

Cotlands

2016 INTEGRATED REPORT

IGNITING POTENTIAL
THROUGH PLAY





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Terms we use

DSD	Department of Social Development
ECD	Early childhood development
ELF	Early learning facilitator
ELP	Early learning playgroup
Mobenzi	Cotlands electronic recording system

All photographs in this report were taken by BizPhoto at Cotlands programmes around the country



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CELEBRATING 80 YEARS OF MAKING A DIFFERENCE, COTLANDS JOURNEY THROUGH THE YEARS

Cotlands values

- Play
- Responsibility
- Excellence
- Impact
- Possibilities
- Responsiveness

Vision

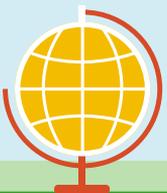
To see children in South Africa thrive in their formative years.

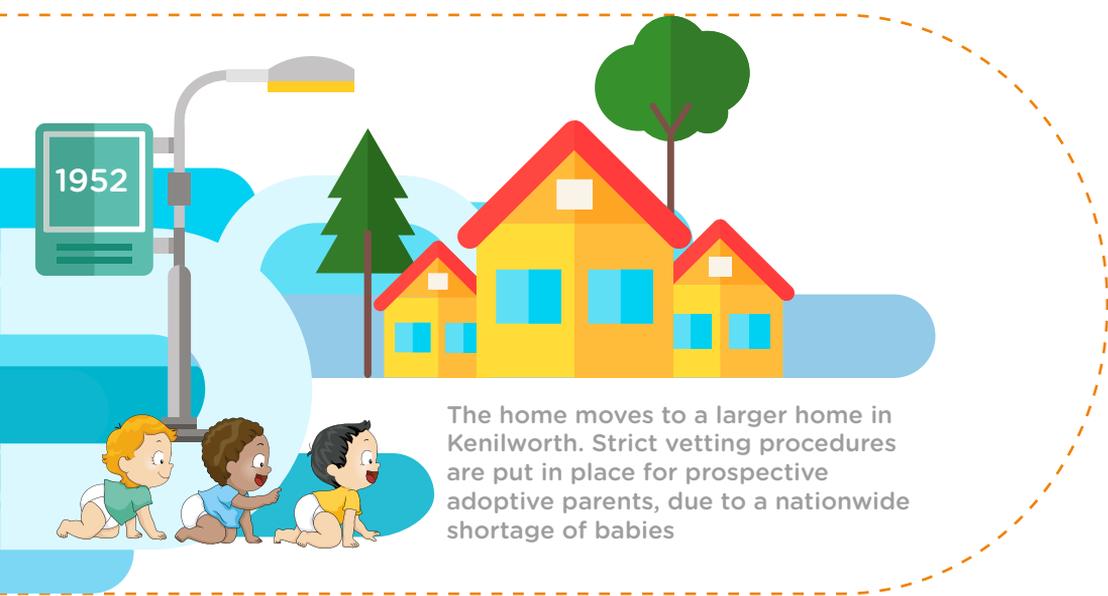
Mission

To provide play-based learning to vulnerable children.

1936

Matron Reece starts Cotlands after finding a baby on her doorstep.





The home moves to a larger home in Kenilworth. Strict vetting procedures are put in place for prospective adoptive parents, due to a nationwide shortage of babies

SCOPE AND BOUNDARY

Cotlands is a registered non-profit organisation operating in six provinces (Gauteng, Western Cape, Eastern Cape, KwaZulu-Natal, Mpumalanga and North West) across South Africa. This report presents our financial, environmental, social and governance performance for the period 1 April 2015 to 31 March 2016 and sets out our regional and departmental policies, goals, performance, responsibilities, risks and plans.

Materiality is a core element in determining the relevance of report information, and a key driver of sustainability. The Cotlands board has duly applied its mind to matters that would be considered material to stakeholders and to Cotlands, and these are addressed throughout the report. Material issues were determined by assessing our strategic objectives, risks and opportunities, as well as engaging with stakeholders. The management board and senior management team were responsible for determining these issues which are detailed in the sections on governance, our people, programmes and economics on pages 22 – 37. As Cotlands has a minimal environmental impact, this was deemed immaterial and is no longer disclosed separately in the report. However, it is discussed briefly under the economics section on page 37.

Our foremost material issues are:

- Quality improvement of early learning programmes
- Advocacy for access to early childhood development (ECD) programmes

- Funding – expanding sources of income
- Human capital – skills and retention
- Increasing access to early learning programmes.

Information reported for early learning programmes excludes North West province because this was a pilot for a social franchise model that commenced in the current year.

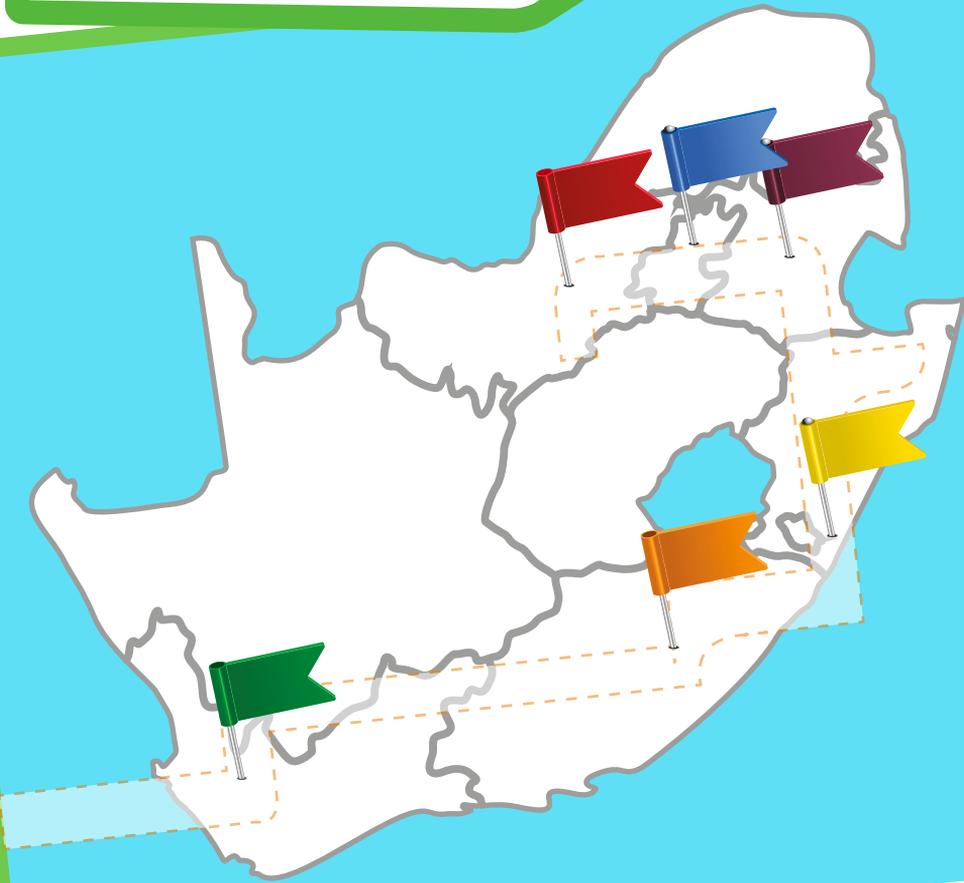
Cotlands' new direction – non-centre-based early learning playgroups – was piloted in Gauteng in April 2013, and rolled out to other provinces in May 2013. As we now have two years of data, we are able to present some year-on-year comparisons. However, as we are continuously revising and improving our data collection, some gaps remain.

Cotlands has used the Global Reporting Initiative (GRI) G4 guidelines and specifically the GRI NGO sector supplement to prepare this report in line with a self-declared core compliance. The GRI compliance index is on pages 50 – 51.

Selected performance information for Cotlands' early learning programmes, fund development and our people was assured by KPMG South Africa.

We welcome your feedback on the report and any questions or comments can be directed to chief executive officer, Jackie Schoeman. Contact details are on the inside back cover of this report.

COTLANDS AT A GLANCE



 GAUTENG

 EASTERN CAPE

 MPUMALANGA

 WESTERN CAPE

 KWA-ZULU NATAL

 NORTHWEST

2016 SALIENT FEATURES

WHO WE ARE



Electronic barcoding system introduced in toy libraries



Celebrating 80 years of Cotlands



Expanded early learning playgroups to Barberton and added a mobile toy library to our Mpumalanga programmes



Selected as a SmartStart franchisor in the North West



Bonus paid to staff at year end



Launched “donate your birthday” campaign which won an Assegai award



Monica Stach, Cotlands COO, appointed as a board member to National Early Childhood Development Alliance (NECDA) and treasurer of International Toy Library Association (ITLA)



The uptake of our birth-to-two programme remains slow



Formal beneficiary survey not conducted due to financial constraints

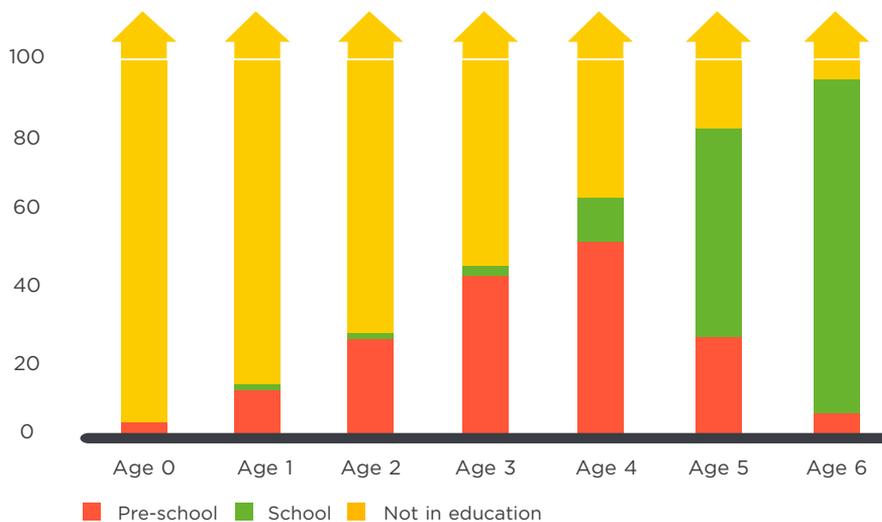
Cotlands is a non-profit early childhood development organisation. Our focus is to address the education and social crisis by establishing early learning playgroups and toy libraries in under-resourced communities. Our target group is vulnerable children aged birth to six.

A SmartStart playgroup in North West



THE IMPORTANCE OF QUALITY EARLY LEARNING OPPORTUNITIES

Children 0-6 years accessing early learning in South Africa



Source: Stats SA (2015) mid-year population estimates

Over 1 million children in South Africa do not have access to early learning programmes and are at risk of never developing their full potential. In a country like South Africa, where youth unemployment is over 50%, early childhood development is crucial. Without it, children have a greater risk of developing behavioural or emotional difficulties, which will affect their ability to learn.

Too many children are missing out on a critical window of opportunity when the brain is most receptive to learning and when neural connections are being formed. Yet, the solution to providing early learning programmes is simple and does not require millions invested in infrastructure.

Early learning is crucial to understanding basic concepts and is the foundation on which all later learning is built. In the first five years cognitive, emotional, social and motor skills are developed.

Children who do not receive these early learning opportunities are more likely to become frustrated with classroom learning, often leading to a higher dropout rate. According to a report by the Centre for Development and Enterprise (2013), for every 100 pupils in grade 1, only 52 make it to grade 12.

While government works to make two years of pre-school learning compulsory, non-government

organisations (NGOs) are already providing early learning opportunities to children in under-served communities, with astounding results to date. According to the Education white paper on early childhood development, about 40% of boys from under-resourced communities who attended pre-school finished primary school compared to 2% of boys who had not been involved in ECD programmes.

According to the World Bank, girls enrolled in early learning programmes are better prepared for school and frequently stay in school longer. This added awareness and knowledge increases their chances of finding employment and performing better in their chosen careers. As a result, these women are able to make financial contributions to their families that will enable them to graduate from poverty.

While early learning has direct economic effects, it also offers emotional, psychosocial and social benefits to each child who receives this opportunity. In South Africa, where many children are exposed to inappropriate behaviour and often fall victim to abuse, early learning programmes provide a safe environment for children to explore and learn without fear of harm. Early learning activities, the most effective of which are play-based, build confidence and allow children to express themselves in ways that expand their critical thinking skills.

CHAIRMAN'S REPORT

Last year my report focused on our sustainability and advocacy roles. This year requires further expansion on these themes as well as access and play-based learning. 2016 was a watershed year for ECD, both globally and locally. South Africa adopted the United Nation's sustainable development goals which firmly elevated the importance of taking care of young children.

In South Africa, our government's National Development Plan 2030 (NDP) aligns with the UN sustainable development goals in prioritising ECD. The NDP's medium-term strategic framework (2014-2019) on ECD focuses on phasing in a comprehensive package of services, well coordinated between the government, private and non-profit sectors. This includes rolling out a national nutrition programme for pregnant mothers and young children, as well as providing funding and support to ensure two years of ECD before grade 1. Innovation in non-centre-based programmes such as playgroups, toy libraries and home-visiting initiatives is encouraged, and the framework makes provision to support NGOs implementing these programmes. The South African early childhood development policy clearly outlines what should be achieved in this sector and Cotlands will be a key stakeholder in implementing this policy.

Cotlands' advocacy strategy resulted in our participation in a number of prominent and influential national ECD platforms such as the National ECD Inter-sectoral Committee, National Child Care and Protection Forum, the ECD Community of Practice as well as the

Ban Ki-moon, UN secretary-general:

“The sustainable development goals recognise that early childhood development can help drive the transformation we hope to achieve over the next 15 years.”

THE GLOBAL GOALS For Sustainable Development



National Early Childhood Development Alliance. These platforms enable us to advocate for play-based learning within non-centre-based programmes such as playgroups and toy libraries.

Ensuring the sustainability of an 80-year-old children's organisation such as Cotlands depends on a purposely-constituted board balanced with a range of expertise from which the organisation can benefit. Accordingly, the board structure has been realigned to reflect Cotlands' strategic direction. It is a pleasure to work with such a team of dedicated individuals.

Since 2013, we have been evolving and repositioning ourselves as innovators in ECD. We initiated and collaborated with government, donors and ECD partners taking programmes to marginalised communities where no similar programmes existed. As a result of our pioneering work, more young children and their parents now access quality early learning programmes. This successful move has been a considerable departure from our origins as a baby sanctuary. However, as Nelson Mandela so aptly noted, "After climbing a great hill, one only finds that there are many more hills to climb".

The Cotlands 2016-2019 strategy will focus on building capacity among parents, practitioners and organisations providing early learning programmes to young children. Firmly embedded in the capacity-

building programme is equipping adults on how to ignite children's potential through play – the theme of this report – and implementing the teaching of play-based learning.

As chairman of the Cotlands board, I acknowledge the role of our Cotlands team and thank them for their hard work and dedication. Every Cotlands employee plays a significant and daily part in implementing this ambitious strategy.

The originator of the concept 'learning organisations', Peter Senge, best summarises why Cotlands is a leading non-profit early childhood organisation in South Africa: "We tend to think that, in a traditional organisation, people are producing results because management wants results, but the essence of a high-quality organisation is people producing results because they want the results. It's puzzling we find that hard to understand, that if people are really enjoying, they'll innovate, they'll take risks, they'll have trust with one another because they are really committed to what they're doing and it's fun".



Dumisani Ncala
Chairman



The new Cotlands Building in Stanton Street, Turfontein is opened by MR BJ Vorster, the Minister of Justice (where we remain to this day)



CEO'S REPORT

Over recent years, the question I am asked most often is why we closed our residential programmes. The first point I always highlight is that it wasn't a decision taken lightly, and even when all our research, stakeholder engagement processes and community needs analyses confirmed the decision, it was without doubt the most difficult thing we, as an organisation, have ever had to do.

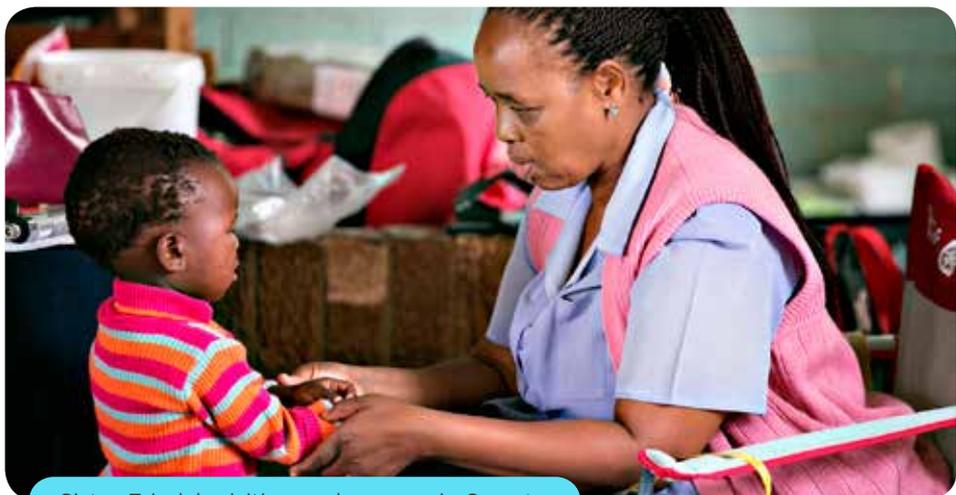
In our last two annual reports, we detailed the processes involved in defining our new strategy. Again and again, we receive confirmation that our decision, taken to ensure the sustainability of Cotlands after eight decades, was correct. Our new direction – igniting potential through play-based learning – is a long-term investment.

For organisations to be sustainable, they need to remain relevant. As much as there was a need for residential care services – both in-patient medical care and housing for abused, abandoned or orphaned children – demand has steadily declined over the past decade. We acknowledge that there will always be some children in desperate circumstances that need to be removed from their families and placed in alternate care, and we applaud the many wonderful institutions that offer this vital service. But, we believe Cotlands now has a different role to play.

Government has made early childhood development an apex priority, as stipulated in the National Development Plan 2030. As a result, the early childhood development landscape in South Africa is changing. On 9 December 2015, the ECD policy for South Africa was signed by cabinet. This makes provision for two kinds of service-delivery platforms: centre-based provisioning, as well as home and community-based/out-of-centre programmes.

Government will fund these programmes as they provide a mechanism to increase access to services for young children. In addition, the policy outlines priority target groups, such as children living in impoverished and remote areas. To respond to this call, Cotlands has developed and is now implementing out-of-centre ECD programmes to this target group in the form of playgroups and toy libraries.

The underlying premise of this service is to take the programme to children in their communities, where, due to small numbers or space restrictions, it is not possible or viable to build ECD centres. These



Sister Friedah visiting a playgroup in Soweto

early learning programmes are offered in community halls, garages, shacks, homesteads, or in other safe, temporary structures. This strategy allows Cotlands to avoid expensive infrastructure costs, and ensures no children are excluded because of where they live.

Our toy libraries and early learning groups, while rendering a vital service to vulnerable children, serve an additional purpose. They are the models we use to monitor, assess and improve the quality of early learning services we provide to children. We are currently building capacity in four non-profit organisations or NPOs identified by the Department of Social Development to implement our out-of-centre early learning programme, reaching a further 406 children. We are also part of the SmartStart social franchise pilot, using community-works programme employees, to offer early learning programmes to 809 children in North West province.

We believe these partnerships represent the way forward for Cotlands. As an organisation, there is a limit to how many children we can reach directly but, through capacity-building partnerships, the scope is almost limitless. If we want to see real social transformation in our communities, where parents understand the importance of play, the importance of early childhood development and, most critically, how important their role is in shaping their children's futures, we need to get many more NPOs, individuals, corporates and government departments participating in the process.

Appreciation

I extend my sincere appreciation to everyone involved with Cotlands over the past year.

My heartfelt thanks go to all our staff who, again and again, make me so proud to lead the Cotlands team. Thank you Cotlanders!

Very special thanks are also due to our generous donors, without whom we would not be able to operate effectively. I also thank our beneficiaries and their caregivers, especially for their willingness to embrace what is still quite a foreign concept to many – learning through play.

And, finally, thank you to the Cotlands board members for your ongoing support and guidance. For those who have chosen to step down – thank you for your years of loyal service, and to the new members on the management board – welcome to what I'm sure will be exciting times!

Together, we celebrate the new, relevant and sustainable Cotlands, as it expands to serve many more South African children and families for another 80 years.



Jackie Schoeman
Chief executive officer



1994

Cotlands presentation to Nelson Mandela at Union Buildings
Launch of new corporate logo



TREASURER'S REPORT

The past year was successful, with income through donations marginally exceeding expenditure. Pleasingly, our change in strategy from supporting HIV-positive children to implementing ECD programmes has progressed very well in recent years, and has been accepted and supported by most of our donors.

However, fundraising remains a difficult task in these uncertain economic times, characterised by a widespread corporate clampdown on spending. We are pleased with the overall level of support received from all sectors, but our approach, and the value we bring to donors in terms of tax and broad-based black economic empowerment or B-BBEE advantages, has required constant review and analysis to improve the way we approach the market. Accordingly, we have contracted with a number of supporters to focus on marketing Cotlands and ensure our methods of interaction are vastly improved. In this way, donors fully understand the requirements of the children whose lives we are impacting, while we fully understand and respond to the donor's needs.

Campaigns to increase awareness of Cotlands and its role in the community will continue to improve funding in the coming year. Equally, as a result of our focus on making the community and donors aware of the significance of our role in developing South Africa's children, Cotlands' expertise has been recognised by authorities who are keen to support these initiatives and replicate them across the country. This has also generated future revenue opportunities for Cotlands.

Gross donations for the year were R20.1 million (2015: R26.1 million) against a budget of R21.4 million. Local corporate donations made up 44% of the total, with foreign donors contributing 19% and local government and direct mail accounting for 13% each. As expected, funding from the Department of Health and certain local donors declined due to the change of strategy. We are starting to receive more funding from the Department of Social Development as the ECD programme falls under its ambit, and more corporates are proving willing to support the new strategy.



A telethon held by Radio 702 raises R1.2 million for Cotlands

1995

Treasurer in training



Total operating costs were down from the prior year at R20.8 million (2015: R27.5 million) and R0.5 million under budget for the year. The largest expense was salaries at R14.5 million. The result was a small surplus of R18 270 for the year. The sharp reduction in costs from 2015 was mainly due to closure of the residential units, and we commend the management team for effecting these changes so efficiently within the new budget.

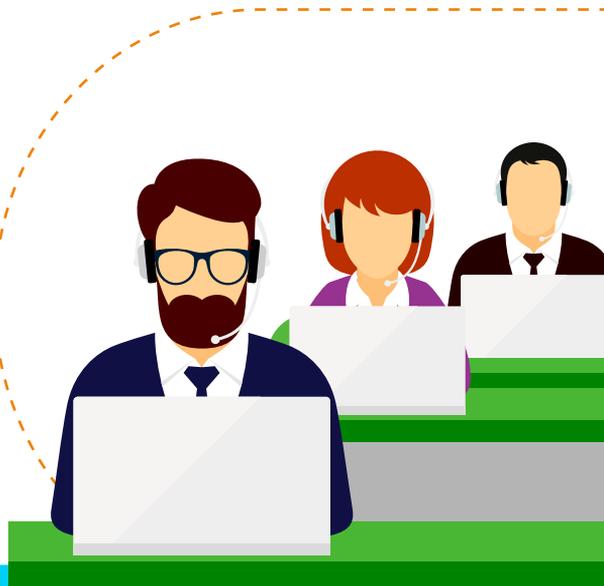
The standards of corporate governance in Cotlands are continuously monitored and improved, and rank among the best in the sector. You can rest assured that all donations are best applied to achieving our goals.

I thank the Cotlands finance department for their diligence in keeping donor funds secure and used for purpose. We also thank all donors – large and small – for their continued support of a very necessary initiative for South African children, one that will have a lasting influence on the country.

A handwritten signature in black ink, appearing to read 'Michael Coward'.

Michael Coward

Treasurer





Baby sanctuary

- 1936** • Established by US missionary nursing sister, Matron Dorothy Reece, after finding an abandoned baby on her doorstep
- 1942** • Public health department requests Matron Reece to make alterations to the home
 - Due to financial constraints, Matron Reece decides to close the home
 - After an appeal the Sunday Times raised £4 000, and the home was registered as a charitable institution
- 1952** • The home moves to larger premises in Kenilworth. Strict vetting procedures instituted for prospective adoptive parents, due to a national shortage of babies
- 1953** • The sanctuary in Turffontein is opened

Community-based programmes Paediatric HIV – the first organisation to open a paediatric hospice providing end-stage care for children with AIDS

- 1993** • The Cotlands nursery school opens in Turffontein
 - Some residential children are diagnosed with HIV
- 1996** • The Aids hospice at Cotlands opens – the first in SA
- 1997** • Formulated policy guidelines for children infected/affected by HIV/Aids
- 1998** • Initiated community outreach programmes
- 1999** • Home-based care services for HIV babies offered in Soweto, Gauteng and Hlabisa, KwaZulu-Natal



Adding psychosocial and educational support to the programmes

- 2003**
 - Implemented antiretroviral treatment for relevant children
 - Opened second Cotlands hospice in Somerset West, Western Cape
 - Launched Cotlands-Chris Hani/Baragwanath HIV/Aids counselling project
- 2004**
 - Opened Cotlands nutrition project in East London, Eastern Cape
- 2005**
 - Acquired Macassar Haven in Macassar, Western Cape
- 2006**
 - Cotlands celebrates 70 years
 - Opened Everest early childhood development (ECD) centre near Boschfontein, Mpumalanga
 - Opened Cotlands House in Turffontein, Gauteng
- 2007**
 - Opened Cotlands community centre in Soweto, Gauteng
- 2009**
 - Opened Tirelong ECD centre in Rustenburg, North West
 - Opened Cotlands' first toy library in KwaZulu-Natal
 - Acquired property in Reeston, Eastern Cape
- 2010**
 - Macassar Haven becomes a community centre
 - Opened Cotlands toy library in East London
 - Opened Cotlands toy library in Soweto
- 2011**
 - ECD centre opened at Macassar Haven community centre
- 2012**
 - Launched Turffontein toy library in Gauteng, in collaboration with Save the Children UK
 - All regions adopt the integrated model, allowing them to provide an array of quality services including education, health and psychosocial
 - In December, Cotlands announced the transformation of the Aids Hospice into the Cotlands Child Care unit due to the drastic reduction in Aids-related deaths

Launching early learning

- 2013**
 - Early learning playgroup model for birth to four-year-olds launched in May
 - Electronic recording tool, Mobenzi, introduced to monitor playgroups
 - Cotlands launched its first mobile toy library in Gauteng, followed by an additional mobile for Gauteng and one for KwaZulu-Natal
 - Death of former president Nelson Mandela marked by releasing balloons
- 2014**
 - Selected as a partner by Ilifa Labantwana to participate in the playgroup social franchise think-tank
 - Cotlands hosted the first Southern Africa play conference
- 2015**
 - Initiated early learning playgroup pilot in partnership with Ilifa Labantwana and Department of Social Development in North West
 - First mobile toy library for Mpumalanga
 - Closure of residential baby units in Gauteng and Western Cape
- 2016**
 - North West regional franchisor for SmartStart established
 - Expanded early learning playgroups to Barberton, Mpumalanga



WHAT WE DO

CAPACITY BUILDING

The goal is to share best-practice principles to deliver toy library and playgroup programmes with non-profit organisations, increasing access to quality programmes for young children. In addition, monthly parenting programmes are run at every playgroup to inform, support and encourage positive parenting skills.

TOY LIBRARIES

A high-impact, cost-effective non-centre-based programme giving children, their families, early learning facilitators or ELFs, ECD practitioners, home visitors, community workers and organisations providing services to children access to a collection of carefully selected educational play materials, play sessions and toys in their own communities and households.

Toy libraries provide:

- A lending service where members take out educational toys for their children, providing play and learning opportunities at home
- Play sessions for children who do not have access to an ECD programme
- Resources to support ECD programmes such as home visiting, playgroups and parenting programmes
- Community capacity-building sessions for parents/primary caregivers where general health, child development and psychosocial information is shared.

EARLY LEARNING PLAYGROUPS

An innovative, non-centre-based ECD service that increases access to early learning opportunities for children aged birth to four years.

Our programmes are based on best-practice principles, ensuring the holistic development of each child we serve.

Each four-hour play session is structured around a routine, creating learning and play opportunities that develop children's language, mathematics, problem-solving, gross motor, fine motor as well as social and emotional skills. Learning in the playgroups is firmly rooted in a play-based learning pedagogy that is age-appropriate, encourages exploration, fosters curiosity and provides the opportunity to make choices.

TOY LIBRARY ASSOCIATION OF SOUTH AFRICA (TLASA)

TLASA promotes the vision of a "toy library within reach of every child" and annually supports the International Toy Library Association's World Play Day and Toy Librarian's Day on 28 May.

TLASA offers four training courses: toy library set-up and administration, play-based learning using toys, birth-to-two stimulation and making toys from waste. It also offers quality assurance visits to toy libraries, encouraging best practice. TLASA offers members discounted training, quarterly newsletters, free regional seminars and exclusive information on the Cotlands website.



A meal/snack is provided to all children attending early learning playgroups. To deliver an integrated service to our children, a nurse or social worker visits the playgroups. The nurse conducts routine screenings of the children's general health, measures and weighs them to check for stunted growth and poor nutrition, screens for symptoms of illness, including HIV and TB, and checks immunisation cards for defaulters.

The social worker determines which children do not have access to social grants and assists eligible families to access grants. She also ensures all orphaned or abandoned children are legally placed with their primary caregivers. Families are supported to enroll children into formal schooling once they turn six. Together with the early learning playgroup facilitator, the social worker observes children for signs of neglect or abuse.

The nurse and social worker visit the families of any children flagged with possible health or psychosocial concerns at home.



OUR 2016 STATISTICS

Consolidated statistics

Activity	Measured	Annual total		
		2016	2015	2014
EARLY LEARNING PLAYGROUPS				
Early learning playgroups	total	211	97	140
Early learning play sessions	total	11 809 ³	6 350	4 954
Children	at year end	2 672 ³	1 441	1 261
Meals	total	127 430 ³	55 175	33 848
TOY LIBRARY DEPOTS				
Members	at year end	204	214	228
Play sessions	total	1 085	1 433	1 827
Children	total	8 691	2 038	40 224 ¹
COMMUNITY CAPACITY BUILDING				
Sessions	total	938	641	314
Trainees	total	5 483	5 557	5 296
TOTAL ANNUAL BENEFICIARIES				
Primary beneficiaries	total	11 363	3 673	- ²
Secondary beneficiaries	total	5 695	923	9 110
Total	at year end	17 058	4 596	- ²

¹ Cumulative total where children were counted each time they accessed the service. In the 2015 reporting period, we refined the recording process so that we could determine how many children we serve and how many times they access the service.

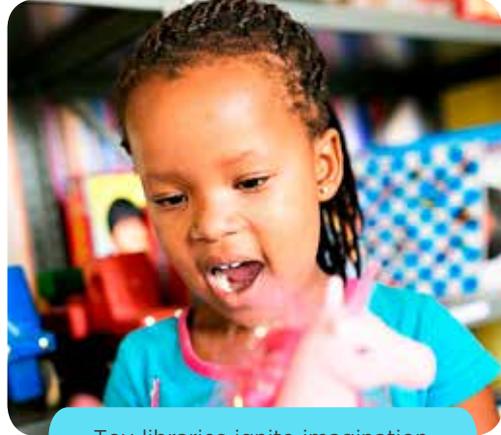
² Total children served could not be calculated because the toy library programme did not record the number of children, only the number of contacts.

³ Includes the SmartStart playgroups in North West.

OUR STRATEGY

FY2016 strategic goals

The strategic goals below were developed by considering our material issues and FY2015 goals. They also apply to FY2017 although the activities have been updated.



Toy libraries ignite imagination

Goal 1

Maintain and improve Cotlands early learning programmes through quality assurance systems and increased accountability to stakeholders. See page 26 to see how we performed against this goal.

Activities	Risks	Opportunities
<ul style="list-style-type: none"> - Refine baseline and summative assessment process for two- to four-year-olds in playgroups - Conduct birth-two development assessments using Mobenzi - Register early learning playgroups as partial-care programmes and toy libraries as partial-care facilities and programmes - Introduce barcoding system into toy library 	<ul style="list-style-type: none"> - Parent expecting a full-day programme - Programme implementation does not promote school readiness - Programmes do not meet beneficiaries' needs - Not maximising electronic monitoring system - Programmes not registered as partial-care programmes 	<ul style="list-style-type: none"> - Continued parent engagement - Effective monitoring and evaluation will identify areas for improvement - Registered programmes are eligible for funding from Department of Social Development - Effective programme will increase children's school readiness

Goal 2

Attract, develop and retain people who are engaged and driving Cotlands' strategic goals. See page 30 to see how we performed against this goal.

Activities	Risks	Opportunities
<ul style="list-style-type: none"> - Identify and establish 2018 organisational vision, strategy and development plan - Develop a talent strategy - Competency management - move from managing people based on what they have (skills, abilities) to what they can do (performance) 	<ul style="list-style-type: none"> - Insufficient staff with specialised subject knowledge inhibits expansion opportunities - Over-reliance on a few individuals leaves the organisation without depth and succession planning - Poaching of qualified and scarce-skill staff - Lack of opportunities to implement new skills - Inconsistent feedback on performance 	<ul style="list-style-type: none"> - Promotion within the organisation - Provide staff with new skills and opportunities - Receive reward and recognition for quality work, and favourable return on investment - Provide favourable working conditions, i.e. flexitime, workload management

Goal 3

Strategically advocate for the importance of early learning and position Cotlands as leader in non-centre-based programmes. See page 27 to see how we performed against this goal.

Activities	Risks	Opportunities
<ul style="list-style-type: none"> - Continue implementing the advocacy plan to promote the importance of early childhood development - Establish Cotlands as leader in ECD - Grow Toy Library Association of South Africa (TLASA) 	<ul style="list-style-type: none"> - Impact of lack of play opportunities on a child's development not easily measurable - Benefits of intervention only apparent as the child matures 	<ul style="list-style-type: none"> - Increased opportunities for advocacy as ECD is a government priority

Goal 4

Expand Cotlands' funding sources to sustain financial operational requirements. See page 34 to see how we performed against this goal.

Activities	Risks	Opportunities
<ul style="list-style-type: none"> - Maintain and strengthen relationships with existing donors - Expand B-BBEE funding opportunities - Increase public awareness - generate income through events, advertising, public relations, online giving avenues and social media - Increase international fundraising efforts - Review direct marketing programme and establish new methods of acquisition 	<ul style="list-style-type: none"> - Insufficient funding to cover annual expenses - Perception that Cotlands is a wealthy organisation and does not require financial support - Shift in corporate social investment to enterprise development and job creation - Donations that cover capital expenditure seldom provide for additional operating costs - Competing with other NGOs for limited funding sources 	<ul style="list-style-type: none"> - Cotlands Empowerment Trust allows Cotlands to receive preferential shares, contributing to our sustainability - New fundraising channels through social media and online marketing - New funding sources are available through the social franchise programme

Goal 5

Increase organisational capacity to contribute to the national scale up of early learning programmes reaching 4 000 children. See page 27 to see how we performed against this goal.

Activities	Risks	Opportunities
<ul style="list-style-type: none"> - Social franchise of early learning playgroups - Department of Social Development partnership in Gauteng to monitor and support partners implementing early learning programme - Explore new partnership opportunities to implement early learning playgroup programme 	<ul style="list-style-type: none"> - Expansion can exceed financial and human resources - Reputational and quality risk of partnerships 	<ul style="list-style-type: none"> - Scaling up ECD programmes will reach more children - Government partnerships contribute to our financial sustainability - Cotlands positioned as leader in the ECD field



The AIDS Hospice at Cotlands is opened



HOW WE ENGAGE WITH STAKEHOLDERS

Stakeholder engagement is central to our success and an important component of governance. If Cotlands is not meeting the needs of its stakeholders, our beneficiaries, donors, partners or broader society, then our programmes will not be sustainable.

Donors are clearly our most vital stakeholders. We endeavour to maintain open and regular communication with donors as this is important in developing long-term partnerships. We also actively

encourage them to visit our programmes to experience our work first-hand. We constantly strive to improve our interaction with donors and welcome feedback and suggestions.

Another critical stakeholder group is partners. Our vision is to reach as many children with no access to ECD services as possible through our non-centre-based model. However, we cannot do this on our own, nor would we want to. To extend the programme's reach without draining our limited resources, we have partnered with SmartStart and the Department of Social Development to implement the playgroup programme in North West province. We also partnered with the Department in Gauteng to provide resources, training and monitoring to four non-profit organisations to implement the Cotlands playgroup and toy library programmes. This project has been extended to reach 25 organisations by 2019 in Gauteng and four in Mpumalanga in 2017.

Our key stakeholders, their issues and how we engage with them are shown below:

Stakeholder	What matters to them	How we engage with them
Policy makers	<ul style="list-style-type: none"> – Compliance to norms and standards that guide programme and site registration 	<ul style="list-style-type: none"> – Attend the National Child Care and Protection Forum to participate in debates and influence policy – Request amendments to norms and standards to accommodate non-centre-based realities – Provide input when documentation is circulated for comment
Donors	<ul style="list-style-type: none"> – Detail on why ECD is important, long-term impact on society if children are not able to access services, and why play is such a key component in early learning 	<ul style="list-style-type: none"> – Experiential visits for in-depth understanding of an early learning play session. Around 100 donors visited one of our early learning programmes during the year – Presentations to donors where we outline our programmes and how their contributions can attract tax relief and B-BBEE points – Networking events where we interact with current and potential donors
Cotlands management board	<ul style="list-style-type: none"> – Strategy – Finances 	<ul style="list-style-type: none"> – Networking events where we interact with current and potential donors – Cotlands management team meets with individual board members where necessary for additional assistance/guidance
Employees	<ul style="list-style-type: none"> – Future opportunities in the organisation – New challenges 	<ul style="list-style-type: none"> – Monthly general meetings – Internal newsletter – Weekly staff meetings
Volunteers	<ul style="list-style-type: none"> – What services they can offer Cotlands under the new model 	<ul style="list-style-type: none"> – Monthly internal newsletter including upcoming events and other relevant activities – Email specific information on request – Meetings (two to three per year) – Training sessions on rules and regulations for children and toy library information – Knowledge sharing
Beneficiaries	<ul style="list-style-type: none"> – Wellbeing of their children 	<ul style="list-style-type: none"> – Monthly capacity building meetings with parents

Public relations and advocacy

This year we kept the spotlight on every child's right to play and have access to quality early childhood education. This included strengthening relationships with individual journalists, establishing partnerships with media companies and increasing our individual support base.

In 2016 we improved the tracking of our digital communications, including online media and website monitoring. This showed an increase in website visits from 21 003 in 2014 to 23 664 in 2015, and an increase in Twitter followers from 1 260 to 1 318. On Facebook we have close to 5 000 followers and on Instagram, the latest addition to our social media suite

– we have 311 followers. Social media communications have been critical to the success of our advocacy goal and brand repositioning. Over the next year, we aim to grow our online support base using branded posts to further our mission.

There was also an increase in online donations, largely due to our Donate Your Birthday campaign designed by Lesoba Difference. The campaign has also improved individual donor engagement, exposed Cotlands to a younger donor base and helped in educating the public on our transformation into the ECD space.

Our relationship with Lesoba Difference has grown since initiating the online component of the birthday campaign. The company also created radio and print



ads, social media graphics and secured substantial advertising space for the campaign. The campaign has been hugely popular, winning Cotlands an Assegai Award in 2015. Donate Your Birthday will now become a permanent fixture on our website.

Through active engagements with the media, we are slowly seeing a shift in the Cotlands brand position. Journalists and media houses are beginning to identify Cotlands as an authority in the ECD and play-based learning space. Over the past year, we have received numerous calls for comment and invitations to speak

on the topic. However, much work still needs to be done on positioning the organisation and this will be the focus for 2016.

We continue to work with HKLM for branding and design and, thanks to Newsclip, we are able to monitor the frequency and rand value of all published material. Our partnership with BizPhoto has been strengthened over the past year with the company extending its video services (Feature Films) to Cotlands. Feature Films created five training videos and three corporate videos in 2015.

HOW WE ENGAGE WITH STAKEHOLDERS

Press coverage for 2016:



95
PRINTED
ARTICLES



67
RADIO
AND TV
INTERVIEWS



87
ONLINE
ARTICLES



Fantasy play is food for the brain

Memberships

- International Toy Library Association (ITLA): promotes toy libraries internationally
- A Chance to Play Southern Africa (ACTPSA): advocates for children's right to play
- National Early Childhood Development Alliance (NECDA): promotes, strengthens and represents NPOs working in the ECD sector
- ECD Community of Practice: multi-stakeholder forum that facilitates information exchange on ECD practice
- National Inter-sectoral Forum for ECD: provides the opportunity to meet with government and influence policy
- National Early Childhood Alliance: network for ECD training providers
- National Child Care and Protection Forum: Department of Social Development forum where policy, the Children's Act, and ECD matters are discussed
- Just Footprints Foundation (JFF): Cotlands is a founding member of JFF, which organises camps for orphaned and vulnerable children.

Awards

- Winner in the NPO category of the Chartered Secretaries integrated reporting awards 2015

Honorary members

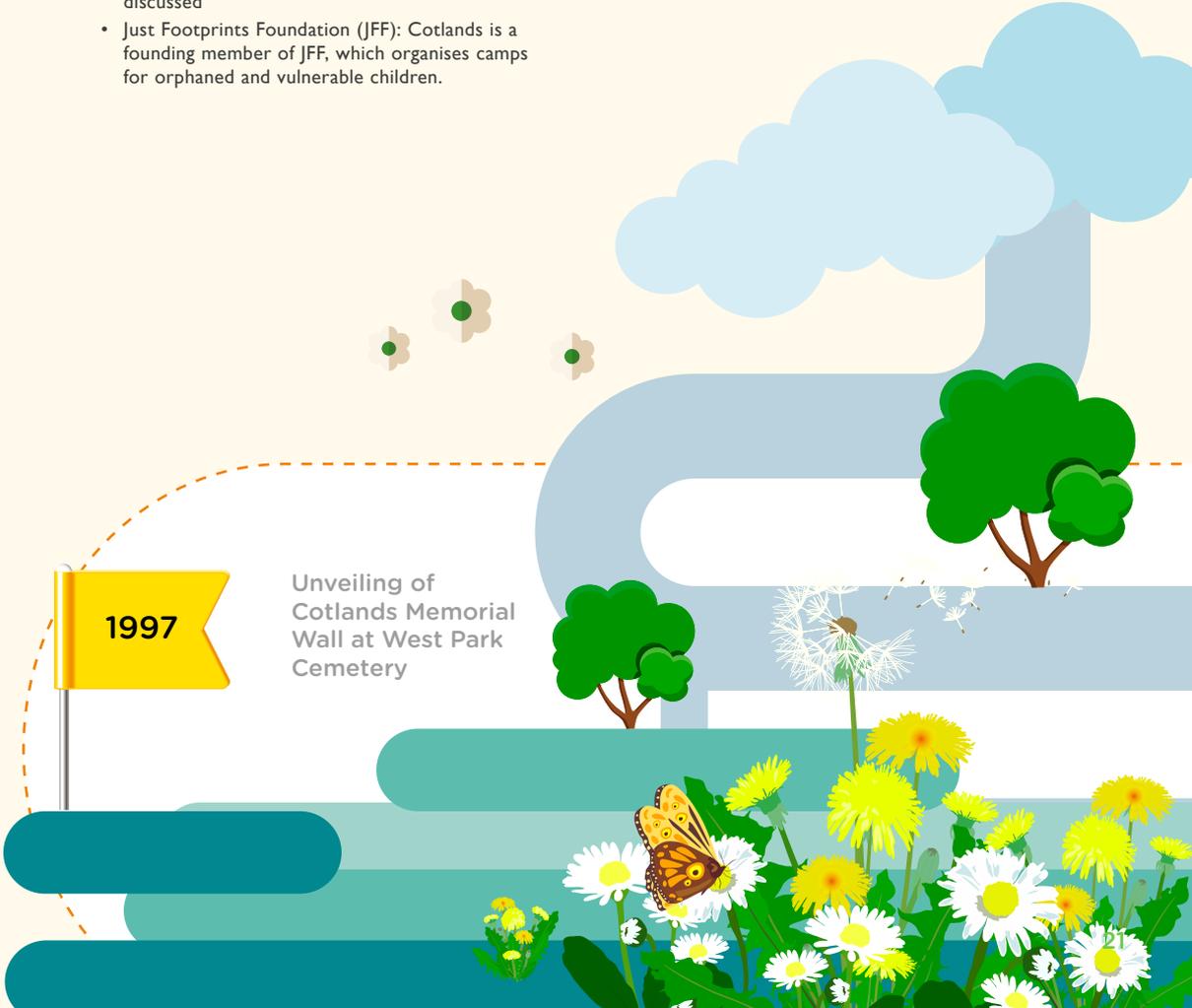
Cotlands thanks our honorary members for their valuable contribution to our work:

- HKLM – Harwood Kirsten Leigh and McCoy
- KPMG Services Proprietary Limited
- Newsclip



1997

Unveiling of Cotlands Memorial Wall at West Park Cemetery



OUR GOVERNANCE

Good governance is central to everything we do. It encompasses being responsible and accountable to our beneficiaries and donors, creating opportunities for stakeholders to participate in developing our services, and transparent reporting. We believe this is critical for sustainable development as it helps us ensure we are delivering essential services to those who need it most and that we accurately and clearly report our progress.



Developing a love for reading

Cotlands management board

The overarching governance structure in Cotlands is the management board, whose primary role is to approve all strategic and policy decisions, and cascade specific decision-making tasks to board committees and the CEO for implementation.

In the past year, Cotlands conducted a thorough review of the board and its role in supporting and providing stronger governance for the management team. This followed strategy decisions in the previous year to complete the shift from the residential care model. In particular, we looked to align the board more strongly with the needs of Cotlands, which are to raise new funding, become a service provider for ground-breaking ECD initiatives and to meet new challenges in managing the proposed commercial model of the business.

We also wanted to reduce the size of the board to 12 – 14 members. Half of the board should bring specific expertise, while the remainder would assist more with strengthening fundraising initiatives and positioning the organisation.

The process was initiated prior to the annual general meeting in September by sending a questionnaire to board members to evaluate their role on the management committee. Some members used this opportunity to resign. Over the past year we said goodbye to Jos Polatinsky, Allen Pentz, Nicola Malan, Sue Morris, Tina Georgoulakis and Cynthia Morrison. We thank them for their valued years of service to Cotlands and continued support of our cause.

We welcomed two new members, Angela Makholwa-Moabelo and Vincenzo Scarcella, both of whom serve on the fundraising and marketing committees. Cotlands management board now comprises 12 members.

We also redefined our committees to better cater for Cotlands' needs. The new committees are specifically responsible for:

- Remuneration
- Audit, risk and investment
- Fundraising and marketing
- Nominations.

Committee	Remuneration	Audit, risk and investment	Fundraising and marketing	Nominations
Responsibilities	<ul style="list-style-type: none"> – Overall organisational development processes – Staff structure required to meet strategic goals – Monitor and provide input on staff remuneration 	<ul style="list-style-type: none"> – Financial planning – Financial audits – Investment policy and portfolio – All economic decisions, including budget approval and resource allocation – Risk management 	<ul style="list-style-type: none"> – Contribute to messaging strategy, communication plan and leveraging our brand – Secure and retain donor support – Consider sustainable sources of income – Facilitate introductions for funding opportunities 	<ul style="list-style-type: none"> – Determine the qualifications and characteristics required of board members – Determine strategic recruitment goals – Identify, screen and review individuals and recommend suitable candidates for nomination

These committees meet as required to support and oversee their specialised areas. Relevant staff members attend these meetings to enable employees to be heard at board level. The convener of each committee sits on the executive committee (exco) to ensure all aspects of Cotlands are represented at this level. Exco meets six times a year and the full board, comprising the various specialist committees, meets twice a year.

The chairman is elected by board members and serves a three-year term, which can be renewed. The roles of the chairman and CEO are separated to maintain independence. The CEO oversees the operational functioning and strategy of Cotlands, guided by the chairman and board members.

The exco and audit, risk and investment committee approve the annual budget and final allocation of salaries for all staff members. These committees also approve the annual financial statements.

Codes and policies

All Cotlands' direct and support services are governed by policies and procedures. These range from the responsibilities of board members to running playgroups. They include a code of conduct and disciplinary code for staff and volunteers, as well as processes for managing and identifying risks. Policies are reviewed every five years or when required by legislation or changes in service delivery.

These codes, policies and procedures are available to all staff on Google Cloud in soft copy. Copies are available to relevant stakeholders and partners on request.

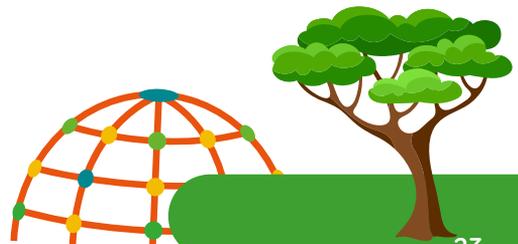
Quality improvement

Each department in each region must complete an annual risk assessment, which is forwarded to Cotlands head office. These are collated and ranked to determine our quality improvement programme. An action plan with clear targets and timeframes has been developed for each quality issue and progress is measured at monthly meetings.

Reporting

To maintain our commitment to open and honest communication, reporting in Cotlands is conducted formally and regularly through bi-monthly or quarterly reports to committees, exco and the board. Each operating division must report on its progress, identified risks and areas needing corrective action and mitigation. These reports are generated at operational level, creating an effective mechanism for employees to channel concerns, suggestions and opinions directly to the board.

External reporting takes many forms across the organisation, including monitoring and evaluation reports to donors, the annual report and progress reports to government departments, all of which help us maintain a constructive dialogue with these important stakeholders.



REPORTING STRUCTURE 2016

COTLANDS MANAGEMENT BOARD

Dumisani Ncala

Mike Coward
Indiran Gounden
Sundrie Naidoo
Michal Bolanowski
Peter Moloney
Janet du Preez
Eleanor Hugget
Clive Pintusewitz
Katherine Madley
Enzo Scarcella
Angela Makholwa

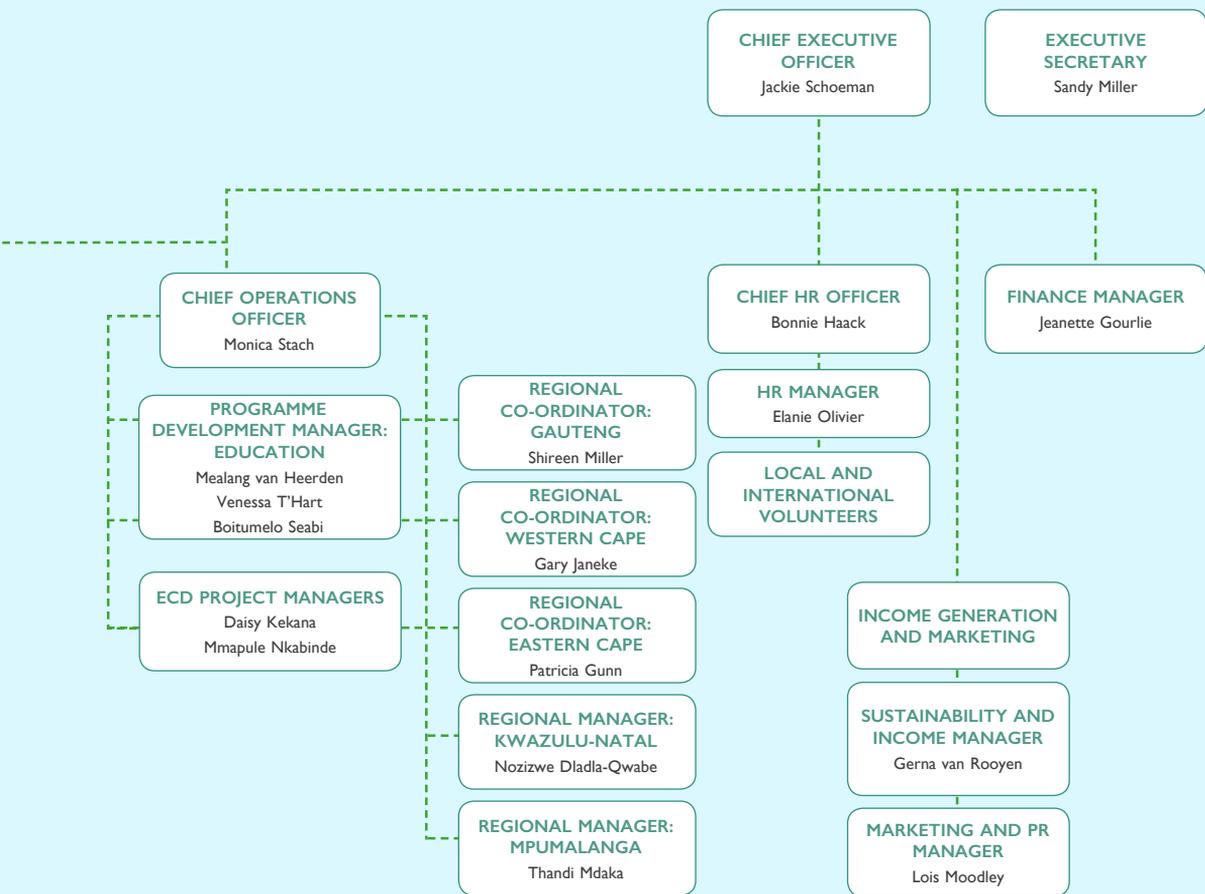
**AUDIT, RISK and
INVESTMENT**
Indiran Gounden
Mike Coward

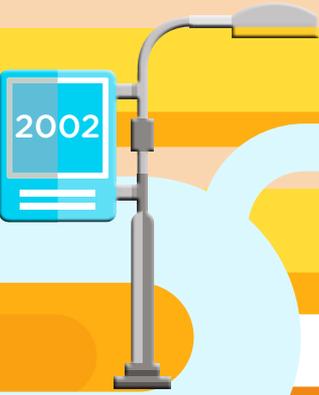
FUNDRAISING
Mike Coward
Michal Bolanowski
Katherine Madley
Indiran Gounden
Enzo Scarcella
Angela Makholwa

REMUNERATION
Sundrie Naidoo
Clive Pintusewitz
Janet du Preez

NOMINATIONS
Sundrie Naidoo
Dumisani Ncala
Mike Coward

BOLD – Chairperson





2002



Jackie Schoeman
appointed as
Executive Director



OUR IMPACT

For children to thrive, both mother and child should be able to access essential services. In the ECD sector, these services are referred to as the ‘essential package’. Our playgroup and toy library programmes link to the stimulation for early learning and support for the primary caregiver components. To a lesser degree, we also provide the components of social services and nutritional support.

In this report, we summarise the impact of our programmes relative to our strategic goals.



Goal 1

Maintain and improve Cotlands’ early learning programmes through quality assurance systems and increased accountability to stakeholders.

The first strategic goal focuses on refining our programmes and improving our monitoring and evaluation systems. The publication of the National Curriculum Framework for children birth to four years required reviewing our programmes to ensure compliance to the curriculum and align terminology.

A revised monitoring and evaluation framework was launched that outlines our quality-assurance processes. The aim of this framework is to define how each job category is responsible for ensuring quality programmes. A set of checklists was developed for use when monitoring and evaluating our programmes. The monitoring framework encourages compliance to legislative and best-practice principles and is used as a tool to promote quality interventions.

The toy library programme implemented a digital stock-control system, streamlining and improving stock management.

The Toy Library Association of South Africa’s activities were greatly enhanced by appointing a manager in the last quarter of the financial year. The quality-assurance service offered to toy libraries was improved.

Goal 3

Strategically advocate for the importance of early learning and position Cotlands as leader in non-centre-based programmes. This includes advocating for ECD. We influence the landscape of early childhood in South Africa by participating in several national ECD platforms: National Inter-sectoral Forum for ECD, National ECD Community of Practice, National Child Care and Protection Forum, and the National Early Childhood Development Alliance (NECDA).

As a result of our membership in these forums, we were able to comment on our sector's Education, Training and Development Set's landscape document, and the draft policy on minimum requirements for programmes. We were also instrumental in designing and conducting four non-centre-based workshops in four provinces to capacitate NECDA members. In addition, we provided input into the national non-centre-based norms and standards guideline.

Play-based learning as a pedagogy in ECD is at the heart of our advocacy campaign. We authored an article in the Child and Youth Care Journal ("The role of play and toy libraries in the child and youth care sector") which promoted the importance of play and how toy libraries can enhance play-based learning. World Play Day 2015's theme 'Play is Fun' created a platform to further advocate about the importance of play. In the last quarter of the year, Cotlands formed a partnership with UNICEF and the Department of Basic Education to host a play-based conference in July 2016.

Goal 5

Increase organisational capacity to contribute to the national scale up of early learning programmes reaching 4 000 children.

We became the North West regional franchisor for SmartStart where we collaborate with other franchisors to develop a playgroup model that can be scaled. We also developed a capacity-building programme aimed at equipping organisations to implement our playgroup and toy library programmes. Through our ongoing partnership with the Gauteng Provincial Department of Social Development, we capacitated four non-profit organisations to implement our programmes.

In the coming year we aim to increase our impact by sharing our knowledge and experience on play-based learning, playgroups and toy libraries through a variety of capacity-building projects. In addition, we want to contribute to evidence supporting play-based learning and toy libraries by conducting research in these fields.

THE ESSENTIAL PACKAGE

The National ECD policy refers to an essential package of services to be provided to parents and young children and is clustered into five components.



Nutritional support



Primary maternal and child health interventions



Social services



Support for primary caregivers



Stimulation for early learning

Our progress in numbers

The effectiveness of our programme is reflected in the growing number of beneficiaries accessing these programmes.

Early learning playgroups (ELPs)

Measured		Total 2016 ¹	Gauteng	KwaZulu-Natal	Western Cape	Eastern Cape	Mpumalanga	Total 2015	Total 2014
ELFs	at year end	40✓	6	10	6	4	14	30	27
ELPs	at year end	136✓	30	21	30	19	36	97	129
Play sessions	total	8 162	1 353	1 616	1 672	1 025	2 496	6 350	4 973
Children	at year end	1 861✓	371	350	422	174	544	1 441	1 261
Boys	at year end	914✓	187	168	202	94	263	694	628
Girls	at year end	947✓	184	182	220	80	281	747	633
Home visits	total	595✓	357	238	N/A	N/A	N/A	438	49
Meals served	total	94 136✓	16 158	21 269	16 764	8 820	31 125	55 175	33 848
Referrals	total	186✓	25	35	126	0	0	207	105

¹ Excludes 811 children in the SmartStart programme in North West

Toy libraries

Measured		Total 2016 ¹	Gauteng	KwaZulu-Natal	Western Cape	Eastern Cape	Mpumalanga	Total 2015	Total 2014
Total members	at year end	204✓	78	16	40	26	44	214	288
Play sessions	total	1 085✓	773	1	136	N/A	173	1 433	1 827
Children attending play sessions	total	8 691✓	7 051	51	541	N/A	1 048	24 451 ¹	40 224 ¹
Boys	total	4 358✓	3 414	25	357	N/A	562	11 121	33 684 ¹
Girls	total	4 333✓	3 637	26	184	N/A	486	917 ¹	24 811 ¹
Mobile play sessions	total	414	414	0	N/A	N/A	N/A	620	–
Communities served by mobile units	total	95	0	N/A	N/A	N/A	N/A	268	
ECD centres served by mobile units	total	176	35	N/A	N/A	N/A	N/A	294	
Children attending mobile sessions	total	3 389	0	N/A	N/A	N/A	N/A	11 973 ¹	
Toys lent out	total	12 075	3 495	4 884	7 451	1 156	12 606	20 218	14 405
Toys trained	total	1 686	82	525	85	159	835	4 958	4 646
Toys lost	total	179	2	0	86	63	28	46	46

¹ Cumulative total where children were counted each time they accessed the service. In the 2015 reporting period, we refined the recording process so that we could determine how many children we serve and how many times they access the service.

✓ KPMG assured.

The Toy Library Association of South Africa (TLASA)

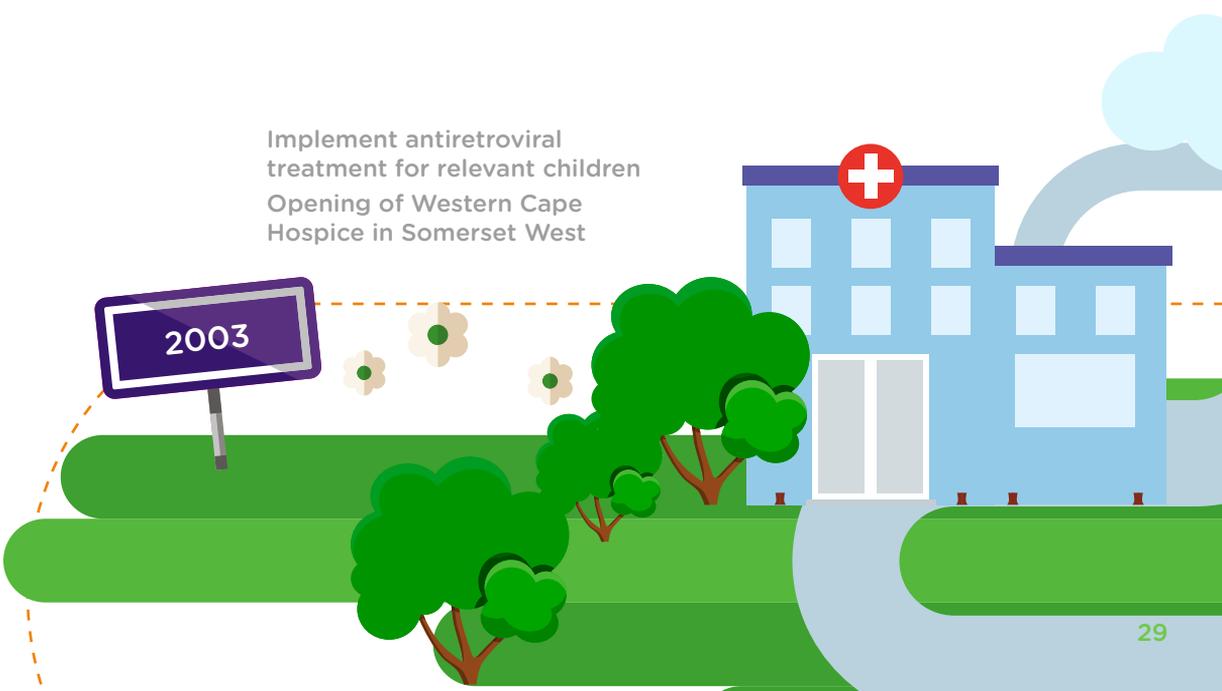
	Total 2016	Total 2015
Participants trained	212	186
TLASA members	110	17
Participants attending seminars	201	183

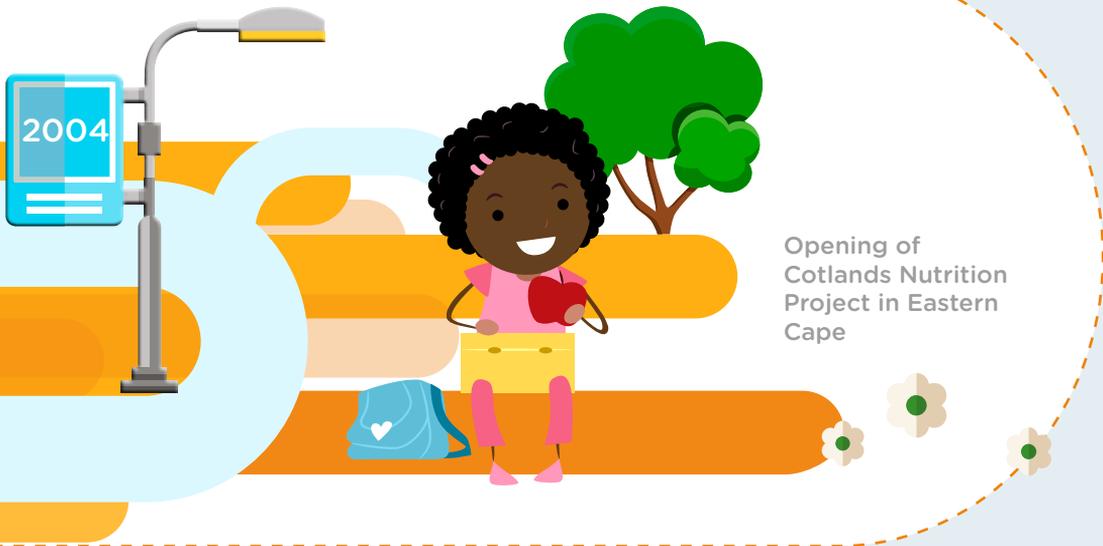
Community capacity building

Activity	Total 2016	Gauteng	KwaZulu-Natal	Western Cape	Eastern Cape	Mpumalanga	Total 2015	Total 2014
Total number of sessions	938✓	25	127	573	105	108	606	288
Total number of trainees	5 483✓	502	561	3 410	399	611	5 557	5 296
Total males	99	17	16	39	6	21	904	871
Total females	5 375	485	545	3 371	393	590	4 653	4 425
Total children in ECD	55	-	-	-	-	55	52	-

✓ KPMG assured.

Implement antiretroviral treatment for relevant children
 Opening of Western Cape Hospice in Somerset West





Opening of Cotlands Nutrition Project in Eastern Cape

OUR PEOPLE

Goal 2

Attract, develop and retain people who are engaged and driving Cotlands' strategic goals. Cotlands' staff play a vital role in our sustainability as they are responsible for implementing our programmes. If our staff fail, we will not be able to deliver an effective service so training is a critical component in effective programme delivery.

In addition, retention is key to prevent the loss of competent employees who have built up a skills and knowledge base. Without these, productivity and service delivery could be impacted.

Due to the national shortage of qualified ECD practitioners, we continue to enroll and train staff in level 4 ECD: 24 candidates are graduating while 33 candidates are expected to complete their portfolios of evidence in the next few months. Regrettably, seven staff members have dropped out since 2015, due to resignations and dismissals.

We continue our in-service training sessions. Each Friday, ELF's meet at their regional office to be trained on the next week's learning plan. Toy librarians take them through the entire four-hour session, including how to welcome the children, how to read the story, what tune to use for the rhyme, how to prepare the art activity and how to play the maths game. The librarians then assist ELF's in collecting and packing their learning kits for the new week.

From this training we have pleasingly discovered that, with the right support, the programme can be implemented by anyone. This has been particularly encouraging for our new partners, as the lack of qualified staff has always been a barrier to scale up services.

To retain staff, we have an incentive programme. However, the risk remains that after completing their level 4 qualifications, they may still leave to teach at government or private schools or choose to further their studies formally to level 6 qualifications. We view this positively, as it means more young children will benefit from a quality learning experience and it will be another way to scale up services.

To ensure children in our own programme are not affected by staff turnover, we have appointed ELF assistants – unemployed youth with an interest in ECD – to work alongside our ELF's. They in turn will be able to take over or start their own playgroups, creating opportunities for new ELF assistants.

Obviously, our success does not rest entirely on the ELF's. Support staff such as programme developers, toy librarians, team leaders, regional managers, housekeeping – all play a meaningful role in our sustainability. It is vital we put systems in place to retain our most valuable resource – our human capital.

Overview of our people in 2016

Staff turnover

The staff turnover rate for the year was 14.8%, reflecting the ongoing challenge of retaining younger employees in remote rural areas given the allure of the 'big city' and perception of higher salaries and better benefits.

Resignations	Dismissals
21	9

Reason for staff leaving service in 2016

Salary and benefits	8
Personal	7
Dismissed/retrenched	9
Other	6
Total	30

Age groups of staff leaving service 2016

20-30	24
36-45	6
45+	0
Total	30

Parental leave

Cotlands offers the mandatory maternity leave for female employees. In addition, if she has worked at Cotlands for two years, she receives 50% of her salary for two of the four months she is on leave. Male employees are entitled to five days' family responsibility leave when their child is born.

In the review period, 12 staff members became pregnant. Of these, eight returned to work and the remaining four were still on leave at year end. No male employees required paternity leave in the past year.



Grown-ups making time to play

OUR PEOPLE CONTINUED

Staff composition

	2016				2015 ¹	2014 ¹
	Permanent	Non-permanent	Left service	Total	Total	Total
Female	127✓	13	23	140	123	180
Male	16✓	7	7	23	25	22
Total	143	20	30✓	163✓	148	202

¹ Includes non-permanent staff

By province	2016				2015 ¹	2014 ¹
	Permanent	Non-permanent	Left service	Total	Total	Total
Gauteng	47	10	5	57	56	84
Western Cape	16	3	2	19	24	51
KwaZulu-Natal	32	4	5	36	35	42
Eastern Cape	11	0	2	11	9	8
Mpumalanga	34	1	15	35	24	17
North West	3	2	1	5	0	0
Total	143	20	30	163	148	202

¹ Includes non-permanent staff

By race	2016				2015 ¹	2014 ¹
	Permanent	Non-permanent	Left service	Total	Total	Total
African	113	10	29	123	111	139
Coloured	17	3	1	20	16	31
Indian	1	1	0	2	2	4
White ²	12	6	0	18	19	28
Total	143	20	30	163	148	202

¹ Includes non-permanent staff

² Includes foreign national employees

✓ KPMG assured.

Code of conduct

As an employer, Cotlands is committed to employment equity, fair labour practice, decent working conditions and ethical leadership. All actions are guided by our code of conduct and ethics policy. The human resources (HR) department provides the operating principles, leadership, guidance, training and consultation for our employees within this framework.

Employment equity

Cotlands provides equal-opportunity employment and conditions of service regardless of race, sex, religion or political opinion. Although we have not actively enforced black economic empowerment policies, our employment equity figures exceed all legislated targets:

- 89% ✓ of staff are from previously disadvantaged groups (African, coloured and Indian)
- 86% are female
- 22% of the senior management team are African
- 100% of the senior management team are women.

In the review period, Cotlands employed one person with a disability to gain workplace experience over a 12-month period. By rotating, she gained HR and clerical experience in various departments.

Skills development and training

Our HR department ensures that our workplace skills plan complies with and is implemented as required by South African legislation. Regional representation has been established on our training committee, which also serves as the employment equity forum.

Due to the change in our strategic direction, the skills development programme was implemented conservatively during the year. The estimated spend on skills development in FY2016 was R87 319 for external training programmes. On average, Cotlands contributes 60% of training costs for external providers.

We continued the ECD level 4 training and capacitating of our early learning facilitators and toy librarians in their respective regions. This training started and was paid for in 2015.

The ELFs also continue to receive weekly in-service training from toy librarians to implement the early learning programme.

TRAINING SESSIONS																
	EC		GP		KZN		MPU		WC		Race				Gender	
	ECD level 4	In service	Black	White	Coloured	Indian	Male	Female								
TOTAL	5	75	6	33	16	101	7	123	22	73	3 580	8	914	0	284	4 239

In tandem, Cotlands has initiated a project with unemployed youth in the communities we serve to act as assistants to the ELFs. These are young people between 18 and 28 with an interest in ECD. Cotlands provides sponsorship for theoretical and on-the-job training to cover the cost of the project.

Skills development and training

Focus	Number of staff trained
Admin and HR	16
Finance	2
Fundraising and marketing	3
Health and safety	31
Professional development	5

Performance monitoring

The performance of staff members is monitored using various tools such as the number of early learning playgroups, number of children receiving services, proposals sent out, and income received. All staff complete quarterly personal development plans, which are designed to be constructive and identify development needs.

Documentation

The changing nature of services delivered by Cotlands meant reviewing all HR documentation. This year, the focus was on developing job descriptions for ECD project managers and the manager for Toy Library Association of South Africa.

The process of developing standard operating procedures for each job in the organisation was initiated, and will be completed in FY2017.

Rewards and recognition

We identified the need to implement a reward and recognition system to improve staff retention. This was a complex process as we wanted a system that was simple, fair, objective and applicable to all staff, regardless of their position. Job descriptions and standard operating procedures were finalised and the performance management system reviewed. Although we have made good progress, we still face the challenge of having sufficient available financial resources to pay performance-based bonuses.

Volunteers

Local volunteers

We currently have ten active volunteers in Gauteng who run the Saturday Club at the Turffontein facility. They offer children living in Turffontein play sessions on Saturday mornings – a wonderful opportunity for them as the toy library is usually closed over the weekend.

We are exploring other opportunities for volunteers to get involved in our programmes, particularly vocational experience, and add value to the worthwhile cause and service we offer.

International volunteers

FY2016 is the last year Cotlands will host international volunteers for the foreseeable future. Concerns for the safety of volunteers and the logistics of our services being non-centre-based in various communities are currently not conducive to the requirements of the international programme. However, we are constantly exploring and open to new innovative opportunities to accommodate local and international volunteers.

We are grateful to all our volunteers for their dedication and commitment to Cotlands, the support they provide for our staff and the additional services they offer to our children. They truly are a valuable resource for our organisation.

Human rights

As an NGO, Cotlands has not been called on to investigate any violation of human rights. We remain committed to upholding all laws and codes on the fair treatment of employees and beneficiaries.

All employees are required to be familiar with and promote children's rights, and while it is always our intention to do good, the first step is to make sure we do no harm.

Focus for FY2017

Leadership training

We will continue with our goal to attract, develop and retain people who are engaged and driving Cotlands' strategic goals by equipping the leadership with recruitment and selection skills. In addition, they will receive training and ongoing support in talent identification and development.

OUR ECONOMIC PERFORMANCE

Goal 4

INCOME

THANK YOU

We are very grateful for the unwavering support of so many donors who invest in Cotlands. We thank you for your generosity, loyalty and commitment to our cause, as every contribution enriches the lives of vulnerable children across South Africa. We would not be able to provide early learning opportunities to thousands of children without your incredible support.

We met our strategic goal (Goal 4 – expand Cotlands funding sources to sustain the financial operational requirements of FY2016) and showed a small surplus of over R18 000 in the past financial year.

However, meeting current operational costs does not contribute to long-term sustainability, and our ongoing challenge is whether to plan our programmes to fit into our budget or let our programmes determine the budget. If we expand without receiving funds, we run the risk of having to withdraw, which could be harmful to communities. The only way we can confidently plan to scale up services is to increase our sustainable income.

We have made some progress. Our early learning programmes in Mpumalanga and Gauteng are subsidised by the Department of Social Development and although this does not cover all costs, it does offer a regular source of income for these programmes. We are a SmartStart franchisor in the North West which covers operational costs and contributes a management fee. Although only just becoming operational, we have amended Cotlands Empowerment Trust to align with the revised B-BBEE codes. This will allow Cotlands to receive enterprise development funding (and, at the same time, capacitate unregistered ECD centres to improve the quality of their service and meet the requirements of the Department of Social Development).

We are also fortunate to be a long-term beneficiary of some large international foundations, and while we cannot ever take this funding for granted, we are hopeful it will continue for the next few years.

Income for FY2016 by donor group

R	%	2016	2015	2014
Bequests	1.53✓	306 681	26 469	447 905
Collection tins	0.63✓	126 074	172 895	594 194
Community groups	0.86✓	172 897	267 699	174 521
Corporates and trusts	43.82✓	8 797 254	9 461 627	10 259 927
Individuals	5.74✓	1 152 264	1 350 710	1 305 164
NLDTF (Lotto)	0✓	0	0	4 502 000
Government	13.05✓	2 618 831	4 967 494	4 173 399
Direct mail	13.81✓	2 772 200	2 713 095	3 020 301
Foreign income	18.55✓	3 724 747	3 126 297	2 569 885
Other	2.01✓	403 951	101 357	82 877
TOTAL INCOME	100.00	20 074 899✓	22 187 643	27 130 173
Contingency			4 300 000	

✓ KPMG assured.



	%
Bequests	1.53
Collection tins	0.63
Community groups	0.86
Corporates and trusts	43.82
Individuals	5.74
NLDTF (Lotto)	0.00
Government	13.05
Direct mail	13.81
Foreign income	18.55
Other	2.01

In total, R8 797 254 (FY2015: R9 461 627) was received from 206 corporate donors, with an average donation of R42 705, up from R32 073 in 2015.

The support we receive from in-kind donors is highly valued as it reduces our monthly expenses. Our largest in-kind corporate donors this year were Tiger Brands and Kargo International.

International donors

The top international donors in 2016 contributed R3 271 705 (16% of gross revenue):

- Emerging Markets Benefit Ltd
- Philip Morris International
- The Stephen Lewis Foundation

Government

The Department of Social Development funded our ECD programmes in Mpumalanga and Gauteng and our capacity-building programme in Gauteng.

Individual donors

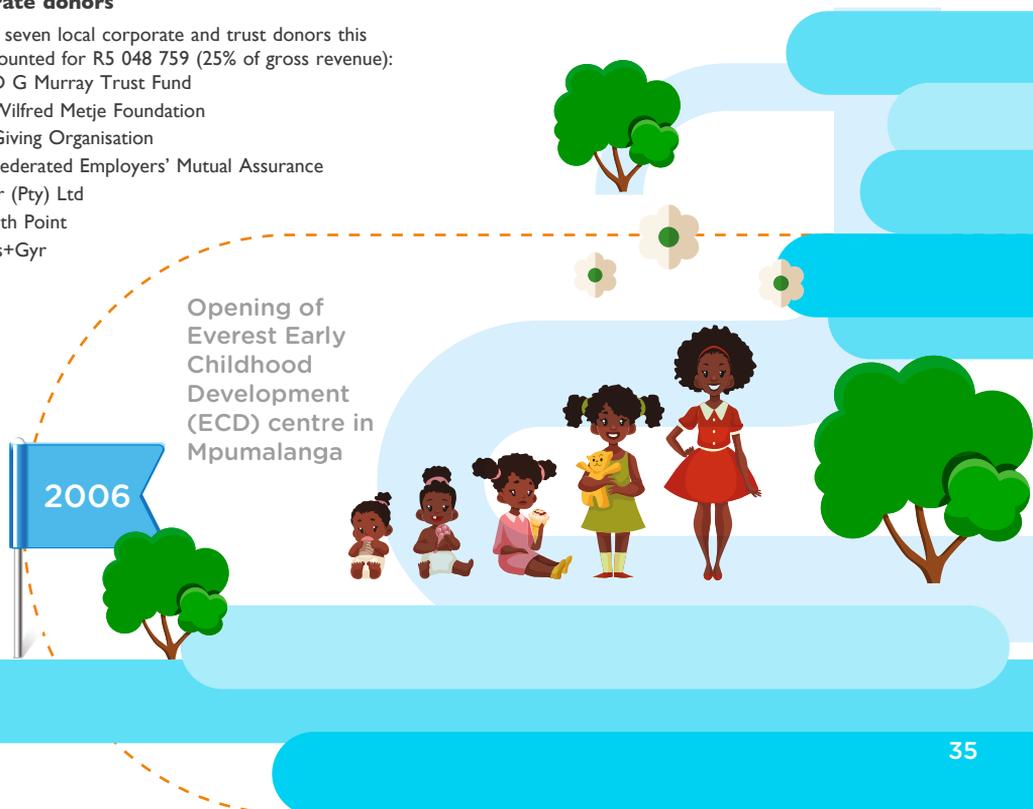
Individual donors and direct-mail donors (mostly individuals) contributed R1 152 264 and R2 772 200 (FY2015: R1 350 710 and R2 713 095), respectively. This year, 413 individuals donated to Cotlands, with an average donation of R2 790. The direct-mail programme has 1 894 donors, contributing an average of R1 463 per year.

Broad-based black economic empowerment (B-BBEE) Under the new codes, Cotlands has a level 5 BEE rating with a procurement recognition level of 80%.

Corporate donors

Our top seven local corporate and trust donors this year accounted for R5 048 759 (25% of gross revenue):

- The D G Murray Trust Fund
- The Wilfred Metje Foundation
- The Giving Organisation
- The Federated Employers' Mutual Assurance
- Robor (Pty) Ltd
- Growth Point
- Landis+Gyr



Opening of Everest Early Childhood Development (ECD) centre in Mpumalanga

2006

The Cotlands Empowerment Trust is a B-BBEE business solution that gives our donor clients further benefits from their association with us. It offers organisations the opportunity to partner with the trust in the ECD field, under the enterprise development, skills development and ownership pillars.

The Cotlands Empowerment Trust has been designed in consultation with Transcend Corporate Advisors, a knowledge leader in the Department of Trade and Industry's B-BBEE best-practice interpretation and implementation. It has been signed off by Empowerlogic, a leading verification agency.

This approach allows a donor client to continue benefiting from and making a difference to society under the socio-economic development pillar, which would consist of the usual corporate social investment contribution to Cotlands NGO.

In addition, organisations can strategically invest money for the benefit of their other B-BBEE pillars into a well-managed, well-implemented, personalised and secure programme with the correct end-user beneficiary that has been identified for business sustainability and scarce skills development, all aligned with the latest B-BBEE codes.

The benefits of supporting an organisation such as Cotlands and the Cotlands Empowerment Trust, which offer an integrated B-BBEE solution, could make a significant difference to a company's empowerment rating.

Instead of spreading corporate social investment across many different sectors, an organisation would now be able to build a sustainable, high-impact, measurable B-BBEE strategy, that solves critical business challenges, opens up new business opportunities for retention and growth of clients, and dramatically increases the measurable impact of the company's current corporate social investment strategy.

For more information on how we can assist you in obtaining points in the priority pillars and strategic advice, please contact our head: national sustainability and income, Gerna van Rooyen (gerna@cotlands.org) or our national business development manager, Louis Cheyne (louis@cotlands.org).

Tax exemption

In addition to BEE points, there are also tax benefits for Cotlands donors. The South African Revenue Service (SARS) regulation states that a taxpayer making a bona fide cash donation to a section 18A approved organisation is entitled to a deduction from taxable income if the donation is supported by a receipt issued by the organisation and does not exceed 10% of the taxpayer's taxable income.

Monthly donors are issued with an annual receipt in March that reflects the cumulative total of donations

to Cotlands. Once-off donors receive a receipt within weeks of their donation. This is not an actual receipt but an acknowledgement letter worded to comply with SARS requirements: In terms of section 18A of the Income Tax Act 1962, this letter serves as an official tax receipt – PBO reference no 130002029. Your donation has been or will be used exclusively for Cotlands.

Donor rights and ethical fundraising

Our fundraising policy ensures donors have the right to remain anonymous and not be publicly acknowledged for their donations if they choose. However, we actively attempt to trace all our anonymous donations so that we can acknowledge their valuable contribution. This information is used strictly for our benefit and not disclosed beyond our organisation.

We retain the right to decline a donation if the source conflicts with our vision, mission and principles. During the year, no donations were deemed likely to compromise our integrity, and therefore none were declined.

To ensure funding received is used as directed by the donor, contributions to a specific project are earmarked and reserved. Each month, expenses for that project are claimed back from the reserve until funds have been depleted. If the money is not used in the financial year, the balance is carried over to the new year.

On behalf of the children we serve, the fund development team again extends heartfelt thanks to all Cotlands supporters.

Expenses

Equally important as our income budget is our expense budget. Phasing out residential programmes in March 2015 generated a large cost saving in FY2016 as we were able to reduce our budget to R23 million. Compared to past years, this was much more attainable and we raised enough to cover our costs and show a small surplus of R18 000.

The finance department prepares an income and expense budget annually, with input from regional managers and head office. The percentage increase for each expense item is determined by the audit, risk and investment committee, based on CPI and current trends. Once finalised, the budget is approved by the executive committee, which also determines salary increments for the senior management team.

Performance to budget

Performance to budget is monitored monthly by the finance committee. Our goal is to stay within 5% of the expense budget. All unbudgeted expenses need to be approved by the CEO and, if above R7 500, by the audit, risk and investment committee.

All payments are made by Cotlands finance department at our head office, except for vehicle fuel and maintenance, and petty cash. This ensures expenses are closely monitored. Our expenses for 2016 were R22.5 million against a budget of R23.0 million, or 2.2% under budget.

These costs, together with budgeted expenses, were broken down as follows:

- Administration (including IT infrastructure costs): 14%
- Building costs: 4%
- Motor vehicles (fuel, repairs and maintenance, insurance): 4%
- Service delivery (food, clothing, medical supplies, educational equipment, etc): 7%
- Staff costs (salaries, benefits and training): 71%.

Our environmental performance

	Unit	Consumption 2016	Kg CO ₂ emissions 2016	Consumption 2015	Kg CO ₂ emissions 2015	Consumption 2014	Kg CO ₂ emissions 2014
Electricity (all)	kWh	125 578	66 180	137 391	132 090	145 062	139 460
Natural gas (Turffontein)	gigajoules	229	14 629	598	38 206	660	42 167
Petrol (all)	litres	10 968	24 349	11 664	28 693	21 258	52 295
Diesel (all)	litres	19 313	50 793	15 317	40 743	10 082	26 818
Flights (all)	Number	31	6 851	37	7 490	49	10 216
TOTAL			162 802		247 222		270 956

<http://www.carbontrust.com/resources/guides/carbon-footprinting-and-reporting/conversion-factors>

Staff costs

In any business, the salary allocation is one of the biggest company expenses. It is no different for non-profit organisations. Donors and visitors occasionally question why Cotlands employs so many staff, assuming that most services could be delivered by volunteers. While we appreciate the valuable role of volunteers, their purpose is to provide support rather than direct service delivery.

Utility costs are part of our administration costs. To ensure we use our financial resources prudently and effectively, we monitor consumption of water, electricity, gas and fuel. For the year, Cotlands spent R369 954 on electricity and water across all regions.

In addition, as part of our good governance philosophy, we also monitor our environmental impact (as kilograms of carbon dioxide or CO₂ emissions) against targets, including fuel and flights. We aim to improve our performance incrementally, despite being a low-impact organisation. One major reduction has been halving gas use at Turffontein. As we no longer have children staying in the building, we were able to switch off the old gas boiler and now use a heat-exchange pump and small geyser for hot water.

If we want to maintain the quality of our programmes and ensure they are consistently delivered to our beneficiaries, we need to employ trained professionals and offer market-related salaries. Experience has shown that if we do not do this, we lose our staff, and the training investment, to the private sector or to better-paying NGOs. Cost-saving opportunities are however continuously explored.

Launch of Turffontein Toy Library (in collaboration with Save the Children)

Princess Anne of England visits Cotlands

Shashi Naidoo joins Cotlands as brand ambassador

In December Cotlands announced the transformation of the Aids Hospice into the Cotlands Child Care unit. The Child Care Unit was opened by 702's John Robbie



AUDITED RESULTS

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2016

	Notes	2016 R	2015 R
ASSETS			
Non-current assets		3 760 574	3 900 780
Property, plant and equipment	2	3 760 574	3 900 780
Current assets		6 870 852	7 173 934
Inventories		3 700	2 974
Trade and other receivables		536 384	420 134
Cash and cash equivalents		6 330 768	6 750 826
Total assets		10 631 426	11 074 714
EQUITY AND LIABILITIES			
Equity		5 971 699	5 862 188
Retained surplus			
Current liabilities		4 659 727	5 212 526
Designated fund liability	3	2 901 309	3 617 335
Trade and other payables		504 360	508 991
Provisions	4	1 254 058	1 086 200
Total equity and liabilities		10 631 426	11 074 714

2013

PLAY AREAS

Cotlands implements early learning playgroup model for birth-to-four year olds



ART



FANTASY



BOOKS

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2016

	2016 R	2015 R
Gross revenue	20 913 372	26 903 052
Donations – Local	10 833 048	16 028 083
Donations – Local Government	27 443	4 968 128
Donations – Foreign	3 724 747	3 124 087
Donations – Foreign Government	–	2 210
Projects and functions	2 998 150	3 528 320
Maintenance grants	2 591 388	125 799
Sale of Goods	22 570	101 357
Lotto funding	–	–
Transfer from/(to) designated fund liability	716 026	(974 932)
Cost of sales/Direct expenses	(503 387)	(775 985)
Gross surplus	20 409 985	26 127 067
Other income	2 184 740	1 081 233
Total income	22 594 725	27 208 300
Operating expenses	22 817 975	27 625 765
Employee costs	16 245 037	21 647 334
Depreciation on property, plant and equipment	271 289	222 278
Operating lease charges	132 757	217 128
Other operating expenses	6 168 892	5 539 025
Operating deficit	(223 250)	(417 465)
Investment revenue	332 761	418 219
Total comprehensive surplus for the year	109 511	754

MATHS



PLAY DOUGH



EDUCATIONAL
GAMES
AND PUZZLES

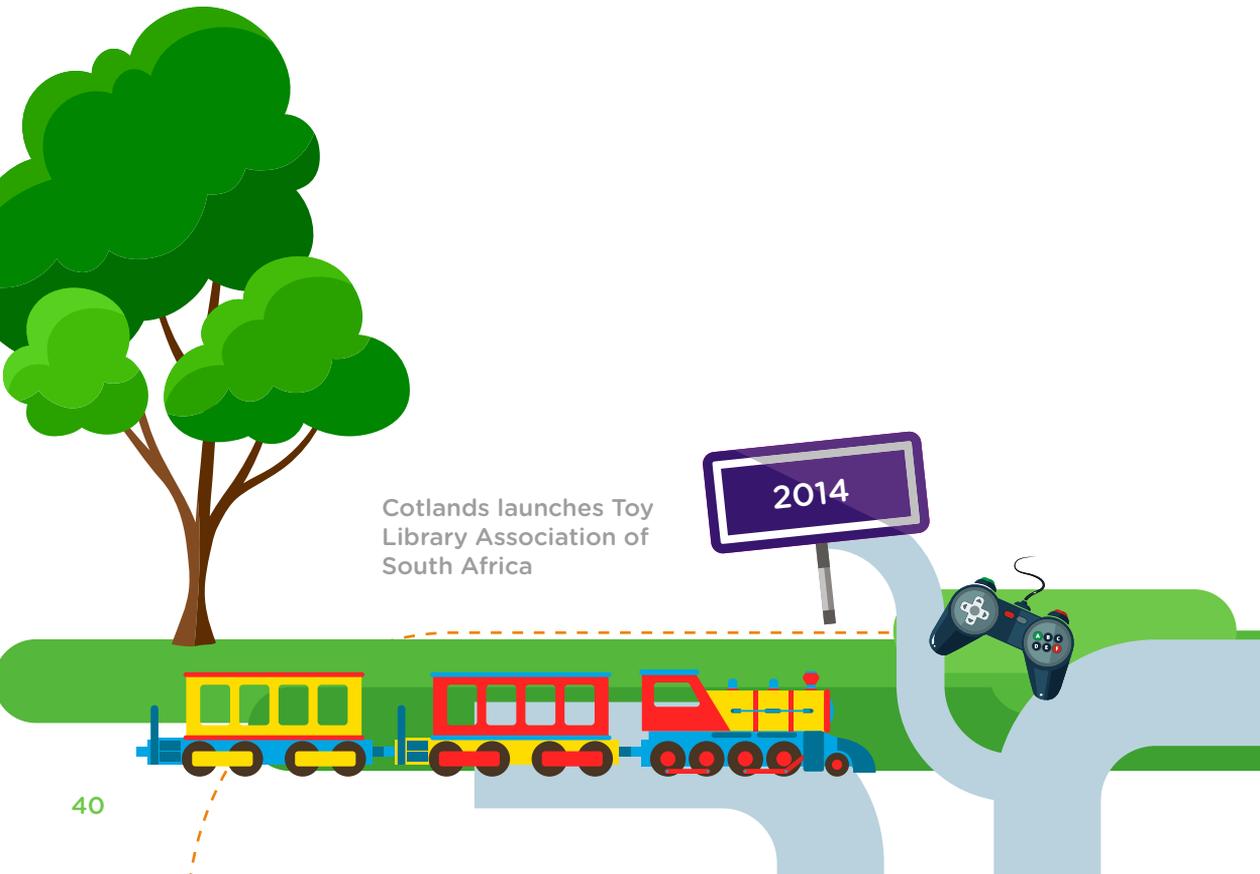


AUDITED RESULTS

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2016

	2016 R
Balance at 01 April 2014	5 861 434
Total comprehensive surplus for the year	754
Balance at 01 April 2015	5 862 188
Total comprehensive surplus for the year	109 511
Balance at 31 March 2016	5 971 699



STATEMENT OF CASH FLOW

for the year ended 31 March 2016

	Notes	2016 R	2015 R
Cash flows from operating activities		(316 210)	(4 078 531)
Cash generated from/(used in) operations		(648 971)	(4 496 750)
Interest income		332 761	418 219
Cash flows from investing activities		(103 848)	(875 415)
Purchase of property, plant and equipment	2	(184 366)	(875 471)
Sale of property, plant and equipment	2	80 518	56
Total cash movement for the year		(420 058)	(4 953 946)
Cash at the beginning of the year		6 750 826	11 704 772
Total cash at end of the year		6 330 768	6 750 826



ACCOUNTING POLICIES

for the year ended 31 March 2016

I. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Size Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands. These accounting policies are consistent with the previous period.

I.1 Property, plant and equipment

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

I.2 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the organisation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the organisation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- grants received subject to special conditions are included in revenue once those conditions have been met;
- it is probable that the economic benefits associated with the transaction will flow to the organisation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue from donations is recognised at the date of receipt of donation. Interest is recognised, in profit or loss, using the effective interest rate method.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	2016			2015		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
2. PROPERTY, PLANT AND EQUIPMENT						
Land and buildings	2 177 643	–	2 177 643	2 177 643	–	2 177 643
Furniture and fixtures	904 238	(709 887)	194 351	892 440	(649 040)	243 400
Leasehold improvements	–	–	–	–	–	–
Motor vehicles	2 347 864	(1 070 987)	1 276 877	2 352 296	(977 956)	1 374 340
Office equipment	469 557	(455 835)	13 722	487 469	(483 668)	3 801
Equipment Other	349 701	(251 720)	97 981	361 896	(260 300)	101 596
	6 249 003	(2 488 429)	3 760 574	6 271 744	(2 370 964)	3 900 780

	2016 R	2015 R
3. DESIGNATED FUND LIABILITY	2 901 309	3 617 335

These liabilities arise from donations received from donors that are earmarked for designated projects. When the actual expenditure is incurred for the designated project, an amount equal to the expense is reversed from the designated fund liability to the statement of comprehensive income. The remainder of the unutilised funds are shown as a designated fund liability on the statement of financial position.

4. PROVISIONS

Provisions are recognised when the organisation has an obligation at the reporting date as a result of a past event, it is probable that the organisation will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

	2016			Carrying amount at end of the year R
	Carrying amount at beginning of the year R	Additional provisions R	Used during the year R	
Provision for upgrade of IT systems	353 096		(103 096)	250 000
Provision for leave pay	529 833		(20 390)	509 443
Provision for Bonuses		494 615		494 615
Provision for building maintenance	203 271		(203 271)	–
	1 086 200	494 615	(326 757)	1 254 058

5. TAXATION

No provision has been made for taxation as the organisation is exempt from taxation by virtue of section 10(1)(cN) of the Income Tax Act No.58 of 1962, as amended.

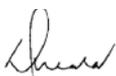
FIVE YEAR REVIEW

for the year ended 31 March 2016

	2016 R	2015 R	2014 R	2013 R	2012 R
STATEMENT OF COMPREHENSIVE INCOME					
Total income	22 594 725	27 208 300	26 994 615	25 946 956	28 315 264
Donations and projects	20 409 985	26 127 067	26 358 539	25 255 329	28 252 746
Other income	2 184 740	1 081 233	636 076	628 025	62 518
Dissolution distribution – ALL-SA	–	–	–	63 602	–
Operating expenditure	22 817 975	27 625 765	27 507 020	26 220 951	28 620 085
Employee costs	16 245 037	21 647 334	20 820 175	18 695 868	21 180 015
Depreciation on property, plant and equipment	271 289	222 278	257 986	339 112	469 267
Other operating expenses	6 301 649	5 756 153	6 428 859	7 185 971	6 970 803
Operating surplus/(deficit)	(223 250)	(417 465)	(512 405)	(273 995)	(304 821)
Investment revenue	332 761	418 219	524 525	464 533	522 325
Finance costs	–	–	–	(4 270)	–
Total comprehensive surplus/(deficit) for the year	109 511	754	12 120	186 268	217 504
Staff members (include casuals and tin reps)	148	148	202	193	203
Average cost per employee	109 764	146 266	103 070	96 870	104 335
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	3 760 574	3 900 780	3 341 310	4 803 364	5 539 116
Property, plant and equipment					
Current assets	6 870 852	7 173 934	11 917 915	9 441 469	11 559 328
Inventories	3 700	2 974	4 641	5 681	–
Other financial assets	–	–	–	–	–
Trade and other receivables	536 384	420 134	208 502	306 269	356 516
Cash and cash equivalents	6 330 768	6 750 826	11 704 772	9 129 519	11 202 812
Total assets	10 631 426	11 074 714	15 259 225	14 244 833	17 098 444
EQUITY AND LIABILITIES					
Equity	5 971 699	5 862 188	5 861 434	5 849 314	5 663 046
Retained surplus					

	2016 R	2015 R	2014 R	2013 R	2012 R
Current liabilities	4 659 727	5 212 526	9 397 791	8 395 519	11 435 398
Trade and other payables	504 360	508 991	533 951	421 709	790 325
Provisions	1 254 058	1 086 200	1 421 436	1 470 567	1 429 546
Designated fund liability	2 901 309	3 617 335	7 442 404	6 503 243	9 215 527
Total equity and liabilities	10 631 426	11 074 714	15 259 225	14 244 833	17 098 444
STATEMENT OF CASH FLOWS					
Cash flows from operating activities	(316 210)	(4 078 531)	1 085 594	(2 055 761)	(651 952)
Cash generated from/(used in) operations	(648 971)	(4 496 750)	561 069	(2 516 024)	(1 174 277)
Interest income	332 761	418 219	524 525	464 533	522 325
Finance costs	–	–	–	(4 270)	–
Cash flows from investing activities	(103 848)	(875 415)	1 489 659	(17 532)	(214 771)
Purchase of property, plant and equipment	(184 366)	(875 471)	(530 831)	(378 269)	(308 788)
Sale of property, plant and equipment	80 518	56	2 020 490	360 737	94 017
Total cash movement for the year	(420 058)	(4 953 946)	2 575 253	(2 073 293)	(866 723)
Cash at the beginning of the year	6 750 826	11 704 772	9 129 519	11 202 812	12 069 535
Total cash at end of the year	6 330 768	6 750 826	11 704 772	9 129 519	11 202 812

By order of the Executive Management Committee



DE Ncala
Chairperson

Turffontein

2 August

Members of the Executive Management Committee

DE Ncala (Chairperson), MD Coward (Vice-chairperson and Convenor – Fundraising), I Gounden (Convenor – Audit, Risk and Investment), G Naidoo (Convenor – Remuneration and Nominations), J Schoeman (Chief Executive Officer – ex officio).

These results have been audited by the independent auditors, GL Palmer and Company

The audited annual financial statements are available for inspection at the organisation's registered office.

DONOR ACKNOWLEDGMENTS

476 Alrode Extension 7 (Pty) Ltd
 Added Value Engineering Consultants (Pty) Limited
 AECI Limited
 Analytical and Diagnostic Products
 Andritz Delkor (Pty) Ltd
 Antonio Braz Trust
 Apex-Hi Charitable Trust
 Aqua Gaming
 Atlas Copco South Africa (Pty) Ltd – Holdings Division
 BizPhoto
 Bob Tucker
 Buckle Packaging (Pty) Ltd
 Burson Marsteller
 C & K Moneyline
 Cardano Risk Management
 Carrol Boyes (Pty) Ltd
 Charles Webster
 Connet Systems
 Consol Glass (Pty) Ltd
 Crossberth Cold Stores (Pty) Ltd
 D Micklewood
 DAL Agency (Pty) Ltd
 Department of Social Development – Gauteng
 Department of Social Development – Mpumalanga
 Department of Social Development – Western Cape
 Diesel Electric Services (Pty) Ltd
 Different Foundation
 Dischem Foundation
 E Pincus
 Edcon (Pty) Ltd
 Editing Ink
 Emerging Markets Benefit Limited
 Envisage Investor and Corporate Relations
 Exxaro Resources
 Fine Music Radio
 FMR Radio
 Foschini Group
 Frank & Louise Von Glehn
 Freda Hamersma
 G4S Cash Solutions (SA) (Pty) Ltd
 Growthpoint Properties Ltd
 HV Test (Pty) Ltd
 Hendrien Van Der Merwe
 HKLM Group (Pty) Ltd
 Howden Africa Holdings
 Hudaco Trading (Pty) Ltd
 Ina Prins
 Inge Zuschke
 Ipsos (Pty) Ltd
 Irene Country Lodge
 Iscar South Africa (Pty) Ltd
 Johannes Haasbroek
 Jürgen Wahn Stiftung
 Kargo International Logistics (Pty) Ltd
 Kargo National (Pty) Ltd
 KPMG Services Propriety Limited
 Landis+Gyr
 Law Print
 Lesoba Difference
 Lexmark International SA (Pty) Ltd
 LF Celliers
 Life Trust
 LKDA Strategic Creative Advertising
 Lomaen Medical (Pty) Ltd
 Lorenzo & Stella Chiappini Trust
 Market SA
 McCain Foods (SA) (Pty) Ltd
 McCormick Condiments South Africa (Pty) Ltd
 Michael Coward
 Mike Glover
 Momentum Fund
 Mpisi Trading
 Mtuba Power Spar
 Munich Reinsurance
 MySchool
 Netflorist
 Newsclip
 NG Kerk Helderberg Gemeente
 Papercor
 Paul Lutz
 Philip Morris International
 POP2POSITION
 Pradeep Rowji
 Ravi Singh
 Richard Koch
 Robor (Pty) Ltd
 Roses and Rosemary
 RWW Engineering (Pty) Ltd
 Sapphire Gifts & Houseware
 Sarel & Han Janse van Rensburg
 Shoprite Kuilsriver
 Solo Rail & Mining
 Southern Courier
 Spar South Rand
 Steffen Jonel
 Ster Kinekor
 Stop Hunger Now
 Strate Limited
 Sue Koch
 Swift Silliker (Pty) Ltd
 The Adele Drechmeier Trust
 The Bradfield Foundation
 The Citizen
 The DG Murray Trust Fund
 The Doreen Muller Charitable Trust
 The Federated Employers' Mutual Assurance Company Limited
 The Giving Organisation
 The GS Elkin Residuary Trust
 The Hermann Ohlthaver Trust
 The Laurie & Rita Chiappini Trust
 The Lunchbox Fund
 The Stephen Lewis Foundation
 The Wilfred Metje Foundation
 Tiger Consumer Brands Limited
 Tony Dos Santos
 VR Laser Steel
 Williams Hunt (Pty) Ltd
 Woolworths – The Glen

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY INFORMATION

To the directors of Cotlands

We have undertaken a limited assurance engagement on selected sustainability information, as described below, and presented in the 2016 Integrated Report of Cotlands for the year ended 31 March 2016 (the Report). Our engagement was conducted by a multidisciplinary team of health, safety, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject matter

We are required to provide limited assurance on the following selected sustainability information:

- The key performance indicators set out in the table below, prepared in accordance with Cotland's internally developed guidelines. The boundary of the assured KPIs is described on page 2.

Description	Value and unit	Page
Human resources indicators		
Total workforce: permanent employees and non-permanent employees	163 number of employees	32
Gender: males and females	143 female 20 male number of employees	32
Staff turnover: number of employees who have left Cotlands during the year	30 number of employees	32
Fund development indicators		
Total donations received	R20 074 899	34
Funding sources as a % of total income	Bequests (1.53%), Collection Tins (0.63%), Community Groups (0.86%), Corporates & Trusts (43.82%), Individuals (5.74%), Government (13.05%), Direct Mail (13.81%), Foreign Income (18.55%) and Other (2.01%)	35
Community capacity building training		
Total number of Sessions	938 cumulative number of sessions	29
Total number of Trainees	5483 cumulative number of sessions	29
Early learning playgroups		
Number of ELFs (early learning facilitators)	40 number at year-end	28
Number of early learning groups	136 number at year-end	28
Number of children enrolled	1 861 number at year-end	28
Total number of boys and girls	Boys: 914 Girls: 947 number at year end	28
Number of home visits by nurse and social worker	595 cumulative number of home visits	28
Number of meals served	94 136 cumulative number of meals	28
Number of referrals	186 cumulative number of referrals	28
Toy libraries		
Total number of members	204 number at year end	28
Number of play sessions	1 085 cumulative number of play sessions	28
Total Number of Boys and Girls	Boys: 4 385 Girls: 4 333 cumulative number of boys and girls	28
Total Number of Children	8 691 cumulative number of boys and girls	28

- Percentage of employees who are classified as Black, prepared in compliance with the Broad-Based Black Economic

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY INFORMATION CONTINUED

Empowerment (B-BBEE) Act of 2003 and the Codes of Good Practice on Black Economic Empowerment (Codes of Good Practice) (2007). The boundary of the assured KPI is described on page 2.

Description	Value and unit	Page
Human resources indicators		
Percentage of employees who are classified as Black (as defined by the B-BBEE Codes of Good Practice in line with the BEE Act of 2003)	89%	32

Directors' responsibilities

The Directors are responsible for the selection, preparation and presentation of the sustainability information in accordance with the Cotlands' internally developed guidelines, and the B-BBEE Act of 2003 and the Codes of Good Practice (2007). This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Services Proprietary Limited applies International Standard on Quality Control I and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express limited assurance conclusions on the selected sustainability information based on our work performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Cotlands' use of its internally developed guidelines and the B-BBEE Act of 2003 and the Codes of Good Practice (2007), as the basis of preparation for the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process; ;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Inspected supporting documentation and performed analytical procedures on a sample basis to evaluate the

- data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected sustainability information presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at Cotlands.

The procedures performed in a limited assurance engagement vary in nature and form, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express reasonable assurance opinions on the matters identified in 1 and 2 above.

Conclusions

In relation to the Report for the year ended 31 March 2016, we report

1 On the selected sustainability information prepared in accordance with Cotlands' internally developed guidelines:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability information identified in 1 above is not prepared, in all material respects, in accordance with Cotlands' internally developed guidelines.

2 On the selected sustainability information prepared in compliance with the B-BBEE Act of 2003 and the Codes of Good Practice (2007)

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability information identified in 2 above is not prepared, in all material respects, in compliance with the B-BBEE Act of 2003 and Codes of Good Practice (2007).

Other matters

The maintenance and integrity of the Cotlands Website is the responsibility of Cotlands' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Cotlands Website.

Restriction of liability

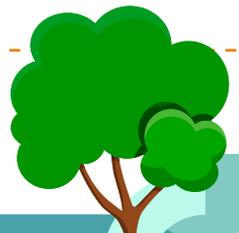
Our work has been undertaken to enable us to express limited assurance conclusions on the selected sustainability information to the Directors of Cotlands in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Cotlands, for our work, for this report, or for the conclusions we have reached.

KPMG Services Proprietary Limited



Per PD Naidoo
Director
Johannesburg
9 September 2016

1 Albany Road
Parktown
South Africa
2193



GRI INDEX

Cotlands has used the Global Reporting Initiative (GRI) G4 guidelines in accordance with the core option, as well as the NGO sector supplement, to guide the contents of this annual report for the period 1 April 2015 to 31 March 2016. We have attempted to report on all our programmes around the country, although there are instances where the information provided only applies to certain regions. This is indicated in the report.

The table below reflects the indicators covered in this report. Additional indicators and further information is provided on our detailed GRI content index on our website: www.cotlands.org

Key:

- Included
- Included, additional information on GRI content index on Cotlands website
- www Information provided on GRI content index on Cotlands website

GLOBAL REPORTING INITIATIVE (GRI) G4 CONTENT INDEX							
GENERAL STANDARD DISCLOSURES							
Strategy and analysis							
1	●	2	●				
Organisational profile							
3	●	4	●	5	●	6	●
7	●	8	●	9	●	10	●
11	www	12	www	13	●	14	●
15	www	16	●				
Identified material aspects and boundaries							
17	www	18	●	19	●	20	●
21	www	22	www	23	www		
Stakeholder engagement							
24	●	25	www	26	www	27	●
Report profile							
28	●	29	www	30	●	31	●
32	●	33	www				
Governance							
34	●	35	www	36	www	37	www
38	●	39	●	40	●	41	www
42	www	43	www	44	www	45	www
46	www	47	www	48	www	49	●
50	www	51	www	52	●	53	www
54	www	55	www				
Ethics and integrity							
56	●	57	www	58	www		

SPECIFIC STANDARD DISCLOSURES

Programme effectiveness

NGO1	•	NGO2	www	NGO3	•	NGO4	www
NGO5	•	NGO6	•				

Economic

NGO7	•	NGO8	•	EC1	•	EC2	www
EC3	www	EC4	•	EC5	www	EC6	www
EC7	www	EC8	www	EC9	www		

Environmental

EN3	•	EN4	www	EN6	•	EN7	www
EN15	•	EN16	•	EN19	www		

Social: Labour practices and decent work

NGO9	•	LA1	•	LA3	•	LA10	•
LA11	www	LA12	•				

Social: Human rights

HR3	www	HR5	www				
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Social: Society

SO1	•						
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Social: Product responsibility

PR1	•						
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Cotlands phases out residential units both in Gauteng and Western Cape

2015



CONTACT US

CEO

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Cotlands – Gauteng

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Cotlands – East London

Regional coordinator: Patricia Gunn
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Fitzpatrick Road,
East London 5201
Postal address: PO Box 1799,
East London 5200

Cotlands – Corporate social investment and donor relationship

National sustainability manager: Gerna van Rooyen
Email: gerna@cotlands.org
Telephone: 011 702 3047

Cotlands – Fundraising administrative queries

National administrations manager: Mariska Schoeman
Email: mariska@cotlands.org
Telephone: 012 997 2466

Cotlands banking details

Bank: Standard Bank of South Africa
Branch: The Glen
Account number: 200 045 288
Account type: Current
Branch code: 00-60-05

NPO registration number: NPO 000 849

Cotlands – KwaZulu-Natal

Regional manager: Nozizwe Dladla-Qwabe
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Hlabisa 3937
Postal address: PO Box 757, Hlabisa 3937

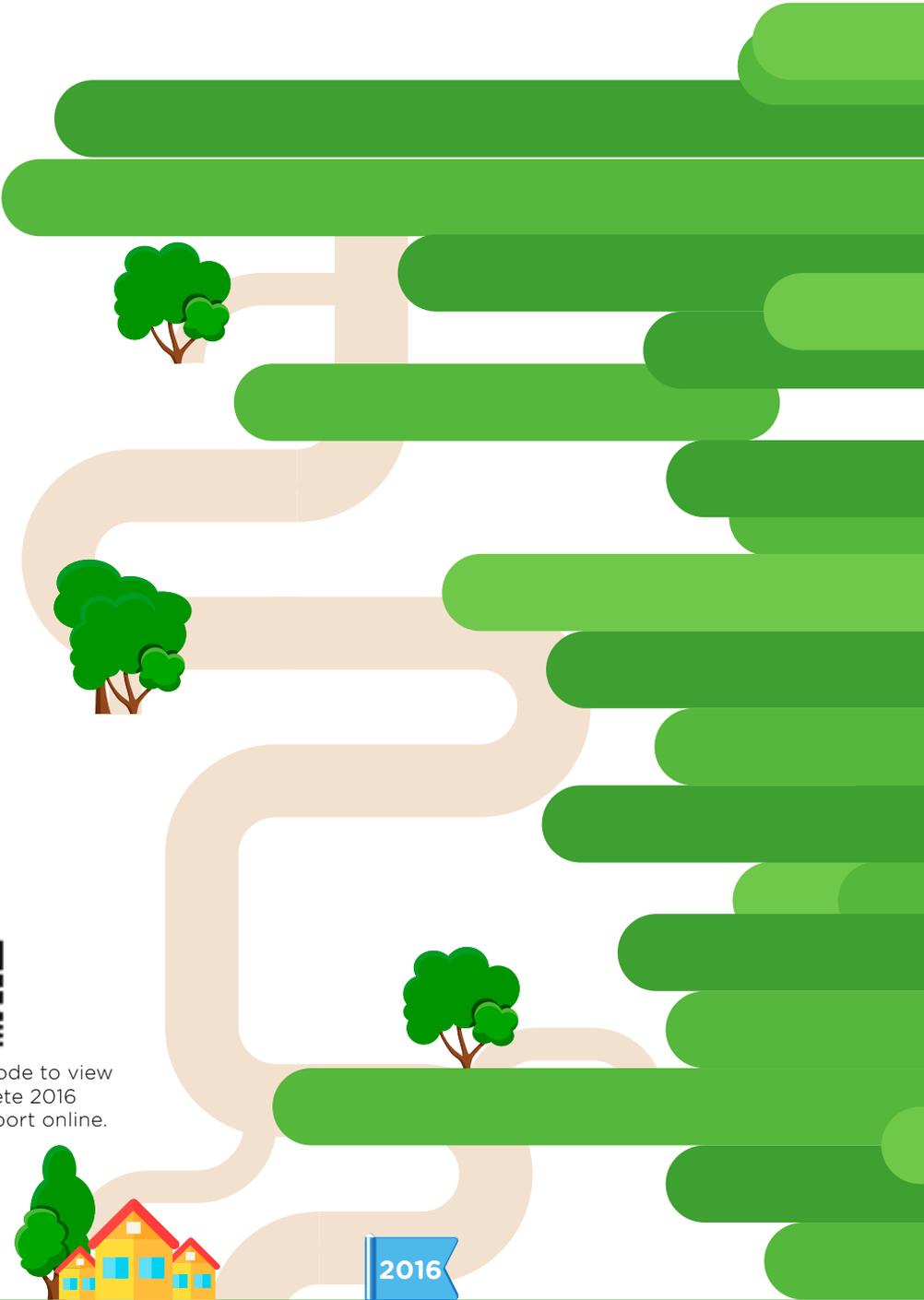
Cotlands – Mpumalanga

Regional manager: Thandi Mdaka
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Cotlands – Western Cape

Regional coordinator: Gary Janeke
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www.cotlands.org



Scan the code to view
our complete 2016
Annual Report online.

www.cotlands.org