The Owl House Foundation NPC

(Registration Number 1999/000317/08)
Annual Financial Statements
for the year ended 30 June 2024

Reviewed Financial Statements

in compliance with the Companies Act (71 of 2008)
Prepared by: P Greeff
Professional designation: SAIPA (SA)
Title: Independent Accountant
Reviewed by: AD Pretorius
Professional designation: CA (SA)
Title: Independent Reviewer

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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).
Independent Reviewer	AD Pretorius Theron du Plessis - Cradock 99 JA Calata Street Cradock 5880
Company Secretary	Van Wyk Theron 38 Somerset Street Graaff-Reinet 6280

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. These annual financial statements have been prepared in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB®) and 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 external reviewers are responsible for independently reviewing and reporting on the non-profit company's annual financial statements. The annual financial statements have been examined by the non-profit company's independent reviewers and their report is presented on page 7.

The annual financial statements set out on pages 9 to 21, and the supplementary information set out on pages 22 to 24 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 22 October 2024 on its behalf by:

AP Marais

N Flaatten

Directors' Responsibilities and Approval

SJ Graham-Mare	DJS van der Merwe
BS Rubidge	EP Hon

Directors' Report

The board of directors presents its report for the year ended 30 June 2024.

1. Review of financial results and 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 company generated a deficit after tax for the year ended 30 June 2024 of R39,332 (2023: R312,863).

The non-profit company's revenue decreased from R600,360 in the prior year to R597,650 for the year ended 30 June 2024.

The non-profit company's cash flows from operating activities changed from an outflow of R327,212 in the prior year to an outflow of R193,276 for the year ended 30 June 2024.

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. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the board of directors may exercise all the powers of the company to borrow money, as it considers appropriate.

Directors' Report

6. 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

7. Secretary

The non-profit company's designated secretary is Van Wyk Theron.

Details of the company secretary is as follows:

Name and surname:	Van Wyk Theron
Secretary's business address:	38 Somerset Street
	Graaff-Reinet
	6280

8. Independent Reviewers

TdP - Cradock was reappointed as the Independent Reviewer of The Owl House Foundation (Pty) Ltd.

TDP

Accountants & Auditors (SA)

INDEPENDENT ASSOCIATED OFFICES

ALIWAL NORTH
BURGERSDORP
DE AAR
DURBANVILLE
PIKETBERG
SOMERSET WEST
STELLENBOSCH
TULBAGH
VILLIERSDORP
GQEBERHA

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Report of the Independent Reviewer

To the Members of The Owl House Foundation NPC

We have reviewed the financial statements of The Owl House Foundation NPC set out on pages 9 to 21, which comprise the statement of financial position as at 30 June 2024, 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 financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of these 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 directors determine is necessary to enable the preparation of 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 financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical 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 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 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 financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of The Owl House Foundation NPC as at 30 June 2024, 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).

Basis of Accounting

Without modifying our conclusion, we draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the non-profit company's own accounting policies to satisfy the financial information needs of the non-profit company's shareholders. As a result, the financial statements may not be suitable for another purpose.

Other Reports Required by the Companies Act (71 of 2008)

The annual financial statements include the Directors' Report as required by the Companies Act (71 of 2008), and the supplementary information set out on pages 21 to 23. The directors are responsible for this other information. Our conclusion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the other information and, in doing so, considered whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we will report that fact. We have nothing to report in this regard.

Theron du Plessis – Cradock

5 November 2024

AD Pretorius
CA (SA)

JA Calatastraat 98 JA Calata Street
Cradock
5880

VANWYKTHERON

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Report of the Compiler

To the Board of Directors of The Owl House Foundation (Pty) Ltd

We have compiled the accompanying annual financial statements of The Owl House Foundation (Pty) Ltd based on information you have provided. These annual financial statements comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act (71 of 2008). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board.

Van Wyk Theron **22 October 2024**

Per: P Greeff
Professional Accountant (SA)

38 Somerset Street
Graaff-Reinet
6280

The Owl House Foundation NPC

(Registration Number 1999/000317/08)
Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position

Figures in R	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	4	671,256	707,301
Total non-current assets		**671,256**	**707,301**
Current assets			
Inventories	5	167,853	186,903
Trade and other receivables	7	532,753	292,023
Other financial assets and term deposits	8	449,185	622,405
Cash and cash equivalents	9	108,677	138,239
Total current assets		**1,258,468**	**1,239,570**
Total assets		**1,929,724**	**1,946,871**
Equity and liabilities			
Equity			
Accumulated surplus		1,706,188	1,745,520
Liabilities			
Current liabilities			
Trade and other payables	10	223,536	201,351
Total liabilities		**223,536**	**201,351**
Total equity and liabilities		**1,929,724**	**1,946,871**

The Owl House Foundation NPC

(Registration Number 1999/000317/08)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comprehensive Income

Figures in R	Notes	2024	2023
Revenue		597,650	600,360
Opening stock		(186,903)	(180,558)
Purchases		(351,257)	(539,750)
Closing stock		167,853	186,903
Cost of sales		(370,307)	(533,405)
Gross surplus		**227,343**	**66,955**
Other income	11	967,551	814,005
Administrative expenses		(151,860)	(131,157)
Other expenses		(1,126,564)	(1,124,311)
Deficit from operating activities		**(83,530)**	**(374,508)**
Finance income	12	44,198	61,980
Finance costs	13	-	(335)
Deficit for the year		**(39,332)**	**(312,863)**

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
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**
Balance at 1 July 2023	1,745,520	1,745,520
Changes in equity		
Deficit for the year	(39,332)	(39,332)
Total comprehensive income	(39,332)	(39,332)
Balance at 30 June 2024	**1,706,188**	**1,706,188**

Statement of Cash Flows

Figures in R	Note	2024	2023
Cash flows used in operations			
Deficit for the year		**(39,332)**	**(312,863)**
Adjustments to reconcile deficit			
Adjustments for finance income		(44,198)	(61,980)
Adjustments for finance costs		-	335
Adjustments for decrease / (increase) in inventories		19,050	(6,345)
Adjustments for decrease / (increase) in trade accounts receivable		29,823	(29,823)
Adjustments for increase in other operating receivables		(270,553)	(261,900)
Adjustments for (decrease) / increase in trade accounts payable		(20,353)	22,020
Adjustments for increase in other operating payables		42,538	152,975
Adjustments for depreciation and amortisation expense		45,551	108,724
Total adjustments to reconcile deficit		**(198,142)**	**(75,994)**
Net cash flows used in operations		**(237,474)**	**(388,857)**
Interest paid		-	(335)
Interest received		44,198	61,980
Net cash flows used in operating activities		**(193,276)**	**(327,212)**
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment		(9,506)	(61,951)
Purchase of other financial assets		173,220	(620,530)
Cash flows from / (used in) investing activities		**163,714**	**(682,481)**
Net decrease in cash and cash equivalents		**(29,562)**	**(1,009,693)**
Cash and cash equivalents at beginning of the year		138,239	1,147,932
Cash and cash equivalents at end of the year	9	**108,677**	**138,239**

Accounting Policies

1. General information

The Owl House Foundation (Pty) Ltd ('the company') operates within the historical society, tourism and leisure industry.

The company is incorporated as a non-profit company and domiciled in South Africa. The address of its registered office is New Street, Nieu-Bethesda, 6286.

2. 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the Companies Act (71 of 2008). The annual financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in note 3.

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.

2.1 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	6 years
Solar system	1 year

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.

Accounting Policies

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

2.2 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.

Other financial assets

Other financial assets are recognised initially at the transaction price, including transaction costs except where the asset will subsequently be measured at fair value.

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognised in profit or loss. Other investments are subsequently measured at cost less impairment.

Debt instruments are subsequently stated at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Commitments to receive a loan that meet the conditions in paragraph 11.8(c) are measured at cost less impairment.

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.

Trade and other payables

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

2.3 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.

2.4 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2.5 Provisions

Provisions for restructuring costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.6 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.

Accounting Policies

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

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

2.7 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.

2.8 Borrowing costs

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

2.9 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Accounting Policies

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Annual Financial Statements

Figures in R	2024	2023

4. Property, plant and equipment

4.1 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 2024				
Balance at 1 July 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**
Movements for the year ended 30 June 2024				
Additions	-	-	9,506	**9,506**
Depreciation	-	(36,045)	(9,506)	**(45,551)**
Property, plant and equipment at the end of the year	**662,235**	**9,021**	**-**	**671,256**
Closing balance at 30 June 2024				
At cost	662,235	351,794	63,757	**1,077,786**
Accumulated depreciation	-	(342,773)	(63,757)	**(406,530)**
Net book value	**662,235**	**9,021**	**-**	**671,256**

5. Inventories

5.1 Inventories comprise:

	2024	2023
Merchandise	167,853	186,903

6. Financial assets

6.1 Carrying amount of financial assets by category

	At fair value through surplus or deficit	Loan commitments at cost less impairment	Debt instruments at amortised cost	Total
Year ended 30 June 2024				
Other financial assets and term deposits (Note 8)	80,081	369,104	-	**449,185**
Trade and other receivables excluding non-financial assets (Note 7)	-	-	(2,170)	**(2,170)**
Cash and cash equivalents (Note 9)	-	-	108,677	**108,677**
	80,081	**369,104**	**106,507**	**555,692**

Notes to the Annual Financial Statements

Figures in R	2024	2023

Financial assets continued...

	At fair value through surplus and deficit	Loan commitments at cost less impairment	Debt instruments at amortised cost	Total
year ended 30 June 2023				
Other financial assets and term deposits (Note 8)	1,875	620,530	-	**622,405**
Trade and other receivables excluding non-financial assets (Note 7)	-	-	29,823	**29,823**
Cash and cash equivalents (Note 9)	-	-	138,239	**138,239**
	1,875	**620,530**	**168,062**	**790,467**

7. Trade and other receivables

7.1 Trade and other receivables comprise:

	2024	2023
Provisions and advance payments	-	29,823
Crafters hardware control	(2,170)	-
Prepaid expenses	534,923	262,200

8. Other financial assets and term deposits

8.1 Other financial assets and term deposits incorporates the following balances:

	2024	2023
FNB 7 Day Notice Deposit	449,185	622,405

9. Cash and cash equivalents

9.1 Cash and cash equivalents comprise:

	2024	2023
Cash		
Cash on hand	17,567	18,662
Balances with banks	80,053	94,679
Total cash	**97,620**	**113,341**
Cash equivalents		
Credit card control account	10,465	13,700
Total cash equivalents	**10,465**	**13,700**
Other cash and cash equivalents	**592**	**11,198**
Total cash and cash equivalents included in current assets	**108,677**	**138,239**
Net cash and cash equivalents	**108,677**	**138,239**

Notes to the Annual Financial Statements

Figures in R	2024	2023

10. Trade and other payables

Trade and other payables comprise:

Trade creditors	1,667	22,020
KFEC sales owing	21,372	26,399
Consignment stock	200,497	152,932
Total trade and other payables	**223,536**	**201,351**

11. Other income

Other income comprises:

Donations	15,500	16,080
Entrance ticket sales	934,134	782,175
Membership fees received	16,337	15,750
Admin and management fees received	1,580	-
Total other income	**967,551**	**814,005**

12. Finance income

Finance income comprises:

Interest received	44,198	61,980

13. Finance costs

Finance costs included in surplus or deficit:

Trade and other payables	-	335

Notes to the Annual Financial Statements

Figures in R	2024	2023

14. 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.

The board of directors is not aware of any new material changes that may adversely impact the company. The board of directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The company incurred a net deficit for the year ended 30 June 2024 of R39,332 (2023 deficit: R312,863). The company continues to incur losses.

Detailed Income Statement

Figures in R	Notes	2024	2023
Revenue			
Sale of goods		597,650	600,360
Total revenue		**597,650**	**600,360**
Cost of sales			
Opening stock		(186,903)	(180,558)
Purchases		(351,257)	(539,750)
Closing stock		167,853	186,903
Total cost of sales		**(370,307)**	**(533,405)**
Gross surplus		**227,343**	**66,955**
Other income	11		
Crafters hardware / supplies		1,580	-
Donations		15,500	16,080
Entrance tickets		934,134	782,175
Membership fees		16,337	15,750
Total other income		**967,551**	**814,005**
Administrative expenses			
Accounting fees		(16,465)	(12,110)
Advertising, printing and stationery		(7,370)	(9,497)
Bank charges		(55,782)	(55,946)
Computer expenses		(18,197)	(9,510)
Independent reviewer's remuneration - fees		(34,611)	(28,275)
Subscriptions		(3,640)	(600)
Telecommunication		(15,795)	(15,219)
Total administrative expenses		**(151,860)**	**(131,157)**

The supplementary information presented does not form part of the annual financial statements and is unreviewed

Detailed Income Statement

Figures in R	Notes	2024	2023
Other expenses			
Africlock fees		(1,610)	(1,610)
Annual return		(1,604)	(1,512)
Cleaning		(609)	-
Consulting and professional fees		(85,527)	(26,087)
Courier charges		(3,025)	(409)
Depreciation - property, plant and equipment		(45,551)	(108,724)
Employee costs - salaries		(466,238)	(431,799)
Insurance		(18,164)	(16,508)
Licences and permits		(265)	(3,269)
Management fees		(206,175)	(227,064)
Municipal charges		(600)	-
Municipal expenses		(58,024)	(51,587)
Office expenses		(44,097)	(35,956)
Profit share - S Ford		(3,359)	(2,027)
Repairs and maintenance		(109,554)	(93,339)
Rezoning expenses		(11,500)	(28,924)
Salaries and wages - PAYE/UIF		(18,988)	(15,225)
Secretarial services		(25,278)	(38,887)
Security		(7,164)	(9,536)
Travel and entertainment		(13,238)	(28,921)
Venue hire		(4,169)	(750)
Website maintenance		(1,825)	(696)
Workmans compensation		-	(1,481)
Total other expenses		**(1,126,564)**	**(1,124,311)**
Deficit from operating activities		**(83,530)**	**(374,508)**
Finance income	12		
Interest received		44,198	61,980
Total finance income		**44,198**	**61,980**
Finance costs	13		
Trade and other payables		-	(335)
Total finance costs		**-**	**(335)**
Deficit for the year		**(39,332)**	**(312,863)**

The supplementary information presented does not form part of the annual financial statements and is unreviewed

Income Tax Computation

Figures in R	Notes	2024	2023
Deficit before tax		(39,332)	(312,863)
Debit Adjustments (decrease net profit / increase net loss) (insert as negative)			
Exempt income		39,332	312,863
		39,332	312,863
Taxable income		-	-
Normal tax		-	-

The Owl House Foundation (Pty) Ltd
New Street
NIEU-BETHESDA
6286

28 August 2024

Van Wyk Theron
PO Box 221
GRAAFF-REINET
6280

Dear Sir/Madam

RE: THE OWL HOUSE FOUNDATION (PTY) LTD

I/We confirm that, to the best of my/our knowledge, there were no legal matters pending against Davmar Agri (Pty) Ltd at 30 June 2024.

CHAIRPERSON: THE OWL HOUSE FOUNDATION (PTY) LTD

The Owl House Foundation
New Street
NIEU-BETHESDA
6286

15 October 2024

Van Wyk Theron
PO Box 221
GRAAFF-REINET
6280

Dear Sir/Madam

RE: THE OWL HOUSE FOUNDATION

We confirm that, to the best of our knowledge and belief, and having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following:

1. Financial statements

This Representation Letter is provided in connection with the financial statements for the year ended 30 June 2024 compiled by you. With this Representation Letter we confirm that, based on the documentation and information provided to you, you were in the position to compile financial statements which fairly present, in all material respects, the state of affairs, results of the operations and cash flows of The Owl House Foundation in accordance with IFRS for SMEs and the Close Corporations Act (as the guiding document).

In the financial statements compiled by you, all assets, obligations, risks and limitations that are to be reported on the balance sheet, all expenses and income as well as all the information required have been taken into account.

2. Directors' responsibility

You are responsible for the preparation of the financial statements and the compilation of the management report in accordance with the applicable accounting requirements. This responsibility comprises in particular basic decisions on the presentation of business transactions and/or assets and liabilities in the financial statements, the selection and application of appropriate accounting and valuation methods, and making accounting estimates reasonable with regards to the respective conditions.

We are responsible for the prevention and detection of fraud and error and the establishment and maintenance of an appropriate internal control system.

We are responsible for the establishment of an adequate accounting and internal control system in order to ensure that business transactions with and between related parties are recorded as such in the accounting records and are disclosed in accordance with the financial reporting framework.

3. Information provided

All records, documentation, and information (particularly with regard to the risks requiring accruals, contingent losses from pending transactions, pending and imminent legal and other disputes, and the impairment of receivables) necessary for the compilation of the financial statements have been communicated to you.

All transactions subject to accounting in the abovementioned period were continuously and completely recorded in the submitted books and records.

We have ensured that any data not printed are available at all times within the scope of the legally stipulated retention duties and deadlines, and can be rendered readable within a suitable period of time.

4. Accounting estimates and fair value measurements

We confirm that the following representations made to you or implied by us during the course of the compilation are, to the best of our knowledge and belief, accurate:

(a) That the assumptions and models used in determining the accounting estimates are appropriate in the context of the IFRS for SMEs and applied consistently throughout the process;

(b) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;

(c) That the assumptions appropriately reflect management's intent;

(d) That disclosures related to accounting estimates are complete and appropriate under IFRS for SMEs; and

(e) That no subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.

5. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when compiling financial statements.

6. Litigations and claims

The estimated effect of pending or threatened litigation and claims against The Owl House Foundation have been properly recorded or disclosed in the financial statements.

Except as disclosed in the notes to the financial statements, we are not aware of any additional claims that have been, or are expected to be, received.

7. Related parties

We have disclosed to you the identity of all related parties to The Owl House Foundation, and all related party relationships and transactions of which we are aware.

We have appropriately accounted for and disclosed the identity of, and balances and transactions with, related parties in accordance with the requirements of IFRS for SMEs.

8. Going concern

We have disclosed to you all information relevant to preparation of the financial statements in accordance with the going concern assumption.

9. Subsequent events

All events subsequent to the date of the financial statements and for which IFRS for SMEs require adjustment or disclosure have been adjusted for or disclosed in the financial statements and notes thereto.

10. Fraud

We understand that the term 'fraud' includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve theft of an entity's assets, often accompanied by false or misleading records or documents to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge responsibility for the design, implementation and operation of internal controls to prevent and detect fraud and error.

We are not aware of any instances of fraud or suspected fraud that affects and involves:

(a) Management;
(b) Employees who have significant roles in internal control; or
(c) Others where the fraud could have a material effect on the financial statements.
(d) There have been no allegations of fraud, or suspected fraud, affecting The Owl House Foundation's financial statements communicated by employees, former employees, analysts, regulators or others.
(e) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

11. Comparatives

There are no significant matters that have arisen that would require a restatement of the comparatives.

12. Current assets

Current assets are expected to have a realizable value, in the normal course of business or from the expected cost-benefit, at least equal to the amounts at which they are stated in the statement of financial position.

Receivables reported in the financial statements represent valid claims against debtors for sales or other charges arising on or before year-end date and appropriate provisions have been made for any impairment losses that may be sustained.

13. Property, plant and equipment

The carrying values at which property, plant and equipment are stated in the balance sheet were arrived at after:

(a) Taking into account, as additions, all expenditure (excluding expenditure of a revenue nature) during the year, which represented capital outlay on these assets.

(b) Writing off all amounts relating to items which have been sold and scrapped by year-end date.

(c) Providing for depreciation/amortisation on a scale to cover obsolescence as well as wear and tear, and thus reduce the net book value of the assets to their estimated residual values over the economically useful lives thereof.

14. Impairment

We have reviewed the carrying amount of assets whenever events or changes in the circumstances have indicated that the carrying amount of assets may not be recoverable and have appropriately recorded any impairment adjustment.

15. Financial instruments

We confirm that we have reviewed all financial assets and liabilities outstanding as at 30 June 2024 and have correctly classified them as required by IFRS for SMEs.

Financial assets and financial liabilities were offset and the net amount reported in the balance sheet only where the close corporation had a legally enforceable right to offset the recognised amounts; and the close corporation intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Information regarding financial risk exposure and our financial risk management objectives and policies has been adequately disclosed in the notes to the financial statements, as required by IFRS for SMEs.

The necessary information about financial instruments with off-balance-sheet risk and those financial instruments with credit risk and/or interest rate risk have been properly disclosed in the financial statements as required by IFRS for SMEs.

16. Contractual agreements

The close corporation has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. All contractual agreements entered into by the close corporation have been properly reflected in the accounting records, and where material or potentially material to the financial statements, been disclosed.

17. Encumbrances

The close corporation has satisfactory title to all owned assets, and there are no loans or encumbrances on such assets, except those disclosed in the notes to the financial statements.

18. Commitments

At year-end date, there were no material commitments under contracts concluded for capital expenditure, forward contracts of purchase and sale of foreign exchange or amounts of capital expenditure authorised by the governing body which had not been contracted for, other than those provided for or disclosed in the financial statements.

19. Accounting records

The following have been properly recorded in the accounting records:

(a) Losses arising from sale and purchase commitments;

(b) Agreement and options to buy back assets previously sold;

(c) Assets pledged as collateral;

(d) Off-balance-sheet activities, including transactions with special purpose entities, non-consolidation and revenue recognition;

(e) Significant common ownership or management control relationships;

(f) Changes in accounting principles affecting consistency;

(g) An overview of those companies with which the close corporation was affiliated or in which the close corporation held participating interests during the year and/or at the balance sheet date;

(h) Liabilities from the issuance and transfer of bills of exchange, from bonds, guarantees and other legal and contractual contingencies;

(i) Legal and contractual collaterals for liabilities (including contingent liabilities), e.g., loans, security interest and retention of title in relation to recorded assets;

(j) Obligations to return assets recorded in the balance sheet and obligations to take back assets not recorded in the balance sheet;

(k) Derivative financial instruments (e.g., option transactions and forward contracts in relation to foreign currencies, interest rates, securities and indexes, as well as interest rate swaps and currency swaps);

(l) Agreements or other legal circumstances that are or will be material for the valuation of the school's economic situation due to their subject matter, term, potential penalties or other reasons (e.g. agreements with suppliers, customers, shareholders or affiliated companies, as well as consortium agreements, supply agreements, option agreements, lease agreements and trust agreements, as well as agreements with regard to obligations to be fulfilled subject to earnings); and

(m) Financial obligations arising from these agreements as well as other material financial obligations (e.g., due to major repairs required in the near future).

Except as disclosed in the financial statements or notes thereto, there are no other gain or loss contingencies or other liabilities that are recognised or disclosed in the financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possible illegal acts, or possible violations of human rights, or other environmental matters that may have a material impact on the financial statements.

20. Inventory

All inventory as at year end has been taken into account and the inventory has been correctly valued in accordance with the entity's accounting policy.

Yours faithfully,

DIRECTOR: THE OWL HOUSE FOUNDATION

28-10-24

DATE

VANWYKTHERON

PROFESSIONELEREKENMEESTERS(SA) | PRAKTYK/
PROFESSIONALACCOUNTANTS(SA) | PRACTICE Nr. PRAC590

Posbus / PO Box 221 ▪ Somersetstraat 38 Somerset Street ▪ Graaff-Reinet 6280
Tel: 049 892 4171 ▪ Fax: 086 725 9753 ▪ vwt@telkomsa.net

The Directors
The Owl House Foundation (Pty) Ltd
New Street
Nieu-Bethesda
6286

28 October 2024

Attention: Board Members

ENGAGEMENT LETTER

Dear Board Members

You have requested that we provide the following services:
On the basis of information that you will provide, we will assist you in the preparation and presentation of the following financial statements for The Owl House Foundation (Pty) Ltd: the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, on the historical cost basis, reflecting all cash transactions with the addition of trade accounts payable, trade accounts receivable less an allowance for doubtful accounts, inventory accounted for on an average cost basis, current income taxes payable as at the reporting date, and capitalization of significant long-lived assets at historical cost amortized over their estimated useful lives on the straight-line basis. These financial statements will not include explanatory notes, other than a note describing the basis of accounting as set out in this engagement letter.

The purpose for which the financial statements will be used is to provide full-year financial information showing the non-profit company's financial position at the financial reporting date of 30 June 2024 and financial performance for the year then ended. The financial statements will be solely for your use, and will not be distributed to other parties.

Our Responsibilities
A compilation engagement involves applying expertise in accounting and financial reporting to assist you in the preparation and presentation of financial information. Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provide to us for the compilation engagement, or otherwise to gather evidence to express an audit opinion or a review conclusion. Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB®).

We will perform the compilation engagement in accordance with the International Standard on Related Services (ISRS) 4410 (Revised), Compilation Engagements. ISRS 4410 (Revised) requires that, in undertaking this engagement, we comply with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care. For that purpose, we are required to comply with the International Ethics Standards Board for Professional Accountants' Code of Ethics for Professional Accountants (IESBA Code).

Detection of fraud, error and non-compliance with laws and regulations

The primary responsibility for safeguarding the assets of the company and the prevention and detection of fraud, error and non-compliance with laws and regulations rests with the director and management.

It is the responsibility of the director of the company to ensure through oversight of management, that the company establishes and maintains internal control to provide reasonable assurance with regard to the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

It is the responsibility of management to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the non-profit company's business.

Professional obligation to respond to non-compliance with laws and regulations in terms of the IESBA Code of Professional Conduct (the Code)

The partners and employees of our firm have a professional obligation to act in the public interest, and to act in order to: (i) enable The Owl House Foundation (Pty) Ltd (the company) to rectify, remediate or mitigate the consequences of any identified or suspected non-compliance with laws or regulations as described in the Code; or (ii) deter the commission of the non-compliance or suspected non-compliance with laws or regulations where it has not yet occurred.

Non-compliance with laws or regulations (non-compliance) comprises acts of omission or commission, intentional or unintentional, committed by a client, or by those charged with governance, by management or by other individuals working for or under the direction of a client, which are contrary to the prevailing laws or regulations.

Where we encounter non-compliance or suspected non-compliance, we will seek to obtain an understanding of the matter. Where appropriate, we will discuss the matter with the appropriate level of management at the company, or those charged with governance in order that such people can take appropriate action to rectify, remediate or mitigate the consequences of the non-compliance, deter the commission of non-compliance where it has not yet occurred or disclose the matter to an appropriate authority where required by law or regulation or where considered necessary in the public interest, having regard to the appropriateness of the response of management and, where applicable, those charged with governance and other relevant factors in accordance with the Code.

We, in encountering non-compliance or suspected non-compliance, are also obliged to comply with applicable legislation or professional standards, which may require us to disclose the matter to an appropriate authority, including the reporting of reportable irregularities as referred to in the preceding section of this engagement letter.

We also have a professional responsibility to consider whether the response of the company to the instance of non-compliance or suspected non-compliance is adequate, and may determine that further action is necessary. Such further action may include, among other actions, the disclosure of the matter to an appropriate authority. We will disclose the matter to an appropriate authority only where, in the professional judgement of the independent reviewer, the extent of the actual or potential harm that is or may be caused to the company, investors, creditors or employees or the general public is sufficient to justify the disclosure.

In exceptional circumstances, we may be required to immediately disclose the matter to an appropriate authority where we have become aware of actual or intended conduct that we have reason to believe would constitute an imminent breach of law or regulation that would cause substantial harm to the company, investors, creditors, employees or the general public. In such circumstances, we will discuss the matter with the management or those charged with governance of the company where it is appropriate to do so.

Your Responsibilities

The compilation engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the preparation and presentation of the financial statements in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB®). Accordingly, you have the following overall responsibilities that are fundamental to our undertaking the compilation engagement in accordance with ISRS 4410 (Revised):

(a) Responsibility for the financial statements and the preparation and presentation thereof in accordance with a financial reporting framework that is acceptable in view of the intended use of the financial statements and the intended users.

(b) Responsibility for the accuracy and completeness of the records, documents, explanations and other information you provide to us for the purpose of compiling the financial statements.

(c) Responsibility for the judgements needed in the preparation and presentation of the financial statements, including those for which we may provide assistance in the course of the compilation engagement.

Staff

Our staff members undergo periodic training which together with the taking of annual leave, may lead to staff turnover and lack of continuity. We will use our best endeavours to avoid any disruption to an engagement's progress.

Save as envisaged below, you agree not to make any offer of employment or to otherwise interfere with or entice away from the employment of any persons employed by us. You further agree not to use such person's services as an independent consultant or via a third party for a period of 12 months following the end of such person's involvement, without our prior written consent.

Should you make any offer of employment to any person currently employed by us or who was employed by us for the immediately preceding 12 month period from the date of such offer of employment, you will be liable for and will pay to us a placement fee equal to 10% of such employee's total annual cost to company, excluding VAT.

Third party rights

The services contract will not create or give rise to, nor will it be intended to create or give rise to, any third-party rights.

Reporting to third parties

Our report is intended for the benefit of those to whom it is addressed. The engagement will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed, and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

There may be situations, for example, in relation to loan agreements, where a third party seeks to request us, in our capacity as compilers, to report to them.

Any contractual arrangements between you and a third party which seek to impose such requirements upon us will not, as a matter of law, be binding on us. However, depending on the circumstances, we may agree to provide reports to third parties, but not in our capacity as compilers. Any possible requirements must be discussed with us at the earliest opportunity and well before the loan agreement or other arrangement is finalised. In this regard, however, it is our policy not to extend our duty of care in respect of our report in the financial statements.

As noted above, our report will be prepared for and only for the non-profit company's members in accordance with the Companies Act (71 of 2008) and for no other purpose. In those circumstances, we will not, in giving our opinion, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which our report or opinion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our opinion save where they have obtained our prior written consent that they may do so.

Circumstances beyond our or your control

Neither of us will be in breach of our contractual obligations, nor will either of us incur any liability to the other, if we are unable to comply with the services contract as a result of any cause beyond our reasonable control. In the event of any such occurrence affecting one of us, that one shall be obliged as soon as reasonably practicable to notify the other, who will have the option of suspending or terminating the operation of the services contract on notice, which notice will take effect immediately on delivery thereof.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us. We appreciate the opportunity of continuing to be of service to your company.

Yours faithfully

P Greeff
SAIPA 12515
Van Wyk Theron

Acknowledged and agreed on behalf of the directors of The Owl House Foundation (Pty) Ltd by

In signing this document, you consent to the processing of the personal information contained within this document. All information will be processed in terms of our privacy policy which can be obtained on request.

Yours faithfully

Chairperson

Title

28- 10 - 24
Date

The Owl House Foundation
PO Box 153
Graaff-Reinet
6280

28 October 2024

Van Wyk Theron
PO Box 221
GRAAFF-REINET
6280

Dear Sir,

RE: THE OWL HOUSE FOUNDATION

We hereby declare that no subsequent event has occurred which may affect the financial statements:

1) The entity did not enter into any major contracts; neither were any major customers or contracts lost.

2) There were no capital expenditure commitments.

3) The entity did not enter into any new borrowing contracts.

4) There were no extraordinary or abnormal transactions.

5) The basis for any estimates used in the balance sheet has not changed.

6) Liquidation, merge or reconstruction is not planned or envisaged.

7) There was no destruction of the entity's assets.

CHAIRPERSON

28-10-24
DATE

VANWYKTHERON

PROFESSIONELEREKENMEESTERS(SA)
PROFESSIONALACCOUNTANTS(SA)
PRAKTYK/
PRACTICE Nr. PRAC590

Posbus / PO Box 221 ▪ Somersetstraat 38 Somerset Street ▪ Graaff-Reinet 6280
Tel: 049 892 4171 ▪ Fax: 086 725 9753 ▪ vwt@telkomsa.net

07 October 2024

The Members of the Board
The Owl House Foundation (Pty) Ltd
New Street
NIEU-BETHESDA
6286

Dear Members

COMPILATION ENGAGEMENT 2024

During the course of the compilation of the books and records of The Owl House Foundation (Pty) Ltd for the year ended 30 June 2024, we examined certain aspects of the systems of internal control. Accompanying letter is a report setting out the more important weaknesses noted by us at the time of our examination.

Should you require any assistance in implementing any of our recommendations, do not hesitate to contact us.

We wish to take this opportunity of expressing our appreciation of the co-operation and courtesy extended to us by your staff during the course of our engagement.

Yours faithfully

Van Wyk Theron

VAN WYK THERON
PROFESSIONAL ACCOUNTANTS (SA)

BRB/pg

The Owl House Foundation (Pty) Ltd

Year-end: 30 June 2024

Report to management dated 07 October 2024

1. Credit Card and Snapscan/EFT transactions

OBSERVATION

During the compilation engagement it was observed that limited internal controls are in place to confirm the accuracy of the Credit Card and Snapscan/EFT Control accounts. Enquiries addressed to Mr. C. Graham revealed that he is of the opinion these are low risk items, as it does not represent cash transactions.

We compared the Daily Sales Summary Reports content on a monthly basis with the deposits received in the bank account. The first challenge was to link each sales transaction with deposits received. Snapscan sales are received after an intermediary fee/commission is deducted. However, the same account is also used for the recognition of EFTS receipts, which does not attract an intermediary fee/commission as Snapscan transactions.

Therefore, the following challenges were observed:

1. Uncertainty of the correct Snapscan commission percentage that are deducted from each related sale,
2. Uncertainty of the duration length between Snapscan sales and deposited amounts, and
3. Uncertainty of cost-effectively identify EFT transactions from the Daily Sales Reports and corresponding deposits received.

Subsequently, in our attempt to reconcile the closing balances for the credit card and Snapscan/EFT control accounts, it was revealed that adjustments were required, in particular due to the opening balances of these accounts were incorrect.

Credit card transactions is deemed to be received in a shorter time of the sales transaction date, and credit card transactions do not attract a commission fee. Hence, an attempt was made to reconcile credit card sales at year end with deposits received after year end.

RISK

The risk here is possible errors on the Daily Sales Reports may exist. Similarly, uncertainty exists of actual percentage value of the Snapscan commissions that need to be factored in when comparing sales with receipts. These uncertainties make it difficult to reconcile sales with amounts receivable on year end. These risks are therefore affecting the trustworthiness of closing balances to be accurate and complete.

RECOMMENDATION

We recommend that specific attention and focused internal controls be implemented to address the abovementioned concerns.