



CHAIRMAN'S REPORT

ANNUAL GENERAL MEETING

SATURDAY 27TH NOVEMBER 2021

This year has been a challenging year for the Owl House Foundation.

I would term it an *annus horribilis*.

COVID 19 PANDEMIC

The South African Government declaration of Covid-19 as a National Disaster in March 2020 continued into 2021.

However over the last 12 months, the Covid 19 pandemic laid havoc on the Foundation in much more than a financial sense.

Shortly after my last Chairman's Report to our members last year, our staff at the Owl House contracted Covid-19. Being the highly infectious disease that it is, by the time a staff member felt symptoms and got infected, the disease had spread to most of the staff at the Owl House.

By mid-December, the Owl House was closed due to the infections and resulted in our then administrator Charles Graham's hospitalization.

Charles spent close on 6 weeks in hospital due to Covid 19 and I am very happy to report that Charles is on his way to a full recovery.

However, as blessed that we are the Charles has recovered from Covid 19, the 3rd wave of the Pandemic dealt us a tragic and lethal blow.

Our Vice-Chairlady Hanna Van Heerden succumbed to Covid-19 on 28 June 2021.

Hanna was a corner-stone of Nieu Bethesda and her sudden and tragic passing was a great shock to everyone. Her absence continues to be felt.

On behalf of the Owl House Foundation, I would like to extend our deepest condolences to the entire Van Heerden family – they were mourning the loss of their son and brother Petrus when tragedy struck again and took Hanna from them.

Covid-19 and its various lock-downs and economy continue to impact on the Foundation. At all times, the Foundation has followed the terms of the various Lock Down regulations and as such the Owl House has temporarily closed its doors to the public twice since my last Report to our members in 2020.

Covid Economy

The effect of the Covid Economy on the Owl House Foundation has been dramatic.

In 2019, pre-Covid, our Total Visitors at the Owl House was 12 432 visitors.

During 2020, this figure plummeted to 6 860.

Year to date for 2021 is a slight improvement on 2020 visitors and currently stands at 8 391. Still significantly lower than our 2019 visitor figures.

This is a clear indication of how the Covid-19 Pandemic has affected the Owl House and Nieu Bethesda.

Under these very difficult challenges, we have been able to mitigate the dramatic decline in revenue by making pro-active decisions during the various stages of Lock Down.

Directors, Personnel & Staff

After Charles' lengthy hospital admission due to Covid-19, Charles' doctor recommended rest to assist with a full recovery from the disease.

As a result, upon his discharge from hospital, Charles resigned from the Owl House Foundation and focused on his recovery.

Charles' resignation exposed a weakness in the Owl House Foundation's operations.

Although the remaining staff were able to continue with the day to day operations, the lack of an administrator severely effected the ability of the Foundation to function effectively.

The Directors of the Owl House Foundation, are not Domicile in Nieu Bethesda and as such have relied heavily on our administrator, in this case Charles, to execute the high level management decisions that the Board would take.

The absence of a person in this administrator position made it exceptionally difficult to conduct business that was outside of the tasks of opening and closing the Owl House, stocking the shop and cleaning the Owl House and Visitors Centre.

On this point, the Foundation is extremely grateful to our very competent and committed staff for ensuring that the Owl House remained opened to visitors when the regulations allowed it.

With the passing of Hanna Van Heerden and the resignation of Charles Graham, the Board resolved to invite:

- Anne Graaff
- Ludolf Smit and
- Bruce Rubidge

Onto the Board of Directors – these invitations were accepted and with their appointments, the Board again had a full compliment of Directors.

The 3 invitations were based on specific functions that the Owl House Foundation required at the point in time:

- Anne Graaff was invited in order to co-spearhead the employment of a replacement for Charles Graham – a position the Board named an Executive Manager : a person with more than administrative functions and included curatorial experience as well.
- Ludolf Smit was invited as the Chairman of the Community Tourism Organisation of Nieu Bethesda – an important conduit from the Board of the Owl House to the business owners of the village. Ludolf added valuable input as to the practicalities of tourists visiting the village and contributed valuable information that the Board was able to utilize in addressing the Covid environment and mitigating these effects on the operations of the Owl House.
- Bruce Rubidge was invited as the Chairman of the Kitching Fossil Centre in Nieu Bethesda – another very important tourist offering in the village and a further solidification of the relationship between the Owl House and the Fossil Centre.

A further loss to the Owl House Foundation was the retirement at the end of October 2021 of Leonie Fouche from her position at the Beyers Naude Local Municipality and with her retirement, Leonie no longer sits on the Foundation’s board representing the Municipal interest on the Board.

Leonie’s dedication to the Owl House continues and we are very fortunate still to have her as a current member of the Foundation.

I would like to extend our sincere thanks to Leonie for her many years of dedication to the Owl House and sitting on many years of Boards of the Foundation excellently representing the interests of the Beyers Naude Municipality.

Technology

The Covid-19 Pandemic has accelerated the advancement of virtual technology.

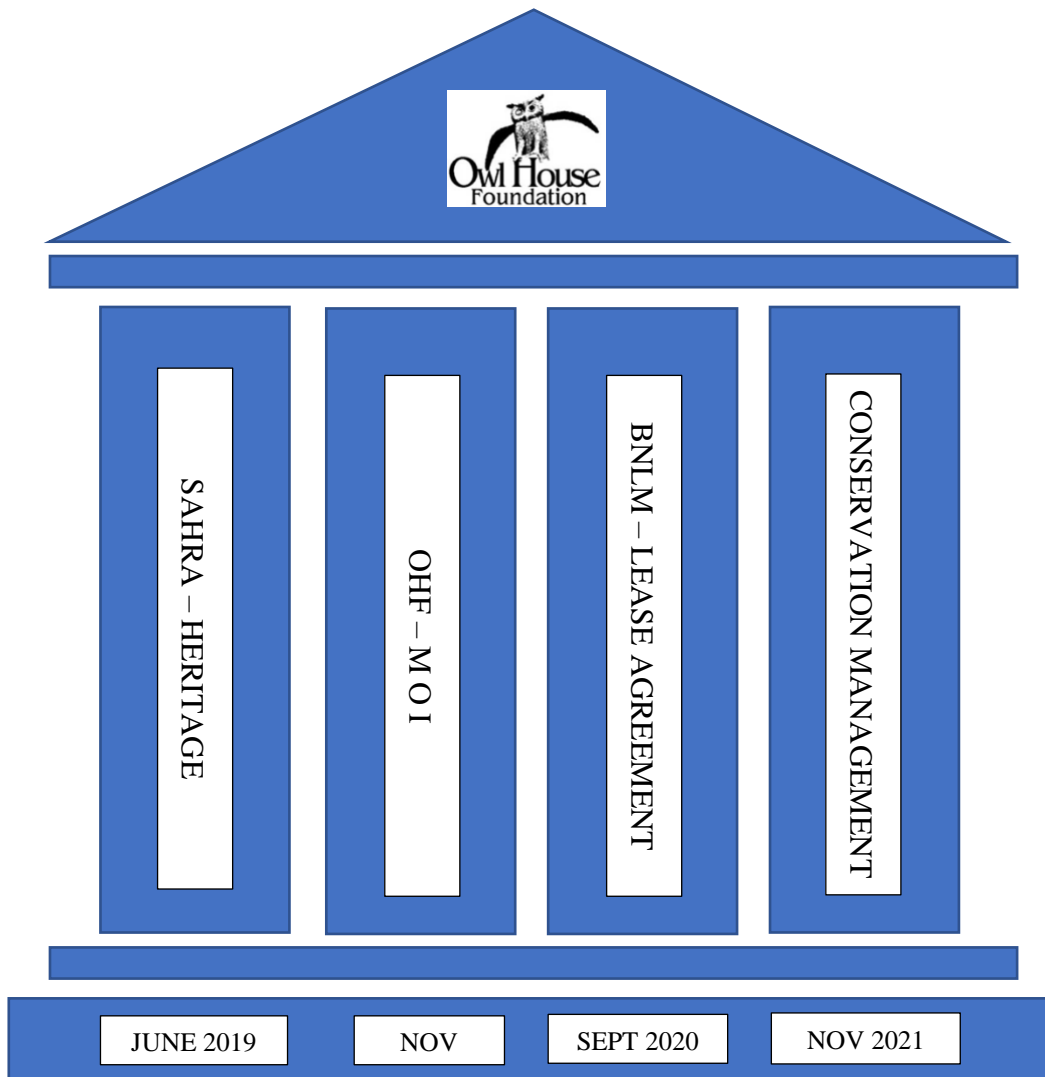
What seemed difficult and almost impossible pre-Covid has become the norm during the Pandemic.

The Owl House Foundation has tried to assimilate these technologies into its operations and with the adoption of Zoom as its preferred virtual meeting platform, the Directors of the Owl House Foundation have been able to meet virtually to conduct the business of the Board with individual Directors being as far away as France, then closer in Cape Town, Johannesburg, Graaff-Reinet and Nieu Bethesda.

The Board had in fact resolved to conduct this AGM using a Hybrid Model of in-person and virtual attendance but were disappointed to discover that our Memorandum of Incorporation specifically excludes members meeting electronically.

We must bear in mind that the MOI was adopted pre-covid and before the easy access to such technologies such as Zoom.

COMPLIANCE



Integrated Conservation Management Plan

I am extremely proud to announce that the Integrated Conservation Management Plan for the Owl House was approved by South African Heritage Resource Agency (SAHRA) on the 24th November 2021.

I want to formally express the thanks and gratitude of the Owl House Foundation to Professor Roger Fischer who curated and compiled this 238 page Conservation Plan.

It has been stated before but it is important enough to re-mention that Professor Fisher compiled this document on behalf of the Owl House Foundation pro-bono.

The Conservation Plan took over 2 years to compile and a vast amount of time and effort, consulting with many different experts to curate a comprehensive and Integrated Conservation Management Plan for the Owl House.

Professor Fischer's pro-bono contribution to the Owl House and the Owl House Foundation is conservatively valued in the hundreds of thousands of rands and we cannot be more grateful for his dedication and commitment to Helen Martin's creation and a true asset to the Heritage of South Africa.

SUMMARY OF COMPLIANCE

With the finalization and approval by SAHRA of the Integrated Conservation Management plan, the key structural pillars of the Owl House Foundation are in now in place.

It has been an extremely long and arduous process but I am grateful for the support and commitment by everyone involved in finalizing each of these Structural Pillars.

CRAFTERS PRECINCT

As reported at the previous AGM, the Municipality had approved the application by the Owl House Foundation to establish and build a legal crafters precinct.

It was indeed a memorable day with the Crafters, who have been waiting for nearly 2 decades, when we unveiled the signage that indicated the intentions to upgrade their precinct.

I recall fondly how our dear late Vice Chairlady, Hanna and the Crafters shared this special moment understanding that this was the culmination of promises made to the Crafters for decades.



Unveiling of the Crafters Precinct Sign Board in December 2020:

In the picture Vice Chairwoman of the OHF, Hanna Van Heerden, 8 of the Crafters, Lead Architect Daniel Van Der Merwe and Chairman of the OHF, Fulvio De Stefanis

Our excitement was short lived as we were informed that one of the 5 initial objectors, 1 objector had chosen to Appeal the municipalities decision regarding their approval.

This Appeal suspended the entire process of designing and building the Crafters Precinct.

What was extremely unfortunate to the approval was the fact that the Beyers Naude Local Municipality had never dealt with an appeal in terms of SPLUMA and an Appeal Authority had never been established.

The establishment of this appeal authority meant that the appeal was only heard in June of 2021, 8 months after the approval was granted.

In arguing for the appeal, the attorney representing the appellant did not appeal against the Crafters Precinct on the merit of the Precinct but instead attacked the procedural and technical defects of the application with a threat of court action should the appeal authority not uphold the appeal and overturn the approval.

This ultimately was what the Appeal Authority did, the appeal was upheld on technical issues and the applicants, being the Owl House Foundation, directed to start the application process over addressing the technical issues of the application.

This was devastating to the Crafters, the Foundation and the village of Nieu Bethesda as well as the touristic value offering of Nieu Bethesda.

The Board of Directors has engaged with the Beyers Naude Local Municipality to address these technical issues which were ultimately issues from the municipality's side.

We have resolved all of the issues identified in the Appeal Notice and have already begun the process of the submission of the application.

A key development, aside from addressing the technical issues, is that the Lawyers for Human Rights, an independent, not for profit organisation of lawyers established in 1979, has agreed to represent the Crafters in this entire process and will advocate for their rights as well as fund and argue any court review on merit in this next application.

CRAFTERS PRECINCT EXHIBITION & PUBLIC PARTICIPATION

When we received the approval of the precinct from the Municipality and before being made aware of the Appeal, we embarked on a 60 day Public Participation Period which was extensively advertised over peak tourist season from 13 December 2020 to 13 February 2021.

The Public, all local residents and visiting tourists, were invited to view the Exhibition of the Crafter's Precinct Proposed Designs setup in the Owl House Foundations Exhibition Space and to submit comments to the lead Architect.

The Exhibition was advertised throughout the village itself as well as sent out electronically to all the relevant stakeholders as well as a large display sign (4m x 2m) erected behind the proposed Crafters Precinct illustrating the proposed designs of the Crafters Precinct.

During this period 3954 tourists visited the Owl House.

It is imperative to stipulate that we did not receive one single objection, letter of concern or complaint regarding the proposed Crafters Precinct.

In fact, to the contrary, the overwhelming response was positive and supportive, and the initiative was praised by the tourists visiting the Owl House.

In October 2021, Ludolf Smith conducted 3 meetings at the Community Hall in Nieu Bethesda to establish whether there was support to upgrade the crafters precinct and ideas on what the upgrades should look like.

The results were no surprise to the Board:

100% of people agree that the Crafters should be upgraded.

Out of this 79% support the Precinct to be established where the Crafters currently sell their craft i.e. on the Road while 21% felt that it should be on the Foundations property.

It must be stated that from the onset of discussions with the Crafters in 2018, we offered to build the precinct on the Foundations property.

The Crafters rejected this idea for some very valid reasons; first and foremost, they did not want to lose their historical location within the context of the Owl House. They also explained that should they move from their location; they have no doubt that other people will take up those locations. Lastly and perhaps most importantly, they did not want to lose their independence and become tenants subject to rules imposed on them by the Foundation now or in the future.

GOOGLE ARTS AND CULTURE & BBC LIFESTYLE

We have attracted some great attention this year from various media, be it online and television.

Google Arts and Culture came to film the Owl House and will be installing a virtual tour on their Arts & Culture platform along side other places such as the Palace of Versailles in France and the Sagrada Familia in Barcelona – a phenomenal nod to the importance of the Owl House in the International Arts and Culture community.

BBC Lifestyle included visiting the Owl House in one of their shows and filmed the hosts in the Owl House. This episode is expected to be flighted in the 1st quarter of 2022 and will give great exposure to the Owl House to an international audience.

RESTORATIONS

Restoration work continues at the Owl House and we were happy to have Amanda Snyman – our elected glass expert visit the Owl House and continue the work of glass restorations.

RISK RESEVIOUR

For the first time as Chairman, I find it necessary to include a Risk Register in my Report.

These are risks that the Owl House Foundation has faced and could continue to face which can have a severe consequence on the sustainability and viability of the company.

PROTEST & THREAT OF CLOSURE

In October this year, the Nieu Bethesda Action Committee threatened to protest outside the Owl House and ensure its closure over the December period.

This protest action primarily was linked to the state of the Crafters operating outside of the Owl House.

The Action Committee protested that the Crafters Precinct plans and discussions had been going on too long and they no longer accepted the Crafters trading in those shacks. The Action Committee demanded that temporary structures be erected by the Owl House Foundation no later than the end of November and should these temporary structures not be erected, they would ensure the closure of the Owl House over the December period.

This threat is of course a massive risk not only to the Owl House Foundation and its ability to be viable but also to the offering of Nieu Bethesda as a prime tourist destination.

I would like to thank Ludolf Smith who met with the Action Committee to explain:

- The Owl House Foundation has been working extremely hard to improve the crafters precinct and obtain the legal approval to improve the precinct
- The Owl House Foundation cannot erect temporary structures as these structures, although temporary, would still be illegal

It does seem as if the immediate threat of protest and closure has been averted but we must be vigilant as to the potential reemergence of this type of threat.

CHALLENGES AND AMMEDMENTS TO OUR MEMORADUM OF INCORPORATION

During this current year, it has been brought to our attention that there are clauses in the Foundations MOI that is inconsistent with the Companies Act.

Upon taking such notices on legal review, it has indeed been confirmed that these clauses are inconsistent with the Companies Act and the Board of Directors has acted accordingly when these inconsistencies confirmed.

As this has happened on two occasions, the Board has taken the decision to have the entire MOI reviewed by a firm that is expert in the Companies Act.

This review is still underway and it is anticipated that at some point in 2022, a meeting of members will be called to review and adopted the amended MOI.

LEGAL EXPENSES

Due to the processes described above, during 2021, the Foundation has incurred expenses in seeking expert legal opinion on the various issues that were brought to our attention. This will continue into next year.

The threat of legal review of the Board of Directors decisions also remains a risk into 2022.

We are grateful to our attorneys Derek Light for their continued guidance in the realm of the law.

POPI ACT vs COMPANIES ACT

The arrival of POPI has certainly created critical challenges to the Board in 2021.

Earlier this year, an attorney wrote to us and threatened to report us to the Regulators for contravention of the POPI Act.

This led to an extremely cautious approach, as advised by our legal firm, as to private information of our members when it was requested our us to make available the Members List to interested parties.

It is important to state that the Companies Act requires that a Members List of a Not for Profit Company, such as the Owl House Foundation, be made available for inspection by anyone who so desires to see it after paying a prescribed fee or by any member of the company.

This is where the legal jeopardy seemed to lie. As explained by our legal firm “whether the OHF is compelled to disclose the personal information of its members to other members as provided for in the Companies Act or whether the OHF has a duty to protect this personal information in terms of POPIA.”

As our legal firm has been attempting to establish the correct, legal process, they went onto advise us that “the directors to proceed with caution in the interim.”

Our concern remained that it may be misconstrued that the Board of Directors are not trying to be transparent instead of trying to resolve this legal quandary.

This ultimately led to discussions and advices from people such as our Auditor who works with the Companies Act as well as POPI.

In the interests of transparency and good governance, we believe that we have found a solution that both satisfies the Companies Act as well as not transgressing the POPI Act and as such, we have published our Members List on our website for public dissemination and not even requiring the prescribed fee indicated by the Companies Act that should be paid to access this list.

We trust this will lay to rest the negative impression by a few people that we are not transparent.

CRIMINAL CHARGES

During the course of the above process, when we were unsure how to satisfy both legislations, the very same attorney who threatened us for contravention of POPI then went and laid criminal charges against the Directors of the Owl House Foundation for not satisfying the provision in the Companies Act.

We await the investigation into the above case to be concluded but we do believe that we were acting in the best interest of the members and as such are hopeful that such charges will not amount to any type of prosecution.

However, this must be stated as a risk and we continue to monitor the situation.

CONCLUSION

I must thank and acknowledge my fellow Directors on the Board of the Foundation.

This last year has had extreme challenges.

As reflected by our financials, even though we our visitor numbers have dropped off significantly due to the Covid Lock Downs, the Board has been making proactive decisions to ensure and protect and minimize the losses to the Foundation.

It is without a doubt that the Directors dedication to the Owl House ensured the financial viability of the Foundation in these difficult economic time.

I remind our members that the Directorships are volunteer positions and positions which are not remunerated. It is truly a dedication and commitment to the Owl House and the village of Nieu Bethesda that motivates the Directors to contribute their valuable time and expertise.

The Directors are acutely aware of the critical and important role the Owl House plays in the economy of Nieu Bethesda – effecting the livelihoods of all businesses and people in the village.

It is with this very heavy burden of responsibility that the Directors work in good faith to ensure that the Owl House remains viable ensuring the continued success of Nieu Bethesda as an important tourist attraction.

It has been a privilege to work alongside this dedicated group of people and the Foundation is in an even stronger position that it was a year ago.

Thank you

FULVIO DE STEFANIS
Chairman
Owl House Foundation

