



bio watch

SOUTH AFRICA biodiversity | food security | biosafety | social justice

Annual Report

2010



bio watch
SOUTH AFRICA

biodiversity | food security | biosafety | social justice

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 biodiversity, 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 the 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.

Our head office is in Durban. A rural office in Mtubatuba works with small scale farmers on sustainable agriculture, food and seed security, and farmers' rights.

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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Trust registration number IT4212/99

Non-profit organisation number 032-199-NPO

Public benefit organisation number 930005517

Biowatch Association registration number 2007/007907/08

Donors Comic Relief, DG Murray Trust, Ford Foundation, IDEX, Joseph Rowntree Charitable Trust, Oxfam Australia, UNDP-GEF



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Consolidation

Chairperson's Report



David Fig

Biowatch during 2010 has proved its durability and resilience through surviving a number of challenges. The move of our head office to Durban placed us closer to our work on the ground in KwaZulu-Natal and Eastern Cape, without compromising our ability to engage in policy interventions. The legal challenge to Biowatch receded, and we received the costs from the State awarded us by the Constitutional Court, which also dropped the earlier High Court judgement making us responsible for Monsanto's costs. After payments to lawyers, the remainder of the costs received will be earmarked for building the sustainability of the organisation.

South Africa has not been immune from global recession, and in difficult times, the need to emphasise household food security and broader food sovereignty has never been more important. Food and energy prices have escalated tremendously, land reforms have not been balanced by adequate resettlement support, and the model of monocrop industrial agriculture is still dominant. We need more institutional support for family farmers who choose the

agro-ecological route, rejecting chemical fertilisers, pesticides and GMO seed in their operations. Not only do we recognise the need to demonstrate on the ground the efficacy of agro-ecology as a food security model, but we also need to persuade decision makers at all levels of the need to move away from their devotion to the industrial model of agriculture. Opportunities provided by the rethink on land reform, the work of the National Planning Commission, and the New Growth Path policy, give us the chance to stress our position. For this reason Biowatch is seeking to do more effective lobbying and advocacy, based on the experience and the voices of the farmers with whom we have been working.

In more practical terms we have been doing a lot of thinking about the ways in which community farmers can sell their surplus effectively. Solving questions of seed management, transport, links with consumers, and ensuring regular supplies of crops need broad attention.

Biowatch also learnt a great deal from participating in a joint project with fellow-NGOs from India, Brazil and South Africa. This work involved direct farmer-to-farmer exchanges, information and research-sharing workshops, as well as staff interactions across the three IBSA countries. While formal inter-governmental collaboration in agriculture stresses the industrial model, the group of IBSA-based NGOs developed

their collaboration to the point of raising the need for an “IBSA-from-below” that would challenge the regressive policies of our governments.

The organisation also recognises the need to work collaboratively within the South African NGO sector. This year saw the consolidation of our relationships with a number of likeminded organisations, particularly the Surplus People Project, Environmental Monitoring Group, GRAIN and others. Sadly, we saw the demise of SFAFeAGE, the South African Freeze Alliance on Genetic Engineering, which Biowatch had helped to found and house over the years. With increasing pressures on NGOs, both financial and logistic, it is more important than ever to develop local and national synergies and mutual support.

Under the wise leadership of Rose Williams, supported by the excellent work of staff members Lawrence Mkhaliphi, Samukelisiwe Sithole and Allison Myeza, Biowatch has come through a period of great difficulty. Our board of trustees wishes to thank them wholeheartedly for their contribution to Biowatch during 2010.

The trustees themselves also demonstrated their longtime commitment to sustaining the organisation. I thank each of them for their selfless service and their constructive

contributions to Biowatch. During the year, the Trust said farewell to Thabang Ngcozela, whose advice to the board was always well-appreciated. Thoko Makhanya and Herschelle Milford joined the board, and rapidly proved to be very valuable to the organisation.

We are often asked how we can work simultaneously at policy level and with direct projects on the ground involving community farmers. The answer is that both types of work inform each other. It means that any policy interventions are grounded in the experiences of rural people working the land, rather than in a think-tank vacuum. And through the policy work, farmers become more aware of their context, of what needs changing in our society, of their collective power, and of the need to ensure the accountability of decision makers in a democracy. In this, Biowatch serves to provide multiple linkages to all its stakeholders, and this approach serves to orient the organisation in a clear commitment to securing community farmers’ rights.

**David Fig, Chairperson
Biowatch Trust**



Director's Report

Rose Williams

Consolidation and moving forward have been key words for Biowatch in 2010.

The long legal battle with the Department of Agriculture and Monsanto (see last year's annual report) has ended, with the matter being settled by the Department of Agriculture, and our legal costs being reimbursed.

New funders have come to support Biowatch's work – Oxfam Australia and Comic Relief (through the Gaia Foundation) – and we have had ongoing support and collaboration with our existing funders: the Joseph Rowntree Charitable Trust, the

Ford Foundation, UNDP-GEF, the DG Murray Trust, and IDEX (International Development Exchange).

Our understanding of agro-ecology and its antithesis, industrial agriculture and GMOs, has deepened and strengthened over the year, at both local and international levels, through exchange visits and participation in workshops.

At the international level, our involvement with the civil society IBSA (India-Brazil-South Africa) project was a key focus, while participation at the US Social Forum and engagement with and hosting a lead group of Lesotho farmers were other highlights.

Our work in rural areas has expanded and has for the first time included assistance to secure household gardens – through fencing and other protective



measures. We also arranged training in leadership skills, marketing of surplus produce, and the participatory guarantee system (PGS) for project members. Farmer exchanges and seed festivals have continued to be among our high points of the year.

Activities this year have ranged from promoting seed saving and seed diversity at the household level to challenging the proposed merger of the multinational Pioneer Hi-Bred and the South African seed company Pannar Seed (Pty) Ltd. This “holding” of both the local and the global is integral to Biowatch’s approach.

Monitoring and Evaluation

A formal monitoring and evaluation programme was started in October 2010 and will span the next three years. It was conceptualised as a participatory system, with the outcomes of the work being developed and agreed by staff and community project participants.

Elements that will be measured include agro-ecological practice, the selling of surplus, and the diversity of seed. We hope that this monitoring and evaluation system will be of benefit to project participants, staff and donors.

Organisation Development

A productive and inspiring two-day strategy planning meeting with Board and staff was held at the end of 2010, which built on an Organisation Development process that started in 2009 with a re-envisioning of the organisation.

The focus of Biowatch’s work for the next three years will be:

- to have model agro-ecological sites in each of the eight project sites in which we work;
- to work at a policy level, in particular to challenge the support given to the industrial agricultural model, and to promote increased support for agro-ecological farmers; and
- to work in partnerships and alliances with other organisations at all levels in South Africa and internationally.

A head office was opened in Durban and new office premises were found in Mtubatuba.

Staff training during the year included financial training, training on AGRI-Planner, and participation in the Management, Leadership and Development Programme (MLDP) run by Footsteps International.

Legal Entities

In 2010, Biowatch still operated as two legal entities: the Biowatch Trust (which was formed in 1999), and Biowatch Association (which was formed in 2007).

Biowatch Association was established to protect donor funding in the event that Biowatch was unsuccessful in its appeal against paying Monsanto's legal costs. The costs order was against Biowatch Trust and so from 2008, all donor funding went to the Biowatch Association. After the successful appeal to the Constitutional Court in 2009, there was no need to operate two legal entities. From June 2009, all new donor contracts were with Biowatch Trust and the last of the contracts with Biowatch Association came to an end in 2010.

This will be the last annual report reflecting two sets of abridged financial statements.

Thanks

Biowatch's work during the year would not have been possible without support from our donors. Our profound thanks go to Comic Relief, DG Murray Trust, Ford

Foundation, IDEX, the Joseph Rowntree Charitable Trust, Oxfam Australia, and the UNDP-GEF.

Special thanks go to our partners in the civil society IBSA (India-Brazil-South Africa) project – Agroecology and Family Farming (AS-PTA) in Rio de Janeiro, Brazil; Chetna Organic Farmers Association in Hyderabad, India; and Surplus People Project (SPP), South Africa.

Thanks also go to all the community project members and to all those who have supported and facilitated our work during the year.

Lastly, I thank the Biowatch Board for engaging deeply with the organisation – your insight and strength are greatly appreciated. And to the Biowatch staff, thank you for your commitment and support – it has been a privilege to be part of such a creative, dedicated team.

Biowatch is in a strong position to enter 2011, and we look forward to the coming year.

Rose Williams, Director



Moving forward

Activities

Our activities in 2010 fell into three main focus areas – our advocacy, monitoring and research work; our work on the ground promoting agro-ecology; and our international experience-sharing. There is over-lap between these distinct areas of focus, with the work in one area informing and supporting the work in the others.

Advocacy, Monitoring and Research

Biowatch's advocacy, monitoring and research activities during 2010 included presentations to a variety of stakeholders, engagement with government and the Competition Commission, and monitoring GMOs.

Presentations

Presentations given on request to a variety of stakeholders included:

- “Agro-ecological approaches” at groundWork’s second national pesticide workshop in Howick.
- “Industrial agriculture and GMOs” at a Biowatch workshop in Mtubatuba for Lesotho farmers.

- “GM crops – the poisoned chalice: perspectives and victories from South Africa” at the US Social Forum, Detroit.
- “The politics of exploiting need: AGRA, the Gates Foundation and the food crisis” at the US Social Forum, Detroit (a panel discussion).
- “Traditional knowledge, IPR and the patenting of life” at Diakonia Council of Churches, Durban.
- “GM campaigns in South Africa” at AS-PTA’s international seminar on GMOs, Rio de Janeiro, Brazil.
- “Household seed banks” at eThekweni’s Agricultural Management Unit, Durban.
- “Forging partnerships through food security clusters in KwaZulu-Natal” at Broederlijk Delen’s KZN food security stakeholders meeting, Pietermaritzburg.

Materials

During the year we produced a community handout on GM crops and two Biowatch Bulletins. These materials were produced in English and isiZulu.

Government

Much of our engagement with government during the year has been at the local level or at the provincial level (in the province of KwaZulu-Natal). The latter has been with the Departments of Social Development; Agriculture, Forests

and Fisheries; Education; and the provincial department of Agriculture and Environmental Affairs.

GM crops

In 2010, the Executive Committee under the GMO Act, 1997, approved the commercial release of a new event for GM (genetically modified) maize and for new events in field (experimental) trials as well as many extensions of current field trials. These included events for GM maize, GM cotton, GM cassava, GM sugarcane and GM *Ornithogalum* (an indigenous bulbous plant).

The continued approval of many applications, despite ever-increasing evidence to show the harmful environmental and socio-economic impacts of GM crops, continues to be of great concern to Biowatch, as does the lack of easy public participation in the process.

The Department of Agriculture still does not have the Biosafety Clearing House (BCH) up and running – this is a key mechanism for more effective public participation and is required by the international Cartagena Protocol on Biosafety to which South Africa is signatory.

On a more positive note, mealies from one of Biowatch's project sites were tested negative for GMOs.

Challenge to proposed seed merger

In 2010, Biowatch was one of the objecting parties to the proposed merger between the multi-national seed company Pioneer Hi-Bred and the South African seed company Pannar Seed (Pty) Ltd.

Our concern was that this proposed merger would effectively put control of most of South Africa's seed supply into the hands of two US-held multi-nationals: Pioneer Hi-Bred and Monsanto. This situation would pose a distinct danger to both South Africa's food security and seed sovereignty. We also had concerns about the competitive issues raised by this merger because of increasing concentration in the local seed market, particularly in maize (the most profitable sector).

The application and objections were heard by the Competition Commission, which subsequently rejected the merger application because of its anti-competitive nature. This gave rise to much jubilation, which was short-lived as the Commission's decision was immediately appealed by Pioneer Hi-Bred and Pannar.

The appeal will now be heard by the Competition Tribunal in 2011. Biowatch has applied for intervention status at the Tribunal hearing.

Research

Several research papers were produced for Biowatch during the year.

- “Chrysalis or butterfly? Evaluating the significance and effectiveness of the IBSA Dialogue Forum”, written by David Fig.
- “The National Biosafety Legislation for Genetically Modified Organisms (GMOs) in South Africa”, written by Gareth Prince and Vanessa Black.
- “The Agronomy and Political Economy of GM Maize in South Africa”, written by Patricia Masanganise and Phumzile Dlamini.
- “Towards a marketing strategy for small-scale food gardens: an action research exercise with Biowatch-associated farmers in the Makhathini, Ingwavuma and Phongola municipal areas”, written by Blessing J. Karumbidza.

The first three papers detailed above were produced as part of the IBSA project, with the paper on biosafety legislation having a counterpart paper coming from the Brazilian and Indian partners.

The paper on GM maize had its counterpart on GM soya in Brazil and GM cotton in India. These crops are grown on a massive scale in each of the three respective countries. These papers formed part of the “round-table” discussions at the IBSA international GMO seminar (see International Experience-Sharing on page 20).





Successful agro-ecology

www.agroecology.org

Two papers on the Biowatch court case are underway: one a legal analysis, the other from a civil society perspective. These papers cover the case from its beginnings in 2002 to the successful conclusion at the Constitutional Court in 2009 – seven years later.

Promoting Agro-Ecology in Rural South Africa

Our agro-ecological work has spanned training and support, facilitating Farmers' Exchanges and Seed Events, assisting in a schools greening programme, and (for the first time) facilitating the provision of fencing and other materials to secure household gardens.

Training in leadership skills, marketing of surplus produce, and the participatory guarantee system (PGS), was also facilitated.

The demand for our agro-ecological expertise from many stakeholders has been overwhelming. There is a lack of this expertise in South Africa which is not being met by the country's universities and agricultural colleges. These institutions generally promote a model of agriculture that is in favour of industrial agricultural farming practice –

monocultures, pesticides, herbicides, chemical fertilisers, GM seeds– none of which have place in agro-ecological farming!

The matter of replication of our work is something that we have grappled with and this has informed our strategic discussions.

Much of our agro-ecological work in 2010 took place in the eastern region of the country where we worked with a number of faith-based organisations, NGOs, farmers' organisations, women's clubs and municipalities.

Agro-ecological training

The emphasis of training in 2010 was on agro-ecological farming practice and GMO awareness. Agro-ecological training focussed on implementing *in situ* conservation of agricultural biodiversity, soil erosion reclamation, water harvesting approaches, integrated pest management, soil improvement techniques, vermiculture, water treatments, recycling, and, most importantly, the promotion of seed diversity and seed saving.

The challenge to each household is to have a seed bank with 12-18 different types of traditional seed. These household seed banks are promoted by Biowatch as an

excellent way to ensure household food security, agricultural biodiversity and autonomy for the community.

In total, there were 47 meetings with associated trainings during the year in Ingwavuma, Tshaneni, Pongola, KwaHhohho, Ntandabantu (all in KwaZulu-Natal) and in Bizana (Eastern Cape). One extended training programme was run in Limpopo.

There were also two learning visits to Mkuze and Umfolozi Game Reserves, hosted by Ezemvelo KZN Wildlife. The aim of these visits was to gain an increased awareness of natural resource management and issues around biodiversity and resilience of natural ecosystems.

As an adjunct to the agro-ecological training there were also two leadership training workshops for communities, run by the Women's Leadership and Training Programme (WLTP).

School Greening Programme

We are working closely with the Africa Centre, a research centre of the University of KwaZulu-Natal, which provides a meeting place for schools and other stakeholders for the quarterly programme meetings. It is a small component of our work, but important for schools to know about agro-ecological practice, that value is attached to traditional

farming practice and that there is another way besides using pesticides, herbicides and GMOs.

Farmers' Exchange

Biowatch facilitated five Farmers' Exchanges during 2010. These events are important sites of horizontal learning – of exchange between farmers on agro-ecological/low-input agriculture, for affirming traditional practices, and for sharing experiences with other farmers who are finding ways to conserve and use their agricultural biodiversity.

The first of these Exchanges, at Buyambo near Bizana in the Eastern Cape, was attended by farmers from Tshaneni, Ingwavuma, KwaHhohho, Ntandabantu and Ekuthuleni (all in KwaZulu-Natal). This was followed by an exchange in the Eastern Cape, hosted by Calusa, where the focus was on the exchange of information, seeds, farming approaches, and organisation development strategies. Three other Farmers' Exchanges took place in Tshaneni, KwaHhohho and Pongola.

A detailed report on the KwaHhohho Farmers' Exchange: "The Agro-Ecological 'One-Home – One-Garden' Launch, Farmer Exchange Visit, Stakeholder Outreach Function and Seed Blessing Ceremony at KwaHhohho, UMkhanyakude" is available at www.biowatch.org.za.

Seed Festivals

These are significant and celebratory events. Two such events took place in 2010: one in Ingwavuma, and one in Tshaneni. At each event there was a seed blessing, speeches, a display of traditional seed varieties, and a number of traditional foods prepared from locally grown crops.

Infra-structural support

As mentioned, Biowatch was involved for the first time in facilitating the provision of fencing and other protective materials to secure household food gardens. It has been instructive for both Biowatch and the relevant local municipalities to see the difference that the provision of these materials makes to safeguarding household gardens. It is hoped that this will act as a catalyst for government support to other communities.

A small nursery was constructed at KwaHhohho to provide seedlings to communities as purchasing vegetable seedlings from commercial suppliers is not viable because of the cost.

Market access

Farmers' use of agro-ecological methods has resulted in surplus production and Biowatch is now playing a supportive role in facilitating market access.

Two types of workshops were run during the year.



The first type of workshop focussed on learning to see market opportunities, organising as a group, legal aspects, and formation of marketing task teams. At the end of these workshops, marketing structures were formed and “quality managers” identified to help as volunteers to monitor production quality.

The second type of workshop was on PGS (Participatory Guarantee System). This is an important system for agro-ecological farmers as the produce is produced organically without herbicides, pesticides or GMOs. PGS offers an alternative form of certification for farmers who cannot afford the high cost of organic certification.

There was also a learning visit to KwaNositha in southern KwaZulu-Natal where there was a focus on marketing of local products, production levels and production techniques.

International Experience-Sharing

This work has been of great significance to Biowatch as it positions our work in the context of global struggles and strengthens links with other organisations working towards environmental and social justice.

There were three key events in 2010: an exchange with Lesotho Farmers; participation at the US Social Forum; and the culmination of a three-year civil society IBSA (India-Brazil-South Africa) project.

Lesotho Farmers’ Exchange

A group of 20 lead farmers from Lesotho, from the network *Kopano Ke Matla Toants’ong Ea Bofuma Lesotho* (Unity is Strength in the Fight Against Poverty in Lesotho) were hosted by Biowatch. The Exchange included attendance at the seed festival in Ingwavuma and a training programme.

There was also a visit to isiMangaliso National Park (St Lucia) to learn about issues around land claims, biodiversity and tourism.

US Social Forum

IDEX hosted Biowatch at the US Social Forum and facilitated our well-received workshop “GM crops – the poisoned chalice: perspectives and victories from South Africa”. This was our first presentation, at an international level, of our recent court case victory over the State and Monsanto.

We were also part of a panel discussion critiquing AGRA (Alliance for a Green Revolution in Africa) titled “The

politics of exploiting need: AGRA, the Gates Foundation and the food crisis”. Both of these events were part of the USSF Food Justice/Sovereignty track and the D2D (Detroit to Dakar) scheduled workshops.

IBSA

2010 was the culmination of a three-year IBSA 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 provided an opportunity to build a “people’s” IBSA, an alternative to the India-Brazil-South Africa inter-governmental dialogue forum.

All four participating 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.

In 2010, there were two key IBSA events:

- a Farmers’ Exchange in Brazil; and
- the international GMO seminar.



Brazil Farmers' Exchange

The third and final IBSA Farmers' Exchange took place in Paraiba, Brazil, in 2010. (The first two Farmers' Exchanges took place in India and in South Africa in 2009.) Through these exchanges, farmers gained a good understanding of how effective mobilised and unionised farmers can be. Other key learnings were the diversity of agro-ecological techniques employed and the reclaiming of traditional seed varieties that had been lost through government programmes.

International GMO seminar in Brazil

This was organised by AS-PTA and held in Rio de Janeiro in August. It included the IBSA partners as well as participants from the Philippines, Germany, USA, Uruguay and the Brazilian government.

Comparative papers between India, Brazil and South Africa on the political economy of cotton (India), soya (Brazil) and maize (South Africa) were presented, as well as papers on biosafety legislation, campaigns and strategies.

This was a significant event with the trends, commonalities and differences between the three countries coming to the fore. There were clearly articulated “voices from the south”.

This seminar was followed by a two-day conference which focussed on the corporate-driven industrialised agriculture model that is destroying traditional farming systems, biodiversity and culture.

It was within this context that there was resolve amongst the partners to continue the IBSA work in four areas:

- farmers' right to seed;
- GM contamination;
- land grabs; and
- to re-prioritise research away from industry-sponsored agricultural research to promoting agro-ecological alternatives.

Financial Statements

Biowatch Trust for the year ended 31 December 2010 (extract)



Independent Auditor's report

To the trustees of Biowatch Trust

We have audited the financial statements of Biowatch Trust, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the trustees' report, as set out on pages 6 to 12.

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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute controls over cash collection from donations prior to the initial entry of the collections in the accounting records. Accordingly it is necessary for us to extend our examination beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Biowatch Trust as at 31 December 2010, and its financial performance and cash flows for the year then ended in accordance with the Trust Deed.

Emphasis of Matter

We emphasise that this qualified opinion above does not relate to grants received from other organisations which have approved grant agreements. It only relates to other cash collections from donations which are recorded under Other Income.

C & S Chartered Accountants (S.A)
Denis Saville
22 August 2011

Biowatch Trust

(Registration number IT4212/99)

Trading as Biowatch Trust

Financial Statements for the year ended 31 December 2010

Statement of Financial Position

Figures in Rand	Note(s)	2010	2009
Assets			
Non-Current Assets	2	11 683	4 730
Property, plant and equipment			
Current Assets			
Trade and other receivables	3	-	70 000
Cash and cash equivalents	4	914 450	534 651
		914 450	604 651
Total Assets		926 133	609 381
Equity and Liabilities			
Member's funds and reserves			
Trust Capital		100	100
Accumulated surplus		799 542	447 546
		799 642	447 646
Liabilities			
Non-Current Liabilities			
Biowatch Association		117 738	149 000
Current Liabilities			
Trade and other payables		8 753	12 735
Total Liabilities		126 491	161 735
Total Equity and Liabilities		926 133	609 381

Biowatch Trust

(Registration number IT4212/99)

Trading as Biowatch Trust

Financial Statements for the year ended 31 December 2010

Statement of Financial Performance

Figures in Rand	Note(s)	2010	2009
Revenue			
Grant – GGF		-	28 898
DG Murray Trust		100 000	-
Grant – Ford Foundation		-	562 052
Oxfam Australia		443 567	-
Grant – JRCT-KZN		443 651	-
Grant – Comic Relief		614 188	-
Grant – IDEX		-	35 952
		1 601 406	626 902
Other income			
Other income		3 838	6 138
Court case income		123 370	-
Interest received	5	25 916	12 308
		153 124	18 446
Expenses (Refer to page 14)		(1 402 534)	(349 182)
Surplus for the year		351 996	296 166

Biowatch Trust

(Registration number IT4212/99)

Trading as Biowatch Trust

Financial Statements for the year ended 31 December 2010

Statement of Financial Performance

Figures in Rand	Note(s)	2010	2009
Operating expenses			
Accounting fees		(84 662)	(32 304)
Administration and management fees		(13 850)	(1 310)
Auditors remuneration	6	(20 200)	(10 000)
Bank charges		(7 017)	(15 851)
Cleaning		(1 362)	(403)
Consulting and professional fees		(103 703)	(13 002)
Depreciation, amortisation and impairments		(1 797)	(270)
Employee costs		(528 164)	(169 963)
Email		(770)	(12 481)
Equipment Hire		-	(684)
Financial Services		(3 436)	-
Fencing and Nursery		(136 467)	-
Office removal		(3 784)	(12 284)
Per diem		(12 422)	(70)
Organisational development		(37 868)	-
Insurance		(1 745)	(8 538)
Lease rentals on operating lease		(43 326)	(3 581)
Legal expenses		(14 982)	(2 451)
Magazines, books and periodicals		(11 387)	-
Postage		(3 380)	(354)
Printing and stationery		(23 393)	(4 204)
Repairs and maintenance		(11 051)	(7 055)
Security		-	(2 550)
Software expenses		(10 259)	-
Telephone and fax		(30 533)	(5 849)
Training		(7 160)	(2 800)
Travel and accommodation – local		(227 741)	(37 546)
Travel – overseas		(18 744)	-
Utilities		(8 916)	(200)
Venue hire and refreshments		(34 415)	(5 432)
		(1 402 534)	(349 182)

Financial Statements

Biowatch Association for the year ended 28 February 2011 (extract)



Independent Auditor's report

To the member of Biowatch Association

We have audited the financial statements of Biowatch Association, which comprise the statement of financial position as at 28 February 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 8 to 14.

Directors' Responsibility for the Financial Statements

The company's 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 in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. Those 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 respects, the financial position of Biowatch Association as at 28 February 2011, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium sized Entities, and in the manner required by the Companies Act of South Africa.

Other matter

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 15 to 16 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

C & S Chartered Accountants (S.A)

Denis Saville

22 August 2011

Biowatch Association

(Registration number 2007/007907/08)

(Association Incorporated under Section 21 – Not For Gain)

Trading as Biowatch Association

Financial Statements for the year ended 28 February 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 167	1 636
Biowatch Trust		226 011	256 009
		227 178	257 645
Current Assets			
Loans and other receivables	3	7 550	7 550
Cash and cash equivalents	4	1 345	165 154
		8 895	172 704
Total Assets		236 073	430 349
Equity and Liabilities			
Equity			
Retained Income		236 073	430 349
Total Equity and Liabilities		236 073	430 349

Biowatch Association

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Financial Statements for the year ended 28 February 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue			
Grant – UNEP/GEF		74 500	-
Grant – UNOPS		-	136 500
Grant – DG Murray Trust		-	67 000
Grant – HIVOS		-	106 635
Grant – JRCT-KZN		-	502 571
Grant – HBS		-	277 107
Grant – Ford Foundation		29 187	378 113
		103 687	1 467 926
Other income			
Other income		3 000	23 806
Expenses (Refer to page 16)		(300 963)	(1 505 361)
Loss for the year		(194 276)	(13 629)

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Financial Statements for the year ended 28 February 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Operating expenses			
Accounting fees	-	-	(15 589)
Administration and management fees	-	-	(3 005)
Auditors remuneration	-	-	(15 000)
Bank charges	(1 173)	(1 533)	(1 533)
Cleaning	-	-	(200)
Consulting and professional fees	(34 239)	(180 021)	(180 021)
Depreciation, amortisation and impairments	(469)	(240)	(240)
Employee costs	(57 841)	(695 122)	(695 122)
Website maintenance	-	-	(8 057)
Per diem	-	-	(8 560)
Organisational development	-	-	(57 453)
Sundry expenses	(12 320)	-	-
Mtuba expenses	(32 334)	-	-
Lease rentals on operating lease	-	-	(82 390)
Postage	-	-	(1 987)
Printing and stationery	(700)	(10 846)	(10 846)
Repairs and maintenance	-	-	(6 994)
Telephone and fax	-	-	(45 078)
Training	-	-	(4 617)
Travel and accommodation – local	(161 887)	(284 820)	(284 820)
Travel – overseas	-	-	(42 521)
Utilities	-	-	(2 925)
Venue hire and refreshments	-	-	(38 403)
		(300 963)	(1 505 361)



biowatch
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biodiversity | food security | biosafety | social justice

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