

Company no. 2871809

# **Global Witness**

## **Report and Financial Statements**

**31 December 2021**

**Global Witness**

**Reference and administrative details**

**For the year ended 31 December 2021**

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**Directors** Patrick Alley  
Gabrielle Darbyshire  
Charmian Gooch  
Fatima Hassan  
Christine Kanu (appointed 14 December 2021)  
Juana Kweitel  
Kirsty Lang (appointed 17 May 2021)  
Olanrewaju Suraju (appointed 24 May 2021)  
Simon Taylor

**CEO** Mike Davis

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55 Ludgate Hill  
London  
EC4M 7JW

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E2 9DA

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**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  
2nd Floor  
55 Ludgate Hill  
London, EC4M 7JW

## **Global Witness**

### **Report of the Directors**

#### **For the year ended 31 December 2021**

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The directors present their report and the audited financial statements for the year ended 31 December 2021

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 nine directors, comprising three Executive Directors (the co-Founders) and six Non-Executive Directors. In addition, a Finance and Remuneration sub committee of the Board 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 Leadership Team, led by the Chief Executive Officer and comprising the Directors of Operations, Campaigns, Development, HR and 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 Inc. (formerly Global Witness Publishing until 14 Dec 2018), a company registered in Washington DC, USA. Activities in Europe are managed through Global Witness ASBL, a not-for-profit association registered in Belgium. Since both of these companies have common directors and are managed on a unified basis with Global Witness, their results are consolidated and presented together in these financial statements.

Global Witness has a close relationship with Global Witness Foundation and GW Trust. There is no common control between Global Witness and both of these entities, and as a consequence Global Witness is unable to influence these entities.

Three of Global Witness' directors are also the directors of two other entities: Global Witness Projects Limited and Sauroktonos Limited. These two entities were dormant in the year.

## **Global Witness**

### **Report of the Directors**

**For the year ended 31 December 2021**

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#### **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 seeks to hold those responsible for abusing power and committing harms to the people and planet to account, urging action to stay within 1.5 degrees of global warming and elevating the needs of those disproportionately affected by climate breakdown.

Our six campaigning priorities in 2021 were to:

Curb the financing of deforestation by banks through government regulations and standards, to end the deforestation of tropical forest areas and thereby combat climate change.

End the EU's financial and policy support for fossil gas, enabling it to reduce its greenhouse gas emissions in line with the Paris Agreement and spearhead a transition away from gas to clean and sustainable energy sources.

Persuade governments to regulate Big Tech and disrupt their ability to profit from polarisation and the spread of hate and disinformation.

Protect land and environmental defenders by taking on the industries causing, contributing or benefiting from attacks and killings.

Establish legal frameworks to prevent companies and their value chains causing harms to people and planet, and holding them liable when they do occur, starting with legal change in the EU.

Strengthen natural resource governance in countries that are rich in natural resources but where people are not getting the benefits of this wealth.

The fundraising targets set by the Board for 2021 were successfully achieved during the year. Fundraising income was £10.051m against a target of £10.004m. Global Witness derives a minimal amount of its funds through public fundraising.

#### **Strategic Report**

##### **Forests**

- Our report Deforestation Dividends, published in October, revealed how banks such as HSBC, JP Morgan, Deutsche Bank, Rabobank and Bank of China have profited through their investments in companies responsible for deforestation and human rights abuses. Our report identified the likely US\$1.74 billion made by banks from forest destroying investments since the Paris Climate Agreement. Holding up our findings as a mirror both to the US\$19.2 billion package being pledged at COP26, and the track record of banks promising to stop financing forest destruction, we argued for regulation of the finance sector. This enabled us to secure an admission, for the first time in public, from a UK government minister, that regulation would be needed if finance continues to fund deforestation.

##### **Land and Environmental Defenders**

- September saw the publication of Global Witness's annual report on attacks against land and environmental defenders, Last Line of Defence. We reported on how 2020 saw the highest ever number of recorded lethal attacks, with 227 people were murdered for defending their land and our planet. The goal of this report is to hear from those most closely affected by these attacks, and to make the case for action against the industries that drive so much of this violence.
- During COP26, we staged a commemoration of the 1,005 land and environmental defenders killed since the Paris Agreement. This included a projection opposite the COP26 venue of every name of a defender killed. The event featured speeches from activists from Ecuador, Peru and the Philippines.

## **Global Witness**

### **Report of the Directors**

#### **For the year ended 31 December 2021**

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##### **Gas**

- At COP26 in Glasgow, we exposed the fossil fuels lobby's outsized presence at the climate conference. Our analysis of all 28,000 delegates at COP26 revealed that there were over 500 fossil fuels lobbyists at the summit, collectively comprising a bigger delegation than any country. The fossil fuel lobby was larger than the combined total of the eight delegations from the countries worst affected by climate change in the last two decades.

##### **Corporate Accountability**

- We continued to advocate intensively for a new EU law on corporate accountability. This included focusing on ensuring that the upcoming proposal from the European Commission for an EU law on corporate accountability included our key asks on identifying and mitigating human and environmental risks in value chains, the right to remedy and sanctions. This has seen Global Witness at the very heart of policy making as we have built key relationships within the EU institutions. Throughout the year, Global Witness was able to mobilise allies in the European Parliament as well as build allies in the Commission to support an ambitious proposal, which is due to be released in 2022.

##### **Digital Threats**

In autumn 2021, the UK Information Commissioner's Office confirmed that our findings on discriminatory advertising on Facebook are being reviewed by its High Priorities team. Meanwhile, the UK Equality and Human Rights Commission confirmed that it has referred our complaint about Facebook's possible breach of equalities law to its enforcement team. In October Facebook altered its settings for UK and European housing, job, and credit advertisements on the platform to prevent advertisers from directly discriminating, bringing these jurisdictions into line with the US and Canada, in line with Global Witness recommendations. We are confident that this is a direct consequence of our investigation and the coverage it garnered.

##### **Strengthen Natural Resource Governance**

- In 2021, we focused on exposing and challenging the financing of the military junta that came to power via February's coup. We reported on the ways in which jade continues to finance senior generals and armed groups. At the end of 2021 we published a major new investigation that exposed the links between the trade in Burmese rubies and the Myanmar military. This prompted one U.S. and two Thai gems companies to stop sourcing rubies from Myanmar. Several other international jewellers pledged to review their supply chains. The US and UK governments both updated their overseas business guidance to include stronger language on rubies and other gems from Myanmar.

##### **Future Plans**

In 2022, Global Witness plans to engage in a three-year strategic planning process (2023-2025) across organisational teams. This process will include setting annual outcomes across our existing bodies of work. These will build on our 2021 progress, and align us with the overall goal of addressing climate breakdown.

- In 2022 we will be marking 10 years since Global Witness first started recording the annual killings of Land and Environmental Defenders. In addition to our seminal report, we will host a public event calling for justice and accountability for the over 1000 deaths recorded since the Paris Agreement came into force in 2016.
- We will build on our fossil fuel lobbying and corporate accountability work, as well as continue to call for the regulation of financial actors linked to the deforestation of tropical forests in key jurisdictions.
- We will seek to advance narratives aimed at exposing global south injustices and inequities, including at the Climate Convention of the Parties (COP27) in Egypt.

## **Global Witness**

### **Report of the Directors**

#### **For the year ended 31 December 2021**

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##### **Financial review**

Total income for year was £10,129,000 (2020: £11,399,000), a decrease of £1,270,000. Fundraising income exceeded the target set for the year as part of our 3 year strategic financial plan, we anticipate subsequent years to remain in line with those plans. The value of donations in kind in the year is £60,774 (2020: £164,184).

Total expenditure for the year was £9,032,000 (2020: £10,473,000). The cost of fundraising was £1,193,000 (2020: £1,280,000), with the ratio of cost to income increasing to 11.8% (2020: 11.2%).

Net assets at 31 December 2021 increased to £6,745,000 (2020: £5,645,000), with net current assets of £6,583,000 (2020: £5,462,000).

##### **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.

The Board has reviewed the reserve policy during the year and revised the level of free reserves, calculated as the unrestricted net assets (note 14) less the designated fund, required to be held.

The following risks were considered in developing the reserve policy: going concern risk, risk of unplanned expenditure and risk of income shortfall. Additionally, the Directors have identified the requirement to have funds available for maximising opportunities and future organisation development and strategic plans.

The Board have set a target of maintaining free reserves at a total aggregate minimum level in the range of £4.25m-£4.5m.

At 31 December 2021 free reserves increased to £6,044,000 (2020: £4,550,000). The reserve is built up to maintain the momentum of our work over the next few years in anticipation of the difficult economic circumstances as Covid restrictions start to relax with added pressure due to the current tense geopolitical environment as a result of the Russia-Ukraine conflict, which may result in a challenging funding environment as well as increasing costs due to rampant inflation. The Board are currently reviewing plans which will add to the long term investment portfolio and bring the free reserve balance in line with the target range.

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 2022: 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.

##### **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.

In line with the objectives of the investment policy the Directors will seek to add to the portfolio as future investment opportunities arise.

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.

**Global Witness**

**Report of the Directors**

**For the year ended 31 December 2021**

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**Risk management**

The directors actively manage risk professionally, responsibly, and constructively and review the risk register quarterly. This involves identifying the types of risks the organisation may face and assessing and balancing them in terms of potential impact and the likelihood of occurrence. The main risks include:

<b>Risk</b>	<b>Management Approach</b>
Legal risk in the form of exposure to civil/criminal proceedings arising from campaign activities	Due to the nature of Global Witness, the risk of libel cases is always high. However, we have a strong legal team with expert libel knowledge and access to a range of specialist external legal expertise to support them. They oversee comprehensive guidance and timely adherence of protocols and procedures to ensure we check our campaign content and deal with any issues appropriately.
Financial resources to continue the work identified in the strategic report	The economic challenges emanating from the COVID pandemic remain at high risk to maintain our work appropriately funded. However, we continue to invest in the strategic development of our work to meet the ever-increasing challenges of climate crisis and human rights abuse. Our focus and approach give our fundraising team a compelling funding proposition to take to both potential donors and our generous existing donors.
Ability to deliver our work in a challenging operating environment	Besides operational challenges like security and political instability in locations where we conduct our work, COVID related travel restriction has increased the risk of effectively running research and investigation work. We have adapted our operating pattern with higher reliance on our global associates and network to help with our work. At the same time, we have shifted towards cloud-based computing and increased reliance on digital platforms for communication and knowledge rather than frequent travelling and commuting.
Digital risk as a result of loss of confidential data and threats to IT security	Cyber security risk has increased with the shift to cloud-based computing and extensive reliance on digital communication. We constantly review and adapt our digital and cyber security framework to ensure we are top of digital and cyber security requirements. This includes penetration testing, the introduction of multi-factor authentication and a digital and cyber security awareness programme.

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.

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### **Report of the Directors**

**For the year ended 31 December 2021**

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#### **Statement on COVID-19**

COVID 19 pandemic continued to evolve throughout the year with partial or complete travel restrictions. However, we have made changes in our operating model through remote working and remote coordination of our campaigns by taking steps to move to cloud-based computing and increased reliance on digital communication rather than commuting and international travel. We have met the income target set for the year and developed the operational reserve to a level that will help manage the anticipated fundraising challenges in the coming years and increased costs due to inflation.

Considering potential challenges in the economic outlook post-COVID and the current geopolitical situation, we have set a conservative income target for 2022 and marginally adjusted our operating cost structure accordingly.

With the relaxation of travel restrictions in 2022, we are moving from remote working to hybrid working, allowing us to reduce office space resulting in cost savings, and at the same time providing an opportunity to build a culture that promotes creativity and effectiveness. We are also restarting international travel to reconnect with our colleagues and work directly.

From the experience of the last two years and the systematic changes that we have made over this period, we are confident we can quickly adapt our operating model while still achieving our targets if the pandemic takes another negative turn.

#### **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;
- apply and follow UK accounting standards, subject to any material departures disclosed and explained in the financial statements.

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.

#### **Disclosure of Information to Auditors**

- Insofar as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware.
- Each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.



**Global Witness**

**Report of the Directors**

**For the year ended 31 December 2021**

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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 2021 was 3 (2020: 3).

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 10 May 2022 and signed on their behalf by



Christine Kanu  
Chair of the Finance and Remuneration Committee

## Global Witness

### 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 2021 which comprise the Consolidated statement of financial activities, Company and Group balance sheets, Consolidated statement of cash flows and notes to the financial statements, including 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 2021 and of the group's 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.

#### 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## Global Witness

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

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- 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 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 and proper 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 directors' responsibilities statement 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

#### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and the parent company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

## Global Witness

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

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In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Taxation legislation, Employment legislation, and anti-fraud, bribery and corruption legislation.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors' and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition and classification of grants and donations, and the override of controls by management. Our audit procedures to respond to these risks included sample testing of grants and donations, enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### 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

16 June 2022

**Global Witness**

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

**For the year ending 31 December 2021**

	Note	Restricted £'000	Unrestricted £'000	<b>2021 Total £'000</b>	2020 Total £'000
<b>Income from:</b>					
Donations	2	-	6,073	<b>6,073</b>	7,039
<i>Charitable activities – income from campaigns</i>	3				
Environmental and human rights research and campaigning		4,041	-	<b>4,041</b>	4,162
Interest receivable		-	-	-	3
Other Income		-	15	<b>15</b>	195
<b>Total</b>		<u>4,041</u>	<u>6,088</u>	<u><b>10,129</b></u>	<u>11,399</u>
<b>Expenditure on:</b>					
<i>Raising Funds</i>					
Fundraising		-	1,193	<b>1,193</b>	1,280
<i>Charitable activities – expenditure on campaigns</i>					
Environmental and human rights research and campaigning					9,193
Forests		2,106	239	<b>2,345</b>	
Land and Environmental Defenders		445	938	<b>1,383</b>	
Gas		679	774	<b>1,453</b>	
Corporate Accountability		500	329	<b>829</b>	
Digital Threats		-	667	<b>667</b>	
Strengthen Natural Resource Governance		789	373	<b>1,162</b>	
<b>Total expenditure</b>	4	<u>4,519</u>	<u>4,513</u>	<u><b>9,032</b></u>	<u>10,473</u>
Net gain/(loss) on investments		-	3	<b>3</b>	(158)
Transfers between funds	14	94	(94)	-	-
<b>Net movement in funds, being net income for the year</b>	5	(384)	1,484	<b>1,100</b>	768
<b>Total funds brought forward</b>		<u>904</u>	<u>4,741</u>	<u><b>5,645</b></u>	<u>4,877</u>
<b>Total funds carried forward</b>		<u>520</u>	<u>6,225</u>	<u><b>6,745</b></u>	<u>5,645</u>

All of the above results are derived from continuing activities. The notes on pages 15 to 28 form an integral part of the financial statements. All interest receivable and other income was unrestricted in 2021 and 2020. Other income comprises contributions to campaign expenses.

**Global Witness**

**Balance sheet**

**31 December 2021**

		Company		Group	
		31 December	31 December	31 December	31 December
	Note	2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	8	130	152	135	159
Investments		27	24	27	24
		<u>157</u>	<u>176</u>	<u>162</u>	<u>183</u>
<b>Current assets</b>					
Debtors	11	732	1,086	734	1,040
Cash held as short term investment		227	226	227	226
Cash at bank and in hand		6,460	5,037	6,495	5,148
		<u>7,419</u>	<u>6,349</u>	<u>7,456</u>	<u>6,414</u>
<b>Current liabilities</b>					
Creditors: amounts due within one year	12	<u>(852)</u>	<u>(901)</u>	<u>(873)</u>	<u>(952)</u>
<b>Net current assets</b>		<u>6,567</u>	<u>5,448</u>	<u>6,583</u>	<u>5,462</u>
<b>Net assets</b>	13	<u>6,724</u>	<u>5,624</u>	<u>6,745</u>	<u>5,645</u>
<b>Funds</b>					
Restricted funds		510	904	510	904
Unrestricted funds					
Designated funds		191	191	191	191
General funds		6,023	4,529	6,044	4,550
		<u>6,023</u>	<u>4,529</u>	<u>6,044</u>	<u>4,550</u>
<b>Total funds</b>	14	<u>6,724</u>	<u>5,624</u>	<u>6,745</u>	<u>5,645</u>

Approved by the directors and authorised for issue on 10 May 2022 and signed on their behalf by



Christine Kanu  
Chair of the Finance and Remuneration Committee

Company Registration Number: 2871809

The notes on pages 15 to 28 form an integral part of the financial statements

Global Witness

Statement of Cash Flows

For the year ending 31 December 2021

	Note	Company		Group	
		31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
<b>Net cash provided by operating activities</b>	A	<b>1,488</b>	1,735	<b>1,412</b>	1,810
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(64)	(135)	(64)	(135)
Purchase of investments		-	-	-	-
Interest received		-	3	-	3
Proceeds from the sale of investments		-	1,521	-	1,521
<b>Net cash provided by (used in) investing activities</b>		<b>(64)</b>	1,389	<b>(64)</b>	1,389
Change in cash and cash equivalents in the year		<b>1,424</b>	3,124	<b>1,348</b>	3,199
Cash and cash equivalents at the beginning of the year	B	<b>5,263</b>	2,139	<b>5,374</b>	2,175
<b>Cash and cash equivalents at the end of the year</b>	B	<b>6,687</b>	5,263	<b>6,722</b>	5,374

Note A:

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

	Company		Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Net income for the period	<b>1,100</b>	768	<b>1,100</b>	768
<b>Adjustments for:</b>				
Unrealised loss from changes in foreign currency exchange rates	-	-	-	(8)
(Gains)/losses on investments	(3)	158	(3)	158
(Gains)/losses on disposal of fixed assets	7	-	8	-
Depreciation charges	<b>79</b>	122	<b>80</b>	125
(Increase) in debtors	<b>354</b>	656	<b>306</b>	716
(Decrease)/Increase in creditors	<b>(49)</b>	34	<b>(79)</b>	54
Less: Interest received	-	(3)	-	(3)
<b>Net cash provided by operating activities</b>	<b>1,488</b>	1,735	<b>1,412</b>	1,810

Note B:

Analysis of cash and cash equivalents

	Company		Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Cash held as short term investment	<b>227</b>	226	<b>227</b>	226
Cash at bank and in hand	<b>6,460</b>	5,037	<b>6,495</b>	5,148
<b>Total cash and cash equivalents</b>	<b>6,687</b>	5,263	<b>6,722</b>	5,374

## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2021

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The entity is a company limited by guarantee (registered no. 2871809) incorporated on 15 November 1993 and domiciled in the UK, and is a public benefit entity. The registered address is 2nd Floor, 55 Ludgate Hill, London EC4M 7JW.

#### 1. Accounting policies

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

##### 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 have reviewed the financial position and future plans of the organisation, using a range of assessments including scenario planning and ongoing cashflow forecasting and monitoring.

Based on these assessments and having regard to the resources available to the organisation the Directors have concluded that there are no material uncertainties related to events or conditions that cast significant doubt on the organisation's ability to continue its activities for the foreseeable future. They can therefore continue to adopt the going concern basis in preparing the annual report and accounts.

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, Global Witness Inc. and Global Witness ASBL on a line by line basis. Transactions and balances between the company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the 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 received the signed grant agreement, unless there are specific time restrictions or performance conditions that delay entitlement to the income.

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.



## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2021

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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 2021. 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 2021

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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

The items in the accounts that are considered to involve critical accounting estimates and judgements include:

- revenue recognition where judgement is required to appropriately apply the income accounting policies (policy note b), above) from governments and other institutional donors;
- cost allocation methodology requires judgement as to the most appropriate bases to use to apportion support and governance costs between raising funds and charitable expenditure categories (note 4, below);
- the decision as to whether there is any potential liability in respect of any ongoing legal proceedings and whether this should be provided for, or disclosed as a provision.

In the view of the Directors 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 7% 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. 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, at a minimum of 1% if the employee opts into the scheme. Employees are able to opt into or out of the pension scheme at any time. The organisation has no further pension commitment.

## Global Witness

### Notes to the financial statements

For the year ended 31 December 2021

#### 2. Donations and grants

	Restricted £'000	Unrestricted £'000	2021 Total £'000	2020 Total £'000
Ford Foundation		-	-	1,195
The Foundation to Promote Open Society		2,503	2,503	2,626
Luminate		958	958	1,054
CHARISMA Stiftung für nachhaltige Entwicklung		16	16	12
The William and Flora Hewlett Foundation		147	147	149
Grantham Foundation for the Protection of the Environment		188	188	150
Skoll Foundation		56	56	77
Quadrature Climate Foundation		1,000	1,000	-
Wellspring Philanthropic Fund		143	143	-
Other grants and donations		2	2	26
<b>Grants from Global Witness Foundation:</b>				
Arnhold Foundation			-	194
Patagonia.com		4	4	-
The Horace W. Goldsmith Foundation			-	78
Northern Trust Corporation			-	78
Seattle International Foundation			-	4
Mike Hokenson		7	7	
Susan Gibson		3	3	
Ackerman Family Fund		38	38	
Wellspring Philanthropic Fund			-	162
Other grants and donations		86	86	456
<b>Grants from Global Witness Trust</b>				
Nationale Postcode Loterij N.V.		391	391	470
Frederick Mulder Foundation		10	10	10
People's Postcode Lottery - Extra Award		400	400	
Jane Thurnell-Read		1	1	3
Mike Servent			-	100
Kenneth Miller		2	2	-
Coles Medlock Foundation		4	4	-
Oliver Hudson		3	3	-
Other grants and donations *	-	50	50	31
Donated services and facilities		61	61	164
<b>Total</b>	<b>-</b>	<b>6,073</b>	<b>6,073</b>	<b>7,039</b>

Included within the 2020 total was restricted income of £NIL and unrestricted income of £7,039,000. 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 2021**

**3. Income from charitable activities**

	Restricted £'000	Unrestricted £'000	2021 Total £'000	2020 Total £'000
Department of Foreign Affairs and Trade of Ireland *		-	-	148
Norwegian Agency for Development Cooperation (NORAD)	823	-	823	1,191
Skoll Foundation	11	-	11	323
Frederick Mulder Foundation *	10	-	10	10
Humanity United Action	110	-	110	95
The Kestrelman Trust *	30	-	30	25
Kenneth Miller	38	-	38	-
The Minor Foundation for Major Challenges	21	-	21	22
European Climate Foundation	347	-	347	35
Hopewell Fund	317	-	317	363
Climate Change Collaboration (Mark Leonard Trust, Ashden Trust and JJ Charitable Trust)	-	-	-	102
Ashden Trust	-	-	-	50
Climate Imperative	75	-	75	
Laudes	142	-	142	
Tilia Fund	364	-	364	
Arcadia Fund - a charitable trust of Peter Baldwin and Lisbet Rausing	500	-	500	500
Arcus Foundation	98	-	98	78
Brook Foundation	141	-	141	
Swedish Postcode Foundation *	222	-	222	202
Don Quixote II Foundation	144	-	144	
Evan Cornish Foundation	-	-	-	8
Good Energies Foundation	443	-	443	171
Oak Foundation	41	-	41	
Postcode Justice Trust, supported by players of People's Postcode Lottery	-	-	-	400
Silicon Valley Community Foundation	19	-	19	39
UK DFID – Forest Governance bridging grant Markets and Climate Programme	14	-	14	395
UK FCDO Forest Governance Markets and Climate Programme	103	-	103	
The Waterloo Foundation	25	-	25	
Other grants and donations	3	-	3	5
<b>Total charitable activities</b>	<b>4,041</b>	<b>-</b>	<b>4,041</b>	<b>4,162</b>

The summary of the transactions for 2021 under the Forest Governance MC grant were as follows: opening balance 1 Jan 2021 £0; income received £14,220, expenditure £14,220, and a balance of funds remaining at 31 December 2021 of (£NIL).

The summary of the transactions for 2021 under The Minor Foundation for Major Challenges grant were as follows: opening balance 1 Jan 2021 £21,651; income received £20,582, expenditure £52,230, and a deficit funds balance due at 31 December 2021 of £9,997

Included within the 2020 total was restricted income of £4,162,000 and unrestricted income of £NIL.

\* Denotes income received via GW Trust.

**Global Witness**

**Notes to the financial statements**

**For the year ended 31 December 2021**

**4. Total expenditure**

	Direct activities £'000	Support costs (including governance costs) £'000	<b>2021 £'000</b>	2020 £'000
Costs of raising funds	797	396	<b>1,193</b>	1,280
Charitable activities				
<i>Environmental and human rights research and campaigning</i>				9,193
Forests	1,944	401	<b>2,345</b>	-
Land and Environmental Defenders	1,184	199	<b>1,383</b>	-
Gas	1,219	234	<b>1,453</b>	-
Corporate Accountability	689	140	<b>829</b>	-
Digital Threats	570	97	<b>667</b>	-
Strengthen Natural Resource Governance	1,041	121	<b>1,162</b>	-
Total charitable activities	<u>6,647</u>	<u>1,192</u>	<b><u>7,839</u></b>	<u>9,193</u>
Total expenditure	<u><u>7,444</u></u>	<u><u>1,588</u></u>	<b><u><u>9,032</u></u></b>	<u><u>10,473</u></u>

Support costs (including governance costs):

	Costs of raising funds £'000	Environmental and human rights research and campaigning £'000	<b>Total 2021 £'000</b>	Total 2020 £'000
General Management	49	223	<b>272</b>	341
Finance, Human Resources and Information Technology	323	860	<b>1,183</b>	1,441
Governance costs	24	109	<b>133</b>	138
	<u>396</u>	<u>1,192</u>	<b><u>1,588</u></b>	<u>1,920</u>

**Support function**

General management  
Finance  
Human resources  
Information Technology  
Governance costs

**Basis of apportionment**

Head count  
Estimated time spent  
Head count  
Head count  
Head count

## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2021

##### 5. Net income for the year

This is stated after charging:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Depreciation	<b>80</b>	125
Operating lease rentals		
property	<b>282</b>	510
Auditor's remuneration		
statutory audit	<b>23</b>	22
other services	<b>16</b>	21
Directors' remuneration	<b>343</b>	359
Directors' reimbursed expenses	<b>1</b>	-
Foreign exchange gains	<b>76</b>	183

During the year 4 Directors were reimbursed expenses relating to travel and subsistence costs incurred in the course of their work (2020: 4 Directors reimbursed)

##### 6. Staff costs and numbers

Staff costs were as follows:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Salaries		
United Kingdom staff	<b>3,632</b>	3,964
Overseas staff	<b>1,036</b>	1,245
Social security costs	<b>519</b>	566
Pension contributions	<b>323</b>	339
	<b>5,510</b>	6,114
Other staff costs	<b>294</b>	554
	<b>5,804</b>	6,668

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

	<b>2021</b>	2020
	<b>No.</b>	No.
From £60,001 to £70,000	<b>4</b>	10
From £70,001 to £80,000	<b>2</b>	6
From £80,001 to £90,000	<b>7</b>	7
From £90,001 to £100,000	<b>6</b>	1
From £100,001 to £110,000	<b>-</b>	1
From £110,001 to £120,000	<b>1</b>	-
From £130,001 to £140,000	<b>-</b>	1

## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2021

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Pension contributions to defined contribution pension schemes for these 20 employees totalled £103,040 in the period (2020: £107,301 for 26 employees).

In 2021 the organisation made termination payments of £56,639 (2020: £487,218). The termination payment this year relates to an employee whose contract was terminated in 2020. The termination payments were made under settlement agreements. Such payments are accounted for as staff costs and are funded from unrestricted reserves.

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 £342,635 (2020 £358,564). The remaining non-executive Directors were not paid or received any other benefits arising from their roles.

The current year's figure includes employees employed for seven years and now qualify for a sabbatical.

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

	<b>2021</b>	2020
	<b>No.</b>	No.
Campaigning and advocacy	<b>68</b>	66
Fundraising	<b>14</b>	12
Finance and operations	<b>12</b>	10
	<b><u>94</u></b>	<u>88</u>

#### 7. Taxation

The organisation paid £6,801 in corporation tax in the period to 31 December 2021 (restated 2020: £1,632).

Global Witness

Notes to the financial statements

For the year ended 31 December 2021

8. Tangible fixed assets

<b>Group</b>	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2021	447	136	151	<b>734</b>
Additions in period	64	-	-	<b>64</b>
Disposals in period	(282)	(11)	(58)	<b>(351)</b>
At 31 December 2021	<u>229</u>	<u>125</u>	<u>93</u>	<u><b>447</b></u>
<b>Depreciation</b>				
At 1 January 2021	416	37	122	<b>575</b>
Charge for the period	34	30	16	<b>80</b>
Disposals in period	(280)	(11)	(52)	<b>(343)</b>
At 31 December 2021	<u>170</u>	<u>56</u>	<u>86</u>	<u><b>312</b></u>
<b>Net book value at 31 December 2021</b>	<u><b>59</b></u>	<u><b>69</b></u>	<u><b>7</b></u>	<u><b>135</b></u>
At 31 December 2020	<u>31</u>	<u>99</u>	<u>29</u>	<u>159</u>
<b>Company</b>				
<b>Cost</b>				
At 1 January 2021	415	117	118	<b>650</b>
Additions in period	64	-	-	<b>64</b>
Disposals in period	(265)	-	(35)	<b>(300)</b>
At 31 December 2021	<u>214</u>	<u>117</u>	<u>83</u>	<u><b>414</b></u>
<b>Depreciation</b>				
At 1 January 2021	385	24	89	<b>498</b>
Charge for the period	34	29	16	<b>79</b>
Disposals in period	(265)	-	(28)	<b>(293)</b>
At 31 December 2021	<u>154</u>	<u>53</u>	<u>77</u>	<u><b>284</b></u>
<b>Net book value at 31 December 2021</b>	<u><b>60</b></u>	<u><b>64</b></u>	<u><b>6</b></u>	<u><b>130</b></u>
At 31 December 2020	<u>30</u>	<u>93</u>	<u>29</u>	<u>152</u>



## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2021

#### 9. Global Witness Inc and Global Witness ASBL

Global Witness Inc. is a company registered in Washington DC, USA. Registered office, 11th Floor, 777 6th Street, NW Washington, DC 20001. File number 234493. Global Witness ASBL is registered in Belgium. Registered office, Rue Belliard 53, 1000, Bruxelles, registration number 0763679119. Both of these entities fall within the definition of "subsidiary" as set out in paragraph 9.4 of FRS102, in that Global Witness, Global Witness Inc. and Global Witness ASBL are managed on a unified basis. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the entities is shown below:

	Global Witness ASBL		Global Witness Inc	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Grants received from Global Witness	18	-	967	1,305
Other income	-	-	-	166
Total income	18	-	967	1,471
Total expenditure	18	-	967	1,471
Net movement in funds for the period	-	-	-	-
<b>Total funds brought forward</b>	-	-	22	22
<b>Total funds carried forward</b>	-	-	22	22
The aggregate of the assets, liabilities and funds was:				
Assets	10	-	60	124
Liabilities	(10)	-	(38)	(102)
<b>Total funds</b>	-	-	22	22

#### 10. Company

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

	2021	2020
	£'000	£'000
Gross income	10,087	11,285
Net movement in funds, being net income/(expenditure) for the period	1,100	768
Represented by		
Restricted funds	510	904
Unrestricted funds	6,214	4,720
Total funds	6,724	5,624

Global Witness

Notes to the financial statements

For the year ended 31 December 2021

11. Debtors

	Company 2021 £'000	Company 2020 £'000	Group 2021 £'000	Group 2020 £'000
Other debtors	71	105	63	54
Prepayments	71	178	81	183
Accrued income	590	803	590	803
	<u>732</u>	<u>1,086</u>	<u>734</u>	<u>1,040</u>

12. Creditors: amounts due within 1 year

	Company 2021 £'000	Company 2020 £'000	Group 2021 £'000	Group 2020 £'000
Taxation and social security	95	76	96	77
Other creditors	355	481	334	479
Accruals	368	315	409	367
Pension accrual	34	29	34	29
	<u>852</u>	<u>901</u>	<u>873</u>	<u>952</u>

13. Analysis of net assets between funds

Group	Restricted funds 2021 £'000	Unrestricted funds 2021 £'000	Total funds 2021 £'000
Tangible fixed assets	-	135	135
Investments	-	27	27
Current assets	510	6,946	7,456
Current liabilities	(348)	(525)	(873)
<b>Net assets at the end of the period</b>	<u>162</u>	<u>6,583</u>	<u>6,745</u>
Group	Restricted funds 2020 £'000	Unrestricted funds 2020 £'000	Total funds 2020 £'000
Tangible fixed assets	-	159	159
Investments	-	24	24
Current assets	904	5,510	6,414
Current liabilities	(348)	(604)	(952)
<b>Net assets at the end of the period</b>	<u>556</u>	<u>5,089</u>	<u>5,645</u>

Global Witness

Notes to the financial statements

For the year ended 31 December 2021

14. Movements in funds

Group	At the start of the period 1 Jan 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At the end of the period 31 Dec 2021 £'000
<b>Restricted funds:</b>					
Forests	743	1,638	(2,106)	-	275
Land and Environmental Defenders	12	437	(445)	-	4
Gas	5	781	(679)	-	107
Corporate Accountability	33	590	(500)	-	123
Digital Threats	-	-	-	-	-
Strengthen Natural Resource Governance	111	585	(789)	94	1
<b>Total restricted funds</b>	<b>904</b>	<b>4,031</b>	<b>(4,519)</b>	<b>94</b>	<b>510</b>
<b>Unrestricted funds:</b>					
Designated funds	191	-	-	-	191
General funds	4,550	6,098	(4,510)	(94)	6,044
<b>Total unrestricted funds</b>	<b>4,741</b>	<b>6,098</b>	<b>(4,510)</b>	<b>(94)</b>	<b>6,235</b>
<b>Total funds</b>	<b>5,645</b>	<b>10,129</b>	<b>(9,029)</b>	<b>-</b>	<b>6,745</b>

Group	At the start of the period 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At the end of the period 31 Dec 2020 £'000
<b>Restricted funds:</b>					
Conflict and fragile states	211	426	(583)	-	54
Corruption	248	1,536	(1,358)	(265)	161
Forests, Land and Climate	625	2,200	(2,136)	-	689
<b>Total restricted funds</b>	<b>1,084</b>	<b>4,162</b>	<b>(4,077)</b>	<b>(265)</b>	<b>904</b>
<b>Unrestricted funds:</b>					
Designated fund	191	-	-	-	191
General funds	3,602	7,237	(6,554)	265	4,550
<b>Total unrestricted funds</b>	<b>3,793</b>	<b>7,237</b>	<b>(6,554)</b>	<b>265</b>	<b>4,741</b>
<b>Total funds</b>	<b>4,877</b>	<b>11,399</b>	<b>(10,631)</b>	<b>-</b>	<b>5,645</b>

During the year the organisation finalised the realignment of its campaigns to report along revised thematic areas. The movement in funds analysis for 2021 represents this new structure. The figures for 2020 represent the funds position under the old structure with the opening balances for 2021 restated.

The transfer between funds in the year represents a reinstatement of funds to an Open Society Foundation grant where expenditure had been previously allocated but subsequently identified as not allowable.

## Global Witness

### Notes to the financial statements

#### For the year ended 31 December 2021

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##### Purpose of restricted funds

Restricted funds are used to fund Global Witness' campaigns which fall under the six 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 2021 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 2021 £'000</b>	Property 2020 £'000
Amounts payable:		
Within 1 year	130	347
2-5 years	-	906
	<u>130</u>	<u>1,253</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 £532,000 to Global Witness in the period (2020: £972,000).

#### 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. There were no forward foreign exchange contracts outstanding at the year end.

##### 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.

**Global Witness**

**Notes to the financial statements**

**For the year ended 31 December 2021**

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**18. Investments**

<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Market value</b>		
At 1 January 2021	<b>24</b>	1,703
Less: Disposal at proceeds	-	(1,521)
Net gain/(loss) on revaluation of investment	<b>3</b>	(158)
At 31 December 2021	<b>27</b>	24
Historical cost	<b>17</b>	18
The investments are held as follows:	<b>2021</b>	2020
	<b>£'000</b>	<b>£'000</b>
UK fixed interest securities	-	-
Other equities	<b>24</b>	21
Cash	<b>3</b>	3
	<b>27</b>	24