

Company no. 2871809

Global Witness

Report and Financial Statements

31 December 2020

Global Witness

Reference and administrative details

For the year ended 31 December 2020

Directors Mark Stephens (resigned 23 September 2020)
Patrick Alley
Chinmayi Arun (fixed term expired 9 December 2020)
Gabrielle Darbyshire
Charmian Gooch
Mark Hannam (resigned 16 September 2020)
Fatima Hassan
Juana Kweitel
Simon Taylor

CEO Mike Davis

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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
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Northampton
NW3 6NW

Auditors Crowe U.K. LLP
2nd Floor
55 Ludgate Hill
London, EC4M 7JW

Global Witness

Report of the Directors

For the year ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with applicable law, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), effective 1 January 2015. Although Global Witness is not a UK registered charity, the financial statements have been prepared in line with the Charities SORP in order to reflect best practice as a not-for-profit organisation.

Structure, governance & management

Global Witness is a not-for-profit, non-governmental organisation. It is a company limited by guarantee, incorporated on 15 November 1993 under a Memorandum of Association that sets out the objects and powers of the company, and under Articles of Association by which it is governed. The company is unable to distribute any of its assets for the benefit of the directors or members.

Global Witness has 501(c)(3) status with the US Internal Revenue Service.

Global Witness is led by a unitary Board of Directors: a single board of nine directors, comprising three Executive Directors (the co-Founders) and six Non-Executive Directors. In addition, a Finance and Remuneration sub committee of the Board further strengthens the governance of the organisation. This committee also has responsibility for setting the remuneration policy for the Executive Directors and the CEO, using a range of current market data for the not for profit sector. The CEO and the co-Founders receive the same cost of living allowance which is negotiated with the union on behalf of staff annually. Global Witness also operates a pay transparency policy with all salaries per role published internally on an annual basis.

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

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

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

The Board meets quarterly to set strategy and oversee the direction of the organisation. Day to day management is provided by the Leadership Team, led by the Chief Executive Officer and comprising the Directors of Operations, Campaigns, Development, HR and Communications.

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

Global Witness' activities in the USA are undertaken through Global Witness Inc. (formerly Global Witness Publishing until 14 Dec 2018), a company registered in Washington DC, USA. Since this company has common directors with Global Witness, its results are consolidated and presented together in these financial statements. Global Witness has a close relationship with Global Witness Foundation and GW Trust. There is no common control between Global Witness and both of these entities, and as a consequence Global Witness is unable to influence these entities.

Three of Global Witness' directors are also the directors of two other entities: Global Witness Projects Limited and Sauroktonos Limited. 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 2020

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 2020, 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 2020 were successfully achieved during the year. Fundraising income was £11.037m against a target of £10.043m. Global Witness derives a minimal amount of its funds through public fundraising.

Strategic Report

Anti -corruption

- Following years of campaigning by Global Witness and its allies, U.S. Congress passed the National Defense Authorization Act, which includes a provision to end anonymous company ownership in the U.S.
- The Swiss parliament passed a law requiring extractive companies to disclose payments to governments on a project-by-project basis – a key Global Witness policy recommendation.
- The EU initiated legal proceedings against Malta and Cyprus concerning their golden visa programmes, which have been the subject of reporting and advocacy by Global Witness.
- The British Virgin Islands committed to publish a Persons of Significant Control register. This means that all of the UK's Overseas Territories and Crown Dependencies will publish the real owners of companies incorporated under their jurisdictions – a longstanding Global Witness recommendation.

Conflict and Fragile States

- The IMF factored Global Witness analysis of debt held by national oil companies to foreign oil companies in its bailout package to Republic of Congo.
- Global Witness was invited to a joint Chinese forum on mineral supply chains to provide recommendations on Chinese chamber of commerce minerals supply chain guidelines.
- Following a Global Witness report on illicit gold trading, the London Bullion Market Association pledged action against international bullion centres if they do not implement responsible sourcing standards.

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Report of the Directors

For the year ended 31 December 2020

Forests Land and Environmental Defenders

- The EU Justice Commissioner committed to new law on corporate accountability. Following Global Witness engagement, the European Parliament brought forward a report setting out a robust position on corporate accountability.
- A prominent Brazilian agribusiness firm that had been the subject of reporting by Global Witness committed to stop deforesting the Cerrado region of Brazil.
- A major meat trading company that Global Witness and other campaign groups had engaged with committed to monitor indirect beef suppliers for deforestation. It also blocked one of its suppliers for illegal deforestation.
- Following reporting and direct engagement by Global Witness, a major food and agribusiness firm operating in the Philippines published its first human rights policy, including zero tolerance approach to reprisals against and land and environmental defenders.
- The UK government brought forward a proposal for draft legislation to tackle deforestation in UK supply chains which reflected Global Witness positions on companies' due diligence obligations and rights of indigenous people.
- The European Parliament backed strong measures to tackle EU's deforestation footprint. In the sections of its report on the role of finance, the Parliament's report cited Global Witness's publication Money to Burn and echoed Global Witness's recommendation of mandatory due diligence by financial institutions to identify deforestation risks.

Future Plans

We continue to move toward implementing our strategy for the period 2020-2022. We have 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 with a view to effectively tackling the climate crisis
- 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 advanced in 2020 and in some cases the shift will be an incremental one made over the three year time horizon we are working to.

Financial review

Total income for year was £11,399,000 (2019: £9,093,000), an increase of £2,306,000. Fundraising income exceeded the target set for the year as part of our 3 year strategic financial plan, we anticipate subsequent years to remain in line with those plans. The value of donations in kind in the year is £164,184 (2019: £201,489).

Total expenditure for the year was £10,473,000 (2019: £11,195,000). The cost of fundraising was £1,280,000 (2019: £1,038,000), with the ratio of cost to income decreasing to 11.2% (2019: 11.4%).

Net assets at 31 December 2020 increased to £5,645,000 (2019: £4,877,000), with net current assets of £5,462,000 (2019: £3,026,000).

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Report of the Directors

For the year ended 31 December 2020

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 have set a target of maintaining free reserves at a level equivalent to at least two and a half months' operating costs (£2,096,000), with a long term ambition for a level equivalent to 6 months (£5,032,000), to ensure an appropriate level of working cashflow. At 31 December 2020 free reserves increased to £4,550,000 (2019: £3,602,000), calculated as unrestricted net assets (note 14) less the designated fund. Free reserves now represent 5.4 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 2021: for use in supporting general transparency campaigning, and to cover costs relating to any insurance claim excesses. Should no related expenditure arise the funds would then be transferred to the general funds category.

Investment Policy

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

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

Due to the shortfall in income in the previous year the Directors took the decision to liquidate the majority of the investment portfolio to address short term cash flow requirements. In line with the objectives of the investment policy the Directors will seek to replenish the portfolio as future investment opportunities arise.

The agreed performance benchmark for the fund is the MSCI WMA Growth index. This index provides a comparison for portfolios that are aiming for growth/capital appreciation from predominantly equity investments.

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:

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Report of the Directors

For the year ended 31 December 2020

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 that COVID-19 will have a major impact on our income levels for 2021.

We expect that the ongoing pandemic 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 being 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 2020

Statement of responsibilities of the directors

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation;
- apply and follow UK accounting standards, subject to any material departures disclosed and explained in the financial statements.

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

Disclosure of Information to Auditors

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

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 2020 was 3 (2019: 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 4 May 2021 and signed on their behalf by



Simon Taylor
Director

Global Witness

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 2020 which comprise the Consolidated statement of financial activities, Company and Group balance sheets, Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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Independent Auditor's Report to the Members of Global Witness

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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Independent Auditor's Report to the Members of Global Witness

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent company and the group for fraud. The laws and regulations we considered in this context for the UK operations were:

- General Data Protection Regulation (GDPR)
- Anti-fraud, bribery and corruption legislation
- Health and safety legislation
- Taxation legislation
- Employment legislation

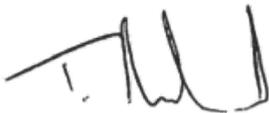
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors' and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

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



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

17 May 2021

Global Witness

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

For the year ending 31 December 2020

	Note	Restricted £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Income from:					
Donations	2	-	7,039	7,039	4,953
<i>Charitable activities – income from campaigns</i>					
Conflict and Fragile States	3	426	-	426	637
Corruption		1,536	-	1,536	1,169
Forests, Land and Climate		2,200	-	2,200	2,285
Interest receivable		-	3	3	5
Other Income		-	195	195	44
Total		<u>4,162</u>	<u>7,237</u>	<u>11,399</u>	<u>9,093</u>
Expenditure on:					
<i>Raising Funds</i>					
Fundraising		-	1,280	1,280	1,038
<i>Charitable activities – expenditure on campaigns</i>					
Environmental and human rights research and campaigning					
Conflict and Fragile States		583	1,462	2,045	2,746
Corruption		1,358	2,040	3,398	4,119
Forests, Land and Climate		2,136	1,614	3,750	3,292
		-			
Total expenditure	4	<u>4,077</u>	<u>6,396</u>	<u>10,473</u>	<u>11,195</u>
Net gain/(loss) on investments		-	(158)	(158)	222
Transfers between funds	14	(265)	265	-	-
Net movement in funds, being net income for the year	5	(180)	948	768	(1,880)
Total funds brought forward		<u>1,084</u>	<u>3,793</u>	<u>4,877</u>	<u>6,757</u>
Total funds carried forward		<u>904</u>	<u>4,741</u>	<u>5,645</u>	<u>4,877</u>

All of the above results are derived from continuing activities. The notes on pages 14 to 28 form an integral part of the financial statements. All interest receivable and other income was unrestricted in 2020 and 2019. Other income comprises contributions to campaign expenses.

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Balance sheet

31 December 2020

	Note	Company		Group	
		31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fixed assets					
Tangible fixed assets	8	152	138	159	148
Investments		24	1,703	24	1,703
		<u>176</u>	<u>1,841</u>	<u>183</u>	<u>1,851</u>
Current assets					
Debtors	11	1,086	1,743	1,040	1,756
Cash held as short term investment		226	226	226	226
Cash at bank and in hand		5,037	1,913	5,148	1,949
		<u>6,349</u>	<u>3,882</u>	<u>6,414</u>	<u>3,931</u>
Current liabilities					
Creditors: amounts due within one year	12	<u>(901)</u>	<u>(867)</u>	<u>(952)</u>	<u>(905)</u>
Net current assets		<u>5,448</u>	<u>3,015</u>	<u>5,462</u>	<u>3,026</u>
Net assets	13	<u>5,624</u>	<u>4,856</u>	<u>5,645</u>	<u>4,877</u>
Funds					
Restricted funds		904	1,084	904	1,084
Unrestricted funds					
Designated funds		191	191	191	191
General funds		4,529	3,581	4,550	3,602
		<u>4,529</u>	<u>3,581</u>	<u>4,550</u>	<u>3,602</u>
Total funds	14	<u>5,624</u>	<u>4,856</u>	<u>5,645</u>	<u>4,877</u>

Approved by the directors and authorised for issue on 4 May 2021 and signed on their behalf by



Simon Taylor
Director

Company Registration Number: 2871809

The notes on pages 14 to 28 form an integral part of the financial statements

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Statement of Cash Flows

For the year ending 31 December 2020

	Note	Company		Group	
		31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Net cash provided by operating activities	A	1,735	(1,615)	1,810	(1,656)
Cash flows from investing activities					
Purchase of property, plant and equipment		(135)	(60)	(135)	(65)
Purchase of investments		-	(1,000)	-	(1,000)
Interest received		3	-	3	-
Proceeds from the sale of investments		1,521	-	1,521	-
Net cash provided by (used in) investing activities		1,389	(1,060)	1,389	(1,065)
Change in cash and cash equivalents in the year		3,124	(2,675)	3,199	(2,721)
Cash and cash equivalents at the beginning of the year	B	2,139	4,814	2,175	4,896
Cash and cash equivalents at the end of the year	B	5,263	2,139	5,374	2,175

Note A:

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

	Company		Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Net income for the period	768	(1,880)	768	(1,880)
Adjustments for:				
Unrealised gains from changes in foreign currency exchange rates	-	-	(8)	(12)
(Gains)/losses on investments	158	(222)	158	(222)
Depreciation charges	122	90	125	96
(Increase) in debtors	656	463	716	463
(Decrease)/Increase in creditors	34	(66)	54	(101)
Less: Interest received	(3)	-	(3)	-
Net cash provided by operating activities	1,735	(1,615)	1,810	(1,656)

Note B:

Analysis of cash and cash equivalents

	Company		Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Cash held as short term investment	226	226	226	226
Cash at bank and in hand	5,037	1,913	5,148	1,949
Total cash and cash equivalents	5,263	2,139	5,374	2,175

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Notes to the financial statements

For the year ended 31 December 2020

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

1. Accounting policies

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

a) Basis of Preparation and assessment of going concern

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

The Directors 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.

Global Witness

Notes to the financial statements

For the year ended 31 December 2020

c) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the organisation. Designated funds are unrestricted funds of the organisation which the Board have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the organisation's work.

d) Expenditure recognition

Liabilities are recognised where the organisation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity the cost relates to. Support costs, comprising the salaries and other costs of the central functions, such as financial management, human resources and information technology support, are allocated across campaign expenditure and raising funds. This basis of costs allocation is explained in note 4.

Governance costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the organisation's activities.

e) Tangible Fixed Assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Computer equipment and software, and office furniture and equipment are depreciated on a straight line basis over three and four years respectively. Office fixtures and fittings are depreciated on a straight line basis to the next break point in the lease.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Fixed assets purchased through partner organisations and used overseas are not capitalised, but are expensed in the year of purchase.

f) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

g) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition on opening of the deposit or similar account.

h) Creditors and provisions

Creditors and provisions are recognised when the organisation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

i) Investments

Investments are included in the financial statements at the market value as at 31 December 2020. Gains and losses on the revaluation of investments are included in the Statement of Financial Activities.

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Notes to the financial statements

For the year ended 31 December 2020

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 7% of employees' gross earnings to the scheme on their behalf from the date of commencement of their employment if they choose to opt in immediately. If they do not opt in immediately, the organisation automatically enrolls them after a 3 month period. The calculated amount, based on salaries earned during the year is paid by the organisation to individual employees' personal pension schemes on a monthly basis. Contributions are recognised in the period to which they relate, at a minimum of 1% if the employee opts into the scheme. Employees are able to opt into or out of the pension scheme at any time. The organisation has no further pension commitment.

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Notes to the financial statements

For the year ended 31 December 2020

2. Donations and grants

	Restricted £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Ford Foundation		1,195	1,195	311
The Foundation to Promote Open Society		2,626	2,626	1,856
Henocq Law Trust			-	10
Luminate		1,054	1,054	1,019
Mike Servent			-	100
CHARISMA Stiftung für nachhaltige Entwicklung		12	12	11
The William and Flora Hewlett Foundation		149	149	
Wallace Global Fund			-	62
Skoll Foundation		77	77	
Individual donations		6	6	5
Other grants and donations		170	170	194
<i>Grants from Global Witness Foundation:</i>				
The Alexander Soros Foundation			-	157
Arnhold Foundation		194	194	303
Baltoro Trust			-	8
The Horace W. Goldsmith Foundation		78	78	-
Northern Trust Corporation		78	78	24
Seattle International Foundation		4	4	4
Wellspring Philanthropic Fund		162	162	
Other grants and donations		434	434	38
Individual donations		22	22	22
<i>Grants from Global Witness Trust</i>				
Nationale Postcode Loterij N.V. *		470	470	418
Frederick Mulder Foundation *		10	10	
Jane Thurnell-Read *		3	3	4
Mike Servent *		100	100	
Other grants and donations *		31	31	206
Donated services and facilities		164	164	201
Total	-	7,039	7,039	4,953

Included within the 2019 total was restricted income of £Nil and unrestricted income of £4,953,000. Donated services and facilities comprise professional legal fees and other services provided pro bono, or at reduced rates to the normal market rate.

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Notes to the financial statements

For the year ended 31 December 2020

3. Income from charitable activities

	Restricted	Unrestricted	2020	2019
	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000
<i>Conflict and Fragile States</i>				
Department of Foreign Affairs and Trade of Ireland *	148	-	148	149
Norwegian Agency for Development Cooperation (NORAD)	168	-	168	176
The Foundation to Promote Open Society	-	-	-	208
Skoll Foundation	110	-	110	104
	<u>426</u>	<u>-</u>	<u>426</u>	<u>637</u>
<i>Corruption</i>				
The Adessium Foundation	-	-	-	54
The Frederick Mulder Foundation	10	-	10	25
Norwegian Agency for Development Cooperation (NORAD)	671	-	671	532
Humanity United Action	95	-	95	-
The Kestrelman Trust *	25	-	25	-
The Minor Foundation for Major Challenges	22	-	22	-
Skoll Foundation	213	-	213	203
European Climate Foundation	35	-	35	-
Hopewell Fund	363	-	363	-
Climate Change Collaboration (Mark Leonard Trust, Ashden Trust and JJ Charitable Trust)	102	-	102	-
Third Sector New England	-	-	-	67
The William and Flora Hewlett Foundation	-	-	-	288
	<u>1,536</u>	<u>-</u>	<u>1,536</u>	<u>1,169</u>

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Notes to the financial statements

For the year ended 31 December 2020

	Restricted £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Forests, Land and Climate				
Arcadia Fund - a charitable trust of Peter Baldwin and Lisbet Rausing	500	-	500	-
Arcus Foundation	78	-	78	75
Brook Foundation	-	-	-	75
Swedish Postcode Foundation *	202	-	202	-
Don Quixote Foundation	-	-	-	152
Evan Cornish Foundation	8	-	8	-
Climate Change Collaboration (Mark Leonard Trust, Ashden Trust and JJ Charitable Trust)	50	-	50	-
Good Energies Foundation	171	-	171	-
IUCN - NL	-	-	-	21
Norwegian Agency for Development Cooperation (NORAD)	352	-	352	613
Oak Foundation	-	-	-	76
Players of People's Postcode Lottery *	400	-	400	350
Pro Victimis Foundation	-	-	-	86
Silicon Valley Community Foundation	39	-	39	39
Tilia Fund	-	-	-	200
UK DFID – Forest Governance Markets and Climate Programme	395	-	395	392
The Waterloo Foundation	-	-	-	40
Other grants and donations	5	-	5	166
	<u>2,200</u>	<u>-</u>	<u>2,200</u>	<u>2,285</u>
Total charitable activities	<u>4,162</u>	<u>-</u>	<u>4,162</u>	<u>4,091</u>

The summary of the transactions for 2020 under the UK DFID – Forest Governance Market Climate grant were as follows: opening balance 1 Jan 2019 £10,610; income received £395,310, expenditure £405,920, and a balance of funds remaining at 31 December of (£NIL).

Included within the 2019 total was restricted income of £4,091,000 and unrestricted income of £NIL.

* Denotes income received via GW Trust.

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Notes to the financial statements

For the year ended 31 December 2020

4. Total expenditure

	Direct activities £'000	Support costs (including governance costs) £'000	2020 £'000	2019 £'000
Costs of raising funds	699	581	1,280	1,038
Charitable activities				
<i>Environmental and human rights research and campaigning</i>				
Conflict and fragile states	1,747	298	2,045	2,746
Corruption	3,000	398	3,398	4,119
Forests, Land and Climate	3,107	643	3,750	3,292
Total charitable activities	7,854	1,339	9,193	10,157
Total expenditure	8,553	1,920	10,473	11,195

Support costs (including governance costs):

	Costs of raising funds £'000	Environmental and human rights research and campaigning £'000	Total 2020 £'000	Total 2019 £'000
General Management	79	262	341	476
Finance, Human Resources and Information Technology	470	971	1,441	1,279
Governance costs	32	106	138	115
	581	1,339	1,920	1,870

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

Global Witness

Notes to the financial statements

For the year ended 31 December 2020

5. Net income for the year

This is stated after charging:

	2020	2019
	£'000	£'000
Depreciation	125	96
Operating lease rentals property	510	1,174
Auditor's remuneration		
statutory audit	22	22
other services	21	26
Directors' remuneration	359	637
Directors' reimbursed expenses	-	1
Foreign exchange gains	183	(2)
	<u>183</u>	<u>(2)</u>

During the year 4 Directors were reimbursed expenses relating to travel and subsistence costs incurred in the course of their work (2019: 4 Directors reimbursed)

6. Staff costs and numbers

Staff costs were as follows:

	2020	2019
	£'000	£'000
Salaries		
United Kingdom staff	3,964	4,011
Overseas staff	1,245	1,069
Social security costs	566	528
Pension contributions	339	410
	<u>6,114</u>	<u>6,018</u>
Other staff costs	554	503
	<u>6,668</u>	<u>6,521</u>

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Notes to the financial statements

For the year ended 31 December 2020

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

	2020	2019
	No.	No.
From £60,001 to £70,000	10	2
From £70,001 to £80,000	6	7
From £80,001 to £90,000	7	2
From £90,001 to £100,000	1	5
From £100,001 to £110,000	1	1
From £130,001 to £140,000	1	-
From £220,001 to £230,000	-	1

Pension contributions to defined contribution pension schemes for these 26 employees totalled £107,301 in the period (2019: £95,367 for 18 employees).

In 2020 the organisation made termination payments of £487,218 (2019: £158,259). 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 £358,564 (2019 £637,092). 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:

	2020	2019
	No.	No.
Campaigning and advocacy	66	89
Fundraising	12	10
Finance and resources	10	12
	88	111

7. Taxation

The organisation paid £1,632 in corporation tax in the period to 31 December 2020 (restated 2019: £3,145).

Global Witness

Notes to the financial statements

For the year ended 31 December 2020

8. Tangible fixed assets

Group	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At 1 January 2020	484	20	132	636
Additions in period	-	116	19	135
Disposals in period	(37)	-	-	(37)
At 31 December 2020	<u>447</u>	<u>136</u>	<u>151</u>	<u>734</u>
Depreciation				
At 1 January 2020	369	12	106	487
Charge for the period	84	25	16	125
Disposals in period	(37)	-	-	(37)
At 31 December 2020	<u>416</u>	<u>37</u>	<u>122</u>	<u>575</u>
Net book value at 31 December 2020	<u>31</u>	<u>99</u>	<u>29</u>	<u>159</u>
At 31 December 2019	<u>114</u>	<u>8</u>	<u>26</u>	<u>148</u>
Company	Computer equipment & software £'000	Office fixtures & fittings £'000	Office furniture & equipment £'000	Total £'000
Cost				
At 1 January 2020	452	1	99	552
Additions in period	-	116	19	135
Disposals in period	(37)	-	-	(37)
At 31 December 2020	<u>415</u>	<u>117</u>	<u>118</u>	<u>650</u>
Depreciation				
At 1 January 2020	339	-	74	413
Charge for the period	83	24	15	122
Disposals in period	(37)	-	-	(37)
At 31 December 2020	<u>385</u>	<u>24</u>	<u>89</u>	<u>498</u>
Net book value at 31 December 2020	<u>30</u>	<u>93</u>	<u>29</u>	<u>152</u>
At 31 December 2019	<u>113</u>	<u>-</u>	<u>25</u>	<u>138</u>

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Notes to the financial statements

For the year ended 31 December 2020

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, 700 K Street NW, Suite 04W132, Washington, DC 20001. 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:

	2020	2019
	£'000	£'000
Grants received from Global Witness	1,305	1,600
Other income	166	4
Total income	1,471	1,604
Total expenditure	1,471	1,604
Net movement in funds for the period	-	-
Total funds brought forward	22	22
Total funds carried forward	22	22
The aggregate of the assets, liabilities and funds was:		
Assets	124	132
Liabilities	(102)	(110)
Total funds	22	22

10. Company

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

	2020	2019
	£'000	£'000
Gross income	11,285	9,089
Net movement in funds, being net income/(expenditure) for the period	768	(1,880)
Represented by		
Restricted funds	904	1,084
Unrestricted funds	4,720	3,772
Total funds	5,624	4,856

Global Witness

Notes to the financial statements

For the year ended 31 December 2020

11. Debtors

	Company 2020 £'000	Company 2019 £'000	Group 2020 £'000	Group 2019 £'000
Other debtors	105	107	54	109
Prepayments	178	138	183	149
Accrued income	803	1,498	803	1,498
	<u>1,086</u>	<u>1,743</u>	<u>1,040</u>	<u>1,756</u>

12. Creditors: amounts due within 1 year

	Company 2020 £'000	Company 2019 £'000	Group 2020 £'000	Group 2019 £'000
Taxation and social security	76	102	77	103
Other creditors	481	459	479	383
Accruals	315	272	367	385
Pension accrual	29	34	29	34
	<u>901</u>	<u>867</u>	<u>952</u>	<u>905</u>

13. Analysis of net assets between funds

Group	Restricted funds 2020 £'000	Unrestricted funds 2020 £'000	Total funds 2020 £'000
Tangible fixed assets	-	159	159
Investments	-	24	24
Current assets	904	5,510	6,414
Current liabilities	(348)	(604)	(952)
Net assets at the end of the period	<u>556</u>	<u>5,089</u>	<u>5,645</u>
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	<u>677</u>	<u>4,200</u>	<u>4,877</u>

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Notes to the financial statements

For the year ended 31 December 2020

14. Movements in funds

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

Group	At the start of the period 1 Jan 2019 £'000	Income £'000	Expenditure £'000	Transfers between funds £'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 fund	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

The William and Flora Hewlett Foundation agreed to release all restrictions on the remaining funds in 2020

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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 2020 funds have been set aside for two specific purposes: to cover costs relating to any insurance claim excesses; and for use in supporting general transparency campaigning. Should no related expenditure arise the funds would then be transferred to the general funds category.

15. Operating lease commitments

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

	Property 2020 £'000	Property 2019 £'000
Amounts payable:		
Within 1 year	347	189
2-5 years	906	156
	<hr/> 1,253 <hr/>	<hr/> 345 <hr/>

16. Related party transactions

One of the directors, Patrick Alley, is also a director of Global Witness Foundation, a Californian non profit public benefit organisation, which has exemption under section 501(c)(3) of the Internal Revenue code. There is no legal relationship between the two entities other than the involvement of the director. Global Witness Foundation was incorporated on 21 May 2001. Global Witness Foundation made grants totalling £972,000 to Global Witness in the period (2019: £556,000).

17. Financial risk management

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

Foreign exchange transactional currency risk

Global Witness is exposed to currency exchange rate risk due to a significant proportion of its receivables being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts. There were no forward foreign exchange contracts outstanding at the year end.

Liquidity risk

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

Global Witness

Notes to the financial statements

For the year ended 31 December 2020

18. Financial Assets and Liabilities

Company	2020	2019
	£'000	£'000
Financial assets measured at fair value through profit or loss	<u>-</u>	<u>31</u>
Group	2020	2019
	£'000	£'000
Financial assets measured at fair value through profit or loss	<u>-</u>	<u>31</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	2020	2019
	£'000	£'000
Market value		
At 1 January 2020	1,703	480
Less: Disposal at proceeds	(1,521)	-
Add: Additions at cost		1,000
Net (loss)/gain on revaluation of investment	<u>(158)</u>	<u>223</u>
At 31 December 2020	<u>24</u>	<u>1,703</u>
Historical cost	<u>18</u>	<u>1,500</u>
The investments are held as follows:	2020	2019
	£'000	£'000
UK fixed interest securities	-	31
Other equities	21	1,599
Cash	<u>3</u>	<u>73</u>
	<u>24</u>	<u>1,703</u>