

Company no. 2871809

Global Witness

Report and Financial Statements

31 December 2017

Global Witness

Reference and administrative details

For the year ended 31 December 2017

Directors
Patrick J Alley
Charmian P Gooch
Juana Kweitel
Stephen Peel
Mark Stephens
Simon J Taylor
Jessica Tolkan

Principal and Registered Office
Lloyds Chambers
1 Portsoken Street
London
E1 8BT

Tel: +44 (0)20 7492 5820
Fax: +44 (0)20 7492 5821

Email: mail@globalwitness.org
Website: www.globalwitness.org

Company number 2871809
Company Limited by Guarantee

Principal Advisers

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

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

Auditors
Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Global Witness

Report of the directors

For the year ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

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.

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. 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 and comprising the Chief Operating Officer, the Director of Planning, Campaigns and Evaluation, Directors of Campaigns, the Development Director and the Director of Communications.

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

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

Three of Global Witness' directors are also the directors of two other entities: Global Witness Projects Limited and Sauroktonos Limited. There is no common control between Global Witness and these entities, and as a consequence Global Witness is unable to influence these entities.

Public Benefit

The organisation's activities provide benefit to the public through education on issues arising from the research and the documentation of human rights, environmental and other records and abuses of 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.

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.

Throughout 2017 Global Witness has continued its campaigns and hard-hitting investigations - exposing the facts, and pushing for change. We've also been continuing our work to build a sustainable organisation fit for the next 20 years.

Global Witness

Report of the directors

For the year ended 31 December 2017

Strategic Report

A summary of our key achievements during 2017 are listed below as well as how we intend to build on and defend these gains in the coming year.

Anti -corruption

Fighting the US' descent into kleptocracy

- Following the 2016 United States' presidential elections, we began monitoring the increasing parallels between the actions of the President of the United States and his aides and those of kleptocracies like Cambodia, Angola or Equatorial Guinea. 2017 saw a host of moves by the Trump Administration and Congress, backed by the American Petroleum Institute, to attack transparency and anti-corruption efforts. At the beginning of the year we repeatedly raised concerns about the appointment as Secretary of State of Rex Tillerson, the former CEO of ExxonMobil: a company which has a record of engaging in questionable oil deals, and leading attempts to undermine anti-corruption policies, as well as facing allegations of purposefully misleading the public on climate change.
- We have also been heavily engaged in efforts to ensure that the U.S. Congress cannot undo a vitally important transparency law, which we have been campaigning on for 20 years. The bipartisan law, known as the Cardin-Lugar anti-corruption provision, is designed to stop U.S.-listed extractive companies, including ExxonMobil, Chevron and several Chinese oil majors, striking corrupt deals, by requiring them to disclose the details of their payments to governments. In December, all the Republicans (bar one) on the U.S. House Financial Services Committee voted to pass a bill that would repeal the anti-corruption provision. The law remains intact but under threat.
- In our publication *Narco-a-Lago: Money Laundering at the Trump Ocean Club, Panama* we revealed how Donald Trump made millions from selling his name to a luxury development used to launder money from Latin American drug cartels over a period of time starting in 2006. While there is no evidence he broke the law, Trump seems to have done little to nothing to prevent this. We also used this investigation to highlight the problem of anonymous companies and property ownership in facilitating money laundering, as part of our global campaign to end anonymous company ownership.

Ending anonymous company and property ownership

- Following the creation of a public registry of beneficial ownership data in the UK in 2016, 2017 saw the UK government backtracking on its commitment to create a similar registry for companies that own UK properties. To prevent further backsliding, we worked with a leading media outlet to publish a series of stories highlighting the need for this registry of property owners in advance of a debate in the House of Lords and worked with members to secure their support.
- Although the U.S. continues to block global progress to tackle anonymous company ownership, in 2017 we made significant progress in spite of the hostile legislative environment in Washington DC. At the end of 2017, we had more bipartisan support for U.S. beneficial ownership transparency legislation, in the form of three bipartisan bills relating to beneficial ownership, as well as a range of other more specific legislative proposals aiming to tackle aspects of the problems posed by anonymous companies.
- Global Witness advocacy on beneficial ownership has also focused on the EU. In early 2017 the EU agreed on new ground-breaking rules to reveal the true owners of European companies, through changes to the EU Anti-Money Laundering Directive. These changes were intended to respond to last year's Panama Papers revelations and have set a global standard for other countries looking to tackle this problem, including the 35 that have already committed to do so.

Transparency and accountability for oil, gas and mining companies

- After six years of campaigning, in 2017 we exposed how Royal Dutch Shell, one of the world's largest oil companies, knowingly participated in a vast bribery scheme with Italian company Eni in the murky deal for Nigeria's OPL 245 oil block – a deal that robbed the Nigerian people of over \$1.1 billion. Within a day of the story breaking, Shell admitted for the first time it had known the money it paid was flowing to a convicted money launderer. Following this, Italian courts ordered Shell, Eni and 11 top oil executives to stand trial for corruption in what could prove to be one of the most significant corporate bribery trials in history.

Good governance in Uganda

- In June 2017, we published the report 'Undermined', the results of our 18-month investigation exposing how Uganda's mining sector threatens people, environment and economy. We exposed, in ten detailed case studies, the international companies and crooked officials who are profiting at the expense of the country's people, environment and economy.

Conflict and Fragile States

Responsible sourcing and supply chain due diligence:

- In June 2017 we welcomed a new EU law on responsible mineral sourcing that was introduced following years of advocacy by Global Witness. The Responsible Sourcing Regulation will, for the first time, require EU importers of four minerals – tin, tantalum, tungsten and gold – that are sometimes linked to conflict and human rights abuses around the world, to make sure they know their supply chains and deal effectively with risks associated with them. In a significant step, the EU has acknowledged the global nature of the issue by making sure that the law covers imports from all countries, not just the Democratic Republic of Congo and its neighbours. The law has its limitations, however, and our work continues to make sure secondary legislation and enforcement activity are as robust as possible.
- In 2017 Global Witness continued its efforts to spread the principles and practices of supply chain due diligence from the tin, tantalum, tungsten and gold to precious stones. We published two new reports that demonstrated that existing efforts to keep human rights and corruption risks out of precious stones supply chains are inadequate. The first report was on conflict diamond smugglers from the Central African Republic who use social media companies to connect smugglers and buyers. The second report was on the role of the state intelligence agencies and military in Zimbabwean diamond companies. We followed these reports up with advocacy aimed at diamond companies, policy makers and enforcement authorities, the Kimberley Process, and the Organisation for Economic Cooperation and Development (OECD).
- We continued our deep engagement with the development of supply chain due diligence policy and practice. We have stayed very engaged in attempts to prevent the watering down of the key US supply chain due diligence law – known as Dodd Frank 1502 – and have contributed to Chinese efforts to draw up guidance and regulations for Chinese companies sourcing minerals from overseas. We also played a leading role at the OECD forum on supply chain due diligence.

Resource-Rich Fragile States:

- We continued our attempts to help improve the legislation and enforcement practices governing the Democratic Republic of Congo's (DRC) industrial and artisanal mining sectors. Alongside our advocacy work, we also exposed the involvement of senior military figures in the country's gold trade.
- In Afghanistan we followed up the previous year's publication, War in the Treasury of the People, which revealed how lapis lazuli and tourmaline (semi-precious stones) mines were supplying millions of dollars of funding to the Taliban and various strongmen, with intensive advocacy to improve Afghanistan's mining law and draft anti-corruption strategy.
- As Myanmar geared up for a second round of national peace talks in May 2017, we released a new film and publication revealing how the jade riches of Kachin State are helping to incentivise and fuel deadly armed conflict. Never-before-seen footage and interviews revealed the human and environmental costs of the trade, and exposed how hidden military interests are controlling the jade sector and stand to lose out from real reform and a peace process that will necessarily lead to a more equitable management of the country's natural resources.

Individual and corporate accountability

- Notorious timber baron and gunrunner Guus van Koewenhoven, whose involvement in illegal logging and arms trafficking Global Witness exposed back in 2001, was finally brought to justice. He was arrested in South Africa in late 2017 and is set to be extradited to the Netherlands, where he was convicted earlier this year for aiding and abetting war crimes and illegally trading arms during the height of Liberia's civil war.
- In December 2017 Dan Gertler, a prominent businessman and friend of the president of the Democratic Republic of Congo, was sanctioned by the US and had his assets frozen. This follows 7 years of investigations by Global Witness into his, and his partners, dealings in the DRC. The US Government stated that Gertler had "amassed his fortune through hundreds of millions of dollars' worth of opaque and corrupt mining and oil deals in the Democratic Republic of the Congo (DRC)".

Global Witness

Report of the directors

For the year ended 31 December 2017

Forests, Land and Climate

Industrial-Scale Logging

- Campaigning by Global Witness and other NGOs forestalled moves by the government of the Democratic Republic of the Congo (DRC) to lift the moratorium on the allocation of new industrial logging concessions. Global Witness advocacy, in conjunction with that of local and international partners, contributed to the cancellation of a number of industrial logging concessions allocated in breach of the moratorium.
- In November 2017, Global Witness published the findings of an undercover investigation into the timber business in Peru. It revealed that, contrary to what they were claiming publicly, exporters involved in the largest timber scandal in the country's history knew or could have presumed to know that their timber was illegal. Global Witness also engaged with Peru's Attorney-General, urging him to continue investigating the murder of four community leaders in the remote Peruvian Amazon in 2014.
- In February 2017, Global Witness published a report detailing illegal activities in Liberia's logging sector, leading to promises by the government to ensure companies pay taxes owed and publish the names of companies' owners.
- Global Witness published a briefing outlining changes needed to Liberian laws to ensure community-managed forests are not co-opted by logging companies.

Timber Trade

- In the EU, authorities responsible for enforcement of the EU Timber Regulation followed up concerns raised by Global Witness about timber imports from the Democratic Republic of the Congo at high risk of illegality.
- In August, Global Witness published a report documenting how companies in China are failing to screen out illegal timber, the risks this creates for U.S. companies, and the devastating impacts the trade is having on people in Papua New Guinea. This led to a Chinese delegation visiting PNG to better understand risks associated with this trade.

Protecting Environmental Defenders

- We released a report exposing high-level Honduran officials and companies involved in attacks against land and environmental defenders. This led to a case being filed against one of Honduras' most powerful political figures and the divestment by European development banks from the controversial Agua Zarca dam project.
- Our 2017 Defenders report, which received significant media coverage worldwide, detailing 200 killings globally of land and environmental defenders. We worked with institutions such as the United Nations and international finance institutions to ensure our policy recommendations were included in their materials related to defenders.
- We collaborated with media partners such as the Guardian and LA Times to produce a series of articles based on our campaign aimed at ensuring the safety of land and environmental defenders.

Land-Related Investments

- We worked closely with the Chinese Chamber of Minerals, Metals and Chemicals Importers and Exporters (CCCMC) to develop a set of guidelines on responsible investment practices for natural rubber producers, processors and buyers. We have helped the CCCMC introduce these guidelines to companies inside and outside China.
- We helped Pirelli become the second of the "big five" tyre companies to introduce guidelines for their natural rubber supply chains with zero land grabbing and zero-deforestation commitments and greater supply chain traceability.
- Working in conjunction with other organisations, we secured a commitment from the European Commission to develop an Action Plan on Sustainable Finance that will make binding recommendations on how investors conduct due diligence relating to environmental, social and governance risks. This should help ensure that European citizens' pensions and savings do not find their way into projects which are linked to human rights violations and environmental destruction including climate change.
- We helped highlight the plight of our partners in Cambodia and the increased repression of opposition and civil society by briefing journalists and securing international media coverage.

Further details of these achievements and others can be found in the 2017 Annual Review which will be available on our website when complete.

Financial review

Total income for year was £10,573,000 (2016: £11,759,000), a decrease of £1,186,000, reflecting the receipt of the final tranche of Challenge Fund income in 2016 (£1.25m). In addition, the value of donations in kind in the year £193,636 was down on the 2016 contributions of £397,527.

Total expenditure for the year was £9,636,000 (2016: £9,174,000). The cost of fundraising was £915,000 (2016: £849,000), with the ratio of cost to income increasing to 8.7% (2016: 7.3%).

Net assets at 31 December 2016 increased to £6,536,000 (2016: £5,599,000), with net current assets of £6,315,000 (2015: £5,369,000). The increase arises as a result of the surplus generated in the year.

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 2017 free reserves increased to £4,251,000 (2016: £3,892,000), calculated as unrestricted net assets (note 13) less the designated fund. Free reserves now represent 4.6 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 2018: 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 general funds category.

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: availability of financial resources to continue the work identified in the strategic report; digital risk as a result of loss of confidential data, and threats to IT security; legal risk in the form of exposure to civil/criminal proceedings arising from campaign activities. 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.

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

Going concern

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

Global Witness

Report of the directors

For the year ended 31 December 2017

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.

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 2017 was 3 (2016: 3).

Auditors

Moore Stephens LLP were re-appointed 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 19 April 2018 and signed on their behalf by



Charmian Gooch
Director

Independent Auditor's Report to the Members of Global Witness

Opinion

We have audited the financial statements of Global Witness (the 'company') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), the Company and Group Balance Sheets, the Company and Group Statement of Cash Flows and the related 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 FRS 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 Company's and Group's affairs as at 31 December 2017 and of its income and application of resources, including its income and expenditure, 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.

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.

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 Company 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 Company and its 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 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.

Responsibilities of Directors

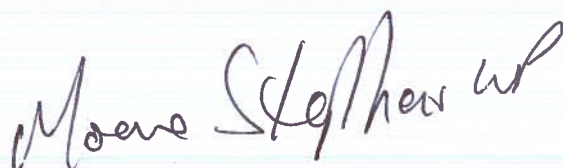
As explained more fully in the Statement of the Responsibilities of the Directors set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary 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 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 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 Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Richard Willis, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

150 Aldersgate Street

London

EC1A 4AB

Date:

19.4.18

Global Witness

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

For the year ending 31 December 2017

	Note	Restricted £'000	Unrestricted £'000	2017 Total £'000	2016 Total £'000
Income from:					
Donations	2	-	5,547	5,547	6,853
<i>Charitable activities – income from campaigns</i>	3				
Conflict and Fragile States		1,279	-	1,279	730
Corruption		1,013	-	1,013	953
Forests, Land and Climate		2,653	-	2,653	3,129
Interest receivable		-	13	13	20
Other Income		-	68	68	74
Total		4,945	5,628	10,573	11,759
Expenditure on:					
<i>Raising Funds</i>					
Fundraising		-	915	915	849
<i>Charitable activities – expenditure on campaigns</i>					
Environmental and human rights research and campaigning					
Conflict and Fragile States		840	1,106	1,946	1,800
Corruption		734	2,282	3,016	2,989
Forests, Land and Climate		2,765	994	3,759	3,536
Total expenditure	4	4,339	5,297	9,636	9,174
Net movement in funds, being net income for the year	5	606	331	937	2,585
Total funds brought forward		1,440	4,159	5,599	3,014
Total funds carried forward		2,046	4,490	6,536	5,599

All of the above results are derived from continuing activities. The notes on pages 13 to 25 form an integral part of the financial statements. All interest receivable and other income was unrestricted in 2016 and 2017. Other income comprises contributions to campaign expenses.

Global Witness

Balance sheet

31 December 2017

		Company		Group	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	8	<u>209</u>	<u>213</u>	<u>221</u>	<u>230</u>
Current assets					
Debtors	11	1,943	1,370	1,954	1,376
Cash held as short term investment		2	1	2	1
Cash at bank and in hand		<u>5,501</u>	<u>5,098</u>	<u>5,531</u>	<u>5,161</u>
		7,446	6,469	7,487	6,538
Current liabilities					
Creditors: amounts due within one year	12	<u>(1,079)</u>	<u>(1,096)</u>	<u>(1,172)</u>	<u>(1,169)</u>
Net current assets		<u>6,367</u>	<u>5,373</u>	<u>6,315</u>	<u>5,369</u>
Net assets	13	<u><u>6,576</u></u>	<u><u>5,586</u></u>	<u><u>6,536</u></u>	<u><u>5,599</u></u>
Funds					
Restricted funds		2,046	1,440	2,046	1,440
Unrestricted funds					
Designated funds		239	267	239	267
General funds		<u>4,291</u>	<u>3,879</u>	<u>4,251</u>	<u>3,892</u>
Total funds	14	<u><u>6,576</u></u>	<u><u>5,586</u></u>	<u><u>6,536</u></u>	<u><u>5,599</u></u>

Approved by the directors and authorised for issue on 19 April 2018 and signed on their behalf by



Charmian Gooch
Director

Company Registration Number: 2871809

The notes on pages 13 to 25 form an integral part of the financial statements

Global Witness

Statement of Cash Flows

For the year ending 31 December 2017

	Note	Company		Group	
		31 December 2017 £'000	31 December 2016 £'000	31 December 2017 £'000	31 December 2016 £'000
Net cash provided by operating activities	A	<u>565</u>	<u>2,485</u>	<u>535</u>	<u>2,495</u>
Cash flows from investing activities					
Purchase of property, plant and equipment		<u>(161)</u>	<u>(24)</u>	<u>(164)</u>	<u>(36)</u>
Change in cash and cash equivalents in the year		404	2,461	371	2,459
Cash and cash equivalents at the beginning of the year	B	<u>5,099</u>	<u>2,638</u>	<u>5,162</u>	<u>2,703</u>
Cash and cash equivalents at the end of the year	B	<u><u>5,503</u></u>	<u><u>5,099</u></u>	<u><u>5,533</u></u>	<u><u>5,162</u></u>

Note A:

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

	Company		Group	
	31 December 2017 £'000	31 December 2016 £'000	31 December 2017 £'000	31 December 2016 £'000
Net income for the period	990	2,590	937	2,585
Adjustments for:				
Unrealised gains from changes in foreign currency exchange rates	(81)	-	(81)	-
Depreciation charges	165	185	173	205
(Increase) in debtors	(492)	(354)	(497)	(355)
(Decrease)/Increase in creditors	(17)	64	3	60
Net cash provided by operating activities	<u><u>565</u></u>	<u><u>2,485</u></u>	<u><u>535</u></u>	<u><u>2,495</u></u>

Note B:

Analysis of cash and cash equivalents

	Company		Group	
	31 December 2017 £'000	31 December 2016 £'000	31 December 2017 £'000	31 December 2016 £'000
Cash held as short term investment	2	1	2	1
Cash at bank and in hand	<u>5,501</u>	<u>5,098</u>	<u>5,531</u>	<u>5,161</u>
Total cash and cash equivalents	<u><u>5,503</u></u>	<u><u>5,099</u></u>	<u><u>5,533</u></u>	<u><u>5,162</u></u>

Global Witness

Notes to the financial statements

For the year ended 31 December 2017

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

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) 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.

j) 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.

Global Witness

Notes to the financial statements

For the year ended 31 December 2017

k) 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.

l) 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.

m) 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. After 12 months and up to 2 years' service, this contribution increases to 6% and 7% respectively. 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 2017

2. Donations

	Restricted £'000	Unrestricted £'000	2017 Total £'000	2016 Total £'000
The Alexander Soros Foundation	-	80	80	-
Ministry of Foreign Affairs of Denmark	-	7	7	105
Ford Foundation	-	625	625	689
The Foundation to Promote Open Society	-	2,076	2,076	1,624
The Foundation to Promote Open Society - Challenge Fund	-	-	-	1,250
Grantham Foundation for the Protection of the Environment	-	76	76	75
Horace W Goldsmith Foundation	-	78	78	38
Omidyar Network	-	1,205	1,205	1,297
Revolution In Kind Foundation	-	50	50	-
Skoll Award for Social Entrepreneurship	-	-	-	130
Stephen Peel	-	58	58	50
The Taylour Foundation	-	1	1	-
Tides Foundation	-	4	4	-
Wallace Global Fund	-	79	79	63
World Wide Web Foundation	-	6	6	-
Zennström Philanthropies	-	-	-	20
Individual donations	-	1	1	11
<i>Grants from Global Witness Foundation:</i>				
CrossCurrents-UK	-	8	8	-
Fidelity Charitable Gift Fund	-	577	577	601
The Highbury Foundation	-	-	-	54
Jocarno Fund	-	3	3	3
MIT Media Labs	-	-	-	4
Other grants and donations	-	315	315	171
Individual donations	-	17	17	66
<i>Grants from Global Witness Trust</i>				
CrossCurrents-UK	-	10	10	-
The David and Elaine Potter Foundation	-	-	-	5
Mike Servent	-	55	55	44
Individual donations	-	23	23	10
Other grants and donations	-	-	-	145
Donated services and facilities	-	193	193	398
Total	-	5,547	5,547	6,853

Included within the 2016 total was restricted income of £Nil and unrestricted income of £6,853,000. 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 2017

3. Income from charitable activities

	Restricted £'000	Unrestricted £'000	2017 Total £'000	2016 Total £'000
<i>Conflict and Fragile States</i>				
Bertha Foundation	5	-	5	5
Brook Foundation	60	-	60	53
Don Quixote Foundation	121	-	121	101
Empowers Africa	-	-	-	7
Humanity United	-	-	-	38
Norad- Norwegian Agency for Development Cooperation	121	-	121	26
Trellis Charitable Fund	28	-	28	28
Skoll Foundation	127	-	127	-
Swedish International Development Cooperation Agency (SIDA)	817	-	817	472
	<u>1,279</u>	<u>-</u>	<u>1,279</u>	<u>730</u>
<i>Corruption</i>				
Adessium Foundation	144	-	144	-
Bertha Foundation	7	-	7	7
Center for International Policy	-	-	-	54
Democratic Governance Facility	-	-	-	137
Norad- Norwegian Agency for Development Cooperation	278	-	278	176
Omidyar Network	-	-	-	104
Skoll Foundation	246	-	246	-
Sundance Institute	2	-	2	23
Swedish International Development Cooperation Agency (SIDA)	44	-	44	29
Third Sector New England	35	-	35	-
Trellis Charitable Fund	38	-	38	40
The William and Flora Hewlett Foundation	219	-	219	383
	<u>1,013</u>	<u>-</u>	<u>1,013</u>	<u>953</u>

Global Witness

Notes to the financial statements

For the year ended 31 December 2017

Forests, Land and Climate

Arcadia Fund	220	-	220	60
Arcus Foundation	-	-	-	82
Bertha Foundation	8	-	8	8
Bread for the World	15	-	15	3
Brook Foundation	20	-	20	18
Climate & Land Use Alliance	112	-	112	-
Don Quixote Foundation	40	-	40	34
Evan Cornish Foundation	10	-	10	-
Ford Foundation	-	-	-	160
Good Energies Foundation	167	-	167	-
Irish Aid	100	-	100	154
International Committee for Conservation of Nature - Netherlands Committee (IUCN NL)	92	-	92	170
JMG Foundation	30	-	30	31
John D. and Catherine T. MacArthur Foundati	75	-	75	81
Kestrelman Trust	30	-	30	-
Norad- Norwegian Agency for Development Cooperation	188	-	188	586
Pro Victimis Foundation	72	-	72	158
Rainforest Foundation UK	87	-	87	32
The Samworth Foundation	-	-	-	30
Silicon Valley Community Foundation	53	-	53	21
Swedish International Development Cooperation Agency (SIDA)	229	-	229	88
The Alexander Soros Foundation	266	-	266	283
Trellis Charitable Fund	49	-	49	47
UK Department for International Development (DFID)	462	-	462	752
Other grants and donations	328	-	328	331
	<u>2,653</u>	-	<u>2,653</u>	<u>3,129</u>
Total charitable activities	<u>4,945</u>	-	<u>4,945</u>	<u>4,812</u>

Included within the 2016 total was restricted income of £Nil and unrestricted income of £4,812,000.

Global Witness

Notes to the financial statements

For the year ended 31 December 2017

4. Total expenditure

	Direct activities £'000	Support costs £'000	Governance costs £'000	2017 £'000	2016 £'000
Costs of raising funds	535	363	17	915	849
Charitable activities					
<i>Environmental and human rights research and campaigning</i>					
Conflict and fragile states	1,662	263	21	1,946	1,800
Corruption	2,690	298	28	3,016	2,989
Forests, Land and Climate	3,248	475	36	3,759	3,536
Total charitable activities	7,600	1,036	85	8,721	8,325
Total expenditure	8,135	1,399	102	9,636	9,174

Support costs comprise:

	Costs of raising funds £'000	Environmental and human rights research and campaigning £'000	Total 2017 £'000	Total 2016 £'000
General Management	61	302	363	374
Finance, Human Resources and Information Technology	302	734	1,036	819
	363	1,036	1,399	1,193

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:

	2017 £'000	2016 £'000
Depreciation	173	205
Operating lease rentals property	266	262
Auditor's remuneration audit	14	17
other services	5	-
Directors' remuneration	348	331
Directors' reimbursed expenses	1	1
Foreign exchange gains	(57)	(97)

During the year 3 Directors were reimbursed expenses relating to travel and subsistence costs incurred in the course of their work (2016: 3 Directors reimbursed)

6. Staff costs and numbers

Staff costs were as follows:

	2017	2016
	£'000	£'000
Salaries		
United Kingdom staff	3,636	3,475
Overseas staff	880	793
Social security costs	442	417
Pension contributions	279	306
	5,237	4,991
Other staff costs	346	265
	5,583	5,256

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

	2017	2016
	No.	No.
From £60,001 to £70,000	10	9
From £70,001 to £80,000	3	5
From £80,001 to £90,000	6	1
From £90,001 to £100,000	-	1
From £120,001 to £130,000	1	1

Pension contributions to defined contribution pension schemes for these employees totalled £92,573 in the period (2016: £99,943 for 17 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 £371,128 (2016 £352,568). 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:

	2017	2016
	No.	No.
Campaigning and advocacy	74	72
Fundraising	11	11
Finance and resources	14	12
	99	95

7. Taxation

The organisation had no corporation tax liability in the period to 31 December 2017 (2016: £Nil), because there were no profits liable for corporation tax in the year.

Notes to the financial statements

For the year ended 31 December 2017

8. Tangible fixed assets

Group	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At 1 January 2017	278	373	115	766
Additions in period	146	-	18	164
Disposals in period	(60)	-	-	(60)
At 31 December 2017	<u>364</u>	<u>373</u>	<u>133</u>	<u>870</u>
Depreciation				
At 1 January 2017	207	246	83	536
Charge for the period	55	92	26	173
Disposals in period	(60)	-	-	(60)
At 31 December 2017	<u>202</u>	<u>338</u>	<u>109</u>	<u>649</u>
Net book value at 31 December 2017	<u><u>162</u></u>	<u><u>35</u></u>	<u><u>24</u></u>	<u><u>221</u></u>
At 31 December 2016	<u>71</u>	<u>127</u>	<u>32</u>	<u>230</u>
Company	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At 1 January 2017	247	361	84	692
Additions in period	145	-	16	161
Disposals in period	(60)	-	-	(60)
At 31 December 2017	<u>332</u>	<u>361</u>	<u>100</u>	<u>793</u>
Depreciation				
At 1 January 2017	177	242	60	479
Charge for the period	54	90	21	165
Disposals in period	(60)	-	-	(60)
At 31 December 2017	<u>171</u>	<u>332</u>	<u>81</u>	<u>584</u>
Net book value at 31 December 2017	<u><u>161</u></u>	<u><u>29</u></u>	<u><u>19</u></u>	<u><u>209</u></u>
At 31 December 2016	<u>70</u>	<u>119</u>	<u>24</u>	<u>213</u>

Global Witness

Notes to the financial statements

For the year ended 31 December 2017

9. Subsidiary undertaking

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

	2017 £'000	2016 £'000
Grants received from Global Witness	1,403	1,215
Other income	-	-
Total income	1,403	1,215
Total expenditure	1,457	1,220
Net movement in funds for the period	(54)	(5)
Total funds brought forward	13	18
Total funds carried forward	(41)	13
The aggregate of the assets, liabilities and funds was:		
Assets	51	86
Liabilities	(92)	(73)
Total funds	(41)	13

10. Company

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

	2017 £'000	2016 £'000
Gross income	10,571	11,751
Net movement in funds, being net income/(expenditure) for the period	990	2,590
Represented by		
Restricted funds	2,046	1,440
Unrestricted funds	4,530	4,146
Total funds	6,576	5,586

11. Debtors

	Company 2017 £'000	Company 2016 £'000	Group 2017 £'000	Group 2016 £'000
Other debtors	149	51	150	52
Prepayments	402	346	412	351
Accrued income	1,392	973	1,392	973
	1,943	1,370	1,954	1,376

12. Creditors: amounts due within 1 year

	Company 2017 £'000	Company 2016 £'000	Group 2017 £'000	Group 2016 £'000
Taxation and social security	112	115	112	115
Other creditors	376	353	375	351
Accruals	565	604	659	679
Pension accrual	26	24	26	24
	<u>1,079</u>	<u>1,096</u>	<u>1,172</u>	<u>1,169</u>

13. Analysis of net assets between funds

Group	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	221	221
Current assets	2,594	4,893	7,487
Current liabilities	(548)	(624)	(1,172)
Net assets at the end of the period	<u>2,046</u>	<u>4,490</u>	<u>6,536</u>
	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	209	209
Current assets	2,551	4,895	7,446
Current liabilities	(505)	(574)	(1,079)
Net assets at the end of the period	<u>2,046</u>	<u>4,530</u>	<u>6,576</u>

14. Movements in funds

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
Restricted funds:				
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
Total restricted funds	1,440	4,945	(4,339)	2,046
Unrestricted funds:				
Designated funds	267	-	(28)	239
General funds	3,892	5,628	(5,269)	4,251
Total unrestricted funds	4,159	5,628	(5,297)	4,490
Total	5,599	10,573	(9,636)	6,536

Company	At the start of the period 1 Jan 2017 £'000	Income £'000	Expenditure £'000	At the end of the period 31 Dec 2017 £'000
Restricted funds:				
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
Total restricted funds	1,440	4,945	(4,339)	2,046
Unrestricted funds:				
Designated fund	267	-	(28)	239
General funds	3,879	5,627	(5,215)	4,291
Total unrestricted funds	4,146	5,627	(5,243)	4,530
Total	5,586	10,572	(9,582)	6,576

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 the general funds category.

Global Witness

Notes to the financial statements

For the year ended 31 December 2017

15. Operating lease commitments

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

	Property 2017 £'000	Property 2016 £'000
Amounts payable:		
Within 1 year	206	302
2-5 years	54	261
	<u>260</u>	<u>563</u>

16. Related party transactions

One of the directors, Patrick Alley, is also a director of Global Witness Foundation, a Californian non profit public benefit organisation, which has exemption under section 501(c)(3) of the Internal Revenue code. There is no legal relationship between the two entities other than the involvement of the director. Global Witness Foundation was incorporated on 21 May 2001. Global Witness Foundation made grants totalling £1,368,000 to Global Witness in the period (2016: £1,475,000).

17. 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.

18. Financial Assets and Liabilities

Company	2017 £'000	2016 £'000
Financial assets measured at fair value through profit or loss	<u>81</u>	<u>-</u>
Financial assets measured at amortised cost	<u>6,895</u>	<u>6,072</u>
Financial liabilities measured at amortised cost	<u>1,079</u>	<u>1,096</u>
Group	2017 £'000	2016 £'000
Financial assets measured at fair value through profit or loss	<u>81</u>	<u>-</u>
Financial assets measured at amortised cost	<u>6,925</u>	<u>6,135</u>
Financial liabilities measured at amortised cost	<u>1,172</u>	<u>1,169</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.