

Company no. 2871809

Global Witness Limited

(Limited by guarantee)

Report and Financial Statements

30 November 2012

Global Witness Limited

Reference and administrative details

For the year ended 30 November 2012

Directors Patrick J Alley
Charmian P Gooch (Company Secretary)
Simon J Taylor

Operational address 6th Floor, Buchanan House
30 Holborn,
London
EC1N 2HS

Tel: +44 (0)20 7492 5820

Fax: +44 (0)20 7492 5821

Email: mail@globalwitness.org

Website: www.globalwitness.org

Registered office Russell Square House
10-12 Russell Square
London
WC1B 5LF

Company number 2871809
Company Limited by Guarantee

Principal Advisers

Bankers The Co-operative Bank
6 Olympic Court
Montford Street
Salford
M5 2QP

Auditors Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Global Witness Limited

Report of the directors

For the year ended 30 November 2012

The directors present their report and the audited financial statements for the year ended 30 November 2012.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with applicable law, the memorandum and articles of association and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005 (SORP). Although Global Witness Limited (referred to throughout as Global Witness) is not a UK registered charity, the financial statements have been prepared in line with the SORP in order to reflect best practice as a not-for-profit organisation.

Structure, governance & management

Global Witness is a not for profit, non-governmental organisation. It is a company limited by guarantee, incorporated on 15 November 1993 under a memorandum of association that sets out the objects and powers of the company, and under articles of association by which it is governed. The company is unable to distribute any of its assets for the benefit of the directors or members.

Global Witness has 501(c)(3) status with the US Internal Revenue Service.

The directors who served during the year and up to the date of the report are listed on page 1. The directors have no beneficial interest in the company.

Directors have the power to appoint or to co-opt new members onto the Board; appointments are ratified in accordance with the company's memorandum and articles of association. There is a process of induction for new directors, which includes meetings with staff and the provision of key information.

The Board meets quarterly to set strategy and oversee the direction of the organisation. Day to day management is provided by the Management Team, which comprises the three directors, together with the Director of Campaigns and the Director of Finance & Resources.

Global Witness also has a non-executive Advisory Board made up of prominent individuals with expertise in areas relevant to Global Witness' activities. It provides advice to the Board and meets three times a year.

Global Witness' activities in the USA are undertaken through Global Witness Publishing Inc., a company registered in Washington DC, USA. Since this company has common directors with Global Witness, its results are consolidated and presented together in these financial statements.

Risk management

The directors actively manage risk in a professional, responsible and constructive manner. This involves identifying the types of risks the organisation may face, and assessing and balancing them in terms of potential impact and likelihood of occurrence. The directors seek to ensure that all internal controls, and in particular financial controls, comply in all respects with best practice.

The directors will continue to assess risk in a constructive manner to safeguard the efficacy of the organisation.

Objectives, impacts and activities

Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses.

In 2012, Global Witness continued working towards long-term objectives in three key areas:

Resources and conflict

Natural resources provide the means and the motivation for devastating armed conflicts globally. Global Witness is unique among campaign groups in specialising in the economic dimensions of conflict, and campaigning to expose and stop the trade in conflict resources.

Global Witness Limited

Report of the directors

For the year ended 30 November 2012

Our activities and impact:

- Our key campaigning ask, that the OECD due diligence framework be used as the benchmark for companies to meet in order to comply with a US law on sourcing minerals from eastern Democratic Republic of Congo, was included as part of the ruling by the US regulator on how the law should be implemented in practice.
- Global Witness exposed off-budget financing of ZANU PF-controlled security forces in Zimbabwe, and pressured Zimbabwe's donors to keep in place targeted sanctions on the country's diamond sector.
- As South Sudan's Petroleum Act passed into law, we defended it from attack and worked at the highest levels in-country to make sure it included robust transparency provisions.
- Throughout 2012 Global Witness worked with Afghan civil society, international NGOs, the Afghan government and the international community to push for better governance of the country's vast natural resource wealth.

Corruption

Corruption devastates millions of lives by diverting vast sums of money away from its rightful owners: the country's citizens. Global Witness campaigns for total transparency in the resource business to stop companies, governments and the international financial system from facilitating corruption on a grand scale.

Our activities and impact:

- The US regulator's ruling on how the US extractive industry transparency law (Section 1504 of the Dodd-Frank Act) should be implemented in practice represented a major success for Global Witness and its coalition partners. Extractive companies listed in the US are now, without exemption, required to publish the payments they make to governments in detail right down to the project level. We also worked extensively to promote similar reporting rules in the EU and China.
- Our investigations and analysis exposed how the Democratic Republic of Congo is losing out on billions of dollars of revenues because its most lucrative mining assets are being sold off in secretive deals involving two of the world's largest mining companies, offshore companies with links to a friend of the President, and the Congolese state.
- We published the results of a two year investigation into how major financial jurisdictions like the UK, and many of the world's largest international banks, are being used to launder vast amounts of corrupt money, keeping millions of citizens in poverty and reliant on aid.
- We have continued to raise awareness of the need for transparency of company ownership and have shifted this topic up the agenda of policy-makers. The issue is seeing a growing groundswell of support, with the formation of a nascent NGO coalition and its inclusion as a priority for the UK's presidency of the G8.

Environmental governance

Global Witness exposes and challenges the corruption and vested interests that drive environmental destruction. We want to stop aid donors, private finance and national governments supporting the expansion of industrial logging into new areas of tropical rainforest. Our land campaign, launched in 2012, seeks to address the culture of secrecy and corruption that lies behind the growing scramble for land.

Our activities and impact:

- Our November 2012 report, 'In the future, there will be no forests left', exposed how HSBC has violated its sustainability policies and made around US \$130 million in profits by bankrolling logging companies that cause widespread environmental destruction and human rights abuses in Sarawak, Malaysia.

Global Witness Limited

Report of the directors

For the year ended 30 November 2012

- Our field investigations in Liberia and Democratic Republic of Congo uncovered how systematic abuse of small-scale logging permits had allowed companies to buy up huge areas of supposedly protected forest. Following these investigations Global Witness and its partners successfully advocated for firm action from the governments in question.
- Global Witness published a report highlighting the pervasive culture of impunity around the treatment of activists, journalists and community members around the world who have died or been subject to threats and intimidation as they defend community rights to land and forests.
- Our report 'Dealing with Disclosure', launched in April 2012, set out the practical steps that governments and companies must take to make land deals fair and open. This well received report has been used as the basis for government policy within the EU, as well as influencing the UK's agenda for the upcoming G8 meeting.

Further details of these achievements and others can be found in the 2012 Annual Review on our website.

Financial review

Total income for the year increased to £7,863,000 (2011: £4,853,000), an increase of £3,010,000. This significant increase is explained by two main factors: the first year of a new three year grant from the UK Department for International Development (DFID) totalling £1,317,000, and the first £1,500,000 instalment of the Challenge fund from the Foundation to Promote an Open Society (see below).

Total expenditure rose to £5,926,000 (2011: £5,248,000) with the bulk of the increase being spent on the organisation's core objectives. Although the cost of generating income rose to £661,000 (2011: £533,000), the ratio of cost to income fell to 8% (2011: 11%).

Net assets at 30 November 2012 increased to £3,190,000 (2011: £1,253,000), with net current assets of £3,103,000 (2011: £1,213,000). The increase arises from the receipt of the first instalment of the Challenge fund (see below), the unspent balance of which is held on short term deposit at the year end.

Challenge fund

Following a review of its vision and goals for the next ten years, Global Witness has secured challenge funding to enable it to make the investment necessary to achieve its goals. The Foundation to Promote an Open Society, a long-term partner, has pledged a total of £4,500,000 in three equal instalments over five years; the challenge is to raise twice the amount of each instalment before the next can be received. The significant increase in income and net assets during the year arises from the receipt of the first instalment of the challenge funding of £1,500,000.

Reserves policy

The directors have examined the requirement for free reserves, i.e. those unrestricted funds not designated for specific requirements or required for development and strategic reserve purposes.

A target has been set of maintaining free reserves at a level equivalent to at least three months' operating costs. At 30 November 2012 free reserves were £907,000 (2011: £789,000), calculated as unrestricted net current assets (note 12) less the designated fund. Although the amount of free reserves has increased over the previous period, it remains at just under two months' operating costs.

The designated fund represents income received in respect of the Challenge fund (as outlined above) that is unspent, but committed to the development of the organisation as explained in note 13.

Going concern

No material uncertainties that may cause significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

Global Witness Limited

Report of the directors

For the year ended 30 November 2012

Plans for the future

Resources and conflict

- Global Witness will work globally to ensure that companies perform adequate due diligence on minerals from conflict regions. We will campaign to defend Section 1502 of the US Dodd-Frank Act (the conflict minerals provision) from industry attack, as well as monitoring companies' implementation of the provision in the first reporting year.
- Global Witness will be renewing our call on the international community to investigate key individuals and companies in the diamond sector in Zimbabwe, as well as to maintain sanctions in this area.
- Global Witness will continue its campaigning and advocacy to ensure the effective management and governance of South Sudan's oil wealth.
- Global Witness will carry out further in-depth research into Afghanistan's natural resource sector and continue our campaign to ensure all future mining projects are transparent and include appropriate safeguards.

Corruption

- Global Witness will continue its campaign for strong laws to force extractive companies to open up their books to scrutiny, especially in the US, the EU, and in China and other emerging economies. We will also continue to expose instances where natural resource deals have been done in opaque circumstances.
- Global Witness will continue to investigate secretive multi-billion dollar mining deals being done in the Democratic Republic of Congo, and campaign for transparency and accountability.
- Global Witness will build on the momentum we have generated in 2012 to further raise the profile of hidden company ownership in the US, UK and EU, as well as continuing to push for strong laws and regulations that ensure transparency.

Environmental governance

- Global Witness will continue to campaign to force international financial institutions and bilateral donors to cease financial support that enables and/or promotes industrial logging, including:
 - Pushing for HSBC to admit its wrongdoing in Sarawak, drop clients who have committed forest crimes in Malaysia, and tighten its policies to ensure it avoids relationships that have a devastating impact on forests in future.
 - Pushing to ensure that the pledges from the governments of the Democratic Republic of Congo and Liberia to crack down on the misuse of logging permits are effective, and exposing companies that buy illegal timber.
- Global Witness will be building a longer term campaign to help ensure that environmental activists are able to carry out their work without fear of intimidation, abuse, or even death.
- Global Witness' land campaign will focus on the international investors behind large scale rubber deals in Laos and Cambodia, and major palm oil deals in Liberia.

Statement of responsibilities of the directors

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

Global Witness Limited

Report of the directors

For the year ended 30 November 2012

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Members

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees at 30 November 2012 was 3 (2011: 3).

Small Company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Auditors

Chantrey Vellacott DFK LLP have expressed their willingness to continue as auditors.

Approved by the directors on 21 March 2013 and signed on their behalf by



Charmian Gooch
Director

Global Witness Limited

Independent auditor's report to the members of Global Witness Limited

We have audited the financial statements of Global Witness Limited for the year ended 30 November 2012 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), company and group balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Auditing Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's and the group's affairs as at 30 November 2012 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Chantrey Vellacott DFK LLP

HELENA WILKINSON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered accountants & statutory auditor
London

21 March 2013

Global Witness Limited

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 November 2012

	Note	Restricted £'000	Unrestricted £'000	2012 Total £'000	2011 Restated £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	3,827	3,997	7,824	4,807
Investment income		-	20	20	9
<i>Other incoming resources</i>		12	7	19	37
Total incoming resources		3,839	4,024	7,863	4,853
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating income		137	524	661	533
<i>Charitable activities</i>					
Environmental and human rights research and campaigning					
Resources and conflict		551	146	697	849
Corruption		420	1,292	1,712	1,507
Environmental governance		2,384	415	2,799	2,312
<i>Governance costs</i>		-	57	57	47
Total resources expended	3	3,492	2,434	5,926	5,248
Net movement in funds, being net income/(expenditure) for the year	4	347	1,590	1,937	(395)
Total funds brought forward		423	830	1,253	1,648
Total funds carried forward		770	2,420	3,190	1,253

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The notes on pages 10 to 18 form an integral part of the financial statements.

Global Witness Limited

Balance sheets

30 November 2012

	Note	Company		Group	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
Fixed assets					
Tangible fixed assets	7	<u>81</u>	<u>36</u>	<u>87</u>	<u>40</u>
Current assets					
Debtors	10	453	83	454	38
Cash held as short term investment		1,258	-	1,258	-
Cash at bank and in hand		<u>1,685</u>	<u>1,526</u>	<u>1,708</u>	<u>1,598</u>
		3,396	1,609	3,420	1,636
Liabilities					
Creditors: amounts due within one year	11	<u>(283)</u>	<u>(409)</u>	<u>(317)</u>	<u>(423)</u>
Net current assets		<u>3,113</u>	<u>1,200</u>	<u>3,103</u>	<u>1,213</u>
Net assets	12	<u><u>3,194</u></u>	<u><u>1,236</u></u>	<u><u>3,190</u></u>	<u><u>1,253</u></u>
Funds					
Restricted funds	13	770	423	770	423
Unrestricted funds					
Designated funds		1,426	-	1,426	-
General funds		<u>998</u>	<u>813</u>	<u>994</u>	<u>830</u>
Total funds		<u><u>3,194</u></u>	<u><u>1,236</u></u>	<u><u>3,190</u></u>	<u><u>1,253</u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the directors and authorised for issue on 21 March 2013 and signed on their behalf by



Charmian Gooch
Director

Company Registration Number: 2871809

The notes on pages 10 to 18 form an integral part of the financial statements

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 & revised in July 2008).

These financial statements consolidate the results of the company and its controlled subsidiary Global Witness Publishing Inc. on a line by line basis. Transactions and balances between the company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

- b) Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Revenue grants are credited to the statement of financial activities when receivable.
- d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- e) Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.
- f) Designated funds are unrestricted funds set aside by the directors for particular purposes.
- g) Costs of generating funds relate to the costs incurred by the company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- h) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity the cost relates to. Support costs, comprising the salaries and other costs of the central functions, such as financial management, human resources and information technology support, are allocated across charitable expenditure and costs of generating funds. This basis of costs allocation is explained in note 3.

Governance costs are the costs associated with the governance arrangements of the company. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the company's activities.

- i) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Computer equipment and software, and office furniture and equipment are depreciated on a straight line basis over three and four years respectively. Office fixtures and fittings are depreciated on a straight line basis to the next break point in the lease.

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Fixed assets used overseas are not capitalised, but are expensed in the year of purchase.

- j) Monetary assets and liabilities held in foreign currencies are translated into sterling at the rate of exchange on the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange on the date of the transaction. Exchange differences are taken into account in the net movement in funds for the year.
- k) Rent payable under operating leases is charged to the Statement of Financial Activities on a straight line basis to the break point of the lease.
- l) Global Witness operates a stakeholder pension scheme. The pension liability is based on 5% of employees' gross earnings after 6 months employment and 6% after 12 months and up to 2 years service and 7% thereafter. The calculated amount, based on salaries earned during the year is paid by the organisation to individual employees' personal pension schemes. The organisation has no further pension commitment. Contributions are recognised in the period to which they relate.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2012

2. Voluntary income

	Restricted £'000	Unrestricted £'000	2012 Total £'000	2011 Restated £'000
Adessium Foundation	185	-	185	370
The Alexander Soros Foundation	137	-	137	-
Arcus Foundation	63	-	63	61
Center for International Policy	31	-	31	19
Ford Foundation	225	-	225	278
Foundation to Promote an Open Society	-	1,500	1,500	1,250
Foundation to Promote an Open Society - Challenge Fund	-	1,500	1,500	-
Humanity United	-	-	-	94
The John D. and Catherine T. MacArthur Foundation	53	195	248	129
National Endowment for Democracy	25	-	25	19
Netherlands Ministry of Foreign Affairs	-	-	-	60
Norwegian Agency for Development Cooperation (Norad)	-	-	-	336
Norwegian Ministry of Foreign Affairs	125	-	125	170
The Roddick Foundation	30	-	30	50
Swedish International Development Cooperation Agency (Sida)	358	-	358	-
UK Department for International Development, FGMC Programme	1,317	-	1,317	-
UK Department for International Development, Global Transparency Fund	1,037	-	1,037	1,245
Zennström Philanthropies	-	-	-	65
Individual donations	-	15	15	1
Other grants	3	11	14	71
<i>Grants from Global Witness Foundation:</i>				
Vanguard Charitable Endowment Program	-	253	253	-
Wallace Global Fund	32	-	32	-
Individual donations	-	180	180	-
Other grants and donations	-	32	32	32
<i>Grants from Global Witness Trust</i>				
The Ajahma Charitable Trust	-	50	50	50
The David and Elaine Potter Foundation	-	40	40	25
Irish Aid	166	-	166	163
JMG Foundation	40	-	40	-
The Rufford Foundation	-	-	-	30
The Sigrid Rausing Trust	-	200	200	200
Stichting DOEN	-	-	-	86
Individual donations	-	6	6	3
Other grants and donations	-	15	15	-
Total	3,827	3,997	7,824	4,807

All grants and donations are now classified as voluntary income. Income from charitable activities in 2011 has therefore been restated.

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For the year ended 30 November 2012

3. Total resources expended

	Direct activities	Support costs	2012	2011
	£'000	£'000	£'000	Restated £'000
Costs of generating income	495	166	661	533
Charitable activities				
<i>Environmental and human rights research and campaigning</i>				
Resources and conflict	582	115	697	849
Corruption	1,529	183	1,712	1,507
Environmental governance	2,569	230	2,799	2,312
Total	4,680	528	5,208	4,668
Governance costs	34	23	57	48
Total resources expended	5,209	717	5,926	5,249

Maximising accountability and transparency previously listed as a separate charitable activity is included in Corruption in 2012. The comparative has been restated.

Support costs comprise:

	Costs of generating income	Environmental and human rights research and campaigning	Governance	2012	2011
	£'000	£'000	£'000	£'000	£'000
General Management	30	181	5	216	145
Finance, Human Resources and Information Technology	136	347	18	501	453
	166	528	23	717	598

Support function
General management
Finance
Human resources
Information Technology

Basis of apportionment
Head count
Estimated time spent
Head count
Head count

4. Net incoming resources for the year

This is stated after charging:

	2012	2011
	£'000	£'000
Depreciation	37	78
Operating lease rentals		
▪ property	120	115
Auditors' remuneration		
▪ audit	12	12
▪ other services	3	4
Directors' remuneration	229	218
Directors' reimbursed expenses	1	1

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For the year ended 30 November 2012

5. Staff costs and numbers

Staff costs were as follows:

	2012 £'000	2011 £'000
Salaries		
United Kingdom staff	2,153	2,017
Overseas staff	390	286
Social security costs	253	229
Pension contributions	140	117
	<u>2,936</u>	<u>2,649</u>
Other staff costs	<u>220</u>	<u>253</u>
	<u><u>3,156</u></u>	<u><u>2,902</u></u>

The number of employees who earned more than £60,000 during the year was:

	2012 No.	2011 No.
From £60,001 to £70,000	2	4
From £70,001 to £80,000	3	3

Pension contributions to defined contribution pension schemes for these employees totalled £24,516 (2011: £27,605 for 6 employees).

The average monthly number of employees (full-time equivalent) during the year was as follows:

	2012 No.	2011 No.
Campaigning and advocacy	49	48
Fundraising	5	5
Finance and resources	9	9
	<u>63</u>	<u>62</u>

6. Taxation

The organisation had no corporation tax liability in the year to 30 November 2012 (2011: £Nil), because there were no taxable profits in the year.

7. Tangible fixed assets

Group	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At the start of the year	121	164	66	351
Additions in year	79	-	5	84
Disposals in the year	(29)	-	-	(29)
At the end of the year	171	164	71	406
Depreciation				
At the start of the year	100	160	51	311
Charge for the year	23	4	10	37
Disposals in the year	(29)	-	-	(29)
At the end of the year	94	164	61	319
Net book value at the end of the year	77	-	10	87
At the start of the year	21	4	15	40
Company				
Cost				
At the start of the year	112	164	62	338
Additions in year	77	-	2	79
Disposals in the year	(29)	-	-	(29)
At the end of the year	160	164	64	388
Depreciation				
At the start of the year	94	160	48	302
Charge for the year	20	4	10	34
Disposals in the year	(29)	-	-	(29)
At the end of the year	85	164	58	307
Net book value at the end of the year	75	-	6	81
At the start of the year	18	4	14	36

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Notes to the financial statements

For the year ended 30 November 2012

8. Subsidiary undertaking

The company controls Global Witness Publishing Inc., a company registered in Washington DC, USA, as the two entities have common directors. The subsidiary is used to undertake Global Witness' activities in the USA. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below:

	2012 £'000	2011 £'000
Grants received from Global Witness Limited	638	428
Income from other funders	<u>2</u>	<u>-</u>
Total income	<u>640</u>	<u>428</u>
Total expenditure	<u>661</u>	<u>447</u>
Net movement in funds for the year	(21)	(19)
Total funds brought forward	<u>17</u>	<u>36</u>
Total funds carried forward	<u>(4)</u>	<u>17</u>
The aggregate of the assets, liabilities and funds was:		
Assets	30	79
Liabilities	<u>(34)</u>	<u>(62)</u>
Total funds	<u>(4)</u>	<u>17</u>

9. Company

The company's gross income and the result for the year are disclosed as follows:

	2012 £'000	2011 £'000
Gross income	7,862	4,853
Net movement in funds, being net income (expenditure) for the year	<u>1,958</u>	<u>(377)</u>
Represented by		
Restricted funds	770	423
Unrestricted funds	<u>2,424</u>	<u>813</u>
Total funds	<u>3,194</u>	<u>1,236</u>

10. Debtors

	Company 2012 £'000	Company 2011 £'000	Group 2012 £'000	Group 2011 £'000
Accrued income	316	4	316	4
Other debtors	11	56	11	11
Prepayments	<u>126</u>	<u>23</u>	<u>127</u>	<u>23</u>
	<u>453</u>	<u>83</u>	<u>454</u>	<u>38</u>

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For the year ended 30 November 2012

11. Creditors: amounts due within 1 year

	Company 2012 £'000	Company 2011 £'000	Group 2012 £'000	Group 2011 £'000
Taxation and social security	62	69	62	69
Other creditors	136	218	138	218
Accruals and deferred income	67	112	99	126
Pension provision	18	10	18	10
	<u>283</u>	<u>409</u>	<u>317</u>	<u>423</u>

12. Analysis of net assets between funds

Group	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	87	87
Current assets	880	2,540	3,420
Current liabilities	(110)	(207)	(317)
Net assets at the end of the year	<u>770</u>	<u>2,420</u>	<u>3,190</u>
Company	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	81	81
Current assets	867	2,529	3,396
Current liabilities	(97)	(186)	(283)
Net assets at the end of the year	<u>770</u>	<u>2,424</u>	<u>3,194</u>

Custodian funds amounting to £Nil (2011: £79,637) held on behalf of Publish What You Pay (US) are included on the balance sheet of Global Witness Limited as an asset and equal liability.

13. Movements in funds

Group	At the start of the year Restated £'000	Incoming resources £'000	Outgoing resources £'000	At the end of the year £'000
Restricted funds:				
Resources and conflict	149	485	(551)	83
Corruption	41	515	(420)	136
Environmental governance	233	2,702	(2,384)	551
Cost of generating funds	-	137	(137)	-
Total restricted funds	423	3,839	(3,492)	770
Unrestricted funds:				
Designated funds	-	1,500	(74)	1,426
General funds	830	2,525	(2,361)	994
Total unrestricted funds	830	4,025	(2,435)	2,420
Total	1,253	7,864	(5,927)	3,190

Company	At the start of the year Restated £'000	Incoming resources £'000	Outgoing resources £'000	At the end of the year £'000
Restricted funds:				
Resources and conflict	149	485	(551)	83
Corruption	41	515	(420)	136
Environmental governance	233	2,702	(2,384)	551
Cost of generating funds	-	137	(137)	-
Total restricted funds	423	3,839	(3,492)	770
Unrestricted funds:				
Designated fund	-	1,500	(74)	1,426
General funds	813	2,524	(2,339)	998
Total unrestricted funds	813	4,024	(2,413)	2,424
Total	1,236	7,863	(5,905)	3,194

Purpose of restricted funds

Restricted funds are used to fund Global Witness' campaigns which fall under the three areas of activity above. Campaigns are developed internally; donors are then sought to fund the campaigns. Restricted funds were received and expended for a specific fundraising event in 2012, included under costs of generating funds.

Carried forward restricted funds represent either income received prior to the year end for which work has not yet commenced, or income for work which spans the year end, for which the unspent balance is carried forward.

Maximising accountability and transparency previously listed as a separate charitable activity is now included in Corruption in 2012. The balance at the start of the year has been restated.

Purpose of designated fund

The designated fund represents the amount of the first instalment of the Challenge fund received and not expended during the year. This fund has been designated for the investment needed to build an enhanced and sustainable organisation that can extend its reach and influence in areas of critical global importance over the next ten years.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2012

14. Operating lease commitments

The group had annual commitments at the year end under operating leases expiring as follows:

	Property	
	2012	2011
	£'000	£'000
Less than 1 year	49	49
More than 1 year and less than 5 years	29	-
	<hr/>	<hr/>
	78	49

15. Related party transactions

One of the directors, Patrick Alley, is also a director of Global Witness Foundation, a Californian non profit public benefit organisation, which has exemption under section 501(c)(3) of the Internal Revenue code. There is no legal relationship between the two entities other than the involvement of the director. Global Witness Foundation was incorporated on 21 May 2001. Global Witness Foundation made grants totalling £497,000 to Global Witness Limited in the year (2011: £32,000).

Global Witness Limited contracted Breda Daly, who is the wife of Patrick Alley, as a fundraising consultant during the year, paying her a total of £48,706 for fees and travel expenses (2011: £6,000). Ms Daly is a practising fundraising consultant with many years' experience in the not for profit sector; her most recent permanent role was as Director of Development at the Royal National Theatre, London. Patrick Alley was not party to the decision made to employ Ms Daly and the transaction was carried out at arms length.

