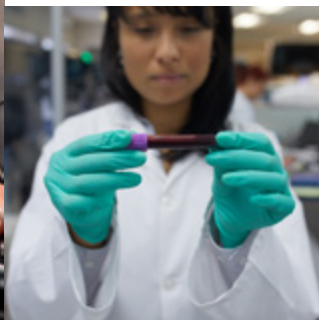
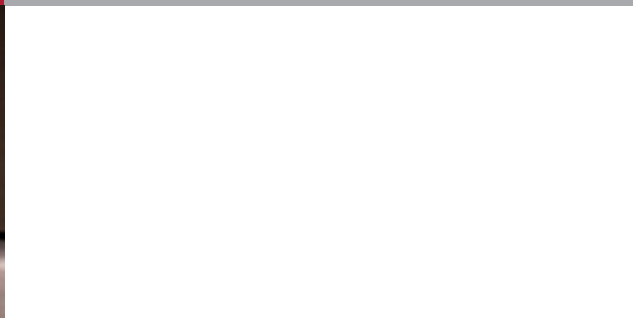
2018
-
2019

Integrated
Report



Western Cape Blood Service
Do something remarkable

Contents



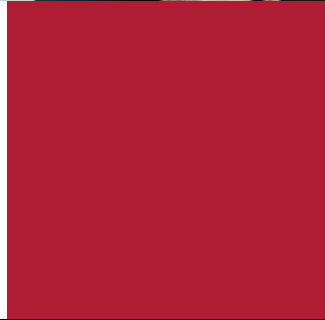
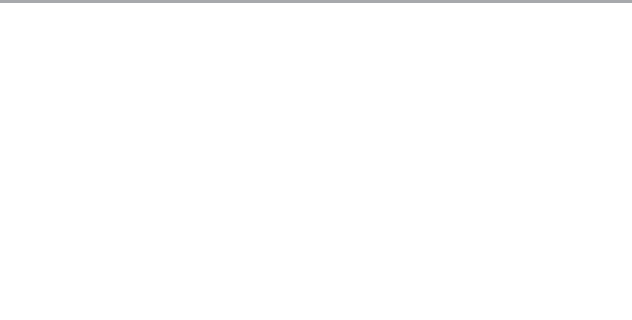
021 507 6300



info@wcbs.org.za



www.wcbs.org.za



Western Cape Blood Service



@The_WCBS



@thewcbs



Whatsapp 060 549 7244

About Our Report



This integrated report of the Western Cape Blood Service (WCBS) covers the year 1 April 2018 to 31 March 2019. 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 2018/19 financial year. ■

PAUL SLACK
Chairman
13 August 2019

GREG BELLAIRS
Chief Executive Officer/
Medical Director
13 August 2019

HIGHLIGHT

Integrated Reporting Awards

During 2018 the Western Cape Blood Service entered the Integrating Reporting Awards for the first time, and received the Merit Award for our integrated report in the NGO/NPO category. This prestigious awards function is hosted by Chartered Secretaries Southern Africa and the Johannesburg Stock Exchange Ltd. The valuable feedback received from the judges has been applied to improve the 2019 report.

Sonia Giurich, CSSA Board Member (left) presents the award to Irene van Schalkwyk, WCBS Company Secretary.

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, six permanent blood donor clinics, 585 mobile donor clinics, a specialised donation services unit, apheresis collections department, 101 emergency blood banks at 137 hospitals, and seven blood banks.

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

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



HIGHLIGHT

Long Street Donor Clinic Move



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

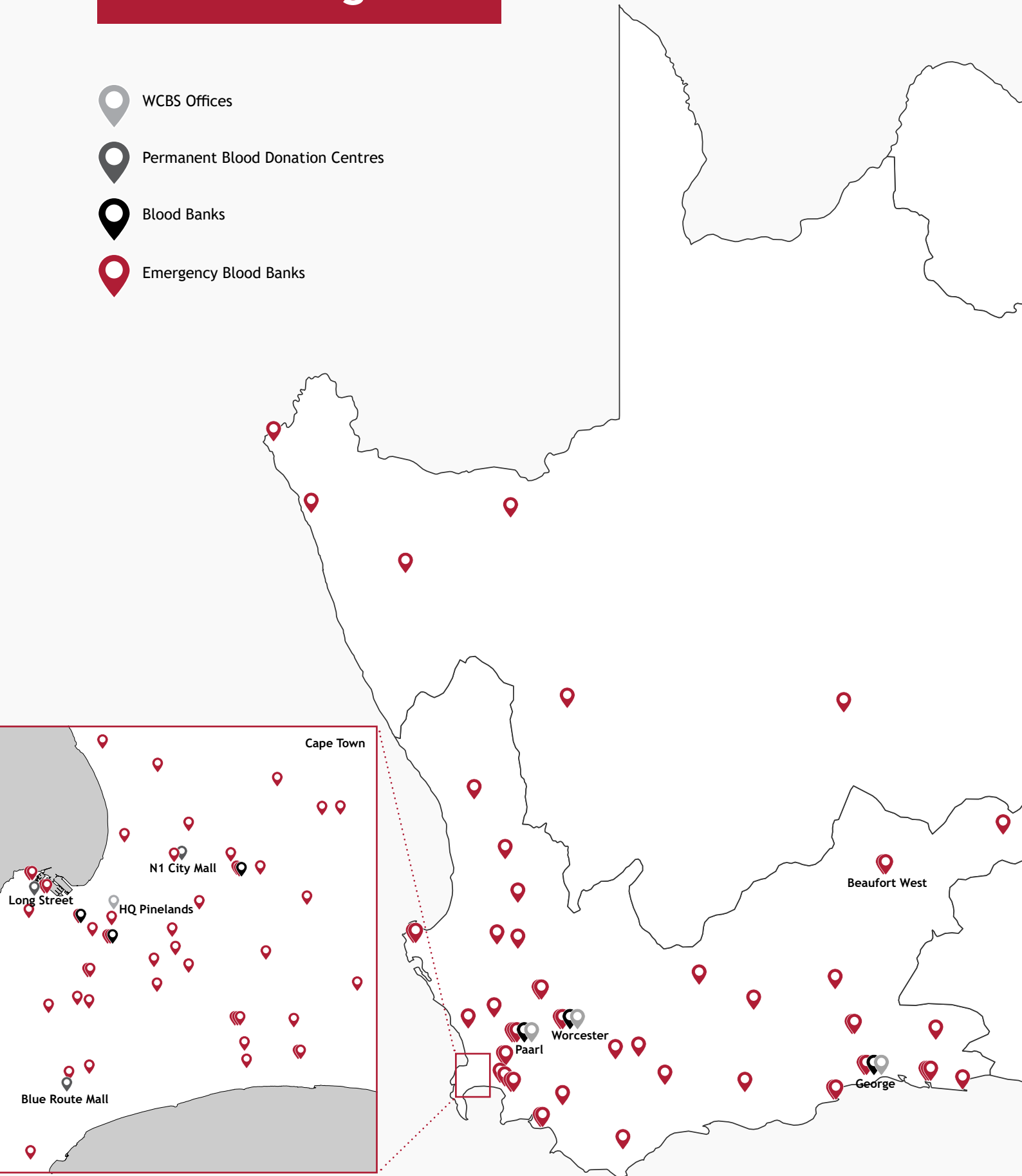
To maintain a Blood Service that is appropriate to the needs of the South African Community. To be prepared to extend the service to provide for wider regional or national needs and to provide leadership in transfusion practice.

VALUES

we
are
caring
professional
responsible
committed
teamwork

WCBS at a glance

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





HIGHLIGHT

WCBS Name Change

During the 2018 WCBS AGM members voted in favour of a special resolution to change the name of the Western Province Blood Transfusion Service (WPBTS) to the Western Cape Blood Service (WCBS). The change was an evolution of the existing name.

The rationale behind this was the following:

1. The geographic region in which the Service operates is known as the Western Cape.
2. The word “transfusion” could be removed, as the Service does not actively transfuse blood or blood products - this is done by clinical staff in hospitals. In addition, removing the word “transfusion” makes the name shorter and easier to apply to branding and marketing material.

The revised name became effective on 1 January 2019 and all related changes will be implemented over a one-year period. ■

 **WP Blood Transfusion Service**
Do something remarkable

 **Western Cape Blood Service**
Do something remarkable

Senior Leadership

Board of Directors

Mr PK Slack (Chairman)
Mr PJ Veldhuizen (Vice Chairman)
Dr GRM Bellairs (Chief Executive Officer/Medical Director)
Ms NB du Toit (Corporate Services Director/Chief Financial Officer)
Dr AR Bird
Mr MR Burton
Prof BDL Figaji
Dr A Huggett
Prof VJ Louw
Mr DM Ndebele
Mr R Ramsbottom
Dr CF Ingram

Managers

Michelle Breuninger (Professional Development and Training)
Jacques Breslaw (Information Technology)
Glynis Bowie (Quality Assurance)
Ashleigh Button (Human Resources)
Ronald Davids (George Region)
Karen Dramat (Blood Banks)
Vincent Erasmus (Materials - Maintenance/Purchasing/Transport)
Links Archery (Donor Collections)
Caroline Hilton (Transfusion Medical Specialist)
Janine Wildschut (Worcester Region)
Imtiaz Kaprey (Finance)
Bev Mitchell (Technical Services)
Delizia Montgomery (Paarl Region)
Debbie Smith (Processing)
Irene van Schalkwyk (Promotions/Public Relations and Planning)
Faisal Hassen (Continuous Improvement) - appointed August 2018

Company Secretary

Mrs I van Schalkwyk

Registered Office

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

Registration Numbers

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

Key Statistics

The past year at a glance:

145 531
Units of donated blood

447 642
Potential lives saved

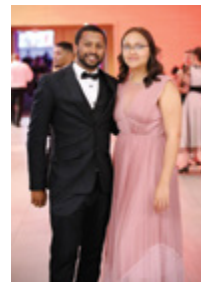
84 000
Active blood donors

521
Employees

101
Emergency Blood Banks

80 REMARKABLE YEARS

The WCBS staff celebrated the Service's 80th Birthday with a function held at the Century City Convention Centre on Friday, 26 October 2018. Here are a few highlights:





Messages From Leadership



Dr Greg Bellairs

CEO/Medical Director



Ms Nicky Du Toit

CFO/Corporate Services Director

Directors' Report 2018/19

The year 2018 was the 80th Anniversary of the Western Province Blood Transfusion Service, and aligned with this significant milestone, the Service celebrated another successful year. Several important changes were managed in the year under review, but the most important were the change of the Service's name (to Western Cape Blood Service - WCBS) as well as upgrades and relocations of premises.

Sustainability

Blood product sales

WCBS is a red cell driven organisation, due to the fact that red cell products comprise the largest volume of the product mix, and also comprise the single largest Rand-value of income. For the last four years, red cell product sales were 143 781 in 2015/16, 139 414 in 2016/17, 140 289 in 2017/18, and 138 026 in 2018/19. This fairly flat sales trend is attributed to cost saving measures in both the private and state health care sectors, as well as due to patient blood management strategies which promote more restrictive transfusion thresholds.

The clinical team from WCBS have been involved with development of patient blood management strategies at the large teaching hospitals, particularly at Groote Schuur Hospital. After the completion of the financial year, a multi-party position paper titled

“Patient blood management: A solution for South Africa” was published in the South African Medical Journal of July 2019. Although patient blood management has the potential to impact blood product sales (which is challenging from a financial perspective), the Service supports the philosophy of optimising patients’ iron and haemoglobin status preoperatively, which reduces the need for blood transfusions, and results in better clinical outcomes.

Financial

For 2018/19, income for the year was R 457 million, and expenses were R 404 million, resulting in a surplus of R 53 million (11.7%). The Service’s financial position is currently satisfactory, and sufficient cash reserves have been developed to provide a buffer against bad debt and delayed payments; to fund the acquisition of capital equipment and new technologies; and to make adequate provisions for other expense commitments - e.g. leave pay provision, public liability cover, and investment in a new purpose-built premises.

Blood recipient safety

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

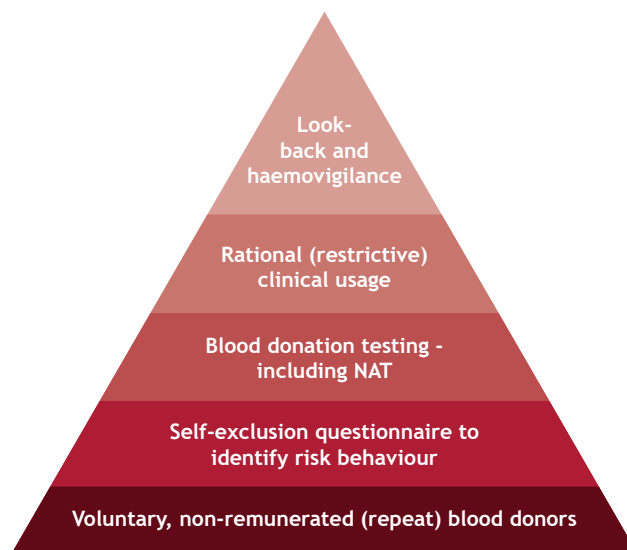
A research project was undertaken to study the prevalence of bacterial contamination of platelet products, a known ‘side-effect’ of the reality that platelet products are required to be stored at room temperature which facilitates the proliferation of bacterial growth. The results were aligned with other studies in developed countries, and the risk of adverse effects for platelet recipients remains low. However, strategies to further manage the risk do exist, and include pathogen reduction technology and/or bacterial detection methods. Both strategies are still being explored by both Blood Services in South Africa (under the National Blood Safety Committee), and once there is collective agreement on the strategy for improving the safety of platelet products, roll out will be coordinated nationally.

A total of 128 adverse transfusion reactions were reported during the 2018/19 calendar year, compared to 169 in the previous year. Most of these were of minor clinical significance. One case of transfusion-related acute lung injury (known as TRALI) was proved by an investigation, and the Service is exploring the practicality of issuing plasma collected from male donors only, which can further reduce the likelihood of this rare complication of blood transfusion. The Service continues to minimise the risks of adverse transfusion reactions through educational interventions and ongoing communications with clinicians and hospital management.

Blood donor safety

70 610 blood donors donated blood during the year compared with the prior year. As a result, the average number of donations per donor per year decreased slightly

Blood Safety - core concepts



from 2.11 to 2.06. This reduction in donation frequency, although small, reduces the risk of iron deficiency and is thus welcomed. On an ongoing basis the Service strives to increase the number of active donors which could in future allow for a reduction in the maximum number of donations from 6 to e.g. 4, which will considerably improve donor safety.

The number of adverse donor reactions, most of which were vasovagal episodes (commonly known as faints) decreased from 2174 in 2017 to 2115 in 2018. Donor safety is managed by the self-completion of a health questionnaire to detect any medical condition which may preclude safe donation, pulse and blood pressure checks, and measurement of donor haemoglobin levels to ensure they exceed a predefined minimum level. A total of 26 893 donors were deferred from donating - mainly due to low haemoglobin levels. The Service’s oral iron replacement program for donors most at-risk of iron deficiency anaemia continues to be effective, with the numbers of donors with iron deficiency or anaemia decreasing year-on-year.

Sufficient blood supply

While the province’s population continues to increase (from 5.8 million in 2011 to 6.6 million in 2018) the percentage of people in the province who donate blood remains fairly constant at 1.06%. 145 531 units of whole blood and 3 808 adult single-donor platelet products were collected from blood donors throughout the Province. The Service strives to maintain 5-day stocks of each blood type, in order to have a buffer stock available should usage exceed supply (e.g. in mass casualty situations) or should supply be temporarily compromised (e.g. during holiday periods). Once again, blood stock levels were sufficient to ensure that all patients received the blood they required, but during the mid-winter period stocks were lower than desired. New strategies were developed to minimise the mid-winter slump in 2019, and at the time of writing of this report, it appears that group O blood stocks have remained at more acceptable levels.

Efficient operations and consolidation

Various approaches are being considered for measuring 'efficiency'. One of these is red cell products issued per staff member which was 266 for 2015/16, 267 for 2016/17, 258 for 2017/18 and 264 for 2018/19. Another measure of efficiency is the proportion salaries comprise of total expenses - currently 47.6% (46% in the previous year).

A structured continuous improvement programme was introduced in early 2017. Five modules were completed in the prior year, and an additional two modules in 2018/19. The maturity assessments, in February 2019, for all seven completed modules yielded a pleasing score of 91%. Despite having no direct competition, it is a duty of the Service to operate as efficiently and economically as possible to provide affordable products.

Several renovations and new installations were performed in 2018/19. The reception area, auditorium and boardroom at the Pinelands Headquarters were upgraded. The roof of the main building was replaced, to allow for the installation of solar panels which now allows the Service to tap into free green energy from the sun as part of the energy mix. The fixed-site blood donation in Long Street in the Cape Town CBD was relocated to new premises. Although the move was not completed at the time of writing of this report, a significant change included the establishment of a new 24-hour Blood Bank at Khayelitsha Hospital, which will improve service delivery to that hospital and other nearby hospitals, as well as allow for the rebalancing of workloads between all of the Blood Banks in the Cape Town Metro.

Arguably the biggest change was to the Service's name, which was driven by the realities that the Province in which we operate has been known as the Western Cape (since 1994!) and that the Service does not actually transfuse blood (transfusion is a clinical treatment delivered by clinical staff in hospitals). It follows that a better name for the Service is "Western Cape Blood Service" and this name was formally introduced as part of the 80th anniversary celebrations, and rolled out from January 2019. It goes without saying that the mission of the Service and our commitment to providing sufficient, safe, cost-effective blood products to everyone in the Province remains exactly the same!



Compliance and Governance

The governance of compliance is of great importance to the Service, particularly in the absence of a robust regulatory environment in certain areas.

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

Operational compliance is maintained through adhering to the Standards of Practice for Blood Transfusion in South Africa - which is audited yearly by SANAS, as well as following the applicable legislative frameworks, the most important of which are the National Health Act and associated Regulations and Policies. Several weaknesses remain within the legislative framework, but we continue to address these with the National Department of Health. In the area of Financial compliance, the financial audit provides assurance that the Service complies with legislation and disclosure requirements. At times, improvements are required (e.g. through management letters raised by the auditors) and these are made under the oversight of the Audit Committee.

Thanks

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

Chairman's Report

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



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

The Board is responsible for setting the strategic direction of WCBS. Annually, the Board considers, debates and adopts (with or without amendments) a strategic plan presented by the executives. The Board delegates the authority and responsibility to executive management to lead the implementation and execution of WCBS's strategy, policies and operational planning. Full and effective control of the WCBS affairs is retained through monitoring the executive management and ensuring that decisions of a material and policy nature are in the hands of the Board.

I would like to thank my co-directors for their wisdom, support and guidance during the 2018/2019 financial year. Exceptional co-operation, diverse thinking and sober reasoning made us a formidable team. Your contributions are of great value.

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

The two executive directors have a 6-month notice period, which allows sufficient time to identify and appoint replacements. There are a limited number of internal candidates who could replace the current executive directors, however, a revision of the executive responsibilities could be a possible strategy to maximise the potential to appoint suitable candidates.

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

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

On behalf of the Board I would like to specifically honour our donors. Our donors are literally and figuratively the life-blood of WCBS and many lives are saved due to their selfless donations. You have sustained the population in the Western Cape for the past 81 years and you continue to roll up your sleeves year on year.

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

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

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

Paul Slack
Chairman of the Board

RECIPIENT

Majed's Journey

Majed Almhdi was born with sickle-cell anaemia and was diagnosed with this disease at the age of 2. Sickle-cell anaemia has changed Majed's life in various ways.

Majed explains that sickle-cell anaemia is when your body does not produce enough red blood cells. The red blood cells from his bone marrow are produced in the wrong shape - instead of it being in a doughnut shape it, it is in the shape of a banana. Wrong shaped blood cells do not carry enough oxygen through the bloodstream and this causes clotting. He has to visit the hospital on a regular basis to receive pain management as well as blood transfusions. He has received over 200 blood transfusions in his lifetime. He would like to thank our blood donors for making the lifesaving decision to donate blood, which has a huge impact, not only on his life, but on many other recipients. ■

View his and other recipient stories on our [YouTube Channel](#).



Our Business Model

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

Blood collection cost and pricing strategy

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

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

Because individual product input costs are not computed, the cost per unit of blood needs to be viewed by dividing total expenses into various categories. This allows a reasonable allocation of costs to the “generic” blood product.

Recent allocations of expenses are summarised in the following table:

Expense	2018/19	%
Personnel	198 380 798	49%
Collections	34 937 772	9%
Testing	57 861 455	14%
Product costs	48 050 989	12%
Administration	39 606 582	10%
Repairs/Maintenance	11 562 113	3%
Depreciation	11 284 970	3%
Other	2 529 479	1%
Total	404 214 157	100%

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

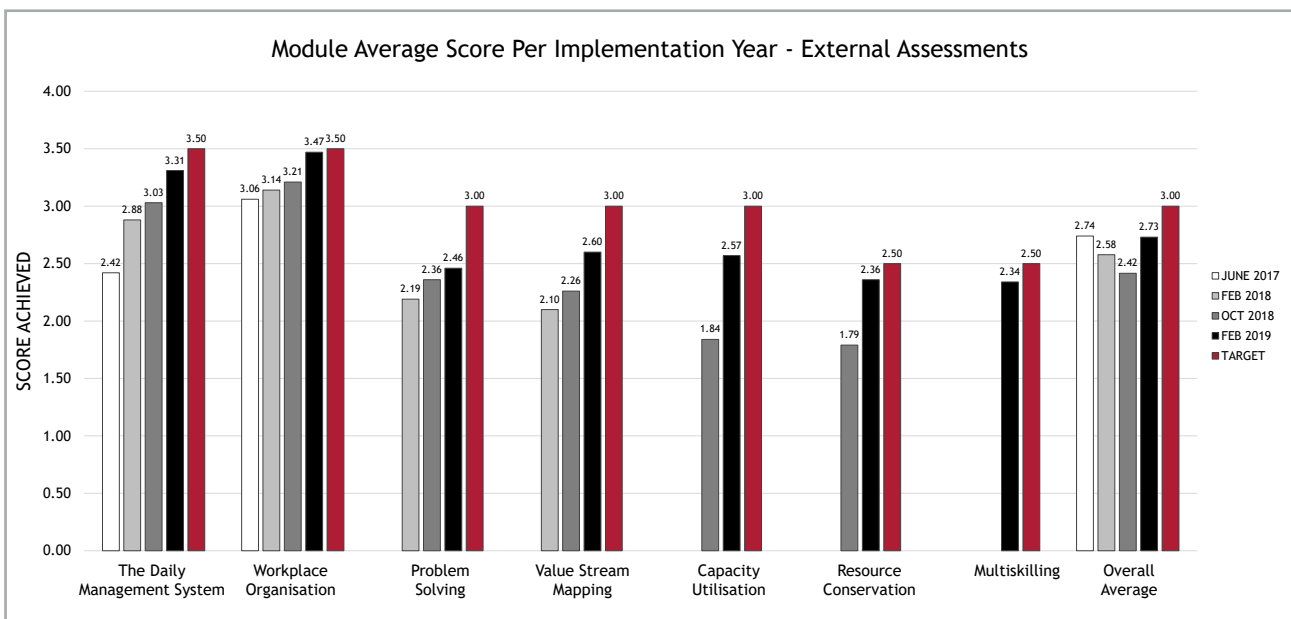
- Sales volume forecasts for the following year.
- Budget to achieve sufficient collections to meet the projected demand, including factors such as inflation, discard rates, exchange rates, salary increases, projects and efficiency gains.
- Achieving a cash surplus to fund capital purchases, maintenance and expansion of existing facilities, and to implement appropriate new technologies.

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

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

HIGHLIGHT

Continuous Improvement Programme



A structured Continuous Improvement Programme utilising Lean principles was introduced early in 2017. Training is provided by an external consultant and this knowledge is then transferred to staff throughout the Service. Maturity is externally assessed against targets bi-annually.

An emphasis has been placed on the strategic WCBS principles which are: sufficiency, safety, sustainability and compliance. Through this, efficiencies have been optimised, and average maturity levels of 91% have already been reached for seven modules. These

modules include Daily Management System, Workplace Organisational through 5S, Problem Solving, Value Stream Mapping, Capacity Utilisation, Resource Conservation and Multiskilling. During 2019, a Quality Assurance and Coaching module will be implemented throughout the Service.

A managerial position focussed on Continuous Improvement has been created to ensure WCBS maintains its commitment to continuous improvement in the long term. ■

Our Value Chain

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



Human 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 2018/19 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:

	2017/2018	2018/2019
Number of Incidents and Accidents	26	25
Incidence of Occupational Exposure	15	12
Incidence of Injuries	10	10
Incidence of Disabling Injuries	9	6

Training & Development

Investment of **R 999,707.24** in the development of employees through work-relevant training and development programmes, including:

Training programmes for **347 staff members**.

10 Pathology Registrars.

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

4 Laboratory Assistants passed their Board exams.

3 Phlebotomists qualified.

Health & Safety Compliance

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

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

General staff safety training.

Quality & Safety

	2016/2017	2017/2018	2018/2019
SANAS Accreditation status	Full	Full	Full
OHSA Compliance Audit:			
N1 City Blood Donation Clinic	★★★★★	n/a	n/a
Red Cross Blood Bank	★★★★★	n/a	n/a
George Regional Office	★★★★★	n/a	★★★★★
Pinelands Head Office	★★★★★	★★★★★	★★★★★
Worcester Regional Branch	n/a	★★★★★	n/a
Groote Schuur Blood Bank	n/a	★★★★★	n/a
Blue Route Mall Donation Clinic	n/a	★★★★★	n/a
Long Street Donation Clinic	n/a	n/a	★★★★★
Tygerberg Blood Bank	n/a	n/a	★★★★★



Staff Health & Wellness

Annual employee wellness day.

Staff health awareness campaigns.

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

Team engagements through social interactions and team-buildings events.



Employment Equity

WCBS EMPLOYEE racial profile compared with Western Cape demographics

	2016/2017	2017/2018	2018/2019	Western Cape ¹
African / Black	14.1%	19%	20.5%	37.7%
Coloured	63.2%	61%	61.2%	45.9%
Indian / Asian	1.2%	0.9%	0.9%	0.9%
White	20.6%	19.1%	17.3%	15.5%

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

Human Resources

	2016/2017	2017/2018	2018/2019
Resignations	31	42	49
New appointments	54	45	61



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

Currently 82.6% of staff are from the black designated group and 62.9% of staff are females.

HIGHLIGHT

Staff Wellness Day



Intellectual Capital

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

Outputs during 2018/19 included the following:



Workforce

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

521 people.



Management

Experienced Board and Management Team.



Information Sharing

12 Continuous Professional Development (CPD) talks.
Corporate and Educational DVDs.

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

Standards of Practice for Blood Transfusion in South Africa.

3 articles were published on an accredited medical education website.

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

Hosting of guests from Zimbabwe and Swaziland Blood Transfusion Services.



Quality

Quality Management System with continued commitment from management.

Annual external SANAS surveillance assessment to maintain accreditation status.

ICT Planning process and project methodology.

IT SMARTDESK call logging system.

Annual strategic planning meeting for management team.

Comprehensive stakeholder engagement on a continuous basis.

IT SLA metrics shared monthly.



Training & Development

Continuous Improvement Workshops with quarterly maturity assessments.

Supervisory Skills Development (SDP) courses.

Competency Assessments and Proficiency testing for all technical staff.

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 2018/19 included the following:

Donor health care:

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

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

Recognition and development of donor representatives.

Donor appreciation token gifts, including the commitment campaign.

Recruitment opportunities for stem cell donors.

Complaint and feedback management system.



Corporate Social Investment

WCBS's corporate social investment initiatives during 2018/19 were aligned with our strategic objectives, and included the following:

Sponsoring a refreshment station at the 2019 Cape Town Cycle Tour.

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

Financial donation to the Olive Children's Foundation, with the mission of helping families touched by Diamond-Blackfan Anaemia (DBA).

HIGHLIGHT

Cape Town Cycle Tour



On the morning of Sunday 10 March 2019, before the rooster crowed, a group of Western Cape Blood Service (WCBS) staff members woke up from their homes with the 'dawn chorus' of the Robin, to prepare for an exciting day ahead. They aimed to reach the WCBS head office in Pinelands by 04:15 from where they would be transported to reach their volunteer station located close to the end of Prince George Drive by latest 05:00. This is where they were expected to be set up and ready to serve Cape Town Cycle Tour cyclists by 06:00.

The volunteers helped at the refreshment station by serving cool drinks, energy drinks and water to the thousands of cyclists that stopped for a breather. Three of these volunteers were tasked with serving as Marshals on the day. The first group of cyclists whooshed past our station like the wind around 06:15.

We are extremely proud of the Western Cape Blood Service cycling team that braved the gusting wind as they cycled to the finish on that day. These include our CEO & Medical Director, Dr Gregory Bellairs; Staff Health Professional Nurse, Sr Isabel Steenkamp; Specialised Donations Administrator, Mr Kyle Mullins and Promotions Officer Mrs Estellé Lecoq. ■



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 2018/19 included the following:



Financial Highlights

Capital expenditure
for the current year

R20.2 million

Equity

R273.5 million

Personnel cost

R190.4 million

Current year Revenue and
Investment returns

R445.6 million

Natural Capital

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

Outputs during 2018/19 included the following:



Recycling

Recycling programme

All paper, cardboard, cans and plastic generated in offices and laboratories is recycled. This waste is donated to the Oasis Association, which creates employment for people with intellectual disabilities.



Solar Energy

In March 2019 a **284kW solar panel system**, was installed to save an anticipated 366 tons of CO₂ per year.



Environmental Impact

An environmental impact assessment, which was done in 2017 to determine WCBS's carbon footprint, as indicated in the table informs future decisions regarding resource management programmes:

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



Water

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

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

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

Water tanks have been installed to harvest rainwater.

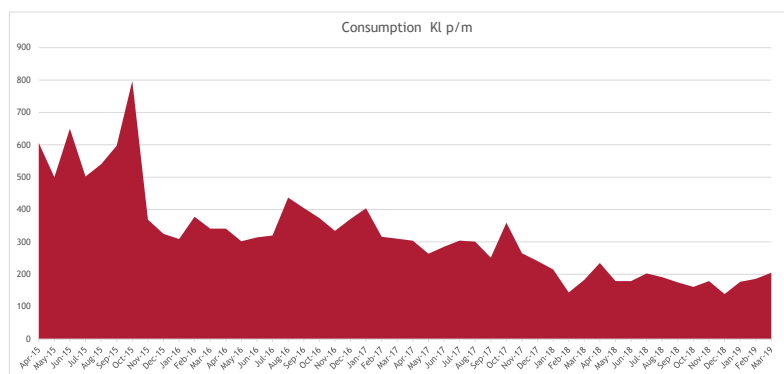
Hand-sanitizer units were installed in all bathrooms.

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

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

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

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



Biohazard

Biohazardous waste

is disposed by a licensed biohazardous waste contractor - 879 861 lt of biohazardous waste was disposed of during 2018/19.



Biodegradable

The WCBS canteen uses only biodegradable containers and straws.



Printing

The environmental impact of printing at the WCBS is measured, reported on monthly and monitored in terms of the amount of trees that have gone into making the paper, the greenhouse gases (CO₂) released in the production of the paper and the manufacturing energy used to produce the paper represented as the energy consumed by a standard light bulb in hours.



HIGHLIGHT

WCBS goes solar

A solar rooftop grid-tied photovoltaic (PV) system was installed at the WCBS headquarters in February 2019, covering 80% of the entire roof area. The system comprises 676 solar panels and four solar inverters which convert direct current electricity from the sun into usable AC electricity.

WCBS chief executive Dr Greg Bellairs said: “At the Western Cape Blood Service, a reliable supply of energy is critical to our operations and the sustainability of our organisation. We always consider the environment in which we operate, and we are proud to move to solar power as the first step towards cleaner energy.”

He said the current energy consumption of the WCBS headquarters stood at just under 1 million kWh a year. The new solar PV system will produce 335 000kWh of clean energy a year for the next 25 years (approximately 42% of WCBS’s electricity usage), of which the performance efficiency can be digitally monitored.

The solar system will save the service more than a third of its energy requirements, prevent 300 tons of carbon emissions a year and all within a payback period within 5 years. ■

RECIPIENT

Devon's Journey

On the 27th of November 2017, Devon Walbrugh came home from work not feeling well. He was light headed and felt a tad nauseous, symptoms that one could easily misinterpret as a tummy bug or just the usual daily work stress.

As the evening progressed, Devon's health started to deteriorate. His wife, Chanel was preparing the kids for bed when she heard distinct gurgling noises coming from the bathroom. She found him non-responsive - collapsed over the bath. Emergency services were immediately contacted and he was rushed to hospital. He initially presented with low iron levels. Within the next 24 hour period, he was losing consciousness and hospital staff quickly moved him to ICU. Devon was now bringing up blood. He was rushed into theatre before midnight on the evening of the 28th November, where emergency surgery was done on his chest and stomach to remove a tumour. Devon was bleeding profusely from the inside of his stomach and suffered massive blood loss.

Medical staff advised that a total of 20 units of blood were administered to Devon, which saved his life. He was given a second chance in life because of the selfless efforts of people who donate blood. He would like to encourage everyone who is eligible to donate blood, to do so without hesitation. Devon, his wife and children, would like to sincerely thank all blood donors as this story could have had a very different ending. ■

View his and other recipient stories on our [YouTube Channel](#).

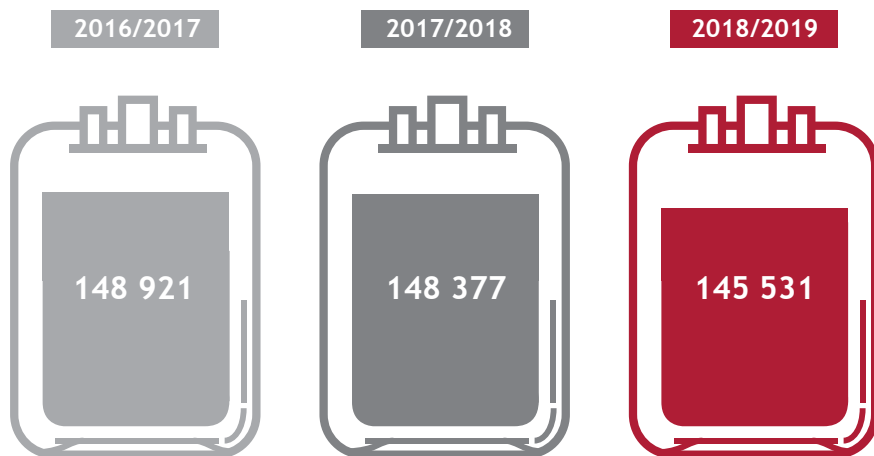


Manufacturing Capital

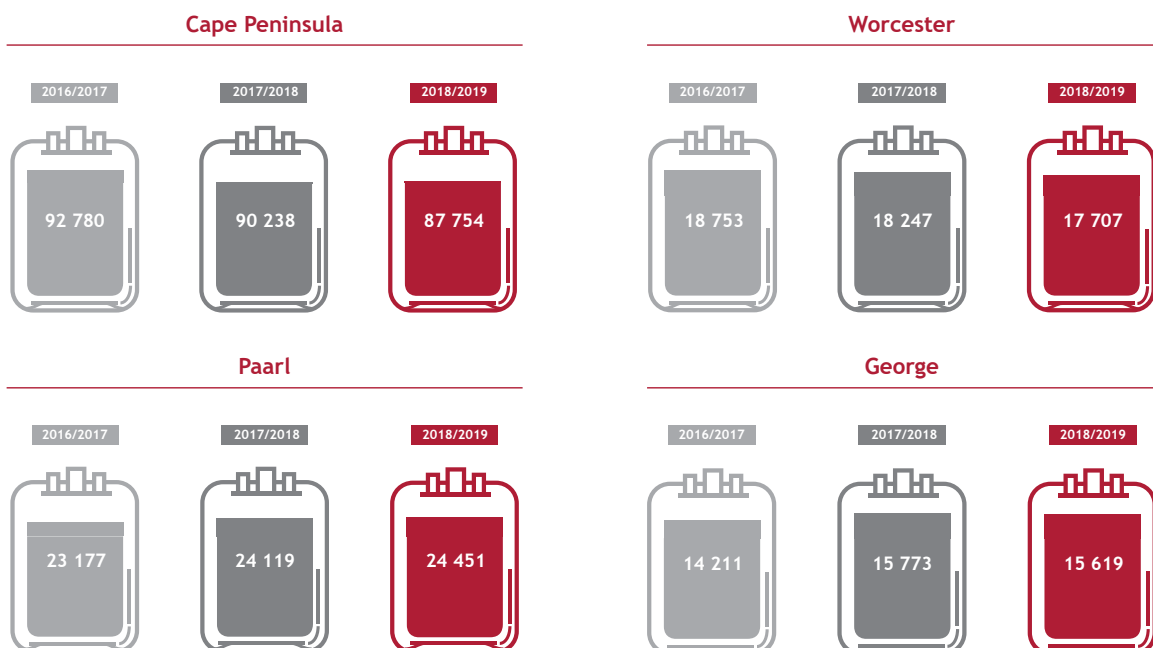
We create value by converting donated blood into life-saving products for patients. Our manufacturing capital is informed by our mission to deliver sufficient and safe blood to the communities we serve, while operating at the highest standards and using state-of-the-art technologies.

Outputs during 2018/19 included the following:

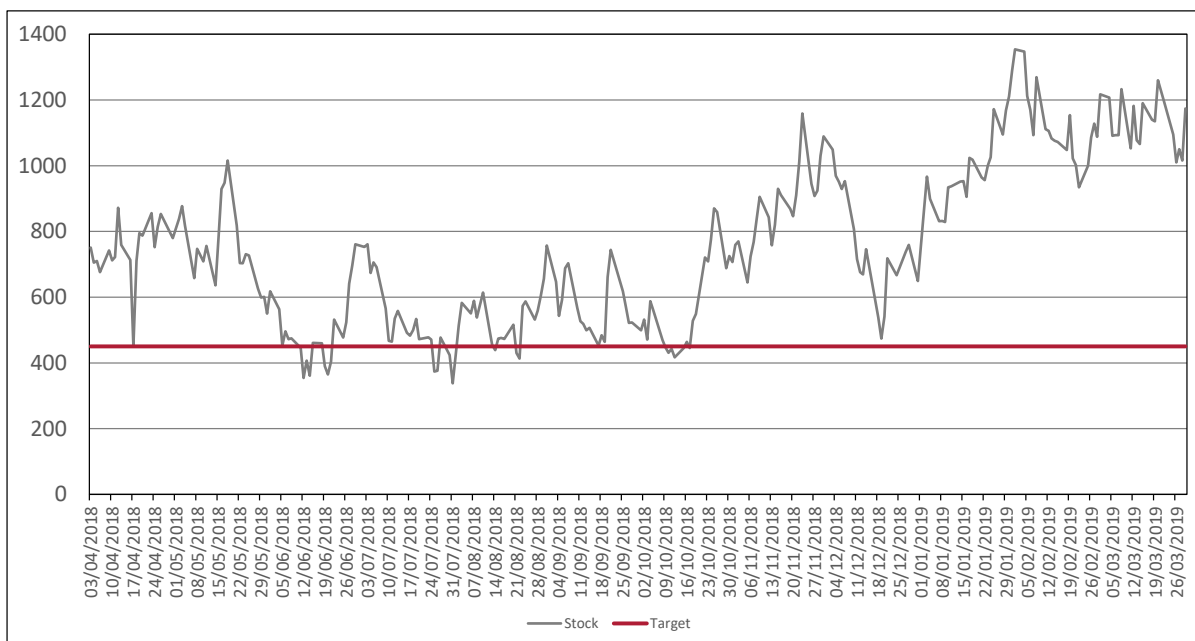
Total blood donations collected at clinics



Blood Donations collected at clinics



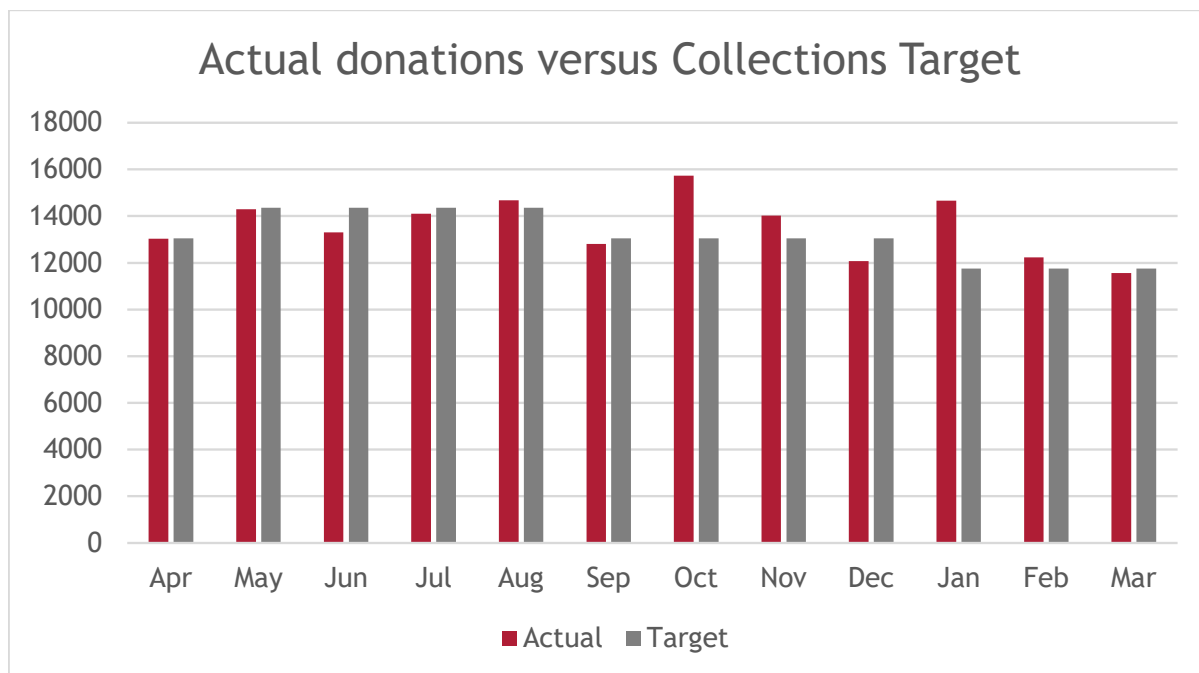
Red Cell Concentrate Stocks - Group O



Blood stocks fell below 450 Group O daily for more than 3 consecutive days on 2 occasions during the year.

Sufficient Blood

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





Donation Information

Donor & Clinic information

	2016/2017	2017/2018	2018/2019
Number of first time (new) donors	20 638	23 538	24 264
Total number of donors who donated	69 375	70 434	70 610
New clinics opened	21	23	37
Average donation frequency (per year per donor)	2.15 donations	2.11 donations	2.06 donations

Specialised donor services information

	2016/2017	2017/2018	2018/2019
Autologous donations	6	9	0
Designated donations	36	77	102
Therapeutic donations	3 348	3 354	3 435
Apheresis platelets	3 526	3 881	3 684



Products Manufactured & Issued

	Product	Manufactured	Issued
Plasma products	Cryoprecipitate	17 685	16 747
	Adult fresh frozen plasma products	24 113	20 620
	Leucocyte reduced adult fresh frozen plasma products		157
	Paediatric fresh frozen plasma products	744	559
	Leucocyte reduced paediatric fresh frozen plasma products		33
Platelet products	Adult single donor platelet products	4 135	3 655
	Paediatric single donor platelet products		208
	Pooled platelet products	6 868	5 617
Red cell products	Infant products	1 912	1 776
	Paediatric products	758	654
	Leucocyte reduced red cell product	31 032	29 823
	Emergency leucocyte reduced red cell product		672
	Red cell products	111 739	95 579
	Emergency red cell products		8 859
Whole blood	Whole blood	1 994	246
	Leucocyte-reduced whole blood		7
	Emergency whole blood		410



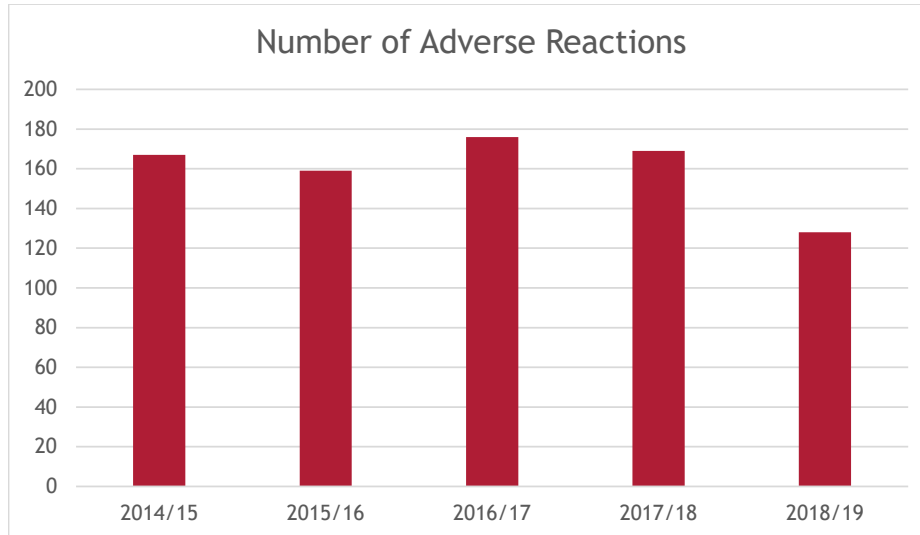
Confirmed Positive Test Results

	2016/2017	2017/2018	2018/2019
Hepatitis B	63	80	83
Hepatitis C	5	2	5
HIV	52	66	53
Syphilis	74	79	69



Adverse Transfusion Reactions

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



	2016/2017	2017/2018	2018/2019
Allergic	93	81	66
Febrile	65	71	48
Anaphylactic	10	8	9
Hypotensive	4	2	1
Misdirected transfusion	2	5	3
Acute haemolytic reaction	0	0	0
Delayed haemolytic reaction	0	0	0
TRALI (transfusion related acute lung injury)	0	0	1
TACO (transfusion associated circulatory overload)	2	2	0
Total	176	169	128

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:

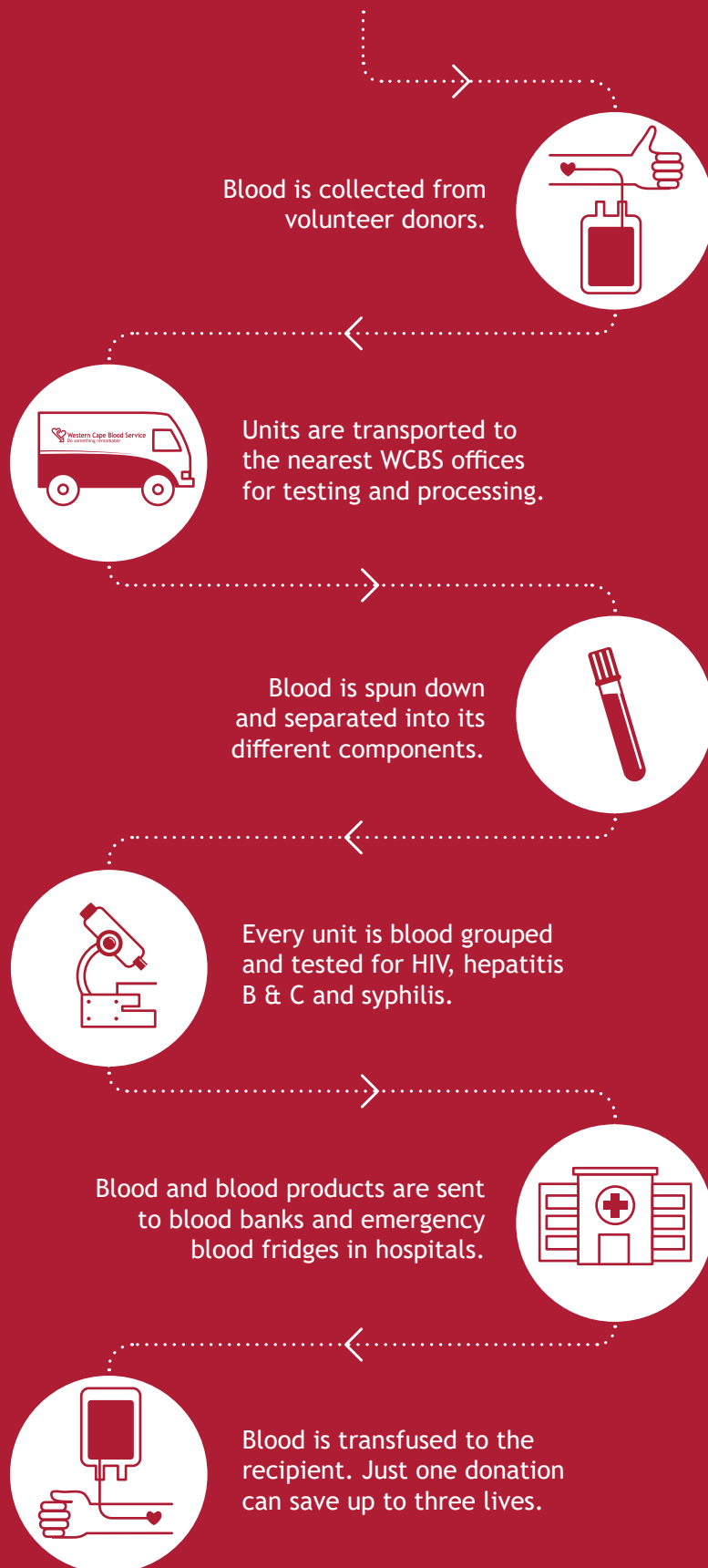
Donate your unit of lifesaving blood. New, sterile equipment is used for every donation.



Step 6:

Enjoy some refreshments - you are remarkable and deserve it!

Journey of Blood



Our Stakeholder Landscape



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

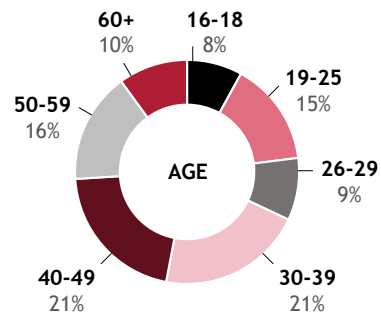
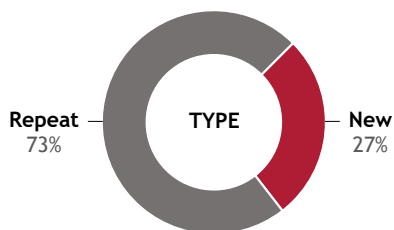
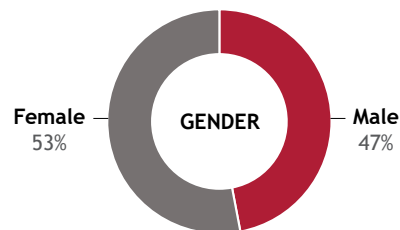
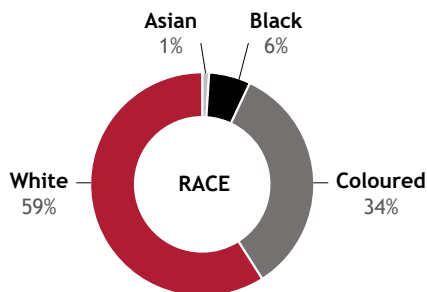
Current and potential blood donors

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 2018/19 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.
- Whatsapp line.



23 258 Donor Awards



28 823 total Facebook likes



1 560 total Instagram followers



2 200 total Twitter followers



123 408 website sessions, with 57 818 users



55 blood grouping/Hb screening sessions



124 donor registration exhibitions



52 wellness exhibition events



45 educational talks



14 tertiary exhibitions

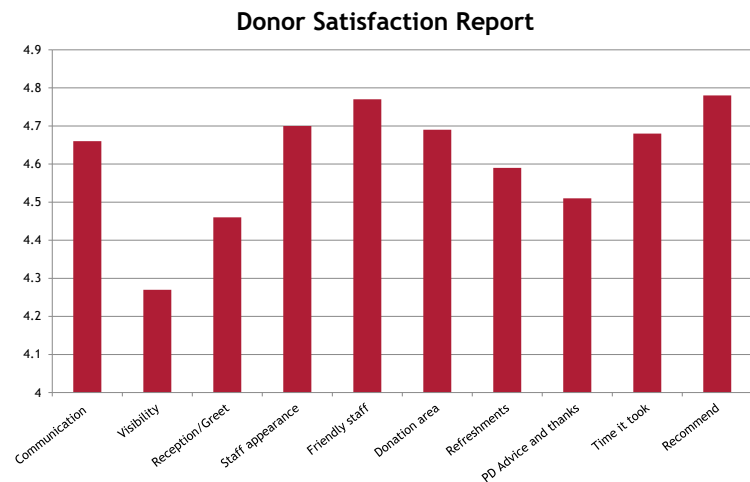
WCBS recognises the need to regularly review our understanding of the needs and interests of two of our biggest stakeholders, blood donors and blood users.

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 November 2018 with 1 683 participants throughout the Province.



With a 92% overall score, donors were generally very happy with the service they received at blood donor clinics. It was also very positive that 96% of donors would recommend WCBS to people considering donating blood. Areas for improvement (90% and below) include the visibility of clinics and signage as well as reception and greeting on arrival. The comments sections offered valuable insights and suggestions for improvement.

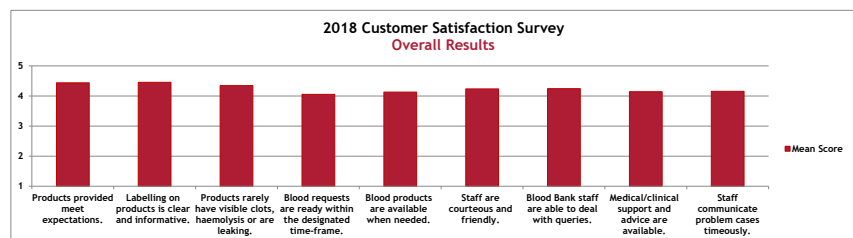
The results from this survey inform our strategy review and business planning processes, and guide decision-making. ■

BLOOD USER/CUSTOMER SATISFACTION SURVEY



WCBS conducts an annual blood user/customer satisfaction survey as part of its ongoing process to monitor the quality of service provided. The outcomes are analysed to identify areas for improvement in product quality and service delivery. The 2018 blood user customer satisfaction survey was distributed to a total of 21 hospitals across the Region from August to December 2018 and responses were received from 752 individual participants.

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



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



HIGHLIGHT

Donor Awards



The Western Cape Blood Service's annual donor awards for the Cape Town region was held on Friday, 30 November 2018. During this prestigious evening our remarkable donors who made 150 or more donations were honoured for their contribution towards saving lives. Awards were also given to individuals or organisations who have gone over and above by making blood donation a cause close to their heart.

Our MC for the evening was Elana Afrika-Bredenkamp with the keynote speaker being Dr Colin Noel, addressing the audience about Diamond-Blackfan Anaemia. ■



Blood Users

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

How we engage:

Annual meetings to discuss price increases, Blood users' committee meetings, Training of 10 pathology registrars, Service Level Agreements (SLAs).

Our 2018/19 activities:

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



Blood recipients

How we engage:

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

Our 2018/19 activities:

- Haemovigilance programme.
- Transfusion Transmission Lookback Programme.

RECIPIENT

Mumtaaz's Journey

My daughter, Mumtaaz Nabihah Moosa, was diagnosed with severe HS (Hereditary spherocytosis), a rare genetic blood disease.

It's an inherited blood disease that results in anaemia. It's a disease in which the red blood cells are misshaped and fragile. In severe cases the symptoms include pale skin, jaundice looking yellow eyes, loss of appetite, shortness of breath, heart palpitations and extreme fatigue. All of these are signs that the haemoglobin level is dropping.

Even with all her trials she's been a brave warrior. A HUGE THANK YOU to blood donors for their kind and unselfish act of donating blood. You are saving lives and making a difference in someone else's life. We will always be grateful and really appreciate it.

Nazeerah Moosa ■

View her and other recipient stories on our [YouTube Channel](#).



Members

BOARD

2 x Executive Directors - appointed by Board



10 x Non-executive Directors - elected by Members



MEMBERS



Donor Representatives:

1 per donor panel/clinic/drive.

Approximately 546 representing the donor community of the Western Cape.

Honorary members:

Someone from the community who is not a donor representative, but who has supported the Service over and above his/her expected duties for an extended number of years. WCBS has approximately 30 honorary members.

DONORS



Approximately 84 000 active donors.

How we engage:

- Donor representative function
- Annual General Meeting

Our 2018/19 activities:

- Developed Terms of References for the Finance and IT Committee.
- Compliance management through Lexis Nexis alerts and checks by the Company Secretary on relevant legislation.
- Donor representative challenge during July and August 2018.
- Donor representative informational booklet.
- Donor representative recognition through a point-based award system.
- Approval of the special resolution to change the name of the Western Province Blood Transfusion Service (WPBTS) to the Western Cape Blood Service (WCBS).
- Board approval for amendment to the Service's Mission Statement.
- Biannual Board self-appraisal.

Employees



How we engage:

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



Our 2018/19 activities:

- Continuous Improvement Programme.
- Supervisory Development Programme.
- Health Professions Council of South Africa (HPCSA) national board exams.
- In-house training.
- Bursaries.
- WCBS staff members contributed R 2 970.00 towards Casual Day, Slipper Day and Tekkie Tax day + over 700 baby related items supplied to the Sarah Fox Children's Home as their Mandela Day initiative.
- Knowledge sharing: 3 staff members attended local conferences and 11 attended international congresses.

Unions

PSA
(Public Servants
Association of
South Africa)

How we engage:

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

Our 2018/19 activities:

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

The Media

How we engage:

Targeted media releases, direct communication to build public awareness.

Our 2018/19 activities:

- The total advertising value equivalent (AVE) for the period, measured as an equivalent of advertising rates, was valued at R7 928 708.29.
- 206 interviews.
- 2 127 items of editorial media coverage across print, online and radio channels.

Suppliers and Vendors

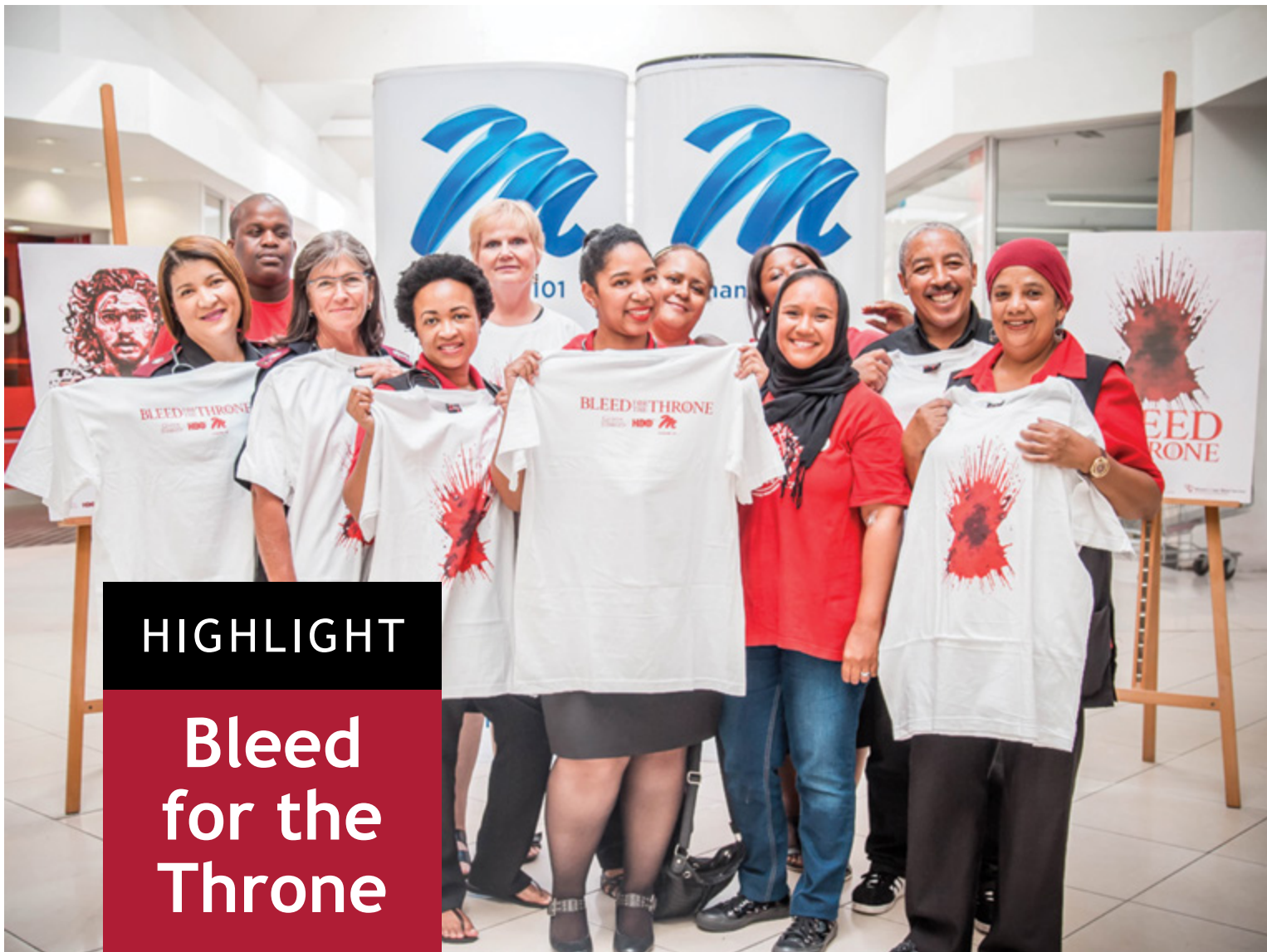
How we engage:

Supplier registration process, Service Level Agreements (SLAs).

Our 2018/19 activities:

- Vendor audits.
- Tariff negotiations and agreements.





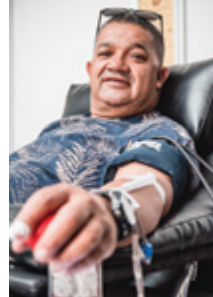
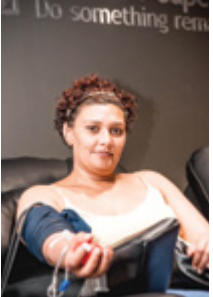
HIGHLIGHT

Bleed for the Throne

The Western Cape Blood Service (WCBS) in conjunction with MNet, HBO and Nu-metro were invited to celebrate the final season of Game of Thrones by giving all the fans and donors the opportunity to show their devotion and ‘Bleed for the Throne’. For those who follow the fantasy television series, audiences will know that each season has no shortage of gore, and for this reason the bloodshed was brought to life in the aptly - named activation #BleedForTheThrone.

The campaign was held at the Canal Walk Nu-metro foyer, N1 City Mall Blood donation centre as well as Smile 90.4FM studios. Everyone who donated blood during that time either received an exclusive T-shirt, a movie ticket or a free smoothie after the donations.

The activation was a success; the blood drives had a combined collection of 178 units. ■



Regulators and Policy Makers

National and Provincial Department of Health, Western Cape Government, SANAS, SAHPRA

How we engage:

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

Our 2018/19 activities:

- Collaborative partnership with WCDOH and NDOH.
- SAHPRA benchmarking workshop to investigate the regulation of Blood Establishments.
- Annual SANAS communications meeting.

National Bioproducts Institute (NBI)

How we engage:

Regular meetings and audits.

Our 2018/19 activities:

- Supply of 31 101 litres of plasma from which plasma-derived medicinal products are manufactured.

South African National Blood Service (SANBS)

How we engage:

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

Our 2018/19 activities:

- Supplied 68 whole blood units to SANBS.
- Supplied 200 ARBC units to SANBS.
- Purchased 125 whole blood units from SANBS.
- Planning of SANBTC 2019.
- IT department interactions working towards a shared donor and recipient database and BCP.
- Establishment of an Emergency Infectious Diseases Working Group.

Related Organisations

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

How we engage:

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

Our 2018/19 activities:

- Global Database for Blood Safety report submitted to WHO.
- AfSBT, Tanzania
- IPFA, Greece
- ISBT, Canada

WHOLE BLOOD



RED BLOOD CELL CONCENTRATE



BLOOD PRODUCTS



PLATELETS



PLASMA

Our Risks And Opportunities

A comprehensive high-level strategic risk assessment (SRA), including workshops with senior management and interviews with key committee members, was conducted in 2014, with the outcome being a detailed Risk Register. A total of 23 significant risks were identified, with 13 having “high” or “critical” inherent risk ratings. All risks were reviewed and control measures were identified to mitigate each. After the application of preventative and corrective measures, the residual risks were categorised as “acceptable” and “to be monitored”. Each risk is linked to the Service’s Key Performance Indicators (KPIs), in line with the Service’s Strategic Pillars as indicated on page 48. Risk assessment is an integral part of strategic planning and oversight of risk is exercised by the Board of Directors regularly. ■



STRATEGIC RISKS

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
Donor Risk <ul style="list-style-type: none"> Limited or Insufficient blood supply Donor fatigue 	High	Acceptable	CEO/Medical Director	3, 4
Recipient Risk <ul style="list-style-type: none"> Safety of blood products Transmission of infection 	High	Monitor	CEO/Medical Director	6
Transfusion Risk <ul style="list-style-type: none"> Safety of blood products Incompatible blood transfusions 	Critical	Monitor	CEO/Medical Director	6
Medical risk to the donor <ul style="list-style-type: none"> Iron deficiency Taking donations from donors with underlying disorders 	High	Acceptable	CEO/Medical Director	5
Decrease in sales due to more restrictive transfusion practice	High	Monitor	CEO/Medical Director	10

FINANCIAL RISK

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
Financial sustainability <ul style="list-style-type: none"> Insufficient cash flow - sustaining operations as current entity Exchange rate risk 	High	Monitor	CFO/ Corporate Services Director	10

COMPLIANCE RISK

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
Non-compliance with key legislation <ul style="list-style-type: none"> National Health Act (NHA) Self-regulatory environment SAHPRA/MCC Protection of Personal Information Act (POPIA) 	High	Monitor	CEO/Medical Director	1

OPERATIONAL RISKS

Risk	Inherent Risk Rating	Residual Risk Rating	Risk Owner	KPI
Damage to/failure of key technical/specialised equipment <ul style="list-style-type: none"> Loss of product Downtime on automated testing of samples 	High	Monitor	CFO/ Corporate Services Director	8
Security and safety risk <ul style="list-style-type: none"> Damage to infrastructure/assets Safety of staff/clinics with civil unrest, protest action/ crime 	High	Monitor	CEO/Medical Director	2
Inadequate IT infrastructure, processes and resources	High	Monitor	CFO/ Corporate Services Director	8
Medical risk to staff safety Needle stick injury with exposure to potentially infectious blood products	High	Monitor	CEO/Medical Director	2
Inadequate staffing/attraction and retention of specialists/ scarcity of specialist skills	High	Monitor	CFO/ Corporate Services Director	8
Inability to find compatible blood in sub-groups of multi-transfused recipients	High	Monitor	CEO/Medical Director	3, 4
Infrastructure risk: Water and Electricity	High	Monitor	CFO/ Corporate Services Director	8

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

Performance Review

W CBS's mission statement is fulfilled by remaining dedicated to providing the safest blood products, efficient service to the community, operating at the highest professional and ethical standards, yet remaining a viable organisation. The following formed the basis of the Service's Key Performance Indicators (KPIs) and strategic targets for 2018/19, based on the strategic pillars of Compliance, Sufficient blood, Blood donor and recipient safety and Sustainability. ■



Strategic Pillars	Service Key Performance Indicators	Score	Weighting	Weighted Score
COMPLIANCE	1. Following the annual audit by the South African National Accreditation System (SANAS) in July 2018, a total of 7 corrective actions were required.	120%	15%	18%
	2. An annual safety audit was conducted by Safe Working Practices in February/March 2019. A score of 97.2% was obtained at each site.	100%	10%	10%
SUFFICIENT BLOOD	3. Red blood cell (RBC) stocks fell below 450 Group O blood group daily for three consecutive days on 2 occasions.	0%	15%	0%
	4. Platelet stocks were maintained for the entire year.	100%	5%	5%
SAFETY	5. The average number of donor adverse reactions (DAR) for 2018/19 were 0.95% of total units collected.	120%	15%	18%
	6. The total number of donors falling into risk categories, and were bled during their deferral period, were 16.	0%	10%	0%
SUSTAINABILITY	7. The number of under/overweight units was 1 093 for 2018/19.	120%	5%	6%
	8. Departmental Continuous Improvement (CI) impact projects were completed 100%, average score for 7 module maturity assessments was 91.01%.	91.01%	15%	13.65%
	10. WCBS maintained the existing financial ratios (current ratio, acid test ratio, debtors days, creditors settlement and debt/equity %) equal or above industry norms following the year-end financial audit.	100%	10%	10%
	TOTAL		100%	80.65%

Following the financial audit and based on KPI achievements, the score for 2018/19 was 80.65%.

RECIPIENT

Aislinn's Journey

I always wanted to donate blood but couldn't as I have stage 5 renal failure.

It all started in June 2016 when I was rushed to the emergency room. Upon checking my vitals I was advised that I should have been brought in on a stretcher due to the severity of my situation. I just felt like I had flu. I was subsequently diagnosed with stage 5 renal failure and had to receive numerous blood transfusions.

I am currently on dialysis, but I have chosen to do peritoneal dialysis as it gives me more freedom. Haemodialysis, unfortunately did not agree with me. I tried it last year whilst I was in hospital and I ended up staying there for two months due to the complications of haemodialysis.

I would like to thank all the staff and volunteer blood donors who give of their time to support the Western Cape Blood Service. I have received many blood transfusions and I can honestly say, donating blood saves lives. Keep up the good work. It truly is an amazing thing you are doing.

I have never donated blood as I was always scared of needles but now since the kidney failure, I don't even flinch for needles anymore.

Aislinn Shari Louis ■

View her and other recipient stories on our [YouTube Channel](#).



Governance



BLOOD DONATION CENTRE

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. The integrated report is our primary communication regarding value creation. The report focuses on providing WCBS members and key stakeholders with a holistic view of the Service's operations, performance, risks and opportunities, and also includes the Service's financial statements. The Integrated Report includes a Director's report, the Chairman's report and reports by Board committees' chairpersons. WCBS received the Merit Award for our integrated report in the NGO/NPO category at the prestigious 2018 Integrated Reporting Awards.
	Principle 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.	

	Principle	Application
Governing structures and delegation	Principle 6: Board as custodian of good governance	The Board has ultimate accountability and responsibility for the performance and affairs of the company, including good governance practices and principles. The Board Charter sets out the Board's role and responsibilities, together with the Directors' Code of Conduct and Board committees' Terms of References.
	Principle 7 Board composition	The Board composition is aligned with the requirements of King IV™ regarding the number of executive versus non-executive directors. Skills, experience and tenure of Board members are monitored continually.
	Principle 8 Effective board structures and delegation of authority	Board structures are effective through the delegation of matters and mandates to Board committees and to individuals through a formal delegation of authority process and accompanying board resolutions. A newly formed Clinical Governance committee was established early in 2019.
	Principle 9: Board performance evaluation	During 2018 an internal Board self-evaluation was conducted, in line with established governance practices.
	Principle 10: Board/Management relationships	WCBS continuously adheres to sound practices in respect of succession planning and executive director performance evaluations.
Governance functional areas	Principle 11: Risk governance	Risk assessment is an integral part of strategic planning and oversight of risk is exercised by the Board of Directors regularly. The Board ensures that risk management is embedded into key decision-making processes.
	Principle 12: Technology and information governance	Strategies are in place for technology enhancements and the Finance and IT governance committee are mandated to oversee this function. This committee ensures that the IT strategy supports the business goals and objectives, as well as the sustainability objectives of WCBS.
	Principle 13: Compliance governance	WCBS subscribes to regular updates in applicable laws, regulations, codes and standards. Operational compliance is maintained through adhering to the Standards of Practice for Blood Transfusion in South Africa - which is audited yearly by SANAS, as well as following the applicable legislative frameworks, the most important of which are the National Health Act and associated Regulations and Policies. In the area of financial compliance, the financial audit provides assurance that the Service complies with legislation and disclosure requirements.
	Principle 14: Remuneration governance	The Board, through the HR committee, ensures that WCBS's remuneration is appropriately designed, fair and market-related to attract and retain high-calibre employees. WCBS's remuneration policies facilitate an ongoing dialogue with stakeholders.
	Principle 15: Assurance	The Board has assessed the need for a separate Internal Audit Function. The Board's decision is that the organisation does not currently require this function as it mitigates its risks through a rigorous Enterprise Risk Management System and the utilisation of Combined Assurance Principles which includes the work of our External Auditors, Management Controls and Third Party and Internal operations and quality audits which are compulsory for this type of Entity.
Stakeholder relationships	Principle 16: Stakeholder-inclusive approach	WCBS invests in understanding stakeholder's views and need. WCBS is in the process of conducting a reputation survey with its key stakeholders and formalising its stakeholder engagement policy.
	Principle 17: Responsible investment	Investment practices are approved by the Board.

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



Our Board

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



Dr Greg Bellairs (55)

Executive Director

BOARD TENURE IN YEARS: 11

COMMITTEES:
All committees

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

OTHER DIRECTORSHIPS:
South African Society for Blood Transfusion



Ms Nicky Du Toit (55)

Executive Director

BOARD TENURE IN YEARS: 7

COMMITTEES:
All committees

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

OTHER DIRECTORSHIPS:
South African Society for Blood Transfusion

Our Board



Dr Arthur Bird (72)

Non-Executive Director

BOARD TENURE IN YEARS: 26*

COMMITTEE:
Social & Ethics

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

* Includes period as CEO/Medical Director.



Mr Mervyn Burton (61)

Non-Executive Director

BOARD TENURE IN YEARS: 8

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

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

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



Prof Brian Figaji (75)

Non-Executive Director

BOARD TENURE IN YEARS: 14

COMMITTEES:
Audit
HR (Chair)

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

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



Dr Andrea Huggett (45)

Non-Executive Director

BOARD TENURE IN YEARS: 5

COMMITTEES:
Social & Ethics
Finance & IT

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



Prof Vernon Louw (49)

Non-Executive Director

BOARD TENURE IN YEARS: 4

COMMITTEES:
Risk & Governance
Social & Ethics

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

OTHER DIRECTORSHIPS:
Prof Vernon J Louw Inc



Dr Charlotte Ingram (62)

Non-Executive Director

BOARD TENURE IN YEARS: 2

COMMITTEES:
Social & Ethics

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

Our Board



Mr Dumisane Ndebele (52)

Non-Executive Director

BOARD TENURE IN YEARS: 6

COMMITTEE:
HR

QUALIFICATIONS:

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

OTHER DIRECTORSHIPS:

Uthando Boran and Nguni Stud Pty Ltd



Mr Roger Ramsbottom (72)

Non-Executive Director

BOARD TENURE IN YEARS: 27

COMMITTEES:
Audit
Finance & IT (Chair)

QUALIFICATIONS:

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



Mr Paul Slack (62)

Non-Executive Director

BOARD TENURE IN YEARS: 15

COMMITTEES:
Risk & Governance
HR
Finance & IT

QUALIFICATIONS:

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

OTHER DIRECTORSHIPS:

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



Mr PJ Veldhuizen (47)

Non-Executive Director

BOARD TENURE IN YEARS: 4

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

QUALIFICATIONS:

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

OTHER DIRECTORSHIPS:

Gillan and Veldhuizen, Warwick Trust and Estates, Cape Town Stadium



Mrs Irene van Schalkwyk (41)

Company Secretary

BOARD TENURE IN YEARS: 4

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

OTHER DIRECTORSHIPS:

South African Society for Blood Transfusion

Board Committees 2018/2019

Audit Committee

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

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

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

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

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

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

- Review the annual financial statements of the Service.
- Ensure that the financial statements are prepared in accordance with International Financial Reporting Standards.
- Review the accounting policies adopted by the Service

and any changes thereto.

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

The Committee performed all its duties as set out above. ■

Mervyn Burton

Chairman: Audit Committee

Human Resources Committee

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

This Committee ensures that the general remuneration strategy of the organisation is in line with industry standards. Western Cape Blood Service (WCBS) continues to provide market-related salaries and a comprehensive benefits package, enabling us to attract and retain skilled staff.

The HR Committee is comprised of four non-executive directors and two executive directors. The WCBS HR Manager is co-opted to attend meetings when required. The HR Committee had three meetings in the 2018/2019 period. Issues relating to remuneration were however comprehensively addressed at the full Board Meetings.

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

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

that will promote the achievement of strategic objectives and encourage individual performance.

- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
- Advise the Board on the remuneration for executive and non-executive directors.
- Propose annual mandates for salary increases for Board approval.
- Approve annual performance bonus payments in terms of pre-approved rules.

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

Key areas of focus during the reporting period included legislative compliance and setting up a new methodology for writing job descriptions and getting job grading done in a way that is perceived to be fair by all staff.

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

Brian Figaji
Chairman: HR Committee

Social and Ethics Committee

The Social and Ethics committee is comprised of 5 non-executive directors. External advisors may be co-opted when required.

Its Terms of Reference are outlined in the integrated annual report of 2017/18 which can be accessed via the WCBS website. The Terms of Reference include an overview of the arrangements for governing and managing ethics, as well as responsible corporate citizenship.

During the 2018/19 financial year the S & E Committee had no formal minuted meetings. A formalised protocol has been followed for the supply of blood for research purposes to tertiary training institutions, tertiary training affiliated institutions, diagnostic testing laboratories and life science companies/institutions. The protocol encapsulates donor consent, sample anonymity, fully screened blood for transfusion-transmitted diseases, use of blood only that is surplus to the Service's requirements and not usable or required for patients, customer human research ethics approval and no patient samples.

Following the above protocol guidelines WCBS supplied a total of 2238 blood products, samples, and consumables to 13 customers in the tertiary training, laboratory testing and life science industries from 1st January 2018 to 31st December 2018. The types of blood products, samples and consumables issued comprises buffy coat, fresh serum, less than 6-hour old plasma, expired red cell concentrate (warm returns), transfusion-transmitted infection-negative plasma and quadruple collection bags. With the exception of expired red cell concentrates supplied to UCT Clinical Pharmacology, the blood products, samples and consumables are issued on a chargeable basis.

In August 2018 the S & E Committee approved the protocol for a research project comparing methods for screening haemoglobin levels in donors. ■

Dr Arthur Bird
Chairman: Social and Ethics Committee

Risk and Governance Committee

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

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

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

The Committee met once in this financial year, where inter alia the CEO, Dr Greg Bellairs presented a thorough Strategic Risk Overview to the Committee. The purpose of the overview was to revise and update the Strategic Risk

Register. The focus areas included:

1. Sustainability of and remaining a viable Regional Health Care Organisation;
2. Safest blood products;
3. Sufficient blood collection; and
4. Highest professional and ethical standards

The Committee agreed that the Strategic Risks were currently well controlled, and where data supported the risks, the trends were acceptable. It was agreed that certain risks could be removed from the Risk Register, and that the Register would be updated by Dr Greg Bellairs. The CFO, Ms Nicky du Toit detailed the process regarding capital purchases, and budget approvals, and it was agreed that further interventions regarding a level of authority were not currently warranted.

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

PJ Veldhuizen

Chairman: Risk and Governance Committee

Finance and IT Steering Committee

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

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

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

Regarding IT Strategy and Governance the following initiatives were undertaken:

- ICT Planning Process launched. This introduced WCBS to IT strategy and solutions in a planned and structured way using prioritisation.
- Phase 1 of the Business Continuity Improvement

“Disaster Recovery Solutions” plan initiated.

- Various other IT initiatives to update an improved service delivery and controls for the organisation were implemented.
- IT governance was addressed in a 4-stage ICT process, by means of a graphic model. Current risks were identified (most importantly staffing issues), which were escalated to the Risk and Governance Committee of the Service for resolution.

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

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

Roger Ramsbottom

Chairman: Finance and IT Steering Committee

Board meetings

Board meeting attendance:

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

Non-executive Directors' remuneration

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

Board Member Rates	Meeting	Monthly Retainer	Committee Meeting
July 2018 - June 2019	R 2 568.52	R 513.41	R 1 284.25
Board Chair Rate	Meeting	Monthly Retainer	Committee Meeting
July 2018 - June 2019	R 3 081.93	R 616.97	R 1 284.25

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

Formerly known as Western Province Blood Transfusion Service

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

(Registration Number 1943/016692/08)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 61 to 81 were approved by the board of directors on 30 July 2019 and are signed on its behalf on 1 August 2019 by:



.....
CHAIRMAN



.....
DIRECTOR

DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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

BUSINESS AND OPERATIONS

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

CORPORATE STRUCTURE

Western Province Blood Transfusion Service was incorporated as an association not for gain in 1943 in terms of Section 21 of the previous Companies Act, 1973. Western Province Blood Transfusion Service changed its name on the 1st January 2019 to Western Cape Blood Service. The Service continues to exist and in terms of Schedule Transitional Arrangement of the Companies Act, 2008, the Service is deemed to have been incorporated and registered under Section 8 of the said Act as a non-profit company, with at least one of its objects being a public benefit social activities, or communal interests.

RESULTS FOR THE YEAR

The results of operations for the year are set out in the attached Statement of Profit or Loss and Other Comprehensive Income which reflects a profit of R59 million for the year ended 31 March 2019 (2018: R50 million profit).

CAPITAL COMMITMENTS

In keeping with the Western Cape Blood Service's mission statement, the company continues investing in technical equipment to maintain its standards. Expected total capital expenditure for the next year is R49.2 million. (2018: R28.5 million).

DIRECTORS AND COMPANY SECRETARY

Particulars of the present directors and secretary are given on page 7.

EMPLOYMENT EQUITY

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

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

As at 1 October 2018, the date of the last employment equity submission, the Service employed 536 permanent and 0 casual/temporary employees. As at the date of the last submission, 82% of permanent employees were from the black designated group and 63% were female. Of the 18 employees in management, 39% were from the black designated group and 61% were female.

NATIONAL BLOOD TRANSFUSION LICENCE

Section 53 of the National Health Act was signed by the Office of the Presidency in June 2009. The Act makes provision for a single 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 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 cooperate with SANBS and the National Department of Health and remains committed to a solution that best serves regional and national blood transfusion requirements.

EVENTS SUBSEQUENT TO THE YEAR END

There were no subsequent events.

GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors believe that the Service has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors has satisfied themselves that the Service is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that might adversely impact the Service.

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. 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 2018/19 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.

COMPANY SECRETARY'S CERTIFICATE

In my capacity as Company Secretary, I hereby certify, in terms of the Companies Act, that for the period ended 31 March 2019, the company has lodged with the Registrar of Companies all such returns as are required of a private company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



.....
Irene van Schalkwyk
30 July 2019

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	Note	2019 R	2018 R
ASSETS			
Non-current assets			
Property, plant and equipment	7	103 203 911	89 320 303
Investments	8	77 396 631	72 028 172
		180 600 541	161 348 475
Current assets			
Inventory	10	34 001 745	24 931 919
Trade and other receivables	11	61 309 721	50 052 558
FEC asset	21.2	542 486	-
Cash and cash equivalents	12	59 113 790	39 997 990
		154 967 742	114 982 467
Non-current assets held for sale			
Assets held-for-sale	9	-	3 658 442
		-	3 658 442
Total assets		335 568 283	279 989 384
EQUITY AND LIABILITIES			
Accumulated funds			
Revaluation reserve	13	37 612 581	31 572 776
Non-current asset held for sale	9	-	2 972 397
Non-distributable reserves	14	2 485 587	2 368 596
Product liability reserve	15	20 000 000	17 393 299
Actuarial gain reserve		671 000	388 000
		273 697 520	214 271 098
Non-current liabilities			
Post-retirement medical benefits	20	1 400 000	1 662 000
		1 400 000	1 662 000
Current liabilities			
FEC liability	21.2	-	3 821 019
Operating lease liability		179 506	88 755
Trade and other payables	16	33 680 795	34 125 123
Provisions	17	26 610 463	26 021 389
		60 470 764	64 056 286
Total equity and liabilities		335 568 283	279 989 384

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 R	2018 R
TURNOVER	1	435 947 768	426 082 417
COST OF SALES	6	140 850 215	142 053 096
Collections		34 937 772	33 325 916
Testing		57 861 455	59 350 971
Product costs		48 050 989	49 376 209
GROSS SURPLUS		295 097 553	284 029 321
INCOME		21 446 144	13 924 971
Fair value gain on investments	8	5 368 458	2 243 194
Interest received			
- bank deposits	1	3 540 247	2 454 715
- amortisation of debtors	1	6 080 388	5 503 401
Net surplus and scrapping on disposal of property, plant and equipment		1 319 072	-
Fair value of FEC asset - unrealised gain	21.2	542 486	-
Realised gain on derivative financial instruments		3 665 298	-
Realised gains on foreign exchange		-	1 396 214
Unrealised gains on foreign exchange		-	824 447
Sundry income	2	831 148	1 179 899
Grant income	3	68 136	319 523
Professional development fund income	14(a)	30 911	3 110
Product liability income	15	-	468
EXPENSES		263 363 941	247 942 227
Personnel	4	198 380 798	180 757 697
Administration	5	39 606 582	33 653 202
Net loss and scrapping on disposal of property, plant and equipment		-	5 585 828
Realised losses on derivative financial instruments		-	2 458 363
Realised losses on derivative financial instruments		2 453 044	-
Fair value of FEC liability - unrealised loss	21.2	-	3 821 019
Unrealised losses on foreign exchange		75 556	-
Finance costs		878	205 052
Repairs and maintenance		11 562 113	9 867 790
Depreciation	7	11 284 970	11 593 276
PROFIT FOR THE YEAR		53 179 755	50 012 065
OTHER COMPREHENSIVE INCOME			
Items not reclassified to profit or loss		5 341 280	(452 000)
Net actuarial gain	20	(283 000)	(452 000)
Revaluation gain on land and buildings	13	5 963 666	-
TOTAL COMPREHENSIVE INCOME		58 860 421	49 560 065

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

Note	Non-distributable reserves R	Revaluation reserve R	Non-current asset held for sale R	Product liability reserve R	Actuarial gains/losses reserve R	Accumulated funds R	Total R
Balance at 31 March 2017	2 282 262	34 545 173	9 081 800	6 940 271	(64 000)	111 473 527	164 259 033
Profit for the year	-	-	-	-	-	50 012 065	50 012 065
Other comprehensive income	20	-	-	-	452 000	(452 000)	-
Transfer to non-distributable reserve	14	86 334	-	-	-	(86 334)	-
Transfer to product liability reserve	15	-	-	10 453 028	-	(10 453 028)	-
Transfer from revaluation reserve	9	-	(2 972 397)	-	-	9 081 800	-
Balance at 31 March 2018	2 368 596	31 572 776	2 972 397	17 393 299	388 000	159 576 030	214 271 098
Profit for the year	-	-	-	-	-	53 179 755	53 179 755
Other comprehensive income	20	-	-	-	283 000	-	283 000
Transfer to non-distributable reserve	14	116 991	-	-	-	(116 991)	-
Transfer to product liability reserve	15	-	-	2 606 701	-	(2 606 701)	-
Transfer to revaluation reserve	13	-	6 039 805	-	-	(76 139)	5 963 666
Transfer from revaluation reserve	9	-	-	(2 972 397)	-	2 972 397	-
Balance at 31 March 2019	2 485 587	37 612 581	-	20 000 000	671 000	212 928 351	273 697 520

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

Note	2019 R	2018 R	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	(i)	54 258 826	61 282 848
Working capital movements	(ii)	(24 454 995)	9 213 614
Cash generated by operating activities		29 803 831	70 496 462
Finance Cost		(878)	(205 052)
Net cash inflow from operating activities		29 802 953	70 291 410
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(iii)	(20 201 812)	(19 416 521)
Acquisition of investments		-	(54 000 000)
Proceeds on disposal of property, plant and equipment	(iv)	5 974 413	9 806 337
Interest received		3 540 247	2 454 715
Net cash outflow from investing activities		(10 687 153)	(61 155 469)
Net movement in cash and cash equivalents for the year		19 115 801	9 135 941
Cash and cash equivalents at beginning of year	(v)	39 997 990	30 862 049
Cash and cash equivalents at end of year	(v)	59 113 790	39 997 990

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 R	2018 R
(i) Cash generated by operations		
Surplus for the year	53 179 755	50 012 065
Adjustment for:		
Finance costs	878	205 052
Depreciation	11 284 970	11 593 276
Post-retirement medical benefits	(262 000)	(407 000)
Interest bearing liabilities	-	(1 008 464)
Loss/(Surplus) on disposal of property, plant and equipment	(1 319 072)	5 585 828
Interest received	(3 540 247)	(2 454 715)
Fair value gain on investments	(5 368 458)	(2 243 194)
Net gain on actuarial reserves	283 000	-
	54 258 826	61 282 848
(ii) Working capital movements		
Inventory	(9 069 826)	13 144 203
Trade and other receivables	(11 257 163)	(2 112 039)
Trade and other payables	(444 326)	(3 692 082)
Movement in FEC (asset)/liability	(4 363 505)	1 285 689
Movement in operating lease liability	90 751	(171 315)
Movement in provisions	589 074	759 158
	(24 454 995)	9 213 614
(iii) Acquisition of property, plant and equipment		
Land and buildings	6 906 365	-
Technical equipment	2 702 042	12 548 118
Computer equipment and software	4 044 443	2 841 414
Office furniture and equipment	1 645 161	497 581
Motor vehicles	4 903 801	3 529 408
	20 201 812	19 416 521
(iv) Proceeds on disposal of property, plant and equipment		
Book value of assets disposed of	4 655 341	15 392 165
(Loss)/Surplus on disposal	1 319 072	(5 585 828)
	5 974 413	9 806 337
(v) Cash and cash equivalents comprise:		
Cash at bank and on hand	59 113 790	39 997 990

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2019

1 TURNOVER

	2019 R	2018 R
Revenue	445 568 403	434 040 533
Interest received		
- bank deposits	(3 540 247)	(2 454 715)
- amortisation of debtors	(6 080 388)	(5 503 401)
Turnover	435 947 768	426 082 417

2 SUNDRY INCOME

	2019 R	2018 R
ETI Refund from SARS	-	91 000
Other income	831 148	1 088 899
	831 148	1 179 899

3 PROJECT SPECIFIC FUNDING INCLUDING GRANT INCOME

Grant income

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

2019
R

2018
R

4 PERSONNEL COSTS

Staff costs		
- salaries and wages	151 143 326	136 997 043
- contributions to defined contribution retirement fund	16 088 905	14 451 818
- contributions to medical aids	14 701 156	13 907 768
- bonuses	7 693 450	7 429 548
- staff canteen costs	869 427	789 451
- staff uniform and protective clothing	1 150 850	1 097 276
- other staff costs	929 437	801 145
Directors' emoluments		
- non-executive directors' fees	225 437	196 688
- salaries	4 673 822	4 251 256
- contributions to retirement fund	559 551	505 951
- medical aid contributions	94 395	81 917
- bonuses	251 041	247 836
	198 380 798	180 757 697

Included in personnel costs above is the post-retirement medical benefit expense (see note 20 for further information)

5 ADMINISTRATION EXPENSES

Administration expenses include:		
Auditor's remuneration	403 014	487 443
- audit fee provision	434 464	441 042
- (over)/under provision previous year	(35 000)	43 500
- other	3 550	2 901
Rent	3 501 031	2 497 824
- buildings	1 473 781	486 022
- equipment	2 027 250	2 011 802

6 COST OF SALES

Cost of inventories sold	140 850 215	142 053 096
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Cost of sales includes the historical cost of inventory expensed during the year.

7 PROPERTY, PLANT AND EQUIPMENT

2019	(At valuation) Land and buildings R	Technical equipment R	Computer equipment and software R	Office furniture and equipment R	Motor vehicles R	Total R
Beginning of year						
- Gross carrying value	45 635 974	63 854 363	10 910 967	5 843 278	22 364 601	148 609 183
- Accumulated depreciation	(370 885)	(36 740 043)	(4 659 664)	(3 069 956)	(10 789 890)	(55 630 438)
- Net book value	45 265 089	27 114 320	6 251 303	2 773 322	11 574 711	92 978 745
Current year movements						
- Additions	6 906 365	2 702 042	4 044 443	1 645 161	4 903 801	20 201 812
- Revaluation	5 963 666	-	-	-	-	5 963 666
- Held for sale at net book value	-	-	-	-	-	-
- Disposals at net book value	(3 658 433)	(94 748)	(102 955)	(41 973)	(757 233)	(4 655 342)
- Depreciation	(89 163)	(5 553 100)	(1 983 285)	(666 373)	(2 993 049)	(11 284 970)
Balance at end of year	54 387 524	24 168 514	8 209 506	3 710 137	12 728 230	103 203 911
Made up as follows:						
- Gross carrying value	54 803 039	65 023 995	13 377 897	7 318 058	24 455 759	164 978 748
- Accumulated depreciation	(415 515)	(40 855 481)	(5 168 391)	(3 607 921)	(11 727 529)	(61 774 837)
- Net book value	54 387 524	24 168 514	8 209 506	3 710 137	12 728 230	103 203 911

Change in accounting estimate: Useful Lives

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

The affected class of property, plant and equipment is Technical equipment, Computer equipment, Office equipment and furniture and Motor Vehicles. The useful lives have been revised for the period of 1 year up to three years. The change in the useful lives was accounted for on a prospective basis as of 1 April 2018. The increase in the useful lives has resulted in a decrease in depreciation for the current and future periods amounting to R46 520.

	R
Current Period	-11 337
Future Periods	57 857
	46 520

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

Land and buildings consist of:

(i) Pinelands

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

(ii) George

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

(iii) Worcester

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

(iv) Paarl

An office building situated at 263 Main Road, Paarl, erected on remainder of freehold erf 15375 (in extent 1193 square metres) in the Municipality of Paarl, acquired on August 12 1992, under Deed of Transfer No T50274/92. This property was sold in June 2018.

(v) Paarl

Erf 31275 Paarl situated in the proposed township of Zandwyk Park Development, was acquired in April 2018.

The cost of the properties comprises:

	Acquired in	Acquisition cost	Improvements since acquisition	2019	2018
Pinelands	July 1988	2 811 236	8 393 876	11 205 112	8 314 896
George	June 1993	160 200	234 979	395 179	395 179
Worcester	June 1994	505 697	1 086 956	1 592 653	1 645 942
Paarl (sold in June 2018)	August 1992	372 633	348 935	-	721 568
Paarl (purchased in April 2018)	April 2018	1 776 285	2 221 229	3 997 514	
Total cost		5 626 051	12 285 975	17 190 458	11 077 585
Revaluation surplus				37 612 581	34 545 173
Assets Held-for-Sale					(3 702 975)
Total valuation at cost				54 803 039	41 919 783

The properties were independently valued on an open market basis, as at 31 March 2019 by RA Gibbons, AEI (Zim), FIV (SA), Professional Valuers. Refer to Note 24 for the detail of the fair value information on the revalued land and buildings.

Had land and buildings been carried on the cost model (excluding depreciation) the value would be R17 190 458 (2018: R11 077 585).

8 INVESTMENTS

	2019 R	2018 R
Liberty Gateway Investment	7 704 116	6 980 966
Liberty Investment	9 468 284	9 176 210
Nedbank Investment	60 224 231	55 870 996
	77 396 631	72 028 172

Reconciliation of Investments

Liberty GateWay Investment	2019 R	2018 R
Opening balance at 1 April 2018	6 980 965	6 784 978
Additions		-
Fair value movement for the year	723 150	195 988
Closing balance as at 31 March 2019	7 704 116	6 980 966

Liberty Investment	2019 R	2018 R
Opening balance at 1 April 2018	9 176 210	9 000 000
Additions		-
Fair value movement for the year	292 074	176 210
Closing balance as at 31 March 2019	9 468 284	9 176 210

Nedbank Investment	2019 R	2018 R
Opening balance at 1 April 2018	55 870 997	-
Additions	-	60 000 000
Withdrawals		(6 000 000)
Fair value movement for the year	4 353 234	1 870 996
Closing balance as at 31 March 2019	60 224 231	55 870 996

9 ASSETS HELD-FOR-SALE

	2019 R	2018 R
Cost	-	3 702 975
Acc Depreciation	-	(44 533)
	-	3 658 442

Included in the 2018 cost of the Asset-Held-For-Sale is revaluation reserve of R2 972 397.

During the prior financial year, with the approval of the Board, the property situated at Main Road, Paarl, was placed on the open market for sale. Before the financial year-end of 31 March 2018 and prior to the approval of the financial statements the directors received a binding offer for the sale of the Paarl Property amounting to R5 million inclusive of VAT, which includes the land, building and related assets. The Paarl property was sold during June 2018 of the current financial year.

10 INVENTORY

	2019 R	2018 R
Raw materials	13 218 337	9 945 450
Work in progress	582 996	1 139 587
Finished goods	7 014 862	5 659 985
Consumables	13 185 550	8 186 897
	34 001 745	24 931 919

11 TRADE AND OTHER RECEIVABLES

	2019 R	2018 R
Financial instruments		
Gross trade receivables	61 503 958	54 129 946
Impairment of trade debtors	(3 761 866)	(8 051 720)
Net trade receivables	57 742 092	46 078 226
Other receivables*	147 632	102 869
	57 889 724	46 181 095
Non-financial instruments		
Prepayments	1 395 606	1 250 473
Deposits	2 024 391	2 620 990
Total Trade and Other Receivables	61 309 721	50 052 558
*Other receivables include sundry debtors and staff loans.		
Categorisation of trade and other receivables		
Trade and other receivables are categorised as follows in accordance with IFRS 9 - Financial Instruments:		
At Amortised Cost	57 889 724	46 181 095
Non-Financial Instruments	3 419 997	3 871 463
	61 309 721	50 052 558

Exposure to Credit Risk

Trade receivables inherently expose the Service to credit risk, being the risk that the Service 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 Service 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. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

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

No interest is charged on the trade receivables. The Service 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 Service 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 as at the reporting date.

The estimation techniques explained have been applied for the first time in the current 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:	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)	2018 Estimated gross carrying amount at default	2018 Loss allowance (Lifetime expected credit loss)
Not past due: 6% (2018: 17%)	57 889 724	(3 761 866)	46 181 095	(8 051 720)

Fair value of trade and other receivables

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

12 CASH AND CASH EQUIVALENTS

	2019 R	2018 R
Cash at bank and on hand	59 113 790	39 997 990

Standard Bank Limited has issued guarantees to the value of R50 000 (2018: R40 000).

13 REVALUATION RESERVE

	2019 R	2018 R
Revaluation at the beginning of the year	31 572 776	34 545 173
Net gain on revalued property through OCI	5 963 666	-
Asset Held for Sale Transfer	76 139	(2 972 397)
Revaluation at the end of the year	37 612 581	31 572 776

14 NON-DISTRIBUTABLE RESERVES

	2019 R	2018 R
(a) Professional development fund surplus	1 477 387	1 360 396
Balance at beginning of period	1 360 396	1 274 062
Transfer to retained earnings	116 991	86 334
Balance at end of period	1 477 387	1 360 396
<p>The Professional Development Fund was established with surplus funds from hosting the International Society of Blood Transfusion Congress in 2006. The essential purpose of the fund is to support staff in further education and training.</p>		
(b) Training development fund	1 008 200	1 008 200
Total non-distributable reserves	2 485 587	2 368 596

15 PRODUCT LIABILITY RESERVE

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

	2019 R	2018 R
Opening balance	17 393 299	6 940 271
Transfer from retained earnings	2 606 701	10 453 028
Balance at end of year	20 000 000	17 393 299

16 TRADE AND OTHER PAYABLES

	2019 R	2018 R
Financial instruments		
Trade payables	24 414 314	26 284 771
Other payables: Salary Creditors	2 367 332	2 308 273
Other payables: Sundry Payables	4 017 740	2 864 703
	30 799 386	31 457 747
*Other payables include sundry creditors, accruals and other salary creditors.		
Non-financial instruments		
VAT payable	2 881 409	2 667 376
Total Trade and Other Payables	33 680 795	34 125 123

Exposure to Liquidity Risk

Refer to note 21 financial instruments and risk management for details of liquidity risk exposure and management.

17 PROVISIONS

	2018 R	2017 R
Leave pay provision		
At 1 April 2018	14 500 062	13 671 802
Arising during the year	16 730 030	15 136 452
Utilised	(16 282 188)	(14 308 192)
At 31 March 2019	14 947 904	14 500 062
Salary related accruals		
At 1 April 2018	11 521 327	11 590 429
Arising during the year	11 662 558	11 521 327
Utilised	(11 521 327)	(11 590 429)
At 31 March 2019	11 662 558	11 521 327
TOTAL	26 610 463	26 021 389

18 TAXATION

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

19 COMMITMENTS

	2019 R	2018 R
19.1 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure		
- contracted for	382 854	2 084 027
- not contracted for	48 772 892	26 447 460
	49 155 746	28 531 487

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

	Not later than one year R	Later than one year and not later than five years R	Not Later than five years R
19.2 COMMITMENTS IN RESPECT OF OPERATING LEASES			
2019			
Operating leases	3 507 458	8 901 166	2 324 030
2018			
Operating leases	2 642 099	1 567 005	-

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

20 RETIREMENT BENEFIT INFORMATION

Defined contribution plan

The Service 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 Service's permanent employees belong to the fund. The Financial Services Board now requires a fund to analyse the membership of the Fund in terms of citizenship. The Fund together with the Fund benefit administrator, is in the process of analysing membership. With effect 1 September 2017 the Fund switched from being a stand alone fund to an umbrella fund. At 31 December 2018, 499 employees (2018: 491 employees) belonged to the defined contribution plan.

Post-retirement medical benefits

The Service 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 2019, using the projected unit credit valuation method.

Principal actuarial assumptions at the reporting date:

Discount rate	9,80%
Health care cost inflation	8,00%
Average retirement age	55

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

	2019 R	2018 R
Funding liability	1 400 000	1 662 000
Reconciliation:		
Balance at the beginning of the year	1 662 000	2 069 000
- interest cost	141 000	195 000
- benefit payments	(120 000)	(150 000)
- actuarial loss/(gain)	(283 000)	(452 000)
Balance at the end of the year	1 400 000	1 662 000

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

- interest cost
- Total expenses/(gain) included in personnel costs

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 is as follows:

	Central assumption 7.9%	-1%	+1%
HEALTH CARE COST INFLATION:			
Accrued liability 31 March 2019	1 400 000	1 285 000	1 533 000
% Change		-8.2%	9.5%
Current service cost and interest cost 2019/2020	131 000	120 000	144 000
% Change		-8.4%	9.9%

	Central assumption 8.0%	-1%	+1%
SENSITIVITY RESULTS AS AT 31 MARCH 2019 WERE:			
Accrued liability 31 March 2019	141 000	129 000	155 000
% Change		-8.5%	9.9%

	Central assumption 7.9%	+5% for 5 years	+10% for 5 years
HEALTH CARE COST INFLATION:			
Accrued liability 31 March 2019	1 400 000	1 668 000	1 871 000
% Change		19.1%	33.6%

	Central assumption 9.8%	+1%	-1%
DISCOUNT RATE:			
Accrued liability 31 March 2019	1 400 000	1 535 000	1 285 000
% Change		9.6%	-8.2%

	Central assumption 55 years	1 year younger	1 year older
EXPECTED RETIREMENT AGE:			
Accrued liability 31 March 2019	1 400 000	1 400 000	1 400 000
% Change		0.0%	0.0%

	Central assumption 8.0%	+5% for 5 years	+10% for 5 years
HEALTH CARE COST INFLATION:			
Accrued liability 31 March 2018	1 662 000	1 965 000	2 182 000
% Change		17.7%	31.3%

	Central assumption 9.8%	+1%	-1%
DISCOUNT RATE:			
Accrued liability 31 March 2018	1 662 000	1 835 000	1 515 000
% Change		10.4%	-8.8%

	Central assumption 55 years	1 year younger	1 year older
EXPECTED RETIREMENT AGE:			
Accrued liability 31 March 2018	1 662 000	1 662 000	1 662 000
% Change		0.00%	0.00%

21 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.

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

	2019 R	2018 R
CASH AND BANK BALANCE EXPOSED TO INTEREST RATE RISK		
Income statement effect of interest rate risk to above balance:		
1% increase in interest rates	591 138	399 980
1% decrease in interest rates	(591 138)	(399 980)

21.2 Foreign currency risk

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

	2019 R	2018 R
Fair value of FEC asset/ (liability) at year end	542 486	(3 821 019)
Current assets/ (liabilities)		
2019: USD 984 473	14 378 227	
2018: USD 1 075 064		12 860 457
Exchange rates at 31 March used for conversion of foreign items were:		
USD	14.605	11.9625

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

At 31 March 2019, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been R1 437 823 higher/lower (2018: R1 286 046) 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.

21.3 Equity price risk

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

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

Sensitivity analysis

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

Increase in investment of 10%	R 7 739 663
Decrease in investment of 10%	R 6 792 835

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 R7 704 116 and the Nedbank Investment of R60 224 231 as there is no downside risk to the Liberty Investment of R9 468 284.

21.4 Liquidity risk

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

The Service 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.

2019	Notes	Less than 12 months	Total R	Carrying Amount
Trade and Other Payables	16	33 680 795	33 680 795	33 680 795
Provisions	17	26 610 463	26 610 463	26 610 463
Operating Leases Liability		179 506	179 506	179 506
		60 470 764	60 470 764	60 470 764

2018	Notes	Less than 12 months	Total R	Carrying Amount
Trade and Other Payables	16	34 125 123	34 125 123	34 125 123
Provisions	17	26 021 389	26 021 389	26 021 389
FEC Liability		3 821 019	3 821 019	3 821 019
Operating Leases Liability		88 755	88 755	88 755
		64 056 286	64 056 286	64 056 286

21.5 Credit risk

Credit risk is the risk of financial loss to the Service if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Service 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 Service 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:

2019	Notes	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost
Trade and Other Receivables	11	57 889 724	(3 761 866)	54 127 858
Cash and Cash Equivalents	12	59 113 790	-	59 113 790
		117 003 514	(3 761 866)	113 241 648

2018	Notes	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost
Trade and Other Receivables	11	46 181 095	(8 051 720)	38 129 376
Cash and Cash Equivalents	12	39 997 990	-	39 997 990
		86 179 085	(8 051 720)	78 127 366

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.

21.6 Financial instruments

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

2019	Financial assets at fair value through profit and loss R	Financial assets at amortised costs R	Total R
FINANCIAL ASSETS			
Trade and other receivables	-	57 889 724	57 889 724
Cash and cash equivalents	-	59 113 790	59 113 790
FEC asset	-	542 486	542 486
Investments	77 396 631	-	77 396 631
Total	77 396 631	117 546 000	194 942 631

2019	Financial liabilities measured at amortised cost R	Total R
FINANCIAL LIABILITIES		
Trade and other payables	30 799 383	30 799 383
Total	30 799 383	30 799 383

2018	Financial assets at fair value through profit and loss R	Financial assets at amortised costs R	Total R
FINANCIAL ASSETS			
Trade and other receivables	-	46 181 096	46 181 096
Cash and cash equivalents	-	39 997 990	39 997 990
Investments	72 028 172	-	72 028 172
Total	72 028 172	86 179 086	158 207 258

2018	Financial liabilities measured at amortised cost R	Total R
FINANCIAL LIABILITIES		
Trade and other payables	31 457 747	31 457 747
FEC liability	3 821 019	3 821 019
Total	35 278 766	35 278 766

22 DIRECTORS' REMUNERATION

2018

Executive Directors	Salaries	Contributions to Retirement	Car Allowance	Medical Aid	Bonuses	Total
	R	Fund R	R	R	R	R
Dr G Bellairs	2 183 519	292 405	247 810	54 159	131 187	2 909 081
Ms N du Toit	1 994 682	267 146	247 810	40 236	119 854	2 669 728
Total	4 178 201	559 551	495 621	94 395	251 041	5 578 809

Non-Executive Directors' fees

	Fees R	Total R
Dr A R Bird	16 435	16 435
Mr M R Burton	22 856	22 856
Prof B D L Figaji	26 709	26 709
Mr D M Ndebele	24 140	24 140
Mr R Ramsbottom	24 140	24 140
Mr P K Slack	28 721	28 721
Prof V J Louw	20 288	20 288
Mr P J Veldhuizen	20 288	20 288
Dr C F Ingram	19 003	19 003
Dr A Huggett	22 856	22 856
Total	225 437	225 437

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

2018

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

Non-Executive Directors' fees

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

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

23 FAIR VALUE INFORMATION

Fair value hierarchy

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

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

Level 3: Unobservable inputs for the asset or liability.

Property, plant and equipment

Recurring fair value measurements - Level 3	Note	2019 R	2018 R
ASSETS			
Pinelands - erven 24179	7	43 409 032	-
Paarl - erven 15375	7	3 997 523	-
George - Sections 4, 9, 10 and 11 of Sectional Plan No 55217/93	7	3 149 998	-
Worcester - Erf 4326	7	3 844 096	-
		54 400 649	-

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

2019	Opening balance at fair value R	Additions R	Revaluation R	Disposals R	Depreciation R	Closing balance at fair value R
Pinelands	35 610 773	2 908 851	4 953 796	-	(64 388)	43 409 032
Paarl	3 658 442	3 997 514	-	(3 658 433)	-	3 997 523
George	2 651 916	-	501 286	-	(3 204)	3 149 998
Worcester	3 357 083	-	508 584	-	(21 571)	3 844 096
	45 278 214	6 906 365	5 963 666	(3 658 433)	(89 163)	54 400 649

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

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

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	R 85.00
Paarl Actual Inputs	
Price per square metre - Rands	R60.00
George Actual Inputs	
Price per square metre - Rands	R 90.00
Worcester Actual Inputs	
Price per square metre - Rands	R 45.00

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 approximate fair value.

Investments

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

	Note	Level	Valuation date	2018 R	2017 R
Gateway Investments	8	Level 1	31-Mar-19	7 704 116	6 980 965
Nedbank Investment	8	Level 1	31-Mar-19	60 224 231	55 870 997
Liberty Investment	8	Level 2	31-Mar-19	9 468 284	9 176 210
				77 396 631	72 028 172

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

Abbreviations & Acronyms

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



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