

Annual Report

2021-2022





Contents

About Our Report

P2

Our Organisation

P3

Senior Leadership

P5

Messages From Leadership

P7

Our Business Model

P10

Governance

P28

Our Board

P30

Financial Statements

P34



About Our Report

This integrated report of the Western Cape Blood Service (WCBS) covers the year 1 April 2021 to 31 March 2022. 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).

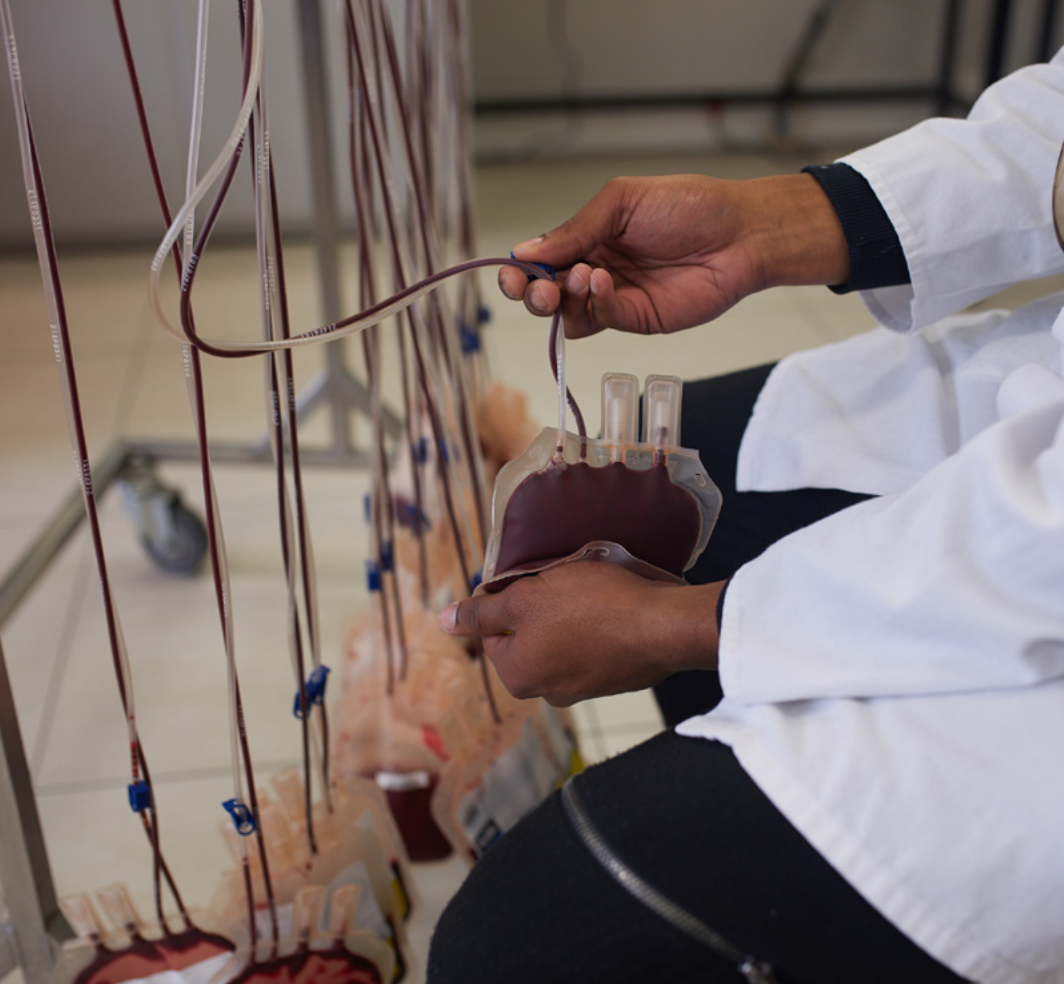
The integrated report is our primary communication regarding value creation.

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 2021/22 financial year.

PAUL SLACK
Chairman
1 September 2022

GREG BELLAIRS
Chief Executive Officer/
Medical Director
1 September 2022



Our Organisation

The Western Cape Blood Service (WCBS) is an independent, non-profit, provincial healthcare organisation, which collects blood from blood donors, and subsequently supplies safe blood products to all people in the Western Cape. The Service has regional branches in Paarl, Worcester and George, 5 permanent blood donor clinics, 625 mobile donor clinics, a specialised donation services unit, apheresis collections department, 101 emergency blood banks at 138 hospitals, and eight blood banks.

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

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



Mission

Western Cape Blood Service is a non profit regional health organisation, dedicated to collecting blood from voluntary blood donors, and providing the safest blood products and efficient service to the community, while operating at the highest professional and ethical standards and remaining a viable organisation.



Vision





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

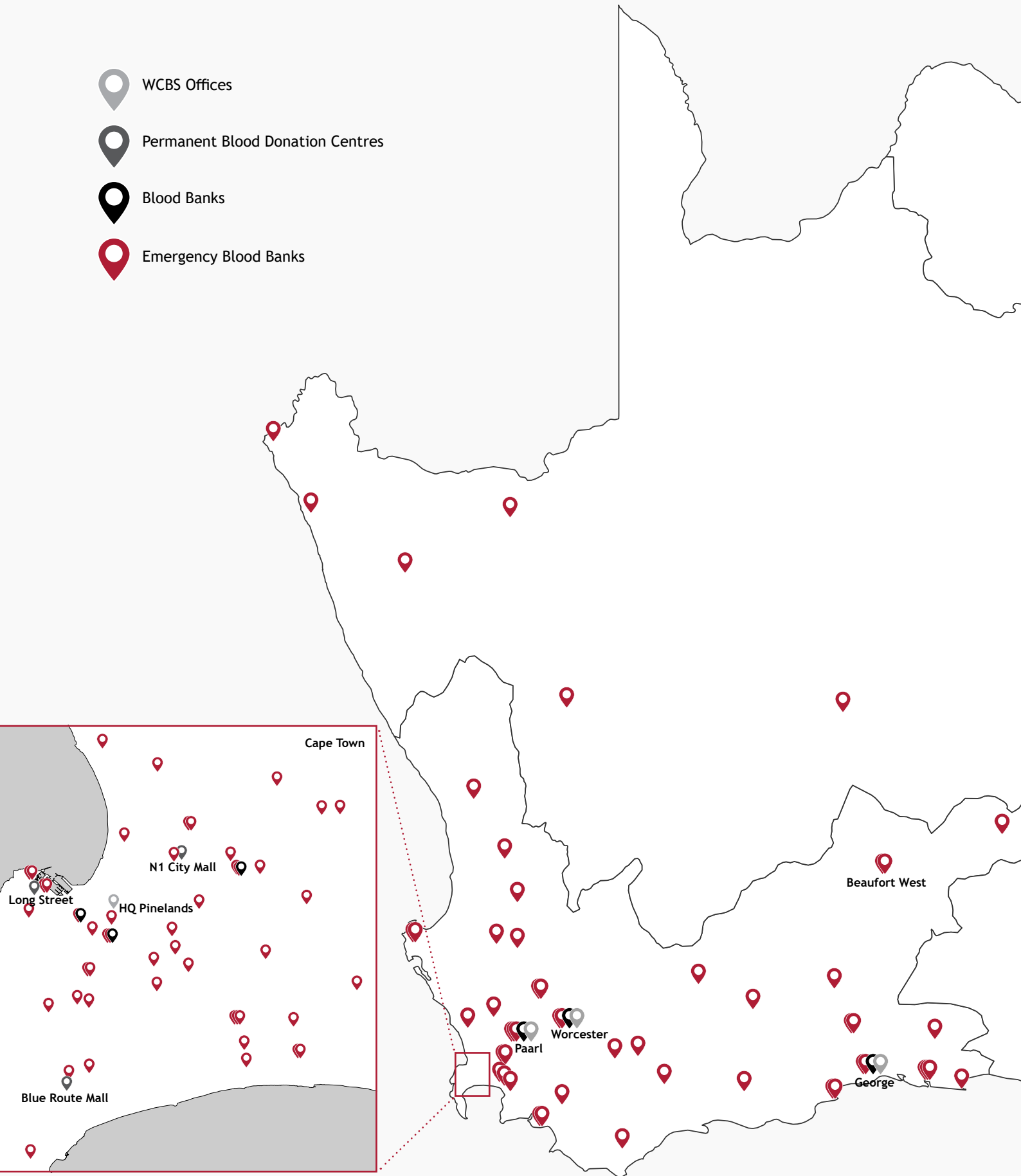


Values

we
are
caring
professional
responsible
committed
teamwork

WCBS at a Glance

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



Senior Leadership

Board of Directors

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

Heads of Departments

Links Archery (Donor Division)
Michele Breuninger (Learning & Development)
Jacques Breslaw (Information Technology)
Glynis Bowie (Quality Management Systems)
Russell Cable (Donation Testing)
Ashleigh Button (Human Resources)
Karen Dramat (Blood Banks) - retired Dec 2021
Vincent Erasmus (Support Services)
Faisal Hassen (Continuous Improvement)
Caroline Hilton (Medical Division)
Imtiaz Kaprey (Finance)
Delizia Montgomery (Paarl Region)
Meridah Mwase (Blood Banks) - appointed Dec 2021
Debbie Smith (Processing & Inventory Control)
Shaldine Sutton (George Region)
Michelle Vermeulen (Marketing & Public Relations)
Janine Wildschut (Worcester Region)

Company Secretary

Themis Commercial Legal Advisors (Pty) Ltd.

Registered Office

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

Registration Numbers

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

Key Statistics

The past year at a glance:

143 468

Units of donated whole blood

442 284

Potential lives saved

67 394

Active blood donors

511

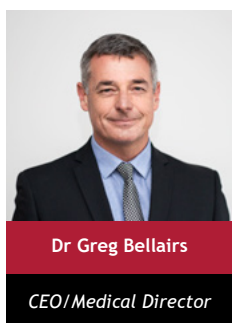
Employees

101

Emergency Blood Banks

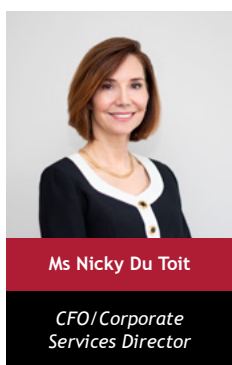


Messages From Leadership



Dr Greg Bellairs

CEO/Medical Director



Ms Nicky Du Toit

CFO/Corporate Services Director

Directors' Report 2021/22

The 2021-2022 financial year was another successful year for WCBS, despite the ongoing impacts of the COVID-19 pandemic. The Service was able to deliver on its primary mission of providing sufficient, safe blood products for hospital patients in the Western Cape province.

The most significant challenges of the year were:

- The percentage of active blood donors as a proportion of the population decreased to as low as 0.8% - it is preferable that at least 1% of the population are blood donors.
- WCBS's ability to convene blood donation clinics remained curtailed - due to closure of educational campuses, reduced access to corporate clinics, and the availability of blood donors due to many people working from home.
- At different levels of Lockdown, we experienced significant disconnects between blood donations and clinical demand. At times, demand for blood products for patients exceeded blood donations, which resulted in the preferred buffer stock levels of certain blood groups, being reduced from 5 days' cover to as low as 2 days' cover. Despite this, all blood products remained fully available throughout the Province throughout the year.
- During COVID-19 waves, hospitals focussed largely on ensuring capacity for patients with COVID-19 illness, and elective (planned) surgery was reduced. As the impacts of vaccination and prior infections started to reduce the numbers of patients requiring hospitalisation for COVID-19, there was a significant rebound in elective surgery, stretching the blood supply further.
- Similarly, the unbanning of alcohol was associated with an increased trauma burden and increased demand for blood products, particularly group O red cell products, which are often used in the early phase of resuscitation of haemorrhaging patients.

In short, much of the turbulence thrust upon the Blood Service during the first COVID-19 year (2020-2021) remained, but the environment became a little more manageable, and the Service's strategies to mitigate the effects were more successful - as we now had experience on what strategies worked, and those that did not add utility.

Importantly, the Service was able to predict blood usage patterns more accurately, based on Lockdown levels and COVID-19 waves. This enabled us to better align blood donation targets with clinical demand.

The Service also had to further adapt communications with the public and blood donors - we used social media extensively, as well as radio communications. Numerous requests for increased blood donations resulted in existing donors presenting to donate blood, and also, resulted in the recruitment of new blood donors. As a result, by the end of the financial year, the Service had 0.92% of the Western Cape population as blood donors, a welcome improvement from the lowest point of 0.8%.

Another important strategy involved the establishment of new fixed-site (permanent) blood donation clinics in shopping malls, as an addition to those already in place. New clinics were established at Cape Gate and Kenilworth Centre shopping malls, and these provide opportunities for blood donors to donate at their convenience, and also provide marketing opportunities to the general public in those malls.

Other highlights for the year include:

- The Service started collecting Source Plasma for use by the local Fractionator to produce plasma derived medicinal products.
- Ferritin testing was implemented - all blood donors are currently tested for ferritin levels, which indicate their iron stores. Donors are notified of abnormal results.

- Significant progress has been made on enhancing the blood donor experience by enabling a digital interface, and speedier processing of the blood donor questionnaire, as well as blood donation clinical process. Through 2022-2023 this project will be completed.
- The Service's current HQ building has become a limiting factor to expansion. During the 2021-2022 year, a new site was identified, and the building of the new, purpose-built HQ building commenced. The new site will include the warehouse on-site, substantially improving logistics. The move to the new building will be completed before the end of the 2022-2023 financial year.

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

In addition, we thank our Staff who have worked tirelessly despite challenging operational conditions. To collect sufficient blood, and provide sufficient blood, required significant extra efforts over the year.

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





Chairman's Report



Almost every company issues an annual report, prefaced by a report from the Chairperson - and WCBS is no exception.

And virtually without fail, the Chairperson's report concludes with a vote of thanks to the staff for their dedication and hard work in the past year.

Whilst this is admirable, it often comes across as a bit of an afterthought, at best - something almost forgotten and tacked onto the end by some editor in an attempt to make the Chairperson's report seem more human.

I want to start this report with sincere and most heartfelt thanks to our human resources. Yes, like every other company, our people are our greatest asset. Without them there would be no Blood Service. We pride ourselves on our team and their commitment and from the Board and myself, we want to express our deepest gratitude to the staff during the last two exceptionally difficult years. We can honestly say that not one person requiring medical attention in the Western Cape in the past two years suffered in any way through lack of blood - and given the circumstances of those years, this is commendable in the extreme.

In nearly 100% of cases, our customers (the patients in hospitals) never see these people and have no idea of the dedication and commitment, and often self-sacrifice, of the individuals behind the scenes ensuring consistent and safe blood supply for their treatment

And, whilst talking of self-sacrifice, we have another Human Resources team that we work with, once again,

without whom there would be no blood service - literally the most important component of our supply chain i.e. the dedicated donors. I repeat, that not one person requiring medical attention in the Western Cape in the past two years suffered in any way through lack of blood; and that blood came from our dedicated and compassionate donors. In a time when social contact was severely curtailed, our donors continued to turn up and give of themselves freely and willingly.

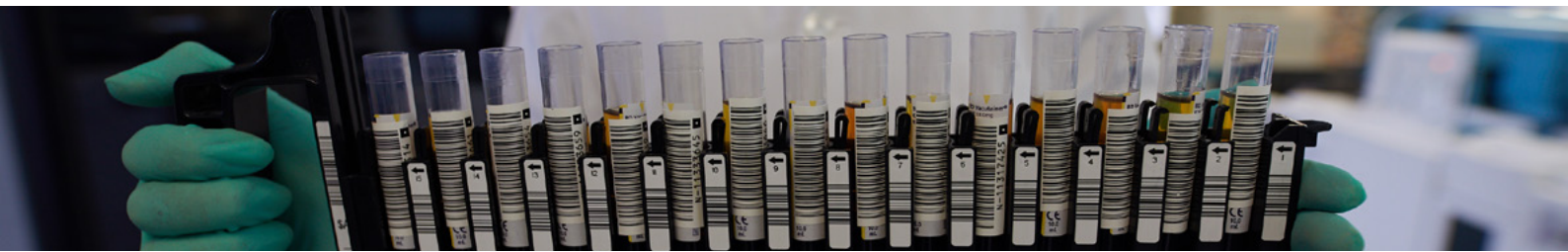
There are no words than can express the gratitude of the WCBS team to you, the donors, in ensuring that everyone who needs blood gets it when they need it and in the quantity they need. Your compassion for your fellow man is immeasurable.

The past two years have been challenging, but the Service overcame some unforeseen challenges and fared reasonably well in unfamiliar waters. Blood stocks were under pressure, but we managed and this could always have had a negative financial effect, but the financial statements herein will reflect that we kept our heads above water and were able to embrace the new-normal and continue to service our customers seamlessly.

We look forward to a time later this year when the team will all be operating in our new facilities in Maitland. This is an opportunity to consolidate all our operations in one place which is surely to result in improved efficiencies throughout the supply chain.

Thank you once again to ALL our human resources - you are the Blood Service!

PAUL SLACK
Chairman of the Board



Our Business Model

The Western Cape Blood Service (WCBS) has been in existence since 1938, and is a non-profit company incorporated in terms of the Companies Act, 71 of 2008. The main activity of the Service is the collection, testing, processing, storing, distribution and issuing of blood products within the greater Western Cape region (an area approximately bordered by Plettenberg Bay, Springbok, and Beaufort West) to approximately 7 million people.

Blood collection cost and pricing strategy

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

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

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

Recent allocations of expenses are summarised in the following table:

Expense	2021/22	%
Personnel	228 811 821	50.4%
Collections	42 974 381	9.5%
Testing	58 653 739	12.5%
Product costs	50 196 197	11.0%
Administration	42 146 007	9.3%
Repairs/Maintenance	13 096 305	2.9%
Depreciation	14 749 868	3.2%
Other	3 798 237	0.8%
Total	454 426 555	100%

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

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

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

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

Human Capital

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

Outputs during 2021/22 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:

	2020/2021	2021/2022
Number of Incidents and Accidents	37	49
Incidence of Occupational Exposure	5	5
Incidence of Injuries	20	28
Incidence of Disabling Injuries	15	23



Training & Development

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

Training programmes for **348 staff members**.

11 Pathology Registrars.

8 BHSc students who are employed by WCBS.

2 phlebotomists passed their board exams.

CPD was all online because of COVID.

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



Staff Health & Wellness

Staff health awareness campaigns.

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

Team engagements through social interactions and team-buildings events.

ICAS:

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

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

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

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



Health & Safety Compliance

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

	2019/2020	2020/2021	2021/2022
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 Branch	n/a	n/a	★★★★★
Pinelands Head Office	★★★★★	★★★★★	★★★★★
Worcester Regional Branch	★★★★★	n/a	n/a
Groote Schuur Blood Bank	n/a	n/a	n/a
Blue Route Mall Donation Clinic	n/a	★★★★★	n/a
Long Street Donation Clinic	n/a	n/a	★★★★★
Tygerberg Blood Bank	n/a	n/a	n/a
Khayelitsha Blood Bank	★★★★★	n/a	n/a
Mediclinic Vergelegen Blood Bank	n/a	★★★★★	n/a
Paarl Regional Branch	n/a	★★★★★	n/a



Employment Equity

WCBS EMPLOYEE racial profile compared with Western Cape demographics

	2019/2020	2020/2021	2021/2022	Western Cape ¹
African / Black	24.3%	23.7%	25%	36.4%
Coloured	58.8%	58.6%	59%	43.2%
Indian / Asian	0.9%	1.3%	2%	1.5%
White	15.9%	14.9%	14%	8.6%

1. Statistics South Africa (QLFS 3rd Quarter, 2021)



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

Currently **86.76%** of staff are from the black designated group and **59.09%** of staff are females.

Human Resources

	2019/2020	2020/2021	2021/2022
Resignations	78	53	70
New appointments	60	44	68

Intellectual Capital

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

Outputs during 2021/22 included the following:



Workforce

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

511 people.



Management

Experienced Board and Management Team.



Information Sharing

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



Quality

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



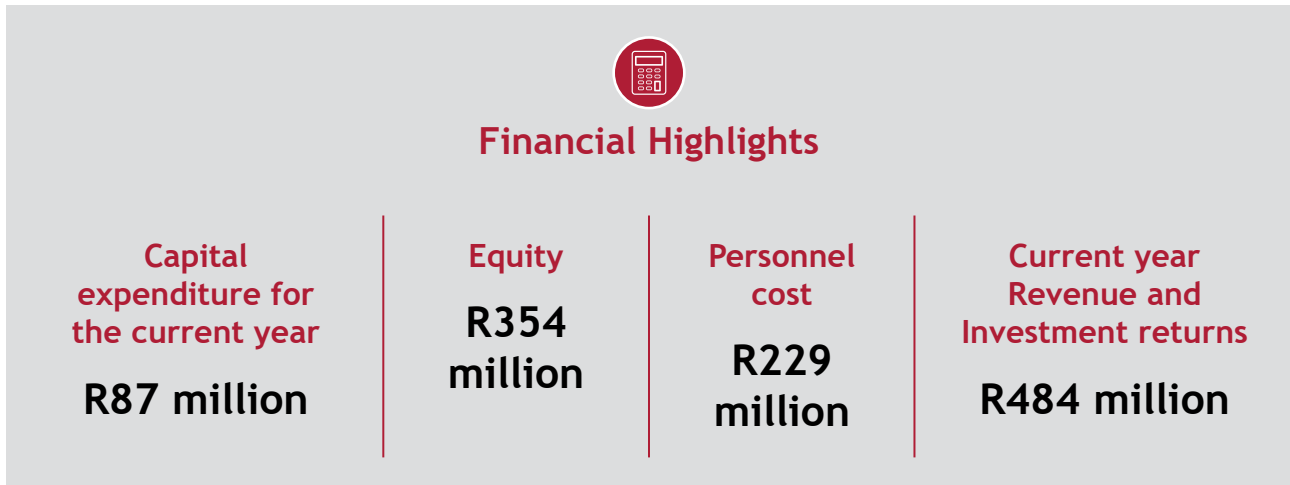
Training & Development

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


Financial Capital

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

Outputs during 2021/22 included the following:



Social & Relationship Capital



Blood Donor Community

Blood is donated by the community for the community. As a result we see social and relationship capital as the link between our business and society. By managing this capital, we are able to create and identify mutually beneficial opportunities to the community in which we operate. Outputs during 2021/22 included the following:

- Donor health care: Iron replacement therapy to all donors at risk of iron deficiency; Mini-medical at every blood donation, which includes haemoglobin level, blood pressure, and pulse check; Full blood count (FBC) testing for donors with low haemoglobin levels; Therapeutic venesection programme.
- Milestone donor reward programmes from 50 donations upwards.
- Recognition and development of donor representatives.
- Donor appreciation token gifts, including the commitment campaign.
- Recruitment opportunities for stem cell donors.
- Complaint and feedback management system.



Natural Capital

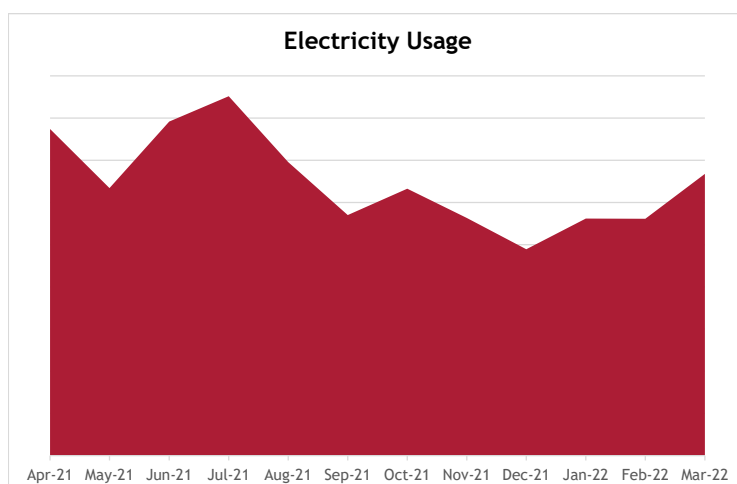
WCBS considers the environment in which we operate, as reliable supplies of water and energy are critical to the sustainability of our operations. Outputs for renewable and non-renewable environmental resources support current and future sustainability for our business and our stakeholders.

Outputs during 2021/22 included the following:

Biohazardous waste

Biohazardous waste is disposed by a licensed biohazardous waste contractor - 72 182.9 kg of biohazardous waste was disposed of during 2021/22.

Electricity

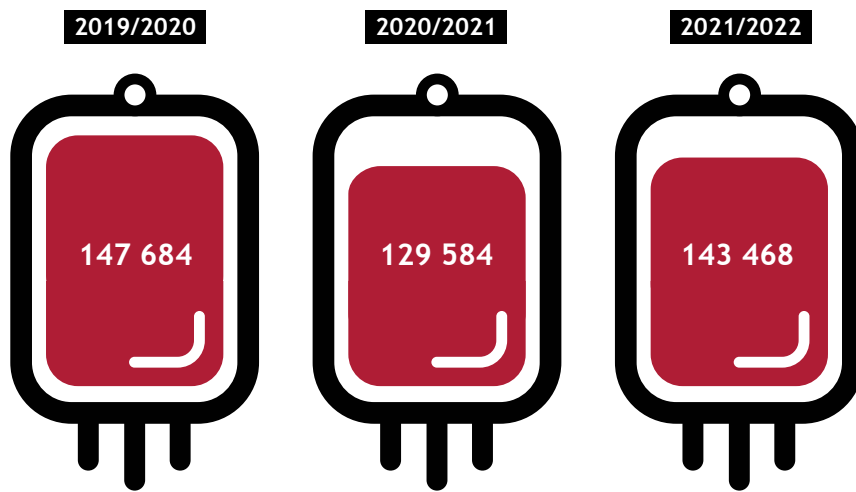


Manufacturing Capital

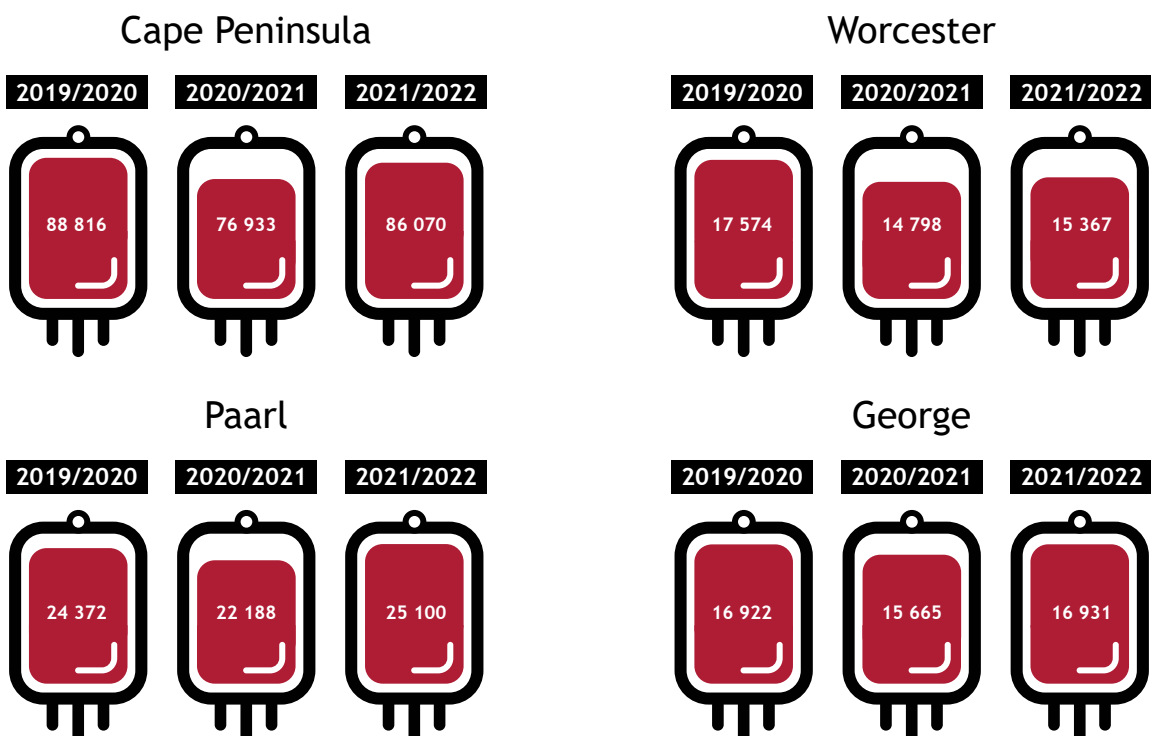
We create value by converting donated whole blood into life-saving products for patients. Our manufacturing capital is informed by our mission to deliver sufficient and safe blood to the communities we serve, while operating at the highest standards and using state-of-the-art technologies.

Outputs during 2021/22 included the following:

Total Whole Blood Donations Collected at Clinics



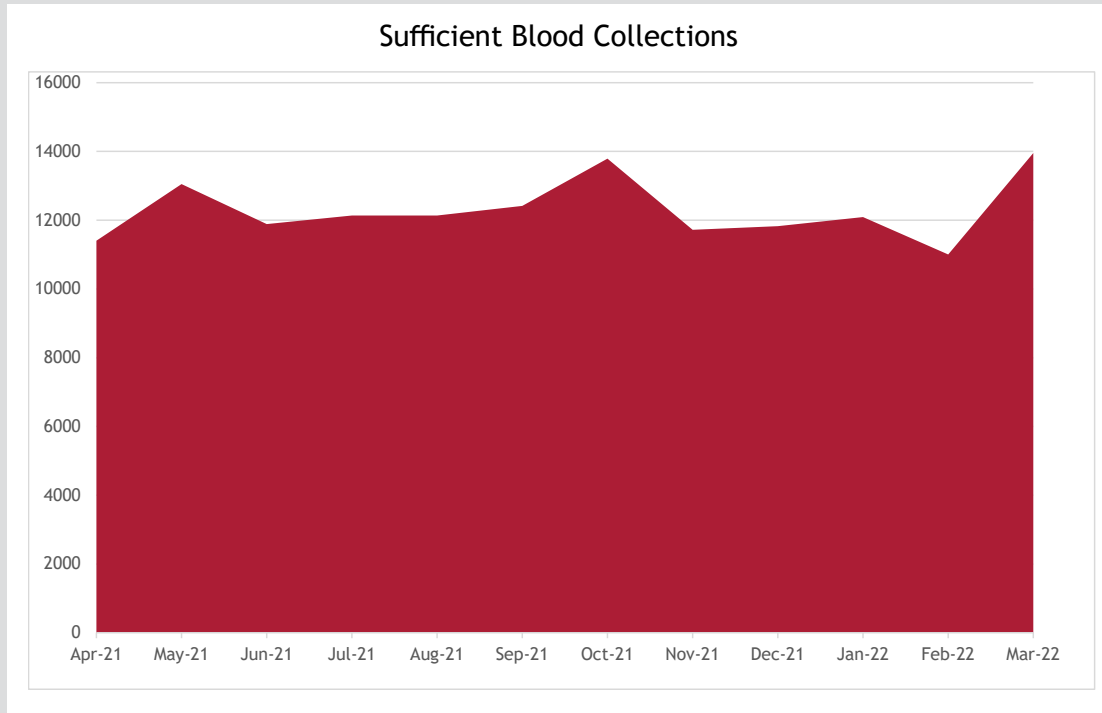
Whole Blood Donations Collected at Clinics





Sufficient Blood

Donations collected generally met or exceeded monthly targets.



Donation Information

Donor & Clinic information	2019/2020	2020/2021	2021/2022
Number of first time (new) donors	24 616	10 255	13 167
Total number of donors who donated	72 780	60 932	67 394
New clinics opened	66	17	41
Average donation frequency (per year per donor)	2.03 donations	2.13 donations	2.18 donations

Specialised donor services information	2019/2020	2020/2021	2021/2022
Autologous donations	0	0	0
Designated donations	70	70	74
Therapeutic donations	3 586	3 586	4 258
Apheresis platelets	3 431	3 431	3 398



Products Manufactured & Issued

	Product	Manufactured	Issued
Plasma products	Cryoprecipitate	18 485	17 595
	Adult fresh frozen plasma products	19 189	18325
	Leucocyte reduced adult fresh frozen plasma products		123
	Paediatric fresh frozen plasma products	514	472
	Leucocyte reduced paediatric fresh frozen plasma products		17
Platelet products	Adult single donor platelet products	3 099	3 040
	Paediatric single donor platelet products	1 136	699
	Pooled platelet products	7 625	5 997
Red cell products	Infant products	2 052	1 911
	Paediatric products	676	597
	Leucocyte reduced red cell products	28 592	27 549
	Emergency leucocyte reduced red cell products		812
	Red cell products	108 810	94 806
	Emergency red cell products		9 671
Whole blood	Whole blood	1 772	189
	Leucocyte-reduced whole blood		117
	Emergency whole blood		504



Confirmed Positive Test Results

	2019/2020	2020/2021	2021/2022
Hepatitis B	70	85	78
Hepatitis C	5	7	8
HIV	62	52	56
Syphilis	84	81	115



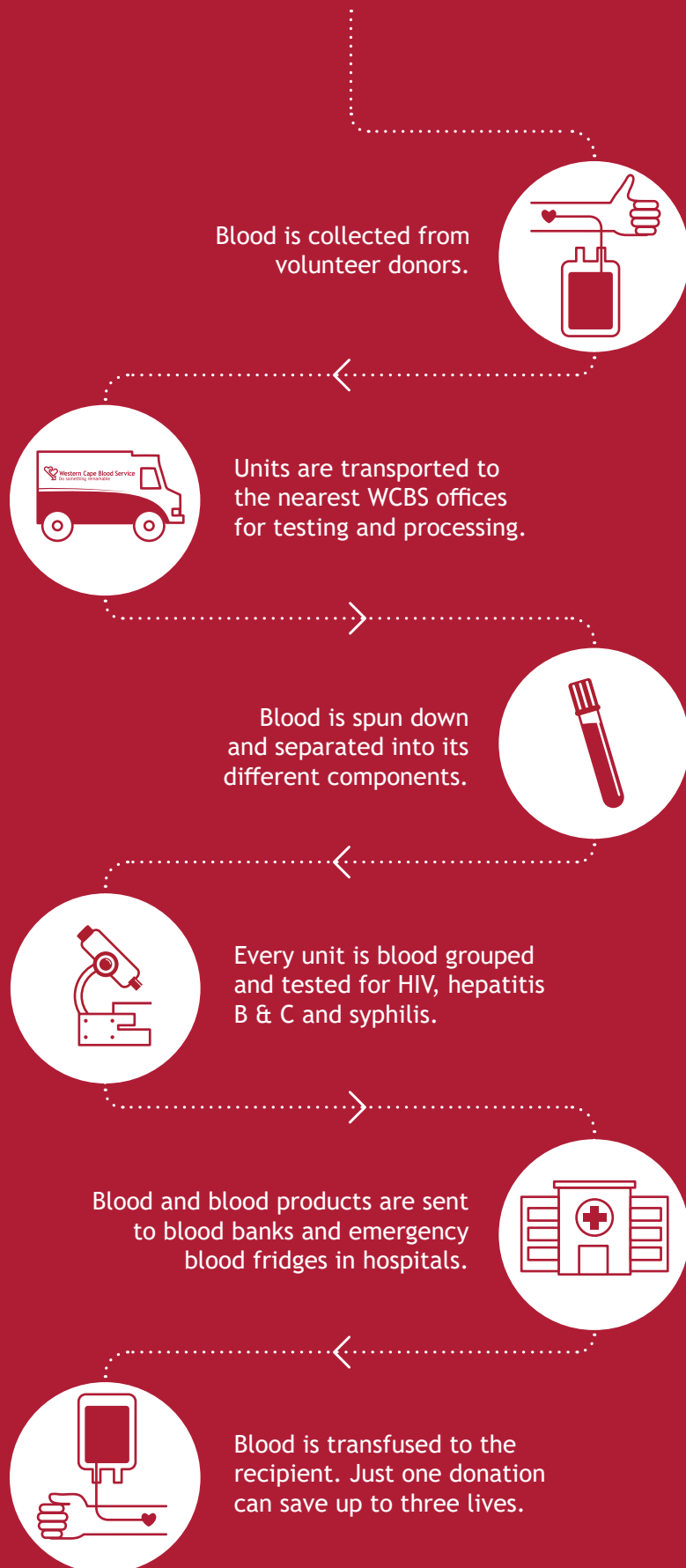
Adverse Transfusion Reactions

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

	2019/2020	2020/2021	2021/2022
Allergic	73	63	59
Febrile	49	79	61
Anaphylactic	12	9	4
Hypotensive	3	2	2
Misdirected transfusion	4	5	5
Acute haemolytic reaction	0	0	0
Delayed haemolytic reaction	0	0	0
TRALI (transfusion related acute lung injury)	2	0	1
TACO (transfusion associated circulatory overload)	6	4	2
Unclassifiable (insufficient information)	18	13	17
Total	167	175	151



Journey of Blood



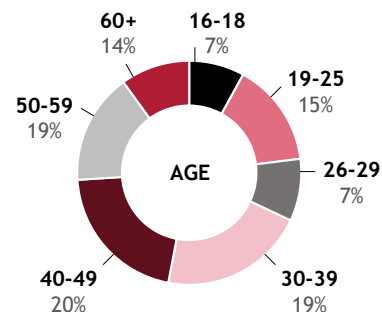
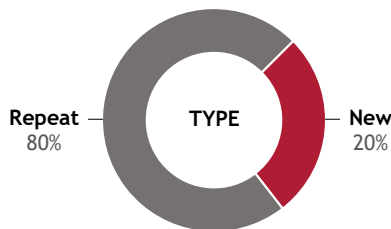
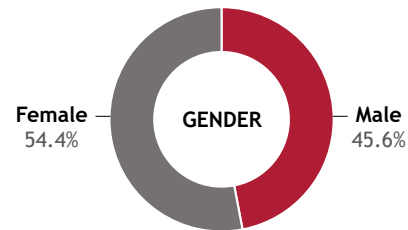
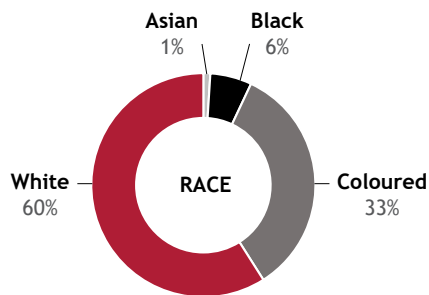
Current and Potential Blood Donors

How we engage:

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

Our 2021/22 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.



35 886

total Facebook likes



4 672

total Instagram followers



2 609

total Twitter followers



14 907

App users



149 652 website sessions, with **104 029** users



21 901 donor awards



46 donor registration exhibitions



20 wellness exhibition events



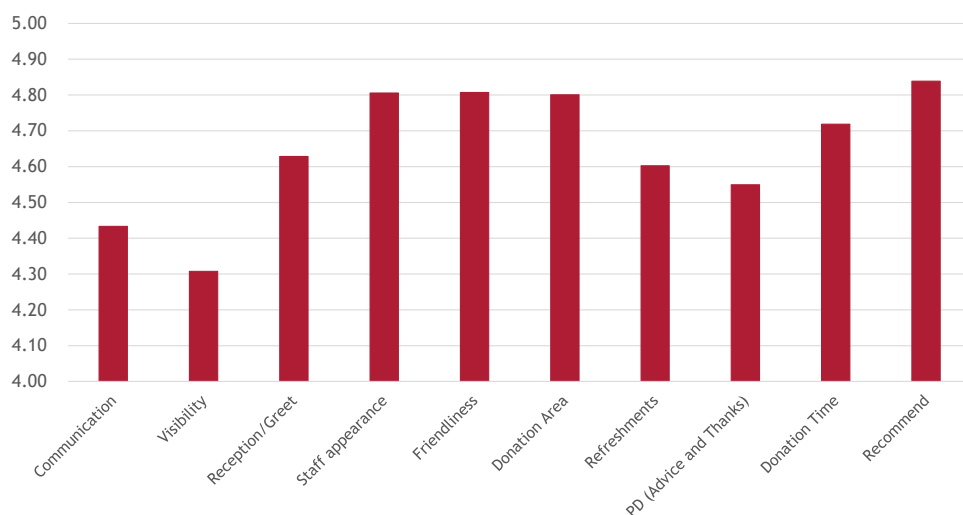
54 educational talks

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

Donor Satisfaction Survey

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

A comprehensive annual donor satisfaction survey was conducted during December 2021 with 1 061 participants throughout the Province.



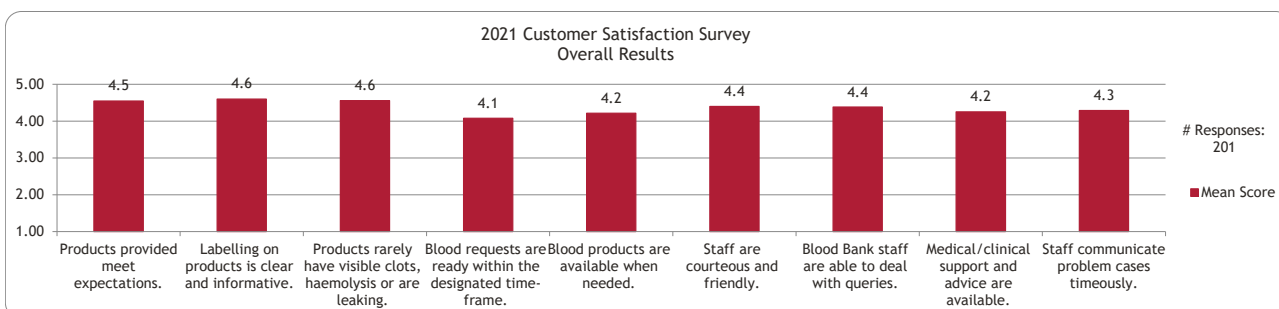
With a 93% overall score, donors were generally very happy with the service they received at blood donor clinics. It was also very positive that 96% of donors would recommend WCBS to people considering donating blood. Areas for improvement (90% and below) include the visibility of clinics and signage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

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

Blood User/Customer Satisfaction Survey

WCBS conducts an annual standardised customer satisfaction survey as part of its ongoing process to monitor the quality of product and service it provides. We analyse the outcomes to identify areas for improvement in product quality and service delivery. The 2021 survey was distributed to 37 hospitals in the Western Cape from November - December 2021. A total of 201 responses were received.

The results indicate that blood users remain generally satisfied with the quality of blood products, service delivery at 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.

Blood Users

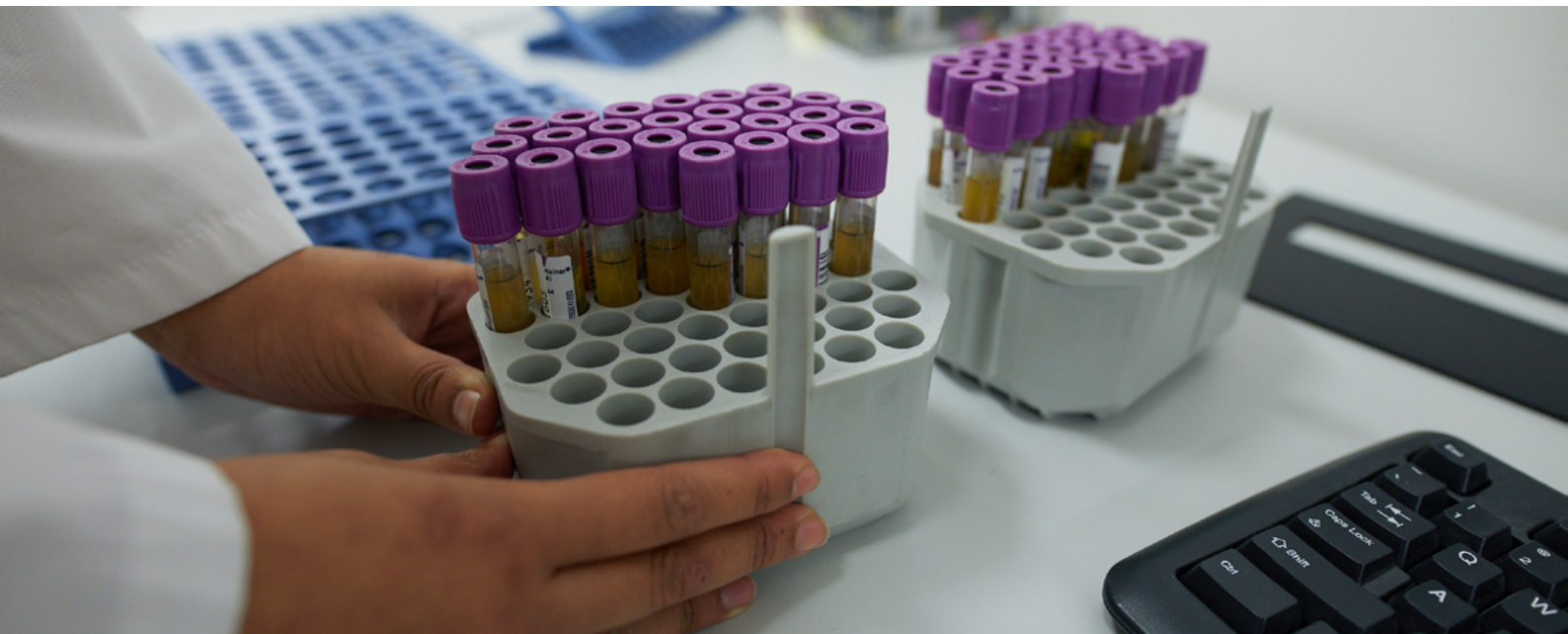
Clinicians, nursing staff, hospitals, community health centres, day clinics, kidney and dialysis centres, oncology centres, provincial department of health, tertiary-training institutions and affiliations, biopharmaceutical companies, pathology laboratories. Payers, such as medical aid schemes also fall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

How we engage:

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

Our 2021/22 activities:

- Blood user committee meetings (8)
- In-person hospital visits (7)
- Lectures for 10 pathology registrars
- Lectures for 28-30 nursing students
- Customer satisfaction survey (1)
- Newsletter for blood users (3)
- Price increase discussions



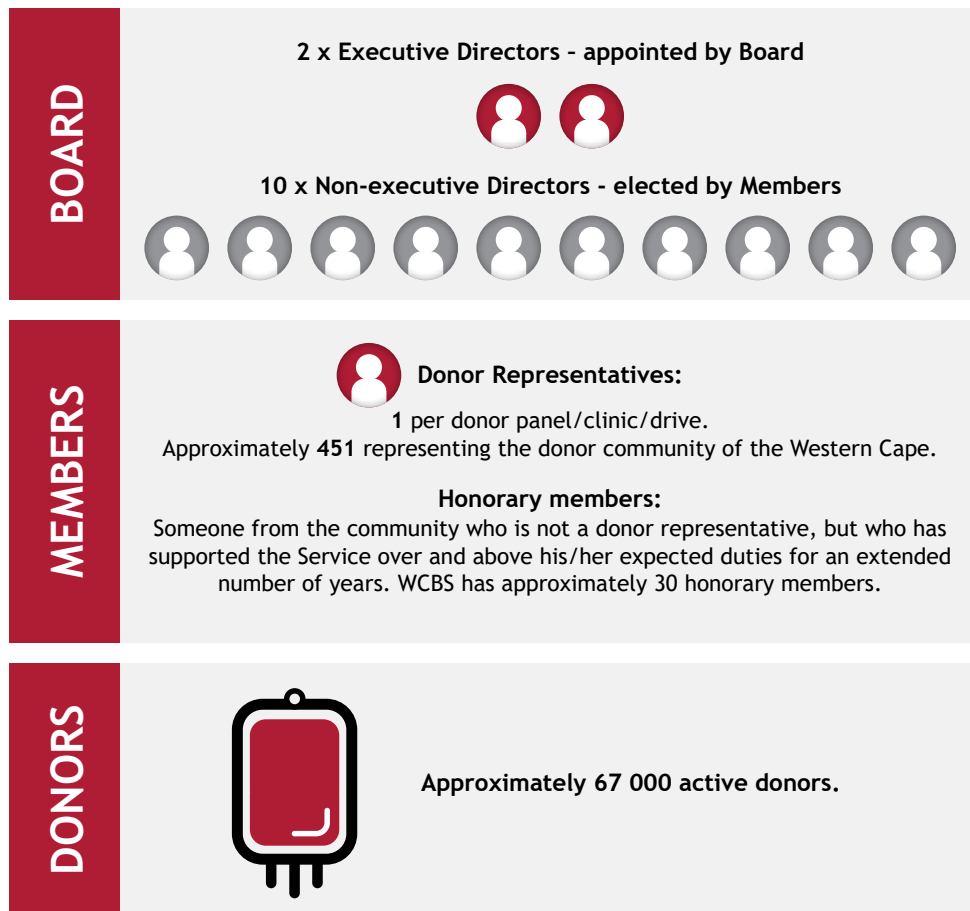
Blood Recipients

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

How we engage:

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

Members



How we engage:

- Annual General Meeting

Our 2021/22 activities:

- Compliance management through Lexis Nexis alerts and checks by the Company Secretary on relevant legislation.
- Donor representative challenge during July and August 2021.
- Donor representative informational booklet.
- Donor representative recognition through a point-based award system.



Our Risks and Opportunities

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

Each risk is linked to the Service’s Key Performance Indicators (KPIs). Risk assessment is an integral part of strategic planning and oversight of risk is exercised by the Board of Directors regularly.

Strategic Risks

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

Financial Risk

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

Compliance Risk

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

Operational Risks

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

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

Blood Donation Process



Step 1:

Welcome! Please complete the donor questionnaire honestly.



Step 2:

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



Step 3:

Have your medical screening with blood pressure & pulse checked.



Step 4:

Collect your blood pack and proceed to the donation bed.



Step 5:

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



Step 6:

Enjoy some refreshments - you are remarkable and deserve it!



Governance

King IV Application Register

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

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

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

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

Our Board

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



Dr Greg Bellairs (58)

Executive Director

BOARD TENURE IN YEARS: 14

COMMITTEES:
All committees

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

OTHER DIRECTORSHIPS:
South African Society for Blood Transfusion



Ms Nicky Du Toit (58)

Executive Director

BOARD TENURE IN YEARS: 10

COMMITTEES:
All committees

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

OTHER DIRECTORSHIPS:
South African Society for Blood Transfusion



Mr Mervyn Burton (64)

Non-Executive Director

BOARD TENURE IN YEARS: 11

COMMITTEES:
Audit (Chair)
Finance & IT

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

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



Ms Nirvani Dhevcharran (55)

Non-Executive Director

BOARD TENURE IN YEARS: 3

COMMITTEES:
Finance & IT
Audit

QUALIFICATIONS:
MSc (Computer Science),
Advanced Business Diploma

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



Dr Andrea Huggett (46)

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)]

Our Board



Prof Vernon Louw (50)

Non-Executive Director

BOARD TENURE IN YEARS: 7

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 (63)

Non-Executive Director

BOARD TENURE IN YEARS: 5

COMMITTEES:
Social & Ethics

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



Dr Urvashi Mungal-Singh (57)

Non-Executive Director

BOARD TENURE IN YEARS: 2

COMMITTEE:
Social & Ethics
Clinical Governance

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



Mr Dumisane Ndebele (53)

Non-Executive Director

BOARD TENURE IN YEARS: 9

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 (73)

Non-Executive Director

BOARD TENURE IN YEARS: 28

COMMITTEES:
Audit
Finance & IT (Chair)

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

Our Board



Mr Paul Slack (63)

Non-Executive Director

BOARD TENURE IN YEARS: 18

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 (48)

Non-Executive Director

BOARD TENURE IN YEARS: 7

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

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

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

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

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



Meryl Cummings

Company Secretarial

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



Noelle Greeff

Legal

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

Board Meetings

Board meeting attendance:

Name	Board Meetings	Audit Committee Meetings	Finance and IT Steering Committee Meetings	Social and Ethics Committee Meetings	Human Resources Committee Meetings	Risk and Governance Committee Meetings	Clinical Governance Committee Meetings	Building Project Committee Meetings	Total
Non-executive directors									
Mr M Burton	5	1	-	-	-	1	-	8	15
Dr U Mungal-Singh	4	-	-	1	-	-	1	-	6
Mrs N Dhercharran	5	1	1	-	-	1	-	-	8
Dr A Huggett	5	-	-	1	-	-	1	-	7
Prof V Louw	4	-	-	1	-	1	1	-	7
Mr D Ndebele	5	-	-	-	1	-	-	-	6
Dr C Ingram	5	-	-	1	-	-	1	-	7
Mr R Ramsbottom	5	1	1	-	-	-	-	-	7
Mr P Slack	5	-	1	-	1	1	-	8	16
Mr PJ Veldhuizen	3	-	-	1	1	1	-	8	14

Non-executive Directors' Remuneration

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

Board Member Rates	Meeting	Monthly Retainer	Sub-committee Meeting
April 2021 - March 2022	R 4 267.72	R 853.06	R 2 133.85

Board Chair Rate	Meeting	Monthly Retainer	Committee Meeting
April 2021 - March 2022	R 5 120.78	R 1 025.13	R 2 133.85

The elements of non-executive remuneration include a monthly retainer, a meeting attendance fee and travelling and actual expenses where applicable. During this financial year, a Board self-evaluation was conducted. Board composition in terms of diversity and representivity was identified as an area for improvement.

Financial Statements

WESTERN CAPE BLOOD SERVICE

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

(Registration Number 1943/016692/08)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

APPROVAL OF FINANCIAL STATEMENTS

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



CHAIRMAN



DIRECTOR

Directors' Report

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

1. Incorporation

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

2. Nature of business

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

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

3. Review of financial results and activities

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

Surplus per the attached Statement of Comprehensive Income equals R44.5 million for the financial year ended 31 March 2022 (2021: R6 million). Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

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

Directors	Office	Changes
Mr P K Slack	(Chairman)	
Mr P J Veldhuizen	(Vice Chairman)	
Dr G R M Bellairs	(Executive)	
Ms N B du Toit	(Executive)	
Mr M R Burton*		Resigned 7 February 2022
Dr A Huggett		
Mr D M Ndebele		
Mr R Ramsbottom*		
Prof V J Louw		
Dr C F Ingram		
Mrs N Dhevcharran*		
Dr V Mungal-Singh		Appointed 30 November 2020

* Member of audit committee

5. Property, plant and equipment

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

At 31 March 2022 the company's investment in property, plant and equipment amounted to R133 152 368 (2021: R92 477 848), of which R86 907 476 (2021: R10 203 398) was added in the current year through additions.

In keeping with the Western Cape Blood Service's mission statement, the company continues investing in technical and other equipment to maintain its standards. Expected total capital expenditure for the next year is R110 212 185 (2021: R32 319 365). The company also has commitments in respect of contracts placed for leases of R8 052 249 (2021: R8 628 139) over the period of the lease. These commitments have been approved by the board of the company. Refer to Note 1 and Note 2 of the annual financial statements for further details.

6. Events after the reporting period

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

7. Going concern

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

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

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

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

8. Auditors

Ernst & Young Inc. continued in office as auditors for the company for 2022.

At the AGM, the board will be requested to reappoint Ernst & Young Inc. as the independent external auditors of the company for the 2023 financial year.

9. Social and Ethics Committee

The Social and Ethics Committee comprises five non-executive directors. External advisors are co-opted to attend meetings when required. WCBS is governed by a Code of Ethics that was reviewed during this year. The Code specifies principles/codes of conduct regarding Confidentiality, Professionalism, Conflicts of Interest and Governance for dealings with all stakeholders. The Code of Ethics applies to the WCBS Board of Directors and all employees.

WCBS's corporate social investment initiatives during 2021/2022 were aligned with our strategic objectives which are reported in the Social and Relationship Capital section of this report. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of Reference for the reporting period.

10. Secretary

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

11. Employment Equity

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

The action over the past three years has focused on maintaining or improving the ratios which have been achieved. As at 01 October 2021, the date of the last employment equity submission, the company employed 530 permanent and 0 casual/ temporary employees. As at the date of the last submission, 85% of permanent employees were from the black designated group and 61% were female. Of the 18 employees in management, 39% were from the black designated group and 61% were female.

12. National Blood Transfusion Licence

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

Draft regulations for blood and blood products were published for comment during 2011. SANBS, NBI and WCBS submitted recommendations in June 2011. The regulations

published by SANBS, NBI and WCBS in early 2012 did not include several of our recommendations, and a response was subsequently sent to the National Department of Health. Official feedback is awaited.

Legal opinion remains that the Act cannot be currently enforced, and that WCBS is currently operating legally based on pre-existing licensing under the Human Tissues Act.

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

13. Cyber-attack

During the current financial year the company was victim of Cyber crime on the 29th of July 2021. The company recaptured all lost data and has put measures and controls in place to ensure that all information was recaptured accurately and on a timely manner. Reconciliations of all accounts were done and management believes that no figures disclosed on the financial statements are materially misstated.

The annual financial statements set out on pages 39 to 62, which have been prepared on the going concern basis, were approved by the board on 05 August 2022, and were signed on its behalf by:

Approval of annual financial statements



Chairman
05 August 2022

Independent Auditor's Report

To the Shareholder of Western Cape Blood Service

We have audited the annual financial statements of Western Cape Blood Service (the company) set out on pages 10 to 43, which comprise the statement of financial position as at 31 March 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Western Cape Blood Service as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Other Matter Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Western Cape Blood Service annual financial statements for the year ended 31 March 2022", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 44

to 45, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Annual Financial Statements

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

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

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

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

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

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

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

Ernst & Young Inc.
Majid Cader Partner
05 August 2022 Pinelands

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2022

Figures in Rand	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	1	133 152 368	92 477 848
Right-of-use assets	2	6 444 619	7 014 315
Investments	3	66 068 008	111 245 261
		205 664 995	210 737 424
Current assets			
Inventory	4	40 279 697	54 279 905
Trade and other receivables	5	63 473 227	71 155 072
Cash and cash equivalents	6	76 948 982	87 786 782
		180 701 906	218 389 624
Non-current assets held for sale	7	32 049 309	-
Total assets		435 038 631	391 439 330
Equity			
Other reserves		54 344 632	54 297 523
Accumulated funds		299 594 217	255 125 746
		353 938 849	309 423 269
Liabilities			
Non-current liabilities			
Post-retirement medical benefits	8	1 474 000	1 466 000
Operating lease liability	2	5 686 127	6 263 472
		7 160 127	7 729 472
Current liabilities			
Trade and other payables	9	42 351 089	40 627 570
Operating lease liability	2	2 366 122	2 364 667
Provisions	10	27 966 704	29 936 283
FEC Liability	11	1 255 740	1 358 069
		73 939 655	74 286 589
Total liabilities		81 099 782	82 016 061
Total equity and liabilities		435 038 631	391 439 330

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rand	Note	2022	2021
Turnover	12	479 304 703	430 589 645
Cost of sales	13	(151 824 317)	(137 381 367)
Gross surplus		327 480 386	293 208 278
Other income	14	15 074 086	14 166 909
Operating expenses	15	(302 602 238)	(305 445 126)
Operating surplus		39 952 234	1 930 061
Interest received	16	5 543 138	5 222 925
Finance costs	17	(974 792)	(977 284)
Surplus for the year		44 520 580	6 175 702
Other comprehensive loss	18	(5 000)	(155 000)
Total comprehensive surplus for the year		44 515 580	6 020 702

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rand	Actuarial gains/losses	Non-distributable reserves	Revaluation reserve	Non-asset held for sale	Product liability reserve	Total reserves	Accumulated funds	Total equity
Opening balance as previously reported	798 000	2 588 257	37 612 581	-	25 000 000	65 998 838	249 001 488	315 000 326
Balance at 01 April 2019	798 000	2 588 257	37 612 581	-	25 000 000	65 998 838	249 001 488	315 000 326
Surplus for the year	-	-	-	-	-	-	6 175 702	6 175 702
Other comprehensive loss	(155 000)	-	-	-	-	(155 000)	-	(155 000)
Total comprehensive surplus for the year	(155 000)	-	-	-	-	(155 000)	6 175 702	6 020 702
Transfer to non-distributable reserve	-	51 444	-	-	-	51 444	(51 444)	-
Transfer to product liability reserve	-	-	(11 597 759)	-	-	(11 597 759)	-	(11 597 759)
Total changes	-	51 444	(11 597 759)	-	-	(11 546 315)	(51 444)	(11 597 759)
Balance at 01 April 2020	643 000	2 639 701	26 014 822	-	25 000 000	54 297 523	255 125 746	309 423 269
Surplus for the year	-	-	-	-	-	-	44 520 580	44 520 580
Other comprehensive loss	(5 000)	-	-	-	-	(5 000)	-	(5 000)
Total comprehensive surplus for the year	(5 000)	-	-	-	-	(5 000)	44 520 580	44 515 580
Transfer to non-distributable reserve	-	-	(20 162 421)	20 162 421	-	-	-	-
Transfer to product liability reserve	-	52 109	-	-	-	52 109	(52 109)	-
Total changes	-	52 109	(20 162 421)	20 162 421	-	52 109	(52 109)	-
Balance at 01 April 2020	638 000	2 691 810	5 852 401	20 162 421	25 000 000	54 344 632	299 594 217	353 938 849
Note	19	20	21		22			

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rand	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	57 040 430	21 064 254
Interest income		3 859 830	3 664 391
Finance costs		(238 370)	(645)
Net cash from operating activities		60 661 890	24 728 000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	1	(86 907 476)	(10 203 398)
Sale of property, plant and equipment	1	318 425	1 137 474
Increase/decrease of investment		50 000 000	(23 000 000)
Net cash from investing activities		(36 589 051)	(32 065 924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments relating to lease liability		(3 148 777)	(3 499 876)
Total cash movement for the year		20 924 062	(10 837 800)
Cash at the beginning of the year		76 948 982	87 786 782
Total cash at end of the year	6	97 873 044	76 948 982

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2022

1. Property, plant and equipment

Figures in Rand	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and Buildings	73 436 770	(242 798)	73 193 972	49 552 029	(752 028)	48 800 001
Plant and machinery	78 711 819	(47 128 034)	31 583 785	64 828 880	(44 414 993)	20 413 887
Motor vehicles	31 004 091	(15 553 454)	15 450 637	24 681 997	(12 784 718)	11 897 279
Office equipment	5 066 583	(3 590 494)	1 476 089	7 458 849	(4 510 127)	2 948 722
Computer equipment and software	21 836 539	(10 388 654)	11 447 885	16 284 540	(7 866 581)	8 417 959
Total	210 055 802	(76 903 434)	133 152 368	162 806 295	(70 328 447)	92 477 848

Reconciliation of property, plant and equipment - 2022

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

Reconciliation of property, plant and equipment - 2021

Figures in Rand	Opening balance	Additions	Disposals	Revaluations	Depreciation	Impairment loss	Closing balance
Land and buildings	63 621 258	3 255 402	-	(11 597 759)	(170 703)	(6 308 197)	48 800 000
Technical equipment	23 538 555	2 611 812	(1 052 783)	-	(4 683 697)	-	20 413 888
Motor vehicles	14 209 780	1 762 667	(578 003)	-	(3 497 165)	-	11 897 279
Office equipment and furniture	3 753 496	118 148	(127 918)	-	(795 004)	-	2 948 722
Computer equipment and software	9 083 479	2 455 369	(512 606)	-	(2 608 283)	-	8 417 959
Total	114 206 568	10 203 398	(2 271 310)	(11 597 759)	(11 754 852)	(6 308 197)	92 477 848

Changes in estimates

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

The affected class of property, plant and equipment is Technical equipment. The useful lives have been revised for the period of 2 year up to 5 years. The change in the useful lives was accounted for on a prospective basis as of 1 April 2021. The increase in the useful lives has resulted in a decrease in depreciation for the current and future periods amounting to R198 486.

Revaluations

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

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

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

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

Figures in Rand	2022	2021
Pinelands	15 578 123	16 046 123
George	395 179	395 179
Worcester	1 592 653	1 592 653
Paarl	11 898 419	11 811 449
Maitland	57 066 694	-
	86 531 068	29 845 404
DETAILS OF PROPERTIES		
Pinelands		
An office block situated in Old Mill Road, Pinelands, erected on remained of freehold erf 24179, Cape Town at Maitland (in extent 1,3093 hectares) in the municipality of Pinelands, under Deed of Transfer No T39826/88		
- Acquisition cost: 14 July 1988	2 811 236	2 811 236
- Improvements since acquisition	9 827 265	13 234 887
- Revaluation	20 162 421	20 162 421
- Transfer to Non-current Asset held for sale	(32 800 922)	-
	-	36 208 544
George		
An office building situated at Courtney Street, George, Sections 4,9,10 and 11 of Sectional Plan No 55217/93 of Medical Centre (in extent 354 square metres) in the Municipality of George, under Deed of Transfer No T10014/93		
- Acquisition cost: 28 June 1993	160 200	160 200
- Improvements since acquisition	234 979	234 979
- Revaluation	3 136 616	3 136 616
	3 531 795	3 531 795
Worcester		
An office building situated at 26 Napier Street, Worcester, erected on Freehold erf 15375 (in extent 1736 square metres) in the Municipality and Division of Worcester, under Deed of Transfer No T38986/94		
- Acquisition cost: 10 June 1994	505 697	505 697
- Improvements since acquisition	1 086 956	1 086 956
- Revaluation	2 715 785	2 715 785
	4 308 438	4 308 438
Paarl		
Erf 31275 Paarl, situated in the proposed township of Zandwyk Park Development, under Deed of transfer No T15496/2018		
- Acquisition cost: April 2018	1 776 285	1 776 285
- Improvements since acquisition	10 122 134	10 035 164
- Impairment loss	(6 308 197)	(6 308 197)
	5 590 222	5 503 252

Maitland		
Portion 2 of Erf 116413, in the City of Cape Town, Division Cape in extent of 1.5 hectares, held by deed of transfer No T43485/2020		
- Acquisition cost: 7 October 2021	33 846 952	-
- Improvements since acquisition	23 219 742	-
	57 066 694	-

2. Leases

Company as a lessee

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

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

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

Figures in Rand	Opening balance	Additions	Depreciation	Asset re-measured	Closing balance
Right-of-use assets - 2022					
Land and buildings	5 758 798	1 731 156	(1 789 309)	122 691	5 823 336
Computer equipment and software	210 409	-	(210 409)	-	-
Technical equipment	1 045 109	-	(423 826)	-	621 283
Total	7 014 316	1 731 156	(2 423 544)	122 691	6 444 619
Right-of-use assets - 2021					
Land and buildings	7 631 334	-	(1 869 293)	(3 243)	5 758 798
Computer equipment and software	726 575	-	(516 166)	-	210 409
Technical equipment	1 511 957	-	(466 848)	-	1 045 109
Total	9 869 866	-	(2 852 307)	(3 243)	7 014 316

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

Lease liability

Figures in Rand	2022	2021
Opening balance	(8 628 139)	(11 476 929)
Additions	(1 731 156)	-
Accretion of interest	(736 422)	(976 639)
Payments	3 148 777	3 499 876
Forex adjustments	17 383	322 310
Liability re-measured	(122 692)	3 243
	(8 052 249)	(8 628 139)
Non-current liabilities	(5 686 127)	(6 263 472)
Current liabilities	(2 366 122)	(2 364 667)
	(8 052 249)	(8 628 139)

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

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

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

The following are the amounts recognised in profit or loss:

Figures in Rand	2022	2021
Depreciation expense of right-of-use assets	2 423 544	2 852 307
Interest expense on lease liabilities	736 422	976 639
Forex adjustment	(17 384)	(322 310)
Variable lease payments	41 727 316	41 075 385
	44 869 898	44 582 021

During the current financial year the company had total cash outflows for leases of R3 148 777. The company also had non-cash re-measurement of the right-of-use assets and lease liabilities of R122 692.

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

2022

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

2021

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

Extension options

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

3. Investments

Figures in Rand	2022	2021
Liberty Investment	19 860 506	18 880 165
Nedbank Investment	46 207 502	92 365 096
	66 068 008	111 245 261
Reconciliation of Investments - Liberty Gateway Investment		
Opening balance 1 April 2021	18 880 165	7 793 783
Transfer from Liberty Investment	-	9 166 584
Fair value movement for the year	980 341	1 919 798
	19 860 506	18 880 165
Reconciliation of Investments - Liberty Investment		
Opening balance 1 April 2021	-	7 679 281
Transfer to Liberty Gateway Investment	-	(9 166 584)
Fair value movement for the year	-	1 487 303
	-	-
Reconciliation of Investments - Nedbank Investment		
Opening balance 1 April 2021	92 365 096	65 106 495
Fair value movement for the year	3 842 406	4 258 601
Additions	(50 000 000)	23 000 000
	46 207 502	92 365 096
Non-current assets		
At fair value	66 068 008	111 245 261

4. Inventory

Figures in Rand	2022	2021
Consumables	16 730 937	18 164 927
Finished goods	7 202 143	6 708 499
Raw materials	11 072 571	14 875 800
Work in progress	1 566 062	530 471
	36 571 713	40 279 697

5. Trade and other receivables

Figures in Rand	2022	2021
Gross trade receivables	63 608 254	59 251 941
Impairment of trade debtors	(7 085 081)	(5 339 472)
Deposits	2 170 781	7 550 701
Prepayments	3 957 536	1 835 252
Other receivables *	228 080	174 805
	62 879 570	63 473 227
* Other receivables include sundry debtors and staff loans.		

Figures in Rand	2022	2021
Non-financial instruments		
Deposits	2 170 781	7 550 701
Prepayments	3 957 536	1 835 252
	6 128 317	9 385 953
Categorisation of trade and other receivables		
Trade and other receivables are categorised as follows in accordance with IFRS 9 - Financial Instruments:		
At Amortised Cost	56 751 253	54 087 274
Non-Financial Instruments	6 128 317	9 385 953
	62 879 570	63 473 227

Exposure to Credit Risk

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

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

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

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

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

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

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

Expected Credit Loss Rate:

Figures in Rand	2022 Estimated gross carrying amount at default	2022 Loss allowance (Lifetime expected credit loss)	2021 Estimated gross carrying amount at default	2021 Loss allowance (Lifetime expected credit loss)
Not past due: 11% (2021: 9%)	63 836 334	(7 085 081)	59 426 746	(5 339 472)

Fair value of trade and other receivables

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

6. Cash and cash equivalents**Cash and cash equivalents consist of:**

Figures in Rand	2022	2021
Bank balances	97 809 799	76 898 672
Cash on hand	63 245	50 310
	97 873 044	76 948 982

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

7. Major assets and liabilities subject to binding sale agreement**Pinelands building**

Figures in Rand	2022	2021
Revalued amount	32 800 923	-
Accumulated depreciation	(751 614)	-
	32 049 309	-

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

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

8. Retirement benefit information**Defined contribution plan**

The company continues to contribute to the Western Cape Blood Service Retirement Fund which is a defined contribution plan. The fund is registered under and governed by the Pension Funds Act, 1956 as amended. All of the company's permanent employees belong to the fund. The Financial Services Board now requires a fund to analyse the membership of the Fund in terms of citizenship. The Fund together with the Fund benefit administrator, is in the process of analysing membership. With effect 1 September 2017 the Fund switched from being a stand alone fund to an umbrella fund.

At 31 December 2021, 530 employees (2020: 529 employees) belonged to the defined contribution plan.

Post-retirement medical benefits

The company offers medical aid schemes for the benefit of permanent employees. Members of the defined benefit retirement plan and certain pensioners are entitled to post retirement contributions. At the year-end there were 3 pensioners who were entitled to medical benefits consisting of a subsidy of a portion of the medical aid. Full actuarial valuations are performed on an annual basis. The last actuarial valuation was performed as at 31 March 2020, using the projected unit credit valuation method.

Principal actuarial assumptions at the reporting date:

Discount rate	10.60%
Health care cost inflation	7.90%
Average retirement age	55

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

Funding liability

Figures in Rand	2022	2021
Balance at the beginning of the year	1 466 000	1 290 000
- interest	148 000	148 000
- benefit payments	(135 000)	(127 000)
- actuarial gain / (loss)	(5 000)	155 000
	1 474 000	1 466 000

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

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

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

Figures in Rand

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

Figures in Rand

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

9. Trade and other payables

Figures in Rand

	2022	2021
Trade payables	29 147 787	26 248 458
Other payables: Salary Creditors	8 527 471	7 396 312
Other payables: Sundry Payables	4 555 860	4 610 155
VAT	119 971	2 372 645
	42 351 089	40 627 570
Other payables include sundry creditors, accrual and other salary creditors.		
Non-financial instruments		
VAT payable	119 971	2 372 645

Exposure to Liquidity Risk

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

Fair value of trade and other payables

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

10. Provisions

Figures in Rand	Opening balance	Arising during the year	Utilised during the year	Total
Reconciliation of provisions - 2022				
Leave pay provision	16 607 417	20 568 901	(20 564 810)	16 611 508
Bonus provision	13 328 866	11 355 196	(13 328 866)	11 355 196
	29 936 283	31 924 097	(33 893 676)	27 966 704
Reconciliation of provisions - 2021				
Leave pay provision	15 800 674	18 444 331	(17 637 588)	16 607 417
Bonus provision	13 427 558	13 328 866	(13 427 558)	13 328 866
	29 228 232	31 773 197	(31 065 146)	29 936 283

11. FEC Liability

Figures in Rand	2022	2021
Fair value of FEC liability at year end	1 255 740	1 358 069

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

12. Turnover

Figures in Rand	2022	2021
Turnover	479 304 703	430 589 645
Turnover	484 847 841	435 812 570
Interest received - bank deposits	(3 868 003)	(3 664 391)
Interest received - amortisation of debtors	(1 675 135)	(1 558 534)
	479 304 703	430 589 645
Disaggregation of revenue from contracts with customers		
Sale of Goods	479 304 703	430 589 645
Timing of Revenue Recognition		
At a point in time - Sale of Goods	479 304 703	430 589 645

13. Cost of sales

Figures in Rand	2022	2021
Sale of goods		
Cost of inventories sold	151 824 317	137 381 367

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

14. Other income

Figures in Rand	2022	2021
Fair value gain on investments	4 822 747	7 665 703
Grant income	241 152	242 999
Profit on exchange differences	266 600	3 845 797
Sundry income	9 743 587	2 412 410
	15 074 086	14 166 909

Grant income

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

15. Operating expenses

Operating expenses consist of these main components:

Figures in Rand	2022	2021
Auditors remuneration	292 055	420 649
Bad debts	4 178 485	4 342 107
Cleaning	2 283 147	2 580 377
Computer expenses	3 279 883	3 411 312
Depreciation	14 749 868	14 607 159
Employee cost	228 811 821	220 102 147
Impairment loss	-	6 308 197
Motor vehicle expenses	4 456 473	3 372 731
Loss on financial derivatives	1 801 611	4 654 237
Municipal expenses	3 423 505	3 098 562
Professional consultants	5 021 056	4 987 571
Railage, cartage and airfreight	3 828 965	9 100 751
Rentals paid	2 197 301	1 993 441
Repairs and maintenance	3 265 258	3 757 159
Service contracts	7 394 517	6 461 426
Training	726 379	716 575
Other expenses	16 891 914	15 530 725
	302 602 238	305 445 126

16. Interest received

Figures in Rand	2022	2021
Amortisation of debtors	1 675 135	1 558 534
Bank	3 868 003	3 664 391
	5 543 138	5 222 925

17. Finance costs

Figures in Rand	2022	2021
Interest on lease liability	736 422	976 639
Late payment of tax	238 233	-
Interest on late payment	137	645
	974 792	977 284

18. Other comprehensive surplus/ (loss)

Figures in Rand	2022	2021
Net actuarial loss	(5 000)	(155 000)

19. Non-distributable reserve

Figures in Rand	2022	2021
Professional Development fund surplus		
Balance beginning of year	1 631 501	1 580 057
Notional interest	52 109	51 444
	1 683 610	1 631 501
The Professional Development Fund was established with surplus funds from hosting International Society of Blood Transfusion Congress in 2006. The essential purpose of the fund is to support staff in further education and training.		
Training Development fund		
Balance beginning of year	1 008 200	1 008 200
Total Non-distributable reserve		
Professional Development fund surplus	1 683 610	1 631 501
Training Development fund	1 008 200	1 008 200
	2 691 810	2 639 701

20. Revaluation reserve

Figures in Rand	2022	2021
Revaluation at the beginning of the year	26 014 822	37 612 581
Transfer from revaluation reserve	-	(11 597 759)
Non-Current Asset held for sale transfer	-20 162 421	-
	5 852 401	26 014 822

21. Product liability reserve

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

Figures in Rand	2022	2021
Balance at the beginning of the year	25 000 000	25 000 000

22. Cash generated from operations

Figures in Rand	2022	2021
Surplus for the year	44 520 580	6 175 702
Adjustments for:		
Depreciation and amortisation of property plant and equipment and right-of-use assets	14 749 869	14 607 159
Loss on sale of assets	1 538 899	1 133 836
Interest received	(3 859 830)	(3 664 391)
Finance costs	974 792	977 284
Post retirement medical aid benefits	8 000	176 000
Net loss on actuarial reserves	(5 000)	(155 000)
Fair value gain on investments	(4 822 747)	(7 665 702)
Impairment loss	-	6 308 197
Foreign exchange gain/ (loss)	(17 384)	(322 310)
Changes in working capital:		
Inventory	3 707 984	14 000 208
Trade and other receivables	593 657	7 681 845
Trade and other payables	1 723 518	(25 422 559)
FEC liability	(102 329)	6 525 934
Provisions	(1 969 579)	708 051
	57 040 430	21 064 254

23. Changes in liabilities arising from financing activities

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

Figures in Rand	Opening balance	Cash flows	Foreign exchange movement	Other	Closing balance
2021					
Current lease liability	2 576 168	(3 499 876)	(322 310)	3 610 685	2 364 667
Non-current lease liability	8 900 761	-	-	(2 637 289)	6 263 472
	11 476 929	(3 499 876)	(322 310)	973 396	8 628 139

24. Taxation

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

25. Employee cost

Figures in Rand	2022	2021
Employee costs		
Bonuses	21 911 297	23 922 492
Contribution to medical aid	17 483 800	17 014 805
Non-execs directors fees	410 212	318 103
Other salary related payments	7 207 231	8 555 741
Overtime and Night Shift Allowance	9 638 265	5 677 702
Salaries and wages	149 581 700	143 683 160
Salary company contributions	22 579 316	20 930 144
	228 811 821	220 102 147

26. Directors' remuneration

Executive

Figures in Rand	Salaries	Contributions to Retirement Fund	Car Allowance	Medical Aid	Bonuses	Total
2022						
Dr G R M Bellairs	2 654 478	322 050	277 193	66 351	181 333	3 501 405
Ms N B du Toit	2 430 574	294 229	277 193	32 432	165 669	3 200 097
	5 085 052	616 279	554 386	98 783	347 002	6 701 502
2021						
Dr G R M Bellairs	2 498 198	330 278	265 159	58 800	180 072	3 332 507
Ms N B du Toit	2 279 526	301 747	265 159	30 046	164 517	3 040 995
	4 777 724	632 025	530 318	88 846	344 589	6 373 502

Non-executive

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

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

27. Commitments

Capital commitments

Figures in Rand	2022	2021
Capital commitments		
- contracted for	74 156 004	6 887 563
- not contracted for	36 056 181	25 431 802
	110 212 185	32 319 365

The expenditure will be financed from cash generated from normal business operations and covers the replacement and maintenance of technical equipment, motor vehicles, office equipment, furniture, computer equipment and software. It also includes the project cost for the construction of the new Head Office Building situated in Maitland.

28. Financial instruments and risk management

Market risk

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

Interest rate risk

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

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

Cash and bank balance exposed to interest rate risk

Figures in Rand	2022	2021
Income statement effect of interest rate risk to above balance:		
1% increase in interest rates	978 730	769 490
1% decrease in interest rates	(978 730)	(769 490)

Foreign currency risk

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

Current assets / (liabilities)

Figures in Rand	2022	2021
2022: USD 819 275	11 893 666	-
2021: USD 1 039 005	-	15 460 394

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

Figures in Rand	2022	2021
USD	14.5173	14.8800

The spot rate on 31 March 2022 was used to revalue foreign currency balances at year end.

At 31 March 2022, 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 189 366 higher/lower (2021: R1 546 039) mainly as a result of foreign exchange gains or losses on translation of US dollar denominated financial liabilities at fair value measured to amortised cost.

Equity price risk

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

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

Sensitivity analysis

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

Figures in Rand	
Increase in investment of 10%	6 606 801
Decrease in investment of 10%	5 946 121

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 R19 860 506 and the Nedbank Investment of R46 207 502. All funds in the Liberty Investment was transferred to the Gateway Investment account during the prior financial year.

Liquidity risk

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

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

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

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

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

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

Credit risk

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

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

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

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

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

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

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

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

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

Figures in Rand	Gross carrying amount	Credit loss allowance	Amortised cost
2022			
Trade and other receivables	63 836 334	(7 085 081)	56 751 253
Cash and cash equivalents	97 873 044	-	97 873 044
	161 709 378	(7 085 081)	154 624 297
2021			
Trade and other receivables	59 426 746	(5 339 472)	54 087 274
Cash and cash equivalents	76 948 982	-	76 948 982
	136 375 728	(5 339 472)	131 036 256

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

29. Fair value information

Fair value hierarchy

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

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

Level 3: Unobservable inputs for the asset or liability.

Property, plant and equipment

Recurring fair value measurements - Level 3

Figures in Rand	2021	2020
Assets		
Pinelands	32 008 339	32 151 409
Maitland	33 846 952	-
Paarl	7 733 669	7 721 238
George	3 496 795	3 499 999
Worcester	4 232 526	4 254 097
	81 318 281	47 626 743

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

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

Figures in Rand	Opening balance at fair value	Additions	Revaluation	Impairment loss	Depreciation	Closing balance at fair value
2021						
Pinelands	44 701 790	-	(12 407 311)	-	(143 070)	32 151 409
Paarl	4 091 935	9 940 358	-	(6 308 197)	(2 858)	7 721 238
George	3 146 794	-	356 409	-	(3 204)	3 499 999
Worcester	3 822 525	-	453 143	-	(21 571)	4 254 097
	55 763 044	9 940 358	(11 597 759)	(6 308 197)	(170 703)	47 626 743

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

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

Pinelands Actual Inputs

Price per square metre - Rands R85.00

Paarl Actual Inputs

Price per square metre - Rands R60.00

George Actual Inputs

Price per square metre - Rands R90.00

Worcester Actual Inputs

Price per square metre - Rands R45.00

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

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

Investments

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

Figures in Rand			2022	2021
Gateway Investments	Level 1	31-Mar-22	19 860 506	18 880 165
Nedbank Investment	Level 1	31-Mar-22	46 207 502	92 365 096
			66 068 008	111 245 261

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

Detailed Income Statement

Figures in Rand	Note	2022	2021
Revenue			
Turnover		479 304 703	430 589 645
Cost of sales			
Collections		(42 974 381)	(33 853 211)
Product cost		(50 196 197)	(49 295 045)
Testing		(58 653 739)	(54 233 111)
	13	(151 824 317)	(137 381 367)
Gross surplus			
		327 480 386	293 208 278
Other income			
Fair value gain on investments		4 822 747	7 665 703
Grant income		241 152	-
Sundry income		9 743 587	242 999
Surplus on exchange differences		266 600	-
		15 074 086	14 166 909
Expenses (Refer to page 62)			
		(302 602 238)	(305 445 126)
Operating surplus			
		39 952 234	1 930 061
Interest received	16	5 543 138	5 222 925
Finance costs	17	(974 792)	(977 284)
		4 568 346	4 245 641
Surplus for the year			
		44 520 580	6 175 702

Figures in Rand	Note	2022	2021
Operating expenses			
Accounting fees		(292 055)	(429 513)
Accreditation fees		(206 315)	(140 571)
Archival storage		(385 726)	(367 296)
Auditors remuneration		(484 200)	(420 649)
Bad debts		(4 178 485)	(4 342 107)
Bank charges		(313 341)	(298 544)
Canteen expenses		(875 552)	(900 855)
Cleaning		(2 283 147)	(2 580 377)
Clinic general equipment		(82 479)	(28 051)
Computer expenses		(3 279 883)	(3 411 312)
COVID-19 expenses		(540 590)	(3 376 858)
Cyber-attack recovery cost		(1 226 269)	-
Depreciation	1 & 2	(14 749 868)	(14 607 159)
Discount allowed		(145 410)	(427 466)
Donations		(13 800)	(7 726)
Donor privileges		(422 515)	(452 514)
Employee costs	25	(228 811 821)	(220 102 147)
General and support services		(153 383)	-
Impairment loss		-	(6 308 197)
Insurance		(1 322 009)	(1 292 605)
Laundry		(212 557)	(230 654)
Library and journals		(24 304)	(51 446)
Licenses		(1 601 917)	(1 403 932)
Loss on financial derivatives		(1 801 611)	(4 654 237)
Membership and subscription fees		(489 245)	(517 029)
Minor assets		(272 645)	-
Motor vehicle expenses		(4 456 473)	(3 372 731)
Municipal expenses		(3 423 505)	(3 098 562)
Net loss on disposal of property, plant and equipment		(1 538 899)	(1 133 836)
Office equipment		(72 802)	(70 936)
Office refreshments		(494 424)	(448 140)
Petrol and oil		(93 281)	(63 403)
Postage		(73 966)	(115 691)
Printing and stationery		(1 021 657)	(752 891)
Professional consultants		(5 021 056)	(4 987 574)
Protective clothing		(511 452)	(515 148)
Railage, cartage and airfreight		(3 828 965)	(9 100 751)
Rentals paid		(2 197 301)	(1 993 441)
Repairs and maintenance		(3 265 258)	(3 757 159)
Security		(372 965)	-
Safety expenses		(55 495)	(59 422)
Service contracts		(7 394 517)	(6 461 426)
Staff medical expenses		(172 337)	(123 652)
Staff recruitment		(223 066)	(151 917)
Staff welfare		(106 256)	(98 056)
Telephone and fax		(1 285 093)	(1 423 031)
Training		(726 379)	(716 575)
Travel - local		(1 082 011)	(400 499)
Travel - overseas		(130 884)	-
Uniforms		(885 069)	(249 040)
		(302 602 238)	(305 445 126)

Abbreviations & Acronyms

AABB	Association for the Advancement of Blood & Biotherapies
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