



Cotlands



When we play, we grow.



**IGNITING POTENTIAL
THROUGH PLAY**

2018
INTEGRATED REPORT

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TERMS WE USE

ECD	EARLY CHILDHOOD DEVELOPMENT
ELF	EARLY LEARNING FACILITATOR
ELOM	EARLY LEARNING OUTCOMES MEASURE
ELP	EARLY LEARNING PLAYGROUP
ECDC	EARLY CHILDHOOD DEVELOPMENT CENTRE

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When we play, we grow.

“Children learn as they play.
Most importantly, in play
children learn how to learn.”

- O. Fred Donaldson

IGNITING POTENTIAL THROUGH PLAY

Vision

To see children thrive in their
formative years.

Mission

To increase access to play-based
early learning opportunities.

Cotlands values

PLAY
RESPONSIBILITY
EXCELLENCE
IMPACT
POSSIBILITIES
RESPONSIVENESS



Scope and boundary

Cotlands is a registered non-profit early childhood development organisation creating a more equal and prosperous South African society through access to quality play-based early learning opportunities. We provide scalable and cost effective toy libraries and early learning playgroups targeted at vulnerable children from birth to six years, while capacitating adults and parents on play-based learning and best practice principles in early childhood education. We operate in six provinces (Gauteng, Western Cape, Eastern Cape, KwaZulu-Natal, Mpumalanga and North West) across South Africa. This report presents our theory of change, operations, governance and financial performance for 1 April 2017 to 31 March 2018.

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.

Our key identified material issues are:

- Impact and scaling of Cotlands' early learning programmes
- Funding – expanding sources of income
- Human capital – skills and retention

While we do not obtain independent assurance on all our sustainability reporting, selected data for our 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 Monica Stach. Contact details are on page 62.

Over **80 years** of caring



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 by the Sunday Times raised £4 000, the home was registered as a charitable institution

1952

- The home moved 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, Gauteng, was 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 opened in Turffontein
- Some residential children were diagnosed with HIV

1996

- The Aids hospice at Cotlands opened – 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



Cotlands at a glance



Adding psychosocial and educational support to the programmes

2003

- Implemented antiretroviral treatment for HIV-positive 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 celebrated 70 years
- Opened Everest Early Childhood Development Centre (ECD) near Boschfontein, Mpumalanga
- Opened Cotlands House in Turffontein, Gauteng

2007

- Opened Cotlands community centre in Soweto, Gauteng

2009

- Opened Tirelong ECDC in Rustenburg, North West
- Opened Cotlands' first toy library in KwaZulu-Natal
- Acquired property in Reeston, Eastern Cape

2010

- Macassar Haven became a community centre
- Opened Cotlands toy libraries in East London and Soweto

2011

- ECDC opened at Macassar Haven community centre

2012

- Launched Turffontein toy library in collaboration with Save the Children UK
- All regions adopted the integrated model, allowing them to provide an array of quality services including education, health and psychosocial support

Launching early learning

2013

- Early learning playgroup model for newborns to 4 year-olds launched in May
- Cotlands launched its first mobile toy library in Gauteng, followed by an additional mobile library for Gauteng and one for KwaZulu-Natal

2014

- Selected as a partner by Ilifa Labantwana to participate in the playgroup social franchise think-tank
- Cotlands initiated 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 in Mpumalanga.
- Closure of residential baby units in Gauteng and Western Cape

2016

- Appointed as regional franchisor for SmartStart in North West
- Expanded early learning playgroups to Barberton, Mpumalanga

2017

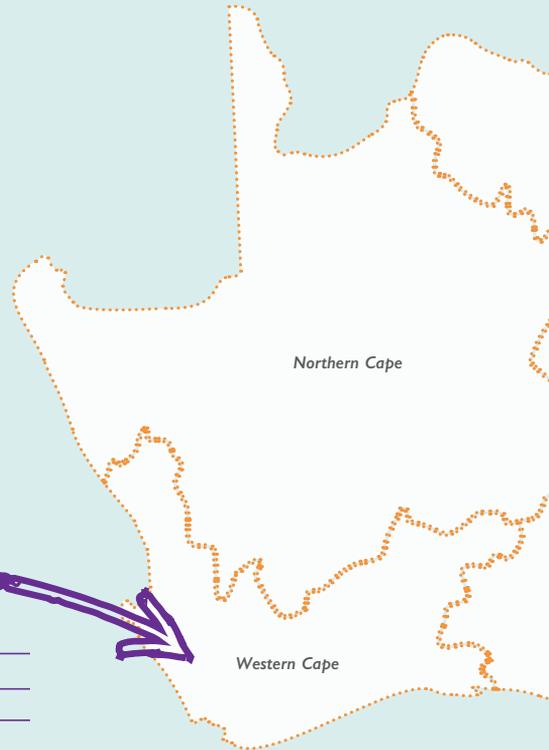
- Cotlands head office and Gauteng region move to new premises located at 9 Data Crescent, Ormonde
- Launched four PLAY online courses focused on play-based learning, capacitating those working with young children
- External evaluation using Early Learning Outcomes Measure to determine the impact of our early learning playgroup programme on children's school readiness scores



Our operational footprint

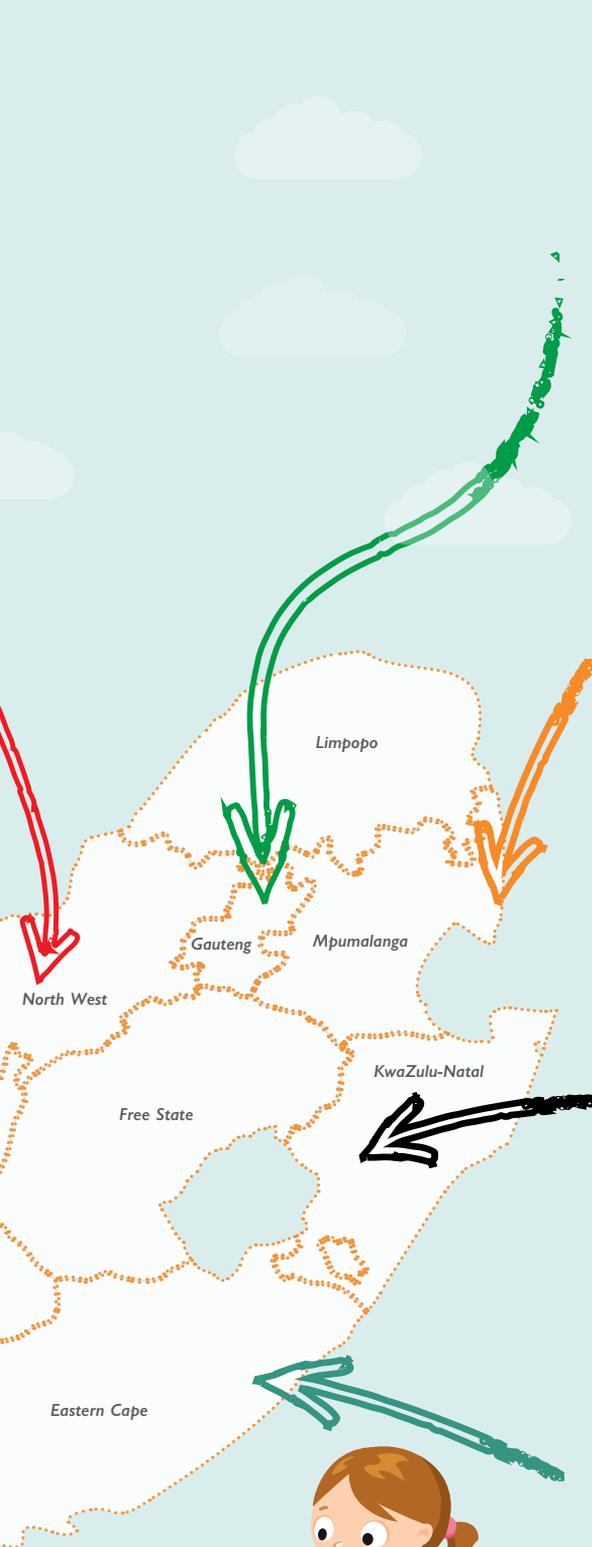
NORTH WEST

District municipality	Bojanala District	Dr Kenneth Kaunda District		Dr Ruth Segomotsi Mompati District		Ngaka Modiri Molema District
Local municipality	Moretele Municipality	Maquassie Municipality	Ventersdorp Municipality	Kagisano Molopo Municipality	Greater Taung Municipality	Ratlou Municipality
Ward number	1, 2, 3, 4, 6	6, 7, 8	1, 2, 3, 5	4, 5, 6, 8, 9, 10, 12	4, 14, 23	4, 5, 8, 10, 11, 13, 14
Nearest town	Bela Bela	Wolmaranstad	Ventersdorp	Vryburg	Vryburg	Mafikeng
Programme	<ul style="list-style-type: none"> • SmartStart early learning playgroups • Parenting capacity building programme 	<ul style="list-style-type: none"> • SmartStart early learning playgroups • Parenting capacity building programme 	<ul style="list-style-type: none"> • SmartStart early learning playgroups • Parenting capacity building programme 	<ul style="list-style-type: none"> • SmartStart early learning playgroups • Parenting capacity building programme 	<ul style="list-style-type: none"> • SmartStart early learning playgroups • Parenting capacity building programme 	<ul style="list-style-type: none"> • SmartStart early learning playgroups • Parenting capacity building programme



WESTERN CAPE

District municipality	Helderberg District	Helderberg District
Local municipality	Macassar Municipality	Nomzamo Municipality
Ward number	109	105
Nearest town	Somerset West	Strand
Programme	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme 	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme



GAUTENG

District municipality	City of Tshwane	Johannesburg Metro
Local municipality	Tshwane Metro	City of Johannesburg
Ward number	48, 77, 106	10, 41, 42, 56, 119
Nearest town	Centurion	Johannesburg
Programme	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme 	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme

MPUMALANGA

District municipality	Ehlanzeni District	Ehlanzeni District	Gert Sibande District
Local municipality	Thaba Chweu Municipality	Umjindi Municipality	Mkhondo Municipality
Ward number	1, 2, 3, 4, 5	1, 2, 8	5, 6
Nearest town	Lydenburg	Barberton	Piet Retief
Programme	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme 	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme 	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme

KWAZULU-NATAL

District municipality	Umkhanyakude District	
Local municipality	Big 5 Hlabisa Municipality	
Ward number	7	6, 9, 10, 11, 12, 13
Nearest town	Hluhluwe	Hlabisa
Programme	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme 	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme

EASTERN CAPE

District municipality	Amathole District	
Local municipality	Buffalo City Metropolitan Municipality	
Ward number	1, 9, 28, 29	
Nearest town	East London	
Programme	<ul style="list-style-type: none"> • Early learning playgroups • Toy library • Parenting capacity building programme 	

2018 at a glance



Capacitate

- A total of 24 non-profit organisations were capacitated and supported to deliver 211 playgroups and 24 new toy libraries as a result of the capacity building partnership between Cotlands and the provincial Departments of Social Development in Gauteng and Mpumalanga
- Presented the 4th annual Play Conference: Preparing our children for the challenges and opportunities of the 21st century. The conference was attended by the Minister of Basic Education, the Honourable Angie Motshega and 356 delegates
- Partnered with National Early Childhood Development Alliance (NECDA) on a national parent training programme positively impacting 1 980 parents and primary caregivers' parenting skills
- Graduation of 30 Cotlands staff members who completed their Early Childhood Development Level 4 certificate

Evaluate

- External ELOM evaluation of Cotlands early learning playgroup programme, confirming it increases children's school readiness scores
- Needs assessments to determine what early childhood programmes, such as early childhood development centres, need from a toy library
- Conducted a beneficiary survey to determine satisfaction levels of Cotlands service delivery

Innovate

- Diversified mobile health clinic services to include early learning opportunities by adding a trailer, providing a toy library service to communities with no prior access to early childhood education
- Participated in the ECD Heroes Challenge, conceptualised by Innovation Edge, aimed at increasing practitioners' skill sets using a gamification platform, while competing for a range of prizes and public recognition
- Reformed the Toy Library Association of South Africa (TLASA) into a multi-stakeholder steering committee, representing organisations operating toy libraries in South Africa

Challenges

- Registering toy libraries with the Department of Social Development due to:
 - a lack of understanding of toy libraries as a model to support existing ECD programmes
 - inappropriate non-centre based funding models and norms and standards by government
- Decline in brand awareness following the suspension of a marketing, public relations and communications strategy due to budget constraints
- Raising sufficient funds to sustain operational costs



What we do



Programmes	Aims
Toy libraries	<ul style="list-style-type: none">• A lending service to parents who borrow educational toys, supporting playing and learning at home• ECD programmes can also borrow educational toys for use in ECDC's, home visits, playgroups or parenting programmes• Training on how to use toys to improve children's development• Play sessions for children who do not have access to an ECD programme• Capacity building sessions for parents/primary caregivers and ECD programme providers on play-based learning and topics related to early childhood care, education and development• Quarterly toy library seminars where best practice relating to toy library operations, practical activities and networking opportunities are created• Hosting events such as World Play Day (WPD), National Book Week and holiday programmes
Early learning playgroups	<ul style="list-style-type: none">• Two four-hour play-based early learning sessions per week are organised, around a routine• Breakfast and a snack/meal are provided• A range of play-based early learning activities that focus on promoting children's social, emotional and physical development, while ensuring solid language and mathematics foundations• A year plan and learning plans guide and support the ELF, ensuring that the activities are age, developmentally, culturally and linguistically appropriate• Home language learning is strengthened to ensure children are grounded in the language they will be using when entering school• Weekly training and on-site monitoring and support ensure quality service delivery• Capacity building sessions are offered to parents to strengthen parenting skills which ultimately leads to a stronger community where children can flourish
Capacity building	<p>Cotlands offers the following skills courses:</p> <ul style="list-style-type: none">• Setting up a playgroup• Toy library set-up and administration• Play-based learning using toys which are made, bought, as well as items found in the environment that children can use to play with such as tyres, pipes and boxes• Birth-to-two stimulation• Making toys from waste• Parenting support training• Playsa.org online courses for practitioners working with newborn-2 and 2-5 year olds and educators teaching Grade R-3
Project design, consultation and management services	<p>Our projects team offer:</p> <ul style="list-style-type: none">• Project conceptualisation and management expertise to investors who wish to set up toy libraries and playgroups in their communities• Quality assurance design• Needs analysis expertise



What we do (continued)

Programmes	Aims
<p>Additional services aimed at working towards a comprehensive package of services</p>	<p>We identify, assist or refer beneficiaries to:</p> <ul style="list-style-type: none"> • Social services for grants, protection or counselling services • Primary health care services when children are ill • Determine which children do not have birth certificates and advise families to apply for birth certificates • Enrol six year olds into Grade 1 <p>Our nurses perform:</p> <ul style="list-style-type: none"> • Routine screening of children's general health • Weight and height measures to identify children needing nutrition support in the form of food parcels • Referrals for primary health care relating to common illness • Audits of the child's clinic cards to ensure immunisations are up to date • Accessing mobility and early learning opportunities for special needs and children with disabilities <p>Our social workers:</p> <ul style="list-style-type: none"> • Visit all early learning playgroups once a term to identify children needing psychosocial support • Screen and assess new enrolments • Help families to obtain birth certificates and register for the child support grant • Identify, support and refer children who show signs of abuse or neglect • Support/assist families in need of material aid
<p>Toy Library Association of South Africa (TLASA)</p>	<ul style="list-style-type: none"> • Promotes the vision of a 'toy library within reach of every child' • Annually supports and promotes International Toy Library Association's World Play Day and Toy Librarian's Day on 28 May • Cotlands provides space from where the TLASA secretariate can operate • Cotlands mentors TLASA with the aim of operating independently by July 2019



Our performance

Consolidated statistics

Activity	Measured	Annual total		
		2018	2017	2016
Early learning playgroups				
Early learning playgroups	total	LA 292 ³	231	136
Early learning play sessions	total	19 342 ²	16 467 ²	8 162
Children	at year end	LA 3 261 ²	2 964 ²	1 861
Meals	total	LA 293 498 ²	314 670 ²	94 136
Toy library depots				
Members	at year end	LA 145	284	204
Play sessions	total	LA 617	1 039	1 085
Children	total	LA 8 307	9 711	8 691
Community capacity building				
Sessions	total	LA 651	814	938
Trainees	total	LA 5 777	6 647	5 483
Total annual beneficiaries				
Direct child beneficiaries	total	11 568 ¹	12 675 ²	11 363
Indirect child beneficiaries	total	3 552	884	486
Adults	total	6 012	7 120	5 695
Total	at year end	21 132	20 679	17 544

¹. The decline in direct beneficiary numbers is as a result of the change to the mobile toy library model where the focus changed to capacity building as opposed to conducting play sessions with children in ECD centres

². From 2017 the SmartStart playgroups in North West have been included

³. Cotlands owned playgroups. Total excludes 211 playgroups run by partners

^{LA} Limited Assurance provided by KPMG



When we play, we grow.

"Children learn and develop through activities other than play but they learn and develop more effectively through activities that are play."

– J. Howard

IGNITING POTENTIAL THROUGH PLAY





Lets count!



Chairman's Report



Thuma Mina – send me



WE ARE AMAZED AT A RELATIVELY SMOOTH PROCESS OF LEADERSHIP CHANGE WE HAVE JUST GONE THROUGH IN THE APPOINTMENT OF MONICA STACH AS CEO IN SEPTEMBER 2017. OBVIOUSLY EVERY CHANGE COMES WITH ITS OWN CHALLENGES WHICH ARE SOMETIMES NECESSARY IN THE PROCESS OF TRANSFORMING AN ORGANISATION. OUR STRATEGIC INTENT IS TO FIRMLY ROOT THE ORGANISATION IN THE SPACE OF EARLY CHILDHOOD DEVELOPMENT, TOY LIBRARIES, EARLY LEARNING PLAYGROUPS AND PLAY-BASED LEARNING. WE ARE COMMITTED TO SERVING YOUNG CHILDREN AND THEIR FAMILIES, IN DOING SO CREATING AN EQUAL AND PROSPEROUS SOCIETY.

Cotlands success as a non-profit organisation has its roots in our proud 82-year-old history of good governance, which has been the key responsibility of the board. Cotlands is a voluntary association which is governed by a constitution. Our board has seen some changes during the year under review as we welcomed 8 new non-executive directors who have accepted our invitation to serve with us. They have strengthened our board with investment, organisational development and business development skills. In addition, one of the new international board members is potentially going to be instrumental in unlocking international revenue streams for Cotlands. To all of you we say thank you for your continued support.

Cotlands is working towards scaling up access to early learning opportunities. We also believe that parents are important in the lives of their children and that we have a responsibility to empower them in the process. Where would we be without our faithful donors... your contributions are invaluable to the life of our organisation in keeping our doors open to serve our society as we heed the call of our president urging all of us to be the ones that can be sent to build our country.

We are passionate about sharing our expertise in play-based learning and are very proud of the 48 980 practitioners and educators that have registered for the PLAY online course. Congratulations to the 32 377 who have completed the course as of

March 2018. We foresee that Cotlands will continue to influence the training landscape in early childhood development.

Education is a powerful equaliser of society. Early childhood development lays the foundations for all future learning and equips children with the 21st century skills required for the so called fourth industrial revolution. I am proud to be associated with Cotlands, who plays such a significant role in promoting play-based learning; in so doing ensuring that children are equipped with both the social and academic skills required to be successful at school.

When I visit rural areas such as Hlabisa, and see our mobile toy library crossing valleys and hills, taking toys and a variety of books, games and play materials to children, I can't help but smile, knowing that where that mobile toy library is reaching, children's faces will light up with smiles. For those few hours, they will be allowed to be carefree; to be children again; have some fun with their friends, whilst learning important skills they will need in order to start and finish school.

Thank you to every Cotlander who is passionate and committed to serve our children. Much of what you do on a daily basis may go unnoticed by most, yet its impact is immeasurable!

Dumisani Ncala
Chairman



CEO's Report



Reaching new heights



BEING THE CEO OF THE BEST EARLY CHILDHOOD DEVELOPMENT ORGANISATION IN SOUTH AFRICA IS A FULFILLING YET HUMBLING EXPERIENCE. AS WE WORK WITH CHILDREN, PARENTS AND ADULTS SERVING CHILDREN ON A DAILY BASIS, AND INCREASE OUR SKILL SETS, WE PERIODICALLY STOP TO REVIEW AND EVALUATE WHAT WE DO, AND INEVITABLY WE MORPH, ADAPT OR INNOVATE. THE TEAM'S ABILITY TO PROBLEM SOLVE, BE CREATIVE, WORK AS A TEAM AND PERSEVERE IS ADMIRABLE.

Scaling access to early learning opportunities requires a huge amount of commitment and high energy levels. During the year we proudly served 21 132 beneficiaries through toy libraries, playgroups and our capacity building programmes. We know if we can convince a parent of the value and importance of early childhood development, we start changing the way a community thinks, one parent at a time. Cotlands empowered 5 777 practitioners, toy librarians and parents in our capacity building workshops.

FY2018 can be summarised in three words: capacitating, evaluating and innovating. I purposefully chose the present continuous tense since it implies that the actions are happening now, that it is unfinished. While compiling this report I realised that everything we poured our energy into would comfortably fit into these three broad categories.

We invested a large percentage of our time capacitating the children in our playgroups, their parents, ECD practitioners, toy librarians, educators, government officials and ourselves. Our delivery mechanism ranged from the traditional workshop style to online distance learning. We are especially proud of our renewed commitment to capacitate parents which we achieved in partnership with NECEA Parenting Project and the Play Every Day project with Takalani Sesame. Our own staff completed the online training courses and we continued to learn how to package our work, cost it and project manage it.

Evaluating our work is a recurring theme. I sat in many conversations and think tanks designed to find answers to every aspect of our business. How do we adequately cost our activities against a project? How do we effectively manage partnerships? What skills do we need? How do we provide a better help desk function to the thousands accessing the online training? How do we reach the adults working with children through our toy libraries? What does the business development team need to know about projects and costing to be able to elicit new investment? How do we

motivate parents to attend the parent training sessions? To all these questions we found answers and did what was needed to improve our work and resolve challenges. How do we know our early learning playgroup programme is getting children ready for school? Because we had an external ELOM evaluation which confirmed our early learning playgroup programme does improve children's school readiness.

Innovation often followed the evaluation process, and was sometimes sparked by a novel request from a partner. Our proudest innovation this year was setting up a toy library depot that serves a mobile toy library in the form of a trailer hitched to a mobile health clinic, providing early learning opportunities to children living in extremely remote villages in Mpumalanga.

I invite every stakeholder to take our hands as we work towards making the new dawn a reality in our country.

To my dear fellow Cotlanders, you are the ones sent to work in our communities. You are all generous and dynamic leaders that inspire strategic innovation and excellence in play-based learning. Thank you for the life-changing work you do, with so much enthusiasm, pride and energy. My wish is that you may flourish in all that you do. I want to inspire all of you with these words from president Cyril Ramaphosa "Now is the time to lend a hand. Now is the time for each of us to say 'send me.' "

Dr Monica Stach
CEO



Treasurer's Report



Reaching new heights



WE WOULD LIKE TO AGAIN THANK ALL DONORS AND INVESTORS FOR THEIR EFFORTS IN THE PAST FINANCIAL YEAR. YOUR CONTRIBUTION ALLOWED THE COTLANDS TEAM TO CONTINUE MAKING MEANINGFUL CHANGE IN THE LIVES OF THOUSANDS OF YOUNG DISADVANTAGED AND MARGINALISED SOUTH AFRICANS.

As with all non-profit organisations in today's climate, general fundraising has become more and more difficult. However, our business development team was strengthened in 2018 and is settling down well and has made some great contributions this year. Despite making changes in our team and approach, we again incurred a small loss for the year. The key challenge for 2019 is growing the support of our local and foreign donors through their various trusts and foundations, as well as growing our corporate and individual donor base.

Fortunately, ECD is receiving a lot of attention in the media and is being recognised, even by our President Cyril Ramaphosa, as the most important intervention required to improve young people's lives. This does help our cause as we approach our donors requesting them to invest in the work we do in early childhood education. The development of strategic partnerships will enable us to reach more adults and children.

We have developed a costing system which allows us to cost the project management services we offer partners, but which also improves our budgeting and reporting capabilities as we do more project based work. This diversifies our income stream so that we do not rely only on the traditional Cotlands donor base for funding. Some examples of these include SmartStart in the North West, Mondli in Mpumalanga, the Department of Basic Education, UNICEF and the LEGO Foundation. We are increasingly requested to share our expertise by providing training to various government departments and individuals, and believe that these can significantly be extended as another example of generating income to make Cotlands more sustainable. In addition,

our move to Ormonde reduced costs and will enable us to generate a small income during FY2019, by renting out our Turffontein property to a school.

One of our strengths is that Cotlands runs a very ethical and professional operation, ably supported by the accounting department which, we are very pleased to say, has satisfied the audit requirements, providing donors with assurance of sound financial management practices.

Operational costs within Cotlands remain well controlled and within budget. We have a strong operational network which covers KwaZulu-Natal, Western Cape, Mpumalanga, Eastern Cape and Gauteng, and with SmartStart in North West. The head office team monitors and measures these activities while providing the level of support and expertise required to ensure quality programme delivery.

Mike Coward

Treasurer



A young child with dark skin is looking down, focused on an activity. A speech bubble with a dashed teal border is positioned above the child's head, containing the text "I'll play with you". The background is a warm, orange-brown wall. In the foreground, there are blurred elements of an orange shirt and a purple fabric.

I'll play
with you

When
we play,
we grow.

Playful adults create the time
and space that allow children to
choose, explore and learn as
they play

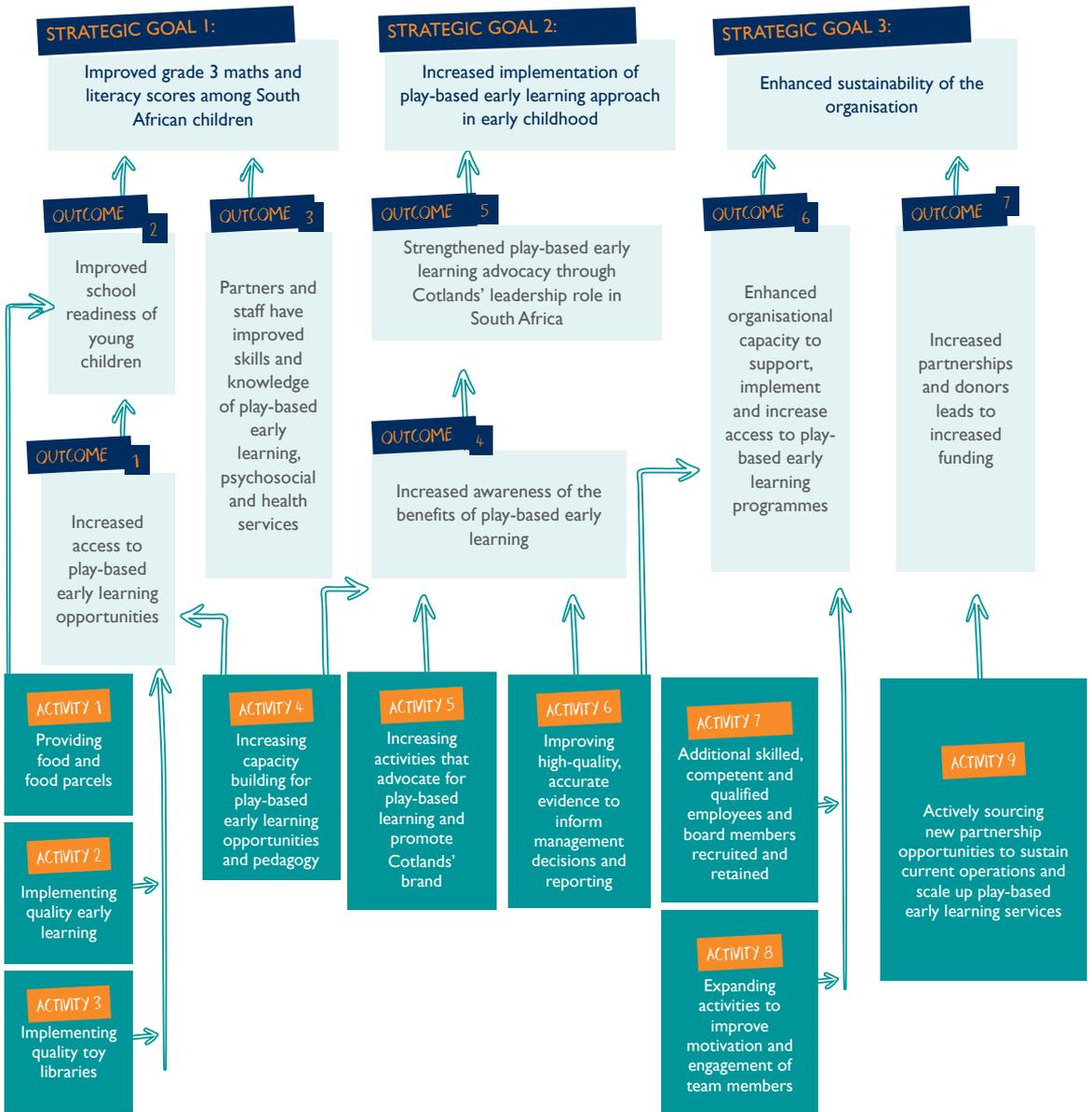
– Broadhead, 2006

IGNITING POTENTIAL THROUGH PLAY



Our theory of change

IMPACT: Create a more equal and prosperous South African society



Strategic goal 1

IMPROVED GRADE 3 MATHS AND LITERACY SCORES AMONG SOUTH AFRICAN YOUNG CHILDREN

Why this goal?

South Africa was placed 45th out of 48 countries for our Grade 5 children's performance on the Trends in International Maths and Science Study (TIMSS). With regards to our children's ability to read with comprehension in Grade 4, South African children's scores were the lowest out of 50 countries, according to the Progress in International Reading Literacy Study (PIRLS). High drop-out rates of children, poor matric results and the inability of first year university students to meet the required reading and writing standards, are all evidence that our education system is in crisis. In addition, 56% of our job seeking youth are unemployed. These high unemployment rates highlight the fact that instead of producing job creators our education system delivers job seekers.

Addressing our education crisis starts at the very beginning, from birth. There is enough evidence of the high return on investment in early childhood education, and how early childhood education safeguards the loss of human potential. During early childhood, children need access to a comprehensive package of services, which includes early learning opportunities. Children need a range of skills to be able to cope with the demands of formal schooling, including social, emotional, physical and academic skills. If children are not given the opportunity to develop these skills, they start school already disadvantaged and the inequalities continue to widen over time.

Our activities

Implementation of a quality early learning playgroup programme

Cotlands' early learning playgroups have been running for five years. At the heart of the programme lies a play-based approach, deeply rooted in children's natural willingness to play. A skilled early learning playgroup facilitator sets up an inviting environment where children can either play alone or with others, and where there is also opportunity for one-on-one interaction with the early learning playgroup facilitator when learning maths-related concepts. Our early learning playgroup facilitators receive weekly training to implement learning plans linked to the National Curriculum

Framework for Children Birth to Four. In addition, they have completed the online PLAY course to increase their knowledge on how to facilitate play-based learning.

Our appointment of a national operations manager during the year contributed to maintaining quality implementation of the early learning playgroups. At project level the team leader regularly visits the early learning playgroups providing support and mentoring. Quality assurance is further supported by annual site visits by the national operations manager, where a monitoring checklist is used to check compliance to Cotlands policies and procedures, which are aligned to legislation and best practice in early childhood education. Annual programme reviews identify areas that require strengthening, this is addressed through a quality improvement session. An implementation plan guides the process of quality improvement.

A hungry child cannot learn and it is for this reason that children receive breakfast and a snack at the playgroups. Parenting workshops, referrals and visits by a nurse and social worker are additional features that enhance the quality of the playgroup programme. Children's development is tracked through a process of baseline and summative assessments. Reports on children's learning and development are issued bi-annually in June and November. An independent ELOM assessment was done to measure the quality of the Cotlands early learning playgroup programme.

SmartStart

The early learning playgroup project in North West is a SmartStart model. SmartStart is a social franchise model, and Cotlands fulfils the role of regional franchisor in North West. The programme is supported by club coaches and club leaders. SmartStarters receive five days of initial training and are licensed to operate a playgroup. The majority of the SmartStarters are individuals linked to the community workers programme.

IMPROVED GRADE 3 MATHS AND LITERACY SCORES AMONG SOUTH AFRICAN YOUNG CHILDREN (continued)

Early learning playgroup stats

Measured	Total 2018	Gauteng	KwaZulu- Natal	Western Cape	Eastern Cape	Mpuma- langa	North West (Smart- Start)	Total	Total
								2017	2016
ELFs at year end	LA 238 ¹	13	16	12	11	25	161	127	40
ELPs at year end	LA 292	31	16	29	10	42	164	231	136
Play sessions total	19 342	1 697	1 244	2 308	1 171	2 752	10 170	16 467	8 162
Children at year end	LA 3 261	361	297	401	142	591	1 469	2 964	1 861
Boys at year end	LA 1 608	173	160	190	72	280	733	1 426	914
Girls at year end	LA 1 653	188	137	211	70	311	736	1 538	947
Meals served total	LA 293 498	38 500	32 527	38 217	20 568	89 858	73 828	314 670	94 136
Referrals total	LA 136	64	24	1	0	47	0	34	186

^{LA} Limited Assurance provided by KPMG

¹ From 2018, ELF assistants have also been included

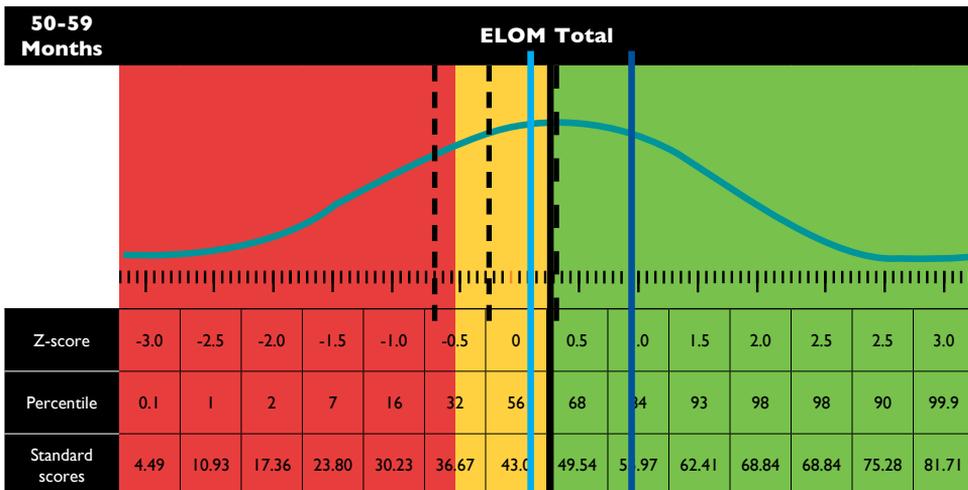
Evaluating the impact of our early learning playgroups using ELOM

ELOM is an easy to administer South African early childhood assessment tool which is rigorously standardised and culturally fair. ELOM is a population level assessment instrument which can be used as both a programme monitoring and evaluation tool. It indicates whether a programme is effective in preparing children for Grade R while also identifying areas for programmatic improvement. The ELOM provides early learning development standards for each of the following developmental domains: cognition and executive functioning; emergent literacy and language; emergent numeracy and mathematics; fine motor coordination and visual motor integration; and gross motor development.

The baseline assessments were done in April 2017 and the summative assessment was completed in October 2017. These assessments essentially measured the impact of six months exposure to Cotlands early learning playgroup

programme for children aged 50-59 months. The standard score for children aged between 50-59 months is 46.32. The average pre-intervention score for the Cotlands children in this age group was 44.43, and the post intervention score was 51.63, with a statistically significant improvement in emergent numeracy and maths and emergent literacy and language – two critical areas for academic success. The green on the graph below indicates the expected standard; the yellow indicates that children are falling behind, but with an intervention may catch up; and the red indicates that children are at risk of always displaying delays.

The value of the ELOM external evaluation was that we were able to identify gaps in the programme such as the fact that our children's fine motor skills development scores were at risk. During May 2017, a team of Cotlanders worked on reviewing the learning plans to include a variety of fine motor skills. As a result of changing elements in the programme, the fine motor scores have moved from red to green.



Implementation of a quality toy library programme

In the South African context, access to early learning opportunities are limited and, where there are services, they are often under-resourced. Toy libraries provide educational play materials to children, parents and early childhood practitioners and professionals working with children. Cotlands toy libraries deliver programmes using a combination of the following:

- Come and play model – hosting play sessions at the toy library which is booked by ECDCs
- Go and play sessions – using mobile toy libraries to deliver toys and conduct play sessions at member ECDCs

- Lend and play model – enabling toy lending by members
- Make and play model – providing opportunities to make toys from recycled waste e.g plastic bottles
- Capacity building model – providing skills development training to ECD practitioners

The toy library hosts ECD forums, toy library seminars, capacity building workshops, holiday programmes and participates in National Book Week. The toy library administration and data-collection procedures were revised during this year to further enhance and streamline the operations.

Toy library stats

Toy library	Measured	Total 2018	Gauteng	KwaZulu-Natal	Western Cape	Eastern Cape	Mpumalanga	Total 2017	Total 2016
Total members	at year end	145 ^{LA}	61	23	13	28	20	284	204
Play sessions	total	617 ^{LA}	481	36	60	1	39	1 039	1 085
Children attending play sessions	total	8 307 ^{LA}	5 489	799	394	286	1 339	9 711	8 691
Boys	total	4 295 ^{LA}	2 858	417	220	145	655	4 746	4 398
Girls	total	4 012 ^{LA}	2 631	382	174	141	684	4 965	4 293
Mobile play sessions	total	26 ¹	26	0	0	0	0	366	414
Communities served by mobile units	total	8 ¹	8	0	0	0	0	44	95
ECD centres served by mobile units	total	14 ¹	0	12	0	0	2	151	176
Children attending mobile sessions	total	159	159	0	0	0	0	2 791	3 389
Toys lent out	total	31 632	5 172	5 232	3 911	2 198	15 119	25 105	12 075

^{LA} Limited Assurance provided by KPMG

¹. The decrease in numbers in the toy library programme is due to the change in the model where instead of play sessions with children, the focus changed to capacitating the adults working with children

Increased capacity building

This outcome relates to the role of early learning playgroup facilitators, toy librarians, nurses and social workers to build the capacity of parents and primary caregivers to care more effectively for their children. The toy librarians provide capacity building workshops to early childhood development practitioners covering aspects of best practice for ECDCs. In addition, training is provided on how to use toys to enhance children's learning as well as expanding

practitioners' understanding of how play and learning links to the South African National Curriculum Framework for Children Birth to Four. Capacity building for parents is linked to the Department of Social Development's parental/primary caregiver capacity building training package. Content covers child development, health and psychosocial aspects, and is a project in partnership with NECDA.

IMPROVED GRADE 3 MATHS AND LITERACY SCORES AMONG SOUTH AFRICAN YOUNG CHILDREN (continued)

Capacity building stats

Activity	Total 2018	Gauteng	KwaZulu-Natal	Western Cape	Eastern Cape	Mpumalanga	Total 2017	Total 2016
Total sessions	651 ^{LA}	218	46	173	74	140	814	938
Total trainees	5 777 ^{LA}	2 085	595	1 031	454	1 612	6 647	5 483
Total males	590	200	223	30	58	79	347	99
Total females	5 187	1 885	372	1 001	396	1 533	6 300	5 375

^{LA} Limited Assurance provided by KPMG

Online training – playsa.org

To reach 150 000 adults working with young children, the traditional face-to-face workshop model is too costly and time consuming. Cotlands therefore revolutionised training in ECD by developing the groundbreaking Powerful Learning Around You (PLAY) project. PLAY is an e-learning platform in partnership with UNICEF, the Department of Basic Education and the LEGO Foundation. Playsa.org is an online platform that allows trainees to work through a play-based course at their own pace, reinforcing important principles of how children learn through play as well as linking it to the relevant curricula.

In addition, Cotlands generated income by providing the following skills courses:

- Setting up a playgroup
- Toy library set-up and administration
- Play-based learning using toys which are made, repurposed and bought
- Birth-to-two stimulation
- Making toys from recycled material

Cotlands skills training stats

	Total 2018	Total 2017	Total 2016
Participants trained	235	277	212
Participants attending seminars	135	196	201

DSD capacity building partnership

Since 2015, Cotlands has grown our partnership with the provincial Departments of Social Development (DSD) in Gauteng and Mpumalanga. The capacity building programme was designed to capacitate non-profits to implement the Cotlands toy library and playgroup model. Provincial DSD officials select NPOs to participate in this project. A Cotlands project manager completes a needs assessment, procures resources for the toy library, sets up the toy library and guides the NPO on the skills and qualifications required by a toy librarian. Once toy librarians have been appointed by the NPOs, Cotlands capacitates the toy librarians on how to manage the operational processes of the toy library. In addition, a system for stats collection is developed within the non-profits.

Once the toy libraries are functional, an early learning playgroup coordinator is identified in each organisation. A process is negotiated that includes training of playgroup facilitators on how to set up a playgroup, running a playgroup and implementing the learning plans using a play-based approach. A Cotlands team leader supports and monitors the implementation. A total of 23 non-profit organisations were capacitated and supported to deliver 211 playgroups during the year, and 24 new toy libraries were set up as a result of this partnership.

DSD capacity building partnership stats

	2018			2017	2016	2015
	Playgroups	Number of children	Toy libraries			
Gauteng non-profits						
Ebotse	3	30	1			√
Engaging Parents	23	135	1			√
I Care Resource Centre	4	51	1			√
Kelru	9	286	1			√
Land of Joy	–	–	1		√	
NG Welsyn	4	60	1	√		
Siyathuthuka	2	21	1	√		
Kromdraai	2	20	1	√		
Dinaledi	3	18	1	√		
Tebohong	1	6	1	√		
Boithutong	2	37	1	√		
African Day Care	2	44	1	√		
Sub-total	55	708	12	7	1	4
Mpumalanga non-profits						
Gert Sibande						
Masibambisane	4	122	1		√	
Sinamuva	4	75	1		√	
Khulakahle	5	150	1		√	
Sizanani	6	150	1		√	
Entokozweni	5	139	1		√	
Imizamoyethu	13	231	1	√		
Joy Christian Pre-school	7	163	1	√		
Ehlanzeni						
Umuhle	16	354	1	√		
Ntataise	42	544	2	√		
Sithuthukile	27	445	1	√		
Siyathuthuka	27	471	1	√		
Sub-total	156	2 844	12	6	5	–
Total	211	3 552	24	13	6	4

Challenges to register non-centre based programmes with DSD

To comply with the Children's Act's registration framework for non-centre based programmes, and norms and standards of partial care facilities, our playgroup programmes in North West, Mpumalanga and Western Cape are registered with the respective Departments of Social Development. We have applied for registration of our unregistered programmes in Gauteng, KwaZulu-Natal and the Eastern Cape, and are awaiting positive results from DSD.

The norms and standards to register toy libraries are unclear, with no toy libraries being registered by the Department of Social Development, resulting in toy library programmes being unfunded by government. DSD officials use centre based programmes norms and standards to monitor non-centre based programmes, resulting in non-compliance and delays in registration of toy library programmes.

Engaging with stakeholders

Cotlands primary stakeholder grouping is the parents of the children to whom we directly deliver services. We conducted a beneficiary survey with parents of the children that attended Cotlands early learning playgroups in the Eastern Cape, Gauteng, KwaZulu-Natal, Mpumalanga and the Western Cape.

A total of 443 parents took part in the survey. We conducted face-to-face interviews with 30% of the parents and telephonic interviews with the remainder. The survey indicated the following:

- 93% of parents noticed an improvement in their children's overall development since joining the early learning playgroups
- 76% of parents confirmed that their children learned new maths skills at the early learning playgroups

IMPROVED GRADE 3 MATHS AND LITERACY SCORES AMONG SOUTH AFRICAN YOUNG CHILDREN (continued)

- 88% of parents agreed that the parent capacity building sessions were useful
- 96% of parents will recommend and encourage other parents to send their children to a Cotlands early learning playgroup
- 98% of parents agreed that the early learning playgroup facilitator had a good relationship with the children in their groups

We asked the primary caregivers how we could improve the services we offer them. 34% of parents felt there was nothing to improve, with 30% wanting increased days of the service, confirming the need for a full-day ECD centre in the community. For us, it affirms how early learning playgroups raise awareness of the importance of early childhood development, as well as empowering parents with information resulting in parents wanting full-day ECD care. Although this is not Cotlands’ mandate to provide centre based ECD services, it confirms the important role early learning playgroups have in communities where there is no access to play-based early learning opportunities.

Another recommendation from the parents was to show them what kind of activities are done with their children at the early learning playgroup. Parents also want facilitators to discuss their children’s progress with them, as well as “problems” the children might have. The parents’ suggestions will be taken into consideration to improve the early learning playgroup service we offer.

Our future plans

Early learning playgroups

- Modify our in-service training programme for early learning facilitators and assistants to further refine and broaden their play-based learning skill set.
- Conduct an annual beneficiary survey to determine satisfaction levels
- Strengthen quality assurance systems by reviewing the monitoring checklist and frequency of monitoring visits.

Toy libraries

- Toy library community needs assessment survey to be conducted to establish the needs of ECDCs and day mothers in terms of skills development and resources.
- Capacity building sessions for ECD practitioners and day mothers where National Curriculum Framework for Children Birth to Four years, play-based learning and ECD quality improvement programme is shared.
- Phasing out of toy library play sessions from April 2018 with increased focus on capacity building of adults working in ECDCs and day mothers.
- Revise the capacity building modules being offered to ECDCs by the toy librarian

Risk assessment

Risk	How we mitigate this risk
<p>Credibility perception Non-centre based programmes such as playgroups are new concepts in the South African ECD landscape</p>	<ul style="list-style-type: none"> • We ensure that the quality of every interaction is meaningful • ELOM evaluation to quantify impact
<p>Timing of impact evaluation Long gap between delivering programme and measuring impact on the child on completion of schooling</p>	<ul style="list-style-type: none"> • Baseline and summative assessments provide a short-term measure of the impact on the children’s individual progress
<p>Accessibility for measuring long-term impact Difficulty measuring longer term impact from grade 3 in cases where the child moves away</p>	<ul style="list-style-type: none"> • We will be getting the first cohort school reports in June 2018, of children who are now in Grade 3 and who left our playgroups in 2013
<p>Execution of programme Partners not delivering the playgroup programme to Cotlands standards</p>	<ul style="list-style-type: none"> • Continued monitoring and on-site support • Capacity building to improve service delivery
<p>Attendance levels Low enrolment numbers and poor children’s attendance</p>	<ul style="list-style-type: none"> • Close the playgroups in saturated communities and open new groups in areas where no ECD services exist

Strategic goal 2

INCREASED IMPLEMENTATION OF PLAY-BASED EARLY LEARNING APPROACH IN EARLY CHILDHOOD EDUCATION

Why this goal?

Play-based learning is the preferred pedagogy when working with children. Despite the overwhelming evidence that learning through play benefits children, many parents and practitioners do not value the importance of play. Cotlands continues to advocate for play-based learning by raising awareness using a variety of strategies, which include raising awareness of the benefits of play-based early learning and strengthening advocacy and leadership in the space of play-based learning. At the heart of this goal is our focus on partnerships as a strategy to be a catalyst for increased implementation of play-based learning in early childhood. Our advocacy activities include the annual World Play Day celebrations and the play conference, membership of strategic associations and offering secretariat support to the Toy Library Association of South Africa (TLASA).

Our activities

Increased awareness of the benefits of play-based early learning

Scaling up access to early learning programmes will be increased through partnerships focused on the most vulnerable children living in informal settlements and in rural areas, making it possible to take play-based early learning to young children, through a variety of project partnerships.

Mondi and Cotlands Mobile Clinic Toy Library Project

Mondi and Cotlands have created an innovative model leveraging existing mobile health clinics by adding a trailer, turning it into a mobile toy library in Mkhondo, Mpumalanga. Mondli's mobile clinic is operated by Thol'ulwazi Thol'impilo Network (TTN). It offers health services to 35 rural villages once a month. This model is working towards eventually providing a comprehensive package of services, aligned to the vision of the National Integrated ECD Policy, that would benefit both children and their caregivers.

Parents and caregivers usually bring their children along when they visit Mondli's mobile clinics, and the toy library provides stimulating and age-appropriate play-based learning opportunities. While the nurse provides health services, the

toy librarian runs early learning sessions. The aim of this partnership is to reach 350 children below the age of five – which is the most crucial stage for learning and laying the foundation for future competencies.

Kagiso Trust ECD Needs Analysis Project

Kagiso Trust, a leading development agency in South Africa, aimed to deepen its impact in education, and therefore widened its focus to early childhood education. The Trust supports primary schools in Diepsloot, north of Johannesburg and in Dimbaza, in the Free State. To ensure optimum learning and development at primary school and in later years, Kagiso wanted a holistic and broad understanding of the education landscape in the areas in which it operates, to establish learning foundations early on in a child's life. Cotlands was contracted to assess the quality and capacity of 10 early learning centres in close proximity to primary schools with which Kagiso Trust was already working.

Cotlands established a needs assessment document incorporating information from the National Curriculum Framework for Children Birth to Four, the Children's Act, and the norms and standards relating to registration of ECDCs with the Department of Social Development. Various stakeholders in the communities were consulted, and inter-sectoral discussions were held. The aim was to avoid duplication of services and to find ways to make the impact of various stakeholders more sustainable. The needs assessment confirmed a severe lack of resources in the ECDCs; teachers weren't qualified, with little or no classroom routine followed; and there was a lack of awareness and implementation of play-based learning principles. Recommendations included practitioner training focused on following a daily routine, aimed at holistic child development, delivered through a play-based learning approach. Optimising collaboration of stakeholders, through an ECD inter-sectoral committee was identified as a key element, to coordinate and strengthen efforts, to assist ECDCs towards the registration of their programmes.

INCREASED IMPLEMENTATION OF PLAY-BASED EARLY LEARNING APPROACH IN EARLY CHILDHOOD EDUCATION (continued)

Takalani Sesame Play Every Day Project

Research has shown that adult participation in guided play increases children's learning outcomes. However, caregivers do not always know about the benefits of play or ways they can participate in play alongside their child. In South Africa, while play is recognised as having some value, the majority of parents and caregivers regard formal study as more important than play. To address this, the LEGO Foundation and Sesame Workshop, together with Cotlands and other partners, launched a project dedicated to promoting playful learning between parents and their children. Cotlands' role was to share our expertise and assist with the content review for the Play Every Day manuals and take home materials, as well as co-facilitate the parent-child workshops.

Afrika Tikkun Toy Library Quality Improvement Project

Cotlands and Afrika Tikkun conceptualised a toy library quality improvement project. Afrika Tikkun aims to have four well-functioning toy libraries. Cotlands conducted an audit of the toy libraries using our compliance checklist. The audit informed the project plan, which includes training, support and evaluating implementation over a period of time.

Strengthened play-based early learning advocacy through Cotlands leadership role in South Africa World Play Day

Cotlands annually celebrates World Play Day on 28 May. The theme this year was "Sustainable Play". Cotlands inspired 22 organisations and 189 ECDCs to participate in the event which included 5 390 children taking part in the event throughout South Africa. Cotlands produced an activity booklet and hosted a seminar prior to the event, to inspire organisations to participate in the event. The primary objective is to advocate for children's right to play. In addition, World Toy Librarian Day is also celebrated on the day, aimed at elevating the importance of toy librarianship.

Play conference

One of the most important advocacy strategies is the annual play conference, which is a highlight on our calendar. The conference takes place in July and is a collaboration between Cotlands, Department of Basic Education, UNICEF and the LEGO Foundation. The 4th play conference's theme was "Preparing our children for the challenges and opportunities of the 21st century". The conference was attended by the Minister of Basic Education, the Honourable Angie Motshega and 356 delegates.

Memberships

Cotlands is a member of a number of stakeholder forums, associations and alliances which enables us to continuously advocate on issues relating to play-based learning and non-centre based programmes such as playgroups and toy libraries. Cotlands is a member of the following organisations:

- National inter-sectoral forum for ECD: provides the opportunity to meet with government and influence policy
- Toy Library Association of South Africa: promotes best practice principles of toy libraries
- International Toy Library Association (ITLA): promotes toy libraries internationally
- South African Civil Society for Women's Adolescent's and Children's Health Coalition (SACSoWACH): advocacy group for the health of newborns, children, adolescents, women and mothers – we are members of the Early Childhood Development Working Group
- National Early Childhood Development Alliance (NECDA): network of ECD training providers
- ECD community of practice (COP): multi-stakeholder forum that facilitates information exchange on ECD practice
- National Child Care and Protection Forum (CCPF): 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.

Toy Library Association of South Africa

The Toy Library Association of South Africa (TLASA) is a membership association which has been managed by Cotlands since 2013. Toy librarianship is not a recognised profession in South Africa and it does not have an accredited qualification. It is for this reason that a toy library association is needed so that the association can lobby on behalf of its members on issues pertaining to toy librarians. During the latter part of this financial year, a process was undertaken to transfer the leadership of TLASA to a multi-stakeholder forum. A steering committee was elected, which drafted a constitution and specific goals. One of the goals is to arrange the upcoming International Toy Library Conference for 2019, which will be taking place in Johannesburg. Cotlands will retain 50% representivity and will continue to mentor the committee, with the view that it will function independently by 2019.

Improved high-quality, accurate evidence informs management decisions and reporting

Our attempts to build an electronic dashboard were not fruitful. Despite this we were able to collect the required statistical information to monitor our organisational performance. In addition, the Cotlands board supported a doctorate study on the importance of toy libraries to provide play-based early learning opportunities for young children.

Our future plans

In order for Cotlands to continue to advocate and be leaders in the play-based early learning space, we have to invest in a marketing, public relations and communications strategy that will raise awareness and reposition Cotlands as a leading ECD organisation. We will also continue to seek strategic partnerships to increase the awareness of play-based learning.

Risk assessment

Risk

Project management

Managing multiple projects within budget and the expected timeframe

Brand awareness

Lack of brand presence negatively impacts Cotlands advocacy opportunities

How we meet this challenge

- Increase the skill sets of the project management team
- Streamline processes
- We partner with other organisations and leverage their media presence



Strategic goal 3

ENHANCED SUSTAINABILITY OF THE ORGANISATION

Why this goal?

Our sustainability rests on four pillars:

- Good governance, which includes transparent and accurate financial reporting
- Efficient, effective and engaged human resources
- Sound monitoring and evaluation systems to inform effective programming
- Sustainable sources of income

Good governance is central to everything we do. It encompasses being responsible and accountable to our beneficiaries, donors and employees, 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.

Efficient, effective and engaged human resources play a vital role in our sustainability as they are responsible for implementing our programmes. Retention is key to prevent the loss of competent employees who have built up a base of skills and knowledge. Without it, productivity and service delivery could be impacted.

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.

Our activities

Enhanced organisational capacity to support, implement and increase access to play-based early learning programmes

With the fourth industrial revolution on our doorstep, we heed the adage “if we do the same things over and over again we would be ‘mad’ to expect different results”. However, surely we shouldn’t ‘throw the baby out with the bath water’! Using an iterative approach, we tried to retain what works and still achieve success such as continuing with our in-service training sessions, for ELFs and toy librarians on Fridays. The recent introduction of in-service training for

the business development team is aimed at equipping the team so that they are able to increase our income.

The 2022 strategic goals have informed the need to increase employee skills in preparation for the work and potential challenges ahead. Also, Cotlands feels strongly about the responsibility of representing a learning organisation in spirit and in practice.

Additional skilled, competent and qualified employees and board members have been recruited and retained.

Cotlands staff

To retain staff and prepare them for future requirements, we would like to present employees with a range of career opportunities, including transfers and promotions. It is vital we have systems to retain our most valuable resource – our human capital.

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 FY2018 was R481 467 for external training programmes. On average, Cotlands contributes 60% of training costs for external providers.

We continued ECD level 4 training to capacitate our ELFs and toy librarians in their respective regions. The ELFs also continue to receive weekly in-service training from toy librarians to implement the early learning programme.

In tandem, Cotlands continues to train unemployed youth in the communities 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 stats

Training courses	Number of staff trained
First aid for playgroup facilitators	72
In-service: Mind Moves – Play, learn, grow	38
ECD level 4, 5 and Grade R	30
Facilitator training	20
Project management and MS Projects	17
Monitoring and Evaluation	4
Honours in Education and Community Development	4
Fundraising	4
Leadership	3
Degrees in Finance, B Tech and Human and Social Science	3
Conferences and Seminars	3
Admin and HR	3
Assessor	2
Instructional design	1

Last but not least, Cotlands CEO, Monica Stach completed her doctorate on “The role of toy libraries in the provision of play-based learning opportunities for young children” through the University of Pretoria.



ENHANCED SUSTAINABILITY OF THE ORGANISATION (continued)

COTLANDS BOARD STRUCTURE 2017/2018

COTLANDS MANAGEMENT BOARD

Dumisani Ncala (chairman)

Mike Coward (vice chairman)

Sundrie Naidoo

Michal Bolanowski

Janet du Preez

Katherine Madley

Enzo Scarcella

Tatiana Page
 Nontobeko Sibisi
 Niven Postma
 Motseki Majake
 Douglas Ramaphosa
 Nazir Alli
 Phumzile Booie
 Neil Maslen

EXECUTIVE COMMITTEE

Dumisani Ncala (chairman)

Mike Coward (vice chairman)

Niven Postma

Janet du Preez

AUDIT, RISK & INVESTMENT

Mike Coward

Douglas Ramaphosa

Nazir Alli

Motseki Majake

BUSINESS DEVELOPMENT

Niven Postma

Michal Bolanowski

Katherine Madley

Enzo Scarcella

Nontobeko Sibisi

Neil Maslen

REMUNERATION/
NOMINATIONS

Mike Coward

Dumisani Ncala

Janet du Preez

ORGANISATIONAL
DEVELOPMENT

Janet du Preez

Sundrie Naidoo

Tatiana Page

Phumzile Booie

BOLD – Chairperson

CHIEF EXECUTIVE OFFICER
Monica Stach

EXECUTIVE SECRETARY
Kerry Huggett

OPERATIONS

NATIONAL HEALTH & PSYCHOSOCIAL MANAGER
Boitumelo Seabi

PLAY PROJECT

PLAY PROJECT MANAGER
Getrude Mabeza

SMARTSTART
Club Coaches

NATIONAL OPERATIONS COORDINATOR
Nozizwe Dladla-Qwabe

REGIONAL MANAGERS
KZN – Thembelihle Ngobese
Gau – Shireen Miller
Mpu – Thandi Mdaka
EC – Chwayita Mpohlo
WC – Gary Janeke

Team Leaders,
Admin Assistants,
Early learning playgroups,
Toy libraries,
PLAY team

MARKETING
Ayanda Sithole

HELPDESK/TECHNICAL SUPPORT
David Khumalo

DATA VERIFICATION AND ANALYSIS
Prayers Mathiba

CAPACITY BUILDING

NATIONAL MANAGER
Venessa T'Hart

NATIONAL DSD PROJECT MANAGER
Daisy Kekana

TRAINING COURSES:
PLAY, toy libraries and playgroups
ASSOCIATION: TLASA
PROGRAMME DEVELOPMENT:
playgroups birth to 2

MONITORING AND EVALUATION

NATIONAL MANAGER
Mealang van Heerden

MATERIAL DEVELOPMENT PROGRAMME DEVELOPMENT:
playgroups

STATS ADMINISTRATOR
Bonny Dube

FINANCE

FINANCE MANAGER
Jeanette Gourlie

DEBTORS AND CREDITORS CLERKS
Pearl Ngwane
Dan Mchunu

HR

CHIEF HR OFFICER
Bonnie Haack

NATIONAL HR MANAGER
Elanie Olivier

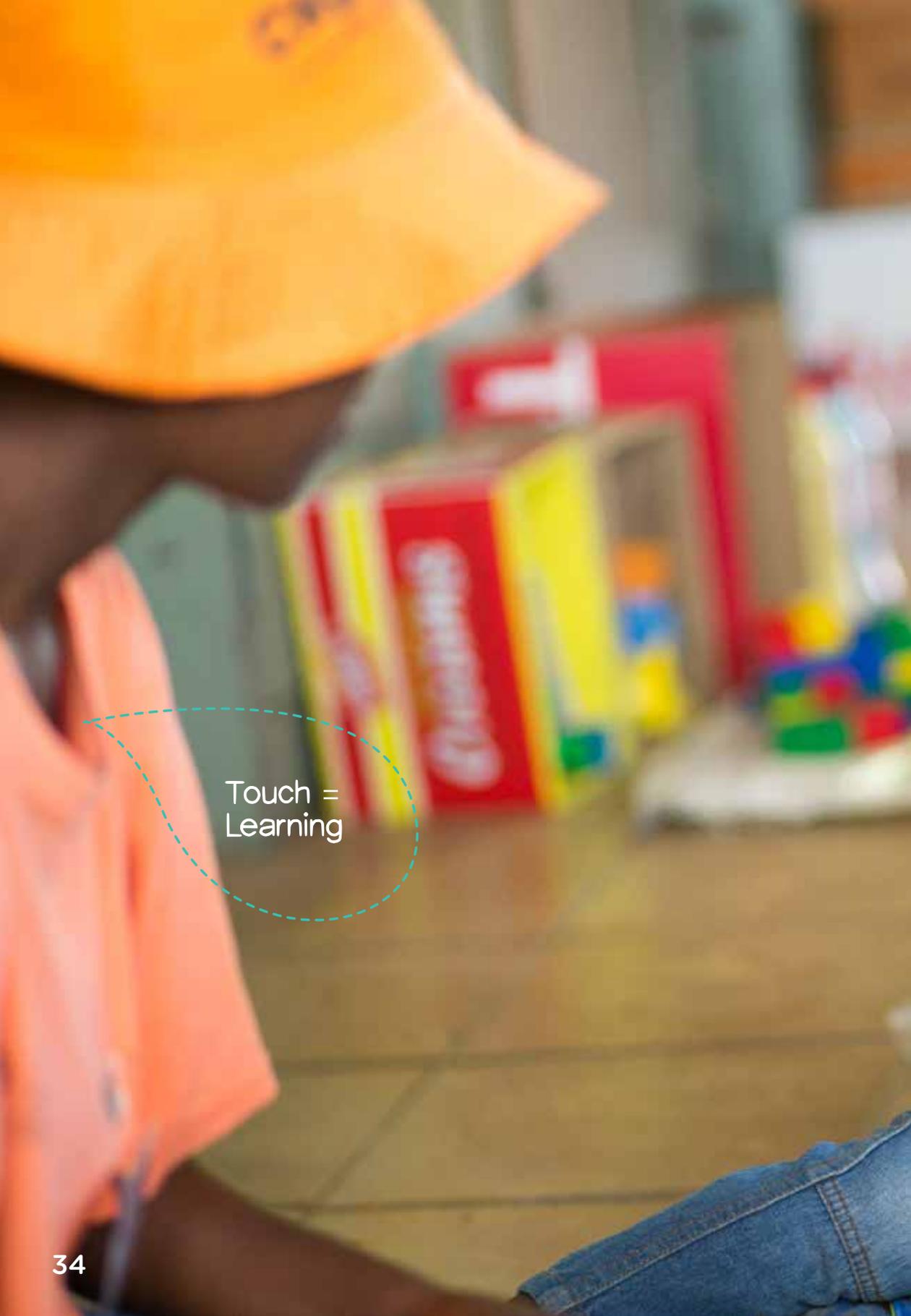
Reception, Stock, Cleaners, Drivers, R&M

FACILITIES MANAGER
Sandy Miller
Volunteer programme

BUSINESS DEVELOPMENT

CHIEF BD OFFICER
Jacqueline Schoeman

CSI AND B-BBEE
Masai Mara
GRANT WRITER
Kerry Huggett
ASSISTANT
Randy Mkhando
EXECUTIVE LOCAL
Amanda Bossenger
EXECUTIVE FOREIGN
Melony Zomero
DIRECT MAIL - DMI



Touch =
Learning



When
we play,
we grow.

"Learning, play and development
is interrelated from the child's
very first day of life."

– Lev Vygotsky, 1978

IGNITING POTENTIAL THROUGH PLAY

ENHANCED SUSTAINABILITY OF THE ORGANISATION (continued)

Expanding activities to improve motivation and engagement of team members

We highlight and showcase the work of our team on our Facebook page. Our teams regularly connect with each other through various WhatsApp groups where photographs are eagerly shared. Team meetings take place on Fridays to encourage collaboration and teamwork amongst the individuals.

Keeping teams motivated and engaged when working in remote communities that are critically under-resourced and vulnerable can be challenging. Cotlands engages team members through surveys on duties, working conditions and expectations, to give each individual a chance to provide feedback on their unique situation. We regularly revise job descriptions and improve working conditions based on information gathered.

It is important to have a team that continues to believe in our vision and understands the value of their role in achieving it. Twice a year, head office invites members of each regional team to a work session to discuss strategic goals. Very often, this will be the first time team members have been in Johannesburg, travelled on an aeroplane or a bus, or even left their home town. The value of these sessions has been repeatedly witnessed in their re-engaged and motivated return to their regions.

Monthly conference calls with regional managers keep regional teams connected with each other and head office.

We enjoy the expanded opportunities new projects provide, to develop potential in existing members. It is exciting to see how staff rise to the challenge to develop and grow into new roles and even career paths.

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 performance development plans, which are designed to be constructive and identify development needs. The plans also provide constructive feedback on how the employee is faring against team and organisational goals.

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 staff at all levels. 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 resources to pay performance-based bonuses.

HR compliance Staff turnover

The staff turnover rate for the year was 31%, 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.

	2018	2017	2016
Turnover			
Resignations	46	26	21
Dismissed/Retrenched	10	8	9
Total	56^{LA}	34	30

^{LA} Limited Assurance provided by KPMG

	2018	2017	2016
Reason for staff leaving service			
Salary and benefits	7	13	8
Personal	5	5	7
Dismissed/retrenched	10	8	9
Other	34	8	6
Total	56	34	30

	2018	2017	2016
Age groups affected			
20-35	34	24	24
36-45	9	9	6
46+	13	1	—
Total	56	34	30

Parental leave

Cotlands offers maternity leave for female employees. In addition, if employed at Cotlands for two years or more, she receives 50% of her salary for two of the four months. Male employees are entitled to five days family responsibility leave once the child is born.

During the year, 12 staff members fell pregnant. Of these, eight have returned to work and four were still on maternity leave at year end. No male employees required paternity leave in the past year.

Human resource indicators

	2018			2017 ¹	2016 ¹
	Permanent	Non-permanent	Total		
By gender					
Female	151 ^{LA}	12	163	158	180
Male	13 ^{LA}	6	19	21	22
Total	164	18	182^{LA}	179	202

¹Includes non-permanent staff

^{LA} Limited Assurance provided by KPMG

	2018			2017 ¹	2016 ¹
	Permanent	Non-permanent	Total		
By province					
Eastern Cape	11	6	17	12	8
Gauteng	57	8	65	64	84
KwaZulu-Natal	32	2	34	32	42
Mpumalanga	39	2	41	44	17
North West	5	0	5	3	0
Western Cape	20	0	20	24	51
Total	164	18	182	179	202

¹Includes non-permanent staff

	2018			2017 ¹	2016 ¹
	Permanent	Non-permanent	Total		
By race					
African	129	15	144	136	139
Coloured	19	0	19	24	31
Indian	0	0	0	1	4
White ²	16	3	19	18	28
Total	164	18	182	179	202

¹Includes non-permanent staff

²Includes foreign national employees

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:

- 90% of staff are from previously disadvantaged groups (African, Coloured and Indian) – Limited Assurance provided by KPMG
- 90% are female. 2% increase on last year
- 50% of the senior management team are Coloured and African. 8% increase on last year
- 90% of the senior management team are women

ENHANCED SUSTAINABILITY OF THE ORGANISATION (continued)

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.

Cotlands board

Essential for the good governance of any organisation is an effective and involved management board. The board's primary role is to approve all strategic and policy decisions, and cascade specific decision-making tasks to board committees and the CEO for implementation.

This year we redefined our committees to better cater for Cotlands needs. The responsibilities of each board committee are summarised below:

Remuneration/ Nominations	Audit, risk and investment	Business development	Organisational development
<ul style="list-style-type: none"> - Monitor and provide input on staff remuneration - Determine the qualifications and characteristics required of board members - Identify, screen and review individuals and recommend suitable candidates for nomination 	<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 	<p>Overall organisational development processes</p> <ul style="list-style-type: none"> - Determine strategic recruitment goals - Staff structure required to meet strategic goals - Monitor and provide input on staff issues <ul style="list-style-type: none"> o Sick leave trends o Percentage of staff turnover per region o Industrial action

These committees meet as required to support and oversee their specialised areas. Relevant staff members attend these meetings to ensure employees are heard at board level. The convenor 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.

Over the past year we said goodbye to Eleanor Huggett, Indiran Gounden, Clive Pintusewitz and Peter Moloney. We thank them for their valued years of service to Cotlands and continued support of our cause. We welcomed eight new members to our board within this year: Tatiana Page, Nontobeko Sibisi, Phumzile Boozi, Niven Postma, Motseki Majake, Douglas Ramaphosa, Nazir Alli and Neil Maslen.



When
we play,
we grow.

"Children need the freedom and
time to play. Play is not a luxury.
Play is a necessity."

– Kay-Redfield Jamison

IGNITING POTENTIAL THROUGH PLAY

ENHANCED SUSTAINABILITY OF THE ORGANISATION (continued)

Increased partnerships and donors leads to increased funding

Actively sourcing new partnership opportunities to sustain current operations and scale up play-based learning services

Cotlands' aim for the business development department is not just to meet current operational costs, but to initiate income streams that will contribute to our long-term sustainability. Unfortunately, we have struggled over the past few years to raise enough money to cover our operational costs, despite making some progress with our sustainable sources of income.

We realised that we were going to fall short of budget during the year, so put some new strategies in place in an attempt to close the deficit. However, due to the turnaround time with many donors, we only expect to see the results of these plans in 2019. Some of the strategies included:

- a) Appointing a dedicated chief business development officer. The previous CEO took over this portfolio, allowing the new CEO to create sustainable solutions to scale-up Cotlands' various offerings.
- b) Alongside our two corporate fundraisers, in July last year we appointed two additional fundraisers – one to focus on high net worth individuals, and the other to source international funding. However, these are difficult portfolios to get off the ground and in most instances require long-term efforts before we see results. While they develop their contacts they are assisting with local corporate and trust donors.
- c) Budgeting to revive our bequest programme in 2019 as these lasting legacies are invaluable in building an endowment.
- d) Planning a marketing campaign that would build Cotlands brand and advocate for the importance of early childhood development – two critical factors if we are going to attract and retain donor support.

While corporate and individual donations are vital for Cotlands' continued existence, we need to become more self-reliant, and as such have secured a number of self-funded projects. The income received from these projects contribute, albeit in a small way, to our overhead costs, freeing up funds for programme implementation. Cotlands vision is to significantly scale up services to meet the early learning needs of many more vulnerable children, and we plan to do this not by growing our own programmes, but in partnership with government, corporates and other organisations that will fund the implementation of our model. Some of the self-funded programmes we are currently involved in have been discussed in previous sections.

Tax benefits for donors

To retain existing donors and grow our donor base, Cotlands is able to offer B-BBEE (broad-based black economic empowerment) points and tax relief to our supporters.

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.

B-BBEE

Through the Cotlands Empowerment Trust, organisations have the opportunity to partner with Cotlands, under enterprise and supply development, skills development, ownership and socio-economic development pillars. The trust has been designed in consultation with Transcend Corporate Advisors, a knowledge leader in interpreting and implementing best practice for the Department of Trade and Industry's B-BBEE codes. It has been signed off by Empowerlogic, a leading verification agency.

This approach allows a donor to benefit from and make a difference to society under the socio-economic development pillar, which comprises the usual corporate social investment (CSI) contribution to Cotlands. In addition, it enables an organisation to strategically invest money for one of its other pillars into a well-managed, well-implemented, personalised and secure programme with the correct end-user beneficiary, identified for business sustainability and scarce skills development and aligned with the latest B-BBEE codes.

The benefits of supporting an organisation such as Cotlands and the Cotlands Empowerment Trust with its integrated B-BBEE solution, could make a significant difference to the success of businesses. Instead of spreading CSI money across different sectors, an organisation would now be able to build a sustainable, long-term, high-impact measurable B-BBEE strategy – one that solves critical compliance challenges, opens new business opportunities for retention of clients and growth, and dramatically increases the measurable impact of a current CSI strategy.

Income for FY2018 by donor group

Income source	2018 R	Percentage contribution FY2018 %	2017 restated	
			2017 R	Percentage contribution FY2018 %
Bequests	75 856	LA 0,4	227 618	1,1
Collection tins	19 848	LA 0,1	29 733	0,1
Community groups	154 825	LA 0,8	181 344	0,9
Corporates and trusts	6 879 028	LA 33,9	8 696 963	41,5
Individuals	1 460 231	LA 7,2	1 375 142	6,6
NLDTF (Lotto)	940 000	LA 4,6	–	0,0
Government	5 571 189	LA 27,4	5 346 671	25,5
Direct Mail	2 425 572	LA 11,9	2 857 453	13,6
Training	718 708	LA 3,5	–	0,0
Foreign income	1 965 672	LA 9,7	1 930 550	9,2
Other	93 101	LA 0,5	311 693	1,5
Sub-total ¹	LA 20 304 030	100,0	20 957 167	100,0

¹. Income above does not include funds received from Power of Play, an online e-learning platform developed by Cotlands in partnership with UNICEF and the Department of Basic Education, funded by the Lego Foundation.

^{LA} Limited Assurance provided by KPMG

Corporate donors

Our top six local corporate and trust donors this year accounted for R2 627 991 (10% of gross revenue):

- The Wilfred Metje Foundation
- The Len Smith Foundation
- Federated Employers' Mutual Assurance
- ApexHi Charitable Trust
- PBA Projects
- The Giving Organisation

International donors

The top international donors in 2018 contributed R1 604 941 (6% of gross revenue):

- Stephen Lewis Foundation
- Emerging Markets Benefit Ball

Government and partners

Government contributed R5 571 189 (27,4% of gross revenue). The Department of Social Development subsidised our ECD and capacity building programmes in Mpumalanga and Gauteng, and our ECD programme in the Eastern Cape. As noted, the playgroup programme in North West is funded by SmartStart, and PLAY, the online e-learning platform (playsa.org), has been developed in partnership with the Department of Basic Education and UNICEF, funded by the LEGO Foundation.

Individual donors

Individual donors and direct-mail donors (mostly individuals) contributed R1 460 231 and R2 425 572 respectively.

Donations in kind

The support we receive from in-kind donors is highly valued as it reduces our monthly expenses. Our largest in-kind corporate donor this year was Kargo National, which kindly transferred all supplies and donations received at head office to regional offices around the country.

We would also like to thank the following donors for their in-kind and pro-bono donations:

BP Disa
Caxton
Edcon (Pty) Ltd
Europcar South Africa
G4S Cash Solutions (SA) (Pty) Ltd
Gold Reef City
Lil Masters Diaper Manufacturers
MalanScholes Attorneys
McCormick Property Development
Mtuba Superspar
Netflorist
Newsclip
NGK Helderberg

ENHANCED SUSTAINABILITY OF THE ORGANISATION (continued)

Pick n Pay Sanctuary
Pick n Pay Somerset West Mall
PricewaterhouseCoopers South Africa
Rise Against Hunger
Sandton Office Removals
Shoprite Kuilsrivier
Sign Facet Design
Still Water Sport
The Do More Foundation (RCL Foods)
The Lunchbox Fund
Woodburn Mann
Woolworths The Glen

Our future plans

We are working towards an online platform so that our employees across the country can access learning material in the form of videos, podcasts, reading material and short ‘TED-type’ talks on a variety of topics from induction, standard operating procedures and soft skills to accredited training. The platform would also encourage collaboration and interaction between employees from other regions. We maintain our goal to attract, develop and retain people who are engaged and driving our strategic targets by equipping leadership with recruitment and selection skills. In addition, they will receive training and ongoing support in talent identification and development.

This year, management and the board have undertaken to assist and equip the new business development team with a marketing strategy, campaign and collateral, that positions Cotlands as a pioneer in the ECD industry and offers a business solution to corporate South Africa. The project management team will be supported with the necessary tools, systems and processes to assist them with the control and management of each project’s milestones to a successful completion. Team leaders, as first line supervisors, will receive accredited leadership development training to build capacity and skills to equip them for future senior leadership roles.

We also need to develop the Cotlands workforce for the fourth industrial revolution, with the competencies of creativity and innovation to handle new technologies and new ways of working, adaptability or agility, as the demand for continuous learning in the digital age increases. This leads to digital proficiency – measuring how effectively we engage with digital technology. According to the World Economic Forum, the top 10 skills required for 2020 are: complex problem solving, critical thinking, creativity, people management which is separate from coordinating with others, emotional intelligence, judgement and decision making, service orientation, negotiation and cognitive flexibility. Creativity was rated as one of the top three skills workers will need for the constant workplace changes and the introduction of artificial intelligence.

Cotlands, as a non-profit will need to be creative in the way we deal with increasing challenges such as trying to become financially independent while offering a remarkable quality service to the vulnerable who cannot pay.

Risk assessment

Risk	How we meet this challenge
Funding <ul style="list-style-type: none"> • Insufficient funding to cover costs • Donor reluctance to fund salaries 	<ul style="list-style-type: none"> • Broaden Cotlands donor base • Explore alternative sources of revenue
Staff retention <ul style="list-style-type: none"> • Retaining qualified and skilled staff in a competitive and specialised market 	<ul style="list-style-type: none"> • Incentive plans linked to performance deliverables • Offer training and development opportunities • Balanced work-life environment
Reputation risk <ul style="list-style-type: none"> • Reputational and quality risk of partnerships 	<ul style="list-style-type: none"> • Ensure potential partners' values align with Cotlands ethos

Our financial performance

Performance against budget

Performance against budget is monitored monthly by the Audit, Risk and Investment 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 the Cotlands finance department at head office, except for vehicle fuel and maintenance, and petty cash. This ensures expenses are closely monitored. Our expenses for 2018 were R28.2 million against a budget of R30 million, or 6% under budget.

These costs, together with budgeted expenses, are broken down as:

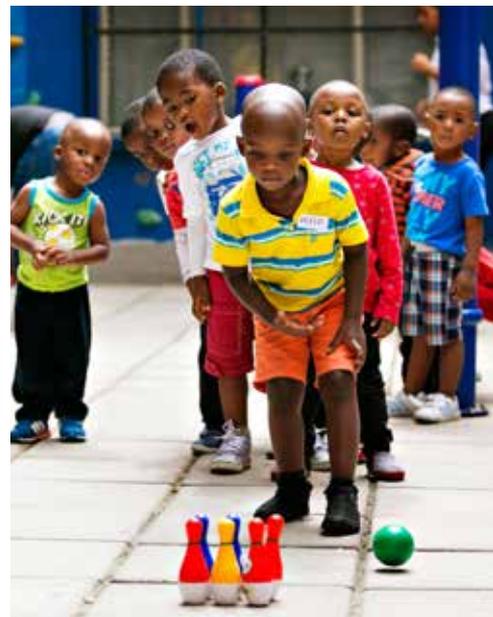
- Administration (including IT infrastructure costs): 9%
- Building costs: 5%
- Motor vehicles (fuel, repairs and maintenance, insurance): 3%
- Service delivery (food, clothing, medical supplies, educational equipment, etc): 7%
- Staff costs (salaries, benefits and training): 73%.

Utility costs are included in 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 R278 051 on electricity and water across all regions.

Staff costs

In many businesses, salaries are the biggest expense. 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.

If we want to maintain the quality of our programmes and ensure that 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 continuously explored.







Let's
imagine

When
we play,
we grow.

"Play sparks imagination which leads to creativity which allow a child to generate solutions to problems. A skill society needs."

– Dr Monica Stach

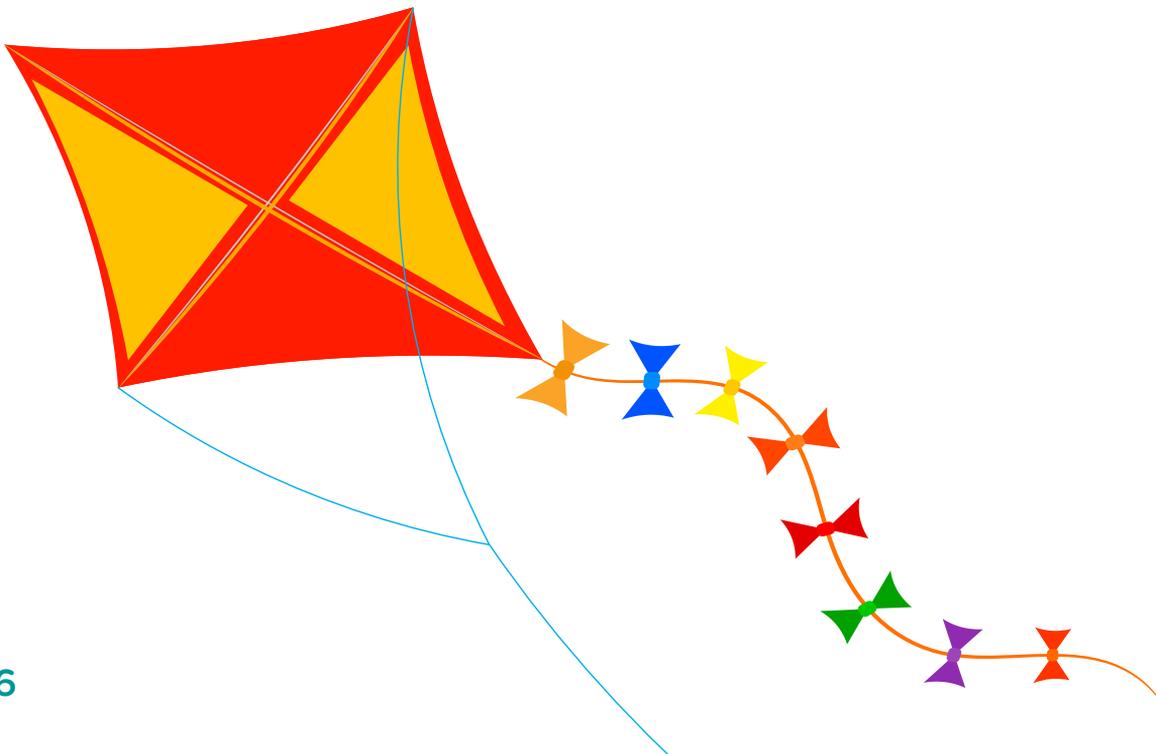
IGNITING POTENTIAL THROUGH PLAY

Our financial performance (continued)

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2018

	Notes	2018 R	2017 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	4 320 085	3 724 767
Current assets			
Inventories	3	–	23 861
Trade and other receivables	4	1 620 536	1 862 326
Cash and cash equivalents	5	3 178 279	6 508 361
Total Assets		9 118 900	12 119 315
EQUITY AND LIABILITIES			
Equity			
Retained surplus		5 061 339	5 244 363
Current liabilities			
Trade and other payables	6	789 756	684 770
Provisions	7	1 009 321	925 861
Designated fund liability	8	2 258 484	5 264 321
Total Equity and Liabilities		9 118 900	12 119 315



STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Notes	2018 R	2017 R
Gross revenue	9	23 046 002	22 729 078
Donations – Local		8 803 481	9 958 525
Donations – Local Government SETA		77 603	96 286
Donations – Local Government DSD		5 493 586	5 250 385
Donations – Foreign		1 964 063	1 929 340
Capacity Skills Projects		863 140	490 156
Individuals		4 146 153	4 732 262
Lotto funding		940 000	–
Sale of Goods		51 268	39 740
Training		706 708	232 384
Cost of sales/Direct expenses	10	(774 523)	(756 264)
Cost of goods sold		92 809	16 318
Direct Mail Costs		681 714	739 946
Gross surplus		22 271 479	21 972 814
Other income		5 448 383	2 742 773
Total income		27 719 862	24 715 587
Operating expenses		28 196 739	25 633 151
Employee costs		20 581 528	18 457 932
Depreciation on property, plant and equipment		583 336	249 260
Operating lease charges		606 085	143 988
Other operating expenses		6 425 790	6 781 971
Operating deficit	11	(476 877)	(917 564)
Investment revenue	12	293 853	190 229
Total comprehensive (deficit)/surplus for the year		(183 024)	(727 335)

Our financial performance (continued)

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	2018 R
Balance at 01 April 2016	5 971 698
Total comprehensive (deficit)/surplus for the year	(727 335)
Balance at 01 April 2017	5 244 363
Total comprehensive (deficit)/surplus for the year	(183 024)
Balance at 31 March 2018	5 061 339

STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Notes	2018 R	2017 R
Cash flows from operating activities		(2 175 878)	303 822
Cash generated from/(used in) operations	14	(2 469 731)	113 593
Interest income		293 853	190 229
Cash flows from investing activities		(1 154 204)	(126 229)
Purchase of property, plant and equipment	2	(1 233 483)	(589 846)
Sale of property, plant and equipment	2	79 279	463 617
Total cash movement for the year		(3 330 082)	177 593
Cash at the beginning of the year		6 508 361	6 330 768
Total cash at end of the year	5	3 178 279	6 508 361

ACCOUNTING POLICIES

for the year ended 31 March 2018

1. 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 those applied in the previous year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
2. Property, plant and equipment						
Land and buildings	2 177 643	–	2 177 643	2 177 643	–	2 177 643
Furniture and fixtures	964 292	(782 436)	181 856	931 265	(757 963)	173 302
Leasehold improvements	982 357	(327 419)	654 938	–	–	–
Motor vehicles	2 315 776	(1 115 175)	1 200 601	2 324 088	(1 055 636)	1 268 452
Office equipment	458 507	(451 441)	7 066	469 557	(462 168)	7 389
Equipment Other	349 701	(251 720)	97 981	349 701	(251 720)	97 981
	7 248 276	(2 928 191)	4 320 085	6 252 254	(2 527 487)	3 724 767

	2018	2017
	R	R
8. Designated fund liability	2 258 484	5 264 321

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.

7. 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.

	2018			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	250 000	–	(250 000)	–
Provision for leave pay	675 861	333 460	–	1 009 321
	925 861	333 460	(250 000)	1 009 321

13. Taxation

No provision has been made for 2018 tax 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.

Our financial performance (continued)

FIVE YEAR REVIEW

for the year ended 31 March 2018

	2018 R	2017 R	2016 R	2015 R	2014 R
STATEMENT OF COMPREHENSIVE INCOME					
Total income	27 719 862	24 715 587	22 594 726	27 208 300	26 994 615
Donations and projects	22 271 479	21 972 814	20 409 986	26 127 067	26 358 539
Other income	5 448 383	2 742 773	2 184 740	1 081 233	636 076
Dissolution distribution - ALL-SA	–	–	–	–	–
Operating expenditure	28 196 739	25 633 151	22 817 975	27 625 765	27 507 020
Employee costs	20 581 528	18 457 932	16 520 248	21 647 334	20 820 175
Depreciation on property, plant and equipment	583 336	249 260	271 289	222 278	257 986
Other operating expenses	7 031 875	6 925 959	6 026 438	5 756 153	6 428 859
Operating surplus/(deficit)	(476 877)	(917 564)	(223 249)	(417 465)	(512 405)
Investment revenue	293 853	190 229	332 760	418 219	524 525
Finance costs	–	–	–	–	–
Total comprehensive surplus/(deficit) for the year	(183 024)	(727 335)	109 511	754	12 120
Staff members (include casuals & tin reps)	182	153	148	148	202
Average cost per employee	113 085	119 514	109 764	146 266	103 070
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	4 320 085	3 724 767	3 760 574	3 900 780	3 341 310
Property, plant and equipment					
Current assets	4 822 676	8 374 387	6 870 852	7 173 934	11 917 915
Inventories	23 861	3 700	3 700	2 974	4 641
Other financial assets	–	–	–	–	–
Trade and other receivables	1 620 536	1 862 326	536 384	420 134	208 502
Cash and cash equivalents	3 178 279	6 508 361	6 330 768	6 750 826	11 704 772
Total assets	9 142 761	12 099 154	10 631 426	11 074 714	15 259 225
EQUITY AND LIABILITIES					
Equity	5 061 339	5 244 363	5 971 695	5 862 188	5 861 434
Retained surplus					
Current liabilities	4 057 561	6 874 952	4 659 727	5 212 526	9 397 791
Provisions	1 009 321	925 861	504 360	508 991	533 951
Designated fund liability	2 258 484	5 264 321	1 254 058	1 086 200	1 421 436
Trade and other payables	789 756	684 770	2 901 309	3 617 335	7 442 404
Total equity and liabilities	9 118 900	12 119 315	10 631 422	11 074 714	15 259 225

	2018	2017	2016	2015	2014
	R	R	R	R	R
STATEMENT OF CASH FLOWS					
Cash flows from operating activities	(2 175 878)	303 822	(316 210)	(4 078 531)	1 085 594
Cash generated from/(used in) operations	(2 469 731)	113 593	(648 971)	(4 496 750)	561 069
Interest income	293 853	190 229	332 761	418 219	524 525
Finance costs	–	–	–	–	–
Cash flows from investing activities	(1 154 204)	(126 229)	(103 848)	(875 415)	1 489 659
Purchase of property, plant and equipment	(1 233 483)	(589 846)	(184 366)	(875 471)	(530 831)
Sale of property, plant and equipment	79 279	463 617	80 518	56	2 020 490
Total cash movement for the year	(3 330 082)	177 593	(420 058)	(4 953 946)	2 575 253
Cash at the beginning of the year	6 508 361	6 330 768	6 750 826	11 704 772	9 129 519
Total cash at end of the year	3 178 279	6 508 361	6 330 768	6 750 826	11 704 772

By order of the Executive Management Committee

DE Ncala

Chairperson

Turffontein

02 August 2018

Members of the Executive Management Committee

DE Ncala (Chairman), MD Coward (Vice-chairman), JA du Preez (Member), NI Postma (Member), M Stach (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.



When
we play,
we grow.

"Play is a self-directed and flexible experience which serves the need of the child while preparing them for the future society in which they will live as adults."

– Brock, 2013

IGNITING POTENTIAL THROUGH PLAY



Let's
experiment

Donor acknowledgement list

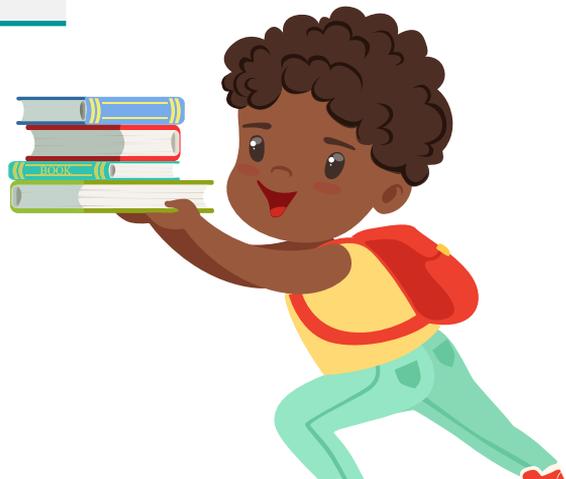
We are very grateful for the unwavering support of so many donors who invest in Cotlands. We thank you for your generosity, loyalty and commitment to our cause, as every contribution enriches the lives of vulnerable children across South Africa. We would not be able to provide early learning opportunities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

476 Alrode Extension 7 (Pty) Ltd
Added Value Engineering Consultants (Pty) Ltd
AECI Ltd
Afripower (Pty) Ltd
Ampcor Khanyisa (Pty) Ltd
Analytical and Diagnostic Products
Antonio Braz Trust
ApexHi Charitable Trust
Aqua Gaming
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Boonzaaier
Brian Heineberg and Associates (Pty) Ltd
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Charles Webster
Consol Glass (Pty) Ltd
Craig Watkins
Cyest
D Micklewood
D S Naidoo
DAL Agency (Pty) Ltd
Dan Saltzman

De Beers Marine (Pty) Ltd
Department of Social Development – Eastern Cape
Department of Social Development – Gauteng
Department of Social Development – Mpumalanga
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Freda Hamersma
Geoff Blount
Grant Kelly
H.V. Test (Pty) Ltd
Hach South Africa
Howden Africa Holdings
Hudaco Trading (Pty) Ltd
Ina Prins
Investec Payroll Giving

Janine Harris
Jean Hamilton (estate late)
Johannes Haasbroek
John Robertson
Kalex Marketing
Kargo International Logistics (Pty) Ltd
KEY Solutions
KNR Flatrock (Pty) Ltd
Leon Cilliers
Life Trust
Lynette Osborne
Market SA
Mico SA
MCI Consultants (Pty) Ltd
Mike Coward
Mike Glover
MySchool
Natal Gaskets
Nedbank Payroll Giving
Nidec Industrial Automation Southern Africa (Pty) Ltd
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Sunny Packs Manufacturing (Pty) Ltd
Susan Shames
Swift Silliker (Pty) Ltd
Swift Tools
The Adele Drechmeier Trust
The Bradfield Foundation
The Doreen Muller Charitable Trust



Donor acknowledgement list (continued)

The Federated Employers' Mutual Assurance Company Ltd
The Giving Organisation
The GS Elkin Residuary Trust
The Hermann Ohlthaver Trust
The Stephen Lewis Foundation
The Wilfred Metje Foundation
Theo Kocken
Thermo Radiators (Pty) Ltd
Tiger Consumer Brands Ltd
Tim Fry

Tony dos Santos
United International Pictures
Vasdex Associates (Pty) Ltd
Whelan Herbert and Elizabeth Test Trust
Wictra Holdings (Pty) Ltd
Williams Hunt (Pty) Ltd
WSP Africa



Independent Assurance Provider's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of Cotlands

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2018 Integrated Report of Cotlands for the year ended 31 March 2018 (the Report). This engagement was conducted by a multidisciplinary team with relevant experience in sustainability reporting.

Subject matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs marked with a 'LA' on the relevant pages in the Report. The selected KPIs described in the table below have been prepared in accordance with Cotland's internally developed guidelines and the B-BBEE Act of 2003 and the Codes of Good Practice (2007) that accompanies the sustainability information on the relevant pages of the Report.

Description	Value and unit	Page
Human resource indicators		
Total workforce: Permanent employees and non-permanent employees	182 <i>Number of employees</i>	37
Human resource by gender: Permanent males and permanent females	151 Female 13 Male <i>Number of employees</i>	37
Staff turnover: Number of employees who have left Cotlands during the year	56 <i>Number of employees</i>	36
Income for FY 2018 by donor group		
Total income received	R20 304 030	41
Donor group as a % of total income	Bequests (0.4%), Collection tins (0.1%), Community groups (0.8%), Corporates and trusts (33.9%), Individuals (7.2%), NLDTF (Lotto) (4.6%), Government (27.4%), Direct mail (11.9%), Training (3.5%), Foreign income (9.7%) and Other (0.5%)	41
Capacity building stats		
Total number of sessions	651 <i>Cumulative number of sessions</i>	9 and 24
Total number of trainees	5 777 <i>Cumulative number of trainees</i>	9 and 24
Early learning playgroups stats		
Number of Early Learning Facilitators (ELF's)	238 <i>Number at year-end</i>	22
Number of Early Learning Playgroups (ELPs)	292 <i>Number at year-end</i>	9 and 22
Number of children enrolled	3 261 <i>Number at year-end</i>	9 and 22
Total number of boys and girls enrolled	Boys: 1 608 Girls: 1 653 <i>Number at year-end</i>	22
Number of meals served	293 498 <i>Cumulative number of meals</i>	9 and 22
Number of referrals	136 <i>Cumulative number of referrals</i>	22

Independent Assurance Report on Selected Sustainability Information

(continued)

Selected Sustainability Information (continued)

Description	Value and Unit	Page
Toy library stats		
Total number of members	145 <i>Number at year-end</i>	9 and 23
Number of play sessions	617 <i>Cumulative number of play sessions</i>	9 and 23
Total number of boys and girls attending play sessions	Boys: 4 295 Girls: 4 012 <i>Cumulative number of boys and girls</i>	23
Total number of children attending play sessions	8 307 <i>Cumulative number of children</i>	9 and 23
Human Resources Indicators		
Percentage of employees who are classified as Black (as defined by the BBEE Codes of Good Practice (2007) in line with the BEE Act of 2003)	90%	37

Directors' responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with 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, commitments with respect to sustainability performance and 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. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publically available to the Report users.

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 1 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 a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance 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 KPIs, assessing the risks of material misstatement of the selected KPI's whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPI's. 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 followed, 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;
- Inspected documentation to corroborate the statements of management and executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected KPIs presented in the Report are 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 timing, 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 a reasonable assurance opinion about whether Cotlands selected KPIs have been prepared, in all material respects, in accordance with the accompanying Cotlands reporting criteria.

Limited assurance conclusion

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 KPIs as set out in the Subject Matter paragraph above for the year ended 31 March 2018 are not prepared, in all material respects, in accordance with the reporting criteria.

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 limited 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 a limited assurance conclusion on the selected KPIs 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

6 September 2018

KPMG Wanooka

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 2017 to 31 March 2018. 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.za

Key:

✓ Included

✓ Included, additional information on GRI content index on Cotlands website

GRI Table 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	GRI table	12	GRI table	13	✓	14	✓
	15	GRI table	16	✓				
Identified material aspects and boundaries								
	17	GRI table	18	✓	19	✓	20	GRI table
	21	GRI table	22	GRI table	23	GRI table		
Stakeholder engagement								
	24	✓	25	GRI table	26	GRI table	27	✓
Report profile								
	28	✓	29	GRI table	30	✓	31	✓
	32	✓	33	GRI table				
Governance								
	34	✓	35	GRI table	36	GRI table	37	GRI table
	38	✓	39	✓	40	GRI table	41	GRI table
	42	GRI table	43	GRI table	44	GRI table	45	GRI table
	46	GRI table	47	GRI table	48	GRI table	49	✓
	50	GRI table	51	GRI table	52	✓	53	GRI table
	54	GRI table	55	GRI table				
Ethics and integrity								
	56	✓	57	GRI table	58	GRI table		

SPECIFIC STANDARD DISCLOSURES

Programme effectiveness								
	NGO1	✓	NGO2	✓	NGO3	✓	NGO4	GRI table
	NGO5	✓	NGO6	✓				
Economic								
	NGO7	✓	NGO8	✓	EC1	✓	EC2	GRI table
	EC3	GRI table	EC4	✓	EC5	GRI table	EC6	GRI table
	EC7	GRI table	EC8	GRI table	EC9	GRI table		
Environmental								
	EN3	✓	EN6	GRI table				
Social: Labour practices and decent work								
	NGO9	✓	LA1	✓	LA3	✓	LA9	✓
	LA10	✓	LA11	GRI table	LA12	✓		
Social: Human rights								
	HR3	GRI table	HR5	GRI table				
Social: Society								
	SO1	✓						
Social: Product responsibility								
	PR1	✓	PR5	✓				

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Scan the code to view
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Annual Report online.

www.cotlands.org.za