

Company no. 2871809

Global Witness Limited
(Limited by guarantee)
Report and Financial Statements
30 November 2011

Global Witness Limited

Reference and administrative details

For the year ended 30 November 2011

Company number	2871809
Registered office	Russell Square House 10-12 Russell Square London WC1B 5LF
Operational address	6th Floor, Buchanan House 30 Holborn, London EC1N 2HS
Directors	Patrick J Alley Charmian P Gooch (Company Secretary) Simon J Taylor
Bankers	The Co-operative Bank 6 Olympic Court Montford Street Salford M5 2QP
Auditor	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 2011

The directors present their report and the audited financial statements for the year ended 30 November 2011.

Legal 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 (issued in March 2005 and revised in July 2008). Although the organisation is not a UK registered charity, this has been done to comply with best practice, as Global Witness Limited (referred to as Global Witness throughout) is a not for profit organisation.

Structure, governance & management

The organisation is a company limited by guarantee, incorporated on 15 November 1993.

The company was established under a memorandum of association which established the objects and powers of the company and is governed under its articles of association.

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.

Risk statement

The directors continually review the risks the organisation faces. Procedures and systems have been implemented to manage these risks.

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 2011, Global Witness worked towards its four long term objectives:

Corruption

Corruption decimates millions of lives by diverting vast sums of money away from its rightful owners. Global Witness campaigns to stop companies, governments and the international financial system from facilitating corruption on a grand scale.

Our impact:

- Supporting the embryonic anti-corruption movement in Libya
- Exposing tyrant's assets: Global Witness was the first to reveal that HSBC and Goldman Sachs were among the key western banks doing business with the Gaddafi regime
- Successfully fighting moves that would have weakened the UK's ability to investigate and prosecute instances of bribery
- Directly influencing the way the EU, the second largest provider of aid, gives money
- Influencing the UK Government's response to secretive deals in DR Congo

Maximising accountability and transparency

Deals in the natural resource sector have commonly been covered by a blanket of opacity which prevents citizens from seeing clearly how the deals are being done or who's really benefitting. Global Witness is working to roll this back so that citizens can hold governments and industry in resource-rich countries to account.

Global Witness Limited

Report of the directors

For the year ended 30 November 2011

Our impact:

- Campaigning for strong and effective U.S. and EU natural resource transparency laws
- Defending the U.S. Foreign Corrupt Practices Act by staving off increasing attacks from the U.S.

Conflict

Global Witness campaigns to break the links between natural resources, armed conflict and human rights abuses. Our work now covers a spectrum of countries that are affected by or are emerging from violent instability.

Our impact:

- Relentlessly advocating to break the link between minerals and conflict in DR Congo: Based on our ongoing investigative work in eastern Congo of mineral supply chains, Global Witness continues to advocate for strong rules governing company supply chains at the highest levels in the US
- Securing a commitment from the EU to support supply chain due diligence
- Campaigning to ensure that Sudan and South Sudan's oil is shared in a transparent way so that it benefits the country's citizens
- Campaigning for more effective international standards on diamonds

Environmental Governance (previously called Forest Protection and Climate)

Forests and land are the planet's ultimate finite resources. Yet 80% of the world's tropical forests have been depleted or entirely destroyed and a quarter of the planet's land has been degraded by deforestation, over-exploitation, industrial activities and over-grazing. As demand for resources increases and the planet's population continues to grow, it is vital that we take better care of what we have got.

Our impact:

- Our report on World Wide Fund for Nature's (WWF's) flagship sustainable timber trade scheme (GFTN) led to them urgently reviewing it and revoking Malaysian logging company Ta Ann's forest membership
- Supporting a Peruvian environmental group Derecho, Ambiente y Recursos Naturales to secure laws recognising indigenous peoples' forest rights including their right to be consulted on decisions which affect them
- Ensuring that U.S. development assistance does not facilitate industrial logging in pristine tropical forests but supports forest-dependent communities instead

Further details of these achievements and others can be found in our 2011 Annual Review on our website.

Financial review

In the year ended 30 November 2011 Global Witness had a deficit of £395,276 (2010: £168,438), from incoming resources of £4,853,482 (2010: £4,567,589). Incoming resources in 2011 increased by 6% from 2010.

The consolidated net reserves at 30 November 2011 were £1,252,970 (2010: £1,648,246), £829,914 of which were unrestricted reserves. The decrease in unrestricted reserves in the year of £459,324 is due to a planned drawdown of accumulated reserves and a delay in receiving expected restricted funding.

Global Witness Limited accounts are fully consolidated with the accounts of Global Witness Publishing Inc., a company incorporated in the U.S.A. controlled by Global Witness Limited.

Global Witness Limited

Report of the directors

For the year ended 30 November 2011

Reserves policy

The reserves policy of Global Witness Limited is to maintain at least three months' operating costs as a free reserve. In 2010/11 three months' operating costs were £1,312,190. As at 30 November 2011 Global Witness' free reserves, which includes unrestricted reserves that may have been allocated to future campaigning work, were £789,275 (2010: £1,190,081). This is calculated as Global Witness' unrestricted net current assets (note 14). This represents just under two months' operating costs. The directors recognise this is below the reserves policy and measures are in place to increase the free reserve in the coming financial year.

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.

Plans for the future

Corruption & Maximising accountability and transparency

- Global Witness and other civil society groups in the Publish What You Pay movement will be working to protect gains made in extractive industry transparency legislation and build on them to create a new global standard
- Global Witness will continue to push the need for greater transparency in Libya's oil sector and the return to the country of the millions squirreled away abroad. We will also continue to investigate past malpractice in the management of the country's oil sector
- Global Witness will campaign for better national enforcement of global anti-money laundering rules, which are currently under review

Conflict

- Based on our ongoing investigative work in eastern DR Congo of mineral supply chains, Global Witness continues to advocate for strong rules governing company supply chains at the highest levels in the US.
- Global Witness will push to make sure the new oil deal in Sudan is implemented in a transparent and independently verified way
- Global Witness will carry out targeted investigations and advocacy in relation to diamonds and Zimbabwe

Environmental Governance

- Our campaign received a big boost at the end of 2011 with a three year grant from the UK's Department for International Development (DFID). This allows us to scale up our work in 2012 – we will be campaigning on four main objectives:
 1. Accountable and coherent forest policy at the international level
 2. Ending industrial-scale logging in pristine forests
 3. Tackling secrecy in large scale land deals
 4. Making sure citizens are able to hold their governments to account for how land and forests are used and managed
- Global Witness will continue its work with local activists and campaigners across the globe to make sure they are able to play an effective role in shaping debates about how forests are managed

We will also continue our new programme to significantly expand our dialogue with decision makers in rising economic powers, particularly in China.

Global Witness Limited

Report of the directors

For the year ended 30 November 2011

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.

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 2011 was 3 (2010 - 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.

Auditor

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

Approved by the directors on 30th March 2012 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 2011 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 Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2011 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.



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

30/3/12

Global Witness Limited

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

For the year ended 30 November 2011

	Note	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	86,418	1,303,855	1,390,273	1,155,609
Investment income		-	8,781	8,781	9,629
<i>Incoming resources from charitable activities</i>	3	3,135,302	281,984	3,417,286	3,345,072
<i>Other incoming resources</i>		19,122	18,020	37,142	57,279
Total incoming resources		<u>3,240,842</u>	<u>1,612,640</u>	<u>4,853,482</u>	<u>4,567,589</u>
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating income		-	532,987	532,987	531,301
<i>Charitable activities</i>					
Environmental and human rights research and campaigning		3,176,794	1,491,590	4,668,384	4,172,366
<i>Governance costs</i>		-	47,387	47,387	32,360
Total resources expended	4	<u>3,176,794</u>	<u>2,071,964</u>	<u>5,248,758</u>	<u>4,736,027</u>
Net movement in funds, being net income/(expenditure) for the year	6	64,048	(459,324)	(395,276)	(168,438)
Total funds brought forward		<u>359,008</u>	<u>1,289,238</u>	<u>1,648,246</u>	<u>1,816,684</u>
Total funds carried forward		<u>423,056</u>	<u>829,914</u>	<u>1,252,970</u>	<u>1,648,246</u>

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 9 to 16 form an integral part of these financial statements.

Global Witness Limited

Balance sheets

30 November 2011

	Note	Company		Group	
		2011	2010	2011	2010
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	<u>35,892</u>	<u>99,157</u>	<u>40,639</u>	<u>99,157</u>
Current assets					
Debtors	12	<u>83,362</u>	<u>62,964</u>	<u>37,716</u>	<u>62,964</u>
Cash at bank and in hand		<u>1,525,754</u>	<u>1,929,606</u>	<u>1,598,089</u>	<u>1,965,296</u>
		1,609,116	1,992,570	1,635,805	2,028,260
Liabilities					
Creditors: amounts due within one year	13	<u>(409,321)</u>	<u>(479,171)</u>	<u>(423,474)</u>	<u>(479,171)</u>
Net current assets		<u>1,199,795</u>	<u>1,513,399</u>	<u>1,212,331</u>	<u>1,549,089</u>
Net assets	14	<u>1,235,687</u>	<u>1,612,557</u>	<u>1,252,970</u>	<u>1,648,246</u>
Funds	15				
Restricted funds		<u>423,056</u>	<u>359,008</u>	<u>423,056</u>	<u>359,008</u>
Unrestricted funds					
General funds		<u>812,631</u>	<u>1,253,549</u>	<u>829,914</u>	<u>1,289,238</u>
Total funds		<u>1,235,687</u>	<u>1,612,557</u>	<u>1,252,970</u>	<u>1,648,246</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 30th March 2012 and signed on their behalf by



Charmian Gooch
Director

Company Registration Number: 2871809

The notes on pages 9 to 16 form an integral part of the financial statements

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

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 Incorporated 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 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) 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.
- g) 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 5.

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.

- h) 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.

- i) 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.
- j) 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.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

1: Accounting policies (continued)

k) 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.

2. Voluntary Income

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Foundation Open Society Institute (Zug)	-	1,249,970	1,249,970	999,985
Oxfam Novib	-	-	-	81,295
Grants from Global Witness Trust Ltd.	86,418	53,000	139,418	72,688
Grants from other organisations	-	-	-	1,086
Grants from individuals	-	885	885	555
Total	86,418	1,303,855	1,390,273	1,155,609

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Adessium Foundation	370,462	-	370,462	446,601
Arcus Foundation	61,199	-	61,199	184,257
Center for International Policy	19,367	-	19,367	46,988
Deutsche Gesellschaft für Technische Zusammenarbeit	-	-	-	(3,582)
The Ford Foundation	277,971	-	277,971	158,493
Global Transparency Fund (Department for International Development)	1,244,557	-	1,244,557	616,379
Humanity United	93,802	-	93,802	92,953
JMG Foundation	-	-	-	43,000
The Aspinall Foundation	50,000	-	50,000	-
John D. and Catherine T. MacArthur Foundation	128,836	-	128,836	-
Madagascar National Parks Authority	-	-	-	9,712
Netherlands Ministry of Foreign Affairs	60,400	-	60,400	389,991
National Endowment for Democracy	19,083	-	19,083	13,932
Norwegian Agency for Development Cooperation (Norad)	335,659	-	335,659	308,562
Norwegian Ministry of Foreign Affairs	169,869	-	169,869	-
The Revenue Watch Institute	-	-	-	48,152
The Roddick Foundation	-	50,000	50,000	-
Swedish International Development Cooperation Agency (Sida)	-	-	-	292,207
The World Bank Group	-	-	-	16,965
Zennström Philanthropies	65,003	-	65,003	41,350
Grants from Global Witness Trust Ltd.	218,211	200,000	418,211	400,000
Grants from Global Witness Foundation	-	31,984	31,984	156,215
Grants from other organisations	20,883	-	20,883	82,897
Total	3,135,302	281,984	3,417,286	3,345,072

All amounts received in excess of £10,000 are stated separately, except where disclosure of the donor is considered sensitive.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

4. Total resources expended

	Direct activities £	Support costs (Note 5) £	2011 £	2010 £
Cost of generating income	366,594	166,393	532,987	531,301
Charitable activities				
<i>Environmental and human rights research and campaigning</i>				
Environmental governance	2,194,331	117,535	2,311,866	1,788,148
Ending corruption	1,001,621	104,323	1,105,944	1,014,500
Ending conflict	758,212	91,110	849,322	1,008,984
Maximising accountability and transparency	301,333	99,919	401,252	360,734
Total	4,255,497	412,887	4,668,384	4,172,366
Governance costs	28,257	19,130	47,387	32,360
Total resources expended	4,650,348	598,410	5,248,758	4,736,027
Support costs	598,410	(598,410)	-	-
Total resources expended	5,248,758	-	5,248,758	4,736,027

5. Support costs

The support costs and basis of their apportionment were as follows:

	Cost of generating income £	Environmental and human rights research and campaigning £	Governance £	2011 £	2010 £
General Management	19,639	122,743	3,273	145,655	196,381
Finance, Human Resources and Information Technology	146,754	290,144	15,857	452,755	299,217
	166,393	412,887	19,130	598,410	495,598

Basis of apportionment	
General management	Head count
Financial management	Estimated time spent
Human resources	Head count
Information technology	Head count

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

6. Net incoming resources for the year

This is stated after charging:

	2011	2010
	£	£
Depreciation	78,032	93,613
Operating lease rentals		
▪ property	115,096	118,202
Auditor's remuneration		
▪ audit	12,000	9,350
▪ other services	3,960	7,486
Directors' remuneration	218,186	216,090
Directors' reimbursed expenses	1,239	1,933

7. Staff costs and numbers

Staff costs were as follows:

	2011	2010
	£	£
Salaries and wages		
United Kingdom staff	2,016,776	1,804,081
Overseas staff costs	285,996	243,727
Social security costs	229,283	196,024
Pension contributions	117,204	113,062
	<u>2,649,259</u>	<u>2,356,894</u>
Other staff costs	<u>252,412</u>	<u>328,780</u>
	<u>2,901,671</u>	<u>2,685,674</u>

7 employees earned more than £60,000 during the year (2010: 6).

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

	2011	2010
	No.	No.
	<u>62</u>	<u>53</u>

8. Taxation

The organisation had no corporation tax liability in the year to 30 November 2011 (2010: £Nil), because there were no taxable profits in the year.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

9. Tangible fixed assets (Company)

	Computer equipment & software £	Office fixtures & fittings £	Office furniture & equipment £	Total £
Cost				
At the start of the year	103,499	164,364	64,073	331,936
Additions in year	14,227	-	1,321	15,548
Transfers in the year	(5,568)	-	(2,988)	(8,556)
At the end of the year	<u>112,158</u>	<u>164,364</u>	<u>62,406</u>	<u>338,928</u>
Depreciation				
At the start of the year	78,860	108,890	45,029	232,779
Charge for the year	17,961	51,492	4,665	74,118
Transfers in the year	(2,367)	-	(1,494)	(3,861)
At the end of the year	<u>94,454</u>	<u>160,382</u>	<u>48,200</u>	<u>303,036</u>
Net book value				
At the end of the year	<u>17,704</u>	<u>3,982</u>	<u>14,206</u>	<u>35,892</u>
At the start of the year	<u>24,639</u>	<u>55,474</u>	<u>19,044</u>	<u>99,157</u>

Tangible fixed assets (Group)

	Computer equipment & software £	Office fixtures & fittings £	Office furniture & equipment £	Total £
Cost				
At the start of the year	103,499	164,364	64,073	331,936
Additions in year	17,251	-	2,263	19,514
At the end of the year	<u>120,750</u>	<u>164,364</u>	<u>66,336</u>	<u>351,450</u>
Depreciation				
At the start of the year	78,860	108,890	45,029	232,779
Charge for the year	20,752	51,491	5,789	78,032
At the end of the year	<u>99,612</u>	<u>160,381</u>	<u>50,818</u>	<u>310,811</u>
Net book value				
At the end of the year	<u>21,138</u>	<u>3,983</u>	<u>15,518</u>	<u>40,639</u>
At the start of the year	<u>24,639</u>	<u>55,474</u>	<u>19,044</u>	<u>99,157</u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

10. Subsidiary Undertaking

The company controls Global Witness Publishing Incorporated, a company registered in Washington DC, United States of America, as the two entities have common directors. The subsidiary is used to undertake Global Witness's activities in the United States of America. 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:

	2011 £	2010 £
Grants received from Global Witness Limited	428,107	383,921
Income from other funders	<u>110</u>	<u>17,877</u>
Total income	<u>428,217</u>	<u>401,798</u>
Total expenditure	<u>446,625</u>	<u>372,804</u>
Net movement in funds for the year	(18,408)	28,994
Total funds brought forward	<u>35,690</u>	<u>6,696</u>
Total funds carried forward	<u><u>17,282</u></u>	<u><u>35,690</u></u>

The aggregate of the assets, liabilities and funds was:

Assets	78,719	35,690
Liabilities	<u>(61,437)</u>	<u>-</u>
Total funds	<u><u>17,282</u></u>	<u><u>35,690</u></u>

11. Company

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

	2011 £	2010 £
Gross income	4,853,372	4,549,711
Net movement in funds, being net income/(expenditure) for the year	<u>(376,870)</u>	<u>(197,267)</u>
Represented by		
Restricted funds	423,056	359,008
Unrestricted funds	<u>812,631</u>	<u>1,253,549</u>
Total funds	<u><u>1,235,687</u></u>	<u><u>1,612,557</u></u>

12. Debtors

	Company 2011 £	Group 2011 £	Company and Group 2010 £
Accrued income	4,403	4,403	12,062
Other debtors	55,948	10,302	29,048
Prepayments	<u>23,011</u>	<u>23,011</u>	<u>21,854</u>
	<u><u>83,362</u></u>	<u><u>37,716</u></u>	<u><u>62,964</u></u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2011

13. Creditors: amounts due within 1 year

	Company 2011 £	Group 2011 £	Company and Group 2010 £
Taxation and social security	68,694	68,693	64,207
Other creditors	217,804	217,707	120,858
Accruals and deferred income	112,132	126,383	281,626
Pension provision	10,691	10,691	12,480
	<u>409,321</u>	<u>423,474</u>	<u>479,171</u>

14. Analysis of net assets between funds (Group)

	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	-	40,639	40,639
Current assets	423,056	1,212,749	1,635,805
Current liabilities	-	(423,474)	(423,474)
Net assets at the end of the year	<u>423,056</u>	<u>829,914</u>	<u>1,252,970</u>

Analysis of net assets between funds (Company)

	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	-	35,892	35,892
Current assets	423,056	1,186,060	1,609,116
Current liabilities	-	(409,321)	(409,321)
Net assets at the end of the year	<u>423,056</u>	<u>812,631</u>	<u>1,235,687</u>

Custodian funds amounting to £79,637 (2010: £0) held on behalf of Publish What You Pay (US) are included on the balance sheet of Global Witness Ltd as an asset and equal liability.

15. Movements in funds (Group)

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Environmental governance	157,960	2,269,291	(2,194,606)	232,645
Ending corruption	107,276	428,177	(494,940)	40,513
Ending conflict	93,772	533,228	(476,566)	150,434
Maximising accountability and transparency	-	10,146	(10,682)	(536)
Total restricted funds	<u>359,008</u>	<u>3,240,842</u>	<u>(3,176,794)</u>	<u>423,056</u>
Unrestricted funds:				
General funds	1,289,238	1,612,640	(2,071,964)	829,914
Total unrestricted funds	<u>1,289,238</u>	<u>1,612,640</u>	<u>(2,071,964)</u>	<u>829,914</u>
Total	<u>1,648,246</u>	<u>4,853,482</u>	<u>(5,248,758)</u>	<u>1,252,970</u>

Movements in funds (Company)

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Environmental governance	157,960	2,269,291	(2,194,606)	232,645
Ending corruption	107,276	428,177	(494,940)	40,513
Ending conflict	93,772	533,228	(476,566)	150,434
Maximising accountability and transparency	-	10,146	(10,682)	(536)
Total restricted funds	359,008	3,240,842	(3,176,794)	423,056
Unrestricted funds:				
General funds	1,253,549	1,612,640	(2,053,558)	812,631
Total unrestricted funds	1,253,549	1,612,640	(2,053,558)	812,631
Total	1,612,557	4,853,482	(5,230,352)	1,235,687

Purposes of restricted funds

Restricted funds are used to fund Global Witness's campaigns which fall under the four aims above. Campaigns are developed internally; donors are then sought to fund the campaigns.

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.

16. Operating lease commitments

The group had annual commitments at the year end under

	Property 2011 £	2010 £
Less than 1 year	48,879	-
More than 1 year and less than 5 years	-	135,606
	48,879	135,606

17. 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 a grant of £31,984 to Global Witness Limited in the year (2010: £156,215).

Global Witness Limited contracted Breda Daly as an interim Head of Fundraising during the year, paying her a total of £6,000 for fees and travel expenses during the year (2010: £49,355). Breda Daly is the wife of Patrick Alley and he was not party to the decision made to employ her. The transaction was carried out at arms length.

