

Annual Report



January – December 2008



Biowatch South Africa was established in 1997 as a national non-governmental organisation to publicise, monitor and research issues of genetic engineering and to promote biological diversity, biosafety, food sovereignty and social justice.

We strive to prevent biological diversity from being privatised for corporate gain. We aspire to a country and a world where people have control over their food supply systems, where benefits arising from their commercial use of biological resources are fairly shared and where policy choices about new technologies, such as genetic engineering, are made in an open and transparent way.

The organisation has its head office in Cape Town in the Western Cape and outreach offices in Mokopane in Limpopo and Mtubatuba in KwaZulu-Natal.

A board of trustees oversees the overall policy and direction of Biowatch, while the day-to-day running of the organisation is the responsibility of its director and staff.

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Biowatch Trust registration number IT4212/99

Non-profit organisation number 032-199-NPO

Public benefit organisation number 930005517

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Donors Ford Foundation, Heinrich Boell Foundation, HIVOS, Joseph Rowntree Charitable Trust and the Southern Africa Trust

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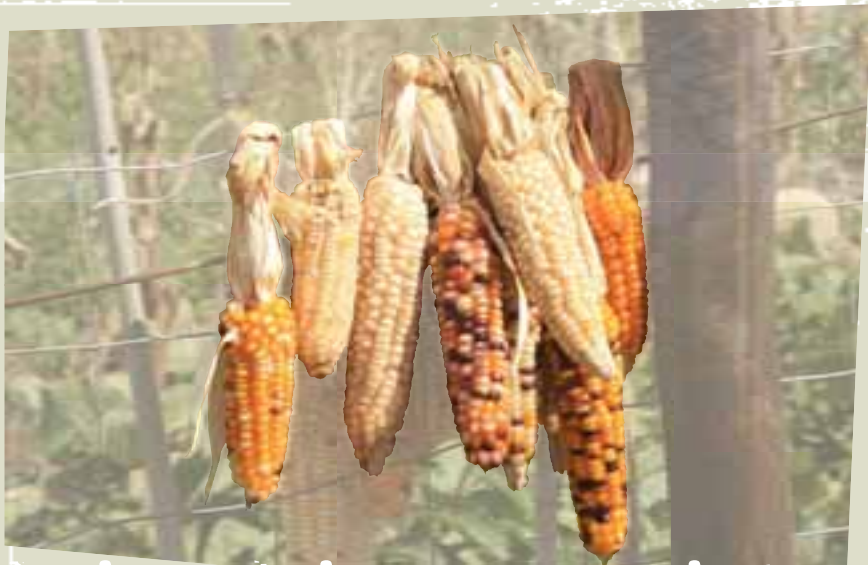
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Chairperson's report

David Fig

2008 marked a decade of Biowatch's existence and was also one of its most difficult years. The difficulties largely arose from what will go down in legal history as the Biowatch case, litigation we initiated in 2002 to secure the public right to information about the releases of genetically modified crops. The High Court had ruled that despite granting our right to most of the information we were required to pay the considerable legal costs of Monsanto, one of the world's largest GM companies. Monsanto had joined the case in order to side with the three state bodies who were to provide us with the required information.

As a Trust, Biowatch has none of its own money. It raises money from donors to devote to specific projects. Its own

assets are few. Trustees therefore felt that paying Monsanto's costs was not only unjust in legal terms, but would in practice have put an end to Biowatch's activities. We had the fiduciary duty to continue to fight the case to its full extent in order to secure the organisation's continued existence. Monsanto was unprepared to relent, and its CEO in the USA, Hugh Grant, made it clear in a letter to us that after bankrupting Biowatch, the money received from the costs order would be "donated to an appropriate charity promoting sustainable agriculture". In court Monsanto's advocates continued to insist on the "healing balm" of costs, as if this multi-billion dollar corporation really needed to be compensated through the destruction of a small South African NGO.

The year tested our faith in the South African legal system and exposed the fragile nature of justice in the context of our democracy. We felt it important to exhaust all the available legal remedies. Despite losing our appeal, it was heartening that one of the three judges on the bench issued a dissenting report, which backed our position. Armed with this, we approached the Supreme Court of Appeal, but once again our appeal against the High Court judgement was set aside. Our last hope was to approach the Constitutional Court, the highest court in the land. We were uncertain whether this court would acknowledge the rights dimension to the case, and have the courage to overturn a costs order in a lower court.

Although the verdict only came in 2009, it is appropriate here to report that indeed, the Constitutional Court overturned the costs order and ordered that the state pay Biowatch's legal costs in the High Court. This was not just a victory for Biowatch and its legal team, but also for all public interest bodies which take seriously the work of securing constitutional rights using the legal system. It restores our faith not only in constitutional law, but also in the courts developing better practice in the recognition of the rights of whistle blowers.

There are many to thank for this outcome, not least the sagacity of the eleven Constitutional Court justices. Foremost I want to pay tribute to the Biowatch Trustees, Dr Nombulelo Siqwana-Ndulo, Dr Rachel Wynberg, Thabang Ngcozela, Dot Keet and Rosemary Williams, who were steadfast and unanimous in the pursuit of justice, despite the potential costs to themselves and to the organisation should there have been a different outcome. Next, our legal team which over the years included Cormac Cullinan, Josie Eastwood, John Butler, Ellen Nicol, Richard Moultrie, Achmed Mayet, Zeenat Sujee and Gilbert Marcus. We appreciated their skilled collaboration and utter commitment. Biowatch staff all played a supportive role, but Elfrieda Pschorn-Strauss needs to be singled out for her early important contribution. A number of organisations acted as amici curiae and gave us their legal support. They included the Open Democracy Advocacy Centre, the Centre for Child

Law, Lawyers for Human Rights and the Centre for Applied Legal Studies at the University of the Witwatersrand. Next we are grateful to the many hundreds of people and organisations, locally and around the world, who registered their solidarity in interventions, messages, letters, donations and attendance at court. And finally none of this would have been possible without our donors and the people with whom Biowatch works on the ground.

Biowatch lives on to rise to even greater heights in carrying out its important work.

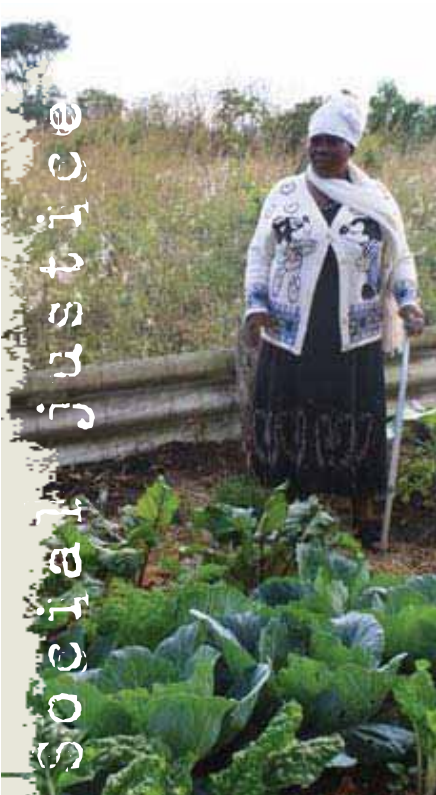
David Fig, Chairperson, Biowatch Trust

Director's report

Rose Williams

Despite the legal difficulties described in the Chairperson's report, our work on the ground in 2008 was uplifting and inspiring. In working with rural communities, Biowatch made a difference to people's livelihoods and was able in practice to show real alternatives to the industrial agriculture model which, with its GM (genetically modified) crops, agrofuels, use of chemical pesticides, monocropping, generation of massive carbon emissions, and scale of operation, results in widespread destruction of biodiversity and rural livelihoods. Details of these activities, our many advocacy and policy interventions and a new civil society partnership to promote agro-ecology and food sovereignty in three countries (India, Brazil and South Africa), are given in the next section of this report.

A highlight of the year was receiving the Openness and Responsiveness Golden Key Award, from ODAC, the Open Democracy Advice Centre. The Golden Key awards are a joint effort between the South African Human Rights Commission and ODAC and are aimed at giving recognition for best practice in nurturing positive sentiment to openness and setting up enabling organisations and systems and procedure that promote compliance with the provisions of the Promotion of Access to Information Act (PAIA). This was a result of litigation which Biowatch had undertaken to secure the right to information on releases of GM crops in the public interest.



In many ways, 2008 can also be seen as the year in which Biowatch had to resist more strongly the uncertainties and insecurity raised by its ongoing legal battle. The failure of the appeals to the High Court and the Supreme Court required resilience and creativity on the part of the organisation. In essence we were confronted with what was perceived as an unjust costs order awarded in favour of Monsanto, and tantamount to a SLAPP suit. In legal parlance, this acronym stands for strategic litigation against public participation. This is a strategy used by some corporations to close down civil society opposition using the law. In the case of Monsanto, litigation is common against farmers, especially those who hold out against the adoption of GM crops. We felt it essential not to buckle under, but to pursue the call for justice as far as it could go in local courts.

This strategy had many direct and indirect impacts on the organisation. This included the financial insecurity caused by litigation in the South African context, and uncertainty about outcomes and future options meant a temporary inability to fill key positions and some insecurity amongst key staff members about the future of the organisation.

As a counter to this, we had amazing support from our donors, from civil society and from the many rural communities with which Biowatch works. The Legal Resource Centre (LRC) needs special mention as it took on the necessary legal work from its own resources to formulate our appeal to the Supreme Court and, at the end of 2008, the appeal to the Constitutional Court, the highest court in the country.

Appeal against court order to pay Monsanto's costs

The legal battle started in 2000, when Biowatch requested information from government about the planting of GM crops in South Africa. Biowatch was convinced that this information should be in the public domain. GM is a highly contested technology and Biowatch believes it to be an assault on biodiversity and food security and sovereignty.

After the state consistently refused to provide information, Biowatch was forced to take legal action in 2002 to exercise its constitutional right to this information. In 2005, in the High Court, Biowatch won the right to 8 out of 11 categories of requested information. The acting judge, however, felt that Monsanto – a giant multinational pushing GM crops onto the South African market – had been forced to join the case and that Biowatch should therefore pay its legal costs. This

anomaly seemed to fly in the face of justice, but even so, Biowatch lost its appeal in the same court in 2007 to set aside this costs order.

One of the appeal judges, Judge Poswa, dissented from the majority appeal verdict. He recommended that the order of costs against Biowatch should be set aside, the government should pay Biowatch's costs and that the costs order in favour of Monsanto should be reversed. In a strongly worded and meticulously researched dissenting judgment Judge Poswa rejected the view of the majority that there was no rule that a winning party should be awarded costs and held that although a judge must apply this rule flexibly, he or she must have good reasons to depart from it. Judge Poswa found that Biowatch had demonstrated that it was acting in the public interest and had been “wholly successful” against the state and Monsanto and was accordingly entitled to its costs.

With this in hand, Biowatch then appealed to the Supreme Court of Appeal, but to no avail – this appeal was dismissed with costs in September 2008. This placed the organisation in an even worse position than before. Not only did we have pay Monsanto's legal costs, but also those of the Registrar of the GMO Act, the Executive Council and the Minister of Agriculture. These were the very state bodies that had failed to provide the information requested in the first place!

The trustees were then left with the last option available in our legal system in South Africa and that was to appeal to the Constitutional Court. David Fig, Chairperson of the Biowatch Board, remarked that “the importance of this litigation is to prevent the state and large gene-touting companies from riding roughshod over our legislators’ commitments to environmental and social justice. We hope that the Constitutional Court will support the actions that Biowatch has taken in defence of the public interest, and use this case to ensure that justice is seen to be done. We cannot remain passive when a company with Monsanto’s history continues to undermine South African civil society organisations whose record of challenging injustice is known far and wide.”

Throughout 2008, there was overwhelming support for Biowatch from civil society. The issues raised were clearly wider than Biowatch’s particular case, and included the constitutional rights to a healthy and safe environment and the potentially chilling effect that the judgment could have on public interest litigation in South Africa. Access to information, the right to know, the right to choose, public vs corporate interest and the closing down of democratic spaces were all questions raised by the Biowatch case.

bio safety

Staff and organisational issues

In 2007, the Biowatch Association was formed as a separate legal entity from which Biowatch could operate. This move was made in order to protect donor funding in the event of the appeals being unsuccessful and the Biowatch Trust having to pay the considerable (and crippling) legal costs of Monsanto in our legal battle. New donor funding went into this entity and from 2008 most of the organisation’s work was undertaken through the Biowatch Association. For this reason, annual audited reports are included for both the Biowatch Trust and for Biowatch Association.

In 2008, there were two resignations: Estelle Randall, Biowatch’s Communication Co-ordinator in August 2008 and Leslie Liddell, Biowatch’s director who resigned with effect from mid-January 2009. Michelle Pressend was appointed Biowatch’s Advocacy and Research Co-ordinator with effect from 1 January 2009. Rose Williams was appointed acting Director with effect from mid-January 2009.

The Biowatch Board remained constant, met regularly and continued with their steadfast belief in the organisation and seeing the organisation through this challenging period in its history.

Thanks

The work of Biowatch during the year would not have been possible without the support of our donors, the Ford Foundation, Heinrich Boell Foundation, HIVOS, the Joseph Rowntree Charitable Trust and the Southern Africa Trust. We are immensely grateful that our donors continued to have faith in the organisation, despite the legal challenge to its survival, and continued to support our programmes and the communities with which we work. This is a tribute to their understanding of the contribution we are making in sustaining biodiversity and exposing the food security and poverty implications of GM agriculture and the wider industrial agriculture model of which it forms part.

Our profound thanks also go to the Legal Resources Centre (LRC), which acted on behalf of Biowatch in its appeal to

the Transvaal High Court, the Supreme Court of Appeal, in formulating an appeal in 2008 for the case to be heard in the Constitutional Court, and, with the support of Gilbert Marcus SC, fighting the case successfully in the Constitutional Court.

Rose Williams, Acting Director



biodiversity



Activities

Policy, advocacy and monitoring

Analysing policy, monitoring developments and advocating just and sustainable solutions for agriculture are an inherent part of Biowatch's life. In 2008, there was a specific focus on GMOs (Genetically Modified Organisms) and related issues - providing civil society and emerging farmers with knowledge and information on the issues as well as the alternatives to GMOs and industrial agriculture.

Media

Several press statements were released during the year as well as seven issues of The Biowatch Bulletin and several articles for mainstream media publications. Biowatch also undertook interviews with Radio 2000, Radio Sonder Grense, SAFM, Maputland Radio, Bush Radio and SABC TV.

Public forums

There were two public forums on pesticides. The first was in partnership with the School of Public Health from the

University of Cape Town. The second was a very successful workshop, convened by our Limpopo office with the local community of Groblersdal. Representatives from the Provincial Department of Agriculture and Department of Environment, farm workers and community members attended. A community safety forum was initiated in order to devise a plan of action.

Presentations

Many presentations were given on GMOs and related issues, including:

- A presentation on GMOs at a workshop for Environment and Human Rights Day, hosted by the School of Public Health at UCT (University of Cape Town).
- "Are GMOs contributing towards food security in SA?", SA Association of Women Graduates.
- "GMOs and the impact on small-scale farmers", Surplus People Project workshop with farmers.
- "Where you sit is where you stand. The case of GM Grapes and Wine in SA", presented to the PUB Media Roundtable on GMOs and Wine. The Biowatch presentation focused on problems with the Biosafety regulatory framework and the lack of public participation and transparency. Biowatch

was the only anti-GMO presenter out of five presenters at this event. Presenters included Chantal Arendse, Biosafety Directorate, National Department of Agriculture, Dr Viresh P. Ramburan, Institute of Wine Biotechnology, University of Stellenbosch, Prof Melané Vivier, Institute of Wine Biotechnology, University of Stellenbosch and Prof Florian Bauer, University of Stellenbosch.

- “The effects of agrofuels on the poor and unemployed”, AIDC, GETNET and New Women’s Movement.
- “The Politics of agrofuels, the case of food insecurity and our response as civil society to it”, Assembly of the Unemployed.
- “Are GMOs contributing towards the food security crisis in the world?”, University of the Third Age, Atlantic Sea Board chapter.
- “GMOs and alternative”, launch of the Southern African Endogenous Development Programme (SAEDP) at the University of Zululand.
- “How much of the mountain you see depends on where you stand: Revisiting the regulatory imperatives and discourses around genetically modified crops in South Africa”, South African Sociological Association (SASA).

Launch of “Seeds of Choice”

Launches of the Biowatch DVD “Seeds of choice”, produced in late 2007, were held in Makhatini, Ingwavuma and Pongola. Many screenings have also been held, with an important one being held at the council chamber of the Mtubatuba municipality. The DVD has proved very popular and has, in particular, been an inspiration to many schools to start school food gardens.

Briefings

A Biowatch briefing “Spotlight on the court case” was produced, giving the history, context and current situation of the Biowatch legal case.

Interventions

Biowatch made interventions at various legislative, policy and monitoring levels, including:

- The Environmental Management Agreement reached between the Department of Environmental Affairs and Tourism (DEAT) and the Department of Minerals and Energy.
- The National Environmental Laws Amendment Bill. While this Bill doesn’t address the disconnection between the Biodiversity Act and the GMO Act, it does contain a policy statement by DEAT – that all GMO releases should be subjected to a full Environmental Impact Assessment (EIA).

- The Genetically Modified Organisms Act Draft Regulations.
- The Consumer Protection Bill to the Select Committee on Economic and Foreign Affairs in the National Council of Provinces.
- Comments on the Second Amendment Draft to the Environmental Impact Assessment Regulations.
- Attending and contributing to a closed discussion with Olivier de Schutte (UN Special Rapporteur on the Right to Food), convened by Action Aid. The aim of the discussion was to provide guidelines for a Right to Food Charter.
- Participation in the South African National Biodiversity Institute’s (SANBI) national workshop to look at the environmental impacts of GMOs. Under the Biodiversity Act, SANBI “must monitor and report regularly to the Minister on the impacts of any genetically modified organisms that have been released into the environment, including the impact on non-target organisms and ecological processes, indigenous biological resources and the biological diversity of species used for agriculture”. SANBI has had this monitoring role since 2004, but it was an unfunded mandate and there was no existing capacity within the institute to do this work. In 2008, staff were appointed to

their GMO section and this national workshop was part of the way forward. SANBI is in a challenging situation, as it is thirteen years since the first GMO crops were commercially released and eighteen years since the first GMO field trials were done. Considering this time period, the volume of GMO permit approvals and the increasing complexity (and riskiness) of the GMOs, there is a great urgency to start the monitoring now, to determine a baseline against which impacts on biodiversity can be assessed, and to have a clear, formal link between monitoring and decision-making. At this workshop, Biowatch emphasised the richness and complexity of South Africa’s biodiversity, the impact of GMOs on small scale farmers and the huge amount of uncertainty around the technology. This is an important arena for Biowatch to keep its ear close to the ground!



Promoting Agro-Ecology in Rural South Africa

Biowatch's work with small-scale farmers, schools, clinics, households and community food gardeners was predominantly in the provinces of KwaZulu-Natal, Limpopo and the Eastern Cape. This has been facilitated through our two outreach offices, one in Mtubatuba in KwaZulu-Natal and the other in Mokopane in Limpopo.

Our emphasis has been to promote an agro-ecological approach, with a strong focus on seed saving and providing information about GM crops, biodiversity and sustainable development. This approach was strongly affirmed by the 2008 report of the International Assessment of Agricultural Science and Technology for Development (IAASTD), which clearly stated that modern industrial agriculture is unsustainable, with the 400 agricultural experts responsible for the report concluding that localised, sustainable and ecological food production must be actively pursued in order to attain food security. They also noted that genetically engineered crops had little role to play in feeding the world.

With the continuing food security crisis in poor rural communities in South Africa, more people have looked to the organisation for support, and the reputation of the organisation has grown considerably.

Household food security

This has been one of the primary components of Biowatch's work during 2008. It has included promoting and providing training for food security at the household level. This work has aimed to demonstrate the viability of alternative approaches to agriculture through the establishment of pilot sites in different areas and for these pilot areas to be catalysts for others in the communities.

In KwaZulu-Natal, there have been links with many partners in this work, including faith based organisations, farmers' organisations, womens' clubs and municipalities. This work has focussed on the following areas: Ingwavuma, KwaNgwanase, Makhatini, Tshaneni, Pongola, KwaHhoho and Ntandabantu. In Limpopo, Biowatch began work with the Red Cross and local government in the Mokgalakwena municipality and also worked systematically on permaculture training with members of the Phadima Farmers' Association in Sekhukhune. In the Eastern Cape, work has been with the Buyambo Farmers' Organisation in the Mbizana area. In the Western Cape, Biowatch worked with Vrygrond on the Cape Flats and in the Northern Cape with Surplus People Project (SPP) in Kamieskroon and Carolusberg.



School and clinic greening programme

Much of this work has been in northern KwaZulu-Natal, where the Africa Centre, a research centre of the University of KwaZulu-Natal, has been a key partner, providing a central venue as well as seedlings to the participating schools and joining Biowatch staff to visit schools to monitor progress. This programme is not only about food security, but also aims to combat desertification and land degradation and to promote water harvesting techniques and saving schemes. Biowatch is also making a contribution to school projects in Mbizana in the Eastern Cape.

Seed banks

Biowatch is training small-scale farmers' associations in the establishment and maintenance of seed banks to preserve indigenous seed varieties. The areas include KwaNgwanase, Pongola, Ingwavuma, Nkandla and Sekhukhune. A highlight of the year was the launch of a traditional seed bank at Ingwavuma by Queen MaDlamini Omdala Indlovukazi in June. Households are encouraged to plant at least 10 traditional seed varieties.

We also facilitated long term co-operation between the gene bank staff of the Genetic Resources division at the National Department of Agriculture and KwaNgwanase Farmers' Organisation (KFO).



Seed fair

KwaNgwanase Farmers' Organisation held a highly successful seed fair and has popularised traditional food exhibitions in other parts of KwaZulu-Natal.

Pesticides

Biowatch has been collaborating on the question of pesticide use with farm workers and community organisations in Groblersdal in Limpopo. We have worked with a medical doctor in Groblersdal who has witnessed illnesses among women and children, as a result of excessive and uncontrolled pesticide usage by commercial farmers in the area. A pesticide group was facilitated by one of the Biowatch staff and in August 2008, a large pesticide awareness campaign was implemented over a period of 3 days. Our work on pesticides will continue to grow and will become an important component of Biowatch's work in the future.

Organisational development

Biowatch staff have assisted farmers' associations with training in bookkeeping, resulting in one association being able to employ a part time project coordinator and successfully apply for a small grant from a donor agency.

Farmer to farmer exchanges

Biowatch facilitated exchange visits between the Ntandabantu, KwaHhoho and the Ingwavuma farmers. The exchange took place around the Ingwavuma agricultural show and was a significant step forward in facilitating the development of a small-scale farmers network and social movement.

Training on GMOs and agrofuels

Biowatch conducted three workshops on these themes, one for the Phadima farmers in Limpopo, a second for a broader group in Mbizana in the Eastern Cape and a third in KwaZulu-Natal. The participants were eager to inform themselves on these key threats to food security. They also discussed traditional seed varieties, land claims and the question of water provision.



International Experience-Sharing

An important new development in Biowatch's work was the inception in 2008 of a project involving civil society organisations from India, Brazil and South Africa. The partner organisations are Chetna Organic Farmers' Association from India, Agroecology and Family Farming (AS-PTA) from Brazil, and Surplus People Project (SPP) and Biowatch from South Africa.

The project provides an opportunity to build a "people's" IBSA, an alternative to the India-Brazil-South Africa (IBSA) intergovernmental dialogue forum. The four organisations share an understanding of the importance of south-south civil society co-operation, particularly in the context of the IBSA government co-operation that promotes an unsustainable model of agricultural production, based on intensive use of chemicals, GM crops and fossil fuels. This model has negative impacts on the environment, marginalises small-scale, subsistence farmers, peasants and indigenous peoples all over the world, and is responsible for food insecurity and threatens food sovereignty. The four organisations have in common the promotion of a sustainable agricultural model based on small-scale and family farming and the use of an agro-ecological development approach.

In 2008, there was the first meeting of the partner organisations in Cape Town, South Africa. This was followed by a field trip to a small-scale farmer project, which provided a concrete, contextual opportunity for the partners to draw on similarities and differences between India, Brazil and South Africa.

The following desk top reviews were initiated:

- An overview of the IBSA programme at the levels of the Indian, Brazilian and South African government levels.
- Perspectives of GMOs in South Africa which includes the level of awareness of the population; organisations opposing the use of GMOs; and the detection of GMOs in foodstuffs.
- The effects of GMO on climate change.
- The introduction of Green Revolution initiatives in Africa and the potential impact on seed saving, land degradation and water as well as the negative impacts that increased use of fertilisers and pesticides will have on the agricultural and environmental systems.
- Development of a seed database which includes indigenous seed varieties.

- A review of seed policy and law in South Africa, building on work done by Biowatch in this area over the past decade.

These will be taken forward in 2009 as well as farmer exchange visits between the three countries and workshops to build public platforms and strengthen national coalitions.

social justice



Financial statements



Biowatch Association (Association incorporated under Section 21)

(Registration number 2007/007907/08)

Trading as Biowatch South Africa

Financial Statements for the year ended 28 February 2008

Balance Sheet

Figures in Rand	Notes	2008	2007
Assets			
Current Assets			
Loans and other receivable		23,000	16,000
Trade and other receivables		81,978	-
Cash and cash equivalents	2	339,002	489,400
		<u>443,978</u>	<u>505,400</u>
Total Assets		<u>443,978</u>	<u>505,400</u>
Equity and Liabilities			
Equity			
Accumulated surplus		443,978	505,400
Liabilities			
Current Liabilities			
Total Equity and Liabilities		<u>443,978</u>	<u>505,400</u>

Biowatch Association (Association incorporated under Section 21)

(Registration number 2007/007907/08)

Trading as Biowatch South Africa

Financial Statements for the year ended 28 February 2008

Income Statement

Figures in Rand	Notes	2008	2007
Revenue		1,883,791	1,378,054
Operating expenses		(1,795,271)	(868,426)
Operating (loss) profit	3	<u>(81,480)</u>	<u>907,628</u>
Finance costs	4	-	(2,170)
(Loss) profit for the year		<u>(81,480)</u>	<u>905,458</u>



food security

SM
Stenekamp and Mohamed Inc. Chartered Accountants

Independent Auditor's Report

To the members of Bhebebe Trust

We have audited the financial statements of Bhebebe Trust, which comprise the Income Statement for 31 December 2008 and the balance sheet, statement of changes in equity and cash flow statement for the year then ended and a statement of significant accounting policies and other explanatory notes, and the financial health of the trust as at 31 December 2008.

Trustees Responsible for the Financial Statements

The trustees are responsible for the preparation and the presentation of these financial statements in accordance with South African Accounting Standards and the provisions of the Companies Act, 2008. They are also responsible for ensuring that the accounting records and supporting documents are in order and for the preparation of the financial statements that are free from material misstatements, whether due to error or fraud, and for ensuring compliance with applicable accounting standards and the provisions of the Companies Act, 2008.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

We did not identify any misstatements in these financial statements that are material and therefore we have issued an unqualified opinion. The financial statements are free from material misstatements, including misstatements due to error or fraud. However, we cannot guarantee that the financial statements are free from material misstatements. It is the responsibility of the trustees to ensure that the financial statements are free from material misstatements and to ensure that the accounting records and supporting documents are in order and for the preparation of the financial statements that are free from material misstatements, whether due to error or fraud, and for ensuring compliance with applicable accounting standards and the provisions of the Companies Act, 2008.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material aspects, the financial position of Bhebebe Trust as at 31 December 2008 and its financial performance and its cash flows for the year then ended. A statement of financial health is included in the financial statements and is free from material misstatements.

Stenekamp and Mohamed Inc.
Stenekamp and Mohamed Inc.
Registered Auditor

Biowatch Trust

(Registration number (14212/98))
Trading as Biowatch South Africa
Financial Statements for the year ended 31 December 2008

Balance Sheet

Figures in Rand	Notes	2008	2007
Assets			
Current Assets			
Trade and other receivables	2	87,340	110,540
Cash and cash equivalents	3	118,635	87,962
		<u>206,975</u>	<u>178,802</u>
Total Assets		<u>206,975</u>	<u>178,802</u>
Equity and Liabilities			
Equity			
Trust capital	4	100	100
Accumulated surplus		181,380	172,825
		<u>181,480</u>	<u>172,925</u>
Liabilities			
Current Liabilities			
Trade and other payables		55,495	5,877
Total Equity and Liabilities		<u>206,975</u>	<u>178,802</u>

Biowatch Trust

(Registration number (14212/98))
Trading as Biowatch South Africa
Financial Statements for the year ended 31 December 2008

Income Statement

Figures in Rand	Notes	2008	2007
Revenue			
Anonymous donation		-	300,000
Expenditure reimbursed		-	462,818
Grant - Comic Relief		-	982,488
Grant - Ford Foundation		-	219,596
Grant - H&S		-	20,000
Grant - The Joseph Rowntree Charitable Trust		-	150,000
Grant - UNDP/GEF		-	146,000
Miscellaneous other revenue		-	8,304
		<u>-</u>	<u>2,187,564</u>
Other Income			
Interest received	5	14,207	28,565
		<u>14,207</u>	<u>28,565</u>
Expenses (Refer to page 8)			
		<u>(35,438)</u>	<u>(2,270,348)</u>
Operating deficit		<u>(21,421)</u>	<u>(74,200)</u>
Finance costs	6	(34)	-
Deficit for the year		<u>(21,445)</u>	<u>(74,200)</u>



www.biowatch.org.za