

**WESTERN PROVINCE BLOOD TRANSFUSION SERVICE**  
**Non-Profit Company Incorporated in Terms of the South African Companies Act 71 of 2008**  
**(Registration Number 1943/016692/08)**

**FINANCIAL STATEMENTS AT 31 MARCH 2018**

**DIRECTORS**

Mr P K Slack (Chairman)  
Dr G R M Bellairs (Executive)  
Ms N B du Toit (Executive)  
Dr A R Bird  
Mr M R Burton\*  
Prof B D L Figaji\*  
Dr A Huggett  
Mr D M Ndebele  
Mr N Parker (Resigned 11 September 2017)  
Mr R Ramsbottom\*  
Prof V J Louw  
Mr P J Veldhuizen  
Dr Charlotte Ingram (Appointed 21 September 2017)  
\*Member of audit committee

**COMPANY SECRETARY**

Mrs I van Schalkwyk

**REGISTERED OFFICE**

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

**REGISTRATION NUMBER**

1943/016692/08

**NPO REGISTRATION NUMBER**

031-336-NPO

**PBO REFERENCE NUMBER**

930 004 391

**FINANCIAL STATEMENTS PREPARED BY**

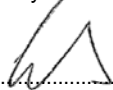
Imtiaz Kaprey (Financial Manager)

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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements set out on pages 6 to 32 were approved and signed by the board of directors on 30 July 2018 by:

  
.....  
CHAIRMAN

  
.....  
DIRECTOR

**WESTERN PROVINCE BLOOD TRANSFUSION SERVICE**  
**Non-Profit Company Incorporated in Terms of the South African Companies Act 71 of 2008**  
**(Registration Number 1943/016692/08)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**BUSINESS AND OPERATIONS**

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

**CORPORATE STRUCTURE**

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

**RESULTS FOR THE YEAR**

The results of operations for the year are set out in the attached Statement of Comprehensive Income which reflects a profit of R50 million for the year ended 31 March 2018 (2017: R2.9 million profit).

**CAPITAL COMMITMENTS**

In keeping with the Western Province Blood Transfusion Service's mission statement, the company continues investing in technical equipment to maintain its standards. Expected total capital expenditure for the next year is R28.5 million (2017: R24.1 million).

**DIRECTORS AND COMPANY SECRETARY**

Particulars of the present directors and secretary are given on page 1.

**EMPLOYMENT EQUITY**

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

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

As at 1 October 2017, the date of the last employment equity submission, the Service employed 527 permanent and 0 casual/temporary employees. As at the date of the last submission, 80% of permanent employees were from the black designated group and 63% were female. Of the 17 employees in management, 35% were from the black designated group and 76% were female.

**NATIONAL BLOOD TRANSFUSION LICENCE**

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

Draft regulations for blood and blood products were published for comment during 2011. SANBS, NBI and WPBTS submitted recommendations in June 2011. The regulations published in early 2012 did not include several of our recommendations, and a response was subsequently sent to the National Department of Health. Official feedback is awaited.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

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

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

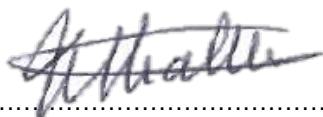
**EVENTS SUBSEQUENT TO THE YEAR END**

During the financial year, with the approval of the Board, the property situated at Main Road, Paarl, was placed on the open market for sale. Before the financial year-end of 31 March 2018 and prior to the approval of the financial statements the directors received a binding offer for the sale of the Paarl Property amounting to R5 million inclusive of VAT, which includes the land and buildings. The board carefully considered the impact of this offer on the valuation of the property at year end. This is a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property Plant and Equipment was appropriately valued.

This transaction was processed by the Deeds Office on 6 June 2018 confirming that the risk and rewards only transferred after year end.

**COMPANY SECRETARY'S CERTIFICATE**

In my capacity as Company Secretary, I hereby certify, in terms of the Companies Act, that for the period ended 31 March 2018, the company has lodged with the Registrar of Companies all such returns as are required of a private company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



.....  
Irene van Schalkwyk  
30 July 2018

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Notes	2018 R	2017 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	89 320 303	90 075 684
Investments	8	72 028 172	15 784 978
		<u>161 348 475</u>	<u>105 860 662</u>
<b>Current assets</b>			
Inventory	10	24 931 919	38 076 122
Trade and other receivables	11	50 052 558	47 940 519
Cash and cash equivalents	12	39 997 990	30 862 049
		<u>114 982 467</u>	<u>116 878 690</u>
<b>Non current assets held-for-sale</b>			
Assets held-for-sale	9(a)	3 658 442	10 471 981
		<u>3 658 442</u>	<u>10 471 981</u>
<b>Total assets</b>		<u>279 989 384</u>	<u>233 211 333</u>
<b>EQUITY AND LIABILITIES</b>			
Accumulated funds		159 576 030	111 473 527
Revaluation reserve	13	31 572 776	34 545 173
Non current assets held-for-sale	9(a)	2 972 397	9 081 800
Non-distributable reserve	14	2 368 596	2 282 262
Product liability reserve	15	17 393 299	6 940 271
Actuarial gain/(loss) reserve	21	388 000	(64 000)
		<u>214 271 098</u>	<u>164 259 033</u>
<b>Non-current liabilities</b>			
Post retirement medical benefits	21	1 662 000	2 069 000
Non-current portion of finance lease	22	-	765 134
		<u>1 662 000</u>	<u>2 834 134</u>
<b>Current liabilities</b>			
Interest bearing liabilities	22	-	243 330
FEC liability	23.4	3 821 019	2 535 330
Operating lease liability	23.3	88 755	260 070
Trade and other payables	16	34 125 123	37 817 205
Provisions	17	26 021 389	25 262 231
		<u>64 056 286</u>	<u>66 118 166</u>
<b>Total equity and liabilities</b>		<u>279 989 384</u>	<u>233 211 333</u>

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 R	2017 R
<b>TURNOVER</b>	1	426 082 417	370 761 082
<b>COST OF SALES</b>	6	142 053 096	150 768 640
Collections		33 325 916	34 354 637
Testing		59 350 971	65 401 826
Product costs		49 376 209	51 012 177
<b>GROSS SURPLUS</b>		284 029 321	219 992 442
<b>INCOME</b>		13 924 971	12 441 148
Fair value gain on investments	8	2 243 194	250 045
Interest received			
- bank deposits	1	2 454 715	2 106 561
- amortisation of debtors	1	5 503 401	5 047 398
Net surplus and scrapping on disposal of property, plant and equipment		-	801 610
Realised gains on foreign exchange		1 396 214	1 807 532
Unrealised gains on foreign exchange		824 447	367 938
Sundry income	2	1 179 899	1 801 063
Grant income	3	319 523	257 599
Professional development fund income	14(a)	3 110	226
Product liability income	15	468	1 176
<b>EXPENSES</b>		247 942 227	229 502 925
Personnel	4	180 757 697	174 874 456
Administration	5	33 653 202	28 508 125
Net loss and scrapping on disposal of property, plant and equipment	9(b)	5 585 828	-
Realised losses on derivative financial instruments		2 458 363	4 965 270
Fair value of FEC liability – unrealised loss		3 821 019	2 535 330
Finance costs	18	205 052	70 554
Repairs and maintenance		9 867 790	8 318 382
Depreciation	7	11 593 276	10 139 412
Professional development fund expense	14(a)	-	91 396
<b>PROFIT FOR THE YEAR</b>		50 012 065	2 930 665
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified to profit or loss</b>		(452 000)	-
Net actuarial gains		(452 000)	-
<b>Items reclassified to profit or loss</b>			
<b>TOTAL COMPREHENSIVE INCOME</b>		49 560 065	2 930 665

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Note	Non-distributable reserves R	Revaluation reserve R	Non-current asset held for sale R	Product liability reserve R	Actuarial gains/losses reserve	Accumulated funds R	Total R
<b>Balance at 31 March 2016</b>		<b>2 224 787</b>	<b>43 626 973</b>	-	<b>6 144 890</b>	<b>(64 000)</b>	<b>109 395 718</b>	<b>161 328 368</b>
Loss for the year		-	-	-	-	-	2 930 665	2 930 665
Other comprehensive income	13/21	-	-	-	-	-	-	-
Transfer to/from non-distributable reserve	14(a)	57 475	-	-	-	-	(57 475)	-
Transfer to product liability reserve	15	-	-	-	795 381	-	(795 381)	-
Transfer from revaluation reserve	9(a)	-	(9 081 800)	9 081 800	-	-	-	-
<b>Balance at 31 March 2017</b>		<b>2 282 262</b>	<b>34 545 173</b>	<b>9 081 800</b>	<b>6 940 271</b>	<b>(64 000)</b>	<b>111 473 527</b>	<b>164 259 033</b>
Profit for the year		-	-	-	-	-	50 012 065	50 012 065
Other comprehensive income	13/21	-	-	-	-	452 000	(452 000)	-
Transfer to non-distributable reserve	14(a)	86 334	-	-	-	-	(86 334)	-
Transfer to product liability reserve	15	-	-	-	10 453 028	-	(10 453 028)	-
Transfer from revaluation reserve	9(a)	-	(2 972 397)	(6 109 403)	-	-	9 081 800	-
<b>Balance at 31 March 2018</b>		<b>2 368 596</b>	<b>31 572 776</b>	<b>2 972 397</b>	<b>17 393 299</b>	<b>388 000</b>	<b>159 576 030</b>	<b>214 271 098</b>

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R	2017 R
<b>Cash flows from operating activities</b>			
Cash generated by operations	(i)	55 779 447	5 997 481
Interest received		5 503 401	5 047 398
Working capital movements	(ii)	9 213 614	2 241 397
Cash generated by operating activities		<u>70 496 462</u>	<u>13 286 276</u>
Finance costs		(205 052)	(70 554)
Net cash inflow from operating activities		<u>70 291 410</u>	<u>13 215 722</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(iii)	(19 416 521)	(8 064 884)
Acquisition of investments		(54 000 000)	-
Proceeds on disposal of property, plant and equipment	(iv)	9 806 337	2 177 034
Interest received		2 454 715	2 106 561
Net cash outflow from investing activities		<u>(61 155 469)</u>	<u>(3 781 289)</u>
Net movement in cash and cash equivalents for the year		9 135 941	9 434 433
Cash and cash equivalents at beginning of year	(v)	<u>30 862 049</u>	<u>21 427 616</u>
Cash and cash equivalents at end of year	(v)	<u>39 997 990</u>	<u>30 862 049</u>

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	R	R
<b>(i) Cash generated by operations</b>		
Surplus for the year	50 012 065	2 930 665
Adjustment for:		
Impairment of inventory	-	-
Finance costs	205 052	70 554
Depreciation	11 593 276	10 139 412
Post retirement medical benefits	(407 000)	54 000
Interest bearing liabilities	(1 008 464)	1 008 464
Loss/(Surplus) on disposal of property, plant and equipment	5 585 828	(801 610)
Interest received	(7 958 116)	(7 153 959)
Fair value gain on investments	(2 243 194)	(250 045)
	<u>55 779 447</u>	<u>5 997 481</u>
<b>(ii) Working capital movements</b>		
Inventory	13 144 203	(4 741 403)
Trade and other receivables	(2 112 039)	(8 307 659)
Trade and other payables	(3 692 082)	8 618 982
Movement in FEC liability	1 285 689	(1 766 048)
Movement in operating lease liability	(171 315)	(5 280)
Movement in provisions	759 158	8 442 805
	<u>9 213 614</u>	<u>2 241 397</u>
<b>(iii) Acquisition of property, plant and equipment</b>		
Land and buildings	-	-
Technical equipment	12 548 118	2 895 564
Computer equipment and software	2 841 414	1 722 605
Office equipment and furniture	497 581	591 068
Motor vehicles	3 529 408	2 855 647
	<u>19 416 521</u>	<u>8 064 884</u>
<b>(iv) Proceeds on disposal of property, plant and equipment</b>		
Book value of assets disposed of	15 392 165	1 375 424
(Loss)/Surplus on disposal	(5 585 828)	801 610
	<u>9 806 337</u>	<u>2 177 034</u>
<b>(v) Cash and cash equivalents comprise:</b>		
Cash at bank and on hand	<u>39 997 990</u>	<u>30 862 049</u>



NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (CONTINUED)

1	TURNOVER	2018 R	2017 R
	Revenue	434 040 533	377 915 041
	Interest Received	(2 454 715)	(2 106 561)
	- bank deposits	(5 503 401)	(5 047 398)
	- amortisation of debtors	<u>426 082 417</u>	<u>370 761 082</u>
	Turnover		
2	SUNDRY INCOME		
	Donation Received as computer equipment	-	294 000
	ETI refund from SARS	91 000	115 119
	Other income	1 088 899	1 391 944
		<u>1 179 899</u>	<u>1 801 063</u>

## 3 PROJECT SPECIFIC FUNDING INCLUDING GRANT INCOME

**Grant income**

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

## 4 PERSONNEL COSTS

**Staff costs**

-salaries and wages	136 997 043	130 558 352
-contributions to defined contribution retirement fund	14 451 818	15 400 934
-contributions to medical aids	13 907 768	12 962 574
-bonuses	7 429 548	8 030 674
-staff canteen costs	789 451	770 869
-staff uniform and protective clothing	1 097 276	1 438 849
-other staff costs	801 145	772 858

**Directors' emoluments**

-non executive directors' fees	196 688	288 093
-salaries	4 251 256	3 844 650
-contributions to retirement fund	505 951	454 992
-medical aid contributions	81 917	73 510
-bonuses	247 836	278 101
	<u>180 757 697</u>	<u>174 874 456</u>

Included in personnel costs above is the post-retirement medical benefit expense (see note 22 for further information)

Average number of employees	528	522
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## 5 ADMINISTRATION EXPENSES

Administration expenses include:

Auditor's remuneration	487 443	467 409
-audit fee provision	441 042	412 189
-under provision previous year	43 500	52 743
-other	2 901	2 477

Rent  
-buildings  
-equipment

	2 497 824	2 244 047
	486 022	519 639
	2 011 802	1 724 408

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (CONTINUED)

6 COST OF SALES	2018 R	2017 R
Cost of inventories sold	142 053 096	150 768 640

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

## 7 PROPERTY, PLANT AND EQUIPMENT

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

## Change in accounting estimate: Useful Lives

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

The affected class of property, plant and equipment is Technical equipment, Computer equipment, Office equipment and furniture and Motor Vehicles. The useful lives have been revised for period of 1 year to 3 years. The change in the useful lives was accounted for on a prospective basis as of 1 April 2017. The increase in the useful lives has resulted in a decrease in depreciation for the current and future periods amounts to R 1 219 541.

	R					
Current Period	279 376					
Future Periods	940 165					
	<u>1 219 541</u>					
	<b>2017</b>					
	(At valuation)					
	Land and Buildings	Technical equipment	Computer equipment and software	Office equipment and furniture	Motor vehicles	TOTAL R
	R	R	R	R	R	R
Beginning of year						
- Gross carrying value	56 181 737	60 445 312	6 708 986	5 602 093	23 156 897	152 095 025
- Accumulated depreciation	(373 552)	(32 708 797)	(2 863 719)	(2 374 351)	(9 776 989)	(48 097 408)

- Net book value	55 808 185	27 736 515	3 845 267	3 227 742	13 379 908	103 997 617
Current year movements						
- Additions	-	2 895 564	1 722 605	591 068	2 855 647	8 064 884
- Held for sale at net book value	(10 471 981)	-	-	-	-	(10 471 981)
- Disposals at net book value	-	(315 934)	(42 853)	(11 500)	(1 005 137)	(1 375 424)
- Depreciation	(31 749)	(5 360 466)	(1 044 395)	(627 393)	(3 075 409)	(10 139 412)
Balance at end of year	<b>45 304 455</b>	<b>24 955 679</b>	<b>4 480 624</b>	<b>3 179 917</b>	<b>12 155 009</b>	<b>90 075 684</b>
Made up as follows:						
- Gross carrying value	45 649 110	62 260 960	8 243 287	6 101 514	22 029 063	144 283 934
- Accumulated depreciation	(344 655)	(37 305 281)	(3 762 663)	(2 921 597)	(9 874 054)	(54 208 250)
- Net book value	<b>45 304 455</b>	<b>24 955 679</b>	<b>4 480 624</b>	<b>3 179 917</b>	<b>12 155 009</b>	<b>90 075 684</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 MARCH 2018 (CONTINUED)**

**7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Land and buildings consist of:

- (i) **Beaconvale**  
 A factory situated at Connaught Road, Beaconvale, Parow, erected on freehold erven 12364 and 12367 (in extent 2578 square metres) in the Municipality of Parow, acquired on May 29 1986, under Deed of Transfer No T20026/86. This property was sold in November 2017.
- (ii) **Pinelands**  
 An office block situated in Old Mill Road, Pinelands, erected on remainder of freehold erf 24179, Cape Town at Maitland (in extent 1,3093 hectares) in the Municipality of Pinelands, acquired on July 14 1988, under Deed of Transfer No T39826/88.
- (iii) **Paarl**  
 An office building situated at 263 Main Road, Paarl, erected on remainder of freehold erf 15375 (in extent 1193 square metres) in the Municipality of Paarl, acquired on August 12 1992, under Deed of Transfer No T50274/92.
- (iv) **George**  
 An office building situated at Courtenay Street, George, Sections 4,9,10 and 11 of Sectional Plan No 55217/93 of Medical Centre (in extent 354 square metres) in the Municipality of George, acquired on June 28 1993, under Deed of Transfer No T10014/93.
- (v) **Worcester**  
 An office building situated at 26 Napier Street, Worcester, erected on freehold Erf 4326, Worcester (in extent 1736 square metres) in the Municipality and Division of Worcester, acquired on June 10 1994, under Deed of Transfer No T38986/94.

The cost of the properties comprises:

	<b>Acquisition</b>		<b>Improvements</b>			
	<b>Acquired in</b>				<b>2018</b>	<b>2017</b>
Beaconvale (sold in November 2017)	May-86	500 000	977 179	-	-	1 477 179
Pinelands	Jul-88	2 811 236	5 503 660	8 314 896	8 314 896	8 314 896
Paarl	Aug-92	372 633	348 935	721 568	721 568	721 568
George	Jun-93	160 200	234 979	395 179	395 179	395 179
Worcester	Jun-94	505 697	1 140 245	1 645 942	1 645 942	1 645 942
Total cost		<u>4 349 766</u>	<u>8 204 998</u>	<u>11 077 585</u>	<u>12 554 764</u>	
Revaluation surplus				34 545 173	43 626 973	
Assets Held-for-Sale				(3 702 975)	(10 532 627)	
Total valuation at cost				<u>41 919 783</u>	<u>45 649 110</u>	

The properties were independently valued on an open market basis, as at 31 March 2016 by RA Gibbons, AEI (Zim), FIV (SA), Professional Valuers. Refer to Note 26 for the detail of the fair value information on the revalued land and buildings.

Had land and buildings been carried on the cost model (excluding depreciation) the value would be R10 356 017 (2017: R11 077 585).

**8 INVESTMENTS**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
Liberty Gateway Investment	6 980 966	6 784 978
Liberty Investment	9 176 210	9 000 000
Nedbank Investment	55 870 996	-
	<u>72 028 172</u>	<u>15 784 978</u>

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (CONTINUED)

## 8 INVESTMENTS (CONTINUED)

	2018 R	2017 R
<b><u>Reconciliation of Investments</u></b>		
<b>Liberty Gateway Investment</b>		
Opening balance at 1 April 2017	6 784 978	6 534 933
Additions	-	-
Fair value movement for the year	195 988	250 045
Closing balance as at 31 March 2018	<u>6 980 966</u>	<u>6 784 978</u>
<b>Liberty Investment</b>		
Opening balance at 1 April 2017	9 000 000	9 000 000
Additions	-	-
Fair value movement for the year	176 210	-
Closing balance as at 31 March 2018	<u>9 176 210</u>	<u>9 000 000</u>
<b>Nedbank Investment</b>		
Opening balance at 1 April 2017	-	-
Additions	60 000 000	-
Withdrawals	(6 000 000)	-
Fair value movement for the year	1 870 996	-
Closing balance as at 31 March 2018	<u>55 870 996</u>	<u>-</u>

The current fair value of the Liberty Investment is R 9 176 210 (2017: R 8 562 861), as per the investment contract terms and conditions, at a minimum the full capital invested at commencement date, R 9 000 000, is guaranteed.

## 9(a) ASSETS HELD FOR SALE

2018	R
<u>Paarl Building</u>	
Cost	3 702 975
Acc Depreciation	<u>(44 533)</u>
	<u>3 658 442</u>

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

During the financial year, with the approval of the Board, the property situated at Main Road, Paarl, was placed on the open market for sale. Before the financial year-end of 31 March 2018 and prior to the approval of the financial statements the directors received a binding offer for the sale of the Paarl Property amounting to R5 million inclusive of VAT, which includes the land, building and related assets. The board carefully considered the impact of this offer on the valuation of the property at year end. This is a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property Plant and Equipment was appropriately valued.

2017	R
<u>Beaconvale</u>	
Cost	10 532 627
Acc Depreciation	<u>(60 646)</u>
	<u>10 471 981</u>

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (CONTINUED)

	2018	2017					
	R	R					
<b>9(a) ASSETS HELD FOR SALE (CONTINUED)</b>							
During December 2016, with the approval of the Board, the property situated at Connaught Road, Beaconvale, Parow, was placed on the open market for sale. Subsequent to financial year-end of 31 March 2017 and prior to the approval of the financial statements the directors received a binding offer on 16 May 2017 for the sale of the Fractionation Plant amounting to R 7 million, which includes the land, building and related assets. The board carefully considered the impact of this offer on the valuation of the property at year end. This is a non-adjusting post balance sheet event as at balance sheet date the directors believed that the Property Plant and Equipment was appropriately valued. The rationale for accepting this offer on 29 May 2017 was based mainly on the fact that the prospective purchaser has committed to renting a portion of the premises at a favourable rate per square metre for the following 36 months. Although the sale results in a loss to the Service, the directors deemed this a reasonable offer considering the given soft rental offer from the prospective purchaser.							
<b>9(b) NET LOSS AND SCRAPPING ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT</b>							
Loss on Disposal of Beaconvale Property, Plant and Equipment	3 481 161	-					
Net Loss / (Profit) on Disposal of Other Property, Plant and Equipment	2 104 668	-					
	5 585 828	-					
<b>10 INVENTORY</b>							
Raw Materials	9 945 450	15 232 286					
Work in progress	1 139 587	998 406					
Finished goods	5 659 985	6 297 551					
Consumables	8 186 897	15 547 879					
	24 931 919	38 076 122					
<b>11 TRADE AND OTHER RECEIVABLES</b>							
Gross trade receivables	54 129 946	53 533 355					
Impairment of trade debtors	(8 051 720)	(7 587 012)					
Net trade receivables	46 078 226	45 946 343					
Other receivables*	1 353 342	1 313 836					
Deposits paid to suppliers	2 620 990	680 340					
	50 052 558	47 940 519					
<b><u>Movements in the provision for impairment of debtors</u></b>							
Opening balance	7 587 012	7 123 593					
Charge for the year	1 770 221	1 751 864					
Amounts written off	(1 305 513)	(1 288 445)					
Closing balance	8 051 720	7 587 012					
On 31 March 2018, the analysis of trade receivables net of impairment is as follows:							
	Current	30 days	60 days	90 days	120 days	150 plus days	Total
2018	29 743 401	4 713 959	2 474 491	1 383 868	1 011 085	6 751 422	46 078 226
2017	29 192 532	6 168 429	2 282 936	1 190 193	885 162	6 227 091	45 946 343
*Other receivables include prepayments, sundry debtors and staff loans.							
<b>12 CASH AND CASH EQUIVALENTS</b>							
Cash at bank and on hand						39 997 990	30 862 049

Standard Bank Limited has issued guarantees to the value of R40 000 (2017: R40 000) in favour of the Service to South African Airways (Pty) Ltd as evidence of the Service's ability to cover its debt. The service has, in turn, pledged cash to the value of R40 000 (2017: R40 000) in favour of Standard Bank Limited as security for the guarantee.

NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

		2018	2017
		R	R
<b>13 REVALUATION RESERVE</b>			
Revaluation at the beginning of the year		34 545 173	43 626 973
Asset Held for Sale Transfer		(2 972 397)	(9 081 800)
Revaluation at the end of the year		31 572 776	34 545 173
<b>14 NON DISTRIBUTABLE RESERVES</b>			
a) Professional Development fund surplus		1 360 396	1 274 062
Balance at beginning of period		1 274 062	1 216 587
Transfer from retained earnings		86 334	57 475
Balance at end of period		1 360 396	1 274 062
<p>The Professional Development Fund was established with surplus funds from hosting the International Society of Blood Transfusion Congress in 2006. The essential purpose of the fund is to support staff in further education and training.</p>			
b) Training Development fund		1 008 200	1 008 200
Total Non Distributable Reserve		2 368 596	2 282 262
<b>15 PRODUCT LIABILITY RESERVE</b>			
<p>The Product Liability Reserve has been established as a non-distributable reserve to cover potential uninsurable product liability claims.</p>			
Opening balance		6 940 271	6 144 890
Transfer from retained earnings		10 453 028	795 381
Balance at end of year		17 393 299	6 940 271
<b>16 TRADE AND OTHER PAYABLES</b>			
Trade payables		26 284 771	30 361 827
Other payables*		7 840 352	7 455 378
		34 125 123	37 817 205
<p>Trade and other payables are non-interest bearing and are normally settled on 30 day terms.                      *Other payables include VAT payable, sundry creditors, accruals and other salary creditors.</p>			
<b><u>Other payables</u></b>			
VAT payable		2 667 376	2 397 747
Salary creditors		2 308 273	2 239 706
Sundry payables		2 864 703	2 817 925
		7 840 352	7 455 378
<b>17 PROVISIONS</b>			
<b>Leave pay provision</b>			
At 1 April 2017		13 671 802	13 518 782
Arising during the year		15 136 452	13 828 413
Utilised		(14 308 192)	(13 675 393)
At 31 March 2018		14 500 062	13 671 802
<b>Salary related accruals</b>			
At 1 April 2017		11 590 429	3 300 644
Arising during the year		11 521 327	11 590 429
Utilised		(11 590 429)	(3 300 644)



At 31 March 2018

11 521 327    11 590 429

Total

26 021 389    25 262 231

Salary related accruals relate to prorata provision of guaranteed pay, performance bonus and accrual of overtime.

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (CONTINUED)

	2018 R	2017 R
<b>18 FINANCE COSTS</b>		
Interest expense	205 052	70 554

**19 TAXATION**

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

**20 COMMITMENTS****20.1 Capital commitments**

Commitments in respect of capital expenditure

- contracted for	2 084 027	7 420 514
- not contracted for	26 447 460	16 639 226
	<u>28 531 487</u>	<u>24 059 740</u>

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

**20.2 Commitments in respect of operating leases**

	Not later than one R	Later than one R
<b>2018</b>		
Operating leases	2 642 099	1 567 005
<b>2017</b>		
Operating leases	3 860 631	6 199 361

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

**21 RETIREMENT BENEFIT INFORMATION****Defined contribution plan**

The Service continues to contribute to the Western Province Blood Transfusion Service Retirement Fund which is a defined contribution plan. The fund is registered under and governed by the Pension Funds Act, 1956 as amended. All of the Service's permanent employees belong to the fund. The Financial Services Board now requires a fund to analyse the membership of the Fund in terms of citizenship. The Fund together with the Fund benefit administrator, is in the process of analysing membership. With effect 1 September 2017 the Fund switched from being a stand alone fund to an umbrella fund. At 31 December 2017, 491 employees (2016: 506 employees) belonged to the defined contribution plan.

**Post-retirement medical benefits**

The Service offers medical aid schemes for the benefit of permanent employees. Members entitled to post retirement contributions. At the year-end there was 3 pensioners who were entitled to this benefit, medical benefits consisting of a subsidy of a portion of the medical aid. Full actuarial valuations are performed on an annual basis.

The last actuarial valuation was performed as at 31 March 2018, using the projected unit credit valuation method.

Principal actuarial assumptions at the reporting date:

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

NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

21 RETIREMENT BENEFIT INFORMATION (CONTINUED)

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

	2018 R	2017 R
Funding liability	1 662 000	2 069 000
Reconciliation:		
Balance at the beginning of the year	2 069 000	2 015 000
- interest cost	195 000	190 000
- benefit payments	(150 000)	(136 000)
- actuarial gains	(452 000)	-
Balance at the end of the year	1 662 000	2 069 000

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

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

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 is as follows:

Health care cost inflation:

	Central assumption 8.0%	-1%	1%
Accrued liability 31 March 2018	1 662 000	1 526 000	1 820 000
% Change		-8.2%	9.5%
Current service cost and interest cost 2018/2019	141 000	129 000	155 000
% Change		-8.5%	9.9%

Sensitivity results as at 31 March 2017 were:

	Central assumption 9.0%	-1%	1%
Accrued liability 31 March 2017	2 069 000	1 897 000	2 266 000
% Change		-8.3%	9.5%

Health care cost inflation:

	Central assumption 8.0%	+5% for 5 years	+10% for 5 years
Accrued liability 31 March 2018	1 662 000	1 956 000	2 182 000
% Change		17.7%	31.3%

Discount rate:

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

Expected retirement age:

	Central assumption 55 years	1 year younger	1 year older
Accrued liability 31 March 2018	1 662 000	1 662 000	1 662 000
% Change		0.0%	0.0%

Health care cost inflation:

	Central assumption 9.0%	+5% for 5 years	+10% for 5 years
Accrued liability 31 March 2017	2 069 000	2 426 000	2 625 000
% Change		17.3%	26.9%

Discount rate:

	Central assumption 9.8%	+1%	-1%
Accrued liability 31 March 2017	2 069 000	2 286 000	1 886 000
% Change		10.5%	-8.8%

Expected retirement age:

	Central assumption 55 years	1 year younger	1 year older
Accrued liability 31 March 2017	2 069 000	2 069 000	2 069 000
% Change		0.00%	0.00%

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (CONTINUED)

22 INTEREST BEARING LIABILITIES	2018 R	2017 R
Finance lease liabilities	-	1 008 464
Less: portion payable within one year	-	(243 330)
	<u>-</u>	<u>765 134</u>

The obligation was secured over computer equipment. All agreements have been settled in the current year.

## 23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

**Market risk**

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

**Interest rate risk**

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

**Foreign currency risk**

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

**Equity price risk**

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

**Liquidity risk**

This is the risk of not meeting contractual liabilities as they fall due. Management monitors current cash position and future cash flow requirements on a routine basis.

**Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Service is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

## 23.1 Financial instruments

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

Financial assets	2018			Total R
	Financial assets at fair value through profit and loss R	Loans and receivables R	Non-financial assets R	
Trade and other receivables	-	46 181 096	3 871 462	50 052 558
Cash and cash equivalents	-	39 997 990	-	39 997 990
Investments	72 028 172	-	-	72 028 172
Total	<u>72 028 172</u>	<u>86 179 086</u>	<u>3 871 462</u>	<u>162 078 720</u>

NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

23.1 Financial instruments (continued)

Financial liabilities	2018		2018	
	Financial liabilities measured at amortised cost	Financial Liabilities at fair value through profit and loss	Non-financial liabilities	Total
	R	R	R	R
Trade and other payables	31 457 745	-	2 667 376	34 125 121
FEC liability	-	3 821 019	-	3 821 019
Operating lease liability	-	-	88 755	88 755
Interest bearing liabilities	-	-	-	-
<b>Total</b>	<b>31 457 745</b>	<b>3 821 019</b>	<b>2 756 131</b>	<b>38 034 895</b>

Financial assets	2017		2017	
	Financial assets at fair value through profit and loss	Loans and receivables	Non-financial assets	Total
	R	R	R	R
Trade and other receivables	-	46 048 034	1 892 485	47 940 519
Cash and cash equivalents	-	30 862 049	-	30 862 049
Investments	15 784 978	-	-	15 784 978
<b>Total</b>	<b>15 784 978</b>	<b>76 910 083</b>	<b>1 892 485</b>	<b>94 587 546</b>

Financial liabilities	2017		2017	
	Financial liabilities measured at amortised cost	Financial Liabilities at fair value through profit and loss	Non-financial liabilities	Total
	R	R	R	R
Trade and other payables	35 419 458	-	2 397 747	37 817 205
FEC liability	-	2 535 330	-	2 535 330
Operating lease liability	-	260 070	-	260 070
Interest bearing liabilities	-	-	1 008 464	1 008 464
<b>Total</b>	<b>35 419 458</b>	<b>2 795 400</b>	<b>3 406 211</b>	<b>41 621 069</b>

23.1 Financial instruments

CATEGORY	2018 RISK			Total R
	Low R	Medium R	High R	
	R	R	R	
Hospitals	14 860 511	-	-	14 860 511
Medical aids	24 307 877	-	-	24 307 877
Private patients	-	-	4 726 725	4 726 725
Workman's compensation clai	-	2 170 369	-	2 170 369
Road accident fund	-	12 745	-	12 745
Estates	-	-	-	-
Other receivables	102 869	-	-	102 869
<b>Total</b>	<b>39 271 257</b>	<b>2 183 114</b>	<b>4 726 725</b>	<b>46 181 096</b>

NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

23.1 Financial instruments (Continued)

CATEGORY	2017	2016	High	Total
	RISK	RISK		
	Low	Medium	R	R
	R	R		
Hospitals	17 353 538	-	-	17 353 538
Medical aids	24 217 990	-	-	24 217 990
Private patients	-	-	2 847 861	2 847 861
Workman's compensation clai	-	1 522 335	-	1 522 335
Road accident fund	-	612	-	612
Estates	-	4 007	-	4 007
Other receivables	101 691	-	-	101 691
<b>Total</b>	<b>41 673 219</b>	<b>1 526 954</b>	<b>2 847 861</b>	<b>46 048 034</b>

The maximum exposure to credit risk approximates the carrying value.

23.2 Interest rate risk

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

Cash and bank balance exposed to interest rate risk	2018	2017
Income statement effect of interest rate risk to above balance:	R	R
1% increase in interest rates	399 980	308 620
1% decrease in interest rates	-399 980	-308 620

23.3 Liquidity risk

Financial assets	2018	Years 2 – 5	Over 5 years	Total
	Year 1			
	R	R	R	R
Trade and other receivables	46 181 096	-	-	46 181 096
Cash and cash equivalents	39 997 989	-	-	39 997 989
Investments	72 028 172	-	-	72 028 172
<b>Total</b>	<b>158 207 257</b>	<b>-</b>	<b>-</b>	<b>158 207 257</b>

Financial liabilities

Trade and other payables	31 457 744	-	-	31 457 744
FEC liability	3 821 019	-	-	3 821 019
Operating lease liability	88 755	-	-	88 755
Interest bearing liabilities	-	-	-	-
<b>Total</b>	<b>35 367 518</b>	<b>-</b>	<b>-</b>	<b>35 367 518</b>

Financial assets	2017	Years 2 – 5	Over 5 years	Total
	Year 1			
	R	R	R	R
Trade and other receivables	46 048 034	-	-	46 048 034
Cash and cash equivalents	30 862 049	-	-	30 862 049
Investments	15 784 978	-	-	15 784 978
<b>Total</b>	<b>92 695 061</b>	<b>-</b>	<b>-</b>	<b>92 695 061</b>

Financial liabilities

Trade and other payables	35 419 458	-	-	35 419 458
FEC liability	2 535 330	-	-	2 535 330
Operating lease liability	260 070	-	-	260 070
Interest bearing liabilities	243 330	765 134	-	1 008 464
<b>Total</b>	<b>38 458 188</b>	<b>765 134</b>	<b>-</b>	<b>39 223 322</b>

NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

23.4 Foreign currency risk	2018 R	2017 R
Fair value of FEC liability at year end	(3 821 019)	(2 535 330)
<b>Current liabilities</b>		
2018: USD 1 075 064	12 860 457	
2017: USD 1 217 278		16 443 964

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

USD	11.9625	13.5088
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The spot rate on 31 March was used to revalue foreign currency balances at year end.

At 31 March 2018, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been R1 286 046 higher/lower (2017: R1 644 396) mainly as a result of foreign exchange gains or losses on translation of US dollar denominated financial liabilities at fair value measured to amortised cost.

23.5 Price risk

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

**Sensitivity analysis**

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

<b>Increase in investment of 10%</b>	R 7 202 817
<b>Decrease in investment of 10%</b>	R 6 285 196

The sensitivity of the investment in relation to the decrease as a result of the price risk are related only to the Gateway Investment of R6 980 966 and the Nedbank Investment of R55 870 996 as there is no downside risk to the Liberty Investment of R9 176 210.

24 DIRECTORS' REMUNERATION

2018

**Executive Directors**

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

**Non-Executive Directors' fees**

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

NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

24 DIRECTORS' REMUNERATION (CONTINUED)

2017

Executive Directors

	Basic	Contributions			Bonus	Total
	Salaries	to Retirement	Car Allowance	Medical Aid		
	R	Fund	R	R	R	R
Dr G Bellairs	1 798 286	240 645	222 213	46 116	145 328	2 452 588
Ms N du Toit	1 601 938	214 347	222 213	27 394	132 773	2 198 665
	<u>3 400 224</u>	<u>454 992</u>	<u>444 426</u>	<u>73 510</u>	<u>278 101</u>	<u>4 651 253</u>

Non-Executive Directors' fees

	Fees	Total
	R	R
Dr A R Bird	23 050	23 050
Mr M R Burton	36 235	36 235
Prof B D L Figaji	36 288	36 288
Mr N Parker	24 007	24 007
Mr D M Ndebele	26 346	26 346
Mr R Ramsbottom	29 590	29 590
Mr P K Slack	38 056	38 056
Prof V J Louw	15 288	15 288
Mr P J Veldhuizen	29 590	29 590
DR C F Ingram	-	-
Dr A Huggett	29 643	29 643
<b>Total</b>	<u>288 093</u>	<u>288 093</u>

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

25 FAIR VALUE INFORMATION

Fair value hierarchy

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

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

Level 3: Unobservable inputs for the asset or liability.

Property, plant and equipment

Recurring fair value measurements – Level 3

Assets

	Note	2018	2017
		R	R
Beaconvale – erven 12364 and 12367	8/10	-	10 471 981
Pinelands – erven 24179	8	-	35 629 231
Paarl – erven 15375	8/10	-	3 661 890
George – Sections 4, 9, 10 and 11 of Sectional Plan No 55217/93	8	-	2 653 614
Worcester – Erf 4326	8	-	3 359 720
		<u>-</u>	<u>55 776 436</u>



NOTES TO THE FINANCIAL STATEMENTS  
 AT 31 MARCH 2018 (CONTINUED)

25 FAIR VALUE INFORMATION (CONTINUED)

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

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

2017	Opening	Additions	Revaluation	Disposals	Depreciation	Closing balance at
	balance at					
	R	R	R	R	R	R
Beaconvale	10 476 669	-	-	-	(4 688)	10 471 981
Pinelands	35 647 689	-	-	-	(18 458)	35 629 231
Paarl	3 665 338	-	-	-	(3 448)	3 661 890
George	2 655 312	-	-	-	(1 698)	2 653 614
Worcester	3 363 177	-	-	-	(3 457)	3 359 720
	<b>55 808 185</b>	-	-	-	<b>(31 749)</b>	<b>55 776 436</b>
Assets Held for Sale	(10 476 669)	-	-	-	4 688	(10 471 981)
	<b>45 331 516</b>	-	-	-	<b>(27 061)</b>	<b>45 304 455</b>

Information about valuation techniques and inputs used to derive level 3 fair values

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

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

Beaconvale Actual Inputs

Price per square metre – Rands R 36.50

Pinelands Actual Inputs

Price per square metre – Rands R 70.00

Paarl Actual Inputs

Price per square metre – Rands R 60.00

George Actual Inputs

Price per square metre – Rands R 80.00

Worcester Actual Inputs

Price per square metre – Rands R 42.50

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

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

Investments

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

Investments are based on quoted Prices adjusted for guaranteed amounts.

	Note	Level	Valuation date	2018	2017
				R	R
Gateway Investments	9	Level 1	31-Mar-18	6 980 965	6 784 978
Nedbank Investment	9	Level 1	31-Mar-18	55 870 997	-
Liberty Investment	9	Level 2	31-Mar-18	9 176 210	9 000 000
				<b>72 028 172</b>	<b>15 784 978</b>

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