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www.cotlands.org

Playing is learning
Igniting potential through play
Our impact

- 66 446 beneficiaries
- 50 058 toys lent
- 24 088 trainees
- 42 toy libraries
- 427 playgroups
- 179 746 registered for online training
- 207 employees
- R4 715 per child per annum in the playgroup programme
- R508 per child per annum in the toy library programme
- 346 105 meals
- 20% improvement in child development outcomes
About this report

Cotlands is a registered non-profit organisation committed to creating access to quality play-based early learning experiences through toy libraries and playgroups. We capacitate adults working with children and we educate the parents of children on a variety of topics related to early childhood development (ECD).

Our integrated report covers all the operations of Cotlands for the period 1 April 2018 to 31 March 2019. This integrated report is a sincere attempt to provide a balanced, accurate and accessible account of our activities to our stakeholders. The materiality was determined in consultation with our employees, beneficiaries, partners, management and the board.

Topics that substantively affect our work are therefore included in this report, which provides an overview of Cotlands’ 83-year journey as well as our strategy, footprint, stakeholders, investors, networks and operating environment. It presents our highlights and includes messages from the chairperson, chief executive officer and treasurer.

Our business model and strategic objectives are outlined as well as our performance against our strategic goals and the activities planned for the upcoming financial year. We describe our governance and the safeguards that are in place, and comprehensively report on our financial performance. Our report complies with the principles and guidelines as provided by the International Integrated Reporting Framework, Global Reporting Standards and the International Financial Reporting Standards (IFRS). Our statistics (non-financial information) were assured by KPMG and our newly appointed auditors, LSG Integrated, undertook our financial audit. The Cotlands board has reviewed this report and satisfied itself of the materiality, accuracy and balance of the disclosures.

Assurances of our business practices, governance and financial information are provided through compliance with audit and oversight from a number of regulatory entities, including:

• The Non-profit Directorate
• The Department of Social Development (DSD)
• The Department of Health (DOH)
• The Department of Labour (DOL)
• The South African Revenue Service (SARS)

Feedback on this report can be forwarded to our chief executive officer, Dr Monica Stach, either via email to monicas@cotlands.org or telephonically +27 11 683 7201.
Situation of children in South Africa

Cotlands operates in the ECD sector in South Africa, with our work focused on direct service delivery by providing play-based early learning opportunities through toy libraries and early learning playgroups for children from birth to five years. We also capacitate parents and adults. The early years provide a unique and singular window of opportunity to nurture human potential and to build the required brain architecture. Every experience impacts the brain’s neural networks. In order for children to thrive, they need an adult who will take care of their basic needs, protect them and spark and nurture their curiosity by providing stimulation and early learning opportunities. Young children also need adequate nutrition and good healthcare to ensure optimum brain development.

In South Africa, 3.3 million of our children below the age of six grow up in poverty that will negatively affect their development. The risks associated with poverty can be negated if children younger than six have access to quality early childhood care and education. Children who access ECD care and education programmes:

- show better health and education outcomes;
- are less likely to be involved in crime;
- show higher individual earnings; and
- are more likely to break the intergenerational poverty cycle.

The National Integrated Early Childhood Development Policy promulgated in 2015 emphasises six essential components that are to be included when working with young children:

- Nutritional support;
- Maternal health;
- Child health;
- Social services;
- Support for primary caregivers;
- Stimulation for early learning.

During the State of the Nation address on 8 February 2019, President Cyril Ramaphosa announced the introduction of a pre-grade R year of compulsory early learning before school as well as the transfer of responsibility for ECD from the Department of Social Development (DSD) to the Department of Basic Education (DBE). This will have a profound impact on our operations over the next three years as we endeavour to position ourselves to capitalise on the opportunities presented by these changes in our operating context.

The introduction of a pre-grade R year will be done in a phased approach, with possibly some sites in the community and some in public schools. Lack of infrastructure, unqualified practitioners, formal classroom set-ups and distances children may have to travel to access the service are some concerns raised by the sector. Despite this, Cotlands plans to provide training and resource support to the pre-grade R cohort of children and practitioners.

The relocation of the ECD functions from DSD to DBE provides an opportunity to further elevate the importance of ECD which may ensure greater investment. Only 1% of the total budget for public education is allocated to ECD. ECD programmes are mostly provided through ECD centres registered as non-profit organisations. Despite the move, Cotlands’ unique offering to the sector remains relevant, and in fact, we expect an increase in the demand for our services and skills.

**Cotlands 2019 Integrated report**

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### Activities

- Business development team sourced revenue from corporate, international donors, government and foundations.
- Introduced a call centre.
- Created an employed skills bank, resulting in less face-to-face donations to schools.
- Created a web platform.
- Launched the toy library programmes.
- Established new processes for online donations.
- Provided receipts for bona fide cash donations.
- Introduced a call centre.
- Operated early learning playgroups.
- Provided playgroups with the required play materials, toys, games, and infrastructure.
- Provided training for facilitators, assessors and management.
- Developed instructional design skills.
- Increased the number of children we reach through partnerships.
- Increased the number of children we reach through partnerships.
- Strengthened the valuation and reputation. Collectively this capital gives us our market.
- Our vision is to give children the best possible start in life.
- To increase access to high-quality early learning opportunities.
- To ensure children are grounded in the language they will be using when entering school.
- To support and improve the quality of early childhood programmes.
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If it was not for our generous investors we would not be able to operate and serve thousands of children across South Africa. This list represents a combination of investments made by individuals, corporates, trusts and foundations as well as in kind giving to the value of more than R20 000 for the year. We also wish to acknowledge the thousands of investors who generously and continuously invest in the work we do – every person’s donation is valuable and appreciated.

Our investors

*Corporate and trusts* 44.2%  
*Government* 21.9%  
*Training* 10.8%  
*Direct mail* 9.7%  
*Foreign income* 4.6%  
*Individuals* 4.3%  
*Community groups* 15.3%  
*Other* 0.5%  
*Bequests* 0.4%  
*Collection line* 0.1%  

Table 4:

<table>
<thead>
<tr>
<th>Income per donor segment</th>
<th>2019</th>
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<tbody>
<tr>
<td>Corporates and trusts</td>
<td>40.3%</td>
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<tr>
<td>Government</td>
<td>21.8%</td>
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We would like to acknowledge the following top 5 local corporate, trust and foundation investors:

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<tr>
<td>3M (Global Giving Foundation)</td>
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<tr>
<td>The Stephen Lewis Foundation</td>
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<tr>
<td>The Kargo National Fund</td>
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<td>The Federated Employers’ Mutual Assurance Company Ltd</td>
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<td>The Limpopo Fund</td>
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Our top 3 donations in-kind:

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Thank you to our top 3 international donors:

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<tr>
<td>Tiso BlackStar Group</td>
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<tr>
<td>The Lunchbox Fund</td>
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<tr>
<td>Kargo National</td>
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</table>

A special thank you to all our donors who have consistently supported Cotlands over the past decade. Your unwavering support is truly valued. A full list of these donors is available upon request.

Cotlands is a full-service non-profit organisation that provides quality child care, nutrition, health and education services to children aged 0-6 years from families living in poverty. We believe that quality early childhood development, when done well, is one of the most powerful ways to break the cycle of poverty and transform the lives of the next generation. We serve children in four sites in three different provinces across South Africa: Cotlands 1, Cotlands 2, Cotlands 3 and Cotlands 4. We also run a mobile service that reaches an additional 10,000 children each year.

At Cotlands, our mission is to give every child a fighting chance to achieve their potential. We work with communities to improve the lives of children and families across South Africa by providing quality early childhood education and nutrition services, and ensuring that every child has access to essential health and development services.

Thank you for your support! 

Cotlands

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Cotlands in numbers

**Toy libraries**
- 16 toy librarians
- 7 toy-library deposits
- 7 mobile toy libraries
- 253 toy library members
- 7 116 participants at World Play Day
- 4 137 children reached through toy library play sessions
- 50 058 toys lent
- 9 580 cost per child per year in our toy library programmes
- 228 ECD centres served

**Projects and partners**
- 209 playgroups owned by partners
- 26 toy libraries owned by partners
- 4 toy libraries quality assured for a partner
- 32 220 children as secondary beneficiaries

**Early learning playgroups**
- 389 early learning playgroup facilitators
- 427 early learning playgroups
- 4 397 children attend playgroups
- 346 105 meals are served
- 121 referrals
- R4 719 cost per child per year in a playgroup

**Capacity building and training**
- 24 088 people trained on Cotlands skills courses
- 173 746 registered on playsa.org
- 138 563 completed a course on playsa.org

**Marketing and communications**
- 7 437 Facebook followers
- 1 521 Twitter followers
- 6 063 printed newsletter subscribers

**For every R1 invested in Cotlands’ programmes, the assessment evidence confirms an average of 20% improvement in the children’s school readiness scores.**

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\*Limited Assurance provided by KPMG
Highlights of FY2019

- The Cotlands programme was externally validated and our early learning playgroup model, supported by the toy library, increased children’s developmental scores by a phenomenal 20% according to the Early Learning Programme Outcome Study 2018.
- We successfully concluded the first ever, largest online training initiative in early childhood development, in partnership with the DBE, UNICEF and the LEGO Foundation with 179,746 people registering to do the online play-based learning course.
- We delivered on 16 individual projects (a 38% increase since last year) on time and in budget, thereby valuably increasing our reach and impact.
- Through our existing toy library, playgroup and capacity-building programmes and 16 projects, we impacted the lives of 66,446 beneficiaries, (a 214% increase since last year) and we served 346,105 meals (an 18% increase since 2018).
- We successfully set up the first toy library depot and attached a toy library trailer to an existing mobile health clinic in KwaZulu-Natal. This initiative displayed the power of inter-sectoral collaboration between corporates (i.e. Mondi, Angelo Karter and SA Van Converters), government (the Department of Health in KwaZulu-Natal) and Cotlands. It is a model of collaboration and co-operation that we seek to build on as a core part of our strategy, which includes being successfully shifted to align with changes in our operating environment.
- For the first time in Cotlands’ history, we launched a television and radio campaign called Previously Advantaged which can be viewed at www.cotlands.org.
- Cotlands played – and continues to play – a leading role in transforming the Toy Library Association South Africa into a multi-stakeholder association, a role which enabled us to be part of the team that compiled the Gauteng Guidelines for the Registration and Implementation of Toy Libraries.
- We were delighted to introduce Cotlands’ first annual celebration event aimed at recognising the regional team that was most successful in terms of implementing the toy library and early learning playgroup programmes, and to celebrate the regional team that had the greatest impact on children’s developmental scores. The event was very successful and meaningful for both staff and board members.
- Cotlands’ board and executive management systematically reviewed our constitution, which resulted in significant improvements in a number of key governance areas, including sub-committee agendas and reporting frameworks and the overall role and responsibility of the board.
- We proactively set out to strengthen our internal skills set and successfully appointed a business development head and a marketing and communications national manager. We also reorganised our business development team, which resulted in a more scientific approach to nurturing and engaging new investors.
- We were very proud to set up Cotlands for a new era of learning and teaching by developing a dedicated training unit and equipping a core team of employees with instructional design skills.
- The introduction and review of stringent cost control measures resulted in satisfactory financial results.

Challenges in 2019

- Demand for our project-based work exceeded our human resources capacity.
- Developing a robust project costing template has proven to be more challenging and time consuming than expected.
- Stats auditing and reducing the margin of errors from the projects and regional teams remained a challenge and required a revised strategy for the operations and projects teams.

Cotlands at a glance (continued)
Our 83-year journey

**Baby sanctuary era**

Established by Matron Dorothy Reece, a US missionary nursing sister, after finding an abandoned baby on her doorstep.

1936

The home moved to larger premises in Kenilworth. Strict vetting procedures were instituted for prospective adoptive parents due to a national shortage of babies.

1942

Public health department requested that Matron Reece make alterations to the home. Due to financial constraints, Matron Reece decided to close the home.

After an appeal by the Sunday Times, £4 000 was raised and the home was registered as a charitable institution.

1952

The Cotlands nursery school opened in Turffontein in Gauteng.

Some residential children were diagnosed with HIV.

1953

The sanctuary in Turffontein in Gauteng was opened.

**Paediatric HIV/AIDS community care and hospice era**

Cotlands was the first organisation in South Africa to open a paediatric hospice providing end-stage care for children with AIDS.

1993

Cotlands was the first organisation in South Africa to open a paediatric hospice providing end-stage care for children with AIDS.

1996

The Aids hospice at Cotlands opened – the first in South Africa.

1998

Launched Cotlands/Chris Hani Baragwanath HIV/AIDS counselling project.

1999

Formulated policy guidelines for children infected/affected by HIV/AIDS.

2003

Implemented antiretroviral treatment for HIV-positive children.

Opened the second Cotlands’ hospice in Somerset West in the Western Cape.

2004

Home-based care services for HIV babies were offered in Soweto in Gauteng and Mabola in KwaZulu-Natal.

2005

Opened Cotlands’ nutrition project in East London in the Eastern Cape.

Acquired Macassar Haven in Macassar in the Western Cape.

Cotlands at a glance (continued)
Early childhood era

Cotlands celebrated 70 years
Opened Everest ECD centre near Boschfontein in Mpumalanga
Opened Cotlands House in Turffontein, Johannesburg in Gauteng

Macassar Haven became a community centre
Opened Cotlands toy libraries in East London in the Eastern Cape and Soweto in Gauteng

Toy library depot established in Macassar in the Western Cape
ECD centre opened at the Macassar Haven community centre in Macassar in the Western Cape

2006

2007

2008

2009

2010

2011

2012

2013

Non-centre based:
Toy libraries and early learning playground era

Early learning playgroup model for new-borns to four-year olds launched in May
Cotlands launched its first two mobile toy libraries in Gauteng, followed by one more in KwaZulu-Natal
A toy library depot was launched in Lydenburg in Mpumalanga in 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

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
In December, Cotlands announced the transformation of the Aids Hospice into the Cotlands Child Care unit due to the drastic reduction in Aids-related deaths
Non-centre based: Toy libraries and early learning playground era

- **1998**
  - Initiated early learning playgroup pilot in partnership with Ilifa Labantwana and the Department of Social Development in North West
  - Launched our first mobile toy library in Mpumalanga
  - Closure of residential baby units in Gauteng and Western Cape

- **2015**
  - Elected an interim steering committee for the Toy Library Association South Africa (TLASA)
  - Developed procedures and processes for the projects unit
  - Set up a training unit focused on providing online training courses

- **2016**
  - Appointed as regional franchisor for SmartStart in North West
  - Expanded early learning playgroups to Barberton in Mpumalanga
  - Set up a toy library depot in Barberton

- **2017**
  - Cotlands' head office and Gauteng region moved to new premises located at 9 Data Crescent, Ormonde

- **2018**
  - Launched four PLAY online courses focused on providing in-service training on play-based learning to 150,000 practitioners and teachers
  - External evaluation using Early Learning Outcomes Measure to determine the impact of our early learning playgroup programme on children's school readiness scores

- **2019**
  - Cotlands 83-year journey (continued)

Online training era

- Closure of Olievenhoutbosch toy library depot
- Elected an interim steering committee for the Toy Library Association South Africa (TLASA)
- Developed procedures and processes for the projects unit
- Set up a training unit focused on providing online training courses
- Launched two toy library trailers linked to mobile health clinics: the first in Mkhondo in Mpumalanga and the second in uMkhandakude in KwaZulu-Natal
- Reviewed Cotlands' constitution and board mandates
It is remarkable to witness the continued expansion and evolution of Cotlands as a non-profit organisation that is committed to making a substantial difference during children’s pre-school years by focusing on developing a range of social and academic skills needed to be successful in formal schooling. If all children in South Africa access quality play-based early learning opportunities that prepare them for school, we could create a more equal society and promote social cohesion.

As the chairperson of a board of 12 non-executive directors, I have seen the governance of this board grow from strength to strength. Newly appointed board members have brought with them experience and expertise relating to King IV. Inadvertently, this influenced the board’s activities during the year under review.

The organisational development committee rewrote our constitution which was adopted at a special general meeting in November 2018. Included in the constitution is a Delegation of Authority document that came into effect on 1 April 2019. The amended constitution clearly outlines the mandate of each committee, which impacts the respective agendas of the three sub-committees. These were updated and key activities were added to the annual governance calendar to ensure that sub-committees fulfilled their mandates. The format of the sub-committee and board reports were also aligned.

The board also participated in a strategy session with the executive team to determine the objectives for the next three years, and an implementation plan was developed and approved. The governance and nominations committee undertook a performance review of the CEO and is satisfied with the progress made towards achieving the strategic goals.

I wish to thank every board member for the active role you play to ensure good governance is upheld in Cotlands. Apart from attending not less than eight meetings per year, you give of your expertise and time when ad hoc committees are set up.

Personally, I eagerly follow the progress being made in both the projects and training units. It is through partnerships that we will continue to exponentially grow our beneficiary base. Capacitating others is another key strategic focus of our work in the coming year as we continue to disrupt the training space using online platforms to close the skills gap in ECD.

Dumisani Ncala
Chairperson
We had an exciting year where we reached 66 446 beneficiaries, more than doubling our impact of the previous financial year, while forging strategic partnerships which increased our reach. The exponential growth in the number of beneficiaries is due to our increasing capacity building as well as reaching more children through toy library-related projects. Our overall goal of setting up 500 toy libraries between 2019 and 2022 is underway, with Cotlands inspiring the set-up of 42 toy libraries this year. Combining toy libraries with mobile health clinics will also contribute towards us achieving our goals. In addition, collaborating with the Department of Sport, Arts, Culture and Recreation in the coming financial year will further contribute to the target of launching 500 toy libraries.

Our projects team successfully delivered 16 projects, on time and within budget. In keeping with our core business of providing access to play-based early learning opportunities, the Play Every Day project was a proud accomplishment. Cotlands reached 752 parent and child pairs for a period of 12 weeks, equipping parents to play with their children.

The PLAY project was by far the most ambitious and largest project that Cotlands has been involved in to date, and against all odds, we exceeded the target of 150 000 people by having 179 746 people registered for the online play-based learning course by March 2019. We are exceptionally proud of every Cotlander who contributed to the success of this project. The organisational lessons learnt disrupted our thinking in relation to training in the ECD sector.

During the last quarter, we set up a training unit focused on finding a solution to the skill shortage of qualified ECD practitioners through online learning. In the coming financial year, our greatest investment will be in the training unit. We will continue to grow the skills set of our instructional designers so that they can deliver world-class online content. We will grow our partnership with NECDA as we digitise the ECD Level 4 qualification and develop an online version of the OCTO Level 4 qualification. We further plan to develop and launch the first accredited online toy library qualification, firmly establishing toy librarianship as a career and specialisation option within the early childhood and library sector. This team will also be working on an online portfolio of evidence aimed at making the process of recognition of prior learning effortless and affordable to training providers in the ECD sector.

We are particularly proud of the quality of work done by the operations team that managed to increase children’s school readiness scores by 20% as confirmed by an independent research study. We will continue seeking ways in which to improve our model and will be implementing a range of initiatives as outlined in the early learning playgroup section of this report.

Despite continued economic and political turmoil, our business development team will strive to nurture our existing donors while finding ways to expand our donor base, with the support of our newly appointed marketing and communications manager. Our finance team will continuously find ways to minimise expenses while our human resources department recruits and retains the required competencies for us to deliver on our strategy.

We look forward to FY2020 as we work towards creating an evaluation instrument to measure the impact of our toy library programme, and figuring out how to take the toy library model to scale. We will also work on creating a social impact bond to finance the scaling of the toy library model. In addition, Cotlands will continue supporting the objectives of the Toy Library Association South Africa as they promote the importance of toy libraries in the country and also host the 15th International Toy Library Conference in the country.

I wish to extend my gratitude to our employees. Our teamwork, collaboration, ability to innovate and the passion with which each of you work to serve children is admirable. Thank you for your engagement and for executing every task responsibly and with such joy and energy. You are play ambassadors and protect the rights of children. Your continued search for excellence and finding ways to improve the quality of the work we do is the very reason Cotlands is highly regarded in the ECD sector. I want to encourage you to continue serving children in this way.

To our board who selflessly and without remuneration dedicate so much of their time to not only oversee the governance of Cotlands, but who sincerely and continuously inspire the leadership team to greater heights, raising the bar quarter by quarter. Your expertise is of immense value. Your willingness to sit through brainstorming sessions is appreciated. Your support of our strategy on so many levels enables Cotlands to go from strength to strength. I am indebted and grateful to every board member for the work you do for Cotlands and the children we serve.

The board has strengthened its governance during this year, which lays a solid foundation as we journey towards implementing the good governance principles set out by King IV. To our partners and donors, thank you for enabling us to do the work we do, because you invest in the work we do.

Dr Monica Stach
CEO
2019 was a very successful year operationally and several successful strategic initiatives and changes in our method of operation were satisfactorily achieved. Funding remains an issue and we would like to recognise and thank all of those involved in supporting Cotlands financially, thus allowing us to carry out our mandate over the past year. Your efforts have allowed the Cotlands team to make a meaningful difference in thousands of young disadvantaged and marginalised South Africans lives, through our various ECD programmes.

The South African economy is being impacted by sluggish growth, changes in B-BBEE codes and general nervousness as to what the future holds, which, as well as the negative impact on company profits and employment, has also had an impact on investor behaviour. Cotlands has been fortunate in that we have a number of very loyal supporters who have continued to invest in our future, and our operating costs have been very well controlled.

Cotlands will always ensure that we reach as many children as possible, who have no exposure to ECD programmes, to benefit their lives through participation with Cotlanders or people employed by Cotlands. Regrettably, the growth in funding required to expand this initiative is very difficult to come by, and we certainly hope that we can partner with more large international and local trusts to play a bigger role in investing in the ECD space. During 2019/2020 a lot of effort will be put into developing and launching some exciting fundraising initiatives.

To continue to expand our footprint and reach, we have recognised the need to develop internal programmes that allow us to generate our own funds to service the most vulnerable through partnerships with corporates, government departments and other NGOs. This change in strategic focus to pursue the running of projects with various partners, while utilising our intellectual property to grow training in the various communities in which we operate, has meant significant changes to the financial structure and operating requirements of Cotlands. Costing systems have been developed and improved management reporting systems have been instituted to ensure that these programmes are well managed both for our own needs and those of the main sponsors. This change has been managed very well.

A key output of this drive is to generate funds to expose many more people in need of ECD interventions without incurring the short-term and long-term fixed costs required to maintain and run these programmes.

During 2019 the PLAY initiative, which was done in conjunction with UNICEF, the Department of Basic Education and the LEGO Foundation, provided an e-based learning system for teachers in both the formal and informal sectors, and resulted in more than 150 000 practitioners being exposed to the latest thinking around play-based learning. On-site toy libraries have been initiated with Mondi for their workforce and Afrika Tikkun and Takalani Sesame have supported significant training initiatives.

For many years we have offered training to various government departments and individuals, and we believe that these can be extended significantly, while also being self-funding. A school opened in the old Cotlands building on 1 January 2019 and will provide a further level of funding in the year.

One of our strengths is running a very ethical and professional operation which is ably supported by the accounting department which, we are very pleased to say, has satisfied the audit requirements of various donors who have requested this level of assurance.

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 from third-party providers and partners.

We look forward with eager anticipation to what 2020 brings.

Motseki Majake
Treasurer
Fish origami

The art of folding paper

This is your origami square
Our strategy

Our overarching three-year strategic objective from 2019 to 2022 is to set up and inspire 500 toy libraries in partnership with a variety of investors.

Our strategic intent from 2019 to 2022 is to generate revenue to sustain Cotlands non-profit direct service delivery activities (i.e. toy library, playgroup and capactitation). Revenue generation is possible through strategic partnerships and establishing an accredited training unit that provides online training and offers students the opportunity to go through a recognition of prior learning process (which is also completed online).

We self-assessed our achievement of our strategic goals by evaluating the progress made against each activity linked to the goal. A score of 1 was assigned if the activity was not yet started or if unsatisfactory progress was made during the year under review. A score of 2 was allocated for the activities that we were making satisfactory progress against and a score of 3 was given for activities we completed during this financial year. The cumulative score per strategic goal was calculated and expressed in an overall percentage. The table on the following page provides the performance achieved against each strategic goal as well as setting out the plans for the next financial year in terms of each strategic objective.

<table>
<thead>
<tr>
<th>Strategic goal 1: Provide skills training and equipment through community-based resource and incubation hubs (toy libraries) to improve the quality of early childhood development programmes</th>
<th>2019 %</th>
<th>Future plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>86</td>
<td>Develop an evaluation instrument to measure the impact of the toy library programme</td>
</tr>
<tr>
<td>Strategic goal 2: Strengthen communities by creating access for vulnerable children to a comprehensive package of services through early learning playgroups</td>
<td>83</td>
<td>Maintain quality playgroup services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conduct baseline and summative assessments to determine the return on investment scores</td>
</tr>
<tr>
<td>Strategic goal 3: Support programmes and community development through projects and strategic partnerships to increase opportunities for play-based learning aimed at improving school readiness</td>
<td>73</td>
<td>Secure strategic partnerships that will increase the number of toy-libraries inspired by Cotlands</td>
</tr>
<tr>
<td>Strategic goal 4: Provide accredited training</td>
<td>41</td>
<td>Create an accredited online toy-library qualification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Develop a play facilitation online training course</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digitise course material for clients</td>
</tr>
<tr>
<td>Strategic goal 5: Sustain strong governance and compliance through transparent and effective business development, finance and human resources management, including an effective marketing and communications strategy</td>
<td>73</td>
<td>Use King IV as an evaluation instrument for the board</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formalise board evaluations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our programmes, networks and legal frameworks

1. Cotlands direct service delivery: toy libraries, playgroups and capacity building

Our business model is straightforward. We depend on our investors to provide the financial capital that enables every Cotlander to continue serving children and their parents through quality play-based early learning opportunities that move children towards school readiness. We package our holistic offering into three programmes: toy libraries, playgroups and capacity building.

We serve vulnerable children in marginalised communities and support parents in their important task of parenting, while also capacitating others to implement our programmes and play-based learning. The people who work at Cotlands proudly refer to themselves as Cotlanders with orange blood. Our Cotlanders are our most valuable asset. Their passion, commitment, professionalism and creative innovations make Cotlands a thought leader in the ECD space. Any conversation with a Cotlander leaves you inspired and confident that what we do really matters. They are continuously improving their skills and applying it at the point of service delivery, or improving organisational systems and processes. Cotlanders’ ethical compass and sincere belief in our values permeate the very fabric of our organisation.

But, we would not be able to operate if it were not for the continued support of our loyal and generous investors, some of whom have been donating to Cotlands for more than 30 years.

When investors meet a Cotlander and experience their loyalty and belief in the work they do, investor confidence grows and they have the desire to be part of this unique ECD solution. Investing in ECD has a lifelong impact on the children of South Africa. We raise sufficient financial capital from diverse income streams to sustain our current operations, and through projects and partnerships we increase the number of children and adults we impact. We have made good progress towards setting up the projects and training units, which will further increase and diversify our income streams. Our impeccable financial management records, combined with the responsible utilisation of funding, leads to reaching our outcomes efficiently and effectively. For every R1 invested in Cotlands’ programmes, the assessment evidence confirms an average 20% improvement in the children’s school-readiness scores.

The continued success of our work is vested in the quality and extent of our social and relationship capital. We purposefully plan activities to connect with, nurture and inform the various stakeholder groupings to enhance this capital. We connect with our stakeholders through regular and up-to-date communication through our website, newsletters and social media postings. Our social capital is nurtured through community dialogue where required. Healthy and trusting relationships with our parents and children are critical. We nurture these relationships by offering exceptional services and keeping parents informed of their children’s development through reports. We also capacitate parents through workshops.

Our intellectual capital lies in our unique toy library and playgroup model, packaged in such a way that our competent team implements a standardised programme regardless of where they are located. Our 85-year-old brand and substantial donor database further enhance our intellectual capital. Our regional offices, toy library depots, mobile toy library vehicles, playgroup venues and variety of play materials, toys, games and books form part of our manufactured capital which enables us to operate.

2. Projects and partnerships

We successfully delivered on 16 projects, on time and within budget, which significantly increased the number of beneficiaries we reached.

Kagiso Trust (Free State)
- Quality improvement through capacity building of five ECD centres
- Establish an inter-sectoral committee
- Advocate on the importance of ECD

Save the Children (Limpopo)
- Toy library set-up and administration training

Afrika Tikkun (Gauteng and Western Cape)
- Quality assurance of four toy libraries
- Set up one of the four toy libraries
- On-site monitoring and support

Takalani Sesame Play Every Day Pilot (Gauteng)
- Workshop pilots
- Material development

Takalani Sesame Play Every Day (Gauteng, Eastern Cape, Western Cape and KwaZulu-Natal)
- Encourages parents to play with their children
- Conducts parent and child pair workshops

Mpumalanga DSD Provincial Capacity Building Programme
- Capacitate selected non-profits to implement Cotlands’ toy library and playgroup model

Gauteng DSD Provincial Capacity Building Programme
- Capacitate selected non-profits to implement Cotlands’ toy library and playgroup model

PLAY online training - national (UNICEF, DBE and the LEGO Foundation)
- Four online play-based learning training courses

SmartStart (North West)
- SmartStart franchisor implementing playgroups

Mondi (Mpumalanga)
- Mobile health clinic and toy library project

| City of Johannesburg Metropolitan Municipality |
| Holiday programme |

Theewaterskloof Municipality (Western Cape)
- Toy library training and monitoring

Rupert Foundation (Western Cape)
- Set up a mobile toy library
- Toy library set-up and administration training

Ambassadors for Good (Northern Cape)
- Play-based learning training and also provided starter-pack play kits

Eastern Cape Department of Basic Education
- Play-based learning training for officials

Parenting training programme in partnership with NECDA (Western Cape, KwaZulu-Natal, Mpumalanga, Northern Cape, Gauteng and Eastern Cape)
- Parenting training

- Limited Assurance provided by KPMG
3. Training unit

This year Cotlands set up a training unit by seconding an executive member and four team members to set up this important income-generating unit. Although Cotlands is accredited by the Services Seta for the unit standard related to writing a business plan, the vision for the training unit is to provide a range of accredited courses. Our application for extension of scope to the Education, Training and Development Practices Seta will enable us to provide accredited ECD Level 4 qualifications.

The training unit is creating an online learning platform called IGNITE. We invested in the upskilling of eight Cotlands staff members on instructional design, increasing our internal capacity to develop and author online training courses. A pilot project is underway where a group of learners will be testing the online ECD Level 4 qualification from April 2019. In addition, the training team is developing an online recognition of prior learning programme for the ECD Level 4 qualification. This will enable those who have been working in the ECD sector for at least two years, without formal qualifications, to create an online portfolio of evidence of their experiential learning. They would only need to enrol for unit standards in which they are not yet competent.

By the end of the next financial year the training unit will also have created a toy library qualification which will be available online.

4. Our network

- International Toy Library Association (ITLA): promotes toy libraries internationally
- ECD community of practice (COP): multi-stakeholder forum that facilitates information exchange on ECD practice
- National Child Care and Protection Forum (CCPF): a Department of Social Development forum where policy, the Children’s Act and ECD matters are discussed
- National Early Childhood Development Alliance (NECDA): network of ECD training providers
- National Inter-sectoral Forum for ECD: provides the opportunity to meet with government and influence policy
- South African Civil Society for Women’s, Adolescents’ and Children’s Health coalition (SACSoWACH): advocacy group for the health of newborns, children, adolescents, women and mothers; members of the Early Childhood Development Working Group
- Toy Library Association South Africa (TLASA): promotes best practice principles of toy libraries
- Just Footprints Foundation (JFF): Cotlands is a founding member of JFF, which organises camps for orphaned and vulnerable children
- KwaZulu-Natal Health Promotions Forum: a multi-sectoral stakeholder forum that promotes the overall well-being of children in the province
- Right to Play South Africa: a coalition aimed at promoting safe spaces for children to play

5. Legal frameworks we subscribe to and are guided by

- The United Nations Declaration on Human Rights (Resolution A/RES/217[III]) (1948)
- The Children’s Act, No 38 of 2005
How we create value (continued)

Our employees

Our most valuable asset is our employees. We endeavour to retain our employees by investing in their training and ensuring comfortable and fair working conditions. Our policy is to promote from within and we will only recruit skills externally if these are not available internally. A critical aspect to ensure quality service provisioning and effective administration at project level is continued investment in annual in-service training. A total of 633 training sessions of four hours each amount to an investment of 2 532 in-service training hours.

Cotlands is a learning organisation with innovation being part of our DNA. Cotlanders are creative and passionate people who diligently and generously give their very best to the children they serve and the tasks they are responsible for on a daily basis. We pride ourselves in caring about the well-being of our employees, and we strive to create an environment where everyone can develop and flourish. We encourage teams to invest in team building activities, to celebrate birthdays and to commemorate public holidays.

The performance of our employees is monitored using a range of indicators such as number of early learning playgrounds, number of children receiving services, proposals sent out, and income received. All of our employees complete quarterly personal development plans that are designed to identify priorities for the period as well as development needs; these also provide an opportunity to acknowledge when employees go the extra mile. The plans also give constructive feedback on how the employee is faring against the goals of the team and the organisation. We implemented a reward and recognition system and instituted an annual celebration event. Regrettably, we still face the challenge of not having sufficient financial resources to pay performance-based bonuses.

Our HR department ensures that our workplace skills plan complies with and is implemented as required by South African legislation. A total of R652 889 was spent on skills development in FY2019. Cotlands contributes 60% of training costs for external providers. Our training budget was used to invest in project management skills; this is in line with our strategy to do projects as a means to generate revenue. We also invested a considerable amount in equipping employees driving Cotlands’ vehicles with defensive driving skills in an attempt to reduce the number of incidences where vehicles are damaged due to either incorrect handling or not reporting malfunctions to management.

We also undertook a comprehensive health and safety audit in all the regions to determine risk as well as to create awareness of health and safety at work. The turnover rate in the previous year was 31%, with this year seeing a decline to 19%. The decline in the turnover rate may be attributed to more stringent recruitment procedures and ensuring employees have the required competencies at the point of employment. Sadly, one of our employees passed away while on duty when a candle started a fire in the guardhouse. Another two employees passed away due to health reasons.

Cotlands provides equal opportunity employment regardless of race, sex, religion or political affiliation. We have 207 employees, of whom 20\% are permanent employees. Mpumalanga has the highest number of employees in Cotlands, with North West having the least employees because we only employ the least employees because we only employ club coaches in that region. Although we have not strategically enforced black economic empowerment policies, our employment equity figures exceed all legislated targets:

- 90\%-\% of our employees are from previously disadvantaged groups (African, Coloured and Indian).
- 91\%-\% are female.
- 69% of our senior management team are from previously disadvantaged groups (African, Coloured and Indian).
- 92% of our senior management team are women.

Our team is organised into six departments, each with its own objectives and activities. The executive team comprises the chief executive officer, chief learning officer, chief operations officer, national finance manager and national business development manager.
How we create value (continued)

Our stakeholders

Our key stakeholders are our employees, the children we serve, their parents or adults working with them, the communities where we work, the individuals and corporates that are our investors, our project partners, the regulatory bodies, ECD networks and our suppliers that make it possible for Cotlands to operate.

Identifying and engaging with our stakeholders is an important element of our work. The impact that our social and relationship capital has on our work is of utmost importance since it directly relates to the core of our business: making a difference in society. The only way to do that is to understand who our key stakeholders are. We need to invest time, nurture, inform, engage and collaborate with them. Our key stakeholders are our employees, the children we serve, their parents or adults working with them, the communities where we work, the individuals and corporates that are our investors, our project partners, the regulatory bodies, ECD networks and our suppliers that make it possible for Cotlands to operate.

We see our key stakeholders as those who most materially impact our strategy, or are directly impacted by it. We identify our critical stakeholders on an annual basis and categorise them into four categories, based on their influence on and interest in our work.

<table>
<thead>
<tr>
<th>Key stakeholders</th>
<th>How we engage</th>
<th>Key areas of influence or interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees</strong></td>
<td>• Induction and orientation of new employee members • Initial and continued in-service training and investment in accredited training to enhance skills sets • Job descriptions • Personal development plans • One-on-one sessions to review performance • Site visits to support implementation • Surveys</td>
<td>• Culture of our organisation • Determine our quality of services • Impact on our reputation</td>
</tr>
<tr>
<td><strong>Children whose potential we ignite</strong></td>
<td>• Playgroup sessions • Assessments • Supporting their learning • Identifying children needing additional health or social intervention and referring them • Parent satisfaction surveys</td>
<td>• Children’s outcome scores directly influence programme delivery</td>
</tr>
<tr>
<td><strong>Communities</strong></td>
<td>• Use community spaces for our playgroups • Attend meetings • Presentations at local forums • Community entry engagements when working in new areas • Participate in community events</td>
<td>• A community’s support of programmes creates an enabling operating environment</td>
</tr>
<tr>
<td><strong>Investors</strong></td>
<td>• Relationship managers nurture donors assigned to them • Customised proposals • Narrative and financial reports • Annual general meeting • Integrated report • Presentations • Newsletters • Emails</td>
<td>• Good governance of finances in the organisation • Return on investment measured in number of children reached</td>
</tr>
<tr>
<td><strong>Project partners</strong></td>
<td>• Status update meetings • Reports • Site visits</td>
<td>• Delivering projects on time and within budget</td>
</tr>
<tr>
<td><strong>Regulatory bodies</strong></td>
<td>• Meetings • Narrative and financial reports • Presentations • Think tanks</td>
<td>• Regulate programmes through registration processes</td>
</tr>
<tr>
<td><strong>Networks</strong></td>
<td>• Attend meetings • Occupy leadership positions</td>
<td>• Raise credibility and visibility of Cotlands through membership • Cotlands influences the ECD sector</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>• Emails • Contracts • Negotiate reduced rates</td>
<td>• On-time payment</td>
</tr>
</tbody>
</table>
How to tie my shoes
Our governance

Cotlands is governed by a constitution, which requires a board of 8 - 20 members. The current board comprises 12 independent non-executive board members, one executive board member (CEO) and a company secretary.

The auditor and the board are elected at the annual general meeting. At the first board meeting, Dumisani Ncala was elected as chairperson by board members casting their vote. The board is divided into three sub-committees, namely:

- audit, risk and investment committee
- organisational development committee
- business development and marketing committee

A fourth ad hoc committee called the governance and nominations committee ensures the effective functioning of the board and its sub-committees.

All meetings are scheduled in advance which contributes to high attendance rates at the meetings. The board meets four times a year to oversee the governance of the organisation and once a year to review and improve the strategy of Cotlands. Each committee meets four times a year. All meetings have minutes and an agenda informed by the committee mandate as outlined in the constitution.

The term of board membership is three years from the date of appointment to the board. Board members can serve two consecutive terms to a maximum of six consecutive years, after which they will be required to step down.

The board approves the annual budget which is compiled and presented by the executive management team. Expenditure exceeding R7,000 is to be approved by the audit, risk and investment committee. However, a new Delegation of Authority document is being finalised and will be implemented from 1 April 2019.

Effective governance is ensured by separating the roles of the chairperson of the board and the CEO. This separation also ensures that control of Cotlands is vested in members attending the AGM, the board and the executives. Executives have clear mandates within which to operate.

Cotlands’ governance structures aim to achieve and uphold the principles of transparency, accountability, integrity and ethical leadership. The activities of the organisation are monitored, supported and guided by the board.

Our governance and safeguards (risks)

5 in 10 children in SA have access to the advantage of play-based early childhood development
Our governance (continued)

Our material risks

Cotlands material risks are similar to other non-profits operating in the sector. An annual risk assessment is conducted by each department within Cotlands, and by the board.

### Risks

<table>
<thead>
<tr>
<th>Risks</th>
<th>Controls in place to mitigate risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early learning playgroup and toy library programmes are perceived by donors as not having a meaningful impact on children’s developmental outcomes</td>
<td>• Early learning outcomes measure evaluation to identify gaps</td>
</tr>
<tr>
<td>The number and nature of risks outside of our control increase as more organisations implement Cotlands’ learning playgroup and toy library programmes, because we cannot be everywhere to monitor standards and delivery all the time</td>
<td>• Continued monitoring and on-site support</td>
</tr>
<tr>
<td>Play-based learning is not valued by parents</td>
<td>• Parent training sessions</td>
</tr>
<tr>
<td>Ability to manage multiple projects on time and within budget</td>
<td>• Recruit senior project manager</td>
</tr>
<tr>
<td></td>
<td>• Ensure scoping and costing process is meticulous</td>
</tr>
<tr>
<td></td>
<td>• Refine project management processes</td>
</tr>
<tr>
<td></td>
<td>• Decentralise project management to regions providing they have the capacity and staffing to implement the project</td>
</tr>
<tr>
<td>Accurate costing of projects to ensure a reasonable management fee contributes to the sustainability of the organisation</td>
<td>• Costing needs to be market related and based on actual costs</td>
</tr>
<tr>
<td></td>
<td>• Project management fee to be included</td>
</tr>
<tr>
<td>Reduction in number of donors and the amount being donated resulting in financial constraints</td>
<td>• Analyse donor base and create strategy to retain donors through a variety of relationship-building strategies</td>
</tr>
<tr>
<td></td>
<td>• Aggressively seek new donors aligned to Cotlands’ cause</td>
</tr>
<tr>
<td>Retention of qualified and skilled employees</td>
<td>• Incentive plans linked to performance deliverables</td>
</tr>
<tr>
<td></td>
<td>• Offer training and development opportunities</td>
</tr>
<tr>
<td></td>
<td>• Balanced work-life environment</td>
</tr>
<tr>
<td>Succession plan for chief executive officer</td>
<td>• Early identification of potential resignation risks</td>
</tr>
<tr>
<td></td>
<td>• Strengthened recruitment processes to ensure organisational fit</td>
</tr>
<tr>
<td></td>
<td>• Succession plan</td>
</tr>
<tr>
<td>ECD moving from DSD to DIBE</td>
<td>• Determine who is responsible for the pre-grade R in DIBE</td>
</tr>
<tr>
<td></td>
<td>• and forge new relationships</td>
</tr>
<tr>
<td>Copyright infringements</td>
<td>• Acknowledge resources used to compile training material</td>
</tr>
<tr>
<td></td>
<td>• Copyright Cotlands’ programmes</td>
</tr>
<tr>
<td>Death of an employee on duty</td>
<td>• Provide counselling to employees and family members</td>
</tr>
<tr>
<td></td>
<td>• Train employees in fire fighting</td>
</tr>
<tr>
<td></td>
<td>• Review occupational health and safety standards across all regional offices</td>
</tr>
</tbody>
</table>

### Cotlands’ early learning playgroup and toy library

- We ensure the quality of every interaction is meaningful
- Early learning outcomes measure evaluation to identify gaps
- Continued monitoring and on-site support
- Capacity building to improve service delivery
- Monitoring checklist/schedule
- Regular feedback to partners

### Our governance (continued)

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Our board of non-executive directors

<table>
<thead>
<tr>
<th>Name and surname</th>
<th>Gender</th>
<th>Race</th>
<th>Experience</th>
<th>Tenure as board member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dumisani Ncalo (chairperson)</td>
<td>Male</td>
<td>African</td>
<td>Dumisani holds a BScEng (University of Zululand) and has several post-graduate executive management studies at Unisa (SBL), Wits Business School and GIBS. He retired from the financial services industry after serving as HR executive for several years of understanding that governs partnerships. He has over 37 years' experience as a civil engineer and in management, in both the private and public sectors. His academic achievements also include a BSc Honours in Industrial Systems from the University of Stellenbosch. He completed her EMBA at the UCT Graduate School of Business in 2012 and her PG Dip Futures Studies (cum laude) at the University of Stellenbosch Business School in 2014.</td>
<td>22 years</td>
</tr>
<tr>
<td>Niven Postma (vice-chairperson)</td>
<td>Female</td>
<td>White</td>
<td>Niven has a BA from the University of Stellenbosch. She completed her EMBA at the UCT Graduate School of Business in 2012 and her PG Dip Futures Studies (cum laude) at the University of Stellenbosch Business School in 2014.</td>
<td>1 year</td>
</tr>
<tr>
<td>Motlatsi Mokake (treasurer)</td>
<td>Male</td>
<td>African</td>
<td>Motlatsi holds an MBA from the University of KwaZulu-Natal. He currently works at Life and Funeral Assurance as a general manager. His previous work career includes 360 Financial Services Group as executive director, Union Life as chief executive officer and MTN as senior manager. He has more than 37 years' experience as a civil engineer and in management, in both the private and public sectors. His academic achievements also include a BSc Honours in Industrial Systems from the University of Pretoria.</td>
<td>1 year</td>
</tr>
<tr>
<td>Nazir Alli</td>
<td>Male</td>
<td>African</td>
<td>Until his retirement, Nazir was chief executive officer of the South African National Roads Agency (SANRAL). He transformed SANRAL into a fully corporatised entity with more than R365 billion in assets under management. He has over 37 years’ experience as a civil engineer and in management, in both the private and public sectors. Nazir has consulted internationally to a wide range of governments including the World Bank on public-private partnership, institutional reform and change management. Nazir holds a BSc in Civil Engineering from the University of Plymouth.</td>
<td>1 year</td>
</tr>
<tr>
<td>Michal Bolanowski</td>
<td>Male</td>
<td>White</td>
<td>Michal is a qualified architect who has been running his own practice since 1993. He assisted with the redesign and renovation of the Cotlands property in Turffontein. He also runs self-designed courses named “Thinking awareness programmes” and teaches horse riding in his spare time.</td>
<td>27 years</td>
</tr>
</tbody>
</table>

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Cotlands 2019 Integrated report
Our governance (continued)

<table>
<thead>
<tr>
<th>Name and surname</th>
<th>Gender</th>
<th>Race</th>
<th>Experience</th>
<th>Tenure as board member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phumzile Booi</td>
<td>Female</td>
<td>African</td>
<td>Phumzile has a BScSc Honours in Social Work (University of Cape Town), a Master’s Diploma in Human Resources Management (University of Johannesburg) and is currently studying for a Higher Diploma in Organisation Development and Change Management. She is an entrepreneur, running a property business.</td>
<td>1 year</td>
</tr>
<tr>
<td>Janet du Preez</td>
<td>Female</td>
<td>White</td>
<td>Janet is currently completing an MSc in the Management of Innovation and Technology, with a background in health sciences, psychology and business. Janet is uniquely qualified to understand the psychological and practical systems which underlie behaviour and outcomes. Her broad-based work experience includes time spent in governmental, non-profit and volunteer organisations as well as small, medium and corporate businesses, service and trade enterprises, retail, financial and medical industries.</td>
<td>7 years</td>
</tr>
<tr>
<td>Katherine Madley</td>
<td>Female</td>
<td>White</td>
<td>Katherine has a 20-year pedigree in general management with most of her years spent in executive marketing, strategy and innovation roles. Katherine has a degree in marketing from the University of Johannesburg and a post-graduate degree in strategy (Wits Business School). Katherine has built strategies, innovations, products and campaigns over her career and has reorganised business operations for maximum execution and productivity.</td>
<td>7 years</td>
</tr>
<tr>
<td>Neil Maslen</td>
<td>Male</td>
<td>White</td>
<td>Neil is a business leader with substantial hands-on experience as a director, mining engineer and management consultant, having had full P&amp;L accountability in the business within which he has worked for the last 15 years. He is an experienced business executive with a strong technical background and is a highly regarded mentor, coach and public speaker. Neil holds an MSc in Engineering from the University of the Witwatersrand.</td>
<td>1 year</td>
</tr>
<tr>
<td>Tatiana Page</td>
<td>Female</td>
<td>Coloured</td>
<td>Tatiana has more than 18 years’ experience in the human resources discipline, having worked in large organisations across industries such as ICT, banking, retail and petrochemical. She is a registered psychometrist with the HPCSA and is also a member of COMENSA. Her areas of experience include change management; organisational development; coaching, leadership development; and talent management.</td>
<td>1 year</td>
</tr>
</tbody>
</table>

The founding constitution did not indicate a specific tenure for members to serve on the board, which resulted in board members serving between seven years to as many as 27 years on Cotlands’ board. The revised constitution, ratified at a Special Annual General Meeting, sets the tenure for board members at a maximum of six years.

Our governance structure

The board comprises 12 board members with a specific mandate as described below.

<table>
<thead>
<tr>
<th>Cotlands board</th>
<th>Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td></td>
</tr>
<tr>
<td>Dumisani Nicala (chairperson)</td>
<td>1) The Cotlands board is mandated to ensure effective organisational leadership based on ethical foundations.</td>
</tr>
<tr>
<td>Phumzile Booi (vice-chairperson)</td>
<td>2) The Cotlands board is mandated to hold the executive leadership team accountable for the establishment and accomplishment of the organisations mission and strategic objectives and to actively support the development of the organisation to accomplish this mission.</td>
</tr>
<tr>
<td>Motsekile Majake (treasurer)</td>
<td>3) The Cotlands board is mandated to govern the effective generation, maintenance, disposal and use of the organisation’s resources and funds.</td>
</tr>
<tr>
<td>Nazir Ali</td>
<td>4) The Cotlands board is mandated to foster health, safety, collaboration and synergy within its stakeholder communities and internally.</td>
</tr>
<tr>
<td>Neil Maslen</td>
<td>5) The Cotlands board is mandated to ensure its own efficacy and development.</td>
</tr>
<tr>
<td>Tatiana Page</td>
<td></td>
</tr>
<tr>
<td>Douglas Ramaphosa</td>
<td></td>
</tr>
<tr>
<td>Nontobeko Sibisi (Nonto)</td>
<td></td>
</tr>
</tbody>
</table>
Each board member serves on a sub-committee, each with its own mandate as outlined below.

<table>
<thead>
<tr>
<th>Sub-committee</th>
<th>Members</th>
<th>Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit, risk and investment</td>
<td>Motseki Majake (chairperson) Nazir Ali</td>
<td>In respect of board mandate 1, the audit, risk and investment committee is mandated to ensure effective organisational leadership based on ethical foundations.</td>
</tr>
<tr>
<td></td>
<td>Douglas Ramaphosa</td>
<td>In respect of board mandate 2, the committee is mandated to hold the executive leadership team accountable for the establishment and accomplishment of the organisational mission and strategic objectives and to actively support the development of the organisation to accomplish this mission.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 3, the committee is mandated to govern the effective generation, maintenance, disposal and use of the organisation’s resources and funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 4, the committee is mandated to foster health, safety, collaboration and synergy within its stakeholder communities and internally.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 5, the committee is mandated to ensure its own efficacy and development.</td>
</tr>
<tr>
<td>Business development and marketing</td>
<td>Niven Postma (chairperson) Michal Bolanowski</td>
<td>In respect of board mandate 1, the business development and marketing committee is mandated to ensure effective organisational leadership based on ethical foundations.</td>
</tr>
<tr>
<td></td>
<td>Katherine Madley</td>
<td>In respect of board mandate 2, the committee is mandated to hold the executive leadership team accountable for the establishment and accomplishment of the organisational mission and strategic objectives and to actively support the development of the organisation to accomplish this mission.</td>
</tr>
<tr>
<td></td>
<td>Neel Masiyen</td>
<td>In respect of board mandate 3, the committee is mandated to govern the effective generation, maintenance, disposal and use of the organisation’s resources and funds.</td>
</tr>
<tr>
<td></td>
<td>Nontobeko Sibisi</td>
<td>In respect of board mandate 4, the committee is mandated to foster health, safety, collaboration and synergy within its stakeholder communities and internally.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 5, the committee is mandated to ensure its own efficacy and development.</td>
</tr>
<tr>
<td>Organisational development</td>
<td>Janet du Preez (chairperson) Phumzile Booi</td>
<td>In respect of board mandate 1, the organisational development committee is mandated to ensure effective organisational leadership based on ethical foundations.</td>
</tr>
<tr>
<td></td>
<td>Tatiana Page</td>
<td>In respect of board mandate 2, the committee is mandated to hold the executive leadership team accountable for the establishment and accomplishment of the organisational mission and strategic objectives and to actively support the development of the organisation to accomplish this mission.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 3, the committee is mandated to govern the effective generation, maintenance, disposal and use of the organisation’s resources and funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 4, the committee is mandated to foster health, safety, collaboration and synergy within its stakeholder communities and internally.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 5, the committee is mandated to ensure its own efficacy and development.</td>
</tr>
<tr>
<td>Governance and nominations committee</td>
<td>Dumisani Ncalale (chairperson) Janet du Preez</td>
<td>In respect of board mandate 1, the ad hoc governance and nominations committee is mandated to ensure effective organisational leadership based on ethical foundations.</td>
</tr>
<tr>
<td>(ad hoc)</td>
<td>Motseki Majake</td>
<td>In respect of board mandate 2, the committee is mandated to hold the executive leadership team accountable for the establishment and accomplishment of the organisational mission and strategic objectives and to actively support the development of the organisation to accomplish this mission.</td>
</tr>
<tr>
<td></td>
<td>Niven Postma</td>
<td>In respect of board mandate 3, the committee is mandated to govern the effective generation, maintenance, disposal and use of the organisation’s resources and funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 4, the committee is mandated to foster health, safety, collaboration and synergy within its stakeholder communities and internally.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In respect of board mandate 5, the committee is mandated to ensure its own efficacy and development.</td>
</tr>
</tbody>
</table>
We are delighted to report that the 12 board members attended 76% of the 19 scheduled meetings during the year under review. The attendance per board member is tabulated below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Annual general meeting (1 per annum)</th>
<th>Board meetings (4 per annum)</th>
<th>Board strategy meeting (1 per annum)</th>
<th>Governance meeting (1 per annum)</th>
<th>Audit, risk and investment meetings (4 per annum)</th>
<th>Organisational development meetings (4 per annum)</th>
<th>Business development and marketing meetings (4 per annum)</th>
<th>Attendance in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dumisani Ncala</td>
<td>1/1</td>
<td>4/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>7/7 = 100%</td>
</tr>
<tr>
<td>Niven Postma</td>
<td>0/1</td>
<td>3/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>1/1</td>
<td>n/a</td>
<td>3/4 = 75%</td>
</tr>
<tr>
<td>Matsuki Maske</td>
<td>1/1</td>
<td>4/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>1/1 = 100%</td>
</tr>
<tr>
<td>Ali</td>
<td>1/1</td>
<td>2/4</td>
<td>1/1</td>
<td>n/a</td>
<td>4/4</td>
<td>n/a</td>
<td>n/a</td>
<td>3/4 = 75%</td>
</tr>
<tr>
<td>Michal Bolanowski</td>
<td>1/1</td>
<td>4/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>9/10 = 90%</td>
</tr>
<tr>
<td>Phumlile Bboi</td>
<td>0/1</td>
<td>3/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>3/4 = 75%</td>
</tr>
<tr>
<td>Janet du Preez</td>
<td>1/1</td>
<td>4/4</td>
<td>1/1</td>
<td>1/1</td>
<td>n/a</td>
<td>4/4</td>
<td>0/0</td>
<td>1/1 = 100%</td>
</tr>
<tr>
<td>Katherine Madlley</td>
<td>1/1</td>
<td>4/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0/0 = 0%</td>
</tr>
<tr>
<td>Nontobeko Sibisi</td>
<td>1/1</td>
<td>3/4</td>
<td>1/1</td>
<td>n/a</td>
<td>n/a</td>
<td>3/4</td>
<td>n/a</td>
<td>3/4 = 80%</td>
</tr>
</tbody>
</table>

* Limited tenure

Our governance (continued)

Our executive management team

<table>
<thead>
<tr>
<th>Name and surname</th>
<th>Gender</th>
<th>Race</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monica Stach (chief executive officer)</td>
<td>Female</td>
<td>White</td>
<td>Monica holds a doctorate from the University of Pretoria. Her thesis explored the role of toy libraries in providing play-based early learning opportunities for young children. She leads a team of dedicated and passionate early childhood experts who conceptualised Cotlands’ play-based e-learning course, toy library and early learning playgroup models and training courses.</td>
</tr>
<tr>
<td>Bonnie Haack (chief learning officer)</td>
<td>Female</td>
<td>White</td>
<td>Bonnie holds a B.Ed Honours specialising in ECD, HDip HR Management. She is the newly appointed chief learning officer. Bonnie is responsible for setting up and establishing a digital training unit that will provide access to occupational qualifications and also income generation for Cotlands. Bonnie joined Cotlands 25 years ago as the principal of the ECD centre. In 1996, Bonnie established the HR unit at Cotlands and sees the training unit as coming full circle back to her roots in education.</td>
</tr>
<tr>
<td>Jeanette Gourlie (national finance manager)</td>
<td>Female</td>
<td>White</td>
<td>Jeanette has more than 25 years’ bookkeeping experience and a wealth of knowledge about governance in the NPO sector. In her 24 years at Cotlands she has been integral in developing and maintaining the organisation’s financial management systems. Her role is supported by a financial consultant.</td>
</tr>
<tr>
<td>Nozizwe Dladla-Qwabe (chief operations officer)</td>
<td>Female</td>
<td>African</td>
<td>Nozizwe holds a Master’s degree in Social Sciences. She leads a team that works to achieve excellence. Her dedication is in implementing good quality toy libraries and early learning playgroups. She is passionate about monitoring and evaluating these programmes and has completed her Advanced Certificate in Monitoring and Evaluation.</td>
</tr>
<tr>
<td>Irene Chetty (national business development manager)</td>
<td>Female</td>
<td>Indian</td>
<td>Irene holds a Master’s degree in Law. She has over 20 years’ experience in the development sector. She leads the business development team which strives to generate the revenue needed to sustain and extend Cotlands’ programmes. Her passion lies in serving humanity.</td>
</tr>
</tbody>
</table>

Tenure at Cotlands

* 12 years
* 25 years
* 24 years
* 10 years
* 9 years
### Percentage of income per donor segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019 (R)</th>
<th>2018 (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bequests</td>
<td>0.4</td>
<td>93,856</td>
</tr>
<tr>
<td>Collection tins</td>
<td>0.1</td>
<td>15,105</td>
</tr>
<tr>
<td>Community groups</td>
<td>1.5</td>
<td>372,781</td>
</tr>
<tr>
<td>Corporates and trusts</td>
<td>40.3</td>
<td>9,992,082</td>
</tr>
<tr>
<td>Individuals</td>
<td>4.3</td>
<td>1,061,061</td>
</tr>
<tr>
<td>NLDTF (Lotto)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government</td>
<td>21.8</td>
<td>5,394,737</td>
</tr>
<tr>
<td>Direct mail</td>
<td>9.7</td>
<td>2,403,453</td>
</tr>
<tr>
<td>Training</td>
<td>15.0</td>
<td>3,719,827</td>
</tr>
<tr>
<td>Foreign income</td>
<td>6.4</td>
<td>1,591,460</td>
</tr>
<tr>
<td>Other</td>
<td>0.5</td>
<td>127,764</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>24,772,126</td>
</tr>
<tr>
<td><strong>6 Highest Corp &amp; Trust</strong></td>
<td>21.8</td>
<td>5,412,540</td>
</tr>
<tr>
<td><strong>Top International</strong></td>
<td>6.1</td>
<td>1,513,930</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>21.8</td>
<td>5,394,737</td>
</tr>
</tbody>
</table>

Income above does not include funds received from SmartStart or 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.
## Statement of financial position
for the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>4 205 188</td>
<td>4 320 085</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2 4 205 188</td>
<td>4 320 085</td>
</tr>
<tr>
<td>Current assets</td>
<td>4 458 585</td>
<td>4 798 815</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1 517 712</td>
<td>1 620 536</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>3 1 000 000</td>
<td>3 1 789 279</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1 940 873</td>
<td>3 1 789 279</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>8 663 773</td>
<td>9 118 900</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>5 376 900</td>
<td>5 061 339</td>
</tr>
<tr>
<td><strong>Retained surplus</strong></td>
<td>3 286 873</td>
<td>4 057 561</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1 100 221</td>
<td>789 756</td>
</tr>
<tr>
<td>Provisions</td>
<td>3 885 319</td>
<td>1 009 321</td>
</tr>
<tr>
<td>Designated fund liability</td>
<td>4 1 393 333</td>
<td>2 258 484</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>8 663 773</td>
<td>9 118 900</td>
</tr>
</tbody>
</table>
Statement of changes in equity

for the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 April 2017</td>
<td>5 244 363</td>
<td>(1 812 024)</td>
</tr>
<tr>
<td>Total comprehensive deficit for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 April 2018</td>
<td>5 061 339</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive surplus for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2019</td>
<td>5 376 900</td>
<td></td>
</tr>
</tbody>
</table>

Total comprehensive surplus for the year

R 315 561

Balance at 1 April 2017

R 5 244 363

Total comprehensive deficit for the year

R (183 024)

Balance at 1 April 2018

R 5 061 339

Total comprehensive surplus for the year

R 315 561

Balance at 31 March 2019

R 5 376 900

Our financial performance (continued)

Statement of cash flows

for the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>385 819</td>
<td>(2 175 878)</td>
</tr>
<tr>
<td>Cash generated from/(used in) operations</td>
<td>354 745</td>
<td>293 853</td>
</tr>
<tr>
<td>Interest income</td>
<td>31 074</td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(1 623 225)</td>
<td>(1 154 204)</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(677 985)</td>
<td>(1 233 483)</td>
</tr>
<tr>
<td>Sale of property, plant and equipment</td>
<td>54 760</td>
<td>79 279</td>
</tr>
<tr>
<td>Movement in financial assets</td>
<td>(1 000 000)</td>
<td></td>
</tr>
<tr>
<td>Total cash movement for the year</td>
<td>(1 237 406)</td>
<td>(1 330 082)</td>
</tr>
<tr>
<td>Cash at the beginning of the year</td>
<td>3 178 279</td>
<td>6 508 361</td>
</tr>
<tr>
<td>Total cash at end of the year</td>
<td>1 940 873</td>
<td>3 178 279</td>
</tr>
</tbody>
</table>

Accounting policies

for the year ended 31 March 2019

1. Presentation of annual financial statements

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Constitution. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands. These accounting policies are consistent with the previous period.
Notes to the annual financial statements
for the year ended 31 March 2019

2. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost R</td>
<td>Depreciation R</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>2 177 643</td>
<td>- 2 177 643</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>798 511</td>
<td>(673 591)</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>982 357</td>
<td>(654 838)</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>2 823 252</td>
<td>(1 268 412)</td>
</tr>
<tr>
<td>Office equipment</td>
<td>346 598</td>
<td>(326 538)</td>
</tr>
<tr>
<td>Equipment other</td>
<td>199 417</td>
<td>(199 411)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7 327 778</strong></td>
<td>(3 122 590)</td>
</tr>
</tbody>
</table>

3. Other financial assets

- Cotlands Children Trust
  - Opening balance R 1 000 000
  - Additions R -
  - Carrying amount R -
  - The loan is unsecured, is not an interest-bearing loan and has no fixed terms of repayments.

4. Designated fund liability

- Designated fund liability
  - Opening balance R 1 501 333
  - Additions R 2 258 484
  - Carrying amount R -
  - 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.

5. 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.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for leave pay</td>
<td>Utilised R</td>
<td>Opening balance R</td>
</tr>
<tr>
<td></td>
<td>885 319</td>
<td>1 009 321</td>
</tr>
</tbody>
</table>

6. Taxation

No provision has been made for 2019 tax as the organisation is exempt in terms of section 10(1)(cN) of the Income Tax Act, No. 58 of 1962, as amended. The organisation is registered with the South African Revenue Services (SARS) as an approved Public Benefit Organisation (PBO) with registration number 130002029.
Five-year review

for the year ended 31 March 2019

2019
2018
2017
2016
2015

Statement of comprehensive income
Total income
27 901 914
27 719 853
24 715 587
22 594 726
27 208 300

Donations and projects
22 903 158
22 271 470
21 972 814
20 409 986
26 127 067

Other income
4 998 756
5 448 383
2 742 773
2 184 740
1 081 233

Operating expenditure
27 617 427
28 196 730
25 633 151
22 817 975
27 625 765

Employee costs
18 972 486
18 822 400
18 457 932
16 520 248
21 647 334

Depreciation on property, plant and equipment
693 788
583 336
249 260
271 289
222 278

Other operating expenses
7 951 153
8 790 994
6 925 959
6 026 438
5 756 153

Operating surplus/(deficit)
284 487
(476 877)
(917 564)
(223 249)
(417 465)

Investment revenue
31 074
293 853
190 229
332 760
418 219

Finance costs
–
–
–
–
–

Total comprehensive surplus/(deficit) for the year
315 561
(183 024)
(727 335)
109 511
754

Employee headcount (includes casuals, 1n reps and projects)
207
182
182
148
148

Average cost per employee
107 028
113 085
119 514
109 764
146 266

Statement of financial position
Assets
Non-current assets
4 205 188
4 205 188
4 458 585
4 458 585
4 704 780

Property, plant and equipment
4 205 188
4 205 188
4 458 585
4 458 585
4 704 780

Current assets
4 320 085
4 320 085
4 798 815
4 798 815
5 104 574

Inventories
–
–
–
–
–

Other financial assets
–
–
–
–
–

Trade and other receivables
1 517 712
1 517 712
1 789 833
1 789 833
2 051 309

Cash and cash equivalents
1 940 873
1 940 873
2 072 898
2 072 898
2 379 182

Total assets
8 663 773
8 663 773
11 166 238
11 166 238
13 173 926

Equity and liabilities
Equity
5 376 900
5 376 900
5 760 574
5 760 574
5 917 695

Retained surplus
5 061 339
5 244 363
5 971 695
5 862 188

Current liabilities
3 286 873
3 286 873
3 704 652
3 704 652
4 057 812

Provisions
885 319
885 319
925 861
925 861
962 360

Designated fund liability
1 301 333
1 301 333
1 364 321
1 364 321
1 429 088

Trade and other payables
1 900 221
1 900 221
2 010 359
2 010 359
2 167 325

Total equity and liabilities
8 663 773
8 663 773
11 166 238
11 166 238
13 173 926

By order of the governance committee
DE Ncala
Chairperson
Ormonde
27 August 2019

Members of governance committee
DE Ncala (chairperson), H Postma (vice-chairperson), M Stach (CEO ex-officio), MMM Majake (treasurer), JA du Preez (member).

These results have been audited by the independent auditors, LSG Integrated.

The audited annual financial statements are available for inspection at the organisation’s registered office.
Independent assurance report
for the year ended 31 March 2019

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

To the Directors of Cotlands

Subject matter and related assurance
We have been engaged to provide a limited assurance conclusion on the following selected KPIs for the financial year ended 31 March 2019 (“financial period”), 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 Cotlands’ internally developed guidelines, the B-BBEE Act of 2003 and the Codes of Good Practice (2007) (collectively referred to as “Cotlands reporting criteria”).

<table>
<thead>
<tr>
<th>Description</th>
<th>Value and unit</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource indicators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total workforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent employees and non-permanent employees</td>
<td>207 Number of employees</td>
<td>40</td>
</tr>
<tr>
<td>Human resource non-permanent staff by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent males and permanent females</td>
<td>8 Male 12 Female</td>
<td>40</td>
</tr>
<tr>
<td>Income for FY2019 by donor group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor group as a % of total income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requests (0.4%), Collection tins (0.1%), Community groups (1.5%), Corporates and trusts (40.3%), Individuals (4.3%), NLDTF (Lotto) (0.5%), Government (21.8%), Direct mail (9.7%), Training (15.0%), Foreign income (6.4%) and Other (0.5%)</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Capacity building stats</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of trainees</td>
<td>24 088 Cumulative number of trainees from operations (internal) and projects (external)</td>
<td>14</td>
</tr>
</tbody>
</table>
Directors’ responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with Cotlands reporting criteria. 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 publicly available to the Report users.

Our independence and quality control

We have complied with the independence and other ethical requirements of sections 290 and 291 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

KPMG Services Proprietary Limited applies the 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.

Practitioner’s 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 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 reporting criteria, as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. 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 selected sustainability information, more specifically:
  - 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 Cotlands reporting criteria.
  - Recalculated the selected KPIs, where relevant.
  - 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 stated in the report have been prepared, in all material respects, in accordance with its 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 for the financial period are not prepared, in all material respects, in accordance with Cotlands reporting criteria.

Other matter

The maintenance and integrity of 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 its presentation on the Cotlands website.

Restraint 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.
Where to find us

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