

Charity Registration Number: 1071946

**THE GLOBAL WITNESS TRUST**



**Financial Statements  
30 November 2006**

# THE GLOBAL WITNESS TRUST

## Financial statements for the year ended 30 November 2006

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# THE GLOBAL WITNESS TRUST

## Reference and Administrative Information

### Status

The organisation is a registered charity, registered on 13 October 1998 and governed by a Declaration of Trust dated 19 June 1998.

### Trustees

Jeremy Bristow	
Caroline Digby	(Chair until 6 June 2006)
Lorna MacKinnon	(appointed 8 January 2006)
Chris Mitchell	(Chair from 6 June 2006)
Tony Stevenson	(Treasurer)

### Registered Office

PO Box 6042  
London  
N19 5WP

### Charity Number

1071946

### Auditor

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

### Bankers

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



# THE GLOBAL WITNESS TRUST

## Report of the Trustees for the year ended 30 November 2006

The trustees present their report and the audited financial statements for The Global Witness Trust ("the Trust") for the year ended 30 November 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust deed, applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

### Structure, governance and management

The Global Witness Trust is governed by a Board of Trustees who meet four times a year to discuss and plan the Trust's activities, and to oversee the grant application process and disbursement of funds received.

The trustees who served during the year and up to date of this report are listed on page 2. The trustees have no beneficial interest in the charity.

Trustees have the power to appoint or to co-opt new members onto the Board and appointments are ratified in accordance with the charity's Deed of Trust. There is a process of induction for new trustees, which includes meetings with staff and the provision of key information.

### Risk management

The trustees have examined the major risks that the Charity faces and confirm that systems have been established so that the necessary steps can be taken to manage any such risks. All of the charity's income arises from fundraising. The trustees regularly monitor the progress of development and fundraising through the year and are aware of the need for there to be challenging, yet achievable, targets.

### Objects of the Trust

The objects of The Global Witness Trust, as laid out in the Declaration of Trust, are as follows:

- 1) To advance the education of the public in environmental matters, the preservation and conservation of the natural environment and its sustainable development and the causes and effects of environmental degradation; and
- 2) To carry out or promote research into the maintenance and observance of human rights in places or areas where there may have been an impact on the human rights of the inhabitants of such places and areas as a consequence of environmental damage or change, and to publish or otherwise disseminate the useful results of such research.

### Review of activities and performance

The Trust continued to attract grants and donations at a high level. Income from the Sigrid Rausing Trust, the Stichting Doen Foundation, the Roddick Foundation, Irish Aid, Trocaire and the Rufford Maurice Laing Trust allowed The Global Witness Trust to increase its funding for activities in pursuit of its charitable objects. Additionally, the work of Global Witness was highlighted by various high-level fundraising initiatives such as the Radio 4 appeal recorded in July 2006.

### Grant making policy

The Trust Directors acting as a Board have determined that the best way for the Trust to fulfil its object is to support the charitable aspects of investigations and campaigns undertaken by Global Witness Limited, a decision that is reviewed annually or as and when the Board consider appropriate. The



# THE GLOBAL WITNESS TRUST

## Report of the Trustees for the year ended 30 November 2006

Board of Trustees considers applications for funding from Global Witness Ltd in light of the charity's objects, and each successful application is governed by a separate and specific grant agreement.

### Financial review

The success in attracting grants and donations noted above saw a marked increase in total income, up 78.5% on 2005. The vast majority of this increase was in unrestricted donations due to an unrestricted legacy gift made at the end of the financial year, the accrual of which has resulted in a large unrestricted reserve to be carried forward.

### Reserves policy

The trustees are aware of the Charity Commission requirements for all charities to have a formalised reserves policy, which justifies and explains the reasons for the reserves held. The Trust has a policy to hold reserves of £5,600. Average reserves of this amount were held during the year. These reserves are to pay for £3,600 known ongoing costs and charges, and £2,000 held for contingency. The reserves policy is reviewed on an annual basis. As at 30<sup>th</sup> November 2006 The Trust had unrestricted funds of £369,613 due to accrued legacy income. The intention of the trustees is that the legacy will be fully utilised in 06 /07.

### Future plans

The higher level of grants and donations received in the period is a result of increased effort in the area of fundraising and the Trust will continue to develop this strategy in the coming period. Plans to set up a Development Board to assist with fundraising activities will continue.

### Incorporation

During 06/07 the assets and operations of the Trust are to be transferred to Global Witness Trust Ltd. Thereafter the Trust will cease to exist and will be replaced by Global Witness Trust Ltd.

### Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources for the year then ended.

In preparing those financial statements which give a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# THE GLOBAL WITNESS TRUST

## Report of the Trustees for the year ended 30 November 2006

### Auditor

Chantrey Vellacott DFK LLP has indicated its willingness to be reappointed as auditor for the ensuing year.

### Approval

This report was approved by the Board of Trustees on 13.06.07 and signed on its behalf by:



Tony Stevenson





## **THE GLOBAL WITNESS TRUST**

### **Independent auditor's report to the trustees of The Global Witness Trust**

We have audited the financial statements of The Global Witness Trust for the year ended 30 November 2006 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

The responsibilities of the trustees for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993.

We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## THE GLOBAL WITNESS TRUST

### Independent auditor's report to the trustees of The Global Witness Trust

#### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charity's state of affairs at 30 November 2006 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

*Chantrey Vellacott DF*

CHANTREY VELLACOTT DFK LLP

Chartered Accountants  
Registered Auditor

LONDON

Date:

*18 July 2007*



# THE GLOBAL WITNESS TRUST

## Statement of financial activities For the year ended 30 November 2006

	Notes	Restricted funds £	Unrestricted funds £	2006 Total funds £	2005 Total funds £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income – donations and legacies		-	469,270	469,270	7,265
Voluntary income - grants receivable		737,471	-	737,471	667,427
Bank interest		-	805	805	1,935
<b>Total incoming resources</b>	<b>2</b>	<b>737,471</b>	<b>470,075</b>	<b>1,207,546</b>	<b>676,627</b>
<b>Resources expended</b>					
Charitable activities					
Grants payable		737,471	100,173	837,644	667,427
Governance costs		-	5,561	5,561	5,959
<b>Total resources expended</b>	<b>3</b>	<b>737,471</b>	<b>105,734</b>	<b>843,205</b>	<b>673,386</b>
<b>Net incoming resources for the year, being net movement in funds</b>	<b>4</b>	<b>-</b>	<b>364,341</b>	<b>364,341</b>	<b>3,241</b>
<b>Funds at the start of the year</b>		<b>-</b>	<b>5,272</b>	<b>5,272</b>	<b>2,031</b>
<b>Funds at the end of the year</b>		<b>-</b>	<b>369,613</b>	<b>369,613</b>	<b>5,272</b>

All amounts relate to continuing activities.

There were no recognised gains and losses other than those stated above.

The notes on pages 10 to 12 form part of these financial statements.

# THE GLOBAL WITNESS TRUST

## Balance Sheet as at 30 November 2006

	Notes	2006 £	2005 £
<b>Current assets</b>			
Debtors	6	416,440	115,950
Cash at bank and in hand		20,434	76,165
		<u>436,874</u>	<u>192,115</u>
<b>Creditors: amounts falling due within one year</b>	7	(67,261)	(186,843)
<b>Net current assets, being net assets</b>		<u>369,613</u>	<u>5,272</u>
<b>Represented by:</b>			
Restricted funds			
Unrestricted funds - general funds		<u>369,613</u>	<u>5,272</u>
<b>Total funds</b>	8	<u>369,613</u>	<u>5,272</u>

The financial statements were approved by the Trustees and authorised for issue on 13.06.07 and were signed on their behalf by:



TONY STEVENSON  
Trustee



The notes on pages 10 to 12 form part of those financial statements.

# THE GLOBAL WITNESS TRUST

## Notes to the financial statements For the year ended 30 November 2006

### 1. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with The Charities Act 1993, applicable accounting standards and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005.

#### b) Incoming resources

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Legacies are recognised when the charity can demonstrate full entitlement to the income and amounts can be measured with certainty.

Bank interest is recognised on an accruals basis.

#### c) Resources expended

Grants payable represent funding transferred to Global Witness Limited. This is recognised in line with the recognition of the related income.

Governance costs represent the costs of statutory compliance, including trustee costs and director's remuneration.

#### d) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the Statement of Financial Activities and are therefore taken into account in arriving at the surplus or deficit for the year.

#### e) Fund accounting

Unrestricted funds are general funds available for general charitable purposes in line with the Trust's objects.

Restricted funds are to be used for specific purposes as laid down by the donor, and include those funds received in response to specific requests stipulated in funding applications.

### 2. Incoming Resources

	2006 Total £	2005 Total £
<b>Unrestricted</b>		
Legacy	363,660	-
Roddick Foundation	100,000	-
Other Donations	5,610	7,265
Interest	805	1,935
<b>Restricted</b>		
The Staples Trust	-	20,000
Rufford Maurice Laing Trust	30,000	-
Concern Worldwide	8,059	6,882
Sigrid Rausing Trust	355,000	350,000
Diana Fund	-	60,000
Ahjama Fund	-	15,000
USAID	7,344	143,633
Trocaire	69,606	37,272
Stichting Doen	171,648	34,640
Irish Aid	95,814	-
	<u>1,207,546</u>	<u>676,627</u>



# THE GLOBAL WITNESS TRUST

## Notes to the financial statements For the year ended 30 November 2006

### 3. Total resources expended

Under charitable activities, the amounts represent grants payable to Global Witness Limited to support the research and educational aspects of its work, as analysed by country / campaign below:

	2006 Total £	2005 Total £
<b>(a) Charitable activities:</b>		
Forests	216,878	109,974
Conflict Resources	226,811	164,177
Natural resources in the DRC	49,948	34,640
Making governments and companies transparent	50,409	30,000
The Meta Project	93,189	95,000
The i2 Project		133,636
Systems and communications	40,000	100,000
Independent Forest monitoring (IFM)	60,409	-
Unrestricted funding to Global Witness Limited	100,000	-
	<u>837,644</u>	<u>667,427</u>
<b>(b) Governance costs:</b>		
Audit fees	4,815	3,903
Accountancy fees	411	-
Bank charges	158	82
Legal fees	-	1,939
Sundry	-	35
Exchange Rate Variances	177	-
	<u>5,561</u>	<u>5,959</u>
<b>Total resources expended</b>	<u><u>843,205</u></u>	<u><u>673,386</u></u>

### 4. Net incoming resources for the year

	2006 £	2005 £
These are stated after charging:		
Auditor's remuneration:		
Audit - current year	3,055	2,938
- under provision in previous year	1,760	965

The trustees received no remuneration in the year (2005: £nil), nor did they claim any expenses (2005: £nil).

The charity does not employ any staff. Operational functions are carried out on the charity's behalf by Global Witness Limited.

# THE GLOBAL WITNESS TRUST

## Notes to the financial statements For the year ended 30 November 2006

### 5. Taxation

The charity is exempt from income and corporation tax as all its income is charitable and is applied for charitable purposes.

6. Debtors	2006 £	2005 £
Grants receivable	52,780	115,950
Legacies	363,660	-
	<u>416,440</u>	<u>115,950</u>

7. Creditors: amounts falling due within one year	2006 £	2005 £
Accruals	3,466	4,878
Amounts due to Global Witness Limited	63,795	181,965
	<u>67,261</u>	<u>186,843</u>

### 8. Analysis of funds

	At 1 December 2005 £	Incoming resources £	Resources expended £	At 30 November 2006 £
Maurice Rufford Trust	-	30,000	(30,000)	-
Concern Worldwide	-	8,059	(8,059)	-
Sigrid Rausing Trust	-	355,000	(355,000)	-
USAID	-	7,344	(7,344)	-
Trocaire	-	69,606	(69,606)	-
Stichting Doen	-	171,648	(171,648)	-
Irish Aid	-	95,814	(95,814)	-
<b>Total restricted funds</b>	<u>-</u>	<u>737,471</u>	<u>(737,471)</u>	<u>-</u>
<b>Unrestricted funds</b>	<u>5,272</u>	<u>470,075</u>	<u>(105,734)</u>	<u>369,613</u>
<b>Total funds</b>	<u>5,272</u>	<u>1,207,546</u>	<u>(843,205)</u>	<u>369,613</u>

Restricted funds are used in furtherance of the objects of the Trust, as described in the Report of the Trustees, and in accordance with stipulations of the funders. Outgoing resources represent transfers to Global Witness Limited.

Net assets at 30 November 2006 comprise net current assets which are represented by unrestricted general funds.

### 9. Post Balance Sheet Event

A new entity Global Witness Trust Ltd has been set up with effect from 1<sup>st</sup> December 2006. During 06/07 The Global Witness Trust Ltd will take over the assets of the Trust, which will cease to exist. Its activities will be continued by the new entity.