

Company no. 2871809

Global Witness

Report and Financial Statements

31 December 2019

Global Witness

Reference and administrative details

For the year ended 31 December 2019

Directors Mark Stephens
Patrick Alley
Chinmayi Arun (appointed 5 December 2019)
Gabrielle Darbyshire (appointed 13 February 2019)
Charmian Gooch
Mark Hannam (appointed 16 July 2019)
Fatima Hassan (appointed 1 November 2019)
Maureen Kademaunga (resigned 24 June 2019)
Juana Kweitel
Stephen Peel (resigned 15 February 2019)
Simon Taylor
Jessica Tolkan (resigned 7 August 2019)

CEO Mike Davis

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Website: www.globalwitness.org

Company number 2871809
Company Limited by Guarantee

Principal Advisers

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

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

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

Global Witness

Report of the directors

For the year ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019

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 in further strengthens the governance of the organisation. This committee also has responsibility for setting the remuneration policy for the Executive Directors and the CEO, using a range of current market data for the not for profit sector. The CEO and the co-Founders receive the same cost of living allowance which is negotiated with the union on behalf of staff annually. Global Witness also operates a pay transparency policy with all salaries per role published internally on an annual basis.

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

Directors have the power to appoint or to co-opt new members onto the Board; appointments are ratified in accordance with the company's Memorandum and Articles of Association. New directors are recruited referencing a number of intrinsic skills and capabilities including: intellectual approach, independent-mindedness and questioning spirit, integrity, interpersonal skills and inclination to engage. In addition the following skills and experience are sought: global campaigning and programmatic experience relevant to Global Witness' work, financial management qualifications and experience, Legal and risk management experience, digital strategy and communications experience, and the need for Global Witness to have a globally representative Board.

There is a process of induction for new directors, which includes meetings with staff and the provision of key information.

The Board meets quarterly to set strategy and oversee the direction of the organisation. Day to day management is provided by the Management Team, led by the Chief Executive Officer and comprising the Chief Operating Officer, the Director of Planning, Campaigns and Evaluation, Directors of Campaigns, the Development Director and the Director of Communications.

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

Global Witness' activities in the USA are undertaken through Global Witness Inc. (formerly Global Witness Publishing until 14 Dec 2018), a company registered in Washington DC, USA. Since this company has common directors with Global Witness, its results are consolidated and presented together in these financial statements.

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

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Report of the directors

For the year ended 31 December 2019

Public Benefit

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

Objectives, impacts and activities

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

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

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

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

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

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

Securing land tenure: Global Witness has helped to ensure that customary and community owners and users have secure tenure of the land and natural resources they depend on for sustainable development, and that their rights to those lands and resources are upheld.

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

The fundraising targets set by the Board for 2019 were not successfully achieved during the year. Fundraising income was £8.945m against a target of £11.4m. Global Witness derives a minimal amount of its funds through public fundraising.

Strategic Report

Anti -corruption

- In May, we published original analysis of the UK's register of beneficial ownership. Our investigation shows how a failure by Companies House to check company information or enforce rules means criminals can still exploit loopholes and submit false information about UK registered companies. The majority of the government's proposals to improve the People with Significant Control (PSC) register are reflective of our research findings and recommendations.
- In June, the Crown Dependencies voluntarily agreed that they will table legislation to introduce public registers in 2023. In November, the Cayman Islands followed suit - announcing that they too would voluntarily introduce public registers. The news, and our comment, received widespread media coverage.
- In October, we achieved a monumental win after over 10 years of campaigning. The US House of Representatives passed the Corporate Transparency Act to end anonymous companies with bi-partisan support. It was the first federal Beneficial Ownership Transparency (BOT) bill to receive a full vote in Congress.

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Report of the directors

For the year ended 31 December 2019

- Throughout 2019, our campaign efforts led to investor citizenship and residence schemes (golden visas) receiving increased scrutiny from EU institutions, and greater awareness amongst the media, decision makers, industry and the public regarding their inherent risks. We achieved cross-party support in the European Parliament for efforts to scrutinise the schemes, and catalysed calls for a phase out of these schemes.
- In July, we released the third report in our Indonesia investigative series. It focused on a large coal company in Indonesia and how it had moved their coal revenues offshore in a manner that risks depriving Indonesia of significant tax revenues. The report gained widespread national media coverage in Indonesia and the Finance Minister asked the Tax Authority to investigate (which sources in Indonesia suggested was due to our investigation).

Oil, Gas and Coal

- In June, the UK Parliament's Environmental Audit Committee (EAC) published its report into the UK Export Finance support to oil, gas and coal projects. Global Witness played a pivotal role in influencing the committee on the scope of the inquiry and selecting key witnesses and included our recommendations in its report calling on the government to phase this support out by 2021.
- In August, we produced a report on US fossil fuel production, a US facing version of the Overexposed report. It found that the US will be responsible for 61% of all new oil and gas production, with Texas and Pennsylvania in the top 3 global producers, if states were treated as countries.

Conflict and Fragile States

- In July, the London Metal Exchange announced its responsible sourcing requirements, which are underpinned by the OECD's Due Diligence Guidance. Global Witness fed in extensively to this review by the LME.
- In August, our investigations focusing on Congo Brazzaville and corruption allegations around two of President Sassou Nguesso's children involved a Portuguese middleman, Italian and Cypriot companies and an apartment in a Trump hotel.
- The new Afghan mining law was agreed by the Afghan cabinet in September 2018. It reflects our arguments that contracts must be published before becoming valid, that the beneficial owners of mines must be made publicly registered, and the government must publish mining production and payment data.
- In September, the US House of Representatives passed the BURMA Act of 2019. The Act would advance efforts to hold senior Myanmar military leaders accountable for crimes against the Rohingya and other ethnic minorities. Our advocacy with Congress led directly to inclusion of both the gemstone section and military company provisions.
- In November, we published an investigation revealing that President Assad of Syria family members, including a war criminal cousin sanctioned for widespread disappearances and torture, owns millions of dollars of property in a well-known Moscow skyscraper development. We passed the information onto relevant policy makers and sanctions decision makers in the EU and US.

Forests and Finance

- 2019 has been a transitional year for Global Witness' Forest Team – finishing up our work on illegal logging and starting to implement the new Forests and Finance strategy. Internally, we have recruited and inducted new staff to posts, finalised our 3-year strategy and 2020 operational plans, transitioned existing donors and attracted interest from new funders.
- In July, we teamed up with Client Earth to produce an EU-focused policy paper calling on the EU to introduce mandatory due diligence for forest risk supply chains and finance

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Report of the directors

For the year ended 31 December 2019

Land and Defenders

- The Land and Environmental Defenders team has completed its strategic review this year and taken its first steps towards implementing the new strategy.
- In July, we published our main awareness raising output, the Defenders Annual Report. 'Enemies of the State' highlighted how more than three people were murdered each week in 2018, with countless more criminalised, for defending their land and our environment. As ever, the report achieved widespread coverage in both print, broadcast and digital media.
- In September, 'Defending the Philippines', exposing how mining, agribusiness, logging and coal plants are driving attacks against environmental activists – with household brands such as Del Monte Philippines and Dole Philippines, and Filipino giants like San Miguel Corporation linked to local partners accused of attacks and murders of protestors.

Integrated Communications

- 2019 has been a successful year for our external engagement and campaigning impact. Our investigations and other web content were up 13% on last year's engagement. Website visits were also up 19% on last year.
- We generated more exposure and conversation around our work on social media. Overall, social media reach and mentions of Global Witness were significantly up on 2018. We averaged 4, 503 mentions (up a further 10% since August) with a potential reach of 80.3 million a month, compared to just over 2000 monthly mentions in 2018.
- Our tweets averaged over one million impressions per month as we made this a central pillar of our investigation launch strategies. Twitter activity around our campaigns prompted direct engagement from advocacy targets including politicians and banks.
- We capitalised on video using optimised formats for each platform to get our messages in front of campaign audiences. We achieved over 5.6 million video views in total on Twitter (last year's monthly average was under 33,000), nearly 2 million views on Facebook and 182,000 minutes watched on YouTube.
- We designed new templates and training to create more tailored, on-brand briefings and short publications, as well as designing up high-impact flagship reports to streamline our visual identity.

Future Plans

We have spent the past year developing our new strategy for the period 2020-2022 and identified the following areas for future focus:

- Reduce the destruction of climate-critical tropical forests by constraining the financing of the industries driving it
- Protect Land and Environmental Defenders by taking on the industries most associated with attacks and killings
- Stop the oil and gas industry escalating global warming by making us dependent on gas
- Strengthen natural resource governance and anti-corruption norms and standards so that they are fit for purpose and lead to accountability for predatory companies
- Ensuring corporate accountability for environmental and human rights abuses
- Tackling digital threats to democracy

Most of these six areas grow out of existing bodies of work and in some cases the shift will be an incremental one made over the three year time horizon we are working to. We will be making some internal structural changes to help us meet these new strategic priorities.

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Report of the directors

For the year ended 31 December 2019

Financial review

Total income for year was £9,093,000 (2018: £10,865,000), an decrease of £1,772,000. This is below the target for the year. The value of donations in kind in the year is £201,489 (2018: £161,715).

Total expenditure for the year was £11,195,000 (2018: £10,624,000). The cost of fundraising was £1,038,000 (2018: £962,000), with the ratio of cost to income increasing to 11.4% (2018: 8.9%).

Net assets at 31 December 2019 decreased to £4,877,000 (2018: £6,757,000), with net current assets of £3,026,000 (2018: £6,098,0000).

The financial performance for the year was not as originally planned, with the deficit of £1.88m being greater than the originally budgeted at £0.13m. In approving the budget for 2020 the Board has taken into consideration revised income and expenditure projections for the period 2020-2022, including less ambitious income targets and a reduced cost base to ensure the continued sustainability of the organisation.

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 reviewed and approved a new policy in December 2019. A target has been set of maintaining free reserves at a level equivalent to at least two and a half months' operating costs (£2,219,000), with a long term ambition for a level equivalent to 6 months (£5,326,000), to ensure an appropriate level of working cashflow. At 31 December 2019 free reserves decreased to £3,602,000 (2018: £4,642,000), calculated as unrestricted net assets (note 14) less the designated fund. Free reserves now represent 4.1 months of operating costs, which is above the minimum target level.

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

Investment Policy

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

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

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

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Report of the directors

For the year ended 31 December 2019

Risk management

The directors actively manage risk in a professional, responsible and constructive manner. This involves identifying the types of risks the organisation may face, and assessing and balancing them in terms of potential impact and likelihood of occurrence. The main risks include:

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

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

Going concern

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

Statement on COVID-19

As the situation continues to evolve during the period in which these accounts have been prepared, we have considered the potential impact on operations to date, and the outlook for the remainder of the year.

We do not believe COVID-19 will have a major impact on our income levels for 2020.

We expect that the ongoing emergency will reduce our cost base, particularly in relation to travel and campaign expenditure. Where this relates to restricted funds we maintain an ongoing dialogue with donors who, being affected themselves, are giving indications of being quite reasonable about these issues in current situation and willing to be more flexible as a result.

We will continue to monitor the situation closely for the remainder of the year.

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Report of the directors

For the year ended 31 December 2019

Statement of responsibilities of the directors

The directors are responsible for preparing the Directors' Report, including the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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 2019 was 3 (2018: 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 28 April 2020 and signed on their behalf by



Charmian Gooch
Director

Independent Auditor's Report to the Members of Global Witness

Opinion

We have audited the financial statements of Global Witness (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2019 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditor's Report to the Members of Global Witness

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

19 May 2020

Global Witness

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

For the year ending 31 December 2019

	Note	Restricted £'000	Unrestricted £'000	2019 Total £'000	2018 Total £'000
Income from:					
Donations	2	-	4,953	4,953	6,320
<i>Charitable activities – income from campaigns</i>					
Conflict and Fragile States	3	637	-	637	234
Corruption		1,169	-	1,169	1,281
Forests, Land and Climate		2,285	-	2,285	2,760
Interest receivable		-	5	5	17
Other Income		-	44	44	253
Total		<u>4,091</u>	<u>5,002</u>	<u>9,093</u>	<u>10,865</u>
Expenditure on:					
<i>Raising Funds</i>					
Fundraising		-	1,038	1,038	962
<i>Charitable activities – expenditure on campaigns</i>					
Environmental and human rights research and campaigning					
Conflict and Fragile States		551	2,195	2,746	2,367
Corruption		1,744	2,375	4,119	3,514
Forests, Land and Climate		2,618	674	3,292	3,781
Total expenditure	4	<u>4,913</u>	<u>6,282</u>	<u>11,195</u>	<u>10,624</u>
Net gain/(loss) on investments		-	222	222	(20)
Net movement in funds, being net income for the year	5	(822)	(1,058)	(1,880)	221
Total funds brought forward		<u>1,906</u>	<u>4,851</u>	<u>6,757</u>	<u>6,536</u>
Total funds carried forward		<u><u>1,084</u></u>	<u><u>3,793</u></u>	<u><u>4,877</u></u>	<u><u>6,757</u></u>

All of the above results are derived from continuing activities. The notes on pages 14 to 27 form an integral part of the financial statements. All interest receivable and other income was unrestricted in 2018 and 2019. Other income comprises contributions to campaign expenses.

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Balance sheet

31 December 2019

		Company		Group	
	Note	31 December 2019 £'000	31 December 2018 £'000	31 December 2019 £'000	31 December 2018 £'000
Fixed assets					
Tangible fixed assets	8	138	169	148	179
Investments		1,703	480	1,703	480
		<u>1,841</u>	<u>649</u>	<u>1,851</u>	<u>659</u>
Current assets					
Debtors	11	1,743	2,206	1,756	2,219
Cash held as short term investment		226	1,000	226	1,000
Cash at bank and in hand		1,913	3,814	1,949	3,896
		<u>3,882</u>	<u>7,020</u>	<u>3,931</u>	<u>7,115</u>
Current liabilities					
Creditors: amounts due within one year	12	<u>(867)</u>	<u>(933)</u>	<u>(905)</u>	<u>(1,017)</u>
Net current assets		<u>3,015</u>	<u>6,087</u>	<u>3,026</u>	<u>6,098</u>
Net assets	13	<u>4,856</u>	<u>6,736</u>	<u>4,877</u>	<u>6,757</u>
Funds					
Restricted funds		1,084	1,906	1,084	1,906
Unrestricted funds					
Designated funds		191	209	191	209
General funds		3,581	4,621	3,602	4,642
Total funds	14	<u>4,856</u>	<u>6,736</u>	<u>4,877</u>	<u>6,757</u>

Approved by the directors and authorised for issue on 28 April 2020 and signed on their behalf by



Charmian Gooch
Director

Company Registration Number: 2871809

The notes on pages 14 to 27 form an integral part of the financial statements

Global Witness

Statement of Cash Flows

For the year ending 31 December 2019

	Note	Company		Group	
		31 December 2019 £'000	31 December 2018 £'000	31 December 2019 £'000	31 December 2018 £'000
Net cash provided by operating activities	A	(1,615)	(93)	(1,656)	(37)
Cash flows from investing activities					
Purchase of property, plant and equipment		(60)	(96)	(65)	(100)
Purchase of investments		(1,000)	(500)	(1,000)	(500)
Net cash provided by (used in) investing activities		(1,060)	(596)	(1,065)	(600)
Change in cash and cash equivalents in the year		(2,675)	(689)	(2,721)	(637)
Cash and cash equivalents at the beginning of the year	B	4,814	5,503	4,896	5,533
Cash and cash equivalents at the end of the year	B	2,139	4,814	2,175	4,896

Note A:

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

	Company		Group	
	31 December 2019 £'000	31 December 2018 £'000	31 December 2019 £'000	31 December 2018 £'000
Net income for the period	(1,880)	160	(1,880)	221
Adjustments for:				
Unrealised gains from changes in foreign currency exchange rates	-	-	(12)	3
(Gains)/losses on investments	(222)	20	(222)	20
(Gains)/losses on disposal of fixed assets	-	7	-	7
Depreciation charges	90	129	96	135
(Increase) in debtors	463	(263)	463	(265)
(Decrease)/Increase in creditors	(66)	(146)	(101)	(158)
Net cash provided by operating activities	(1,615)	(93)	(1,656)	(37)

Note B:

Analysis of cash and cash equivalents

	Company		Group	
	31 December 2019 £'000	31 December 2018 £'000	31 December 2019 £'000	31 December 2018 £'000
Cash held as short term investment	226	1,000	226	1,000
Cash at bank and in hand	1,913	3,814	1,949	3,896
Total cash and cash equivalents	2,139	4,814	2,175	4,896

Global Witness

Notes to the financial statements

For the year ended 31 December 2019

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

1. Accounting policies

a) Basis of Preparation and assessment of going concern

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

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

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

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

b) Income recognition

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

Grants receivable are credited to the Statement of Financial Activities when the organisation has 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.

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.

Global Witness

Notes to the financial statements

For the year ended 31 December 2019

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 2019. 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 2019

j) Derivative financial instruments

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

k) Accounting estimates and key judgements

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

l) Foreign Exchange Transactions

Monetary assets and liabilities held in foreign currencies are translated into sterling at the rate of exchange on the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange on the date of the transaction. Exchange differences are taken into account in the net movement in funds for the year.

m) Operating Leases

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

n) Pension Scheme

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

Global Witness

Notes to the financial statements

For the year ended 31 December 2019

2. Donations

	Restricted £'000	Unrestricted £'000	2019 Total £'000	2018 Total £'000
Bertha Foundation	-	-	-	10
Ministry of Foreign Affairs of Denmark	-	-	-	117
Ford Foundation	-	311	311	314
The Foundation to Promote Open Society	-	1,856	1,856	2,185
Henocq Law Trust	-	10	10	-
Luminate	-	1,019	1,019	-
Omidyar Network	-	-	-	1,143
Mike Servent	-	100	100	-
CHARISMA Stiftung für nachhaltige Entwicklu	-	11	11	-
Stephen and Yana Peel	-	-	-	58
Wallace Global Fund	-	62	62	72
Individual donations	-	5	5	3
Other grants and donations	-	194	194	-
<i>Grants from Global Witness Foundation:</i>				
The Alexander Soros Foundation	-	157	157	-
Arnhold Foundation (Henry Arnhold)	-	303	303	-
Baloro Trust	-	8	8	-
Fidelity Charitable Gift Fund	-	-	-	650
Horace W Goldsmith Foundation	-	-	-	69
Network Foundation	-	-	-	8
Northern Trust US	-	24	24	-
Seattle Foundation	-	4	4	20
Other grants and donations	-	38	38	349
Individual donations	-	22	22	32
<i>Grants from Global Witness Trust</i>				
Dutch Postcode Lottery	-	418	418	871
Jane Thurnell-Read	-	4	4	13
Mike Servent	-	-	-	100
Individual donations	-	-	-	35
Other grants and donations	-	206	206	110
Donated services and facilities	-	201	201	161
Total	-	4,953	4,953	6,320

Included within the 2018 total was restricted income of £Nil and unrestricted income of £6,320,000. 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 2019

3. Income from charitable activities

	Restricted £'000	Unrestricted £'000	2019 Total £'000	2018 Total £'000
Conflict and Fragile States				
Department of Foreign Affairs and Trade of Ireland	149	-	149	-
Norwegian Agency for Development Cooperation (NORAD)	176	-	176	234
The Foundation to Promote Open Society	208	-	208	-
Skoll Foundation	104	-	104	-
	<u>637</u>	<u>-</u>	<u>637</u>	<u>234</u>
Corruption				
The Adessium Foundation	54	-	54	140
The Frederick Mulder Foundation	25	-	25	25
Norwegian Agency for Development Cooperation (NORAD)	532	-	532	726
The Foundation to Promote Open Society	-	-	-	186
Skoll Foundation	203	-	203	-
Third Sector New England	67	-	67	-
The William and Flora Hewlett Foundation	288	-	288	211
	<u>1,169</u>	<u>-</u>	<u>1,169</u>	<u>1,281</u>

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Notes to the financial statements

For the year ended 31 December 2019

	Restricted £'000	Unrestricted £'000	2019 Total £'000	2018 Total £'000
<i>Forests, Land and Climate</i>				
Arcadia Fund - a charitable trust of Peter Baldwin and Lisbet Rausing	-	-	-	220
Arcus Foundation	75	-	75	70
Brook Foundation	75	-	75	106
CS MOTT	-	-	-	8
Cultures of Resistance Foundation	-	-	-	8
Don Quixote Foundation	152	-	152	106
Evan Cornish Foundation	-	-	-	10
Financial Transparency Coalition	-	-	-	59
Good Energies Foundation	-	-	-	9
Department of Foreign Affairs and Trade of Ireland	-	-	-	103
IUCN - NL	21	-	21	63
The Kestrelman Trust	-	-	-	30
Norwegian Agency for Development Cooperation (NORAD)	613	-	613	495
Oak Foundation	76	-	76	-
Postcode Planet Trust, supported by players of People's Postcode Lottery	350	-	350	600
Pro Victimis Foundation	86	-	86	142
Silicon Valley Community Foundation	39	-	39	39
Tilia Fund	200	-	200	294
UK DFID – Forest Governance Market Climate	392	-	392	351
The Waterloo Foundation	40	-	40	40
Other grants and donations	166	-	166	-
	<u>2,285</u>	<u>-</u>	<u>2,285</u>	<u>2,760</u>
Total charitable activities	<u>4,091</u>	<u>-</u>	<u>4,091</u>	<u>4,275</u>

The summary of the transactions for 2019 under the UK DFID – Forest Governance Market Climate grant were as follows: opening balance 1 Jan 2019 £83,274; income received £391,801, expenditure £464,464, and a balance of funds remaining at 31 December of £10,610.

Included within the 2018 total was restricted income of £Nil and unrestricted income of £4,275,000.

Global Witness

Notes to the financial statements

For the year ended 31 December 2019

4. Total expenditure

	Direct activities £'000	Support costs £'000	Governance costs £'000	2019 £'000	2018 £'000
Costs of raising funds	631	391	16	1,038	962
Charitable activities					
<i>Environmental and human rights research and campaigning</i>					
Conflict and fragile states	2,379	343	24	2,746	2,367
Corruption	3,593	486	40	4,119	3,514
Forests, Land and Climate	2,722	535	35	3,292	3,781
Total charitable activities	8,694	1,364	99	10,157	9,662
Total expenditure	9,325	1,755	115	11,195	10,624

Support costs comprise:

	Costs of raising funds £'000	Environmental and human rights research and campaigning £'000	Total 2019 £'000	Total 2018 £'000
General Management	67	409	476	555
Finance, Human Resources and Information Technology	324	955	1,279	1,052
	391	1,364	1,755	1,607

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

5. Net income for the year

This is stated after charging:

	2019 £'000	2018 £'000
Depreciation	96	135
Operating lease rentals property	1,174	754
Auditor's remuneration audit	22	20
Directors' remuneration	563	357
Directors' reimbursed expenses	1	1
Foreign exchange gains	(2)	108

During the year 4 Directors were reimbursed expenses relating to travel and subsistence costs incurred in the course of their work (2018: 3 Directors reimbursed)

Global Witness

Notes to the financial statements

For the year ended 31 December 2019

6. Staff costs and numbers

Staff costs were as follows:

	2019	2018
	£'000	£'000
Salaries		
United Kingdom staff	4,011	3,823
Overseas staff	1,069	992
Social security costs	528	490
Pension contributions	410	311
	6,018	5,616
Other staff costs	503	357
	6,521	5,973

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

	2019	2018
	No.	No.
From £60,001 to £70,000	2	8
From £70,001 to £80,000	7	4
From £80,001 to £90,000	2	5
From £90,001 to £100,000	5	1
From £100,001 to £110,000	1	-
From £120,001 to £130,000	-	1
From £220,001 to £230,000	1	-

Pension contributions to defined contribution pension schemes for these employees totalled £95,367 in the period (2018: £95,294 for 19 employees).

In 2019 the organisation made termination payments of £158,259 (2018: NIL). The termination payments were a combination of compulsory redundancy payments plus termination payments 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 £563,051 (2018 £356,906). The remaining non-executive Directors were not paid or received any other benefits arising from their roles.

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

	2019	2018
	No.	No.
Campaigning and advocacy	89	91
Fundraising	10	14
Finance and resources	12	13
	111	118

7. Taxation

The organisation had no corporation tax liability in the period to 31 December 2019 (2018: £Nil), because there were no profits liable to corporation tax in the year.

8. Tangible fixed assets

Group	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At 1 January 2019	438	13	121	572
Additions in period	46	7	12	65
Disposals in period	-	-	-	-
At 31 December 2019	484	20	133	637
Depreciation				
At 1 January 2019	289	8	96	393
Charge for the period	81	4	11	96
Disposals in period	-	-	-	-
At 31 December 2019	370	12	107	489
Net book value at 31 December 2019	114	8	26	148
At 31 December 2018	149	5	25	179
Company	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At 1 January 2019	404	1	86	491
Additions in period	48	-	12	60
Disposals in period	-	-	-	-
At 31 December 2019	452	1	98	551
Depreciation				
At 1 January 2019	258	1	64	322
Charge for the period	81	-	9	90
Disposals in period	-	-	-	-
At 31 December 2019	339	1	73	413
Net book value at 31 December 2019	113	-	25	138
At 31 December 2018	146	-	22	169

Global Witness

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For the year ended 31 December 2019

9. Subsidiary undertaking

The company controls Global Witness Inc., a company registered in Washington DC, USA, as the two entities have common directors. Registered office, 1100 17th Street NW, Suite 501, Washington, District of Columbia, USA, 20036. File number 234493. The subsidiary is used to undertake Global Witness' activities in the USA. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below:

	2019	2018
	£'000	£'000
Grants received from Global Witness	1,600	1,541
Other income	4	8
Total income	1,604	1,549
Total expenditure	1,604	1,478
Net movement in funds for the period	-	63
Total funds brought forward	22	(41)
Total funds carried forward	22	22
The aggregate of the assets, liabilities and funds was:		
Assets	132	105
Liabilities	(110)	(83)
Total funds	22	22

10. Company

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

	2019	2018
	£'000	£'000
Gross income	9,089	10,857
Net movement in funds, being net income/(expenditure) for the period	(1,880)	160
Represented by		
Restricted funds	1,084	1,906
Unrestricted funds	3,772	4,830
Total funds	4,856	6,736

11. Debtors

	Company	Company	Group	Group
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Other debtors	107	202	109	204
Prepayments	138	141	149	152
Accrued income	1,498	1,863	1,498	1,863
	1,743	2,206	1,756	2,219

12. Creditors: amounts due within 1 year

	Company 2019 £'000	Company 2018 £'000	Group 2019 £'000	Group 2018 £'000
Taxation and social security	102	110	103	111
Other creditors	459	553	383	551
Accruals	272	239	385	324
Pension accrual	34	31	34	31
	867	933	905	1,017

13. Analysis of net assets between funds

Group	Restricted funds 2019 £'000	Unrestricted funds 2019 £'000	Total funds 2019 £'000
Tangible fixed assets	-	148	148
Investments	-	1,703	1,703
Current assets	1,084	2,847	3,931
Current liabilities	(407)	(498)	(905)
Net assets at the end of the period	677	4,200	4,877
	Restricted funds 2018 £'000	Unrestricted funds 2018 £'000	Total funds 2018 £'000
Tangible fixed assets	-	179	179
Investments	-	480	480
Current assets	2,306	4,809	7,115
Current liabilities	(400)	(617)	(1,017)
Net assets at the end of the period	1,906	4,851	6,757

14. Movements in funds

Group	At the start of the period 1 Jan 2019 £'000	Income £'000	Expenditure £'000	At the end of the period 31 Dec 2019 £'000
Restricted funds:				
Conflict and fragile states	125	637	(551)	211
Corruption	823	1,169	(1,744)	248
Forests, Land and Climate	958	2,285	(2,618)	625
Total restricted funds	1,906	4,091	(4,913)	1,084
Unrestricted funds:				
Designated funds	209	-	(18)	191
General funds	4,642	5,002	(6,042)	3,602
Total unrestricted funds	4,851	5,002	(6,060)	3,793
Total	6,757	9,093	(10,973)	4,877

Group	At the start of the period 1 Jan 2018 £'000	Income £'000	Expenditure £'000	At the end of the period 31 Dec 2018 £'000
Restricted funds:				
Conflict and fragile states	573	234	(682)	125
Corruption	673	1,281	(1,131)	823
Forests, Land and Climate	800	2,760	(2,602)	958
Total restricted funds	2,046	4,275	(4,415)	1,906
Unrestricted funds:				
Designated fund	239	-	(30)	209
General funds	4,251	6,590	(6,199)	4,642
Total unrestricted funds	4,490	6,590	(6,229)	4,851
Total	6,536	10,865	(10,644)	6,757

Purpose of restricted funds

Restricted funds are used to fund Global Witness' campaigns which fall under the three areas of activity above. Campaigns are developed internally; donors are then sought to fund the campaigns.

Carried forward restricted funds represent either income received prior to the year end for which work has not yet commenced, or income for work which spans the year end, for which the unspent balance is carried forward.

Purpose of designated fund

The designated fund represents unrestricted funds set aside by the Board for specific purposes. At the end of 2019 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.

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Notes to the financial statements

For the year ended 31 December 2019

15. Operating lease commitments

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

	Property 2019 £'000	Property 2018 £'000
Amounts payable:		
Within 1 year	189	835
2-5 years	156	-
	<u>345</u>	<u>835</u>

The organisation secured a new long term office lease arrangement after the balance sheet date.

16. Related party transactions

During the year a deed of transfer relating to the assignment and licensing of intellectual property rights was enacted between Global Witness and Sauroktonos, a company limited by guarantee in England and Wales. The transfer was transacted for the nominal value of £1. Three of Global Witness' directors are also the directors of Sauroktonos.

17. Financial risk management

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

Foreign exchange transactional currency risk

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

Liquidity risk

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

18. Financial Assets and Liabilities

Company	2019	2018
	£'000	£'000
Financial assets measured at fair value through profit or loss	<u>31</u>	<u>(22)</u>
Financial assets measured at amortised cost	<u>3,637</u>	<u>6,677</u>
Financial liabilities measured at amortised cost	<u>867</u>	<u>933</u>
Group	2019	2018
	£'000	£'000
Financial assets measured at fair value through profit or loss	<u>31</u>	<u>(22)</u>
Financial assets measured at amortised cost	<u>3,673</u>	<u>6,759</u>
Financial liabilities measured at amortised cost	<u>905</u>	<u>1,017</u>

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

19. Investments

Group	2019	2018
	£'000	£'000
Market value		
At 1 January 2019	480	
New funds introduced	1,000	500
Increase/(decrease) in value of investments	223	(20)
At 31 December 2019	<u>1,703</u>	<u>480</u>
Historical cost	<u>1,500</u>	<u>500</u>
The investments are held as follows:	2019	2018
	£'000	£'000
UK equities	-	100
UK fixed interest securities	31	9
Other equities	1,599	203
Alternative investments	-	17
Cash	73	151
	<u>1,703</u>	<u>480</u>