

Company no. 2871809

Global Witness Limited
(Limited by guarantee)
Report and Financial Statements
30 November 2009

Global Witness Limited

Reference and administrative details

For the year ended 30 November 2009

Company number	2871809
Registered office	Russell Square House 10-12 Russell Square London WC1B 5LF
Operational address	6th Floor, Buchanan House 30 Holborn, London EC1N 2HS
Directors	Patrick J Alley Charmian P Gooch (Company Secretary) Simon J Taylor
Bankers	The Co-Operative Bank 6 Olympic Court Montford Street Salford M5 2QP
Solicitors	Russell Cooke 2 Putney Hill London SW15 6AB
Auditor	Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF

Global Witness Limited

Report of the directors

For the year ended 30 November 2009

The directors present their report and the audited financial statements for the year ended 30 November 2009.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with applicable law, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005). Although the organisation is not a UK registered charity, this has been done to comply with best practice, as Global Witness Limited (referred to as Global Witness throughout) is a not for profit organisation.

Structure, governance & management

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

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

The directors who served during the year and up to the date of the report are listed on page 1. The directors have no beneficial interest in the company.

Directors have the power to appoint or to co-opt new members onto the Board, appointments are ratified in accordance with the company's memorandum and articles of association. There is a process of induction for new directors, which includes meetings with staff and the provision of key information.

Risk statement

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

Objectives and activities

Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses. Too often, natural resources that should be benefitting the ruling elite of a country are misappropriated or looted by a small ruling elite. The end result is a litany of corruption, social decay, increased poverty, reinforcement of authoritarian government and political unrest, which can ultimately lead to state failure and the spread of instability across regions.

This is a critical era for Global Witness' work. The world's accelerating hunger for natural resources offers both opportunities and risks for millions of the poorest people in the world: equitable and sustainable resource extraction could generate revenues leading to sustainable development - the alternative, and all too often the reality, is that such exploitation ensures massive corruption, oppression, state looting and impunity for many of the world's unaccountable elites.

The following examples are illustrative of the scope of our work:

- Uncovering illegal logging that was funding the Khmer Rouge in Cambodia, Global Witness successfully campaigned for closure of the Thai/Khmer Rouge timber trade, significantly contributing to the Khmer Rouge's disintegration. This was the first exposé of the phenomenon of "conflict timber", which Global Witness followed up with its work on former Liberian president Charles Taylor's arms for timber trade.

Global Witness Limited

Report of the directors

For the year ended 30 November 2009

- Global Witness' exposure of trade in conflict diamonds catapulted 'conflict' resources into the international spotlight, leading to the Kimberley Process Certification Scheme, an international agreement to prevent the trade in conflict diamonds. Global Witness was co-nominated for the 2003 Nobel Peace Prize for its work on conflict diamonds.
- Global Witness' exposure of corruption in the oil, gas and mining industries led to the creation of the Extractive Industries Transparency Initiative (EITI), the international mechanism to deliver transparency of revenue streams from extractive companies and receipts to governments. Global Witness conceived and co-founded the Publish What You Pay Campaign, now a global coalition of approximately 650 civil society organisations.
- Global Witness' investigations led to precedent-setting United Nations sanctions on exports of Liberian timber during the civil war, cutting off Charles Taylor's main source of funding.

Achievements and performance

Throughout 2009 Global Witness continued to make great strides towards breaking links between natural resource extraction and conflict, corruption and human rights and environmental abuses across the world. The work has encompassed investigation, analysis, awareness-raising, advocacy and enabling policy development.

Some important achievements in 2009 were:

- The launch of a groundbreaking new campaign targeting the banks and other entities that facilitate state looting and corruption. Advocacy work following the publication of the Global Witness report, *Undue Diligence*, strengthened international anti-money laundering mechanisms and contributed to the UK anti-bribery bill passed in 2010.
- Reinstatement in early 2010 of a ban by the Madagascan government on exports of precious timber, following months of pressure from Global Witness and the Environmental Investigation Agency.
- Contribution to a landmark resolution at the UN that could see sanctions placed on companies and individuals trading in Congolese conflict minerals.
- Being instrumental in bringing about a new OECD initiative which will establish rules for companies sourcing minerals from conflict zones.
- Promise by the Sudanese authorities in the north and the south both to carry out audits of the oil sector following our report on oil transparency in Sudan which documented large discrepancies
- Leading an international campaign to make sure that payments to countries for avoided deforestation and degradation are transparent and lead to real results on the ground.
- Publishing our report, *A Disharmonious Trade*, which brought together field research and the latest trade data showing that the imports of logs and sawn wood from Burma to China fell by more than 70% between 2005 and 2008 following Global Witness report on illegal logging in 2005.

Global Witness Limited

Report of the directors

For the year ended 30 November 2009

Financial review

In the year ended 30 November 2009 Global Witness had a deficit of £197,000, from incoming resources of £3,832,000. Income in 2009 was consistent with 2008 income.

The consolidated net reserves at 30 November 2009 were £1,817,000, £1,506,000 of which were unrestricted reserves. The £339,000 increase in unrestricted reserves in the year is due to the receipt of a number of unrestricted funds in the later part of the year. At the year end, £583,000 of unrestricted reserves had been allocated to fund campaigning work in the first half of 2009/10.

Global Witness Limited accounts are fully consolidated with the accounts of Global Witness Publishing Inc. a not-for-profit company controlled by Global Witness Limited.

Reserves policy

The reserves policy of Global Witness Limited is to maintain at least three months' operating costs as a free reserve. In 2008/09 three months' operating costs were £1,009,000. As at 30 November 2009 Global Witness' free reserves, which includes unrestricted reserves that may have been allocated to future campaigning work, were £1,345,000. This is calculated as Global Witness' unrestricted net current assets (note 13). This represents four months' operating costs. The directors consider this to be a satisfactory level of reserves in the current financial climate.

Plans for the future

During 2010, we will expand our work further on a series of critically-important emerging campaigning issues in the natural resource sector.

Campaigning on accountability

- Building on our success in getting companies and governments to improve the transparency of payments and receipts in the natural resource sector, we aim to make the actual deals themselves and the bidding for natural resource concessions more transparent too.

Campaigning on corruption

- We will campaign for international financial reforms to improve banks' due diligence so that they can better detect and prevent their own handling of the proceeds of corruption and to force international donors to challenge the looting of states by unaccountable elites more effectively.

Campaigning on conflict

- We will campaign for companies trading in minerals extracted from conflict zones like the Democratic Republic of Congo stop trading with brutal predatory armed groups who control the mines there.

Campaigning on environmental sustainability

- We will continue our new climate and energy campaign which calls on governments to publicly recognise the problem of the imminent oil supply crunch and to take urgent action to switch to safe renewable energy alternatives.
- We will unpick the web of subsidies and corruption that underpins forest destruction in many of the world's poorest countries and make sure that paying countries to reduce carbon emissions from deforestation and forest degradation (so-called "REDD" payments) becomes a viable and effective solution to protect global forests and our climate.

Global Witness Limited

Report of the directors

For the year ended 30 November 2009

Statement of responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the group and the incoming resources and application of resources, including the net income or expenditure, of the company and the group for the year. 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;
- 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; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each director at the date that this report was approved has taken all steps that they ought to have taken as directors in order to:

- Make themselves aware of any relevant audit information (as defined by the Companies Act 1985); and
- ensure that the auditor is aware of all relevant audit information (as defined)

As far as each director is aware, there is no relevant audit information of which the company's auditor has not been made aware of.

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

Members

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 November 2009 was 3 (2008 - 3).

Auditor

Chantrey Vellacott DFK LLP was re-appointed as the company's auditor during the year and have expressed their willingness to continue in that capacity.

Approved by the directors on 7 July 2010 and signed on their behalf by



Charmian Gooch

Independent auditor's report

To the members of

Global Witness Limited

We have audited the financial statements of Global Witness Limited for the year ended 30 November 2009 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with section 495 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the group's and company's affairs as at 30 November 2009 and of their incoming resources and application of resources, including their 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.

Independent auditor's report

To the members of

Global Witness Limited

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Chantrey Vellacott DFK LLP

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

7/7/10

Global Witness Limited

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

For the year ended 30 November 2009

	Note	Restricted £	Unrestricted £	2009 Total £	2008 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	25,000	793,172	818,172	1,412,555
Activities for generating funds		-	-	-	11,600
Investment income		-	60,971	60,971	26,485
<i>Incoming resources from charitable activities</i>	3	2,416,999	501,134	2,918,133	2,371,763
<i>Other incoming resources</i>		-	34,555	34,555	24,558
Total incoming resources		2,441,999	1,389,832	3,831,831	3,846,961
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating income		32,380	363,262	395,642	208,813
<i>Charitable activities</i>					
Environmental and human rights research and campaigning		2,945,984	671,306	3,617,290	2,412,525
<i>Governance costs</i>		-	21,651	21,651	14,894
Total resources expended	4	2,978,364	1,056,219	4,034,583	2,636,232
Net incoming resources before other recognised gains and losses	6	(536,365)	333,613	(202,752)	1,210,729
Unrealised exchange rate gains		-	5,485	5,485	77,039
Net movement in funds, being net income for the year		(536,365)	339,098	(197,267)	1,287,768
Total funds brought forward		846,502	1,167,449	2,013,951	726,183
Total funds carried forward		310,137	1,506,547	1,816,684	2,013,951

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The notes on pages 10 to 20 form an integral part of these financial statements.

Global Witness Limited

Balance sheets

30 November 2009

	Note	Company		Group	
		2009	2008	2009	2008
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	<u>161,948</u>	<u>34,614</u>	<u>161,948</u>	<u>34,614</u>
Current assets					
Debtors	10	<u>111,677</u>	<u>31,525</u>	<u>111,677</u>	<u>31,525</u>
Cash at bank and in hand		<u>2,012,068</u>	<u>2,201,722</u>	<u>2,018,764</u>	<u>2,244,372</u>
		2,123,745	2,233,247	2,130,441	2,275,897
Liabilities					
Creditors: amounts due within one year	13	<u>(475,705)</u>	<u>(296,560)</u>	<u>(475,705)</u>	<u>(296,560)</u>
Net current assets		<u>1,648,040</u>	<u>1,936,687</u>	<u>1,654,736</u>	<u>1,979,337</u>
Net assets	14	<u><u>1,809,988</u></u>	<u><u>1,971,301</u></u>	<u><u>1,816,684</u></u>	<u><u>2,013,951</u></u>
Funds					
Restricted funds	15	<u>310,137</u>	<u>825,335</u>	<u>310,137</u>	<u>846,502</u>
Unrestricted funds					
General funds		<u>1,499,851</u>	<u>1,145,966</u>	<u>1,506,547</u>	<u>1,167,449</u>
Total company funds		<u><u>1,809,988</u></u>	<u><u>1,971,301</u></u>	<u><u>1,816,684</u></u>	<u><u>2,013,951</u></u>

Approved by the directors and authorised for issue on 7 July 2010 and signed on their behalf by

Charmian Gooch

Charmian Gooch

The notes on pages 10 to 20 form an integral part of the financial statements

Company no. 2871809

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

These financial statements consolidate the results of the company and its controlled subsidiary Global Witness Publishing Incorporated on a line by line basis. Transactions and balances between the company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Revenue grants are credited to the statement of financial activities when receivable.
- d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- e) Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.
- f) Costs of generating funds relate to the costs incurred by the company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- g) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity the cost relates to. Support costs, comprising the salaries and other costs of the central functions such as financial management, human resources and the running costs of the premises and facilities of the UK office, are allocated across charitable expenditure and costs of generating funds. This basis of costs allocation is explained in note 5.

Governance costs are the costs associated with the governance arrangements of the company. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the company's activities.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

1. Accounting policies (continued)

- h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Computer equipment and software, and Office furniture and equipment are depreciated on a straight-line basis over four years. 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 used overseas are not capitalised, but are expensed in the year of purchase.

- i) Monetary assets and liabilities held in foreign currencies are translated into sterling at the rate of exchange on the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange on the date of the transaction. Exchange differences are taken into account in the net movement in funds for the year.
- j) Rent payable under operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease duration.
- k) Global Witness operates a stakeholder pension scheme. The pension liability is based on 5% of employees' gross earnings after 6 months employment and 6% after 12 months and up to 2 years service and 7% thereafter. The calculated amount, based on salaries earned during the year is paid by the organisation to individual employees' personal pension schemes. The organisation has no further pension commitment. Contributions are recognised in the period to which they relate.

2. Voluntary income

	Restricted	Unrestricted	2009 Total	2008 Total
	£	£	£	£
Foundation Open Society Institute (Zug)	-	749,985	749,985	749,974
Zennström Philanthropies	25,000	-	25,000	396,259
Grants from Global Witness Trust	-	703	703	49,552
Grants from Global Witness Trust Ltd	-	41,680	41,680	100,000
Grants from other organisations	-	-	-	15,885
Grants from individuals	-	804	804	100,885
			<u>804</u>	<u>100,885</u>
Total	<u>25,000</u>	<u>793,172</u>	<u>818,172</u>	<u>1,412,555</u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2009 Total £	2008 Total £
Adessium Foundation	533,665	-	533,665	-
Foreign Affairs and International Trade Canada	-	-	-	24,681
Cordaid	-	-	-	51,204
Department for International Development (DFID)	442,501	-	442,501	84,448
Deutsche Gesellschaft für Technische Zusammenarbeit	33,996	-	33,996	23,347
The European Commission	-	-	-	176,953
The Ford Foundation	85,607	-	85,607	62,903
Richard & Rhoda Goldman Fund	-	-	-	63,315
Humanist Institute for Co-operation with Developing Countries (HIVOS)	43,245	-	43,245	-
JMG Foundation	79,000	-	79,000	-
Madagascar National Parks Authority	59,015	-	59,015	-
Netherlands Committee for IUCN	-	-	-	53,028
Netherlands Ministry of Foreign Affairs	151,006	-	151,006	304,165
Anonymous	-	-	-	140,000
Norwegian Agency for Development Co-operation (NORAD)	254,991	-	254,991	138,222
Oxfam Novib	-	-	-	93,685
The Revenue Watch Institute	42,109	-	42,109	-
Swedish International Development Co-operation Agency (SIDA)	335,831	-	335,831	250,480
Trócaire	-	30,686	30,686	-
The World Bank Group	-	-	-	32,314
Grants from Global Witness Trust	-	-	-	726,892
Grants from Global Witness Trust Ltd	350,000	126,696	476,696	116,538
Grants from Global Witness Foundation	-	306,114	306,114	-
Grants from other organisations	6,033	37,638	43,671	29,588
Total	<u>2,416,999</u>	<u>501,134</u>	<u>2,918,133</u>	<u>2,371,763</u>

All amounts received in excess of £10,000 are stated separately.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

4. Total resources expended

	Cost of generating funds	Environmental and human rights research and campaigning	Governance Costs	Support Costs (Note 5)	2009	2008
	£	£	£	£	£	£
Staff costs (Note 7)	235,923	1,660,009	8,896	353,892	2,258,720	1,689,802
Consultancy	3,036	160,848	-	7,216	171,100	114,085
Report production	5,319	229,532	-	-	234,851	33,965
Campaigning, research and other travel	3,234	331,745	-	1,124	336,103	261,034
Payments to partners	-	394,163	-	-	394,163	31,603
Subscriptions	2,082	46,858	-	846	49,786	51,959
Publicity & promotional	32,380	21,587	-	3,046	57,013	-
Audit	-	-	12,755	-	12,755	14,894
Other professional fees	1,076	51,156	-	39,145	91,377	66,226
Other costs	337	15,336	-	29,941	45,614	54,429
Premises costs	-	49,093	-	114,011	163,104	126,370
Communication costs	716	31,779	-	14,769	47,264	42,041
Insurance	461	47,869	-	6,548	54,878	62,202
IT costs	-	2,404	-	26,677	29,081	61,363
Depreciation	-	-	-	88,774	88,774	26,259
Total resources expended	284,564	3,042,379	21,651	685,989	4,034,583	2,636,232
Support Costs	111,078	574,911	-	(685,989)	-	-
Total resources expended	395,642	3,617,290	21,651	-	4,034,583	2,636,232

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

5. Support costs

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

	Cost of generating funds £	Environmental and human rights research and campaigning £	2009 £	2008 £
General Management	16,219	93,789	110,008	94,970
Financial Management	15,512	89,702	105,214	82,685
Human Resources	12,262	70,906	83,167	80,908
Information technology	10,402	60,152	70,554	74,740
UK office: premises & facilities	56,684	260,363	317,047	182,238
	<u>111,079</u>	<u>574,911</u>	<u>685,990</u>	<u>515,541</u>

Basis of apportionment	
General Management	Estimated time spent
Financial Management	Estimated time spent
Human Resources	Estimated time spent
Information technology	Estimated time spent
UK office: premises & facilities	UK office head count

6. Net incoming resources for the year

This is stated after charging / crediting:

	2009 £	2008 £
Depreciation	88,774	26,259
Operating lease rentals (note 17):		
▪ property	119,929	43,522
Auditor's remuneration (excluding VAT):		
▪ audit	8,900	10,235
▪ other services	2,595	4,659
Directors' remuneration	230,344	222,614
Directors' reimbursed expenses	1,240	-
	<u>2,258,720</u>	<u>1,689,802</u>

7. Staff costs and numbers

Staff costs were as follows:

	2009 £	2008 £
Salaries and wages		
United Kingdom staff	1,709,046	1,267,186
Overseas staff costs	182,536	131,672
Social security costs	169,924	140,041
Pension contributions	102,111	82,535
	<u>2,163,617</u>	<u>1,621,434</u>
Other staff costs	95,103	68,368
	<u>2,258,720</u>	<u>1,689,802</u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

7. Staff costs and numbers (continued)

Five employees earned more than £60,000 during the year (2008: 3)

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

	2009	2008
	No.	No.
	<u>48</u>	<u>39</u>

8. Taxation

The organisation had no corporation tax liability in the year to 30 November 2009 (2008: £Nil), because there were no taxable profits in the year.

9. Tangible fixed assets (Company and Group)

	Computer equipment & software £	Office fixtures & fittings £	Office furniture & equipment £	Total £
Cost				
At the start of the year	69,345	-	35,695	105,040
Additions in year	34,993	171,816	9,299	216,108
Disposals in the year	<u>(18,653)</u>	<u>-</u>	<u>(1,381)</u>	<u>(20,034)</u>
At the end of the year	<u>85,685</u>	<u>171,816</u>	<u>43,613</u>	<u>301,114</u>
Depreciation				
At the start of the year	48,399	-	22,027	70,426
Charge for the year	20,598	57,272	10,904	88,774
Disposals in the year	<u>(18,653)</u>	<u>-</u>	<u>(1,381)</u>	<u>(20,034)</u>
At the end of the year	<u>50,344</u>	<u>57,272</u>	<u>31,550</u>	<u>139,166</u>
Net book value				
At the end of the year	<u>35,341</u>	<u>114,544</u>	<u>12,063</u>	<u>161,948</u>
At the start of the year	<u>20,946</u>	<u>-</u>	<u>13,668</u>	<u>34,614</u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

10. Subsidiary Undertaking

The company controls Global Witness Publishing Incorporated, a not for profit company registered in Washington DC, United States of America, as the two entities have common directors. The subsidiary is used to undertake Global Witness's activities in the United States of America. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below:

	2009 £	2008 £
Grants received from Global Witness Limited	214,776	112,353
Income from other funders	15,047	61,009
Total income	229,823	173,362
Staff costs	200,252	159,705
Travel	25,662	8,326
Office costs	24,130	7,298
Other direct costs	17,218	14,233
Total expenditure	267,262	189,562
Unrealised exchange rate gains / losses in the year	1,485	19,111
Net movement in funds for the year	(35,954)	2,911
Total funds brought forward	42,650	39,739
Total funds carried forward	6,696	42,650
The aggregate of the assets, liabilities and funds was:		
Assets	6,696	42,650
Liabilities	-	-
Funds	6,696	42,650

11. Company

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

	2009 £	2008 £
Gross income	3,816,784	3,785,952
Net movement in funds, being net income for the year	(161,313)	1,287,768
Represented by		
Restricted funds	310,137	825,335
Unrestricted funds	1,499,851	1,145,966
Total funds	1,809,988	1,971,301

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

12. Debtors (Company and Group)

	2009	2008
	£	£
Global Witness Trust & Global Witness Trust Limited debtor	32,406	20,023
Other debtors	63,647	6,576
Prepayments	15,624	4,926
	<u>111,677</u>	<u>31,525</u>

13. Creditors: amounts due within 1 year (Company and Group)

	2009	2008
	£	£
Taxation and social security	49,925	46,643
Other creditors	164,874	127,271
Accruals	257,236	114,945
Pension provision	3,670	7,701
	<u>475,705</u>	<u>296,560</u>

14. Analysis of net assets between funds (Group)

	Restricted	Unrestricted	Total funds
	£	£	£
Tangible fixed assets	-	161,948	161,948
Current assets	310,137	1,820,304	2,130,441
Current liabilities	-	(475,705)	(475,705)
Net assets at the end of the year	<u>310,137</u>	<u>1,506,547</u>	<u>1,816,684</u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

15. Movements in funds (Company and Group)

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Climate change	12,211	-	(12,211)	-
Conflict resources	332,492	172,291	(464,783)	40,000
DRC	10,652	313,965	(304,617)	20,000
Ending impunity	63,883	96,000	(119,883)	40,000
Forests	120,777	809,782	(917,531)	13,028
Forest transparency project (GTF)	70,000	442,501	(512,501)	-
Kleptocracy	79,078	181,607	(220,685)	40,000
Oil and transparency	157,409	294,120	(344,420)	107,109
Research & development / communications	-	131,733	(81,733)	50,000
Total restricted funds	846,502	2,441,999	(2,978,364)	310,137
Unrestricted funds:				
General funds	1,167,449	1,395,317	(1,056,219)	1,506,547
Total unrestricted funds	1,167,449	1,395,317	(1,056,219)	1,506,547
Total	2,013,951	3,837,316	(4,034,583)	1,816,684

Purposes of restricted funds

Restricted funds are used to fund Global Witness's campaigns. Campaigns are developed internally; donors are then sought to fund the campaigns. Each campaign's activity this year is stated in detail in the directors' report.

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.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

16. Campaign income and expenditure report

Campaign	At the start of the year £	Incoming resources £	Total campaign expenditure £	Transfer of unrestricted income to campaigns £	At the end of the year £
Climate change	12,211	-	(188,396)	176,185	-
Conflict resources	332,492	172,291	(690,871)	226,088	40,000
DRC	10,652	313,965	(304,617)	-	20,000
Ending impunity	63,883	96,000	(258,328)	138,445	40,000
Forests	120,777	809,782	(917,531)	-	13,028
Forest transparency project (GTF)	70,000	442,501	(512,501)	-	-
Kleptocracy	79,078	181,607	(542,046)	321,361	40,000
Oil and transparency	157,409	294,120	(497,386)	152,966	107,109
Research & development / communications	-	131,733	(122,909)	41,176	50,000
Total campaign funds	846,502	2,441,999	(4,034,585)	1,056,221	310,137
General funds	1,167,449	1,395,319	-	(1,056,221)	1,506,547
Total funds	2,013,951	3,837,318	(4,034,585)	-	1,816,684

The note shows the total expenditure for each campaign. Expenditure on each campaign is funded by income from a mix of restricted and unrestricted donors. The restricted income for each campaign is stated in the incoming resources column. The unrestricted subsidy to each campaign is shown in the transfers column.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2009

17. Operating lease commitments

The group had annual commitments at the year end under operating leases expiring as follows:

	Property	
	2009	2008
	£	£
Less than 1 year	-	101,071
More than 1 year and less than 5 years	<u>121,766</u>	<u>-</u>
	<u>121,766</u>	<u>101,071</u>

18. Related party transactions

One of the directors, Patrick Alley, is also a director of Global Witness Foundation, a Californian non profit public benefit organisation, which has exemption under section 501(c) 3 of the Internal revenue code. There is no legal relationship between the two entities, other than the involvement of the director. Global Witness Foundation was incorporated on 21 May 2001. Global Witness Foundation made a grant of £306,114 to Global Witness Limited in the year (2008: Nil).