



The Owl House Foundation (Pty) Ltd

(Registration Number 1999/000317/08)

**Annual Financial Statements
for the year ended 30 June 2023**

Reviewed Financial Statements

in compliance with the Companies Act (71 of 2008)

Prepared by: P Greeff

Professional designation: SAIPA (SA)

Title: Independent Accountant

The Owl House Foundation (Pty) Ltd

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	1999/000317/08
Nature of Business and Principal Activities	Operates within the historical society, tourism and leisure industry
Board of Directors	AP Marais N Flaatten SJ Graham-Mare DJS van der Merwe BS Rubidge EP Hon
Registered Office	New Street Nieu-Bethesda 6286
Business Address	New Street Nieu-Bethesda 6286
Postal Address	Poste Restante Nieu-Bethesda 6286
Tax Number	9073010077
Level of Assurance	These financial statements have been reviewed in compliance with the applicable requirements of the Companies Act (71 of 2008).

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Directors' Responsibilities and Approval

The board of directors is required by the Companies Act (71 of 2008) to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The board of directors acknowledges that it is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the board of directors sets 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 company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 of directors is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the board of directors has no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The independent reviewers are responsible for independently reviewing and reporting on the non-profit company's annual financial statements. The independent reviewers report is presented on page 6.

The annual financial statements set out on pages 7 to 16, and the supplementary information set out on pages 17 to 19 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 25 November 2023 on its behalf by:



AP Marais



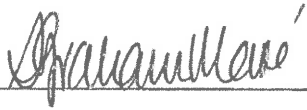
N Flaatten

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Directors' Responsibilities and Approval



SJ Graham-Mare



DJS van der Merwe



BS Rubidge



EP Hon

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Directors' Report

The board of directors presents its report for the year ended 30 June 2023.

1. Review of activities

Main business and operations

The company operates within the historical society, tourism and leisure industry. There were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The board of directors believes that the company 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 of directors has satisfied itself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The board of directors is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

5. Board of Directors

The board of directors of the company during the year and up to the date of this report is as follows:

AP Marais

N Flaatten

SJ Graham-Mare

DJS van der Merwe

BS Rubidge

EP Hon

6. Independent Reviewers

Van Wyk Theron were the independent reviewers for the year under review.

Report of the Independent Reviewer

To the Members of The Owl House Foundation (Pty) Ltd

We have reviewed the annual financial statements of The Owl House Foundation (Pty) Ltd set out on pages 7 to 16, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Annual Financial Statements

The board of directors is responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act (71 of 2008), and for such internal control as the board of directors determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these annual financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical annual financial statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects, the financial position of The Owl House Foundation (Pty) Ltd as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act (71 of 2008).

Van Wyk Theron

20 October 2023


BR Burger
BAP (SA)

Somersetstraat 38 Somerset Street
Graaff-Reinet
6280

The Owl House Foundation (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position

Figures in R	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2	707,301	754,074
Total non-current assets		707,301	754,074
Current assets			
Inventories	3	186,903	180,558
Trade and other receivables	4	292,023	300
Cash and cash equivalents	5	760,644	1,149,807
Total current assets		1,239,570	1,330,665
Total assets		1,946,871	2,084,739
Equity and liabilities			
Equity			
Accumulated surplus		1,745,520	2,058,383
Liabilities			
Current liabilities			
Trade and other payables	6	201,351	26,356
Total liabilities		201,351	26,356
Total equity and liabilities		1,946,871	2,084,739

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Statement of Comprehensive Income

Figures in R	Notes	2023	2022
Revenue		600,360	585,245
Opening stock		(180,558)	(171,294)
Purchases		(539,750)	(311,237)
Closing stock		186,903	180,558
Cost of sales		<u>(533,405)</u>	<u>(301,973)</u>
Gross surplus		66,955	283,272
Other income	7	814,005	809,215
Administrative expenses	8	(131,157)	(135,979)
Other expenses	9	(1,124,311)	(893,453)
(Deficit) / surplus from operating activities		(374,508)	63,055
Finance income	10	61,980	40,191
Finance costs	11	(335)	-
(Deficit) / surplus for the year		(312,863)	103,246

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Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 July 2021	1,955,137	1,955,137
Changes in equity		
Surplus for the year	103,246	103,246
Total comprehensive income	103,246	103,246
Balance at 30 June 2022	2,058,383	2,058,383
Balance at 1 July 2022	2,058,383	2,058,383
Changes in equity		
Deficit for the year	(312,863)	(312,863)
Total comprehensive income	(312,863)	(312,863)
Balance at 30 June 2023	1,745,520	1,745,520

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Statement of Cash Flows

Figures in R	Note	2023	2022
Cash flows (used in) / from operations			
(Deficit) / surplus for the year		(312,863)	103,246
Adjustments to reconcile (deficit) / surplus			
Adjustments for finance income		(61,980)	(40,191)
Adjustments for finance costs		335	-
Adjustments for increase in inventories		(6,345)	(9,264)
Adjustments for increase in trade accounts receivable		(29,823)	-
Adjustments for (increase) / decrease in other operating receivables		(261,900)	50
Adjustments for increase in trade accounts payable		22,020	-
Adjustments for increase in other operating payables		152,975	3,152
Adjustments for depreciation and amortisation expense		108,724	30,063
Total adjustments to reconcile (deficit) / surplus		(75,994)	(16,190)
Net cash flows (used in) / from operations		(388,857)	87,056
Interest paid		(335)	-
Interest received		61,980	40,191
Net cash flows (used in) / from operating activities		(327,212)	127,247
Cash flows used in investing activities			
Purchase of property, plant and equipment		(61,951)	(9,255)
Cash flows used in investing activities		(61,951)	(9,255)
Cash flows used in financing activities			
Other inflows (outflows) of cash		(1)	-
Cash flows used in financing activities		(1)	-
Net (decrease) / increase in cash and cash equivalents		(389,164)	117,992
Cash and cash equivalents at beginning of the year		1,149,807	1,031,815
Cash and cash equivalents at end of the year	5	760,643	1,149,807

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements of The Owl House Foundation (Pty) Ltd have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act (71 of 2008). The annual financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the board of directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Land and buildings	0%
Fixtures and fittings	33%
Solar system	100%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

1.2 Financial instruments

Trade and other receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in surplus or deficit.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

1.3 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest income is recognised using the effective interest method.

1.5 Donations received

Donations are accounted for on a cash received basis and where donations have been received in kind at a value that the management committee has deemed them to be worth.

1.6 Borrowing costs

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

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Notes to the Annual Financial Statements

Figures in R

2023

2022

2. Property, plant and equipment

Balances at year end and movements for the year

	Land and buildings	Fixtures and fittings	Solar system	Total
Reconciliation for the year ended 30 June 2023				
Balance at 1 July 2022				
At cost	662,235	344,093	-	1,006,328
Accumulated depreciation	-	(252,254)	-	(252,254)
Net book value	662,235	91,839	-	754,074
Movements for the year ended 30 June 2023				
Additions	-	7,700	54,251	61,951
Depreciation	-	(54,473)	(54,251)	(108,724)
Property, plant and equipment at the end of the year	662,235	45,066	-	707,301
Closing balance at 30 June 2023				
At cost	662,235	351,794	54,251	1,068,280
Accumulated depreciation	-	(306,728)	(54,251)	(360,979)
Net book value	662,235	45,066	-	707,301

3. Inventories

Inventories comprise:

Merchandise	186,903	180,558
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4. Trade and other receivables

Trade and other receivables comprise:

Provisions and advance payments	29,823	-
Prepaid expenses	262,200	-
Staff loans	-	300

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Notes to the Annual Financial Statements

Figures in R	2023	2022
5. Cash and cash equivalents		
Cash and cash equivalents comprise:		
Cash		
Cash on hand	43,560	43,063
Balances with banks	94,679	21,319
Total cash	138,239	64,382
Cash equivalents		
Short term deposits	622,405	1,085,425
Total cash equivalents	622,405	1,085,425
Total cash and cash equivalents included in current assets	760,644	1,149,807
Net cash and cash equivalents	760,644	1,149,807
6. Trade and other payables		
Trade and other payables comprise:		
Trade creditors	22,020	-
KFEC sales owing	26,399	8,116
Provision for accounting fees	-	18,240
Consignment stock	152,932	-
Total trade and other payables	201,351	26,356
7. Other income		
Other income comprises:		
Donations	16,080	15,020
Entrance ticket sales	782,175	779,195
Membership fees received	15,750	15,000
Total other income	814,005	809,215

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Notes to the Annual Financial Statements

Figures in R

2023

2022

8. Administrative expenses

Administrative expenses comprise:

Accounting fees	12,110	27,462
Advertising, printing and stationery	9,497	24,853
Independent reviewer's remuneration - fees	28,275	26,493
Bank charges	55,946	50,716
Computer expenses	9,510	-
Subscriptions	600	1,200
Telecommunication	15,219	5,255
Total administrative expenses	131,157	135,979

9. Other expenses

Other expenses comprise:

Africlock fees	1,610	1,610
Annual return	1,512	-
Cleaning	-	18,449
Conservation Management Plan	-	2,000
Consulting and professional fees	26,087	29,633
Courier charges	409	99
Crafters support costs	-	97,238
Depreciation	108,724	30,063
Employee benefit expenses	431,799	384,351
FirstAid	-	605
Insurance	16,508	14,194
Internet charges	-	10,390
Legal fees	-	59,812
Licences and permits	3,269	2,898
Management fees	227,064	151,284
Municipal expenses	51,587	41,621
Profit share - S Ford	2,027	-
Property related expenses	35,956	-
Repairs and maintenance	93,339	29,937
Rezoning expenses	28,924	-
Salaries and wages - PAYE/UIF	15,225	-
Secretarial services	38,887	-
Security	9,536	5,287
Travel and entertainment	28,921	12,640
Venue hire	750	-
Website maintenance	696	-
Workmans compensation	1,481	1,342
Total other expenses	1,124,311	893,453

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Notes to the Annual Financial Statements

Figures in R	2023	2022
10. Finance income		
Finance income comprises:		
Interest received	<u>61,980</u>	<u>40,191</u>
11. Finance costs		
Finance costs included in surplus or deficit:		
Trade and other payables	<u>335</u>	<u>-</u>

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Annual Financial Statements for the year ended 30 June 2023

Detailed Income Statement

Figures in R	Notes	2023	2022
Revenue			
Sale of goods		600,360	585,245
Total revenue		600,360	585,245
Cost of sales			
Opening stock		(180,558)	(171,294)
Purchases		(539,750)	(311,237)
Closing stock		186,903	180,558
Total cost of sales		(533,405)	(301,973)
Gross surplus		66,955	283,272
Other income	7		
Donations		16,080	15,020
Entrance tickets		782,175	779,195
Membership fees		15,750	15,000
Total other income		814,005	809,215
Administrative expenses	8		
Accounting fees		(12,110)	(27,462)
Advertising, printing and stationery		(9,497)	(24,853)
Bank charges		(55,946)	(50,716)
Computer expenses		(9,510)	-
Independent reviewer's remuneration - fees		(28,275)	(26,493)
Subscriptions		(600)	(1,200)
Telecommunication		(15,219)	(5,255)
Total administrative expenses		(131,157)	(135,979)

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Detailed Income Statement

Figures in R

	Notes	2023	2022
Other expenses	9		
Africlock fees		(1,610)	(1,610)
Annual return		(1,512)	-
Cleaning		-	(18,449)
Conservation Management Plan		-	(2,000)
Consulting and professional fees		(26,087)	(29,633)
Courier charges		(409)	(99)
Crafters support costs		-	(97,238)
Depreciation - property, plant and equipment		(108,724)	(30,063)
Employee costs - salaries		(431,799)	(384,351)
FirstAid		-	(605)
Insurance		(16,508)	(14,194)
Internet charges		-	(10,390)
Legal fees		-	(59,812)
Licences and permits		(3,269)	(2,898)
Management fees		(227,064)	(151,284)
Municipal expenses		(51,587)	(41,621)
Office and clubhouse expenses		(35,956)	-
Profit share - S Ford		(2,027)	-
Repairs and maintenance		(93,339)	(29,937)
Rezoning expenses		(28,924)	-
Salaries and wages - PAYE/UIF		(15,225)	-
Secretarial services		(38,887)	-
Security		(9,536)	(5,287)
Travel and entertainment		(28,921)	(12,640)
Venue hire		(750)	-
Website maintenance		(696)	-
Workmans compensation		(1,481)	(1,342)
Total other expenses		(1,124,311)	(893,453)
(Deficit) / surplus from operating activities		(374,508)	63,055
Finance income	10		
Interest received		61,980	40,191
Total finance income		61,980	40,191
Finance costs	11		
Trade and other payables		(335)	-
Total finance costs		(335)	-
(Deficit) / surplus for the year		(312,863)	103,246

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Income Tax Computation

Figures in R	Notes	2023	2022
(Deficit) / surplus before tax		<u>(312,863)</u>	<u>103,246</u>
Debit Adjustments (decrease net profit / increase net loss) (insert as negative)			
Exempt income		312,863	(103,246)
		<u>312,863</u>	<u>(103,246)</u>
Taxable income		<u>-</u>	<u>-</u>
Normal tax		-	-