

INTEGRATED ANNUAL REPORT

2016



RED BLOOD CELLS IN ADDITIVE SOLUTION
LEUCOCYTE DEPLETED, IRRADIATED
STORE AT 4°C ± 2°C

Volume 500 ml
Plus 75 ml CPDA-1

DO NOT
VENT

Rh D POSITIVE
Expiry Date: 21 Aug

Additional Information:
D C E C
CMV Neg.
NEG HTK
NBS

Date: 03 Aug



BRAND Story

Every day, thousands of South Africans make donations to the South African National Blood Service. These donors don't just give us their blood. These remarkable human beings give so much more.

Selflessly, without praise or compensation, they donate experiences, opportunities and potential. They donate blank pages onto which others can now write new chapters.

Thanks to our donors, an old woman has the chance to knit a jersey for her grandchild, a young man gets to marry his childhood sweetheart, and a little girl has the opportunity to win first prize at her school science fair.

These stories are at the heart of everything SANBS does. It's the reason we get up every morning and never look at a blood bag as just a pint of blood. Instead, we see a lifeline which extends from one human to another, and continues on to form the lines of the pages on which new stories can be told.

A blood donation seems like such a small act and yet it has incredible significance. It allows stories like these to live.

BECAUSE AT THE END OF THE DAY, IT'S NOT BLOOD. IT'S LIFE.

Donating is easy... here's how:

It is a safe and simple procedure which takes about 30 minutes from start to finish. All the needles we use are new, sterile, used only once and incinerated after use. Potential donors will be permitted to donate only if certain criteria are within the defined and acceptable range. Donating a unit of this "precious gift of life" saves the lives of those in dire need.

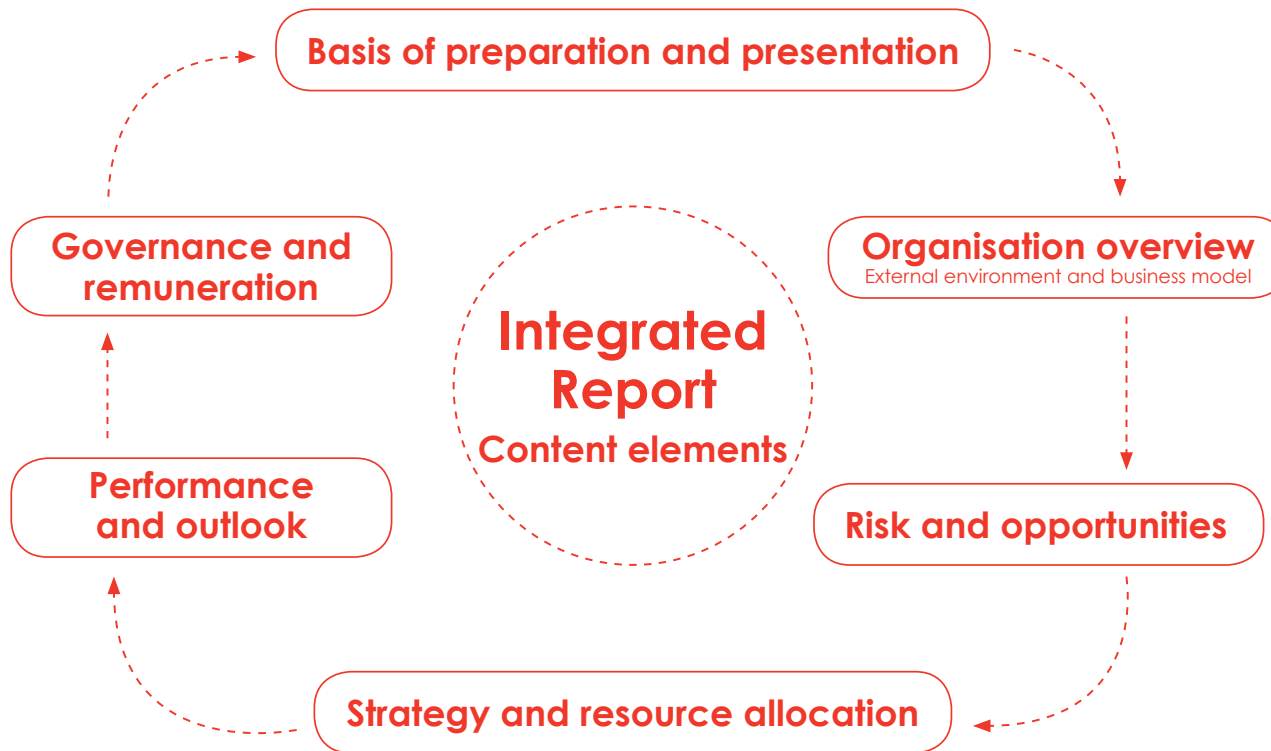
For more information, call SANBS toll free on 0800 11 9031 or visit sanbs.org.za

Donation procedures:

A donor will:

- Complete a questionnaire containing personal details,
- Answer questions relating to their health, social behaviour and lifestyle,
- Participate in a one-on-one interview as a follow-up to their answers,
- Have their iron (haemoglobin) levels, blood pressure and pulse rate checked,
- Be allowed to donate one unit of blood (480ml) every 56 days.

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ABOUT THIS REPORT

1



Reporting philosophy

We at the South African National Blood Service (SANBS) are proud to present our Integrated Annual Report in accordance with the requirements of the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework released in December 2013 (<IR> Framework) and the King Code of Governance principles for South Africa 2009 (King code of principles).

SANBS has not released an integrated report in the past, but we have kept abreast of the developments in integrated reporting over a number of years. With our renewed five-year strategy, we see this as an opportunity to align our external reporting and create a platform on which our compliance with the <IR> Framework will progress. In this report, SANBS has further embedded disclosures which are aligned to best practice pursuant to this, the most notable being:

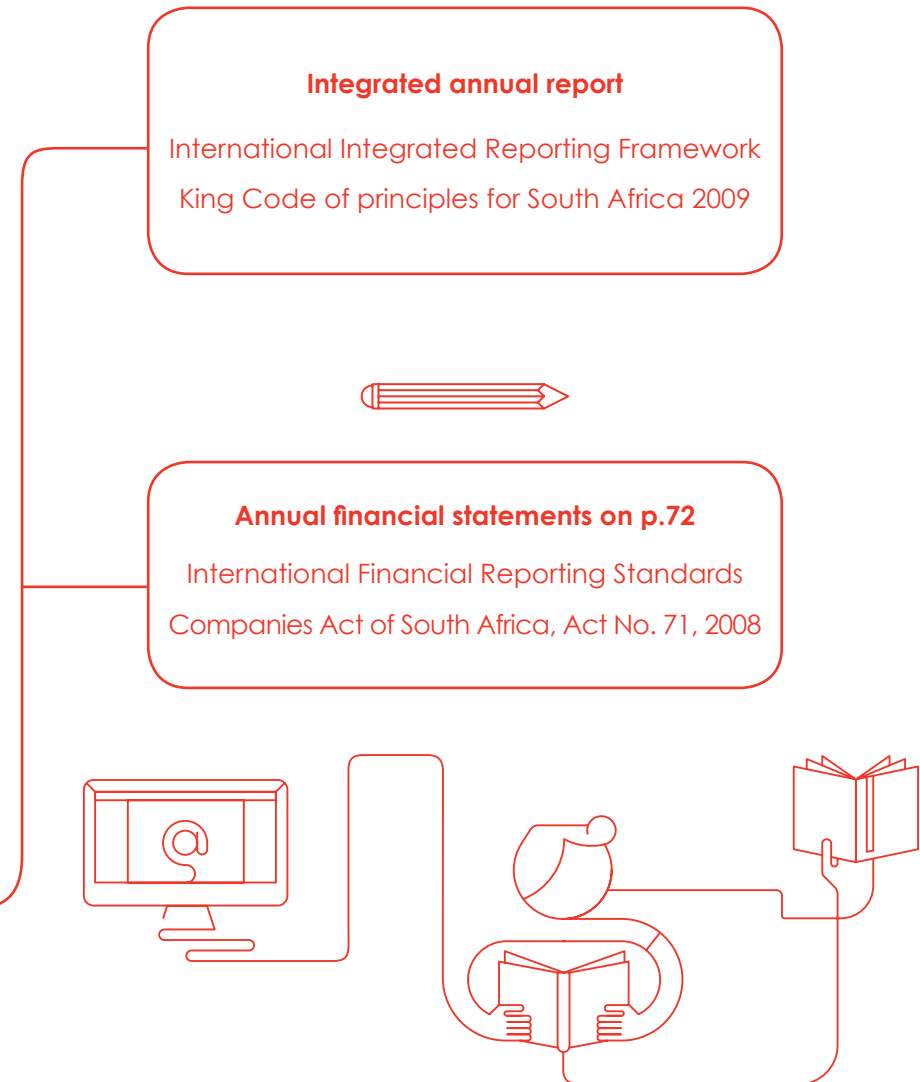
- The illustration of our business model, profiling our capital capabilities and how they are empowered to execute effectively against our strategy,
- An increased focus on long-term strategy and value creation,
- What is most material to our continued ability to save lives while observing materiality and conciseness throughout the report,
- Our story around strategic focus areas as opposed to divisional reports to drive our strategy through integrated thinking and management so that we can truly become one business behind one strategy,
- How our employees are remunerated with a better understanding of the benefits offered.

Scope and boundary

The SANBS 2016 integrated annual report covers the period 01 April 2015 to 31 March 2016. Any material events between 01 April 2016, at the date of signature by the Board on 13 September 2016, are included in this report. There have been no restatements to any comparative information provided in this report. For a list of abbreviations and acronyms used, refer to page 108.

Frameworks, standards and guidelines

We have applied the following local and international reporting frameworks, standards and guidelines in the compilation of this report:



Materiality

This report aims to address those matters which are material to SANBS and our stakeholders. Material matters are risks and opportunities which can significantly affect delivery on the SANBS strategy and, in turn, SANBS' ability to create and sustain value in the long term.

Assurance

The SANBS Board provides governance oversight of the organisation within a framework of prudent and effective controls which allow risks to be assessed and managed. SANBS is in the process of the formal development of a combined assurance framework, through the application of risk and audit methodology.

Further information on the processes to address material matters adequately, are discussed under enterprise risk management on pages 46 and 48 as well as under corporate governance on pages 54 to 63.

The information presented in this report has been subjected to internal management processes and controls as well as the audit committee oversight as described below.

External assurance has been obtained through the annual financial statements, while the independent auditor's report is contained on page 79.

Responsibility of the Board and approval of the integrated annual report

The Board, supported by the audit and risk committee, is responsible for overseeing the integrity of our Integrated Annual Report. The Board confirms it has applied its collective mind to the preparation and presentation of the report and is satisfied that it is a fair and reasonable representation of the company's performance and outlook.

Forward looking statements

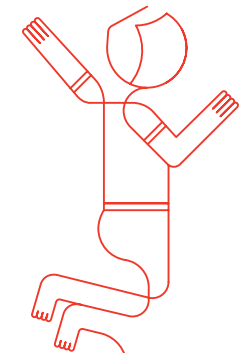
Certain statements in this report are interpretations about the future which SANBS believe are reasonable and based on information available at the date of the report. Outcomes could, however, differ materially as a result of factors such as economic and market conditions, as well as the regulatory environment. These statements should, therefore, not be regarded as guarantees for future performance.

This report was approved by the Board and signed on its behalf by:



Ansie Ramalho
Chairman
13 September 2016

For any feedback or comments contact:
Thembi Masekela
Stakeholder Management
Thembi.Masekela@sanbs.org.za
011 761 9000





CHAIRMAN'S STATEMENT

2

Chairman's STATEMENT

Ansie Ramalho
Chairman of the Board

It's no coincidence that blood serves as a metaphor for passion and commitment. It's evident from sayings such as: "she sweats blood to get the work done in time" and "they are sworn blood brothers". It doesn't get much more personal than giving one's blood for a cause or for a person, whether figuratively or literally. It is, therefore, a privilege and huge responsibility indeed to serve as the chairman of an organisation that facilitates the sharing of the life-giving force – blood.

From the Board's perspective, a highlight of the past year was its appointment of Trevor Vroom as the new SANBS Chief Executive Officer (CEO). Trevor brings significant business experience to the role and there is no doubt, that SANBS will benefit from his strategic leadership in breaking new frontiers for blood transfusion services and products.

Having come to the end of another financial year, there is much to celebrate. SANBS is in a healthy financial position even though debt collection and the decreasing value of the Rand, in particular, continue to raise concerns. Internationally, SANBS is held in high regard in the blood transfusion industry, which is borne out by interactions with our peers on the African continent and abroad. Another feather in the cap of SANBS is that Ravi Reddy, the SANBS Chief Operations Officer (COO), will be taking up the position as president of the International Society of Blood Transfusion (ISBT) from September 2016 for a two-year term, a first for Africa. We congratulate Ravi on this achievement.

During the 2016 financial year the Board strived to strengthen its relationships with stakeholders, particularly the SANBS National Council which is the donor representative body that constitutes SANBS members in terms of the Companies Act 2008. In-depth engagement towards attaining clarity on the role of the National Council vis-à-vis the Board, the role of the council, the donor zone and branch structures, took place. This has led



“
BLOOD SERVES
AS A METAPHOR
FOR PASSION AND
COMMITMENT.”

to a review of SANBS' memorandum of incorporation, which has now been finalised and formally adopted by the National Council. The review of the zone and branch rules are underway as part of phase two of this effort.

An assessment of the Board's performance, its committees and individual members was independently conducted over the past year. Recommendations for the election of directors, whose terms came to an end, were based on this assessment. This has also resulted in a review of the terms of reference of the committees of the Board. The aim of the review was to ensure that work plans were aligned with the terms of references and to eliminate overlaps and fragmentation of duties across committees.

In the light of the continuing developments in the healthcare sector, and the dynamic external environment in which SANBS operates, it has become necessary to focus our efforts on risk management. To this end, the Board has authorised splitting the Audit and Risk Committee into two separate committees, and the IT Governance Committee will be incorporated into the Risk Committee going forward.

Over the past year the Board, sadly, had to take leave of two of its executive directors, Charlotte Ingram, Medical Director and Nandi Mankungu, Chief Financial Officer. SANBS has benefitted from their respective contributions and we wish them every success on this new chapter of their lives. This year, the Board will continue to build a solid working relationship with the CEO, the executive directors and the company secretary.

A five year strategy was adopted to place the SANBS revenue stream on a secure footing in the interest of sustainability and of achieving our vision and mission: SANBS strives to be acknowledged nationally and internationally as a centre of excellence in the discipline of blood transfusion, and to provide patients with sufficient safe quality blood products and medical services related to blood transfusion in an adequate and cost-effective manner. For more insight into our five-year strategy, refer to page 14 of this report. The establishment of a Research and Development Academy, to broaden our relevance and influence, is also moving forward seamlessly.

This report also provides me with an opportunity to pay tribute to Robin Theunissen who very ably led SANBS as our Chairman through the earlier part of this year. It's under Rob's leadership that the appointment of the CEO took place and which laid the foundations for the work done during the latter part of 2015. I would like to thank my fellow Board members, the National Council and the executives for their support. Chairing the Board of SANBS is not a one-person effort.

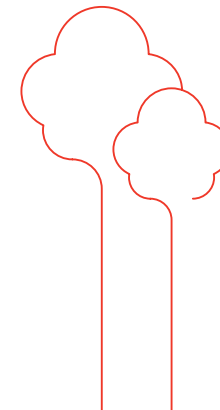


SANBS strives to be the centre of excellence in the discipline of blood transfusion and providing all patients with sufficient, safe, quality blood products and medical services related to blood services in a sustainable manner.



Ansie Ramalho

Ansie Ramalho
Chairman
13 September 2016



SANBS

Trevor Vroom appointed as the new SANBS CEO

SANBS is in a healthy financial position

Ravi Reddy, the SANBS COO, will be taking up the position as president of the ISBT

The Audit and Risk Committee is going to be split into two separate committees.

The board, sadly, had to take leave of two of its executive directors, Charlotte Ingram, medical director and Nandi Mankungu, chief financial officer.

OVERVIEW AND BUSINESS MODEL

3



ORGANISATIONAL

overview

Mandate

SANBS is a non-profit organisation, registered as such in terms of the Companies Act, 71 of 2008, and governed by among others, the Non-Profit Organisations Act 71 of 1997 and the National Health Act 61 of 2003. The official mandate of SANBS is to provide blood transfusion and related services.

Blood matters

In 2005, SANBS was one of the first organisations in the world to introduce the revolutionary individual nucleic acid testing (ID NAT) for HIV-1, HBV and HCV on a large scale. Every unit of blood SANBS collects is tested, ensuring blood issued to patients is among the safest, globally. Refer to pages 32 and 34 for further information on this testing.

SANBS is under constant pressure to deliver blood, other blood products and essential services for the likes of cancer patients, elective surgery, women during childbirth and trauma patients. It's worth noting that while most South Africans depend on SANBS in times of need, less than 1% of the population donates blood. The service must collect approximately 3 000 units of blood every day to meet the pressing demand for this precious resource. To meet this challenge, the brand must be trusted and respected as an essential service for all. Our brand and relationships are critical to ensuring SANBS' long-term sustainability and our ability to provide patients with sufficient, safe, quality blood products and blood-related medical services. Refer to page 25 to 33 for more on how we deliver on our brand and relationships.

The SANBS Vision is to be acknowledged *nationally and internationally as a centre of excellence in the discipline of blood transfusion.*

Its Mission is to *provide all patients with sufficient safe, quality blood products and medical services related to blood transfusion in an equitable, cost-effective manner.*

According to the ABO blood typing system, there are four different types of blood groups: A, B, AB and O. For clarity of donor-to-recipient compatibility, refer to the blood type graphic on page 12.

Core values

Our vision and mission are designed to help us achieve our long-term goals, referred to on page 54. Our core values, T-H-R-E-A-D, ensure that we do not stray from this path.



T-H-R-E-A-D sits at the heart of all our decisions and our strategy. We all have the responsibility to strive to live our values and be better tomorrow than we are today.

DONOR

PATIENT

Blood Type	O ⁻ Donor	O ⁺ Donor	B ⁻ Donor	B ⁺ Donor	A ⁻ Donor	A ⁺ Donor	AB ⁻ Donor	AB ⁺ Donor
AB ⁺ Donor								
AB ⁻ Donor								
A ⁺ Donor								
A ⁻ Donor								
B ⁺ Donor								
B ⁻ Donor								
O ⁺ Donor								
O ⁻ Donor								

Business model

Inputs

Social and relationship capital

- The ability to resonate and identify with all cultures within South Africa
- Strategic relationships with key stakeholders
- 490 914 blood donors

Intellectual capital

- Brand and reputation
- Biggest vein-to-vein service in the world
- Specialised skills
- Research and development

Financial capital

- Self-funding on blood products and services, maintain surplus of at least 7% for Capex and Research and Development (R&D)
- Some funding obtained via President's Emergency Plan for Aids Relief (United States government) which amounted to R9,029 million for the year
- Current ratio of 8:1 with cash reserves of R1,472 million
- Tax exempt status

Manufactured capital

- Total fleet of 350 vehicles, eight million kilometres travelled
- 85 blood banks in hospitals
- Seven processing laboratories
- Four distribution centres
- Two testing laboratories
- Specialist testing equipment (testing, processing, cold chain/storage and waste management)
- Security of energy supply

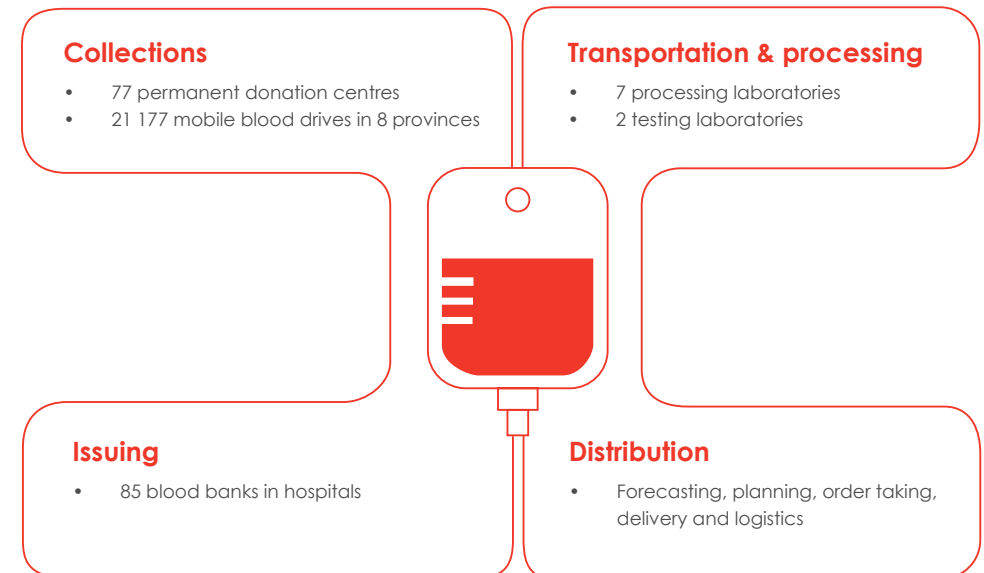
Human capital

- 2 424 staff complement supporting our geographic footprint on page 40 to 41.

Natural capital

- Energy intensive
- Biohazard waste management

Core business activities and processes



SANBS research & development centre

SANBS support process



Outputs

Customers

- Private hospitals/medical aids/patients
- Public hospitals/Department of Health
- National Bioproduct Institute/Pharmaceutical companies

Ultimately, SANBS offer 90 products and services to our customers.

Products which are distributed throughout South Africa

- Whole blood
- Cellular product – red blood cells
- Cellular product – platelets
- Plasma

SANBS provides the following services within South Africa and outside South Africa:

- Cross-match services
- Specialised laboratory services
- Specialised therapeutics
 - Donor transplant screening
 - Genetic sequencing
- Exchange procedures (apheresis)
- Other services, such as:
 - Paternity testing
 - Cryopreservation facility

Waste products

- Consumables
- Discarded blood and materials

Outcomes

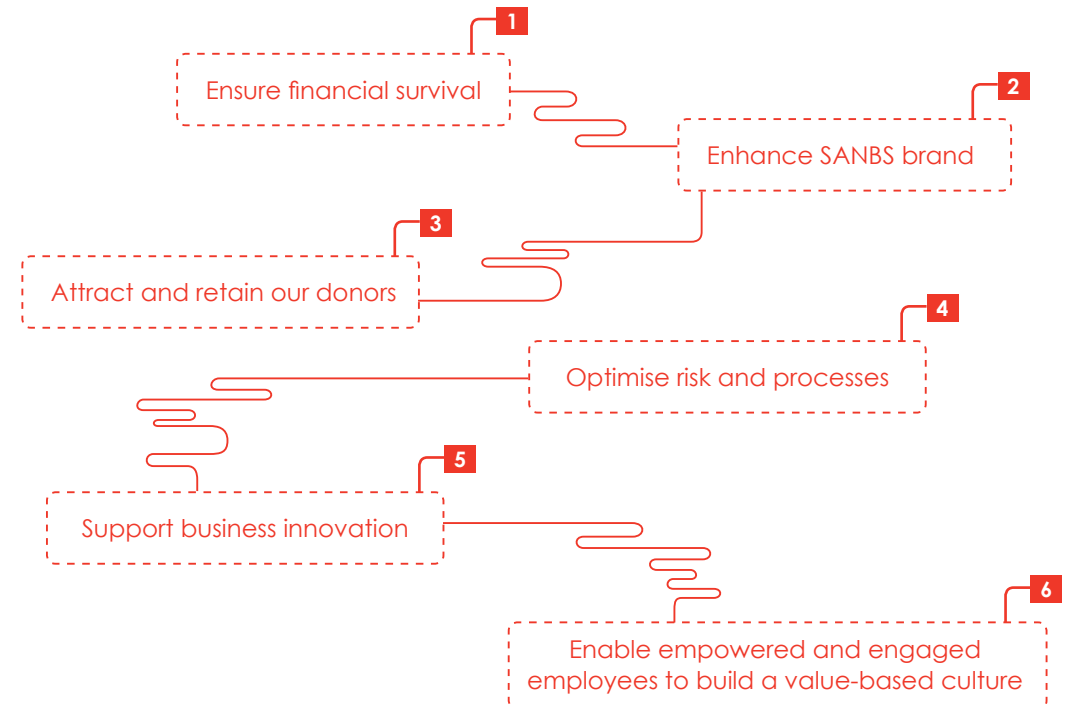
Vision

- SANBS strives to be acknowledged nationally and internationally as a centre of excellence in the discipline of blood transfusion.

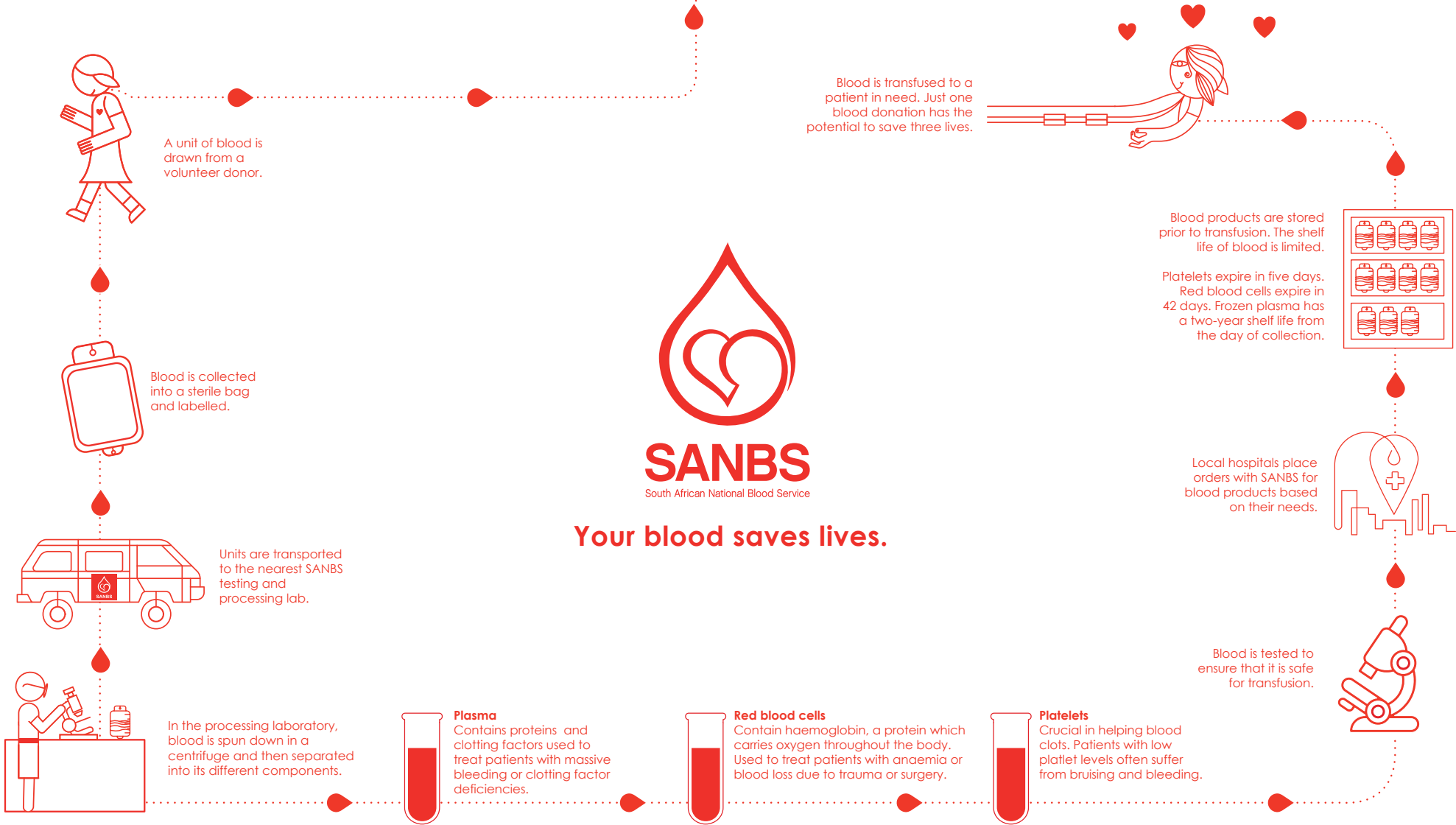
Mission

- Providing all patients with sufficient, safe, quality blood products and medical services related to blood services in a sustainable manner.

Strategic objectives, and five-year strategy 2020



Journey of blood



SANBS
South African National Blood Service

Your blood saves lives.

Business model commentary

Blood collection costs and pricing strategy

SANBS employs a cost recovery model, in determining the selling price of blood. Annually SANBS projects demand (historical data and scientific modelling assist with demand patterns) and target collections to meet these demands. In determining the selling price of blood, various factors are taken into account and these include inflation, exchange rates and general expense increases as well as efficiency gains.

SANBS bills customers based on the costs incurred in collecting, processing, storing, testing, transporting and issuing the units of blood, the breakdown of which is illustrated to the right.

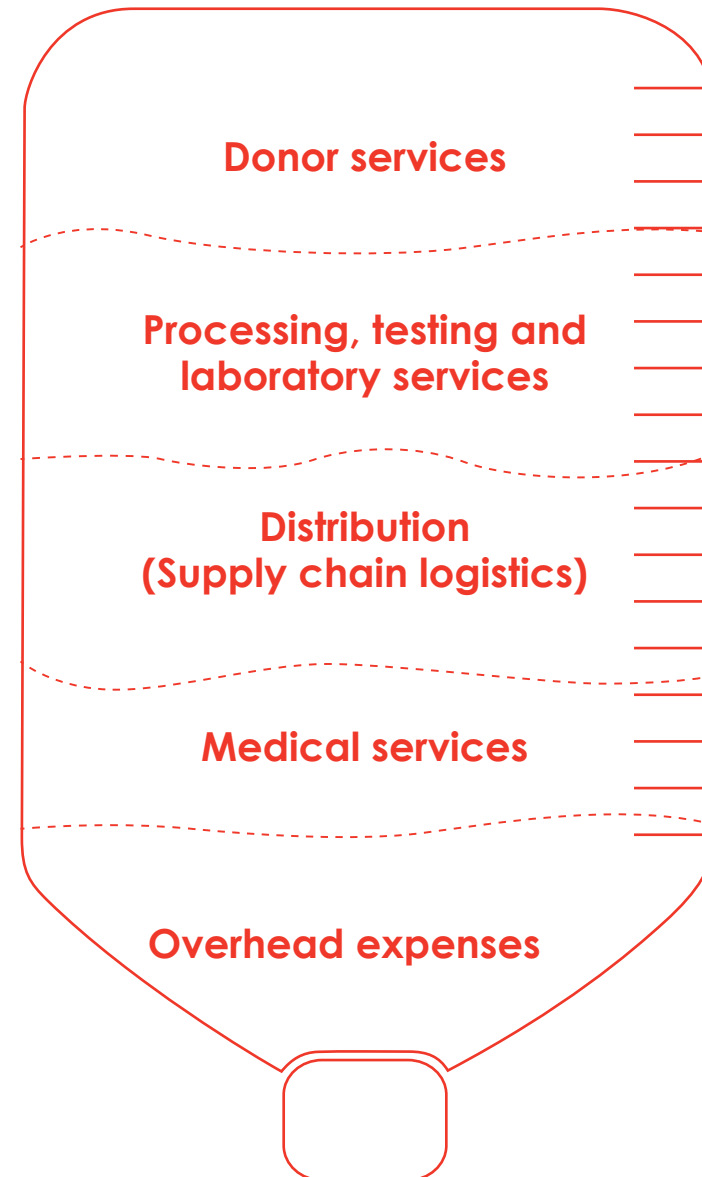
The cost recovery occurs as follows:

- Patients receiving blood in public sector (state) hospitals – SANBS bills the hospital/ provincial Department of Health (DoH) directly and the hospital (DoH) pays from the budget it receives from the National Treasury.
- Patients receiving blood in private hospitals:
 - If the patient has medical insurance, the medical aid scheme pays for the service provided.
 - If the patient does not have medical insurance, then the patient is charged directly and is responsible for payment of the bill.

The cost of collecting, processing, testing and distributing blood across South Africa varies from region to region, and a variety of products such as red cells, plasma and platelets are gleaned from each unit of whole blood. Therefore, individual product pricing is not computed by SANBS. Blood is a biological product and it's extremely difficult to apportion a value to a component such as red cells, platelets or plasma. The annual price increase is, therefore, implemented across the entire product range of approximately 90 products and services as per the SANBS published price list. This methodology has been consistently applied for many years.

The key factors taken into account in implementing the price increase are:

- The current year's sales volume forecasts for the following year.
- Budget for the following year, to achieve sufficient collections to meet the projected demand. Factors considered are inflation, discard rates, exchange rates, increased targets, salary increases, projects and efficiency gains.
- Achieving a surplus to ensure future sustainability. The current target for SANBS is to achieve a surplus of at least 7% of revenue which is mainly to fund future capital expenditure and research and development.





LEADERSHIP REPORTS AND PERFORMANCE REVIEW

4



STATEMENT

Introduction

SANBS has performed well in all areas of the business as outlined on pages 69 to 107. We pride ourselves on being world class in providing sufficient, safe blood to meet South Africans' requirements. Our vision and mission are underpinned by our core values and THREAD is at the heart of all that we do. Six strategic objectives focused in our 2020 strategy, guide the organisation in achieving our goals. Refer to page 52 for more information.

In SANBS' quest to provide safe and sufficient blood to all South Africans, the collections from donors across eight provinces remain a serious challenge. SANBS logistics travel over eight million kilometres per year, collecting, processing, and delivering blood to all hospitals and patients across South Africa.

Ensuring financial survival

Blood collections have increased marginally over the period and are in line with demand nationally. Strategically, SANBS has positioned its pricing below inflation, ensuring that all South Africans received blood at the best possible price. These two factors have placed pressure on future sustainability.

Our brand and relationships

The changing donor panel in South Africa continues to be a key focus area for SANBS. Attracting and retaining younger and demographically relevant donors, spearheads our marketing and advertising efforts. The SANBS brand is a precious commodity and the trust which the government and the private sector has in us keeps us focused on this important task.

Optimising our business

With blood supply top of mind, SANBS has rolled out blood automation equipment to all blood banks, mitigating the risk of human error for the processing of incoming blood samples. The areas of procurement and tender process are strategically important to us. Restructuring this function will see enhanced output and alignment to our transformational and BBBEE (Broad-Based Black Economic Empowerment) policies. SANBS joined the African Society of Blood Transfusions (ASBT) during this year and this membership allows us access to the rest of the continent so we can learn and assist Africa in the advancement of blood transfusion.

Our people

SANBS' objective of being a good corporate citizen, reflects in our ongoing focus on BBBEE. We have made good progress, not only in human capital, but also in the areas of procurement and outsourcing. To this end, a transformational policy document is being developed to ensure that we stay in touch with the needs of a new South Africa.

The development of our employees remains a key focus area, ensuring that we develop and nurture talent for the future. As mentioned earlier by our chairman, the SANBS Research and Development Academy will allow for world-class research and high-quality training and development for all our employees, as well as the rest of the continent, through the ASBT.

Our 2 424 employees continue to focus on the SANBS's business, knowing that we save lives every day.

Acknowledgements

It is with sadness that I say goodbye to three executives who left SANBS under the year of review. Thapelo Mokoena (Marketing Executive), Nandi Mankungu (Chief Financial Officer) and Dr Charlotte Ingram (Medical Director). All three have decided to spread their wings and explore other opportunities. I want to thank them for their contribution and wish them well in the future.

It is my pleasure to welcome Dr Jacqueline Thomson, Medical Director, and Ken Chapman, Acting Chief Financial Officer, to SANBS. Finally, a note of thanks to the SANBS Board and the National Donor Council for their support and guidance.

Thank you,



Trevor Vroom
Chief Executive Officer



“

“OUR 2 424 PEOPLE CONTINUE
TO FOCUS ON SANBS' BUSINESS,
KNOWING THAT WE SAVE LIVES
EVERY DAY.”

CFO's REPORT

on ensuring financial survival

Commentary on financial overview

SANBS reported a strong performance for the year achieving a surplus margin of R360 million - 15% compared to a target of 7%. This largely arose from costs being controlled below the budget targets, on which revenue increases are based. The current ratio was maintained at 8%, though this does include state debt, which is referred to separately in this report.

Key performance areas

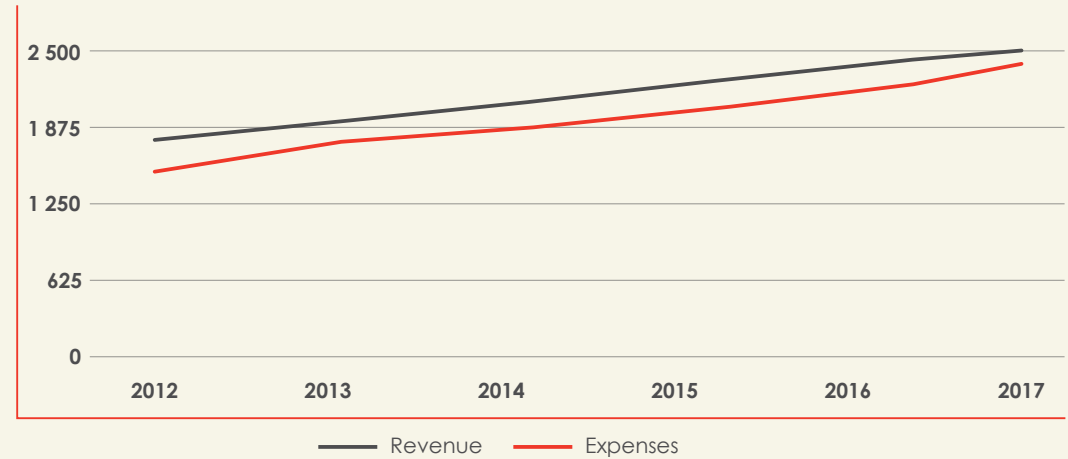
	Achieved	Target
Surplus margin ¹	15%	7%
Staff costs as a percentage of total expenditure	43%	44%
Current ratio	8:1	5:1
Debtor's days	115	<95

Commentary on statement of comprehensive income

Gross revenue

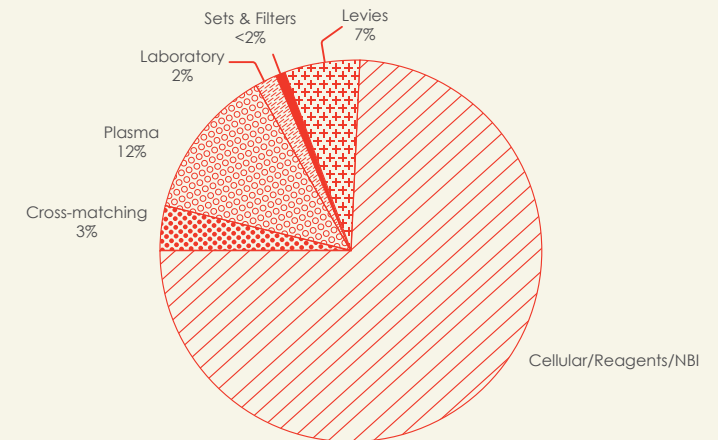
Revenue versus expense – R000 million over six years. The organisation achieved a positive performance for the year in line with previous years, with the surplus achieved exceeding the target of 7% of revenue. Revenue has grown by 36% over the past five years, whilst expenses have grown by 42%.

¹ Surplus margin defined as surplus divided by revenue.



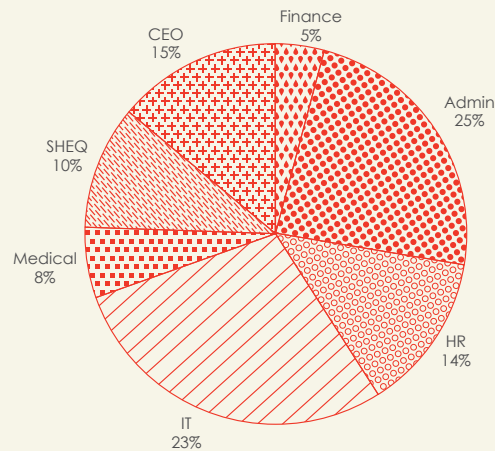
Gross revenue grew by 7% on the previous year and showed a positive variance of 5% against budget. The breakdown of revenue by our customer base is depicted in the graph below:

Revenue split 2016



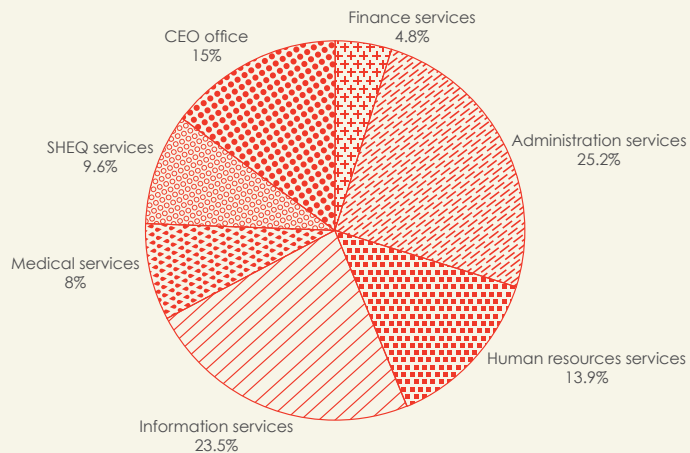
Gross revenue grew by 7%

Operating expenses



R34 million below budget

Overhead expenses



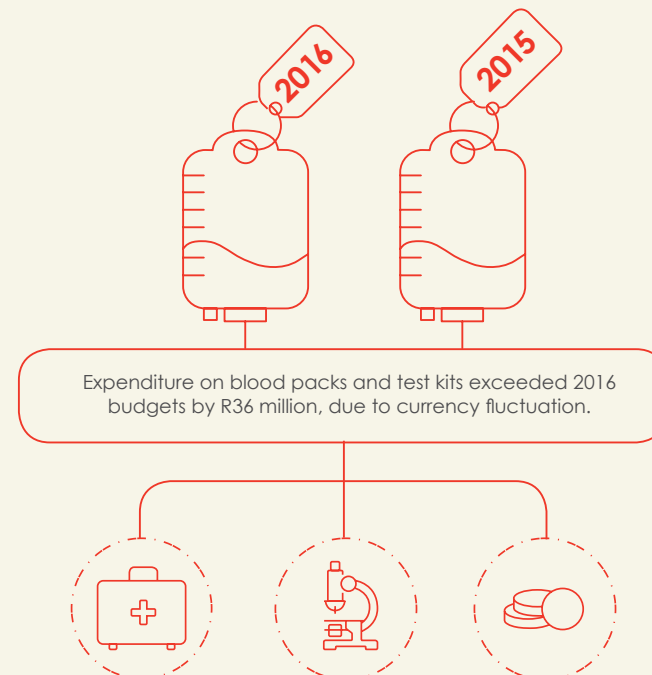
Interest and other income

The interest received from short-term investments is reflected under other income. It is included in the budget as an additional source of revenue, thus being included in the calculation of the required 7% margin on gross revenue required.

Operating and overhead expenses

Total expenses exceeded the previous year by 10% and were R34 million below the current year's budget. Expenditure on blood packs and test kits exceeded 2015 by R36 million owing to adverse exchange rate fluctuations. These were offset by savings pertaining to delays in filling staff vacancies in Information Services and Insurance Savings in the CEO's office. Staff costs and consumables comprise 62% of revenue in line with the previous financial year.

Consumables comprised 23% of revenue in line with the previous financial year, and were adversely affected by the exchange rate fluctuations mentioned above. SANBS implemented a strategic initiative three years ago to maintain price increases at minimum levels, although above inflation cost increases have been experienced. For the current year, this resulted in a selling price increase of 7% while expenses grew by 10%. The total cost subsidy relating to selling price increases over the past three years has been R167 million, which has affected overall surplus whilst maintaining this above the target of 7%.



Internal cost control and alignment

SANBS has an obligation to provide blood in the most cost-effective manner, which requires that all internal processes are reviewed continually to eliminate excessive costs and to optimise systems. We are further challenged by being a world leading organisation in the supply of blood, with the required need to continually enhance computer and analytic systems to maintain our renowned positioning.

During the ensuing year, SANBS heads of department will review all costs under their control and eradicate wastage within the organisation. This is reflected in our declared strategy.



Ensure financial survival and to optimise risk and processes.



Commentary on statement of financial position

Cash and cash equivalents

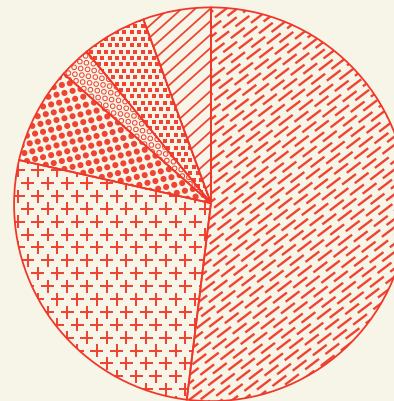
SANBS aims to cover six months' operating expenses in the form of cash and cash equivalents, to maintain stability in a volatile economy. This ensures that SANBS will be able to operate effectively and provide hospitals and patients with blood and services for at least six months should they be unable to recover revenues from customers.

SANBS is confident that the financial resources available are sufficient for the organisation to continue operating into the future. This is supported by the statement of financial position presented on page 82. To ensure that this financial position continues to be sufficient, SANBS is exploring all possibilities to address the profitability concerns raised in the CEO's report on page 20 as well as in my commentary on operating and overhead expenses.

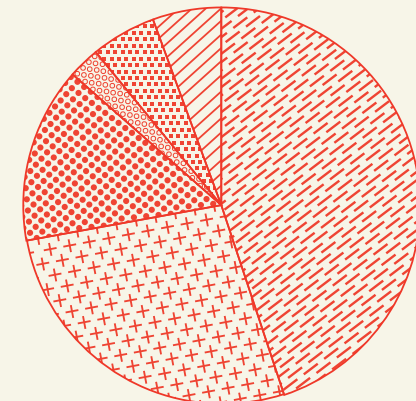
Receivables

Gross trade receivables before impairments totalled R874 million for the year, compared to R653 million for 2015. As per note 10 on page 96 of the annual financial statements, this largely relates to impaired trade receivables exceeding 90 days and 150 days.

2016 Gross receivables



2015 Gross receivables



2016 R874 million

2015 R653 million

State

The graphs on page 22 show that the increase in state debt accounted for R158 million out of the total increase in gross trade receivables of R221 million. In addition, the annual usage of blood products in provincial hospitals continues to exceed the national monetary allocation.

State debt will exceed R600 million by March 2017, representing 50% of our strategic reserves.

Strategies have been put in place to address this funding issue at provincial and national level with government CFOs, MECs and Ministers.

Effective management could result in increased cash availability exceeding R100 million from state hospitals. In terms of our impairment policy, 20% of state debt exceeding 120 days has been provided for.

Private patients

Out of a total of R80 million due by private patients, R63 million exceeds 120 days, which have been fully provided for in terms of our impairment policy.

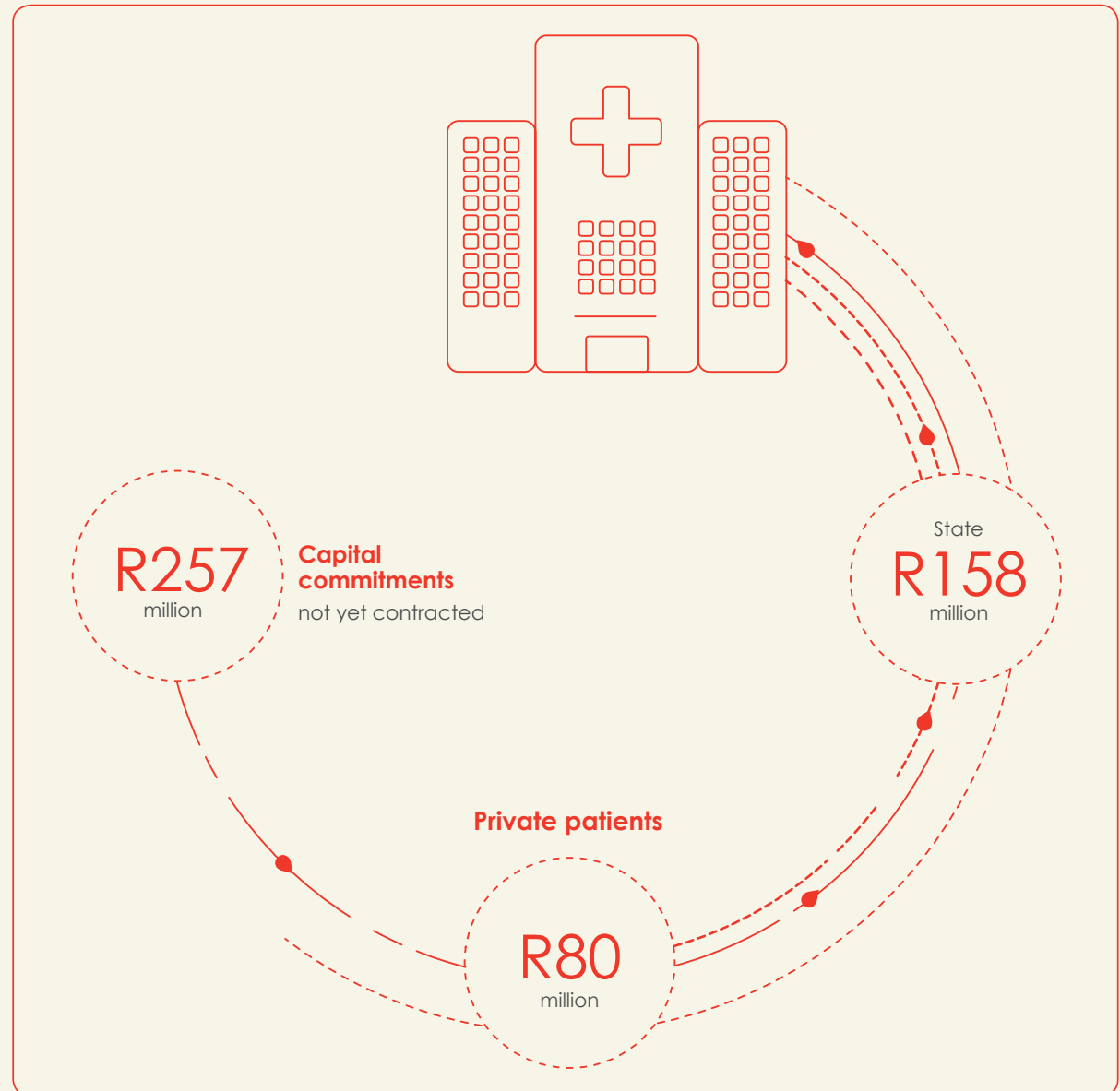
This situation largely emanates from receiving incomplete patient data. Refer to future focus areas on page 24 on initiatives to be put in place to remedy the current position.

Forward factors

Although the proposal roll-out of the NHI provides a new challenge, the timings and consequences are uncertain as of yet.

Capital commitments

Commitments have been approved by the Board, but not yet contracted, totalling R257 million (2015: R213 million).



Future focus areas

Receivables management and building key relationships

A task team has been appointed to address the ageing of state debt and a lack of current funding at provincial and national levels.

SANBS is also engaging with blood banks to obtain more complete and accurate patient data. In addition, SANBS is finalising an agreement with an external agency to help follow up outstanding private patient payments. This will result in debt recoveries, which have been fully provided for, and will require a lower debtors provision. A 10% reduction in the current year provision for doubtful debts (R43 million) would lead to a reduction of R4,3 million in expenses and an improved cash-flow position.

Expenses

Executive management has embarked on a rigorous review of departmental costs. A 5% reduction in current year expenditure would result in savings of R100 million.

Procurement system enhancement

As mentioned under **Optimising our business** on page 18 of the CEO's report, a current initiative is being implemented relating to category management and strategic sourcing, which will achieve significant cost savings over the next three years.

Accounting policies

The Board resolved that the organisation would adopt an accounting policy of no early adoption of new accounting standards. This resolution was implemented and is for all practices going forward, not just for the year under review.

Investment management committee

During the year an investment committee was established comprising of the CEO, CFO, Finance Manager and Risk and Enterprise Manager. Their role will be to more effectively manage our investment portfolios to ensure good governance is applied, whilst optimising our investment returns.



Ken Chapman CA (SA)
Acting Chief Financial Officer



OUR BRAND AND relationships

Introduction

SANBS actively engages with all key stakeholders to adopt the following activities:

- Promoting the inspirational and aspirational role that the SANBS brand plays in making a difference in people's lives,
- Reaching out to all South Africans using touch points and tools to support SANBS in building relationships,
- Creating and strengthening lasting partnerships through mediums in which blood recipients, donors, healthcare providers, civil society organisations and the private sector feature prominently.

Refer to page 47 for further information on our key stakeholder relationships.

SANBS has invested significantly in value-generating resources and this makes it one of the leaders in its field internationally. Media outreach is essential in building public awareness. Without the continued generosity of blood donors providing and delivering quality, safe and adequate blood products and services would not be possible. No amount of words can express the gratitude of the hundreds of thousands of people whose lives have forever been changed by our donors.

The Gaz'Lam campaign

The **Donate a Lifetime** Gaz'Lam campaign was the primary 2016 campaign which embodied a call to action and a statement of purpose underpinned by the importance of blood and the donation of blood. The campaign brought to life our brand essence in a more emotive manner across various platforms. This campaign focused on the stories of people who have survived thanks to blood transfusions, which essentially is thanks to all the blood donors.



Gazlam

noun · /gaz-lam/

**Zulu word for “blood relatives”
or “brotherhood”**

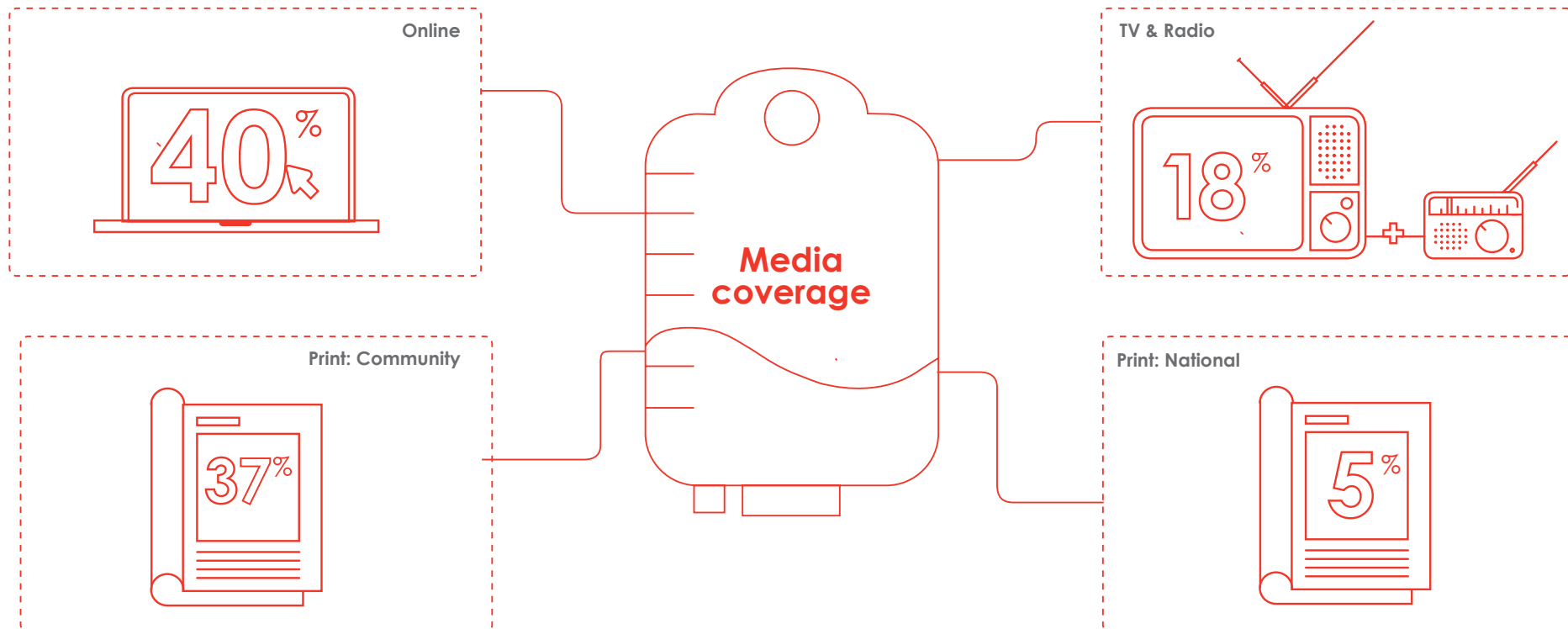
Awareness, blood collections and usage

SANBS has 77 fixed donor centres and hosts in excess of 21 177 mobile blood drives in eight provinces. Our national footprint and details of our business model, which ensures safe collection and transport of blood, are contained in this report on page 32 to 36

SANBS reaches diverse audiences across demographic groups by targeting different media outlets. Most coverage achieved was positive, reflecting the objectives and messages fairly and accurately. Measured as an equivalent of advertising rates, the publicity was valued at R7 million. The spread of media coverage, illustrated below, shows penetration into the existing and prospective donor base.

Maintaining a donor panel with balanced contributions from the different age categories is critical to ensuring that SANBS continues to remain sustainable in procuring sufficient safe blood. Existing and prospective donors receive educational and motivational content that focuses on key public health issues, such as the new threat of the Zika virus.

Attracting and retaining younger and demographically relevant donors spearheads our marketing and advertising efforts. SANBS therefore has adopted a proactive approach to media relations. During the period under review, SANBS received 637 items of editorial media coverage across print, online, television and radio channels. Refer to the below breakdown of media coverage on SANBS during the year.

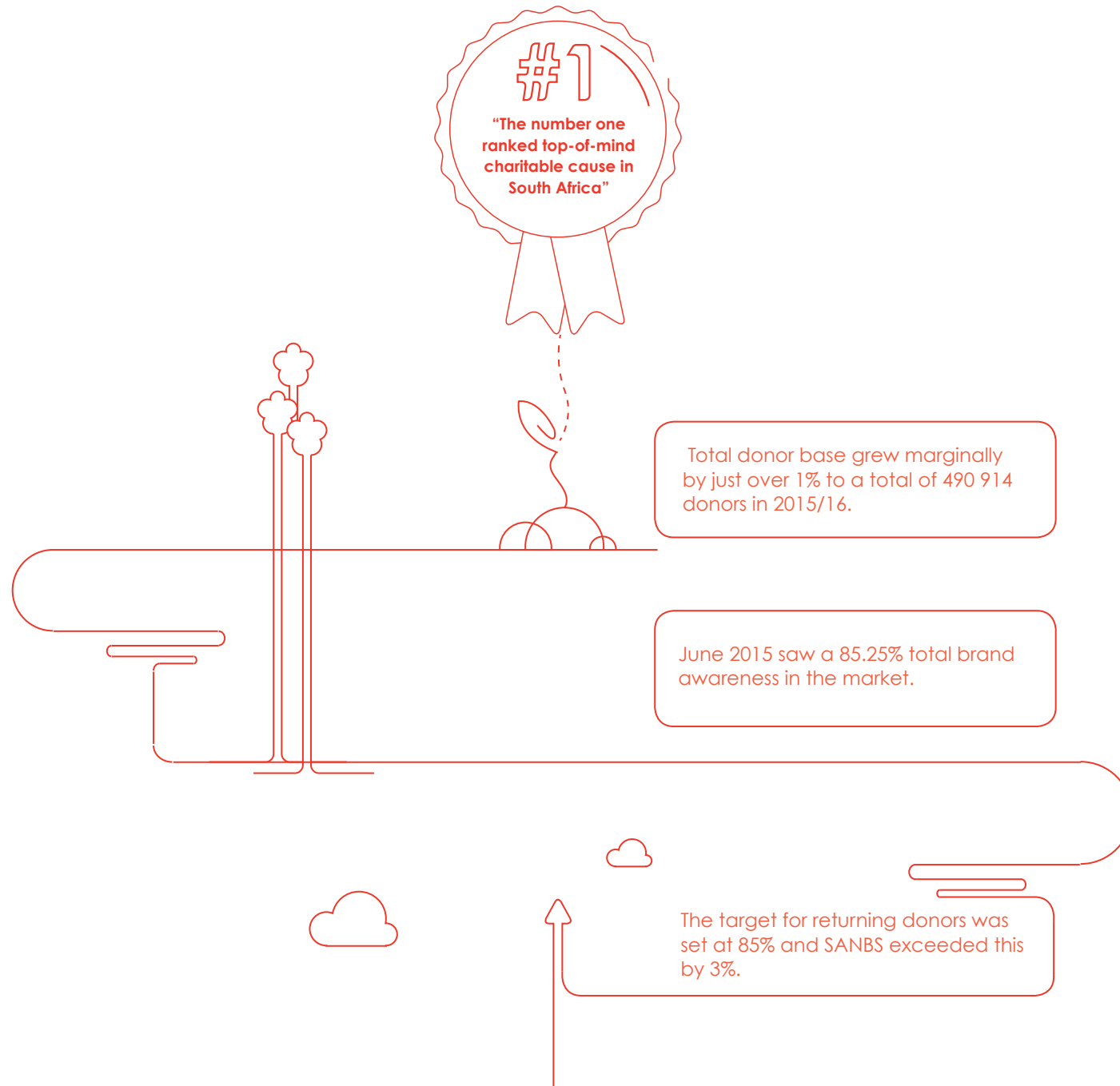


Through various research projects and market trend analyses, it is clear that traditional marketing activities are becoming less effective to ensure a brand's sustainability. Digital advertising and extracting the potential of SANBS' digital consumers has received a significant focus. This method of advertising is cost effective and more easily measurable.

The SANBS brand positioning as **the number one ranked top-of-mind charitable cause in South Africa** is a key driver of our success. The brand was measured through Millward Browns' Brand Tracker and peaked in June 2015 at 85,25% total brand awareness in the market.

Retaining regular donors and attracting lapsed and repeat donors was a remarkable achievement over the past year. SANBS has set a target of 85% returning donors but has exceeded this by 3%. This is one of the highest return rates among blood donors globally. The total donor base grew marginally by just over 1% to a total of 490 914 donors in 2015/16.

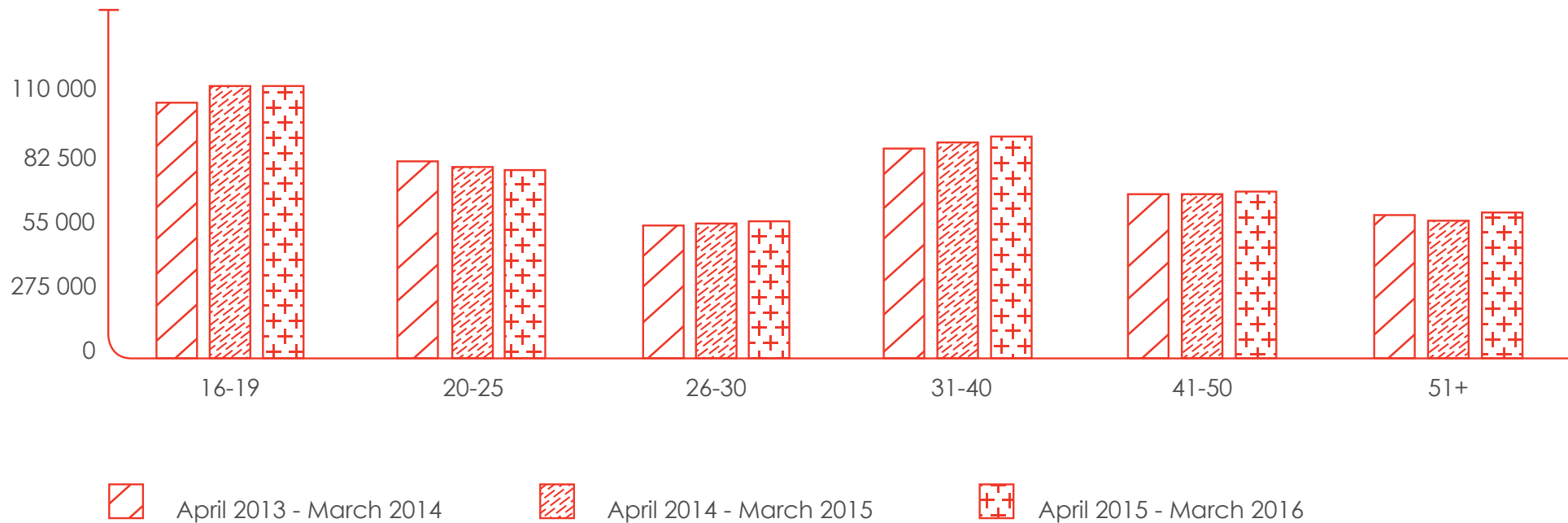
The graph on page 29 illustrates the profile of the age group of our donors. Attraction and retention of 16 to 19-year-old donors still remain critical to the national blood supply. The age profile of donors has remained fairly consistent as can be seen by the three-year trend.



Over the years, starting in 2012, there was concern regarding conflicting legislation around the consent of 16 to 18-year-old donors. These donors contribute about 10% of the total national blood supply; hence a submission was made to the DoH, citing reasons, for official permission, to allow access to the 16 to 18-year-old donors.

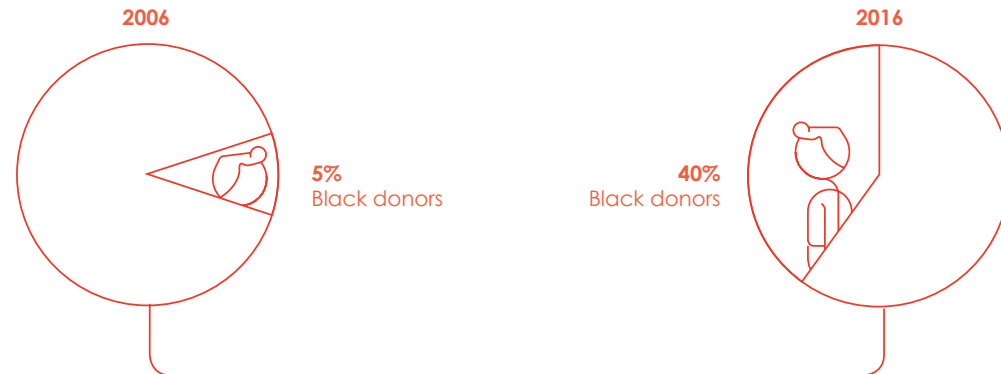
The Minister of Health replied, informing SANBS that the department was considering changes to the regulations to clarify that 16-18-year-old donors may donate without parental or guardian consent. As a result, the new regulations were gazetted and no objections were raised. We look forward to growing and continuing our relationships with this donor base for an ongoing blood supply and ongoing education to advise the youth on lower risk (e.g. safer sexual) behaviour.

Three year donor panel by age group

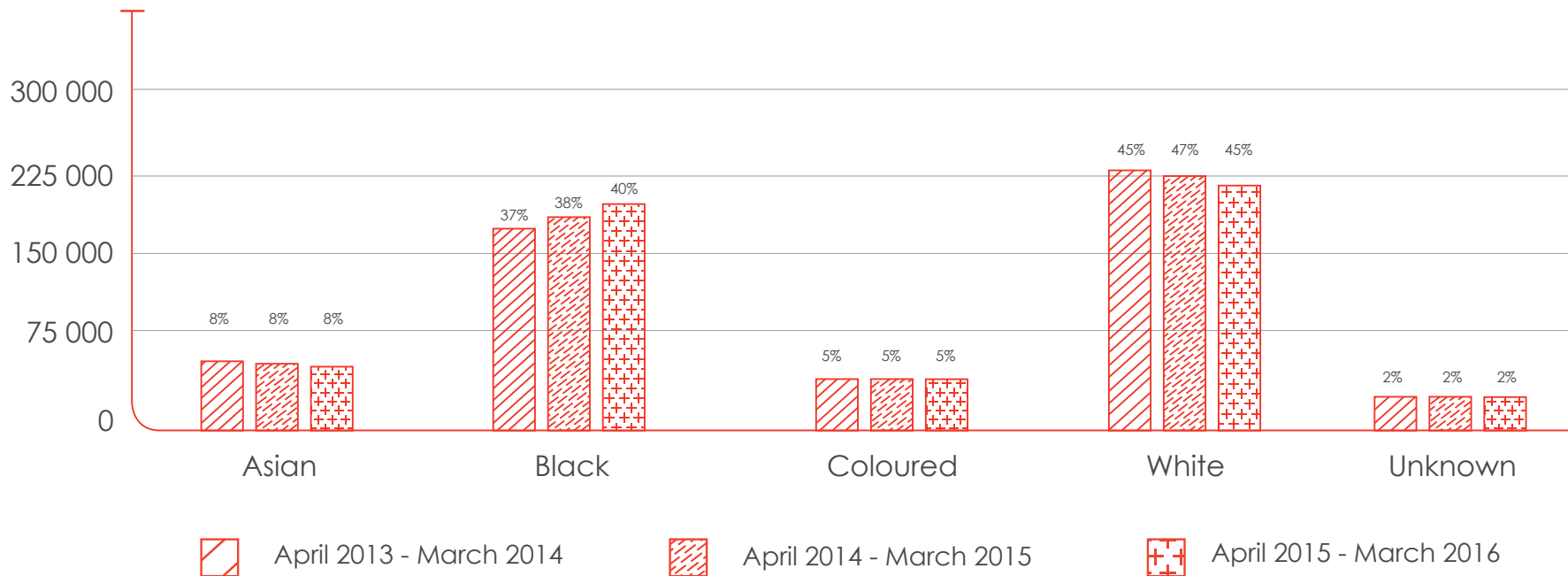


A critical strategic focus over the past few years has been to increase the black donor base and ensure a sustainable donor base for the future which represents the demographics of our country. Black donors now comprise 40% of the donor base, which is a significant achievement considering that black donors made up less than 5% of the donor base 10 years ago.

While the percentage of white donors is decreasing, the overall number of white donors on the panel remains fairly constant as depicted below.



Three-year donor panel by ethnic group

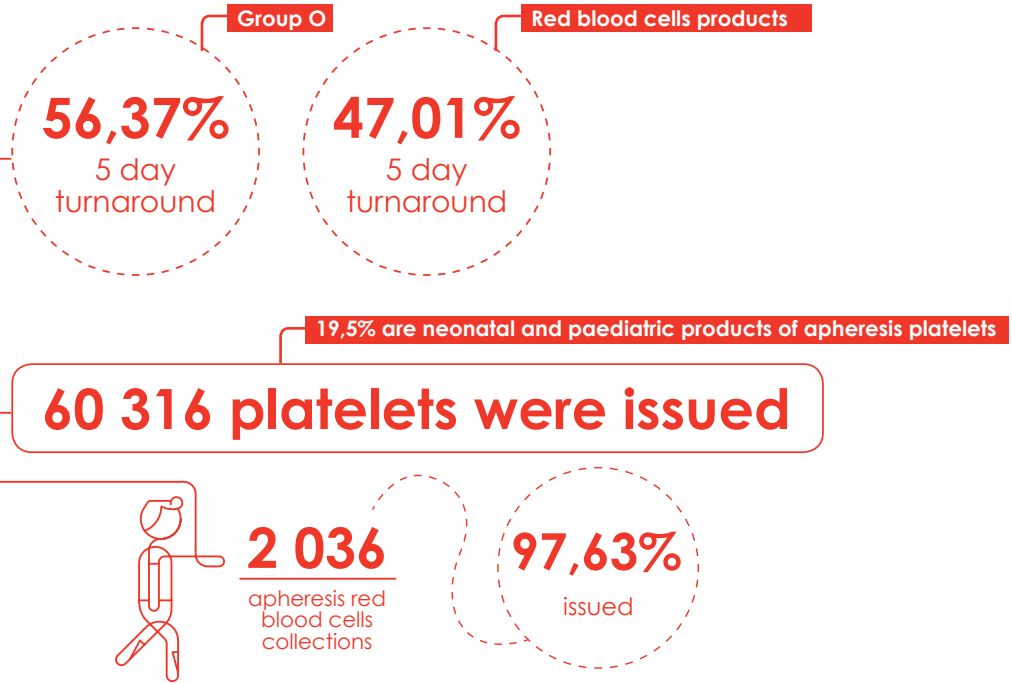
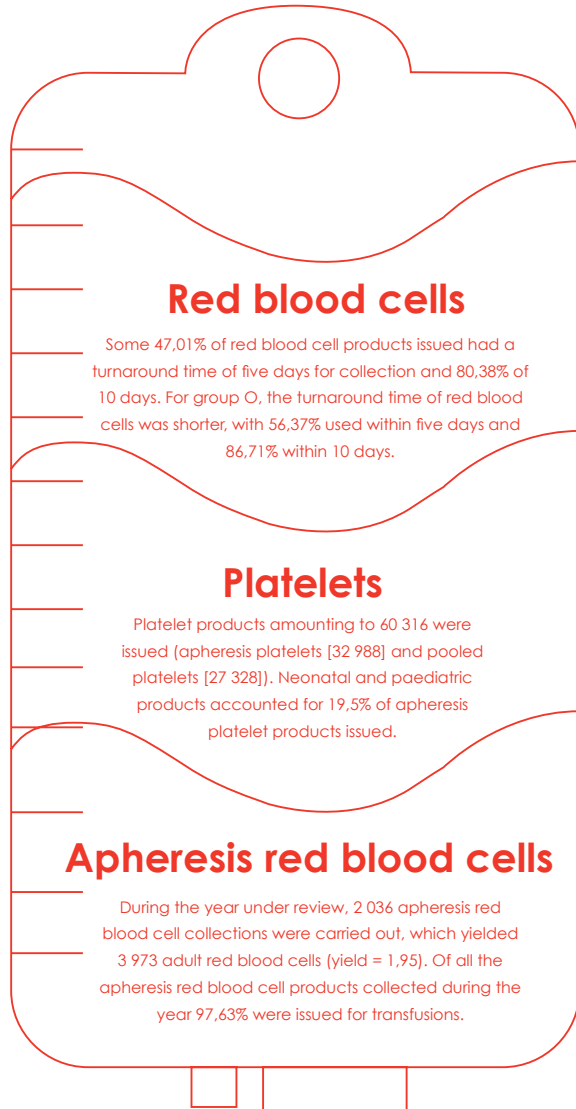


Whole blood

During 2015/2016, 831 114 whole blood collections were carried out which resulted in the collection of 814 492 completed whole blood donations and 16 622 (2%) incomplete donations (incorrect volume or donor risk). Whole blood collections for 2015/2016 were 2% above target for all groups and 3% above target for group O. This is largely because of improved collections, planning and scheduling during the year, as well as promotions thanking regular blood donors

It is extremely important that every unit of blood is collected efficiently with minimum discards. The production discards amounted to 0,54%, which is significantly below the scorecard threshold of 2%. This has meant that more blood components were available for issue and costs were lower.

Taking into account incomplete donations and discards, viral-negative whole blood donations for 2015/2016 amounted to 805 041. Of that, whole blood donations where the red blood cell components were used amounted to 785 991. This meant that 97,63% of viral-negative whole blood collections were used for transfusions of either adult or paediatric red blood cell products. Public health services use the majority of blood products: 64% of red blood cell products, 58% of plasma products, and 51% of platelet products collected.



Donor safety

SANBS continuously monitors the safety of its donors. For compliance to the National Health Act and reporting adverse donor and transfusion-related events to the Minister of Health, SANBS submits an annual haemovigilance report to the DoH and the parliamentary library.

SANBS uses new, sterile and disposable equipment (blood bags, tubes, finger prick needles and other needles) for each donation. These are used only once, discarded in a specialised waste container and incinerated. Trained staff collect all blood donations and observe strict protocols. Further assessments include haemoglobin levels, where applicable, pulse rate and blood pressure.

Donor adverse events remained constant at 0,53% over the period. The rate remains below the set threshold of 2%. The rate of donor deferrals was 19,19% as opposed to 19,11% in 2014/2015. The main reason for donor deferrals in 2015/2016 was haemoglobin failure at 37,20% – an increase from the 34,12% in 2014/2015.

Although we have seen a 2% increase in blood collections from black donors, retention remains a challenge, largely due to the exceptionally high deferral rate of 27% among black donors. This is primarily because of low haemoglobin. Four Donor Deferral Officers have been appointed to focus on educating deferred donors, monitoring deferral trends and contributing to strategies to address the increasing deferral rates.

Based on the results of the completed Phase I iron study, the implementation of certain interventions of revised male haemoglobin cut-off, ferritin testing, iron supplementation and the management of donors over 65 years are being investigated.

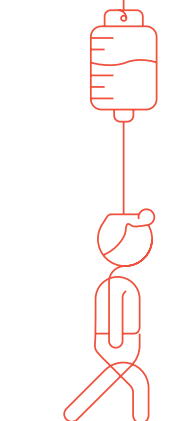
Blood safety

SANBS benchmarks set an international level to ensure blood safety, adopting guidelines from the World Health Organisation (WHO). This international standard, along with continuous research and investigation on best guidelines relevant to South Africa, has placed South Africa among countries with the safest blood supply in the world.

Blood is only collected from voluntary non-remunerated blood donors who lead safe lifestyles and meet the minimum criteria for blood donations.

SANBS conducts individual nucleic acid amplification tests (ID NAT) on every unit of blood donated. This very sensitive molecular test detects the presence of the RNA and DNA of the HI virus (HIV), hepatitis B virus (HBV) and hepatitis C virus (HCV) in blood. South Africa was the first country globally, to implement individual donation-NAT testing to test all blood donations. In addition, SANBS performs serological testing to detect HIV, HCV, HBV and syphilis.

*We don't take
any chances, so
that you can have
a second chance*



At SANBS we pride ourselves in using the healthiest blood from the healthiest donors and every aspect of the transfusion process is meticulously monitored to ensure the absolute safety of our donors and recipients. Your blood saves lives.

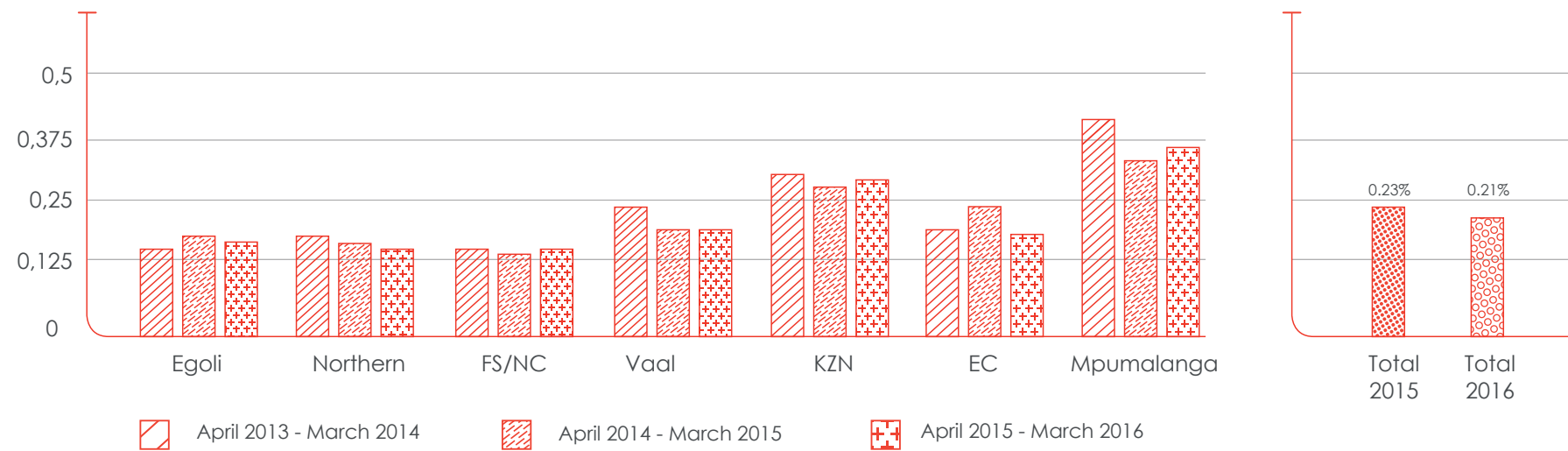
HBV and HCV

The hepatitis B virus (HBV) rate increased to 0,09% from the previous year's rate of 0,08%. The hepatitis C virus (HCV) rate increased slightly to 0,0076% since the previous year's rate of 0,0075%.

HIV

The overall HIV rate for the year was 0,23%. SANBS has detected a downward trend in the overall HIV rate among all donors over the past few years. The graph below depicts HIV prevalence for the last three years per zone.

HIV rate (&) by zone



OPTIMISING OUR *business*

Blood is a national resource and SANBS is legally and ethically obliged to ensure donor safety, promote appropriate blood usage and optimise transfusion safety in South Africa.

Blood collection

To address the quality concerns during the blood collection process namely overbleeds and dot formation, SANBS has implemented blood collection scales and automated blood bag mixers at all mobile and donor collection sites to decrease overbleeds. A total of 685 blood collection scales have been introduced to 31 branches, which has helped to standardise the collection process and minimise product loss.

During 2015/2016, the development and validation of a unique cold-chain system for transporting whole blood from collection to processing centres was implemented. The system design incorporates a secondary set of eutectics, which allows the removal of extraneous heat from collected whole blood prior to sealing and transporting.

Blood safety testing

During the 2015/2016 fiscal year, the Operations Testing Department performed two evaluations through the tender process.

Firstly, a large evaluation of two nucleic acid testing systems (NAT). The evaluation comprised 25 000 tests to determine sensitivity, specificity, invalid run rate, failed run rate and mean time between failure. The Grifols Ultrio Elite assay to be run on the Panther instrument was chosen to screen SANBS blood donation for HIV, HBV and HCV using ID-NAT. Eight Panther instruments in the Constantia Kloof Testing Laboratory and four in the Pinetown Donation Testing Laboratories were validated and implemented respectively during December 2015 and January 2016.

Secondly, four tests for syphilis screening were evaluated and the Axis Shield TPHA was replaced by the Biorad TP200 assay owing to increased sensitivity, and this was implemented during 2015.

In line with World Health Organisation recommendations, SANBS has a proactive Haemovigilance programme in place and a Transfusion Transmission lookback programme, whereby all adverse events and transfusion transmission infections are reported. For further detail, refer to our SANBS website.

The Operations Department also took part in some research initiatives throughout the year. First, the Virology Reference Laboratory was instrumental in the commencement of the REDS III Management of an acute MATHS study in identifying donors for enrolment and, if enrolled, performing a number of tests on each follow-up sample, as well as processing large volume leucopacks into peripheral blood mononuclear cells (PBMCs) for further investigations and research. HIV positive blood donors with very early infections are

enrolled into an early treatment to study HIV reservoirs.

Donation Testing performed an anti-HBc study. The aim of this study was to determine the rate of anti-HBc among HBV-negative blood donations, and compare the rate in donors that tested NAT Non-Repeat Reactive (NRR) on a previous donation. The HBV-negative blood donations had a significantly lower rate of anti-HBc (9,3%) than the NAT NRR group (26,4%) ($p < 0,05$).

While the state-of-the-art testing has been implemented to detect HIV, HBV and HCV, there is still a risk of other viral and bacterial transmissions, especially through pooled platelets where the platelets from five donors are pooled to make one product. SANBS has been investigating pathogen inactivation/reduction (PI/R) for the platelet products during 2015/2016. PI/R increases the safety of these products by destroying any bacteria or viruses that may be present.

Cross-matching

SANBS has made a strategic decision to change the cross-matching procedure in blood banks from the conventional tube technology to an automated system. Automation offers many advantages, such as standardisation of testing and reading results, enhanced sensitivity and specificity, a reduction in human error and the transcription of results. Two systems have been selected after an extensive evaluation. Some 36 of the 85 blood banks have already been automated, while 19 have gone live i.e. switched to the new technology. The introduction will continue and it's expected that all blood banks will be automated by August 2016.

Management of the usage of group O blood has been a strategic priority. Group O blood can be used in emergency situations and rural hospitals without being cross matched.

Over the past three years:

- Blood on returnable basis systems has been implemented nationally, so that blood not used for patients can be returned to the blood bank for reissue,
- Improved management of ward stock blood, placed in emergency blood fridges in 417 hospitals to ensure appropriate use,
- Four blood conservation officers were appointed to ensure steps to conserve the use of group O blood,
- Rostered staff shifts in smaller blood banks were implemented to give greater coverage to hospitals for cross-matched blood instead of group O ward stock blood.

This has significantly reduced the use of group O blood, reducing pressure on collections staff to collect more group O blood. Usage of group O ward stock blood has decreased and overall group O blood has decreased from 53% of all blood issued to 49,74% in 2015/2016.

Research and development

The international South African blood transfusion standard and continuous research and investigation into the best way to adapt guidelines for South Africa makes our blood among the safest in the world. The laboratory work on a study to evaluate the safety during blood transfusion and the efficacy of radio frequency identification (RFID) has been completed and a data audit and analysis is underway. The preliminary results indicate a 100% read and transmit rate and no significant deleterious effect on any of the blood products tested. As RFID is emerging as an invaluable logistics tool in international blood transfusion, these encouraging results will allow SANBS to investigate harnessing this technology in the future.

The long-awaited clinical trial of a unique platelet-derived growth-factor treatment for chronic venous ulcers, developed by our staff, is about to be initiated. The study will compare the wound-healing rates of patients with active ulceration of a test (growth factor treatment) and control (standard conventional treatment). Should the results of this large clinical study confirm the previously observed, but largely anecdotal, benefits of the growth factor treatment, it would have a positive effect on the quality of life for South Africans suffering from this condition and could represent a significant alternative revenue stream for SANBS.

Knowledge sharing

Three scientific studies from the Operations Testing Department were presented at various international conferences; the ISBT meetings in London and Bali, and the International Plasma Fractionators Association (IPFA) meeting in Stellenbosch, Cape Town. SANBS also had significant input in the South African National Blood Transfusion Congress held during the year.

Operations management, led by the COO, facilitated a strategic planning session for the Ethiopia National Blood Service and helped to improve the quality and technical systems of the blood service. An agreement of collaboration was signed with the Beijing Red Cross Blood Service to facilitate the transfer of information between the two services.

Specialised therapeutics and transfusion services

This was the second year since the therapeutic apheresis service was implemented. Staff of the service have successfully completed the Joint Task Force on Apheresis Certificate for practitioners and trainers issued by the ISBT Working Group on Apheresis. This makes SANBS the only blood service on the continent with such certification. Currently a process is underway for stem-cell transplant-related services to be JACIE accredited within the next two years. In view of this, therapeutic apheresis services have been integrated into the SANBS Quality Management System for the first time. Therapeutic apheresis services have supported operations through contract renewal and quality. Total procedure volumes have increased by 41% year on year, with 1 767 procedures performed. Total revenue for the service has increased by 38% year on year, with a record total revenue of over R14 million.

Legal compliance in the medical division was allocated to the STS lead consultant in 2015. An initial submission to the Consumer Commission on the status of blood products as "goods" resulted in a non-binding finding that blood products are subject to the Consumer Commission. SANBS' status in relation to the Medicines and Related Substances Control Amendment Act has been amalgamated with that of the Western Province Blood Transfusion Service (WPBTS) in relation to the blood establishments' status as dispensers or administrators of medicines. SANBS was requested to provide expert opinion in two Inquest Act-related investigations associated with transfusion-related deaths. These affidavits were submitted in 2015. Annual renewals of FDA registration and radioactive source authority renewal were completed. Opinion on registration of SANBS biobanks was obtained from the University of Witwatersrand's Steve Biko Centre for Bioethics.

A study of new income streams for SANBS was allocated to the STS lead consultant and presented to the SANBS Board for consideration in the strategy going forward.

Specialised laboratory services (SLS)

SLS' are made up of a group of the South African National Accreditation System (SANAS)-accredited laboratories that provide extended and state-of-the-art diagnostics in support of SANBS Operations (blood banks). SLS' assist in the evaluation of difficult cases, such as investigations into transfusion reactions, the identification of unusual antibodies, and the provision of compatible blood. The Immunohaematology Reference Laboratory is the custodian of the Rare Donor File through which rare blood group units are provided both nationally and internationally. Antenatal testing is provided to determine the presence of obstetrically significant antibodies in order to manage and prevent HDN. SLS' produce national reagents of blood grouping for all SANBS laboratories, NHLS, private pathology companies and for the SADC (Southern African Development Community) region.

Essential complementary diagnostic methods are provided to support diagnostic and therapeutic interventions such as: diagnosis of rare blood types using genotyping methods, laboratory work-up for organ and bone marrow transplantations, diagnostic assays for pre-natal diagnosis of congenital diseases and facilities for stem cell cryopreservation supporting the STS unit.

SLS achievements

Testing highlights:

- In the last financial year, SLS have continued to perform an essential cadaver-testing programme for organ and bone marrow transplants in South Africa,
- 3 513 potential bone marrow donors were human leukocyte antigen HLA typed and added onto the South African Bone marrow Registry (SABMR),
- 39 cadaver, cross-matches were performed for solid organ transplantation,
- 1 496 cross-matches were performed for potential solid organ transplantation.

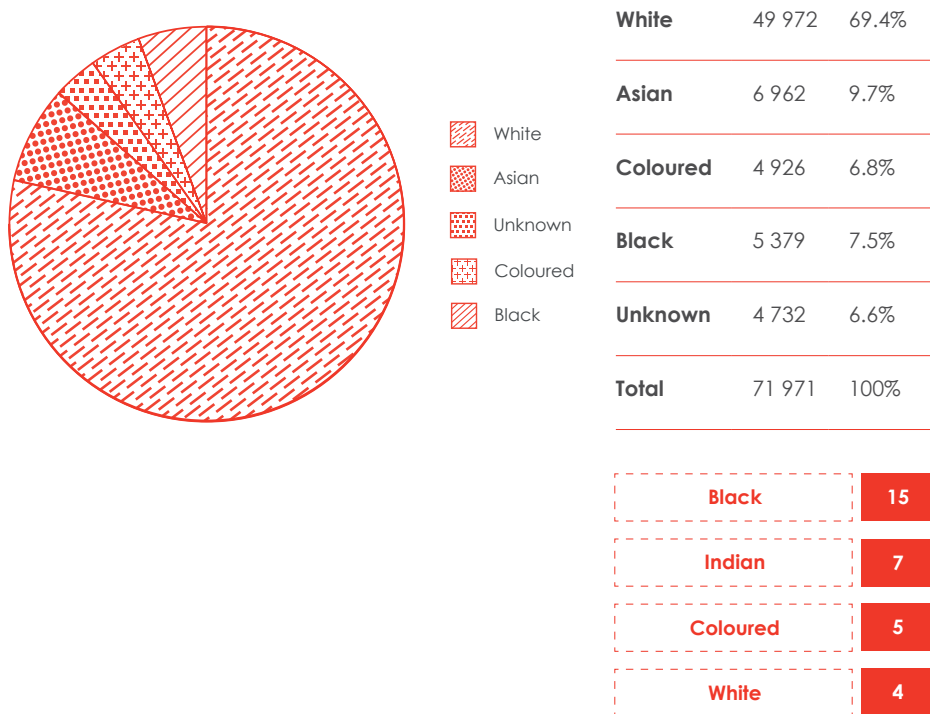
SLS' reference laboratories issued 51 rare blood units locally. The renovation and relocation of SLS laboratories to a state-of-the-art facility has been completed in Constantia Kloof (Johannesburg). In these new facilities SLS' will continue to evaluate Next Generation Sequencing using the Illumina platform for the resolution of complex HLA typing and rare red blood cell groups.

SANBS collaboration in the recruitment of donors onto the South African Bone Marrow Registry (SABMR)

It is recognised internationally that, for various reasons, regular blood donors are more willing to make themselves available to donate bone marrow (or peripheral blood stem cells) if they are found to be a match for a particular patient. SANBS undertake the HLA typing tests on these donors for the South African Bone Marrow Registry (SABMR). Of the 71 971 donors on the SABMR database, 34,4% have been HLA-ABDR typed as of 31 March 2016. The following statistical information on the ethnicity of prospective haematopoietic stem-cell donors by ethnic group has kindly been provided by SABMR.

Bone marrow donor staff recruitment

SANBS started an initiative for the recruitment and testing of SANBS staff interested in becoming bone marrow donors. 31 donors were recruited into the following racial groups.



White	49 972	69.4%
Asian	6 962	9.7%
Coloured	4 926	6.8%
Black	5 379	7.5%
Unknown	4 732	6.6%
Total	71 971	100%

Quality Control Department

The SANAS-accredited Quality Control (QC) Department follows a set of procedures intended to ensure that SANBS-manufactured blood products adhere to a defined set of quality criteria as defined by the national and international blood transfusion best practice, while meeting the requirements of the customer. The QC Department supports the mission of SANBS in the manufacture of safe blood products post manufacture in the following way:

- QC is performed on 1% of all blood products according to specification of standards of practice.
- Sterility testing is performed on platelet products.
- QC follows American Red Cross and FDA guidelines in the screening of blood for microorganisms.
- QC monitors all product quality trends.

The standards of SANBS blood transfusion in South Africa requires that 1% of all products produced be quality control (QC) tested, of which 80% must meet specifications as set out in the standards of practice (section 7, Blood Product Specifications). In the last financial year, (1 April 2014 to 31 March 2015) the QC Department within the Medical Division, performed tests on 2,6% of all products (excluding sterility testing) produced during this period. Some 97,3% of the products tested, met specifications as defined in the standards of practice.

SANBS performs sterility testing on at least 1% of apheresis platelets, expired platelet products, eye serums and stem cells.

There are ongoing interventions to ensure sterility of blood products, including regular staff training and attention to aseptic techniques. The first ever two-day Infection Control Training Programme, facilitated by the Department of Microbiology and Infection Control at Wits, was conducted at the end of February 2015, and will continue into the future. The QC Laboratory in Constantia Kloof has been renovated to allow for better workflow and now has a dedicated microbiology section.

QC proficiency testing

QC manufactures, distributes and evaluates the following Proficiency Testing (PT) samples: cross-match, antibody identification and titration, virology (HIV, HCV, HBV, and TPHA), HLA typing and antibody identification for SANBS laboratories and donation sites. In addition, PT samples are also distributed to SADC countries and other external laboratories. The proficiency cycle runs annually from January to December.

Major successes include:

- SANBS EQA/proficiency programmes obtained SANAS ISO 17043 accreditation.
- The proficiency testing website for the electronic programme was launched in October 2015.

It must be noted that PEPFAR (Partnering to Achieve Epidemic Control in South Africa) support has enabled these improvements and introduction into the SADC region in the last three years.

Site accreditation

Accreditation has been maintained for all audited sites after the May 2015 audits. SANAS returned three months later to reverify the system implementation across SANBS. Donor clinics have been removed from the accreditation schedule. Blood banks, processing and seven multidisciplinary sites remain on the blood transfusion accreditation scope. All laboratories remain on the ISO 17025 accreditation schedule. Proficiency testing is ISO 7043 accredited.

Procurement

SANBS' service to its customers depends on the quality of services and products they receive from their suppliers. Procurement is an important enabler to ensure that the services and products required to drive our business model are procured responsibly and managed appropriately.

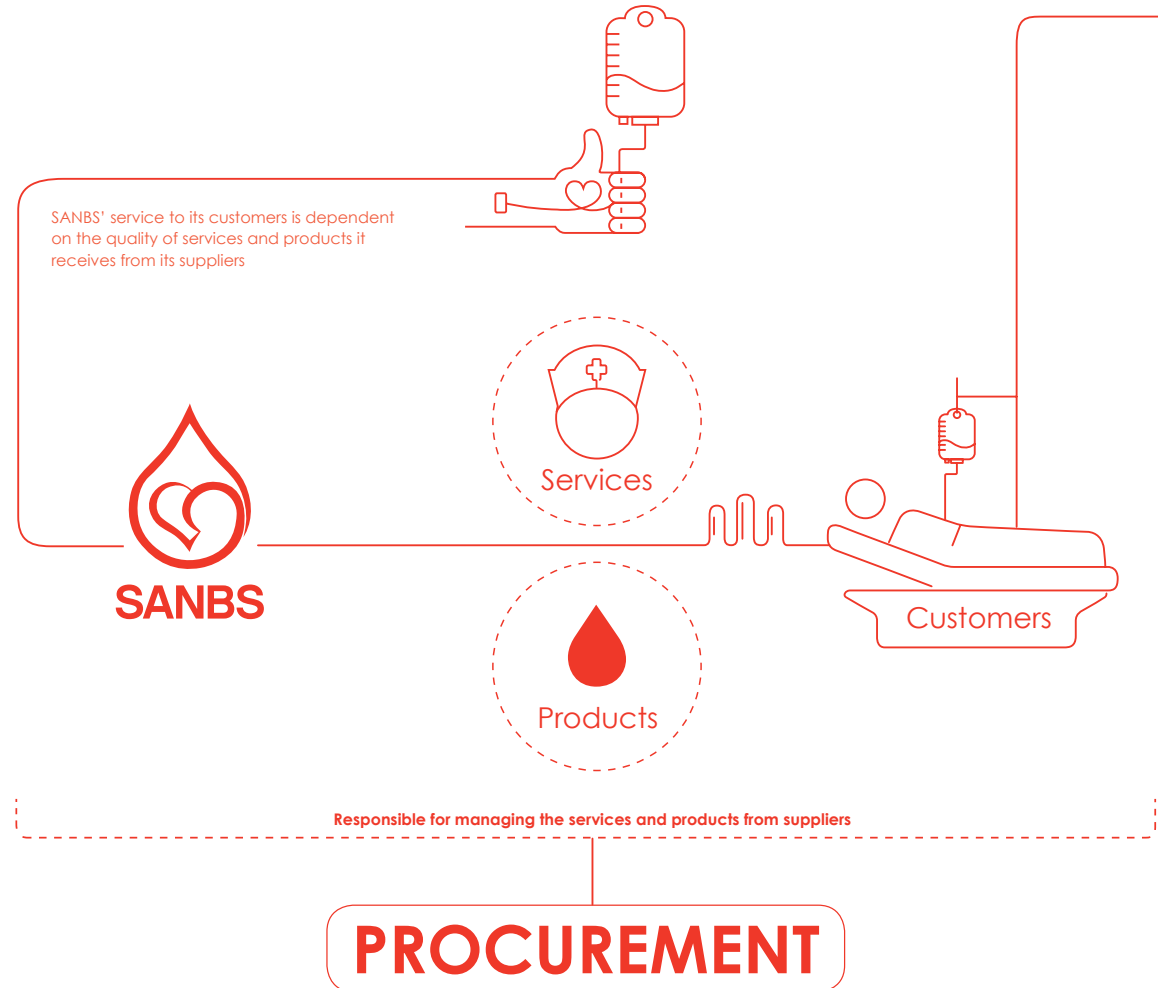
Smart procurement

The group is pursuing its transformational policy, while paying attention to developing the procurement function to a best practice model of operations. In 2015/2016, we started with procurement automation which will automate all procure to pay, vendor management, contracts management and tendering processes. This comprises the re-engineering of all processes and introducing e-procurement, e-tendering, contracts lifecycle management and spend performance management solutions. This will ensure that procurement is nimbler with regards to its market positioning. Procurement further started implementing category management and strategic sourcing. Category managers will be employed to address specialist areas of strategic focus for the group.

The interventions pursued will transform procurement on a strategic level, ensuring the achievement of the group's objectives through a value-added service offering.

Tenders/contracts awarded

In total, 47 tenders were awarded, including four allocated to international suppliers. SANBS continues to identify products and services in line with its transformation policy.



Information and communication technology (ICT)

Introduction

As in the previous financial year, research was ongoing in digitalisation and the enhancement of the donor experience. The past financial year saw the establishment of an ICT project office with a critical mandate to guide the business strategy through successfully managed ICT projects. The ICT project office has also successfully prioritised candidate projects into a final list of business cases with acceptable net present value and return on investment, which the executive committee has approved for funding in the new financial year. SANBS ICT's goal of 99% uptime was maintained, which is above the standard uptime for organisations.

Blood bank automation

SANBS ICT has also been involved with the blood bank automation project that has incorporated a few changes to the ICT systems. The first task was the printing of patient labels at the blood banks. These labels will replace the handwritten patient labels affixed to the final product. The labels will improve efficiencies and ensure that names are legible. An added benefit is the increase in patient safety as transcription errors will be eliminated.

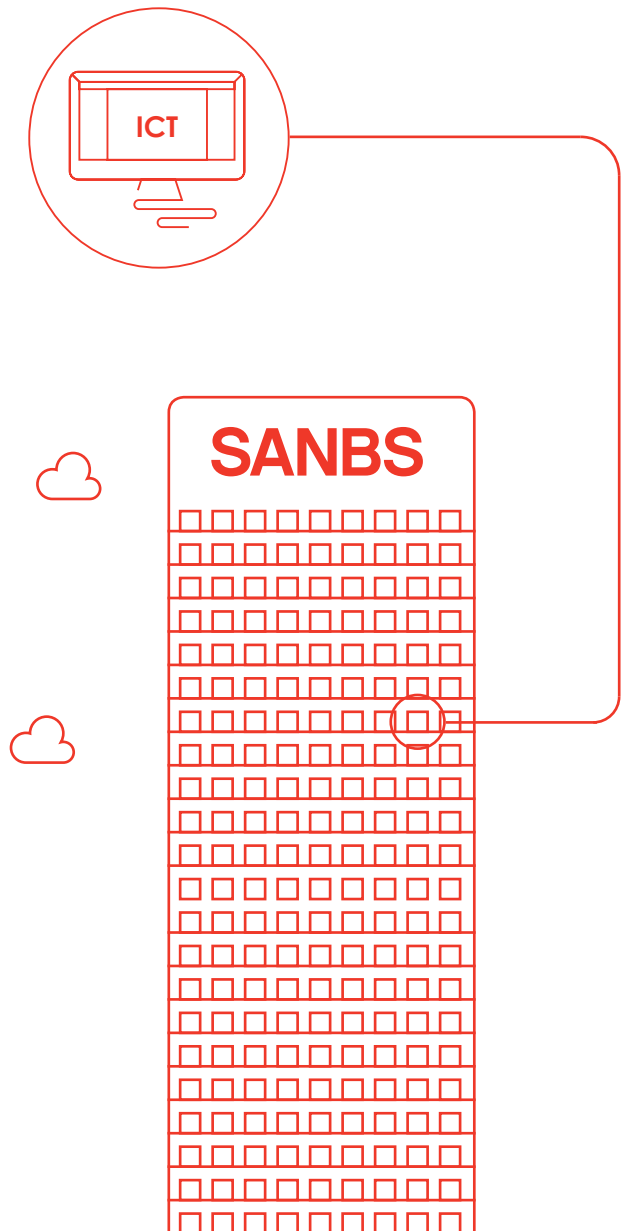
Information management and innovation

A tender was awarded to Datacentrix for its Opentext solution which will ensure all information is managed through the platform. The project will continue for the next few years as we introduce functionality across SANBS. It will address the governance issues surrounding the availability and security of documentation. SANBS' Enterprise Information Management project, aims to deliver a system that will give the company the tools to manage all its critical records through a file and archiving system. This complies with the requisite legislation and policies.

Digitalisation continues to transform businesses, enabling the emergence of new IT products and services. These include cloud computing, mobility and advanced data analytics to deal with big data. This has shifted the business intelligence (BI) focus from cost reduction to value creation. SANBS' BI has been consolidated onto a Microsoft platform which focuses on delivering an omni-channel approach, so that information can be delivered on a mobile platform, as well as through the on-premise reporting model. User-friendly data visualisation tools being used by BI has led to a 25% increase in the use of BI throughout the business over the past year. Going forward, BI will focus on embedding itself further into business processes, increasing value across the blood value chain. Ultimately, this enables cross-functional data access in support of initiatives to deliver on the business strategy. Looking ahead, big data analytics will assist the BI team in providing more predictive analytics to support the current data assets and allow for more seamless strategic scenario planning.

As part of continuous improvements in SANBS, a decision was made to replace the current Laboratory Information Management System (LIMS) and to procure a commercially developed LIMS system which is being used in some industries. Implementation of the system in the Donation Testing Laboratory will go live towards the end of 2016.

The bandwidth for the fixed donor sites' Wi-Fi has been increased to a stable 20MB fibre, and the internet breakout for SANBS staff has been increased to 30MB. The number of Voice over IP (VOIP) sites has increased for continued reduction of communication costs. To support the businesses' ever-growing reliance on technology, a major data centre refresh was undertaken during the year. Best-of-breed computer resources were procured and successfully implemented, paving the way to catapult SANBS into the digital era, while ensuring our disaster recovery capabilities are addressed.



OUR people

Introduction

SANBS remain committed to the strategic goal of attracting and retaining **enabled, empowered and engaged** employees. The experience, skills, diversity and commitment of our employees enables SANBS to achieve this goal. In return, the organisation creates a caring and engaging work environment that recognises and rewards performance.

SANBS strives to provide our employees with sustainable job security and career opportunities. The organisation also has recognition agreements with two trade unions which represent approximately 80% of our employees.

Employee recognition and rewards

Staff complement for the period under review was 2 424 compared to 2 390 during the 2014/2015 period, an increase of 1,4%.

During 2015/2016 the organisation hosted long service award ceremonies for 263 employees who received awards for rendering 3 390 years of service.



Transformation

Broad-based black economic empowerment (BBBEE)

Despite changes to the BBBEE rating system negatively impacting most ratings, we are committed to the implementation of the new BBBEE code and our transformation policy will take account of this. BBBEE scores for the human capital dimensions are shown below:

BBBEE existing	SANBS score	Weighting
Management control	15,8	15
Employment equity	12,14	15
Skills development	13,07	20

The focus going forward will be on the employment and development of people with disabilities and the implementation of learnership and internship programmes.

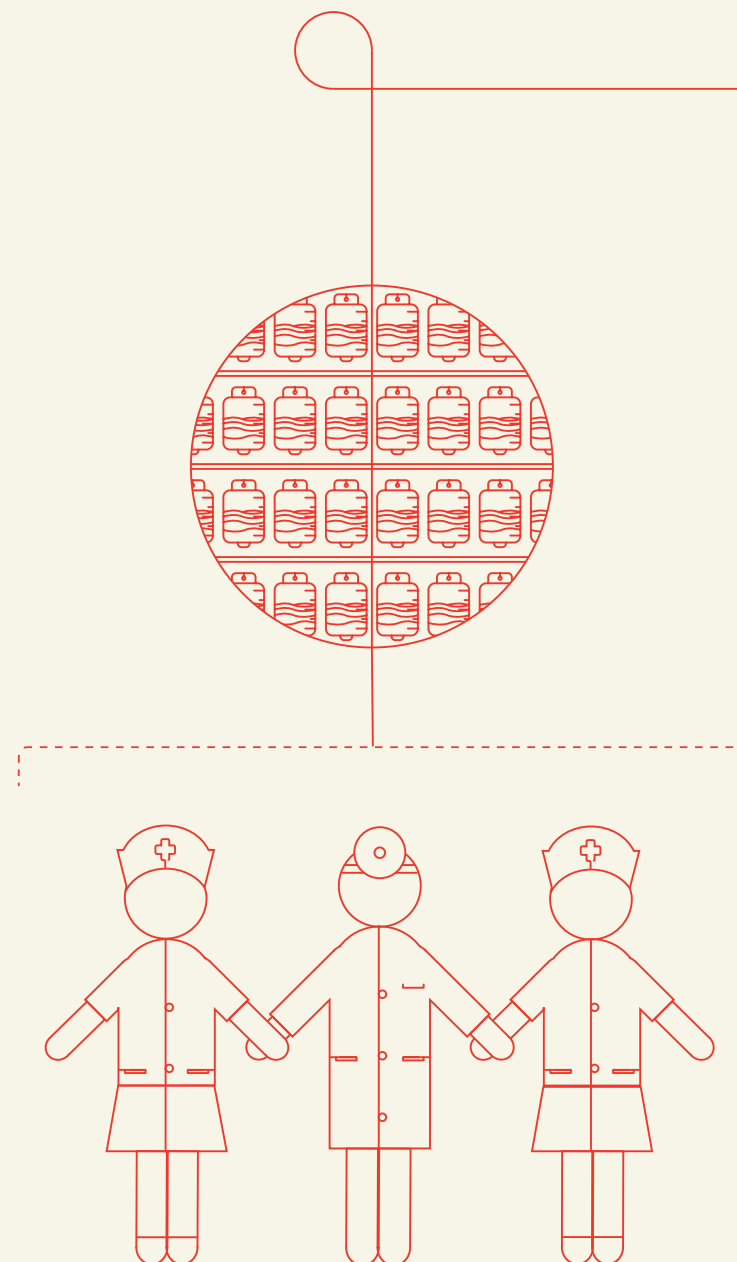
Employment equity

SANBS continue to adequately reflect the demographic of the economically active population (EAP) of South Africa.

The graph below depicts overall black representation per occupational level. Black is inclusive of African, Coloured, Indians and Chinese (as described in the Employment Equity Act).

Occupational level	Representation of black employees (%)	SANBS 5-year target (%)
Top management	75	70
Senior management	70	80
Middle management	57	70
Junior management	80	80
Semi skilled	85	89
Overall	82	88

93% of all new engagements during the last financial year were employees from employment equity candidates.



Employee wellness

SANBS recognises the need to maintain the health of all employees, by providing a strategic and holistic employee wellness programme (EWP), based on and supporting the overall human capital management business plan and strategy. Our EWP has two major elements:

- Occupational health, defined as the use of specific measures to prevent, diagnose and treat illness, injury and adverse health effects associated with a particular type of work,
- A proactive approach to positive behaviour change to avoid illness, and a move towards a healthy lifestyle.

The occupational health programme is designed to reduce occupational health risks by providing:

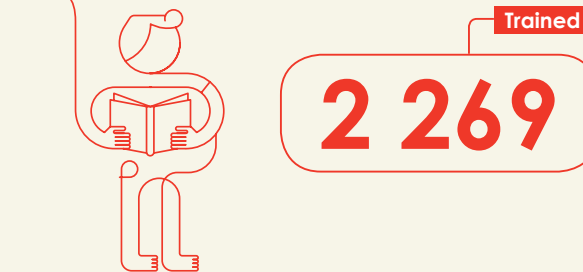
- Occupational health risk assessments of all work areas,
- Risk-based, integrated medical surveillance programmes which will include, but are not restricted to:
 - Baseline medical assessments
 - Annual medical assessments
 - Return-to-work medical assessments
 - Special request medical assessments
 - Exit medical assessments
 - Hepatitis B immunisation of all employees working with hazardous biological agents

The Wellness Programme comprises the following components:

- Control of scheduled medicines to ensure legal compliance
- Hosting wellness days at different sites within the zones, with the focus on identifying and managing chronic (long-term) disease programmes, such as hypertension, diabetes, epilepsy, HIV/Aids, etc.
- Managing ill-health incapacity in a holistic manner, which includes but is not restricted to:
 - Proactive absenteeism management
 - Early detection of potential chronic ill-health conditions
 - Facilitation of necessary medical/psychological/occupational therapy assessments
 - Advising/submission of potential medical boarding notifications
 - Assisting employees with disabilities
- An executive health programme for senior managers
- Promotion and support of national/international health awareness days, such as World Diabetes Day, Malaria Day, World Aids Day
- Promotion of external employee wellness counselling and support programmes.

Learning and development

A total of 2 269 employees benefited from various training interventions during the 2015/2016 financial year. With expenditure amounting to R31,1 million for this period (2014/2015 – R30,8 million).



Accreditation as an education and training provider

SANBS is accredited with the Health & Welfare Sector Education and Training Authority (HWSETA) as an education and training provider. Their range of qualifications now includes: the Certificate in Community Health Work and the Certificate in Public Awareness Promotion of Dread Disease and HIV/Aids until 2022. These qualifications extend the number of programmes available to staff and external community-based organisations, allowing SANBS to improve the skills development and socio-economic development ratings on the BBBEE scorecard in the future.

Development of a continuous professional development (CPD) framework for the South African Nursing Council (SANC)

SANBS has partnered with the Gauteng Health Department in the development of the first ever CPD framework for the nursing profession. In addition, SANBS is actively contributing to the development of the CPD pilot, which will be introduced by the SANC to all nursing professionals shortly.

Health Professions Council of South Africa (HPCSA) national board examinations

SANBS will ensure compliance with the regulations of the HPCSA by providing the required number of medical technicians and medical technologists with training programmes. To this end, SANBS has partnered with the Tshwane University of Technology (TUT) in implementing the part-time National Diploma in Biomedical Technology for laboratory staff. In addition, SANBS is actively recruiting graduates from various universities of technology to be placed on our internship programmes in biomedical technology.

SANBS has consistently produced industry-leading results in most of the national board examinations administered by the HPCSA.

National board examination results 2015

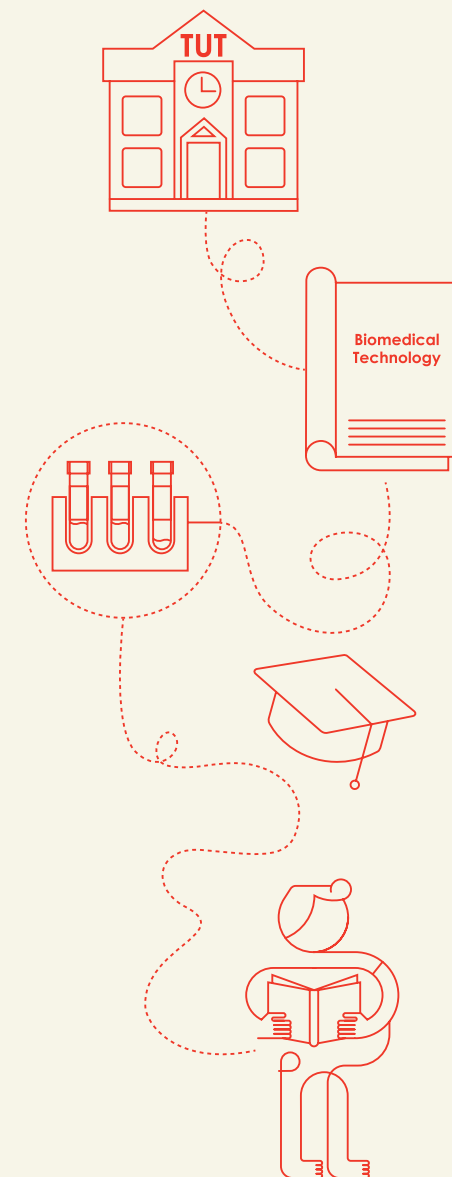
Professional group	SANBS pass rate	Other laboratories/industry pass rate (all disciplines)
Medical technologist (blood transfusion)	87% (52)	49% (188)
Medical technician (blood transfusion)	87% (26)	73% (128)
Medical technician (phlebotomy)	85% (11)	91% (173)
Laboratory assistant (blood transfusion)	88% (28)	87% (127)

Training of haematology and clinical pathology registrars

SANBS has contributed to the training of 13 registrars specialising in haematology and clinical pathology. Training will be completed in 2016/2017.

Congresses attended

Two staff members attended the National Blood Transfusion Congress in August 2015 and one attended the ISBT international Congress and the IPFA Congress in Stellenbosch, along with the AABB congress in Anaheim.

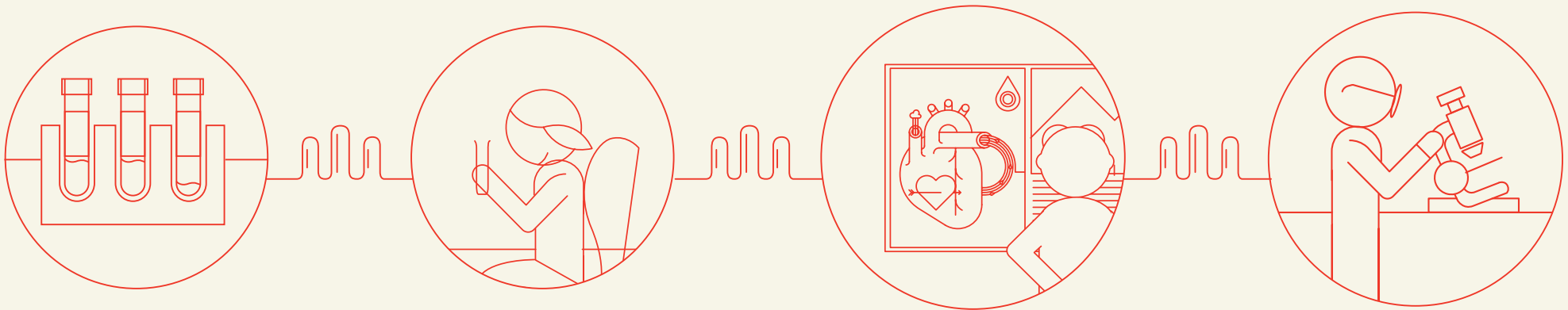


Income received through compliance with the Skills Development and Skills Development Levy Acts

SANBS has received R1,42 million from the South African Revenue Services (SARS) in the form of rebates on skills development levies paid in 2015, thanks to the timeous submission of the annual workplace skills plan and implementation report (WSPiR) in April 2015. A further R2,02 million has been secured from HWSETA in the form of discretionary grants for programmes such as learnerships, internships, and bursary programmes for 2016.

Specialised laboratory services (SLS) training

During the year under review, the SLS training activities included training in the following areas: HLA, HIRA, safety, supervisor development, presentation skills, SAP software, immunology, infection control, MiSEQ, and the lab assistant programme training.





MATERIAL MATTERS, STRATEGY & OUTLOOK

5

Material

MATTERS, STRATEGY AND OUTLOOK

Material matters are risks and opportunities which can affect delivery on the SANBS strategy and, in turn, SANBS' ability to create and sustain value over the long term.

The strategic objectives are designed to ensure that SANBS creates and sustains maximum value for stakeholders. In reviewing risk and opportunity trends most material to SANBS, the following perspectives have been employed:

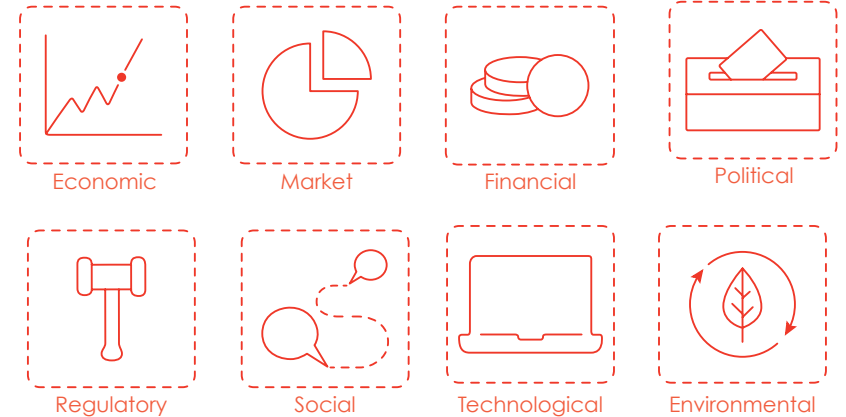
Operating environment	Stakeholders	Enterprise risk management
Trends and developments in our operating environment which may affect our ability to meet the strategic objectives.	Engaging key stakeholders to understand their expectations and concerns of SANBS.	Our enterprise risk management process provides a platform to identify and assess specific business risks and concomitant opportunities for the SANBS business.

Correlation between the perspectives mentioned above are then evaluated as to the relevance of the potential impact (likelihood and intensity) that they could have on us achieving SANBS' strategic objectives.

Identified and assessed material matters are regularly reviewed by the Board and management to ensure that there is appropriate strategic response to such matters and where relevant controls and mitigating actions are put into place.

Operating environment

We remain vigilant of developing trends globally and locally including the healthcare sector, which affect the environment in which we operate. Operating environment factors considered can be broadly categorised into the following:



The operating environment categories identified above affect or inform outcomes from engagements with key stakeholders as well as analysis performed in the enterprise risk management process. These are explored further on the pages that follow.

Stakeholder management

The following pages outline SANBS' key stakeholder relationships and how SANBS engages with them. It also highlights the stakeholder expectations and concerns arising from our engagement. Identified expectations and concerns are linked to the relevant material matters.

Stakeholder group	Method of engagement (how)	Stakeholders expectations or concerns	Aligned to material matters
Department of Health (DoH)	<ul style="list-style-type: none"> Through a relationship and contact channels via Director-General of health with direct accessibility to the minister 	<ul style="list-style-type: none"> Compliance to national and international standards and regulations in delivering world class products and services to society Promoting health services to the asbt 	<ul style="list-style-type: none"> Regulatory Healthcare sector Transformation
Blood donors	<ul style="list-style-type: none"> Telerecruiting Marketing campaigns Public relations practitioners (prps) recruitment Corporate relationships through corporate communication agents Donor committee 	<ul style="list-style-type: none"> Maintaining a safe, accessible and quality environment to donate Contribute to the social welfare of the country Donor health management, communication and interaction with SANBS 	<ul style="list-style-type: none"> Safety Social trends Transformation Technology
Hospitals (public and private)	<ul style="list-style-type: none"> Medical liaison officers Medical managers Blood conservation officers Marketing campaigns Communication strategy Participate in monthly operational management meetings of major hospitals 	<ul style="list-style-type: none"> Maintaining safe, accessible and quality products and services To patients Guidance and support Deliver products and services to the patients 	<ul style="list-style-type: none"> Healthcare sector Regulatory Safety Economy Transformation Technology Supply chain trends
National Bioproducts Institute (NBI)	<ul style="list-style-type: none"> National Blood Committee 	<ul style="list-style-type: none"> An expectation of supply management, safety and quality of plasma Supply of plasma from which medicinal products are manufactured 	<ul style="list-style-type: none"> Safety Healthcare sector
National Council	<ul style="list-style-type: none"> In accordance with the Memorandum of Incorporation (MOI), SANBS convene two annual meetings of the National Council, one being the annual general meeting 	<ul style="list-style-type: none"> Cooperation on governance and donor related matters Promoting an active and organised donor base 	<ul style="list-style-type: none"> Transformation Regulatory Safety Environment
Patients	<ul style="list-style-type: none"> Marketing campaigns Awareness and education training Communication via clinicians Direct engagement in certain treatment areas 	<ul style="list-style-type: none"> An expectation of supply management, safety and quality of process and delivery of products and services 	<ul style="list-style-type: none"> Safety Economy
Medical aid schemes	<ul style="list-style-type: none"> Stakeholder relations officer Communication strategy 	<ul style="list-style-type: none"> An expectation of supply management, safety and quality of process and delivery of products and services Strengthening stakeholder relationships for mutual gain 	<ul style="list-style-type: none"> Healthcare sector Safety Economy Supply chain trends
SANBS employees	<ul style="list-style-type: none"> Internal marketing and awareness campaigns and communication strategies. 	<ul style="list-style-type: none"> Secure and safe working environment Skills development, training and technology support To deliver and grow in career and also job satisfaction Grow and deliver within the essential services to society 	<ul style="list-style-type: none"> People Transformation Safety
Unions: WCHAWA, Hospersa	<ul style="list-style-type: none"> Ongoing discussion forums 	<ul style="list-style-type: none"> Discussions of workplace issues Annual wage negotiations 	<ul style="list-style-type: none"> Safety People
Western Province Blood Transfusion Service (WPBTS)	<ul style="list-style-type: none"> National Blood Committee joint membership Combined strategy and execution/ blood services management 	<ul style="list-style-type: none"> Support in national supply management and alignment of quality and safety of products and services, along with research and development Collaboration in world-class product and service delivery 	<ul style="list-style-type: none"> Supply chain trends Infrastructure Technology Social trends
World Health Organisation (WHO)	<ul style="list-style-type: none"> Membership subscription Research and development collaboration/sharing 	<ul style="list-style-type: none"> WHO recognition carries with it a reputation that allows SANBS to be accepted by other countries and by DoH and seen to be a centre of excellence within the region 	<ul style="list-style-type: none"> Regulatory Economy Technology

Enterprise risk management

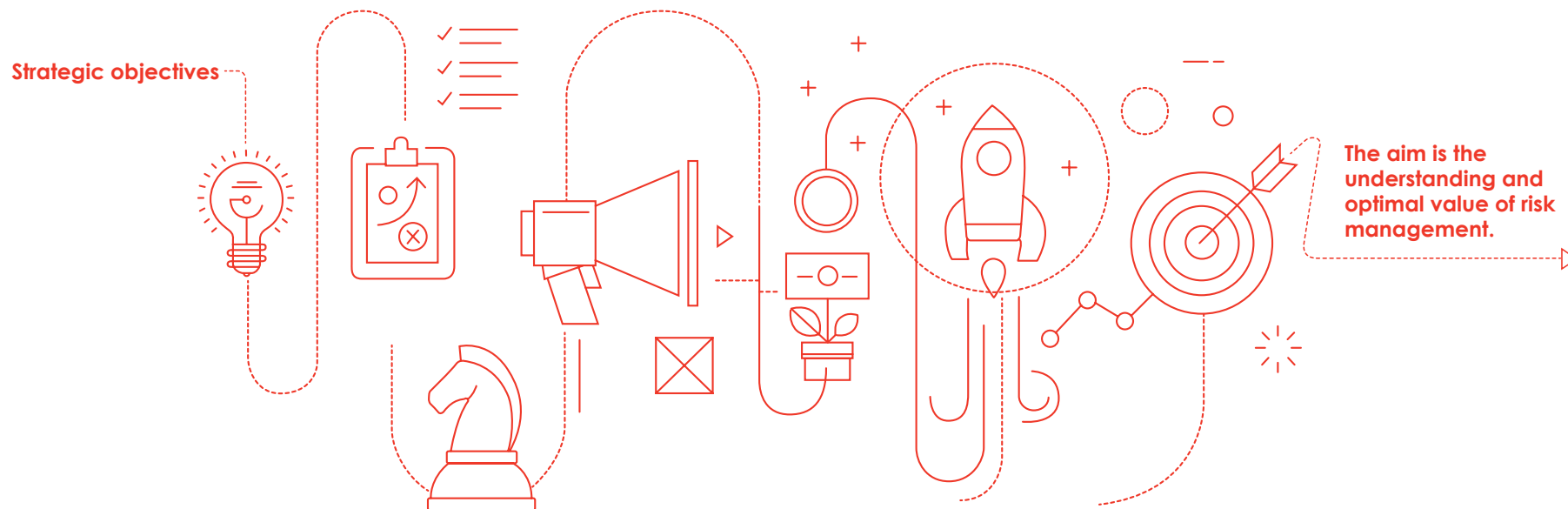
A renewed focus on risk management was introduced from the preceding reporting period with the establishment of a dedicated Risk Management Office on a strategic level within the CEO's office. The risk management specialist function provides support to the Board on a strategic level. Training and development of a new approach to risk management will be introduced throughout the business.

The aim is to define the understanding and optimal value of risk management in the specialised SANBS environment. A direct focus on threat identification and management linked to the revised strategic objectives, as set by the Board, has been embedded within risk management. The risk management framework focuses on compliance as a key component of business principles. In addition, the framework governs effectiveness in the context of medical practice and blood services, with alignment to international and national laws, regulations and standards. The policy structure guides the roles and responsibilities of the various levels of staff and specialist positions essential to a successful risk management process.

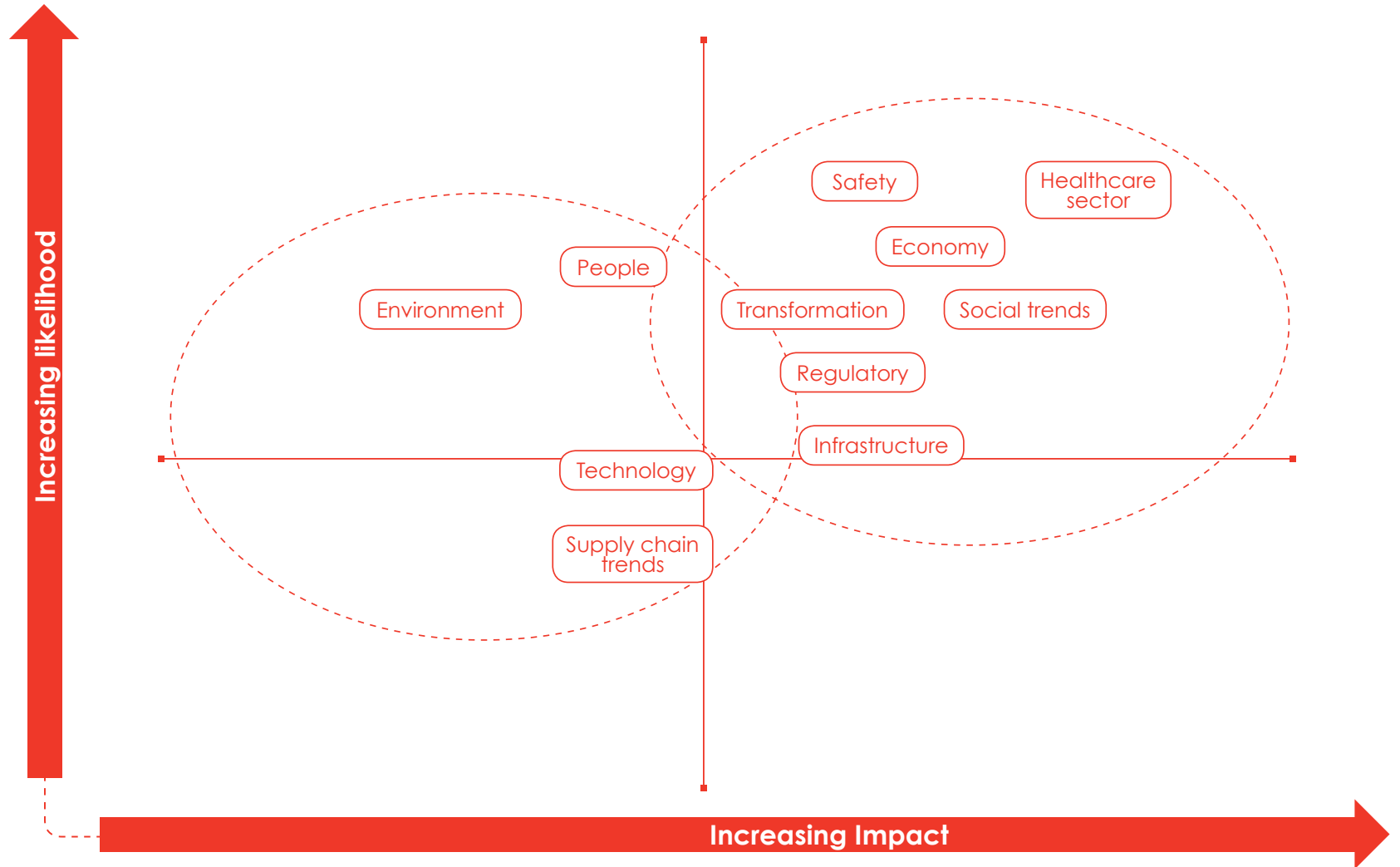
The risk appetite of the Board and SANBS is reviewed annually, during which an assessment of the statements and the tolerance levels takes place. These are compared to business events over the past financial year which may have affected these thresholds, as well as the effectiveness thereof. These thresholds also guide the materiality of possible threats to the sustainability of these events. The Board reviews the top strategic and operational risks to SANBS during an annual assessment workshop. The top risks are a standing agenda item on the quarterly Board agenda.

The main focus areas include regulatory and legislative changes, economical factors driving operational cost and ultimately product and service prices, utilities and infrastructure stability. The resultant material matters, which are presented on the following page, are closely correlated to the strategic risk register covered through the enterprise-wide risk management approach.

These areas of material concern are prioritised through the Board risk management process and annual assessment, with ongoing management, through the required response and action.



OUR MATERIAL
matters



Material matters, context and strategic response

Having assessed the correlation between the perspectives mentioned above these are then evaluated as to the relevance of the potential impact (likelihood and intensity) that they could have on us achieving SANBS' strategic objectives. We have provided a brief context for each resulting material matter, as well as a link to how we have responded to these matters strategically:

Material matter	Context	Strategic response
Healthcare sector <ul style="list-style-type: none"> Public hospitals Private hospitals Medical aids National health insurance Patient trends: <ul style="list-style-type: none"> Injury Disease Pharmaceutical 	SANBS is sensitive to regulatory and supply-chain changes involved in its support of the South African healthcare infrastructure. A significant threat to the sustainability and financial survival of SANBS is the non-payment for goods and services.	<ul style="list-style-type: none"> Enhance SANBS' future brand (2) Attract and retain our future donors (3) Ensure financial survival (1) Support business innovation (5)
Safety <ul style="list-style-type: none"> Injury Infections Complications: <ul style="list-style-type: none"> Donors Patients Employees Public 	Ineffective and inefficient management of safety as a core value principal translates to reputational, financial and litigation risks but ultimately the potential loss of life.	<ul style="list-style-type: none"> Optimise risk and processes (4)
Economy <ul style="list-style-type: none"> Global growth and rates SA Inc.: <ul style="list-style-type: none"> GDP Interest rates Forex Credit risk Inflation 	Current economic circumstances threaten financial SANBS sustainability through elements such as forex volatility, patient affordability and public sector budget cuts.	<ul style="list-style-type: none"> Ensure financial survival (1) Optimise risk and processes (4)
Social trends <ul style="list-style-type: none"> Cultural Geographical Wealth Health Demographics Urbanisation 	The significance of social trends in SANBS' business model revolves around reputation and brand that may impact the trust of stakeholders and willingness of the public to perform voluntary donations.	<ul style="list-style-type: none"> Enhance SANBS' future brand (2) Attract and retain our future donors (5) Support business innovation (5)
Transformation <ul style="list-style-type: none"> BBBEE codes Donors 	Lack of transformation in stakeholder demographics can threaten the sustainability of SANBS' business model.	<ul style="list-style-type: none"> Optimise risk and processes (7) Enable empowered and engaged employees to build a value-based culture (6)

Material matter	Context	Strategic response
Regulatory <ul style="list-style-type: none"> • DoH regulations • Regulations • Local and global standards • Tax 	<p>The challenge of self-regulation creates additional threats of reputation and maintaining operating licence as SANBS sets its own level of quality in line with international and local standards.</p>	<ul style="list-style-type: none"> • Optimise risk and processes (4)
Infrastructure <ul style="list-style-type: none"> • Water supply • Power supply 	<p>Significant business continuity risks arise from the dependency on public infrastructure such as power and water.</p>	<ul style="list-style-type: none"> • Optimise risk and processes (4)
People <ul style="list-style-type: none"> • Skills • Culture • Succession • Remuneration 	<p>Employee dependency, which supports the success of the current business model, also brings significant threat to sustainability if the incorrect business culture is nurtured or the appropriate skills and experiences are not put in place.</p>	<ul style="list-style-type: none"> • Enable empowered and engaged employees to build a value-based culture (6)
Technology <ul style="list-style-type: none"> • Medical technology • Information technology • Security • Data and analytics • Automation • Internet 	<p>The critical dependency on technology for the SANBS business model threatens not only business continuity and sustainability but also total shutdown of operational capacity.</p> <p>Technology also provides a platform upon which the scope and efficiency of operations can be enhanced through innovation.</p>	<ul style="list-style-type: none"> • Optimise risk and processes (4) • Support business innovation (5)
Supply chain trends <ul style="list-style-type: none"> • Outsourcing • Data analytics and planning • Transport and logistics • Procurement • Internet • Just in time 	<p>Ineffective supply-chain management, both internally and externally, may result in sustainability threats through lack of efficiency and uncontrolled costs.</p>	<ul style="list-style-type: none"> • Ensure financial survival (1) • Support business innovation (5)
Environment <ul style="list-style-type: none"> • Waste • Consumables • Blood • Carbon • Disease 	<p>The potential threat of ineffective hazardous waste management, places environmental management at key priority levels owing to compliance, reputation and ultimate risk to the safety of the public.</p>	<ul style="list-style-type: none"> • Optimise risk and processes (4)

FIVE-YEAR STRATEGY

A large, stylized graphic of the year '2020' rendered in a red, cursive script font.

The current financial year marks the culmination of SANBS' 2016 strategy, paving the way to the new five-year strategy for 2020. To respond to the macroeconomic landscape, highlighted by our material matters, a strategic realignment for SANBS has strengthened six strategic objectives. The organisation has prioritised these six focus areas to align the brand, internal processes and people for a seamless 2020 strategy implementation.

SANBS' vision and mission as conveyed by our business model on page 13, supported by the six strategic objectives, guide our strategic execution. Core values remain unchanged as they support the strategic foundation.

The strategy has been developed and approved in consultation with the Board, executive committee and senior management for organisational strategic alignment and is currently being implemented throughout all business units. The strategy will be monitored using the balanced scorecard methodology. At the corporate level, we will use the corporate scorecard. Business balanced scorecards will be used at the business unit level.

The business balanced scorecards will be cascaded to the individual scorecards for execution and this will make strategy everyone's responsibility. The cascading process is to align employees to these renewed objectives through a formal individual performance management process. This links employees' personal objectives to the corporate strategy, and is in line with the remuneration philosophy described in more detail on page 66.

SANBS is confident that the strategy adequately responds to the ever-changing environment in which it operates and the matters that are most material to SANBS' ability to provide sufficient, safe, quality blood products and medical services.

Our six strategic objectives, under our new five-year strategy, are outlined in the illustration on page 53.



VISION

SANBS strives to be acknowledged nationally and internationally as a centre of excellence in the discipline of blood transfusion.

MISSION

To provide all patients with sufficient safe, quality blood products and medical services related to blood transfusion in an equitable, cost-effective manner.

<p>Vision: To be acknowledged nationally and internationally as a centre of excellence in the discipline of blood transfusion.</p>	<p>Mission: To provide all patients with sufficient safe, quality blood products and medical services related to blood transfusion in an equitable, cost-effective manner.</p>
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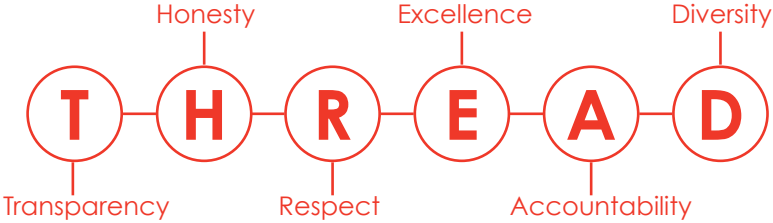
Strategic pillars

- Ensure sustainable business operating model
- Ensure sustainability through product/service diversification and innovation
- Offer an optimal product mix to meet patient demand
- Procure sufficient blood to meet South Africa's requirements
- Harness technology for internal processes
- Manage blood safety and risk at appropriate/defendable levels
- Enabled empowered and engaged employees to build a values-based culture
- Ensure optimal customer and stakeholder relations
- Be a good corporate citizen

- ① **Ensure financial survival**
- ② **Enhance SANBS' brand**
- ③ **Attract and retain our donors**
- ④ **Optimise risk and processes**
- ⑤ **Support business innovation**
- ⑥ **Enabled, empowered and engaged employees to build a value-based culture**

Strategic objectives

Our values



GOVERNANCE



Statement of commitment

SANBS remain fully committed to business integrity, fairness, transparency and accountability in all its activities. In support of this commitment, the Board subscribes to the highest standard of corporate governance in all aspects of its operations.

Application of King III principles

SANBS subscribes to King III and the Board acknowledges its responsibility to make every effort to ensure that the principles of good corporate governance are applied and the directors, collectively and individually, acknowledge their responsibilities in this regard.

The Board also acknowledges its role in leading by example and setting the tone for ethical behaviour and compliance within corporate governance best practice.

Ethics

SANBS upholds the highest standards to ethics through the strict application of ethics policies, and the enforcement of compliance through the Governance, Social and Ethics committee.

SANBS recognises that unethical practices in our operations and/or our supply chain has the potential to damage our brand, undermine stakeholder trust and tarnish our reputation. Our expected standard of ethical behaviour is outlined in our Code of Ethics and aligned to our core values "T-H-R-E-A-D" refer to page 11.

1. Previous medical director and the CFO resigned from the SANBS board, effective 31 march 2016.

Composition of the Board

The Board of directors is made up of:

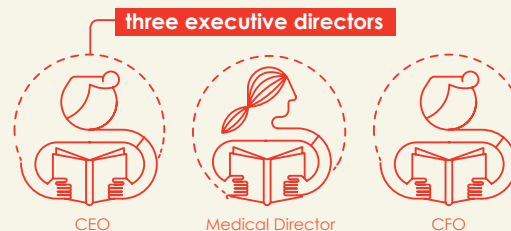
Six non-executive donor directors who were elected by the National Council (see SANBS governance structures on page 61). Non-executive donor directors serve for a maximum of nine years on the Board.



Two independent non-executive directors, appointed by the Board. Board-appointed non-executive directors are selected for a three-year term and may be reappointed for a further two terms, subject to a maximum of nine years on the Board.

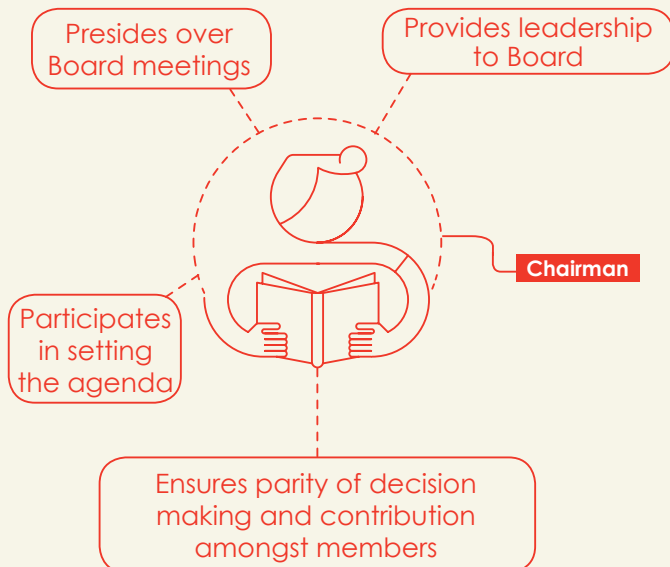


Three executive directors¹, consisting of the CEO, Medical Director and CFO. The CEO and Medical Director serve on the Board in an ex-officio capacity and the CFO has been appointed to the board in terms of the Memorandum of Incorporation (MOI) to fill the third position reserved for executive directors. The tenure of executive directors on the Board is subject to their contracts of employment with SANBS in the case of the ex-officio directors and as determined by the Board in respect of the CFO.



The Chairman of the Board is appointed annually by Board members from the non-executive donor directors in accordance with the MOI.

The Board's responsibility for governing and directing, and management's responsibility for the conduct of the business are separated. The Chairman is responsible for the leadership of the Board, and it's effectiveness. It is the responsibility of the Chairman to ensure directors receive accurate, timely and reliable information. The Chairman also ensures that no individual Board member has unfettered powers in relation to decision-making. In cases where the Chairman is conflicted, the Board appoints one of the Board members as acting Chairman.



The role of the Board

The Board act as a focal point and custodian for corporate governance. By delegating authority and certain functions to the various committees, the CEO and management via the CEO and the Board are reviewed annually; the abridged terms of reference of each committee are contained in the organogram on page 57.

The Board is accountable for the long-term sustainable performance of SANBS and it provides leadership for the organisation within a framework of prudent and effective controls which allow for risks to be assessed and managed.

The Board has adopted a charter, which is reviewed annually, and provides a framework of how the Board functions which includes: -

- Providing ethical and effective leadership;
- Ensuring that SANBS is, and is seen to be, a responsible corporate citizen;
- Ensuring that the company's ethics are managed effectively;
- Ensuring that there is an effective and independent audit committee;
- Governance of risk and oversight of effective control environment;
- Governance of IT;
- Ensuring compliance;
- Ensuring an effective, risk-based internal assessment; overseeing stakeholder relationships and overseeing the integrity of the company.

Details of SANBS' remuneration philosophy and procedures are covered on page 66 and the directors' and prescribed officers' emoluments for the year under review are disclosed in the annual financial statements on page 68.

Board and committee assessment

In August 2015, the Board, with the assistance of the Institute of Directors in Southern Africa (IoDSA), conducted an assessment of the performance of the board, its committees and individual directors. Areas for improvement identified in the assessment were addressed during the year under review. Recommendations for re-election to the Board of Directors for those whose terms had come to an end were based on the assessment results.

Board committees¹

The board is satisfied that the board committees, set out in detail below, have effectively accomplished their responsibilities as contained in their respective terms of reference during the year under review.

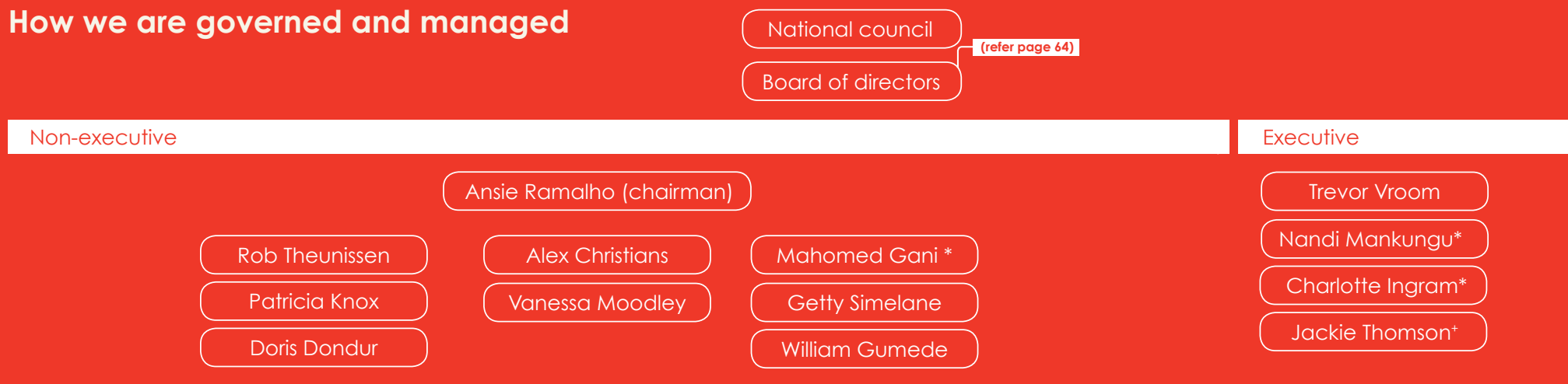
Members	Key focus for the year under review	Key focus for the year ahead	
Audit and Risk Committee	<ul style="list-style-type: none"> • D Dondur (Chairman) • W Gumede • A Christians • R Theunissen 	<ul style="list-style-type: none"> • Recommended annual budget to the Board for approval after detailed review thereof. Several recommendations were made for the improvement of future budget compilation. • Reviewed the accounting of significant and unusual transactions • Approved Risk Management Policy and Framework • Reviewed current year proposed pricing model • Reviewed going concern assessment and a forward looking five-year plan • Monitored relationship between internal/external auditors as well as external auditors/SANBS • Meetings were held with external and internal auditors without management being present • Ensured that internal audit was subject to an independent review • Reviewed whistle-blowing policy • Determined fees for external audit and reviewed scope and annual audit plan • Reviewed Delegation of Authority 	<ul style="list-style-type: none"> • Review revised terms of reference for audit committee (excluding risk) • Oversee action plan arising from the external quality review of internal audit • Assess implications of King IV on oversight responsibilities of the Committee • Assess stability of the finance function and the finance function structure • Assist in the strengthening of the execution of forensic investigations and capabilities and thereby ensuring adequate segregation of duties • Review the internal control environment relating to procurement and make recommendations thereto • Review accounts receivable profile and bad debt provision
ICT Governance Committee	<ul style="list-style-type: none"> • A Christians (Chairman) • D Dondur • P Knox • V Naicker 	<ul style="list-style-type: none"> • Ensured that ICT is embedded into the SANBS strategy and that ICT governance is aligned with chapter 5 of King III. To this end, the committee's terms of reference were compliant with the principles of King III 	<ul style="list-style-type: none"> • Splitting of audit and risk committee into separate committees, ICT governance will then merge with risk committee to form a new committee. • The key focus areas for the new committee will include the measuring and monitoring of major ICT projects and aligning ICT with the company's strategy. • ICT project management
Nomination Committee	<ul style="list-style-type: none"> • W Gumede (Chairman) • A Ramalho • R Theunissen • B Maasdorp • K Letlape 	<ul style="list-style-type: none"> • Ensured a formal and transparent Board nomination and election process (guided by SANBS' director nomination policy) • Evaluated and recommended retiring directors for re-election. • Evaluated and recommended the appointment of new donor directors • Augmented its skills, expertise and independence with the appointment of independent committee members who bring legal and medical expertise to the committee 	<ul style="list-style-type: none"> • Making recommendations to the Board and the National Council on the appointment and election of directors • Board evaluations

¹The membership of committees changed during the year under review owing to the end of term of some directors and the appointment of new ones, hence the names of members listed are as at 31 March 2016.

	Members	Key focus for the year under review	Key focus for the year ahead
Clinical Governance Committee	<ul style="list-style-type: none"> • P Knox (Chairman) • V Moodley • G Simelane • R Theunissen • C Ingram • C Mey • A Rantloane • M Toubkin 	<ul style="list-style-type: none"> • Ensured that the risk relating to SANBS in not delivering quality and safe blood to patients was appropriately mitigated by management and processes. • Ensured the risks relating to the wellbeing of donors were appropriately mitigated by management and processes. • Ensured that a haemovigilance report was compiled and that systems and controls were in place to address the identified risks. • Keep SANBS updated on the risks of TTI, including HTLV1 and the risk of emerging pathogens such as Ebola outbreak in West Africa and the Zika virus. 	<ul style="list-style-type: none"> • Quality of training for medical professionals in the company • Annual haemovigilance report submission to the DoH and the parliamentary library • SANBS research academy
Governance, Social and Ethics Committee	<ul style="list-style-type: none"> • A Ramalho (Chairman) • A Christians • D Dondur • R Theunissen 	<ul style="list-style-type: none"> • Mandated the creation of a clearly defined compliance function, the formulation of a compliance manual and the updating of the compliance framework. • Ensured that the risk relating to the non-adherence by the company, to good corporate governance was effectively mitigated. • Continued to foster positive engagement between SANBS, the National Council, the Board, management, employees and the donor structures. • Review of the MOI. 	<ul style="list-style-type: none"> • Compliance and ethics management • The role of the donor structures, particularly, the National Council • The review of the branch and zone regulations and guidelines • Consideration and adoption of King IV report recommendations
HR and Remuneration Committee	<ul style="list-style-type: none"> • G Simelane (Chairman) • W Gumede • A Ramalho 	<ul style="list-style-type: none"> • Ensured that SANBS' remuneration strategies and policies are designed to attract, motivate and retain quality employees, and that directors and senior management are committed to achieving the overall goals of SANBS. • Benchmarked SANBS' remuneration against non-profit organisations of similar size to SANBS. • Recommended the submission to the Board and the National Council for approval, the remuneration of the chairman, and members of the Board and committees. • Review of the non-executive directors' remuneration policy. 	<ul style="list-style-type: none"> • Succession planning • The review of the non-executive directors' remuneration • Review of the overall system of remuneration

¹The membership of committees changed during the year under review owing to the departure of some directors and the appointment of new ones, hence the names of members listed are as at 31 March 2016.

How we are governed and managed



Board and committee meetings attendance register

All Board committees were in place during the review year. All committees are chaired by non-executive directors. The attendance of meetings for the Board and committees is set out below:

Member	Board	Audit and risk committee	Governance, social and ethics committee	HR and REMCO	Clinical governance	Nomination committee	IT governance committee
Non-executive							
A Christians	9 of 9	10 of 10	4 of 4				5 of 5
D Dondur	9 of 9	10 of 10	3 of 4			3 of 5	4 of 5
M Gani ^a	5 of 5	4 of 4		2 of 2		2 of 2	
W Gumede	9 of 9	10 of 10		5 of 5		6 of 6	
P Knox	7 of 9				4 of 4		3 of 3
V Moodley	9 of 9				4 of 4	5 of 5	
A Ramalho	9 of 9	4 of 4	4 of 4	5 of 5		1 of 1	
G Simelane	9 of 9			5 of 5	3 of 4	5 of 5	
R Theunissen	9 of 9	6 of 6	4 of 4		3 of 4	1 of 1	
Executive							
T Vroom ^b	5 of 5						
C Ingram	8 of 9				4 of 4		
N Mankungu	8 of 9						
Co-opted members of committees (not members of the Board)							
M Toubkin					3 of 4		
A Rantloane					3 of 4		
V Naicker							3 of 4
T Letlape						6 of 6	
B Maasdorp						5 of 6	

* Owing to the annual changes in committee membership, members only attended meetings when they were invited members. Membership of committees changed in November 2015.

^a M Gani left the Board on 3 October 2015. He attended all meetings that he was invited to.

^b T Vroom was appointed on 1 August 2015. He attended all meetings that he was invited to.

SANBS BOARD OF Directors



Ms Ansie Ramalho

Non-executive donor director
Chair of the Board

Appointed on 19 November 2014

Qualifications:

- Baccalaureus Juris: UNISA (1988)
- Baccalaureus Legum: UNISA (1991)
- Diploma in the Law of Insolvency: AIPSA (1993)
- Certificate in International Insolvency Law: University of Pretoria (2000)
- Certificate Programme in Financing and Accounting: Wits Business School (2004)



Mr. Alex Christians

Non-executive donor director

Appointed on 27 September 2008

Qualifications:

- Various diplomas
- Former member of Parliament and former councillor at Metro, District and local Government.



Ms Doris Dondur

Non-executive donor director

Appointed on 27 September 2008

Qualifications:

- B. Accounting: University of Stellenbosch (1988)
- Hons B Compt: UNISA (1989)
- CTA: UNISA (1990)
- CA (SA): (1991)
- Hons (BandA: Stellenbosch University (1996)
- MBA: Stellenbosch University (1998)
- International Executive Development Programme: WITS and London Business School (2008)
- Executive Development Programme: University of Nevada: Reno (2009)



Ms. Getty Simelane

Non-executive donor director

Appointed on 15 October 2011

Qualifications:

- BA Social Work: University of Zululand (1981)
- HDPM: Wits Business School (1982)
- MPhil: University of Bath, UK (1988)
- EDP Kellogg's Business School: North Western university, USA (1993)
- Chartered HR Practitioner with SABPP
- Accredited Sirdar Governance panellist



Mr Rob Theunissen

Non-executive donor director

Appointed on 13 October 2012

Qualifications:

- B. Accounting:
Wits University (1981)
- CA (SA): (1982)
- Registered Auditor (1984)
- Diploma in Criminal Justice and
Forensic Auditing: RAU (2004)



Dr Patricia Knox

Non-executive donor director

Appointed on 13 October 2012

Qualifications:

- MBChB: University of Cape Town
(1979)
- DCH - Diploma in Child Health:
South African College of Medicine
(1985)



Prof Vanessa Moodley

Independent non-executive director

Appointed on 5 October 2013

Qualifications:

- MBChB: University of Cape Town
(1997)
- MMed (Haematological Pathology)
– Cum Laude: MEDUNSA (2004)



Prof William Gumede

Independent non-executive director

Appointed on 1 May 2011

Qualifications:

- Joint degree (Utrecht, Aarhus and
Cardiff Universities) (1999)
- Econ and Public Finance:
UNISA (2000)
- MA (University of the Witwatersrand
(2001)
- Project Finance: GIBS (2001) and
Stellenbosch (2012)
- Investment Banking (New York
University – 2013

EXECUTIVE management



Trevor Vroom
Chief Executive Officer



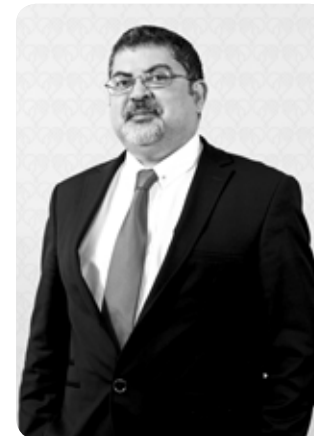
Ken Chapman
Acting Chief Financial Officer



Ravi Reddy
Chief Operations Officer



Abbey Mothokoa
Human Resources Executive



Ridwaan Bardien
Corporate Services Executive



Jacqueline Thomson
Medical Director

REMUNERATION



Remuneration philosophy and policy

SANBS remunerates employees in a manner that reflects the dynamics of the market and context in which the organisation operates, i.e. the national health environment in South Africa. SANBS supports a culture of accountability and individual performance excellence through the display of the required competencies, technical skills and experience. Financial affordability for SANBS serves as an important consideration when making remuneration decisions.

The elements and design principles informing the remuneration system for executive directors are fixed remuneration, taking into account the level of responsibility the position's duties entail and ensuring this remuneration is competitive.

SANBS is a not-for-profit company (NPC) and therefore does not have elaborate short-term (STI) or long-term incentive (LTI) systems as part of its compensation strategy. The only variable component is a conditional incentive bonus policy, which depends upon the organisation achieving its financial targets. The incentive bonus paid to staff is the equivalent of a 13th cheque.

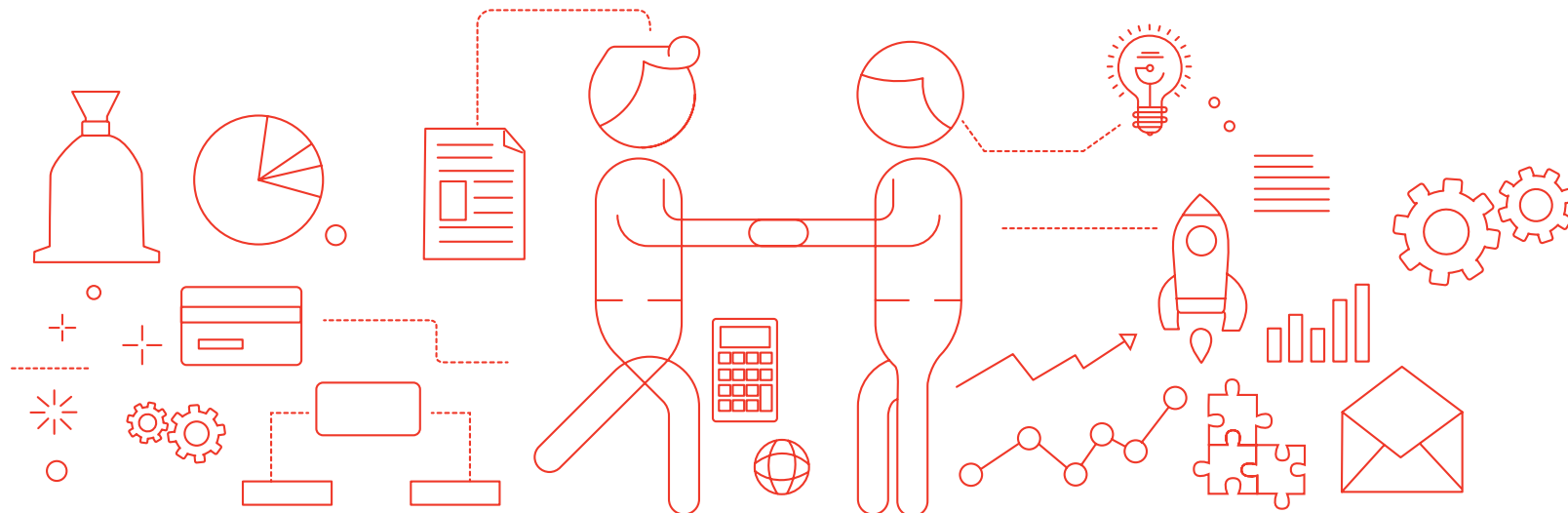
The organisation does measure its remuneration policies and practices with similar organisations in order to retain key staff.

Internal and external factors influencing remuneration

The factors taken into consideration when determining levels of remuneration are market trends, Consumer Price Index (CPI) at the time, union negotiations settlements in the sector and SANBS' financial performance.

The organisation also conducts a remuneration assessment every two years with help from external remuneration experts. The purpose of the assessment is to ensure the organisation's remuneration policies and practices are compliant and competitive.

During the period under review, SANBS changed the grading system from TASK grading to a more practical Patterson broad-banding system.



Components of remuneration

Remuneration elements		Employee categories			
		Management and specialist category employees			Bargaining category employees
		Executive management	Senior management	Middle management	CU-BL band
F and E band	DU band	DM and DL band			
Guaranteed remuneration	Total remuneration Retirement funding income (RFI)	Annual adjustment based on: <ul style="list-style-type: none"> • REMCO agreement • Performance • Industry Benchmarking • Affordability 			Annual adjustment based on: <ul style="list-style-type: none"> • Wage Negotiations • Industry Benchmarking • Mandate on Affordability
	Benefits	Provident fund employee contribution Medical aid employee contribution			Provident fund employer contribution Medical aid employer and employee contribution
		Funeral employer contribution Group life employer contribution Dread disease employer contribution PHI-Disability employer contribution			Funeral employer contribution Group life employer contribution Dread disease employer contribution PHI-Disability employer contribution
Variable remuneration	Short-term	Individual performance-based incentive bonus (13th cheque)			Individual performance based incentive bonus (13th cheque)
	Incentives	Long-service award			Long-service award
	Allowances	Car allowance Reimbursive travel allowance Additional work allowance Local travel expenses			Reimbursive travel allowance Additional work allowance Local travel expenses Inconvenience allowance On-call allowance Overtime

Remuneration in practice

Provision is made by the finance division annually for the bonus (13th cheque). Salary reviews for management, staff and trade union members were reviewed during the previous year. Management's salary reviews are performance based whereas for union members, salary increases are negotiated with representatives. Salary negotiations that affected the period under review established a 7,7% increase. Salary negotiations which have just recently concluded and which will affect staff going forward were agreed at 7,3%, which is 1% above the March 2016 CPI.

Directors' and prescribed officers' emoluments

Directors' and prescribed officers' emoluments 1st April 2015 to 31st March 2016							
SANBS executive	T Vroom*	R Reddy	C Ingram	N Mankungu	A Mothokoa	T Mokoena	R Bardien
Description	CEO	COO	Medical director	CFO	HR executive	Marketing executive	CIO
Emoluments							
1. Directors' fees	0	0	0	0	0	0	0
2. Basic salary	1 788 532	2 013 850	1 832 274	1 547 334	1 384 404	1 109 561	1 197 65
3. Bonus & performance-related payments	0,00	226 654	183 631	155 805	154 885	127 383	125 650
4. Car allowance & reimbursive travel	52 800	96 000	0,00	0,00	72 000	0	0
5. Severance package	0,00	0,00	0,00	0,00	0,00	531 533	0
Emoluments							
Travel & related cost	3 232	25 734	6 427	1 080	6 388	0	145
Benefits							
1. Group life	68 731	75 321	61 744	52 388	52 078	39 262	42 248
2. Group life dread disease	14 472	16 047	13 001	11 031	10 965	8 267	8 896
3. PHI/disability	22 567	24 977	20 272	17 201	17 099	12 981	13 871
4. Funeral	90	90	90	90	90	90	90
Total emoluments	1 950 425	2 478 675	2 117 441	1 784 930	1 697 911	1 829 078	1 388 552

AUDITED ANNUAL FINANCIAL STATEMENTS



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The financial statements were prepared by the Acting Chief Financial Officer, Mr Ken Chapman CA (SA)

Directors

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements set out on pages 81 to 107 were approved by the Board of Directors on 19 August 2016 and were signed on their behalf by:

DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are required in terms of good governance and the South African Companies Act No. 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in the report.

The directors are further responsible for ensuring that the annual financial statements fairly present the state of affairs of the organisation at the end of the financial year, and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standards (IFRS).

The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements of SANBS have been prepared in terms of the International Financial Reporting Standards, including any interpretations, guidelines and directives as issued by the Accounting Standards Board, and in the manner as required by the Companies Act. The directors have made an assessment of SANBS' ability to continue as a going concern and have every reason to believe that SANBS will remain as such in the year ahead.

The directors' responsibility also includes maintaining an effective risk management system and an adequate system of internal controls designed to provide cost-effective assurance that assets are safeguarded, that liabilities and working capital are efficiently managed, and that there are policies, procedures, structures and approval frameworks in place to provide direction, accountability and division of responsibilities. The directors place considerable importance on maintaining a strong control environment. They set the standards for internal controls which



are aimed at reducing the risk of error or loss in a cost-effective manner. These standards include proper delegation of responsibilities within a clearly defined framework, effective accounting policies and procedures and adequate segregation of duties to ensure an acceptable level of risk. The directors are not aware of any existing material breakdown in the functioning of these controls, procedures and systems during the year under review.

Based on the information and explanations provided by management, the directors are of the opinion that the system of internal controls provides reasonable assurances that the financial records may be relied upon for the preparation of the annual financial statements.

The audited annual financial statements have been examined by SANBS' external auditors and their report is presented on page 81.

CERTIFICATION BY THE COMPANY SECRETARY

I certify that, to the best of my knowledge and belief and in accordance with the provisions of section 88(2)(e) of the South African Companies Act, Act No. 71 of 2008, as amended, all required returns in respect of the financial year reported upon, have been lodged with the Companies and Intellectual Property Commission (CIPC). I certify that all such returns and notices are true and up to date.

A Ramalho

A Ramalho
Chairman
13 September 2016

J Thomson

J Thomson
Acting Chief Executive Officer
13 September 2016

M Luthuli

M Luthuli
Company Secretary
13 September 2016

Audit and Risk Committee Report

Introduction

The Companies Act, Act No. 71 of 2008, and in particular section 94(7), read together with the relevant King III principles states that the Audit and Risk Committee (ARC) must ensure that the organisation has maintained an effective, efficient and transparent system of financial and risk management and internal control.

The system of internal control and the concomitant control environment within SANBS continues to improve as the various reports of the internal auditors, will attest. No material control breakdowns, of which the ARC is aware of or was brought to the attention of the ARC, occurred during the period under review.

The ARC is pleased to report that there was no significant non-compliance with legal and regulatory provisions and the policies and procedures of SANBS during the financial year under review; of which the ARC is aware.

ARC terms of reference

The ARC has adopted a formal detailed terms of reference that is in line with King III and the Companies Act. These terms of reference are reviewed at least annually and approved by the Board when amended.

A work plan is drawn up annually, outlining the ARC's statutory obligations and progress is monitored to ensure these are fulfilled. The committee has discharged all its responsibilities as set out in their terms of reference.

Membership

The ARC members were appointed by the Board on 20 October 2015. The members are all non-executive directors, who collectively have the necessary financial skills and experience to fulfil their responsibilities on this committee.

In the review period, membership of the ARC comprised the following non-executive directors:

- Ms Doris Dondur – donor director, Chairman
- Mr Rob Theunissen – donor director (appointed on 20 October 2015)
- Mr Alex Christians – donor director
- Prof William Gumede – independent non-executive director
- Mr Mahomed Gani – donor director (retired on 3 October 2015)
- Ms Ansie Ramalho – donor director (retired on 20 October 2015)

(In addition, the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Head of Risk and the external auditors are permanent invitees to the meeting). Details of attendance at meetings are contained on page 60 of this report.

Governance of risk

The ARC has the responsibility to ensure that a risk management process is in place at SANBS and as such can report that, at the meetings held during the year it has confirmed that risks are managed and that, over and above the strategic risk assessment carried out, strategic and operational risks are managed on a continuous basis.

A risk management policy and framework has been approved by the ARC during the year under review and monitoring is done in accordance with it is taking place at each ARC meeting.

Additional information regarding the risk events and their effect on this annual report are detailed elsewhere in this report.

External Audit

The ARC has satisfied itself through enquiry that the external auditor of SANBS is independent as defined by the Companies Act.

The ARC also satisfied itself that all material cases not reviewed by the internal auditors were audited by the external auditors.

The committee, in consultation with executive management, agreed to an audit fee for the 2015/16 financial year. The fee is considered appropriate for the work that could reasonably have been expected at that time. Audit fees are disclosed in Note 6 of the financial statements on page 92.

A formal procedure governs the process by which the external auditors are considered for providing non-audit services.

Meetings were held with the external auditors without management present, and no matters of concern were raised. No areas exist, of which the ARC is aware, where the external auditors are in direct dispute with management.

Internal audit

The internal audit function is co-sourced to ORCA and follows a risk-based approach. This outsourced responsibility is managed on behalf of SANBS by the internal Head of Internal Audit. The ARC is responsible for ensuring that the internal audit function is independent and has the necessary resources and authority within SANBS to enable it to discharge its duties. Furthermore, the ARC oversees cooperation between the internal and external auditors, and serves as a link between the management team and these functions.

The ARC reviewed the Internal Audit Charter, which Internal Audit Charter was recommended to the Board for their approval, subsequent to the end of this reporting period. The Board subsequently approved the Internal Audit Charter at its Board meeting held on 30 June 2016.

With effect from 1 January 2002, the International Internal Auditing (IIA) Standards require that an external quality assessment review be conducted on the internal audit function at least once every five years. Such an independent review by an external service provider was conducted during the year currently reported on, and finalised in the current financial year.

The outcome of this review is that the internal audit function generally conforms to the minimum requirements of the Standards for the Professional Practice of Internal Auditing (IIA Standards).

The extent of the internal audit's conformance with the minimum requirements of the relevant Standards are:

- Attribute Standards: partially conforms
- Performance Standards: generally conforms

The internal audit function is compiling a detailed action plan; as requested by the ARC, which action plan will be reviewed by the committee during their quarterly meetings. The objective is to resolve all findings and elevate the internal audit function to that of Problem Solver and Insight Generator.

The ARC confirms that it has reviewed the independence of the internal audit function for the year under review and further confirms that it is satisfied with the independence of the internal audit function.

Whistle-blowing

The ARC further reports that, in the year under review, 19 tip-offs were received. 14 were investigated and finalised. Five are still in the process of being investigated.

Finance Function and Chief Financial Officer Review

Chapter 3, principle 3.6 of King III recommends that the ARC should annually satisfy itself as to the expertise, resource and experience of the company finance function. The ARC performed this task by compiling a questionnaire which contained the pertinent matters for consideration by the ARC and other relevant stakeholders. The outcome of this assessment was that the transactional processing within SANBS is mature; whilst improvement to Financial Reporting is required. The Acting Chief Financial Officer has already commenced with the implementation of remedial action in this regard. The ARC did not assess the competencies, skills and experience of the Chief Financial Officer as she had resigned during the year under review and her position is currently being recruited for. The ARC will perform such assessment once a Chief Financial Officer has been appointed and has been in the employ of SANBS for a reasonable period of time so as to derive benefit from such an assessment.

The quality of management and monthly/quarterly reports submitted

The Audit and Risk Committee reports that, during the year under review, they were presented with regular monthly or quarterly management reports to enable them to:

- i. Monitor the integrity, accuracy and reliability of the financial position.
- ii. Review the management accounts of the organisation to provide the Board with an authoritative and credible view of the financial position of the organisation;
- iii. Review the disclosure in the financial reports of the organisation and the context in which statements on the financial health of the organisation are made; and
- iv. Review all material information presented together with the management accounts.

Quality of budgets submitted

The Audit and Risk Committee reports that, during the year under review, they were presented with a budget to enable them to:

- i. Review and ensure that the annual budget of the organisation is balanced, credible and realistic against the approved business plan; and
- ii. Monitor and periodically review the implementation of the approved budget of the organisation by the Board.

Evaluation of financial statements

The Audit and Risk Committee, at its meeting held on 19 August 2016, resolved to recommend the approval of the Annual Financial Statements to the Board.

The Audit and Risk Committee wishes to indicate that it performed a review on the Annual Financial Statements focusing on:

- i. Significant financial reporting judgements and estimates contained in the Annual Financial Statements;
- ii. Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- iii. Quality and acceptability of, and any changes in accounting policies and practices;
- iv. Compliance with accounting standards and legal requirements;

- v. Significant adjustments and/or unadjusted differences resulting from the external audit;
- vi. Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- vii. Reasons for major year-on-year fluctuations;
- viii. Asset valuations and revaluations;
- ix. Calculation and levels of general and specific provisions;
- x. Write-offs and reserve transfers; and
- xi. The basis for the going concern assumption.

Conclusion

The Audit and Risk Committee confirms that it has executed on its roles and responsibilities in terms of its Board approved terms of reference and all applicable laws and regulations.

The ARC concurs with, and accepts, the conclusions and the audit opinion of the external auditors on the Annual Financial Statements and is of the view that the audited financial statements be accepted and read together with the report of the external auditors.



Ms Doris Dondur
Chairman of the Audit and Risk Committee
13 September 2016

Directors REPORT

NATURE OF BUSINESS

The South African National Blood Service (SANBS) is a not-for-profit organisation incorporated in terms of the South African Companies Act No. 71 of 2008.

The mandate of SANBS is to provide blood transfusion and related services.

The members of SANBS are donor representatives elected from independent donor structures to the national council contained in the MOI. The national council elects the donor directors and holds the Board accountable for managing and controlling SANBS' operations in accordance with its mandate.

BUSINESS RESULTS SUMMARY

The financial position of the company as at 31 March 2016 is set out in the statement of financial position.

The statement of comprehensive income for the year reflects a surplus of R360,7 million (2015: R342,5 million).

DIRECTORS

The Board of Directors currently comprises 11 directors with six non-executive donor elected directors, two Board appointed non-executive directors and three executive directors as listed hereunder.

As at the end of the year and up to the date of the annual financial statements the Board of Directors comprised the following members:

Non-executive

A Ramalho
R Theunissen
D Dondur
G Simelane
A Christians
P Knox
M Gani (retired 3/10/15)

Executive

T Vroom (appointed 1/8/15)
C Ingram (resigned 31/3/16)
N Mankungu (resigned 31/3/16)

Board appointed non-executives

W Gumede
V Moodley

COMPANY SECRETARY

Mr M Luthuli is the company secretary for SANBS with effect from 15 May 2014. The addresses of the company secretary are as follows:

Business address

1 Constantia Boulevard
Constantia Kloof
Roodepoort
1724

Postal address

Private Bag X14
Weltevreden Park
1715

AUDITORS

The auditors for SANBS are Deloitte & Touche, and the addresses are as follows:

Business Address

Building 1
Deloitte Place
The Woodlands
Woodmead
Sandton
2191

Postal Address

Private Bag X6
Gallo Manor
2052

EVENTS AFTER THE REPORTING DATE

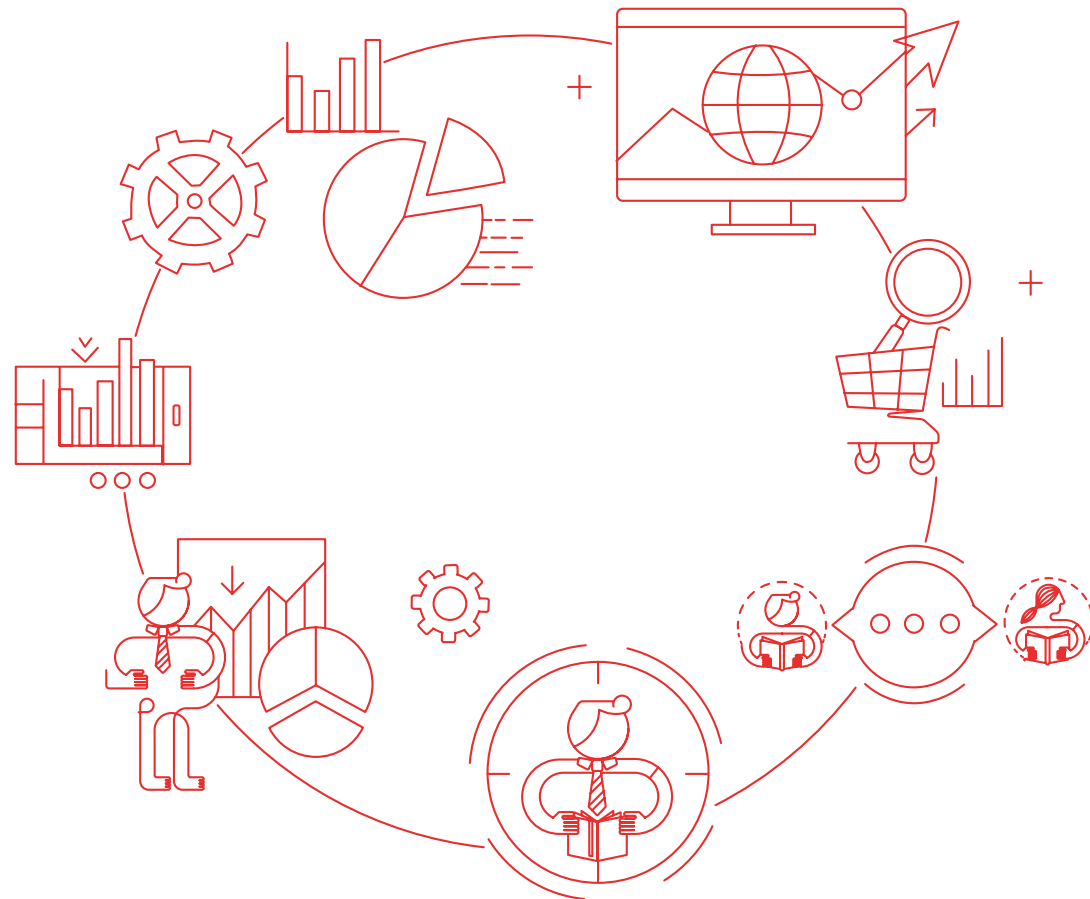
The directors are not aware of any material matters or circumstance arising since the end of the financial year to the date of this report, which requires consideration for adjustment to or disclosure in the annual financial statements for the year ended on 31 March 2016.

GOING CONCERN STATUS

Having reviewed SANBS' cash flow forecast for the year 2016/2017 and, in light of the current financial position, the directors are satisfied that the organisation has, or has access to, adequate resources to continue its operational existence for the foreseeable future.

POLICY DIRECTIVES

During the year under review, no new policy directives or operating licence reviews were received by SANBS or from the Department of Health as the Regulator.



INDEPENDENT auditor's REPORT

TO THE MEMBERS OF THE SOUTH AFRICAN NATIONAL BLOOD SERVICE

We have audited the annual financial statements of The South African National Blood Service (SANBS) as set out from pages 81 to 107, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the annual financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether owing to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the annual financial position of The South African National Blood Service as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

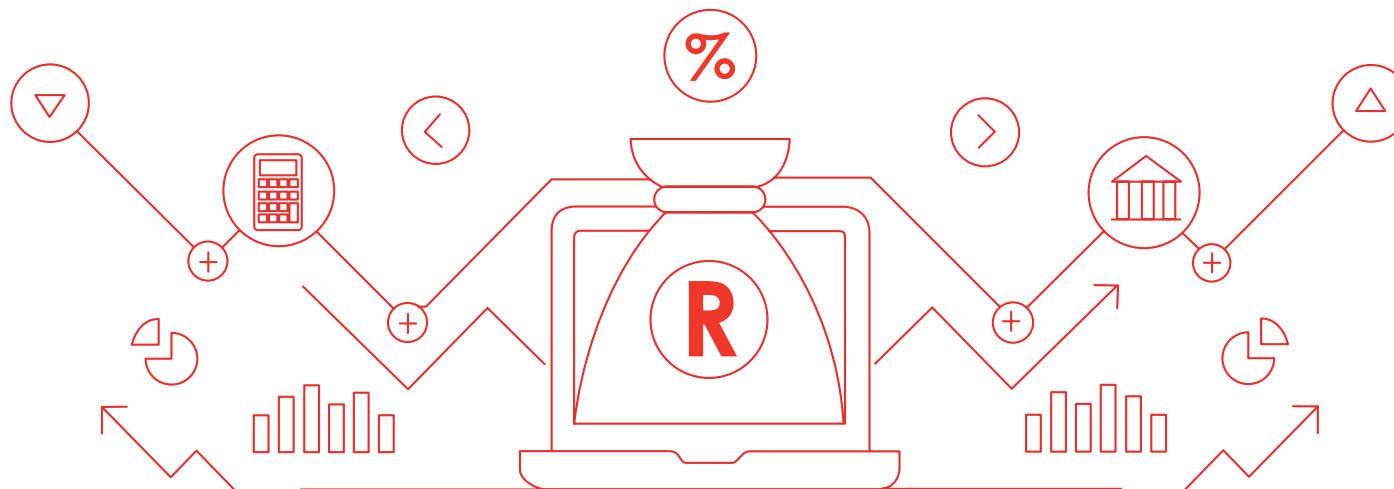
As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the Directors' report and the Company Secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Mandisi Mantyi
Partner
13 September 2016

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2016

	Notes	2016 R'000	2015 R'000
REVENUE	3	2 403 509	2 250 041
Expenses	4	(2 163 571)	(1 993 476)
Other income		26 572	17 532
Net interest received		94 141	68 437
Interest received	5	94 343	68 609
Interest expense	5	(202)	(172)
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR	6	360 651	342 534
Other Comprehensive Surplus for the year		369 182	337 642
Actuarial losses	13	(8 531)	4 892
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		360 651	342 534



STATEMENT OF FINANCIAL POSITION as at 31 March 2016

	Notes	2016 R'000	2015 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	367 847	297 764
Current assets			
Assets held-for-sale	11	694	5 883
Inventories	9	109 516	102 513
Trade and other receivables	10	651 033	480 083
Cash and cash equivalents	16.3	1 472 847	1 374 189
Total current assets		2 234 090	1 962 668
Total assets		2 601 937	2 260 432
Reserves			
Non-current liabilities			
Interest bearing liabilities	12	1 219	-
Provision for post-retirement medical aid obligation	13	38 764	40 292
Total non-current liabilities		39 983	40 292
Current liabilities			
Interest bearing liabilities	12	340	24
Current portion of provision for post-retirement medical aid obligation	13	2 310	2 187
Trade and other payables	14	173 291	185 123
Provisions	15	101 138	108 582
Total current liabilities		277 079	295 916
Total reserves and liabilities		2 601 937	2 260 432

CASH FLOW STATEMENT for the year ended 31 March 2016

	Notes	2016 R'000	2015 R'000
Cash flows from operating activities			
Cash generated from operations	16.1	316 775	325 454
Changes in working capital	16.2	(197 229)	49 740
Cash generated from operating activities		119 546	375 194
Interest received	5	94 343	68 609
Interest expense	5	(202)	(172)
Net cash generated from operating activities		213 687	443 631
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(126 944)	(76 780)
Proceeds from sale of plant equipment		11 785	989
Net cash utilised in investing activities		(115 159)	(75 791)
Cash flows from financing activities			
Decrease in interest-bearing liabilities		1 535	(2 119)
(Decrease)/increase in provision for post-retirement medical aid obligation		(1 405)	(2 942)
Net cash utilised in financing activities		130	(5 061)
Increase in cash for the year		98 658	362 779
Cash and cash equivalents at the beginning of the year		1 374 189	1 011 410
Cash and cash equivalents at the end of the year	16.3	1 472 847	1 374 189

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Accounting policies

1.1 Statement of compliance

The annual financial statements of the company are prepared in accordance with IFRS. The principal accounting policies adopted, which have been consistently applied in all material respects, are set out below.

The basis of preparation is consistent with the prior year, except for new and revised standards and interpretations adopted as detailed below.

1.2 Adoption of revised accounting standards

In the current year, the company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) that are relevant and effective for the accounting period beginning 1 April 2014.

At the date of approval of the financial statements, the following relevant standards, amendments and interpretations were in issue but are not yet effective:

IFRS 9 Financial instruments – classification and measurement (effective for annual periods beginning on or after 1 January 2015).

IFRS7 Financial instruments - disclosure (Effective for annual periods beginning on or after 1 January 2016)

The directors are in the process of evaluating the effects of these new standards and interpretations, but they are not expected to have a significant effect on the company's disclosures.

1.3 Basis of preparation

The annual financial statements are prepared on the historical cost basis, except for certain financial instruments carried at fair value.

These financial statements are presented in South African rand since that is the currency in which the majority of the company's transactions are denominated.

1.4 Property, plant and equipment

Land and buildings are stated at cost. Buildings are depreciated over their useful lives to their residual values.

Plant, equipment, furniture and fittings and vehicles are stated at cost less accumulated depreciation and impairments. Depreciation is charged to write off the depreciable amount of the assets over their estimated useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

The useful lives are:

Buildings	50 years
Plant, equipment and fittings	4 to 10 years
Motor vehicles	4 years
Computer equipment	4 years
Furniture	4 years

Rates are considered appropriate to reduce the carrying amounts of the assets to their estimated residual values over their expected useful lives. The residual values and useful lives are assessed annually.

Assets held under finance leases are depreciated over the useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and these are included in the operating profit.

1.5 Leases

Assets held under finance leases are capitalised at their fair value at the date of acquisition. The corresponding liability, net of deferred finance charges, is included in the statement of financial position as a long-term liability.

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of comprehensive income over the terms of the lease to produce a consistent periodic charge on the remaining balance of the obligation.

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1.6 Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through

profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.7 Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available for sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised based on a trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1.7.1 Effective-interest method

The effective-interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective-interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest bases for debt instruments other than those financial assets classified as at FVTPL.

1.7.2 Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it on the near term, or
- On initial recognition it is a part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair-value basis, in accordance

with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or

- It forms part of a contract containing one or more embedded derivatives, and IAS39 Financial Instruments: recognition and measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the other gains and losses' line items in the statement of comprehensive income. Fair value is determined in the manner described in note 19.

1.7.3 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective-interest method less any impairment.

1.7.4 Available-for-sale financial assets (AFS)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below), interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the company's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in the profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

1.7.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

1.7.6 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments, a significant or prolonged decline in the fair value of the security below its costs is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant in financial difficulty of the issue of counterparty, or
- breach of contract, such as a default or delinquency in interest of principal payments, or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation, or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for collective impairment. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income and reclassified to profit or loss in the period. For financial assets measured at amortised cost, if in a subsequent period, the amount of the

impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been so recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of the AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.7.7 Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and the receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the company retains control), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in profit or loss. A cumulative gains or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.8 Financial liabilities and equity instruments

1.8.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1.8.2 Equity instrument for trading

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.8.3 Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

1.8.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term, or;
- On initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

1.8.3.2 A financial liability other than a financial liability held for trading may be designated as a FVTPL upon initial recognition if:

Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or

- The financial liability forms part of a group of financial assets or financial liabilities or both,
- Which is managed and its performance is evaluated on a fair-value basis in accordance with the company's documented risk management or investment

strategy, and information about the grouping is provided internally on that basis, or

- It forms part of a contract containing one or more embedded derivatives, and IAS 39 financial Instruments: recognition and measurement permits the entire combined contract (asset or liability) to be designated as a FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses' line item in the statement of comprehensive income. Fair value is determined in the manner described in note 19.

1.8.3.3 Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortised costs using the effective interest method.

This method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.8.4 Inventories

Inventories are valued at the lower of cost and the net realisable value, using the standard costing method. Cost is determined as follows:

- Blood packs, accessories, packaging materials, filtration stocks, chemicals and the reagents at a standard cost that approximates the latest invoice price,
- Raw materials, for the use in the manufacturing process, at a standard cost that approximates the latest invoice price,
- Fractionated plasma in process products and finished products at a standard cost,
- Consumable stores at a standard cost that approximates the latest invoice price,
- Plasma and purchased finished goods at a standard cost that approximates the latest Invoice price,
- Blood stocks on hand at the year-end are not included in inventories,

- Test kits using the weighted average method = weighted average cost method,
- Obsolete or slow moving inventories are identified and suitable reductions in value are made accordingly.

1.8.5 Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered through sale. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and management is committed to the sale and the sale is expected to be completed within one year from date of classification.

Immediately prior to being classified as held for sale, the carrying amount of the asset is measured in accordance with the applicable standards. After classification as held for sale, the asset is measured at the lower of the carrying amount and fair value less costs to sell.

1.8.6 Revenue recognition

Revenue comprises the net revenue from service fees and product sales, excluding value-added taxation. Revenue is recognised when significant risks and rewards are transferred to the buyer and the receipt of economic benefits is probable.

1.8.6.1 Service revenue

Service revenue is recognised with reference to the stage of completion of the transaction. Revenue is recognised when the amount of revenue and cost incurred in respect of the transaction can be measured reliably.

1.8.6.2 Product sales

Product sales revenue is recognised when significant risks and rewards have been transferred to the buyer and it is probable that economic benefits associated with the transaction will flow to the buyer.

1.8.6.3 Interest

Revenue is recognised as the interest accrues using an effective interest rate method. Interest revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

1.8.7 Retirement benefits

The company provides provident and post-retirement medical-aid benefits only for certain employees.

The company contributes to a defined contribution provident fund, which is governed by the Pension Funds Act 1956. The company's contribution to the fund in respect of service during a particular period is recognised as an expense in that period.

Provision is made for the present value of future post-retirement medical benefits owing to current and former employees on the accrual bases determined actuarially every three years. The projected unit credit method of valuation is used to calculate the post-retirement benefits.

1.8.8 Impairment

At each reporting date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, being the higher of its net selling price and its value in use, is assessed in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

1.8.9 Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

1.8.10 Research and development

Expenditure on research and development is charged against operating income in the year in which it is incurred.

1.8.11 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

2.1 Critical accounting judgements

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimations, that affect the amounts recognised in the financial statements and related disclosure:

2.2 Impairment of assets

In making the judgement, management has assessed at each reporting date whether there is an indication that items of property, plant and equipment and other assets may be impaired. If any such indication exists, the recoverable amount of the asset is assessed in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

2.3 Provision for doubtful debts

Judgement is required to determine the recoverability of trade and other receivables. Various factors are considered when deciding on whether to impair receivables, including general economic terms, payment history and any other financial viability of the customer.

2.4 Key sources of estimation uncertainty

In the process of applying the company's accounting policies, management has made the following key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date.

2.5 Plant, equipment and vehicles residual values and useful lives

These assets are written down to their estimated residual values over their anticipated useful lives using the straight-line basis. Management reviews the residual values annually considering market conditions and projected disposal values. In assessing useful lives, maintenance programmes and technological innovations are considered.

2.6 Provision for post-retirement medical obligation

A liability exists in respect of current and retired employees to whom these benefits have been granted. These costs are provided on the accrual basis, determined actuarially. Refer to assumptions set out in note 13 on page 98.

2.7 Inventory

Management periodically reviews inventories to identify any obsolete or slow moving inventory. Judgement and estimation is required to conduct these reviews. Any change in the estimate could result in the revision of the valuation of inventory.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016**3. REVENUE**

Revenue consists of the invoiced value of goods and services to customers excluding value added taxes

	2016 R'000	2015 R'000
Service fees	2 402 029	2 249 081
Product sales	1 480	960
Total revenue	2 403 509	2 250 041

4. EXPENSES

Advertising and promotions	(42 606)	(31 228)
Communication costs	(30 770)	(32 187)
Consulting fees	(24 651)	(25 173)
Consumables	(568 268)	(519 413)
Depreciation	(56 423)	(51 094)
Employee benefits	(918 729)	(851 999)
Freight	(135 768)	(125 736)
Hired premises	(34 087)	(30 115)
Motor vehicle costs	(13 443)	(13 654)
Product testing	(55 267)	(54 252)
Services	(72 333)	(63 410)
Travel and accommodation	(34 863)	(36 663)
Other expenses (includes bad debts write off, computer costs, foreign exchange variance; Insurance and repairs and maintenance)	(176 363)	(158 552)
	(2 163 571)	(1 993 476)

5. NET INTEREST RECEIVED

Bank	94 343	68 609
Interest received	94 343	68 609
Interest charged by suppliers	(194)	(117)
Interest on finance lease obligations	(8)	(55)
Interest expense	(202)	(172)
	94 141	68 437

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

6. SURPLUS FOR THE YEAR

The surplus for the year is stated after taking into account the following items:

	2016 R'000	2015 R'000
Auditor's remuneration	2 830	2 727
Audit fees	2 732	2 650
Fees for other services	98	77
Depreciation	56 423	51 094
Buildings	6 933	9 917
Plant and equipment	19 733	16 862
Motor vehicles	7 165	8 437
Computer equipment	19 425	12 596
Furniture and fittings	3 167	3 282
Directors' emoluments (refer to Note 22)	17 261	17 510
Executive directors	13 249	13 626
Non-executive directors	4 012	3 884
Net loss/(gain) on foreign currency transactions	1 567	1 688
Employee benefits	918 729	851 999
Salaries and wages	616 880	602 394
Pension	88 941	82 404
Bonus	45 609	49 068
Leave	10 255	21 824
Medical Aid	59 688	46 336
Other	97 356	49 973
Net loss/(profit) on disposal of property, plant and equipment	(6 158)	263
Operating lease expenses	45 534	41 039
Land and buildings	34 087	30 115
Plant and equipment	11 447	10 924

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)**7. TAXATION**

No provision for taxation is made as the company is specifically exempt from taxation in terms of Section 10(1)(cN) of the South African Income Tax Act.

8. PROPERTY, PLANT AND EQUIPMENT 2016

	Beginning of year R'000	Additions R'000	Disposals R'000	Transfers R'000	Held for sale R'000	End of year R'000
Cost						
Land and building	198 737	24 037	-	560	(900)	222 434
Plant and equipment	228 195	43 859	(1 809)	54	-	270 299
Motor vehicles	77 462	1 777	(94)	-	-	79 145
Computer equipment	80 991	53 064	(65)	(6)	-	133 984
Furniture and fittings	19 330	4 207	(130)	(608)	-	22 799
	604 715	126 944	(2 098)	-	(900)	728 661
Accumulated depreciation						
Land and building	45 371	6 629	-	(481)	(206)	51 313
Plant and equipment	141 420	19 733	(1 761)	(11)	-	159 381
Motor vehicles	41 197	7 165	(94)	-	-	48 268
Computer equipment	63 918	19 425	(65)	5	-	83 283
Furniture and fittings	15 045	3 167	(130)	487	-	18 569
	306 951	56 118	(2 050)	-	(206)	360 814
Net carrying value	Cost R'000	Accumulated depreciation R'000	Net carrying value R'000			
Land and buildings	222 434	(51 313)	171 121			
Plant and equipment	270 299	(159 381)	110 918			
Motor vehicles	79 145	(48 268)	30 877			
Computer equipment	133 984	(83 283)	50 701			
Furniture and fittings	22 799	(18 569)	4 230			
	728 661	360 814	367 847			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

8. PROPERTY, PLANT AND EQUIPMENT	Beginning of year R'000	Additions R'000	Disposals R'000	Transfers R'000	End of year R'000
2015					
Cost					
Land and building	181 408	17 512	(119)	(64)	198 737
Plant and equipment	188 852	46 135	(6 792)	-	228 195
Motor vehicles	73 920	6 741	(3 199)	-	77 462
Computer equipment	78 568	3 037	(614)	-	80 991
Furniture and fittings	16 018	3 355	(107)	64	19 330
	538 766	76 780	(10 831)	-	604 715
Accumulated depreciation					
Land and building	35 499	9 917	(52)	7	45371
Plant and equipment	131 054	16 862	(6 496)	-	141420
Motor vehicles	35 107	8 437	(2 347)	-	41197
Computer equipment	51 910	12 596	(588)	-	63 918
Furniture and fittings	11 866	3 282	(96)	(7)	15 045
	265 436	51 094	(9 579)	-	306 951
Net carrying value					
	Cost R'000	Accumulated depreciation R'000	Net carrying value R'000		
Land and buildings	198 737	(45 371)	153 366		
Plant and equipment	228 195	(141 420)	86 775		
Motor vehicles	77 462	(41 197)	36 265		
Computer equipment	80 991	(63 918)	17 073		
Furniture and fittings	19 330	(15 045)	4 285		
	604 715	(306 951)	297 764		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)**9. INVENTORIES**

	2016 R'000	2015 R'000
Consumable stores	110 772	103 631
Provision for obsolescence	(1 256)	(1 118)
	109 516	102 513

10. TRADE AND OTHER RECEIVABLES

Trade receivables	634 793	467 885
Sundry receivables	16 240	12 198
	651 033	480 083

Trade receivables

Gross receivables	874 187	652 844
Provision for doubtful debts	(239 394)	(184 959)
	634 793	467 885

Not past due

Age of receivables that are past due but not impaired

30 days	80 831	67 094
60 days	78 034	51 337
Total	158 865	118 431

Age of impaired receivables:

90 days	62 592	28 114
120 days	28 990	20 034
150+ days	258 410	180 787
Total	349 992	228 935

The company considers its provision against these debtors adequate.

The company grants credit terms of 30 days to its customers. Although this is also true for government-related business, the company only views government trade receivable as potentially problematic if it ages beyond 120 days. The Public Finance Management Act that governs all public institutions does, however, provide that all government institutions pay their creditors within 30 days. This is not currently practised by all relevant government institutions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

10. TRADE AND OTHER RECEIVABLES (continued)

Movement in provision for doubtful debts

	2016 R'000	2015 R'000
Balance at beginning of the year	184 959	170 825
Charged to the statement of Comprehensive income – Bad Debt provision adjustment	47 814	70 997
Charged to the statement of Comprehensive Income – Revenue discounting	6 856	
Bad debts written-off	(235)	(56 863)
Balance at the end of the year	239 394	184 959

Allowances for doubtful debts are recognised against trade receivables of 120 days and older based on estimated irrecoverable amounts determined by reference to past default experience of counter party.

Private sector patients/customers

Owing to the nature of the business of the company, no credit checks are performed on new private patients. This is because of the instruction for services emanating from a qualified medical physician in a private health institution. The company takes cognisance of the fact that the patient has at that stage been accepted for treatment in a private health institution and can therefore take responsibility for the resulting account.

Government sector patients/customers

The company trades significantly with government by way of the Provincial and National Departments of Health. There are detailed service level agreements in place with most of these departments with an active drive to have all these relationships governed by these agreements in the foreseeable future.

Included in the company's total trade receivables balance are the following amounts:

	2016 R'000		2015 R'000	
Private sector	373 870	43%	320 333	49%
Medical aids	214 340		172 449	
Private patients	111 097		105 023	
Private institutions	47 203		38 907	
Other	1 230		3 954	
Public sector	500 317	57%	332 511	51%
State hospitals	458 551		300 826	
Workmen's Compensation Fund	16 324		16 273	
Road Accident Fund	18 663		10 658	
Other	6 779		4 754	
	874 187		652 844	

The directors are of the opinion that the carrying amounts of trade and other receivables approximate their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

11. ASSETS HELD-FOR-SALE

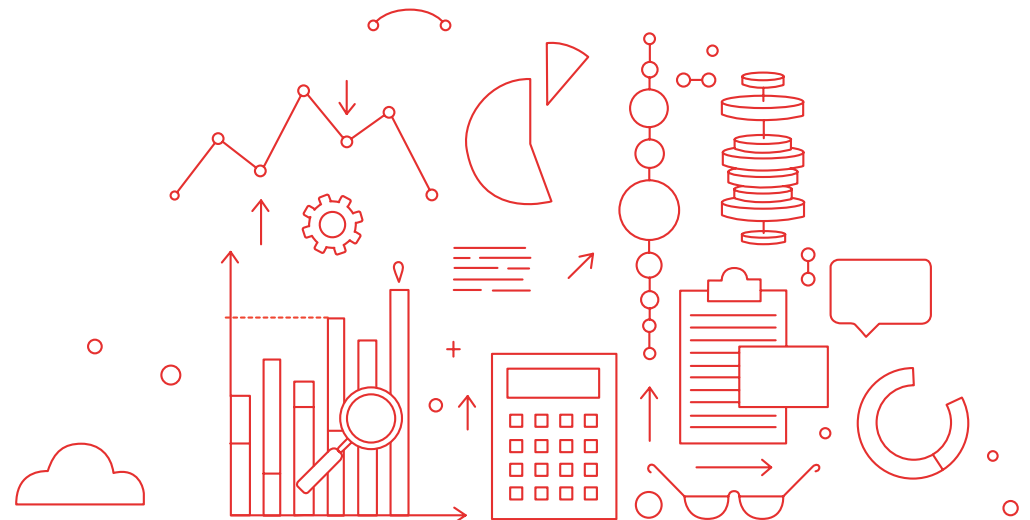
	2016 R'000	2015 R'000
Cost	900	7 364
Accumulated depreciation	(206)	(1 481)
	694	5 883

During October 2015, the Executive team approved the sale of the property situated at 63 Broom Street, Klerksdorp. This property will be included in the agenda at the next Board meeting for Board approval, which is considered highly probable. No impairment loss was recognised on reclassification of the property held for sale nor, as at 31 March 2016 as the directors of the company expect that the fair value (estimated based on recent market prices of similar properties in similar locations) is less cost to sell higher than the carrying amount.

12. INTEREST-BEARING LIABILITIES

Finance lease liabilities	1 559	24
Less: portion payable within one year	(340)	(24)
Long-term portion	1 219	-

The obligation was secured over Spectra Optia equipment which is used in therapeutic apheresis procedures. The obligation bears interest at prime lending rate which is currently 10.50% and repayable in monthly instalments of R28 360.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

13. POST-RETIREMENT MEDICAL AID OBLIGATION

The post-retirement medical aid arrangements provide health benefits to retired employees and certain dependants. Eligibility for cover is dependent upon certain criteria. There are no plan assets in respect of post-retirement medical plans. The post-retirement medical aid liability is valued at intervals of not more than three years using the projected unit credit method. The actual present value of the promised benefit at the most recent valuation performed in 2016 indicates that the contractual post-retirement medical aid liability is adequately provided for within the financial statements.

	2016 R'000	2015 R'000
Provision for post-retirement long-term medical obligations	38 764	40 292
Short-term portion	2 310	2 187
Balance at the end of the year	41 074	42 479
The amounts recognised in the surplus in respect of the defined plans are as follows:		
Current service cost	429	570
Interest on obligation	3 468	3 712
Actuarial losses recognised in the year	8 531	-
	12 428	4 282
The amounts recognised in the surplus in respect of the defined plans are as follows:		
Balance at the beginning of the year	42 479	45 421
Current service cost	429	570
Interest cost	3 468	3 712
Expected employer benefit payments	(2 271)	(2 332)
Obligation extinguished by settlement	(11 562)	-
Actuarial loss	8 531	(4 892)
Balance at the end of the year	41 074	42 479
The principal actuarial assumptions applied were:		
Average retirement age	65 years	65 years
Continuation of membership at retirement	100%	100%
Health care cost inflation	9,80%	8,10%
Discount rate	10,20%	8,40%

The obligation of the company to provide medical benefits after retirement is no longer part of the conditions of employment for employees engaged after various dates within the company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)**14. TRADE AND OTHER PAYABLES**

	2016 R'000	2015 R'000
Trade payables	104 967	80 773
Accruals	40 698	49 114
Debtors overpayment	5	24 645
Other payables	27 621	30 591
	173 291	185 123

15. PROVISIONS

Leave pay	41 942	50 088
Incentive bonus	59 196	58 494
	101 138	108 582

Leave pay

Opening Balance	50 088	48 460
Additional provisions recognised	5 033	16 940
Reduction due to payments	(13 179)	(15 312)
	41 942	50 088

Incentive Bonus

Opening balance	58 494	49 826
Additional provision recognised	45 609	49 068
Reduction due to payments	(44 907)	(40 400)
	59 196	58 494

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

16.1 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	2016 R'000	2015 R'000
Net surplus	360 651	342 534
Adjustments:		
Depreciation	56 423	51 094
Net loss (profit) on disposal of property, plant and equipment	(6 158)	263
Interest received	(94 343)	(68 609)
Interest paid	202	172
Cash generated from operations	316 775	325 454

16.2 WORKING CAPITAL CHANGES

Increase in inventories	(7003)	(23 006)
(Decrease)/increase in trade and other receivables	(170 950)	76 980
(Decrease)/increase in trade and other payables	(11 832)	(14 530)
Increase in provisions	(7 444)	10 296
Changes in working capital	(197 229)	49 740

16.3 CASH AND CASH EQUIVALENTS

Bank balance	317 877	532 292
Money on call	1 154 970	841 897
Cash and cash equivalents	1 472 847	1 374 189

17. OPERATING LEASE COMMITMENTS

Lease payments for current year	41 324	93 674
Non cancellable operating lease commitment		
Not later than one year	18 563	37 341
Later than one year, but not later than five years	22 761	56 333
Note: Lease commitments relate to non cancellable leases on buildings	41 324	93 674

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

17.1 OPERATING LEASE REVENUE

Lease revenue

2016 R'000	2015 R'000
6 400	6 000

17.2 OPERATING LEASE RECEIVABLE

Lease revenue

6 400	6 000
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Receivable within 1 year

7 320

Receivable later than 1 year but not later than 5 years

29 280

Later than 5 years

36 600

Note: Lease commitments relate to non cancellable leases on buildings

18. PENSION AND PROVIDENT FUND INFORMATION

The company provides retirement benefits for all eligible permanent employees through a defined contribution provident fund, which is governed by the Pension Funds Act in South Africa, 1956. At year-end there were 2 268 (2015: 2 240) employees on this fund. The company's contribution to this fund expensed during the current financial year amounted to R88 940 987 (2015: R82 404 176).

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

Interest rate risk

Fluctuations in interest rates affect on the returns derived from bank deposits and interest payable on the leases.

Interest rate risk management

The company manages its interest rate risk by negotiating favourable rates with its bankers. When deemed necessary, interest rate quotes are obtained from other financial institutions to ensure that rates paid are market related. Major banks of high quality and credit standing are used by the company.

Liquidity risk

The risk is managed by cash budgets and centralised cash management control. The company has adequate cash resources.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)

Exchange rates

	2016 R'000	2015 R'000
USD	14,93	12,19
Euro	16,91	13,14

Liabilities in

USD	752	18 328
Euro	7	303

Foreign currency sensitivity

The company's exchange rate exposure relates mainly to the USD. The following table details the company's sensitivity to a 10% depreciation in the Rand against the USD. 10% is the sensitivity rate that represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

Foreign currency sensitivity – USD	75	1 833
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Credit risk management

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. The company by its nature as the national blood supplier has an imbedded risk in its ability to turn service and product delivery into cash resources. This is because of the objective of the company to save lives first and attend to financial consequences later. The company does not do credit checks on its private customers before supplying services and products nor do they investigate the amount of cover applicable or available in cases where medical aids are involved. This by its nature makes the business of the company less economically viable. As at 31 March 2016, the company does not consider there to be any material credit risk that has not been adequately provided for.

Fair-value

The directors are of the opinion that the book value of financial instruments approximates the fair value.

Fair-value hierarchy

Level 1: Fair-value derived from quoted prices in active markets.

Level 2: Fair-value derived through the use of valuation techniques based on observable inputs.

Level 3: Fair-value derived through the use of valuation techniques using inputs not based on observable market data.

The entity has no Level 1 financial instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)**19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)****Foreign currency risk**

The company purchases certain inputs directly from foreign suppliers, consequently these input costs are influenced by fluctuations in the value of the rand. It is not the policy of the company to routinely take out forward exchange contracts. The carrying amounts of the company's foreign currency denominated monetary liabilities at the reporting date is as follows:

2016	Level 2 R'000	Level 3 R'000
Financial assets		
Trade and other receivables	-	651 033
Cash and cash equivalents	-	1 472 847
Total	-	2 123 880
Financial liabilities		
Trade and other payables		
Provisions	-	101 138
Total	-	101 138

Classification of financial instruments	Loans and receivables R'000	Amortised costs R'000	Total R'000
Assets			
Trade and other receivables	651 033	-	651 033
Cash and cash equivalents	1 472 847	-	1 472 847
Total	2 123 880	-	2 123 880
Liabilities			
Interest-bearing liabilities	-	1 559	1 559
Trade and other payables	173 291	-	173 291
Provisions	-	101 138	101 138
Total	173 291	102 697	275 988

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)

2015

Financial assets

Trade and other receivables

Cash and cash equivalents

Total

Financial liabilities

Trade and other payables

Provisions

Total

Level 2
R'000

Level 3
R'000

- 480 083

- 1 374 189

- **1 854 272**

- 185 123

- 108 582

- **293 705**

Classification of financial instruments

Assets

Trade and other receivables

Cash and cash equivalents

Total

Liabilities

Interest-bearing liabilities

Trade and other payables

Provisions

Total

Loans and
receivables
R'000

Amortised
costs
R'000

Total
R'000

480 083 - 480 083

1 374 189 - 1 374 189

1 854 272 - 1 854 272

- 24 24

185 123 - 185 123

- 108 582 108 582

185 123 108 606 293 729

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)**20. CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

Approved by directors – not contracted for

	2016 R'000	2015 R'000
Plant and equipment	69 547	43 739
Motor vehicles	53 311	18 243
Furniture and fittings	4 251	5 121
Computer hardware and software	66 358	95 199
Building and leasehold improvements	63 860	50 748
	257 327	213 050

21. GUARANTEES

Financial Institutions have issued guarantees on behalf of the company to the value of R 2 683 488 (2015: R 3 256 916).

22. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

2016	Basic Salary R'000	Bonus R'000	Other Benefits R'000	Total R'000
Executive directors/prescribed officers				
For Services rendered in connection with the carrying out of the affairs of the company				
T Vroom (Joined : 01.08.2015)	1 789	-	162	1 951
C Ingram (Resigned : 31.03.2016)	1 832	184	102	2 118
R Reddy	2 014	227	238	2 479
A Mothokoa	1 384	155	159	1 698
R Bardien	1 198	126	65	1 389
T Mokoena (Resigned : 29.02.2016)*	1 110	127	592*	1 829
N Mankungu (Resigned : 31.03.2016)	1 547	156	82	1 785
	10 874	975	1 400	13 249

Other benefits include, travel and group life/disability cover

*The amount include R531 533.76 severance package

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

22. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (CONTINUED)

2016

Non-Executive Directors

For services rendered as directors

	Bonus R'000	Other Benefits R'000	Total R'000
A Christians	615	22	637
A Ramalho	516	0	516
D Dondur	463	11	474
G Simelane	394	2	396
M Gani	242	9	251
P Knox	303	16	319
R Theunissen	636	15	651
W Gumede	457	-	457
V Moodley	311	-	311
	3 937	75	4 012

2015

Executive Directors/prescribed officers

	Basic Salary R'000	Bonus R'000	Other Benefits R'000	Total R'000
L Mpuntsha	2 778	443	99	3 320
C Ingram	1 690	170	40	1 900
R Reddy	1 951	370	115	2 436
A Mothokoa	1 349	210	112	1 671
R Bardien (joined 1 May 2014)	1 024	-	60	1 084
T Mokoena (Resigned : 29.02.2016)*	1 122	118	*76	1 316
S Mabuza (resigned 30 April 2014)	187	49	-	236
N Mankungu	1 453	145	65	1 663
	11 554	1 505	567	13 626

104 Other benefits include, travel and group life/disability cover
*The amount include R531 533.76 severance package

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016 (continued)

	Fees R'000	Other Expenses R'000	Total R'000
22. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (CONTINUED)			
2015			
Non-Executive Directors			
For services rendered as Directors			
A Christians	649	14	663
A Ramalho	127	-	127
D Dondur	483	11	494
C Mey	50	-	50
C Sanangura	189	4	193
G Simelane	456	2	458
M Gani (resigned: 03.10.2015)	92	3	95
P Knox	397	9	406
R Theunissen	585	-	585
W Gumede	449	2	451
V Moodley	359	3	362
	3 836	48	3 884

Other expenses to non-executive directors relate to travel reimbursement.

Abbreviations and acronyms

American Association of Blood Banks	AABB	Department of health	DoH	Human leukocyte antigen	HLA
ABO blood group system, the classification of human blood based on the inherited properties of red blood cells (erythrocytes) as determined by the presence or absence of the antigens A and B.	ABO	Economically active population	EAP	Health and Welfare SETA	HWSETA
Available for sale	AFS	Executive committee	EXCO	Human platelet antigen	HPA
African Society of Blood Transfusions	ASBT	Employment equity	EE	Health Professions Council of South Africa	HPCSA
Annual general meeting	AGM	Employee self-service	ESS	Human resources	HR
Audit and Risk Committee	ARC	Employee Wellness Programme	EWP	Information and communications technology	ICT
Black economic empowerment	BEE	US Food and Drug Administration	FDA	International Integrated Reporting Council	ID-NAT
Broad-based black economic empowerment	BBBEE	Other financial liabilities	FVTPL	International haemovigilance network	IHN
Business Intelligence	BI	Gross Domestic Product	GDP	International Accounting Standards Board	IASB
Blood on a returnable basis	BRB	Governance risk compliance	GRC	International Integrated Reporting Council	ID-NAT
Blood systems research institute	BSRI	Hepatitis B virus	HBV	International Financial Reporting Standards	IFRS
Chief executive officer	CEO	Healthcare information system	HCIS	Internal Auditing	IIA
Company secretary	COSEC	Hepatitis C virus	HCV	Institute of Directors in Southern Africa	IoDSA
Chief operations officer	COO	Hazard identification and risk assessment	HIRA	The International Society of Blood transfusions Standard	ISBT
Continuous professional development	CPD	Human immunodeficiency virus	HIV	Information technology	IT
Deoxyribonucleic acid	DNA	Human leukocyte antigen	HLA	International Plasma Fractionation Association	IPFA
		Human T-cell lymphotropic virus	HTLV	King Code of Governance principles for South Africa	KINGIII

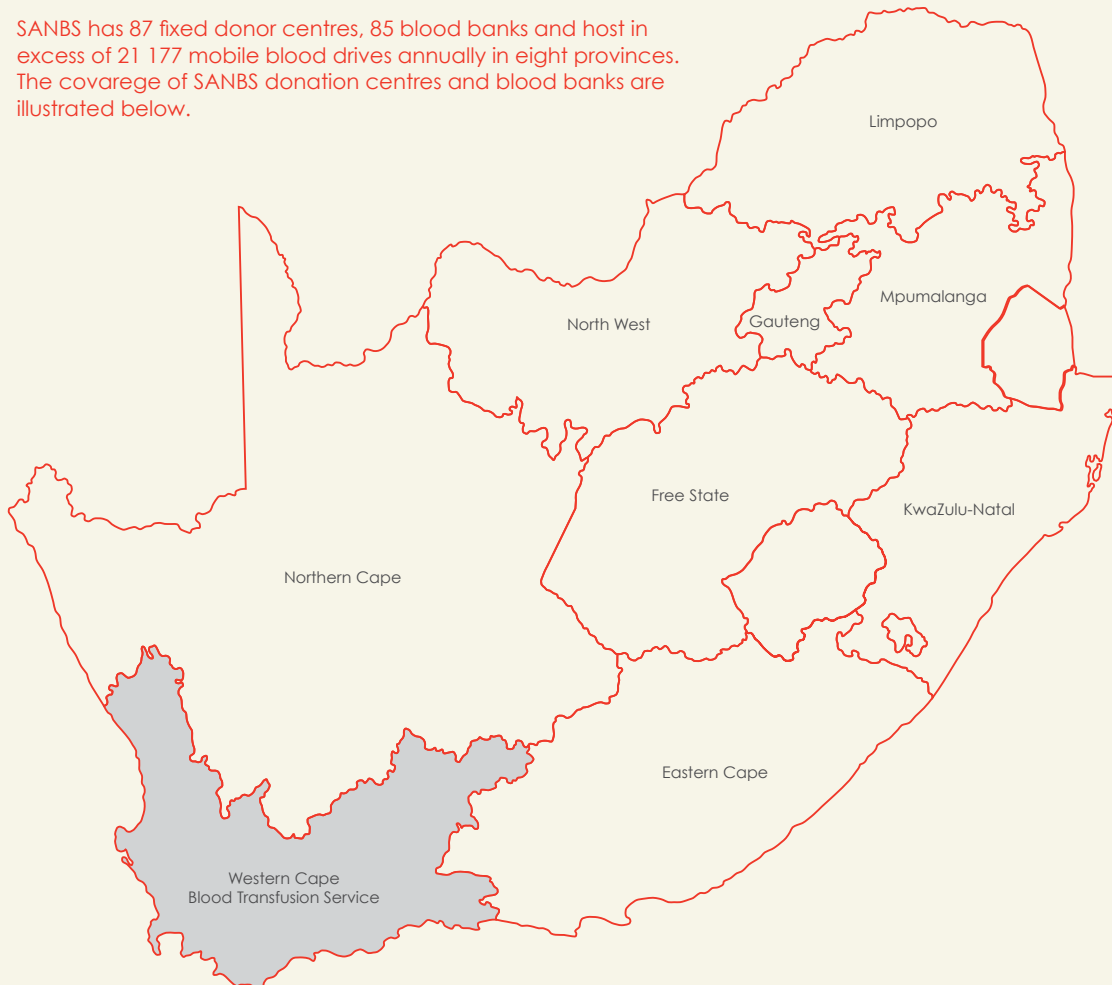
Abbreviations and acronyms

Key performance indicator	KPI	Ribonucleic acid	RNA	University of California	UCLA
Laboratory information management system	LIMS	South African Bone Marrow Registry	SABMR	World Health Organisation	WHO
Long-term incentive	LTI	Southern African Development Community	SADC	Western Province Blood Transfusion Service	WPBTS
Memorandum of incorporation	MOI	South African National Accreditation System	SANAS	Workplace skills plan and implementation report	WSPIR
Manager self-service	MSS	South African National Blood Service	SANBS	Voice over IP	VOIP
Nucleic acid testing	NAT	South African National Nursing Council	SANNC		
National Bioproducts institute	NBI	South African Nursing Council	SANC		
National Health Laboratory Service	NHLS	South African Revenue Services	SARS		
Non-profit company	NPC	Service level agreement	SLA		
Peripheral blood mononuclear cells	PBMC	Specialised laboratory services	SLS		
President's emergency plan for AIDS relief	PEPFAR	Standard operating procedure	SOP		
Platelet transfusion relevant bacterial reference strain	PTRBRS	Short-term incentives	STI		
Quality control	QC	Tuned assessment of skills and knowledge	TASK		
Red blood cell	RBC	Treponema pallidum particle agglutination assay	TPHA		
Research and Development	R&D	Transfusion transmission infection	TTI		
Retirement funding income	RFI	Tshwane University of Technology	TUT		
Radio frequency identification	RFID				

SANBS

National footprint

SANBS has 87 fixed donor centres, 85 blood banks and host in excess of 21 177 mobile blood drives annually in eight provinces. The coverage of SANBS donation centres and blood banks are illustrated below.



To locate a donor site near you, visit www.sanbs.org.za or scan the QR code below.



Alternatively, contact the toll-free call centre on

0800 11 9031

to find out about the nearest mobile drive happening in your area.

To host a blood drive, please email your details and the area you wish to host this at:

customerservice@sanbs.org.za

Egoli zone

Alberton

Tel: (011) 869-4572
Fax: (011) 869-9516

Braampark

Tel: (011) 628 1660
Fax: (011) 877-4038

Bedfordview

Tel: (011) 622-7153
Fax: (011) 622 -8361

Linksfeld/Edenvale

Tel: (011) 882-1391

Fourways

Tel: (011) 465-6441
(011) 465-6449

Beacon Road/Florida

Tel: (011) 670-8600
Fax: (011) 869-9516

Germiston

Tel: (011) 827-8335
Fax: (011) 827-3274

Monument/Krugersdorp

Tel: (011) 954-6804
(011) 954-0229

Lenasia

Tel: (011) 852- 0508
Fax: (011) 852-0509

Northgate

Tel: (011) 794-5756
Fax: (011) 794-5760

Colony/Randburg

Tel: (011) 447-6665
Fax: (011) 880-4994

Southdale

Tel: (011) 433-8414
Fax: (011) 433-8434

Maponya/Soweto

Tel: (011) 938-3283
Fax: (011) 938 -3372

Westgate

Tel: (011) 768-0283
(011) 768-8736

Northern zone

Atterbury Value Mart

Tel: (012) 991-5059
Fax: (012) 991-5059

Brits

Tel: (012) 252-4495

Centurion

Tel: (012) 644-1901

Ellisras

Tel: (014) 763-5922

Hatfield Plaza

Tel: (012) 362-3344

Louis Trichardt

Tel: (015) 516-5860

Polokwane Centre

Tel: (015) 297-3636

Potgietersrus

Tel: (015) 491-4806

Quagga Shopping Centre

Tel: (012) 327-6137

Rustenburg

Tel: (014) 592-0305

Sinoville

Tel: (012) 543-9524

Wonderpark

Tel: (012) 549-0350

Vaal zone

Benoni

Tel: (011) 425-4943
Tel: (011) 425-4855

Carnival Mall

Tel: (011) 915-6686

East Rand Square

Tel: (011) 826-5844

Kempton Park

Tel: (011) 970-4194

Klerksdorp

Tel: (018) 462-5351
Tel: (018) 468-6473

Kroonstad

Tel: (056) 212-2862

Mafikeng

Tel: (018) 381-6275

Potchefstroom

Tel: (018) 297-0530

River Square

Tel: (016) 454-9451

Springs

Tel: (011) 362-2272

Vaalgate Shopping Centre

Tel: (016) 933-1700

Vereeniging

Tel: (016) 422-8798

Free State & Northern Cape zone

Bethlehem

Tel: (058) 303-5560

Bloemfontein

Tel: (051) 447-4122
Tel: (051) 447-4122
Tel: (051) 522-7679
Tel: (051) 447-7246

Free State University

Tel: (051) 444-0601

Kathu

Tel: (053) 723-1641

Kimberley

Tel: (053) 833-1651

Springbok

Tel: (027) 712-1220

Upington

Tel: (054) 331-1247

Welkom

Tel: (057) 352-2174

Mpumalanga zone

Bethal

Tel: (017) 647-5598

Ermelo

Tel: (017) 811-2631

Kriel

Tel: (017) 648-4271

Lydenburg

Tel: (013) 235-3612

Middelburg

Tel: (013) 243-6785

Nelspruit

Tel: (013) 757-1216

Sasol

Tel: (017) 610-4658

Secunda

Tel: (017) 631-3731

Standerton

Tel: (017) 714-2829

Witbank

Tel: (013) 692-4805/
(013) 692-4422

KwaZulu-Natal Zone

Chatsworth	Tel: (031) 401-5509
Durban North	Tel: (031) 564-6070
Hillcrest	Tel: (031) 765-4035
Ladysmith	Tel: (036) 637-4191
Musgrave	Tel: (031) 2013666
Newcastle	Tel: (034) 312-6701
Pietermaritzburg	Tel: (033) 342-2464
Pinecrest	Tel: (031) 701-0699
Richards Bay	Tel: (035) 789-3610

Shelly Beach	Tel: (039) 315-6957
Southway	Tel: (031) 467-1534
Umlazi	Tel: (031) 912-1267

Eastern Cape zone

Beacon Bay

Tel: (043) 748-1962

Cleary Park

Tel: (041) 482-0020

East London

Tel: (043) 704-8200

Mthatha

Tel: (047) 531-0306

Port Elizabeth

Tel: (041) 391-8200

Queenstown

Tel: (045) 839-5133

Uitenhage

Tel: (041) 992-4844

Walker Drive

Tel: (041) 360-4161

General information

Registered name

South African National Blood Service/NPC

Email address

customerservice@sanbs.org.za

Registered office address

1 Constantia Boulevard, Constantia Kloof,
Roodepoort, 1724

Website

www.sanbs.org.za

Postal address

Private Bag X14,
Weltevreden Park,
1715

Auditors

Deloitte & Touche

Bankers

First National Bank

Company registration number

2000/026390/08

Company Secretary

Mr M Luthuli

Contact telephone number

011 761 9000

Thank you

Your blood runs through our system

