

Company no. 2871809

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# **Global Witness**

## **Report and Financial Statements**

**31 December 2018**

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## Global Witness

### Reference and administrative details

For the year ended 31 December 2018

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**Directors** Patrick J Alley  
Charmian P Gooch  
Juana Kweitel  
Stephen Peel (resigned 15 February 2019)  
Mark Stephens  
Simon J Taylor  
Jessica Tolkan

**CEO** Gillian Caldwell

**Principal and Registered Office** 1 Mark Square  
London  
EC2A 4EG

**Tel:** +44 (0)20 7492 5820

**Email:** [mail@globalwitness.org](mailto:mail@globalwitness.org)

**Website:** [www.globalwitness.org](http://www.globalwitness.org)

**Company number** 2871809  
Company Limited by Guarantee

### Principal Advisers

**Bankers** Lloyds Bank plc.  
25 Gresham Street  
London  
EC2V 7HN

Nationwide Building Society  
Kings Park Road  
Moulton Park  
Northampton  
NW3 6NW

**Auditors** Crowe U.K. LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH, UK

## **Global Witness**

### **Report of the directors**

#### **For the year ended 31 December 2018**

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The directors present their report and the audited financial statements for the year ended 31 December 2018

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), effective 1 January 2015. Although Global Witness is not a UK registered charity, the financial statements have been prepared in line with the Charities 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.

Global Witness is led by a unitary Board of Directors: a single board of seven directors, comprising three Executive Directors (the co-Founders) and four Non-Executive Directors. In addition, a Finance and Remuneration sub committee of the Board in further strengthens the governance of the organisation. This committee also has responsibility for setting the remuneration policy for the Executive Directors and the CEO, using a range of current market data for the not for profit sector. The CEO and the co-Founders receive the same cost of living allowance which is negotiated with the union on behalf of staff annually. Global Witness also operates a pay transparency policy with all salaries per role published internally on an annual basis.

The directors who served during the period 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. New directors are recruited referencing a number of intrinsic skills and capabilities including: intellectual approach, independent-mindedness and questioning spirit, integrity, interpersonal skills and inclination to engage. In addition the following skills and experience are sought: global campaigning and programmatic experience relevant to Global Witness' work, financial management qualifications and experience, Legal and risk management experience, digital strategy and communications experience, and the need for Global Witness to have a globally representative Board.

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, led by the Chief Executive Officer.

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 twice a year.

Global Witness' activities in the USA are undertaken through Global Witness Inc. (formerly Global Witness Publishing until 14 Dec 2018), 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.

Three of Global Witness' directors are also the directors of two other entities: Global Witness Projects Limited and Sauroktonos Limited (both dormant companies).

#### **Public Benefit**

The organisation's activities provide benefit to the public through education on issues arising from the research, documentation and journalistic publication of human rights, environmental, corruption and other records of abuses by countries, regimes and organisations throughout the world. The results of the work undertaken are made available to the public through reports, press releases, briefing documents, videos and audio clips published in various media and online.

## Global Witness

### Report of the directors

#### For the year ended 31 December 2018

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##### Objectives, impacts and activities

Global Witness wants a better world where corruption is challenged and accountability prevails, all can thrive within the planet's boundaries, and governments act in the public interest.

In 2018, and in line with our 2017-2019 strategy, our main strategic priorities were as follows:

**Ending professional practices that facilitate corruption:** Global Witness has reduced corruption harms by preventing the criminal and corrupt from using the financial and professional services sectors to move, spend and enjoy their money.

**Preventing conflict:** Global Witness has helped to promote best practice natural resource management to prevent state fragility and conflict, and to curb conflict financing.

**Securing land tenure:** Global Witness has helped ensure that customary and community owners uphold their rights to natural resources they depend on for sustainable development.

**Preserving climate-critical forests:** by the end of 2022 Global Witness has reduced the destruction of climate-critical tropical forests by tackling the industries and markets driving forest loss.

**Avoiding dangerous climate change:** Global Witness has helped change the policies of governments and businesses that are obstructing the fast and fair transition to a low carbon economy, by challenging the undue influence of fossil fuel companies and associated corruption and by reducing investment in major fossil fuel ventures

The main milestones we passed in pursuit of these priorities are laid out below in the Strategic Report.

The fundraising targets set by the Board for 2018 were successfully achieved during the year. Global Witness derives a minimal amount of its funds through public fundraising.

##### Strategic Report

###### **Anti -corruption**

- The publication, in March, of our exposé of Exxon-linked oil deals, 'Catch me if you can', led to the formation of a special presidential committee in Liberia to examine the case. The committee found Liberian officials had broken the law, demanded they repay a total of US\$500,000 to the government, and requested that Liberia's Financial Intelligence Unit should investigate the case.
- In April 2018 we released 'Missing the Bigger Picture', a report that compared the amount of foreign direct investment from Russia held in the British Overseas Territories with the amount held in the UK proper. The report was pivotal in shaping parliamentary debate on a major piece of anti-money laundering legislation; indeed, it was quoted directly during parliamentary debate, and helped shift the balance towards passage of a strong bill.
- In May, after nearly decade of campaigning by Global Witness and its allies, the UK Parliament passed legislation requiring the UK's Overseas Territories – widely known as centres for financial secrecy – to establish public registries of beneficial ownership for companies formed there.
- In July we released the most comprehensive analysis to date of the UK's public beneficial ownership register, and identified loopholes and weaknesses in the database. This has already resulted in Companies House allocating more resource towards compliance and verification of the data and growing pressure and scrutiny from UK MPs on this issue.
- In August we published the 'Finding The Missing Millions' data handbook: a groundbreaking tool that guides users to follow the money and identify red flags for corruption in the extractives industries.
- In October we published a report, co-authored with Transparency International, on risks posed by citizenship by investment schemes – so called 'golden visas' – in the EU. The report generated strong and positive responses from the EU Commission and EU Parliamentarians.
- In November we launched our 'Take the Future' report, with partners Heda (Nigeria), Re:Common (Italy) and The Corner House (UK), using analysis from leading experts to highlight the impact of the deal on the OPL245 oil block in Nigeria struck by Shell and Eni. We showed how the 2011 deal reduced the Nigerian government's expected revenue by nearly \$6bn compared to the 2006 terms agreed with the company that previously held the block.

## Global Witness

### Report of the directors

#### For the year ended 31 December 2018

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- In November we published 'Friends in Low Places', an investigation conducted jointly by the Special Investigations and Corruption Investigations teams, alongside Swiss campaign group Public Eye. The report detailed how the world's three largest commodities traders all used intermediaries strongly implicated in Brazil's mammoth Car Wash corruption scandal.

#### Conflict and Fragile States

- Following advocacy by Global Witness and partner organisations, the new DRC mining code signed into law in March 2018 contained transparency provisions such as contract publication and beneficial ownership disclosure.
- Also in March we published a report on the South Sudan state oil company Nilepet, and how it has been captured by predatory elites at the heart of the country's brutal civil war. In response, the U.S. Securities and Exchange Commission "listed" Nilepet, meaning US companies must seek a licence to engage with it.
- In April the former head of the Central Intelligence Organisation in Zimbabwe admitted for the first time that the organization owned a fifty percent stake in a diamond mining company, confirming an allegation we made in our 2017 report. This year we also revealed that ZANU PF as a political party owned a stake in a diamond mining company.
- In April the results of the OECD Alignment Assessment, in which we participated extensively, were published. They showed that five of the industry responsible sourcing schemes were not up to the OECD standard. The EU will use the Alignment tool and methodology as the basis of a delegated act within the responsible sourcing regulation.
- The new Afghan mining law was agreed by the Afghan cabinet in September 2018. It reflects our arguments that contracts must be published before becoming valid, that the beneficial owners of mines must be made publicly registered, and the government must publish mining production and payment data.
- Myanmar's gemstone mining licensing suspension was maintained through 2018, in line with our recommendations. This allowed space for the development of a new gemstone policy despite industry and government pressure to resume mining. The draft gemstone policy, on which we inputted through our CSO partner, includes beneficial ownership disclosure requirements.
- We supported civil society on Myanmar EITI (MEITI) engagement through a year-long technical and capacity support partnership leading to increased gemstone disclosures within MEITI, upcoming pilot beneficial ownership study release and a developed beneficial ownership work-plan.

#### Forests, Land and Climate

- Following campaigning by Global Witness and others for justice following the murder of Berta Caceres, on 3 March an alleged architect of her murder was arrested: the President of DESA, the company whose dam construction operations she opposed. Global Witness had previously exposed this man's links to army intelligence.
- We have also been instrumental in pushing for the implementation of an early warning system by the Dutch Development Bank FMO on responding to threats against defenders. Following advocacy by Global Witness, the World Bank's private arm, the IFC, has published a position statement on reprisals, publicly affirming their support for civil society actors engaged in their development projects.
- In May we published a report showing how the DRCs largest logging concessionaire was logging illegally throughout 90% of its holdings. In response to our, and partners' campaigning on these issues, major European donors have frozen forest funds to the DRC government and delayed a French proposal to expand industrial logging in DRC.
- In July we published a new investigative briefing showing the prevalence of illegal logging in Papua New Guinea (PNG) and China's continued failure to prevent the import of illegal timber. Since publication, a leading Chinese trade association has recognised PNG as a high-risk country to source wood from.

## Global Witness

### Report of the directors

#### For the year ended 31 December 2018

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- In September we published a briefing that highlights the role that banks and private investors have played in bankrolling companies and projects which involved in land grabbing, as well as some major loopholes when it comes to overseas subsidiaries and passively held shares. We used the report to persuade the EU Parliament to adopt our recommendations on environmental, social and governance (ESG) due diligence for financial investors.
- In September we played a key role in the successful efforts to persuade Standard Chartered to cease funding coal plants worldwide after the bank unexpectedly announced it was reviewing its coal policy. This was a major and unexpected success.
- In October we published a report exposing how large-scale loggers are capturing the community forestry permit system in Liberia. If allowed to continue its current path, 133 community forestry permits could hand 45 per cent of Liberia to logging companies, some of them with questionable track records. The report was well received in Liberia and the government has promised a response.
- In October we published a report of logging in the Solomon Islands. It revealed how Solomon Islands forests are being logged at hugely unsustainable rates, with high risks of illegality and the significant role of Chinese companies importing this questionable timber.

Further details of these achievements and others can be found in the 2018 Annual Review which will be available on our website when complete. Over the course of 2019, we will continue to work towards the 2017-2019 strategic priorities that we have pursued during 2018.

#### Financial review

Total income for year was £10,865,000 (2017: £10,573,000), an increase of £292,000. This was in line with expectations for the year and met the budgeted income targets. The value of donations in kind in the year £161,715 slightly lower than the 2017 contributions of £193,636.

Total expenditure for the year was £10,624,000 (2017: £9,636,000). The cost of fundraising was £962,000 (2017: £915,000), with the ratio of cost to income increasing to 8.9% (2017: 8.7%).

Net assets at 31 December 2018 increased to £6,757,000 (2017: £6,536,000), with net current assets of £6,098,000 (2017: £6,315,000).

#### 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, with an ambition for a level equivalent to 6 months, to ensure an appropriate level of working cashflow. At 31 December 2018 free reserves increased to £4,642,000 (2017: £4,251,000), calculated as unrestricted net assets (note 14) less the designated fund. Free reserves now represent 4.8 months of operating costs, which is above the minimum target level.

The designated fund represents unrestricted funds set aside by the Board for specific purposes. At the end of the year funds have been set aside for two specific purposes, in anticipation of them arising during 2019: for use in supporting general transparency campaigning, and to cover costs relating to any insurance claim excesses. Should no related expenditure arise the funds would then be transferred to the the general funds category.

#### Investment policy

Global Witness operates an ethical investment policy, the objectives of which are to secure a reasonable return with an acceptable level of risk to seek to maximise the contribution of our reserves to our strategic goals.

The funds are managed by a third party investment manager and the ethical appropriateness of individual investments is assessed against our Responsible Investment Policy Framework. The framework identifies, firstly, criteria for avoiding investment in certain companies in the portfolio whose activities are not consistent with our mission, and secondly, identifies criteria for seeking investment in certain companies in the portfolio which are consistent.

The agreed performance benchmark for the fund is the MSCI WMA Growth index. This index provides a comparison for portfolios that are aiming for growth/capital appreciation from predominantly equity investments. In future years we will measure performance of the fund against this benchmark.

**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 main risks include:

<b>Risk</b>	<b>Management Approach</b>
Financial resources to continue the work identified in the strategic report	We continue to invest in the strategic development our work to best meet the ever evolving challenges of global corruption. This gives our successful fundraising team compelling funding proposals to take to both potential donors and our generous existing donors.
Digital risk as a result of loss of confidential data and threats to IT security	We have an ongoing programme to ensure we maintain a secure IT environment including appropriate firewalls, anti virus and penetration testing. Alongside this we continue to build IT security awareness and deliver training across the organisation.
Legal risk in the form of exposure to civil/criminal proceedings arising from campaign activities	We have robust legal team with expert libel knowledge and access to a range of specialist external legal expertise to support them. They oversee comprehensive guidance and procedures to ensure we check our campaign content and deal with any issues appropriately.

The directors seek to ensure that all internal controls, and in particular financial controls, comply in all respects with best practice. The level of risk, and actions to mitigate it, are reviewed regularly by the Board.

**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.

**Statement of responsibilities of the directors**

The directors are responsible for preparing the Directors' Report, including the Strategic 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.

**Global Witness**

**Report of the directors**

**For the year ended 31 December 2018**

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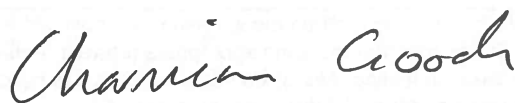
**Members**

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 31 December 2018 was 3 (2017: 3).

**Auditors**

Following an open tender process conducted during the year, Crowe were appointed by the Board to act as auditors in accordance with Part 16 of the Companies Act 2006.

In approving the Report of the Directors, the Board are also approving the Strategic Report included here in their capacity as Company Directors. Approved by the directors on 15 April 2019 and signed on their behalf by



Charmian Gooch  
Director



## **Independent Auditor's Report to the Members of Global Witness**

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### **Opinion**

We have audited the financial statements of Global Witness (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2018 which comprise the Group Statement of Financial Activities, Balance sheets, Group Cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of Global Witness**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

### **Responsibilities of Directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.



Tim Redwood, Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

1 MAY 2019

**Global Witness**

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

**For the year ending 31 December 2018**

	Note	Restricted £'000	Unrestricted £'000	2018 Total £'000	2017 Total £'000
<b>Income from:</b>					
Donations	2	-	6,320	<b>6,320</b>	5,547
<i>Charitable activities – income from campaigns</i>					
Conflict and Fragile States	3	234	-	<b>234</b>	1,279
Corruption		1,281	-	<b>1,281</b>	1,013
Forests, Land and Climate		2,760	-	<b>2,760</b>	2,653
Interest receivable		-	17	<b>17</b>	13
Other Income		-	253	<b>253</b>	68
<b>Total</b>		<b>4,275</b>	<b>6,590</b>	<b>10,865</b>	<b>10,573</b>
<b>Expenditure on:</b>					
<i>Raising Funds</i>					
Fundraising		-	962	<b>962</b>	915
<i>Charitable activities – expenditure on campaigns</i>					
<i>Environmental and human rights research and campaigning</i>					
Conflict and Fragile States		682	1,685	<b>2,367</b>	1,946
Corruption		1,131	2,383	<b>3,514</b>	3,016
Forests, Land and Climate		2,602	1,179	<b>3,781</b>	3,759
<b>Total expenditure</b>	4	<b>4,415</b>	<b>6,209</b>	<b>10,624</b>	<b>9,636</b>
Net (loss) on investments		-	(20)	<b>(20)</b>	-
<b>Net movement in funds, being net income for the year</b>	5	<b>(140)</b>	<b>361</b>	<b>221</b>	<b>937</b>
<b>Total funds brought forward</b>		<b>2,046</b>	<b>4,490</b>	<b>6,536</b>	<b>5,599</b>
<b>Total funds carried forward</b>		<b>1,906</b>	<b>4,851</b>	<b>6,757</b>	<b>6,536</b>

All of the above results are derived from continuing activities. The notes on pages 13 to 26 form an integral part of the financial statements. All interest receivable and other income was unrestricted in 2018 and 2017. Other income comprises contributions to campaign expenses.

Global Witness

Balance sheet

as at 31 December 2018

	Note	Company		Group	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Fixed assets</b>					
Tangible fixed assets	8	169	209	179	221
Investments		480	-	480	-
		<u>649</u>	<u>209</u>	<u>659</u>	<u>221</u>
<b>Current assets</b>					
Debtors	11	2,206	1,943	2,219	1,954
Cash held as short term investment		1,000	2	1,000	2
Cash at bank and in hand		3,814	5,501	3,896	5,531
		<u>7,020</u>	<u>7,446</u>	<u>7,115</u>	<u>7,487</u>
<b>Current liabilities</b>					
Creditors: amounts due within one year	12	(933)	(1,079)	(1,017)	(1,172)
<b>Net current assets</b>		<b>6,087</b>	<b>6,367</b>	<b>6,098</b>	<b>6,315</b>
<b>Net assets</b>	13	<b>6,736</b>	<b>6,576</b>	<b>6,757</b>	<b>6,536</b>
<b>Funds</b>					
Restricted funds		1,906	2,046	1,906	2,046
Unrestricted funds					
Designated funds		209	239	209	239
General funds		4,621	4,291	4,642	4,251
<b>Total funds</b>	14	<b>6,736</b>	<b>6,576</b>	<b>6,757</b>	<b>6,536</b>

Approved by the directors and authorised for issue on 15 April 2019 and signed on their behalf by



Charmian Gooch  
Director

Company Registration Number: 2871809

The notes on pages 13 to 26 form an integral part of the financial statements

Global Witness

Statement of Cash Flows

For the year ending 31 December 2018

	Note	Company		Group	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Net cash provided by operating activities</b>	A	<b>(93)</b>	565	<b>(37)</b>	535
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(96)	(161)	(100)	(164)
Purchase of investments		(500)	-	(500)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(596)</b>	(161)	<b>(600)</b>	(164)
Change in cash and cash equivalents in the year		(689)	404	(637)	371
Cash and cash equivalents at the beginning of the year	B	5,503	5,099	5,533	5,162
<b>Cash and cash equivalents at the end of the year</b>	B	<b>4,814</b>	5,503	<b>4,896</b>	5,533

Note A:

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Company		Group	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Net income for the period	160	990	221	937
<b>Adjustments for:</b>				
Unrealised gains from changes in foreign currency exchange rates	-	(81)	3	(81)
(Gains)/losses on investments	20	-	20	-
(Gains)/losses on disposal of fixed assets	7	-	7	-
Depreciation charges	129	165	135	173
(Increase) in debtors	(263)	(492)	(265)	(497)
(Decrease)/Increase in creditors	(146)	(17)	(158)	3
<b>Net cash provided by operating activities</b>	<b>(93)</b>	565	<b>(37)</b>	535

Note B:

Analysis of cash and cash equivalents

	Company		Group	
	31 December 2018 £'000	31 December 2017 £'000	31 December 2018 £'000	31 December 2017 £'000
Cash held as short term investment	1,000	2	1,000	2
Cash at bank and in hand	3,814	5,501	3,896	5,531
<b>Total cash and cash equivalents</b>	<b>4,814</b>	5,503	<b>4,896</b>	5,533

## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2018

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The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### 1. Accounting policies

##### a) Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Directors consider that there are no material uncertainties about the company's ability to continue as a going concern. There are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described below.

These financial statements consolidate the results of the company and its controlled subsidiary Global Witness 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.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Income recognition

Income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when the organisation has entitlement, the amount can be measured reliably and receipt is probable.

Grants receivable are credited to the Statement of Financial Activities when the organisation has entitlement, the amount can be measured reliably and receipt is probable.

Restricted Income from government and other grants is recognised when the organisation has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Expenditure which meets these criteria is charged to the fund.

Donated professional services are recognised on the basis of the value of the gift to the organisation which is the amount the organisation would have been willing to pay to obtain services of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the organisation; this is normally upon notification of the interest paid or payable by the Bank.

##### c) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the organisation. Designated funds are unrestricted funds of the organisation which the Board have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the organisation's work.

d) Expenditure recognition

Liabilities are recognised where the organisation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is 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 campaign expenditure and raising funds. This basis of costs allocation is explained in note 4.

Governance costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the organisation's activities.

e) Tangible Fixed Assets

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 £500. 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 purchased through partner organisations and used overseas are not capitalised, but are expensed in the year of purchase.

f) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

g) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition on opening of the deposit or similar account.

h) Creditors and provisions

Creditors and provisions are recognised when the organisation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

i) Investments

Investments are included in the financial statements at the market value as at 31 December 2018. Gains and losses on the revaluation of investments are included in the Statement of Financial Activities.

## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2018

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j) Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of Financial Activities. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

k) Accounting estimates and key judgements

Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates or assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

l) Foreign Exchange Transactions

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.

m) Operating Leases

Rent payable, including any rent free periods, under operating leases is charged to the Statement of Financial Activities on a straight line basis to the break point of the lease.

n) Pension Scheme

The organisation operates a stakeholder pension scheme. Under auto enrolment the organisation contributes 5% of employees' gross earnings to the scheme on their behalf from the date of commencement of their employment if they choose to opt in immediately. If they do not opt in immediately, the organisation automatically enrolls them after a 3 month period. Contributions increase to 6% after 12 months and to 7% after 2 years service. The calculated amount, based on salaries earned during the year is paid by the organisation to individual employees' personal pension schemes on a monthly basis. Contributions are recognised in the period to which they relate. Personal contributions are not obligatory. The organisation has no further pension commitment.



## Global Witness

### Notes to the financial statements

For the year ended 31 December 2018

#### 2. Donations

	Restricted £'000	Unrestricted £'000	2018 Total £'000	2017 Total £'000
The Alexander Soros Foundation	-	-	-	80
Bertha Foundation	-	10	10	-
Ministry of Foreign Affairs of Denmark	-	117	117	7
Dutch Postcode Lottery	-	436	436	-
Ford Foundation	-	314	314	625
The Foundation to Promote Open Society	-	2,185	2,185	2,076
Grantham Foundation for the Protection of the Environment	-	-	-	76
Horace W Goldsmith Foundation	-	-	-	78
Omidyar Network	-	1,143	1,143	1,205
Revolution In Kind Foundation	-	-	-	50
Stephen and Yana Peel	-	58	58	58
Taylor Foundation	-	-	-	1
Tides Foundation	-	-	-	4
Wallace Global Fund	-	72	72	79
World Wide Web Foundation	-	-	-	6
Individual donations	-	3	3	1
<i>Grants from Global Witness Foundation:</i>				
Crosscurrent	-	-	-	8
Fidelity Charitable Gift Fund	-	650	650	577
Horace W Goldsmith Foundation	-	69	69	-
Jocarno Fund	-	-	-	3
Network Foundation	-	8	8	-
Seattle Foundation	-	20	20	-
Other grants and donations	-	349	349	315
Individual donations	-	32	32	17
<i>Grants from Global Witness Trust</i>				
Crosscurrent	-	-	-	10
Dutch Postcode Lottery	-	435	435	-
Jane Thurnell-Read	-	13	13	-
Mike Servent	-	100	100	55
Individual donations	-	35	35	23
Other grants and donations	-	110	110	-
Donated services and facilities	-	161	161	193
<b>Total</b>	<b>-</b>	<b>6,320</b>	<b>6,320</b>	<b>5,547</b>

Included within the 2017 total was restricted income of £Nil and unrestricted income of £5,547,000. Donated services and facilities comprise professional legal fees and other services provided pro bono, or at reduced rates to the normal market rate.

Global Witness

Notes to the financial statements

For the year ended 31 December 2018

3. Income from charitable activities

	Restricted £'000	Unrestricted £'000	2018 Total £'000	2017 Total £'000
<b>Conflict and Fragile States</b>				
Bertha Foundation	-	-	-	5
Brook Foundation	-	-	-	60
Don Quixote Foundation	-	-	-	121
Norwegian Agency for Development Cooperation (NORAD)	234	-	234	121
Trellis Charitable Fund	-	-	-	28
Skoll Foundation	-	-	-	127
The Swedish International Development Cooperation Agency, Sida, represented by the Embassy of Sweden in Kinshasa	-	-	-	817
	<u>234</u>	<u>-</u>	<u>234</u>	<u>1,279</u>
<b>Corruption</b>				
Adessium	140	-	140	144
Bertha Foundation	-	-	-	7
Frederick Mulder	25	-	25	-
Norwegian Agency for Development Cooperation (NORAD)	726	-	726	278
The Foundation to Promote Open Society	186	-	186	-
Skoll Foundation	-	-	-	246
Sundance Institute	-	-	-	2
The Swedish International Development Cooperation Agency, Sida, represented by the Embassy of Sweden in Kinshasa	-	-	-	44
Third Sector New England	-	-	-	35
The Trellis Fund	-	-	-	38
The William and Flora Hewlett Foundation	211	-	211	219
	<u>1,281</u>	<u>-</u>	<u>1,281</u>	<u>1,013</u>

Global Witness

Notes to the financial statements

For the year ended 31 December 2018

	Restricted £'000	Unrestricted £'000	2018 Total £'000	2017 Total £'000
<b>Forests, Land and Climate</b>				
Arcadia Fund - a charitable trust of Peter Baldwin and Lisbet Rausing	220	-	220	220
Arcus Foundation	70	-	70	-
Bertha Foundation	-	-	-	8
Bread for the World	-	-	-	15
Brook Foundation	106	-	106	20
Climate & Land Use Alliance	-	-	-	112
CS MOTT	8	-	8	-
Cultures of Resistance Foundation	8	-	8	-
Don Quixote Foundation	106	-	106	40
Evan Cornish Foundation	10	-	10	10
Financial Transparency Coalition	59	-	59	-
Good Energies Foundation	9	-	9	167
Irish Aid	103	-	103	100
IUCN - NL	63	-	63	92
JMG Foundation	-	-	-	30
John D. and Catherine T. MacArthur Foundati	-	-	-	75
Kestrelman Trust	30	-	30	30
Norwegian Agency for Development Cooperation (NORAD)	495	-	495	188
People's Postcode Lottery	600	-	600	-
Pro Victimis Foundation	142	-	142	72
Rainforest Foundation UK	-	-	-	87
Silicon Valley Community Foundation	39	-	39	53
The Swedish International Development Cooperation Agency, Sida, represented by the Embassy of Sweden in Kinshasa	-	-	-	229
The Alexander Soros Foundation	-	-	-	266
The Trellis Fund	-	-	-	49
UK Department for International Development (DFID)	351	-	351	462
Waterloo Foundation	40	-	40	-
Other grants and donations	294	-	294	328
	2,760	-	2,760	2,653
<b>Total charitable activities</b>	<b>4,275</b>	<b>-</b>	<b>4,275</b>	<b>4,945</b>

Included within the 2017 total was restricted income of £Nil and unrestricted income of £4,945,000.

Global Witness

Notes to the financial statements

For the year ended 31 December 2018

4. Total expenditure

	Direct activities £'000	Support costs £'000	Governance costs £'000	2018 £'000	2017 £'000
Costs of raising funds	564	384	14	962	915
Charitable activities					
<i>Environmental and human rights research and campaigning</i>					
Conflict and fragile states	2,019	330	18	2,367	1,946
Corruption	3,064	424	26	3,514	3,016
Forests, Land and Climate	3,290	469	22	3,781	3,759
Total charitable activities	8,373	1,223	66	9,662	8,721
Total expenditure	8,937	1,607	80	10,624	9,636

Support costs comprise:

	Costs of raising funds £'000	Environmental and human rights research and campaigning £'000	Total 2018 £'000	Total 2017 £'000
General Management	96	459	555	363
Finance, Human Resources and Information Technology	288	764	1,052	1,036
	384	1,223	1,607	1,399

Support function	Basis of apportionment
General management	Head count
Finance	Estimated time spent
Human resources	Head count
Information Technology	Head count

5. Net income for the year

This is stated after charging:

	2018 £'000	2017 £'000
Depreciation	135	173
Operating lease rentals property	754	266
Auditor's remuneration audit	20	14
other services	-	5
Directors' remuneration	357	348
Directors' reimbursed expenses	1	1
Foreign exchange gains	108	(57)

During the year 3 Directors were reimbursed expenses relating to travel and subsistence costs incurred in the course of their work (2017: 3 Directors reimbursed)

**6. Staff costs and numbers**

Staff costs were as follows:

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Salaries		
United Kingdom staff	<b>3,823</b>	3,636
Overseas staff	<b>992</b>	880
Social security costs	<b>490</b>	442
Pension contributions	<b>311</b>	279
	<b>5,616</b>	5,237
Other staff costs	<b>357</b>	346
	<b>5,973</b>	5,583

The number of employees who earned total employee benefits above £60,000 during the year was:

	<b>2018</b>	2017
	<b>No.</b>	No.
From £60,001 to £70,000	<b>8</b>	10
From £70,001 to £80,000	<b>4</b>	3
From £80,001 to £90,000	<b>5</b>	6
From £90,001 to £100,000	<b>1</b>	-
From £120,001 to £130,000	<b>1</b>	1

Pension contributions to defined contribution pension schemes for 19 employees totalled £95,294 in the period (2017: £92,573 for 20 employees).

The key management personnel of the organisation comprise the 3 founding members as Executive Directors, and the Chief Executive Officer. The total employee benefits of the key management personnel of the organisation were £356,906 (2017 £371,128). The remaining Non-Executive Directors were not paid or received any other benefits arising from their roles.

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

	<b>2018</b>	2017
	<b>No.</b>	No.
Campaigning and advocacy	<b>91</b>	74
Fundraising	<b>14</b>	11
Finance and resources	<b>13</b>	14
	<b>118</b>	99

**7. Taxation**

The organisation had no corporation tax liability in the period to 31 December 2018 (2017: £Nil), because there were no profits liable to corporation tax in the year.

## 8. Tangible fixed assets

Group	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2018	364	373	133	870
Additions in period	74	1	25	100
Disposals in period	-	(361)	(37)	(398)
At 31 December 2018	438	13	121	572
<b>Depreciation</b>				
At 1 January 2018	202	338	109	649
Charge for the period	87	31	17	135
Disposals in period	-	(361)	(30)	(391)
At 31 December 2018	289	8	96	393
<b>Net book value at 31 December 2018</b>	<b>149</b>	<b>5</b>	<b>25</b>	<b>179</b>
At 31 December 2017	162	35	24	221
<b>Company</b>				
Company	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2018	332	361	100	793
Additions in period	72	1	23	96
Disposals in period	-	(361)	(37)	(398)
At 31 December 2018	404	1	86	491
<b>Depreciation</b>				
At 1 January 2018	171	332	81	584
Charge for the period	87	29	13	129
Disposals in period	-	(361)	(30)	(391)
At 31 December 2018	258	-	64	322
<b>Net book value at 31 December 2018</b>	<b>146</b>	<b>1</b>	<b>22</b>	<b>169</b>
At 31 December 2017	161	29	19	209

## Global Witness

### Notes to the financial statements

For the year ended 31 December 2018

#### 9. Subsidiary undertaking

The company controls Global Witness Inc., a company registered in Washington DC, USA, as the two entities have common directors. Registered office, 1100 17th Street NW, Suite 501, Washington, District of Columbia, USA, 20036. File number 234493. 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:

	2018 £'000	2017 £'000
Grants received from Global Witness	1,541	1,403
Other income	8	-
<b>Total income</b>	<b>1,549</b>	<b>1,403</b>
Total expenditure	1,486	1,457
Net movement in funds for the period	63	(54)
<b>Total funds brought forward</b>	<b>(41)</b>	<b>13</b>
<b>Total funds carried forward</b>	<b>22</b>	<b>(41)</b>
The aggregate of the assets, liabilities and funds was:		
Assets	105	51
Liabilities	(83)	(92)
<b>Total funds</b>	<b>22</b>	<b>(41)</b>

#### 10. Company

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

	2018 £'000	2017 £'000
Gross income	10,857	10,571
Net movement in funds, being net income/(expenditure) for the period	160	990
Represented by		
Restricted funds	1,906	2,046
Unrestricted funds	4,830	4,530
<b>Total funds</b>	<b>6,736</b>	<b>6,576</b>

#### 11. Debtors

	Company 2018 £'000	Company 2017 £'000	Group 2018 £'000	Group 2017 £'000
Other debtors	202	149	204	150
Prepayments	141	402	152	412
Accrued income	1,863	1,392	1,863	1,392
	<b>2,206</b>	<b>1,943</b>	<b>2,219</b>	<b>1,954</b>

## Notes to the financial statements

For the year ended 31 December 2018

## 12. Creditors: amounts due within 1 year

	Company 2018 £'000	Company 2017 £'000	Group 2018 £'000	Group 2017 £'000
Taxation and social security	110	112	111	112
Other creditors	553	376	551	375
Accruals	239	565	324	659
Pension accrual	31	26	31	26
	<b>933</b>	<b>1,079</b>	<b>1,017</b>	<b>1,172</b>

## 13. Analysis of net assets between funds

Group	Restricted funds 2018 £'000	Unrestricted funds 2018 £'000	Total funds 2018 £'000
Tangible fixed assets	-	179	179
Investments	-	480	480
Current assets	2,306	4,809	7,115
Current liabilities	(400)	(617)	(1,017)
<b>Net assets at the end of the period</b>	<b>1,906</b>	<b>4,851</b>	<b>6,757</b>

Group	Restricted funds 2017 £'000	Unrestricted funds 2017 £'000	Total funds 2017 £'000
Tangible fixed assets	-	221	221
Current assets	2,594	4,893	7,487
Current liabilities	(548)	(624)	(1,172)
<b>Net assets at the end of the period</b>	<b>2,046</b>	<b>4,490</b>	<b>6,536</b>



## 14. Movements in funds

Group	At the start of the period 1 Jan 2018 £'000	Income £'000	Expenditure £'000	At the end of the period 31 Dec 2018 £'000
<b>Restricted funds:</b>				
Conflict and fragile states	603	234	(682)	155
Corruption	584	1,281	(1,131)	734
Forests, Land and Climate	859	2,760	(2,602)	1,017
<b>Total restricted funds</b>	<b>2,046</b>	<b>4,275</b>	<b>(4,415)</b>	<b>1,906</b>
<b>Unrestricted funds:</b>				
Designated funds	239	-	(30)	209
General funds	4,251	6,590	(6,199)	4,642
<b>Total unrestricted funds</b>	<b>4,490</b>	<b>6,590</b>	<b>(6,229)</b>	<b>4,851</b>
<b>Total</b>	<b>6,536</b>	<b>10,865</b>	<b>(10,644)</b>	<b>6,757</b>

Group	At the start of the period 1 Jan 2017 £'000	Income £'000	Expenditure £'000	At the end of the period 31 Dec 2017 £'000
<b>Restricted funds:</b>				
Conflict and fragile states	164	1,279	(840)	603
Corruption	305	1,013	(734)	584
Forests, Land and Climate	971	2,653	(2,765)	859
<b>Total restricted funds</b>	<b>1,440</b>	<b>4,945</b>	<b>(4,339)</b>	<b>2,046</b>
<b>Unrestricted funds:</b>				
Designated fund	267	-	(28)	239
General funds	3,892	5,628	(5,269)	4,251
<b>Total unrestricted funds</b>	<b>4,159</b>	<b>5,628</b>	<b>(5,297)</b>	<b>4,490</b>
<b>Total</b>	<b>5,599</b>	<b>10,573</b>	<b>(9,636)</b>	<b>6,536</b>

**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.

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.

**Purpose of designated fund**

The designated fund represents unrestricted funds set aside by the Board for specific purposes. At the end of 2017 funds have been set aside for two specific purposes: to cover costs relating to any insurance claim excesses; and for use in supporting general transparency campaigning. Should no related expenditure arise the funds would then be transferred to the general funds category.

**15. Operating lease commitments**

At the end of the period the group had future minimum commitments under operating leases as follows:

	<b>Property 2018 £'000</b>	<b>Property 2017 £'000</b>
Amounts payable:		
Within 1 year	835	206
2-5 years	-	54
	<hr/>	<hr/>
	<b>835</b>	<b>260</b>

**16. Financial risk management**

Global Witness has exposure to two main areas of risk - foreign exchange currency exposure and liquidity risk.

**Foreign exchange transactional currency risk**

Global Witness is exposed to currency exchange rate risk due to a significant proportion of its receivables being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts. The forward foreign exchange contracts all mature within 12 months.

**Liquidity risk**

The objective of Global Witness in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. Global Witness expects to meet its financial obligations through operating cash flows.

**17. Financial Assets and Liabilities**

<b>Company</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets measured at fair value through profit or loss	<u>(22)</u>	<u>81</u>
Financial assets measured at amortised cost	<u>6,677</u>	<u>6,895</u>
Financial liabilities measured at amortised cost	<u>933</u>	<u>1,079</u>
<b>Group</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets measured at fair value through profit or loss	<u>(22)</u>	<u>81</u>
Financial assets measured at amortised cost	<u>6,759</u>	<u>6,925</u>
Financial liabilities measured at amortised cost	<u>1,017</u>	<u>1,172</u>

The foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract.

**18. Investments**

<b>Group</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Market value</b>		
At 1 January 2018	-	-
New funds introduced	500	-
Increase/(decrease) in value of investments	(20)	-
At 31 December 2018	<u>480</u>	<u>-</u>
Historical cost	<u>500</u>	<u>-</u>
The investments are held as follows:	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
UK equities	100	-
UK fixed interest securities	9	-
Other equities	203	-
Alternative investments	17	-
Cash	151	-
	<u>480</u>	<u>-</u>

