

**COTLANDS
(REGISTRATION NUMBER 000-849-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

LSG Integrated
Registered Auditors
Issued 05 September 2023

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business	Non-Profit Organisation
The Board	Niven Postma (Chairperson) Tatiana Page (Vice-Chairperson) Monica Stach (Chief Executive Officer) - ex officio Motseki Majake (Treasurer) Marcelle Arnold (Member) Marie-Louise Samuels (Member) Maxine Merrifield (Member) Theodore de Jager (Member) Yule Banda (Member) Hellen Lebone (Member)
Registered office	910 Bram Fischer Towers 20 Albert Street Marshalltown Johannesburg 2001
Bankers	Standard Bank of South Africa Limited
Auditors	LSG Integrated Registered Auditors
Secretary	KS Huggett
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisation Act, 1997 of South Africa, and the Constitution.
Preparer	The annual financial statements were independently compiled by: Bryan Gordon Registered Auditor
Issued	05 September 2023

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution.

Preparer

Bryan Gordon
Registered Auditor

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Annual Financial Statements for the year ended 31 March 2023

The Board's Responsibilities and Approval

The board is required by the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the board to meet these responsibilities, the board set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board have reviewed the organisation's approved budget for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 6 to 8.

The annual financial statements set out on pages 4 to 26, which have been prepared on the going concern basis, were approved by the all the members of the board on 05 September 2023 and were signed on their behalf by:

Niven Postma (Chairperson)

Motseki Majake (Treasurer)

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The Board's Report

The organisation's board have pleasure in submitting their report on the annual financial statements of Cotlands for the year ended 31 March 2023.

1. Incorporation

The organisation was founded in 1936 by Dorothy Reece and obtained its certificate to commence business on the same day.

2. Nature of business

The organisation is engaged in public benefit activities and operates principally in South Africa.

The organisation's main objective is to provide an integrated model of education for young children between the ages of 0-6 years, their families and ECD practitioners, by empowering them to provide quality play-based early learning solutions.

Cotlands endured a difficult financial year in the prior year as a result of the Covid-19 pandemic, however in the current financial year revenue increased significantly but fell below the budgeted figures.

Costs were aggressively managed during the pandemic to ensure the survival of Cotlands.

There have been no material changes to the nature of the organisation's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution.

The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

4. The board

The board in office at the date of this report are as follows:

The board	Changes
Niven Postma (Chairperson)	
Tatiana Page (Vice-Chairperson)	
Monica Stach (Chief Executive Officer) - ex officio	
Motseki Majake (Treasurer)	
Marcelle Arnold (Member)	
Marie-Louise Samuels (Member)	
Nazir Alli (Member)	Resigned 6 September 2022
Maxine Merrifield (Member)	
Nicole da Silva (Member)	Resigned 13 March 2023
Theodore de Jager (Member)	
Yule Banda (Member)	
Hellen Lebone (Member)	Appointed 28 February 2023

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The Board's Report

5. Property, plant and equipment

The Turffontein building was approved for disposal by the Board and has been sold during the current year under review.

6. Events after the reporting period

The board are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

Cotlands has flexed its business model to adapt to the impact which the pandemic has had on operations and the board believes that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board are not aware of any new material changes that may adversely impact the organisation. The board are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

8. Auditors

LSG Integrated continued in office as auditors for the organisation for 2023.

9. Secretary

The organisation's secretary is KS Huggett.

Address: East Wing
6 Kikuyu Road
Sunninghill 2157

Integrated value added financial services

Postal: PO Box 457
Rivonia 2128

Divisions:

Accounting and Bookkeeping Services
Auditing and Assurance Services
Company Secretarial Services
Trusts and Estate Planning
Taxation Services

Telephone: (011)807-1974/(011) 253-7400
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Website: www.lsgintegrated.co.za

Independent Auditor's Report

To The Board of Cotlands

Opinion

We have audited the annual financial statements of Cotlands (the organisation) set out on pages 9 to 26, which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the matter under the basis for qualified opinion, the annual financial statements present fairly, in all material respects, the financial position of Cotlands as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution.

Basis for qualified opinion

As is the case with similar NPO organisations, it is not feasible for the organisation to institute accounting controls over cash collections and donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

Other information

The board is responsible for the other information. The other information comprises the information included in the document titled "Cotlands annual financial statements for the year ended 31 March 2023", which includes the The Board's Report as required by the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution and the Statement of Financial Performance, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Furthermore, we draw attention to the fact that supplementary information set out on pages 25 to 26 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Responsibilities of the executive management for the Annual Financial Statements

The board is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution, and for such internal control as the board determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the board is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.

Independent Auditor's Report

- Conclude on the appropriateness of the board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LSG Integrated
SP Swanepoel
Partner
Registered Auditor

05 September 2023
Sunninghill

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Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	Note(s)	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 413 631	2 816 075
Other financial assets	3	5 000	5 000
		2 418 631	2 821 075
Current Assets			
Trade and other receivables	4	975 320	2 269 901
Other financial assets	3	-	71 308
Cash and cash equivalents	5	11 718 568	11 172 482
		12 693 888	13 513 691
Total Assets		15 112 519	16 334 766
Equity and Liabilities			
Equity			
Retained surplus		7 797 042	7 213 097
Liabilities			
Current Liabilities			
Trade and other payables	6	1 180 799	1 229 485
Reserve funding	7	5 609 785	7 424 899
Provisions	8	524 893	467 285
		7 315 477	9 121 669
Total Equity and Liabilities		15 112 519	16 334 766

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Statement of Comprehensive Income

	Note(s)	2023 R	2022 R
Revenue	9	22 815 517	22 412 943
Cost of sales	10	(17 101 404)	(15 477 213)
Gross surplus		5 714 113	6 935 730
Other income	11	3 395 962	1 744 580
Operating expenses		(8 791 919)	(7 051 559)
Operating surplus/(deficit)	14	318 156	1 628 751
Investment revenue	12	330 437	220 051
Finance costs	16	(64 652)	(15 127)
Surplus for the year		583 941	1 833 675

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Statement of Changes in Equity

	Retained surplus R	Total equity R
Balance at 01 April 2021	5 379 422	5 379 422
Surplus for the year	1 833 675	1 833 675
Balance at 01 April 2022	7 213 097	7 213 097
Surplus for the year	583 941	583 941
Balance at 31 March 2023	7 797 042	7 797 042

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Annual Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

	Note(s)	2023 R	2022 R
Cash flows from operating activities			
Cash (used in) generated from operations	18	(2 969 093)	1 099 475
Interest income		330 437	220 051
Finance costs		(64 652)	(15 127)
Net cash from operating activities		(2 703 308)	1 304 399
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 121 914)	(533 946)
Proceeds from disposal of property, plant and equipment		4 300 000	810 220
Movement in financial assets		71 308	(71 308)
Net cash from investing activities		3 249 394	204 966
Cash flows from financing activities			
Movement in other financial liabilities		-	(1 234 787)
Net cash from financing activities		-	(1 234 787)
Total cash movement for the year		546 086	274 578
Cash at the beginning of the year		11 172 482	10 897 904
Total cash at end of the year	5	11 718 568	11 172 482

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Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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, the Non-Profit Organisation's Act, 1997 of South Africa, 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.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgement, apart from those involving estimates, that have the most significant effect on the amounts recognised in the separate annual financials, are outlined as follows:

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial assets measured at cost and amortised cost

The organisation assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the organisation makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The organisation reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Equipment other	Straight line	5 years
Furniture and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 years

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

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Accounting Policies

1.3 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

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Accounting Policies

1.5 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Termination benefits

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.8 Provisions and contingencies

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.

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Accounting Policies

1.9 Designated grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a reserve.

Grants are measured at the fair value of the asset received or receivable.

1.10 Revenue

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Revenue from donations is recognised at the date of receipt of donation or once future performance conditions have been met.

1.11 Other income

Interest is recognised, in profit or loss, using the effective interest rate method.

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Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Equipment other	-	-	-	174 054	(174 048)	6
Furniture and fittings	1 144 869	(791 421)	353 448	1 134 976	(707 951)	427 025
Land and buildings	295 001	-	295 001	1 322 799	-	1 322 799
Mobile containers	443 329	-	443 329	-	-	-
Motor vehicles	3 219 931	(1 940 543)	1 279 388	2 570 801	(1 558 281)	1 012 520
Office equipment	330 761	(288 296)	42 465	311 197	(257 472)	53 725
Total	5 433 891	(3 020 260)	2 413 631	5 513 827	(2 697 752)	2 816 075

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Equipment other	6	-	(6)	-	-
Furniture and fittings	427 025	9 893	-	(83 470)	353 448
Land and buildings	1 322 799	-	(1 027 798)	-	295 001
Mobile containers	-	443 329	-	-	443 329
Motor vehicles	1 012 520	649 129	-	(382 261)	1 279 388
Office equipment	53 725	19 563	-	(30 823)	42 465
	2 816 075	1 121 914	(1 027 804)	(496 554)	2 413 631

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Write off cost	Write off accumulated depreciation	Depreciation	Closing balance
Equipment other	6	-	-	-	-	-	6
Furniture and fittings	8 999	485 168	-	-	-	(67 142)	427 025
Land and buildings	1 727 799	-	(405 000)	-	-	-	1 322 799
Motor vehicles	1 355 071	-	-	(173 684)	173 684	(342 551)	1 012 520
Office equipment	30 119	48 778	-	-	-	(25 172)	53 725
	3 121 994	533 946	(405 000)	(173 684)	173 684	(434 865)	2 816 075

Property, plant and equipment encumbered as security

No item of property, plant and equipment is encumbered as security.

The land and buildings are shown at cost due to the fact that the fair value cannot be measured reliably without undue cost or effort.

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Notes to the Annual Financial Statements

	2023 R	2022 R
2. Property, plant and equipment (continued)		
Details of properties		
Turffontein Property		
Consolidated Lot numbers 1501 and 1672 situated on Von Brandis and Stanton Streets. The property has been approved for disposal by the Board.		
- Purchase price: 1959	4 600	4 600
- Improvements: 1996	1 023 198	1 023 198
- Disposal	(1 027 798)	-
	-	1 027 798
Macassar Property		
Erf 900, Macassar, Cape Town, Western Cape		
- Purchase price: 2009	295 000	295 000
Kwazulu Natal Property		
Erf 244, 245, 499, 500 and 501, Hlabisa Municipality, Kwa-Zulu Natal		
- Improvements: 2013	324 760	324 760
- Improvements: 2014	125 085	125 085
- Impairment: 2020	(449 844)	(449 844)
	1	1
TOTAL	295 001	1 322 799

Registers with details of property, plant and equipment are available for inspection from the executive Members or their duly authorised representatives at the registered office of the organisation.

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Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R	2022 R
3. Other financial assets		
At amortised cost		
Listed shares	5 000	5 000
Barloworld Khula Sizwe listed shares acquired whereby the scheme is in a lock-in-period for five years ending 30 September 2024. After five years, the shares will be listed on the BEE segment of a stock exchange and be tradeable. Due to the scheme being in a lock-in-period there is no share value and only after the lock-in-period will there be a share price quoted in an active market.		
Cotlands Children Trust	-	71 308
This loan was unsecured, bore no interest and had no fixed terms of repayment.		
	5 000	76 308
Non-current assets		
At amortised cost	5 000	5 000
Current assets		
At amortised cost	-	71 308
	5 000	76 308
4. Trade and other receivables		
Trade receivables	818 656	1 971 584
Prepayments (if immaterial)	-	27 599
Deposits	42 358	44 269
Other receivables	114 306	226 449
	975 320	2 269 901

Taalnet IT Consultation CC owes Cotlands R630 000 at year end for rental amounts not paid during the 2020-2021 Financial years. Malan Scholes Attorneys offered a pro-bono service to assist in recovering the debt. A founding affidavit has been signed to attach property of Taalnet IT Consultation CC as security, for which an application will be made in the High Court of South Africa, Gauteng Division, Johannesburg, following which the attorneys will serve the application on Taalnet IT Consultation CC.

The organisation's board considers that the carrying amount of trade and other receivables approximates their fair value.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

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Notes to the Annual Financial Statements

	2023 R	2022 R
5. Cash and cash equivalents (continued)		
Cash on hand	35 255	-
Bank balances	11 683 313	11 172 482
	11 718 568	11 172 482

6. Trade and other payables

Trade payables	314 082	130 402
VAT	607 654	55 747
Audit fee accrual	76 935	72 580
Deposits received	136 000	136 000
Other payables	46 128	834 756
	1 180 799	1 229 485

The organisation's board considers that the carrying amount of trade and other payables approximates their fair value.

7. Reserve funding

Donation income deferred - designated projects	5 609 785	7 424 899
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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 related 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.

8. Provisions

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	467 285	482 016	(424 408)	524 893

Reconciliation of provisions - 2022

	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	602 071	427 791	(562 577)	467 285

The leave pay provision represents management's best estimate of the liability at year end.

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Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R	2022 R
9. Revenue		
Donations and other receipts	22 815 517	22 412 943
The amounts included in donations and other receipts are as follows:		
Donations - Local	9 392 215	8 854 528
Donations - Local government DSD	2 215 108	5 746 398
Donations - Foreign	1 783 208	1 811 713
Projects and functions	7 554 372	6 819 837
Transfer (to)/from reserves	1 815 114	(819 533)
	22 760 017	22 412 943
10. Cost of sales		
Other		
Projects and functions	17 548 439	15 477 213
11. Other income		
Discount received	-	15 750
Distribution from Cotlands Children Trust	-	1 300 000
Other income	117 197	23 610
Sale of goods	6 569	-
Surplus on disposal of property, plant and equipment	3 272 196	405 220
	3 395 962	1 744 580
12. Investment revenue		
Interest revenue		
Bank	330 437	220 051
13. Auditor's remuneration		
Fees - 2023	76 935	-
Fees - 2022	-	72 580
Fees - 2021	-	320
	76 935	72 900

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Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R	2022 R
14. Operating surplus/(deficit)		
Operating surplus/(deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	16 135	15 253
Surplus/(deficit) on disposal of property, plant and equipment	3 272 196	405 220
Depreciation on property, plant and equipment	496 555	434 865
Employee costs	6 586 871	6 625 263
15. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment - indirect costs	26 471	24 586
Property, plant and equipment - cost of sales	470 084	410 279
	496 555	434 865
16. Finance costs		
SARS Interest and penalties	64 652	15 127
17. Taxation		
No provision has been made for 2021 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 a registered number 130002029.		
18. Cash (used in) generated from operations		
Surplus before taxation	583 941	1 833 675
Adjustments for:		
Depreciation and amortisation	496 555	434 866
Surplus on disposal of assets	(3 272 196)	(405 220)
Interest received	(330 437)	(220 051)
Finance costs	64 652	15 127
Movements in provisions	57 608	(134 786)
Changes in working capital:		
Trade and other receivables	1 294 581	(1 560 761)
Trade and other payables	(48 683)	306 475
Reserve funding	(1 815 114)	830 150
	(2 969 093)	1 099 475

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Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023	2022
	R	R
19. Related parties		
Relationships		
Common trustees		Cotlands Children Trust
Related party balances and transactions with entities with control, joint control or significant influence over the organisation		
Related party balances		
Loan accounts - Owing (to)/by related party		
Cotlands Children Trust	-	71 308
Related party transactions		
Distribution received from related parties		
Cotlands Children Trust	-	1 300 000

20. Going concern

Cotlands has flexed its business model to adapt to the impact which the pandemic has had on operations and the board believes that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board are not aware of any new material changes that may adversely impact the organisation. The board are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

21. Events after the reporting period

The board are not aware of any material event which occurred after the reporting date and up to the date of this report.

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Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 R	2022 R
Revenue			
Donations and other receipts		22 815 517	22 412 943
Cost of sales			
Direct project and training costs		(16 631 320)	(15 066 933)
Other direct costs		(470 084)	(410 280)
	10	(17 101 404)	(15 477 213)
Gross surplus		5 714 113	6 935 730
Other income			
Discount received		-	15 750
Distribution from Cotlands Children trust		-	1 300 000
Gains on disposal of assets		3 272 196	405 220
Interest received	12	330 437	220 051
Other income		117 197	23 610
Sale of goods		6 569	-
		3 726 399	1 964 631
Expenses (Refer to page 26)		(8 791 919)	(7 051 559)
Surplus for the year	14	648 593	1 848 802
Finance costs	16	(64 652)	(15 127)
Surplus for the year		583 941	1 833 675

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Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 R	2022 R
Operating expenses			
Advertising		37 958	35 878
Annual general meeting expenses		5	-
Auditors remuneration	13	83 142	72 900
Bad debts	4	116 535	(735 206)
Bank charges		82 285	89 354
Children's meals and food parcels		8 966	-
Clothing and disposables		9 121	34 759
Consulting and professional fees		608 146	364 216
Depreciation, amortisation and impairments	15	26 471	24 586
Employee costs		6 586 871	6 625 263
Fines and penalties		-	25
Fundraising costs		-	7 441
IT expenses		468 290	210 246
Insurance		57 408	65 105
Lease rentals on operating lease		16 135	15 253
Membership fees		4 609	5 762
Motor vehicle expenses		263	9 476
Printing, stationery and training materials		333 541	24 018
Recruitment fees		14 206	27 079
Repairs and maintenance		5 999	-
Staff welfare		39 171	30 581
Telephone and data		75 603	77 558
Training		14 808	4 505
Travel - local		136 674	62 760
Utilities		66 462	-
		8 791 919	7 051 559