

Company no. 2871809

Global Witness Limited
(Limited by guarantee)
Report and Financial Statements
30 November 2010

Global Witness Limited

Reference and administrative details

For the year ended 30 November 2010

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

Global Witness Limited

Report of the directors

For the year ended 30 November 2010

The directors present their report and the audited financial statements for the year ended 30 November 2010.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with applicable law, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005 and revised in July 2008). Although the organisation is not a UK registered charity, this has been done to comply with best practice, as Global Witness Limited (referred to as Global Witness throughout) is a not for profit organisation.

Structure, governance & management

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

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

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

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

Risk statement

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

Objectives and activities

Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses.

In 2010, Global Witness worked towards its four long term objectives:

Ending corruption: to change the international norm so that it is no longer possible or acceptable to engage in or enable corrupt activities involving natural resources.

Ending conflict: to secure an international trade, investment and development system free of natural resource related conflict.

Maximising accountability and transparency: to hold governments, companies, organisations and individuals accountable for abuses and complicity in abuses involving natural resources and to encourage positive actions like accountability and transparency in the natural resource trade to prevent future abuses.

Forest protection and climate: to ensure the global community minimises global environmental harm and governance failures arising from natural resource exploitation, focussing especially on the protection of forests.

Global Witness Limited

Report of the directors

For the year ended 30 November 2010

Achievements and performance

Global Witness, either alone or with the collaboration of others, attained or contributed to the following achievements in 2010 (which are a selection of our work):

Ending corruption

In 2010, our campaigning with the Publish What You Pay (PWYP) coalition bore fruit with the passage of key transparency provisions in the US Dodd Frank Wall Street Reform and Consumer Protection Act. This requires all oil, gas and minerals companies regulated by the US Securities and Exchange Commission to publicly disclose their payments to governments around the world - joining Hong Kong as the only other stock exchange to demand this information.

As well as trying to promote transparency of the revenues from natural resources, we also seek to address corruption and money-laundering. Our October 2010 report 'International Thief Thief: How British banks are complicit in Nigerian corruption' exposed how HSBC, Barclays, NatWest, RBS and UBS had accepted millions of pounds in deposits from two corrupt Nigerian state governors.

Ending conflict

Global Witness has worked for years to expose the links between minerals and conflict in the Democratic Republic of Congo and our work in 2010 saw real progress in our efforts to break these links. We continued to investigate the conflict minerals trade within eastern Congo itself, while playing a leading role in efforts to establish new international regulations for companies that source minerals from DRC.

Our staff worked closely with the OECD secretariat to develop a five point "due diligence" framework, outlining the checks that companies using minerals from DRC and neighbouring countries should put in place to ensure their supply chains are clean. We elaborated these principles into a detailed blueprint for companies called 'Do No Harm', which we published in July 2010.

Our 2009 report 'Fuelling Mistrust' had exposed significant discrepancies in the oil production figures published by the government and the main oil company operating in Sudan, China National Petroleum Corporation (CNPC). The discrepancies ranged from 9 to 26%, further underscoring the need for greater transparency in the management of the deal to prevent exacerbating tension and mistrust between north and south. Widespread media and donor pressure on the back of our findings brought an invitation for Global Witness to participate in a landmark transparency seminar in Khartoum in August 2010, hosted by the Ministry of Petroleum. At the seminar, both governments committed to carrying out an independent audit of Sudan's oil sector, a huge milestone on the path towards overall oil transparency.

Maximising accountability & transparency

We sought justice for the victims of gross human rights abuses, helping the victims of a massacre in Kilwa in the Democratic Republic of Congo take their case to court.

We challenged the UK Government's failure to investigate UK companies trading in conflict minerals and called for a judicial review.

Global Witness Limited

Report of the directors

For the year ended 30 November 2010

Forest protection and climate

In 2010, Global Witness investigations in Liberia, Cameroon, the Democratic Republic of Congo and Madagascar laid bare the damage done by both legal and illegal logging to forests and the communities that depend on them. We followed the money trails from the producers to the consumers that ultimately drive the destruction of forests, and exposed the fault lines in the systems that permit it.

Building on our work leading up to the 2009 UN Climate Change conference in Copenhagen, extensive advocacy in 2010 brought vital commitments to forest governance measures in the agreement reached at the 2010 UN climate change summit in Cancun.

The agreement, called Reducing Emissions from Deforestation and Forest Degradation (REDD+), aims to provide developing countries with financial incentives for protecting forests. This is potentially a massive opportunity, and could represent the last chance the international community has to preserve the world's forests, which support the livelihoods of more than 1 billion people, perform a vital carbon storage and climate function and harbour half of our entire planet's species.

Further details of these achievements and others can be found in our 2010 Annual Review on our website.

Financial review

In the year ended 30 November 2010 Global Witness had a deficit of £168,000 (2009: £203,000), from incoming resources of £4,568,000 (2009: £3,832,000). Incoming resources in 2010 increased by 19% from 2009.

The consolidated net reserves at 30 November 2009 were £1,648,000 (2009: £1,817,000), £1,289,000 of which were unrestricted reserves. The decrease in unrestricted reserves in the year of £217,000 is due to a planned drawdown of accumulated reserves as well as expenditure of time restricted funding carried over from 2009. At the year end, £327,000 of unrestricted reserves had been allocated to fund campaigning work in the first half of 2010/11.

Global Witness Limited accounts are fully consolidated with the accounts of Global Witness Publishing Inc., a company incorporated in the U.S.A. controlled by Global Witness Limited.

Reserves policy

The reserves policy of Global Witness Limited is to maintain at least three months' operating costs as a free reserve. In 2009/10 three months' operating costs were £1,184,000. As at 30 November 2010 Global Witness' free reserves, which includes unrestricted reserves that may have been allocated to future campaigning work, were £1,190,000 (2009: £1,345,000). This is calculated as Global Witness' unrestricted net current assets (note 14). This represents just over three months' operating costs. The directors consider this to be a satisfactory level of reserves in the current financial climate.

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.

Global Witness Limited

Report of the directors

For the year ended 30 November 2010

Plans for the future

In 2011, we will continue to work towards achieving our long term objectives with the following focus:

Ending Corruption

- We will continue to identify suspect allocations of resource rights and revenue management in countries with suspect transparency records;
- We will continue our work to strengthen and deepen the EITI and build on our regulatory success in the US to push for the enactment of similar listing regulations in stock markets worldwide, with particular focus on securing these standards in the European Union and China;
- We will seek to reveal the banks that hold stolen state funds stashed overseas by Middle Eastern and North African dictators and call for greater disclosure of where state funds are held;
- We will focus our illicit financial flows advocacy work on the Financial Action Task Force and the G20's new anti-corruption working group, with the aim of influencing new standards and ensuring that they are as effective as possible.

Ending conflict

- We will continue to investigate and expose companies whose sourcing practices continue to bankroll the conflict in eastern Congo;
- We will focus on ensuring that the UN and OECD due diligence standards are now incorporated into the new US regulations;
- We will continue working for a fair and transparent oil revenue sharing in Sudan as a way of mitigating a return to conflict;
- We will continue to lobby the Liberian government and its international partners, notably the US and the World Bank, in order to break a counterproductive cycle which often sees foreign business profit at the expense of Liberia's people;
- We will focus on new and refined approaches to ending the links between diamonds and violence internationally. We will further our investigations in Zimbabwe, pushing urgently for transparency and accountability to prevent this wealth from propping up the country's corrupt and brutal elite.

Maximising accountability and transparency

- We will work to seek clear recognition of the corporate accountability gap for violent and predatory crimes, especially those in conflict zones where host governments are unable or unwilling to act. We will continue to do all we can to support the victims of Kilwa throughout 2011;
- We will focus on ensuring that the draft defamation bill in 2011 reflects the needs of organisations investigating and publishing on public interest matters, which increasingly operate in a sphere previously confined to the traditional media.

Forest protection and climate

- In 2011 we will focus our efforts on influencing international agreements that should protect forests, and keeping industrial scale logging out of the remaining 20 percent of intact forest on our planet;
- We will focus on making sure fine words on paper and voluntary provisions to protect forests are properly implemented at a national and international level, and we will continue our work to seek alternative and additional ways to protect these precious resources;
- NGOs at local level can and must play a vital role in monitoring and informing governments and the concerned public around the world about the state of tropical forests and the communities that live in or near them. In 2011, we will extend our work with local civil society groups to monitor and inform international and national level management of these precious assets.

Global Witness Limited

Report of the directors

For the year ended 30 November 2010

Statement of responsibilities of the directors

The directors are responsible for preparing the directors' 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.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Members

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 November 2010 was 3 (2009 - 3).

Small Company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Auditor

Chantrey Vellacott DFK LLP have expressed their willingness to continue as auditors.

Approved by the directors on 12 July 2011 and signed on their behalf by



Director

Independent auditor's report to the members of Global Witness Limited

We have audited the financial statements of Global Witness Limited for the year ended 30 November 2010 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), company and group balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's and the group's affairs as at 30 November 2010 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Chantrey Vellacott DFK LLP

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

12/7/11

Global Witness Limited

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

For the year ended 30 November 2010

	Note	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	1,155,609	1,155,609	793,172
Investment income		-	9,629	9,629	60,971
<i>Incoming resources from charitable activities</i>	3	2,888,857	456,215	3,345,072	2,943,133
<i>Other incoming resources</i>		10,232	47,047	57,279	34,555
Total incoming resources		2,899,089	1,668,500	4,567,589	3,831,831
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating income		150,000	381,301	531,301	395,642
<i>Charitable activities</i>					
Environmental and human rights research and campaigning		2,700,218	1,472,154	4,172,372	3,617,290
<i>Governance costs</i>		-	32,360	32,360	21,651
Total resources expended	4	2,850,218	1,885,815	4,736,033	4,034,583
Net incoming resources before other recognised gains and (losses)	6	48,871	(217,315)	(168,444)	(202,752)
Unrealised exchange rate gains		-	6	6	5,485
Net movement in funds, being net income/(expenditure) for the year		48,871	(217,309)	(168,438)	(197,267)
Total funds brought forward		310,137	1,506,547	1,816,684	2,013,951
Total funds carried forward		359,008	1,289,238	1,648,246	1,816,684

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The notes on pages 10 to 17 form an integral part of these financial statements.

Global Witness Limited


Balance sheets

30 November 2010

		Company		Group	
	Note	2010	2009	2010	2009
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	<u>99,157</u>	<u>161,948</u>	<u>99,157</u>	<u>161,948</u>
Current assets					
Debtors	12	62,964	111,677	62,964	111,677
Cash at bank and in hand		<u>1,929,606</u>	<u>2,012,068</u>	<u>1,965,296</u>	<u>2,018,764</u>
		1,992,570	2,123,745	2,028,260	2,130,441
Liabilities					
Creditors: amounts due within one year	13	<u>(479,171)</u>	<u>(475,705)</u>	<u>(479,171)</u>	<u>(475,705)</u>
Net current assets		<u>1,513,399</u>	<u>1,648,040</u>	<u>1,549,089</u>	<u>1,654,736</u>
Net assets	14	<u>1,612,557</u>	<u>1,809,988</u>	<u>1,648,246</u>	<u>1,816,684</u>
Funds					
Restricted funds	15	359,008	310,137	359,008	310,137
Unrestricted funds					
General funds		<u>1,253,549</u>	<u>1,499,851</u>	<u>1,289,238</u>	<u>1,506,547</u>
Total funds		<u>1,612,557</u>	<u>1,809,988</u>	<u>1,648,246</u>	<u>1,816,684</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the directors and authorised for issue on 12 July 2011 and signed on their behalf by



Director

Company Registration Number: 2871809

The notes on pages 10 to 17 form an integral part of the financial statements

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005 & revised in July 2008).

These financial statements consolidate the results of the company and its controlled subsidiary Global Witness Publishing Incorporated on a line by line basis. Transactions and balances between the company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

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

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

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

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

1. Accounting policies (continued)

h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Computer equipment and software, and office furniture and equipment are depreciated on a straight-line basis over 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 £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Fixed assets used overseas are not capitalised, but are expensed in the year of purchase.

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

j) Rent payable under operating leases is charged to the Statement of Financial Activities on a straight line basis to the break point of the lease.

k) Global Witness operates a stakeholder pension scheme. The pension liability is based on 5% of employees' gross earnings after 6 months employment and 6% after 12 months and up to 2 years service and 7% thereafter. The calculated amount, based on salaries earned during the year is paid by the organisation to individual employees' personal pension schemes. The organisation has no further pension commitment. Contributions are recognised in the period to which they relate.

2. Voluntary income

	Restricted	Unrestricted	2010 Total	2009 Total
	£	£	£	£
Foundation Open Society Institute (Zug)	-	999,985	999,985	749,985
Oxfam Novib	-	81,295	81,295	-
Grants from Global Witness Trust Ltd.	-	72,688	72,688	41,680
Grants from other organisations	-	1,086	1,086	703
Grants from individuals	-	555	555	804
Total	-	1,155,609	1,155,609	793,172

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Adessium Foundation	446,601	-	446,601	533,665
Arcus Foundation	184,257	-	184,257	-
Center for International Policy	46,988	-	46,988	-
Deutsche Gesellschaft für Technische Zusammenarbeit	(3,582)	-	(3,582)	33,996
The Ford Foundation	158,493	-	158,493	85,607
Global Transparency Fund (Department for International Development)	616,379	-	616,379	442,501
Humanist Institute for Cooperation with Developing Countries (HIVOS)	-	-	-	43,245
Humanity United	92,953	-	92,953	-
JMG Foundation	43,000	-	43,000	79,000
Madagascar National Parks Authority	9,712	-	9,712	59,015
Netherlands Ministry of Foreign Affairs	389,991	-	389,991	151,006
National Endowment for Democracy	13,932	-	13,932	-
Norwegian Agency for Development Cooperation (NORAD)	308,562	-	308,562	254,991
The Revenue Watch Institute	48,152	-	48,152	42,109
Swedish International Development Cooperation Agency (SIDA)	292,207	-	292,207	335,831
Trócaire	-	-	-	30,686
The World Bank Group	16,965	-	16,965	-
Zennström Philanthropies	41,350	-	41,350	25,000
Grants from Global Witness Trust Ltd.	100,000	300,000	400,000	476,696
Grants from Global Witness Foundation	-	156,215	156,215	306,114
Grants from other organisations	<u>82,897</u>	-	<u>82,897</u>	<u>43,671</u>
Total	<u>2,888,857</u>	<u>456,215</u>	<u>3,345,072</u>	<u>2,943,133</u>

All amounts received in excess of £10,000 are stated separately, except where disclosure of the donor is considered sensitive.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

4. Total resources expended

	Direct activities £	Support costs (Note 5) £	2010 £	2009 £
Cost of generating income	414,223	117,078	531,301	395,642
Charitable activities				
<i>Environmental and human rights research and campaigning</i>				
Forest protection and climate	1,630,630	157,524	1,788,154	1,501,605
Ending corruption	925,129	89,371	1,014,500	1,011,433
Ending conflict	920,100	88,884	1,008,984	873,263
Maximising accountability and transparency	328,956	31,778	360,734	230,989
Total	3,804,815	367,557	4,172,372	3,617,290
Governance costs	21,391	10,969	32,360	21,651
Total resources expended	4,240,429	495,604	4,736,033	4,034,583
Support costs	495,604	(495,604)	-	-
Total resources expended	4,736,033	-	4,736,033	4,034,583

5. Support costs

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

	Cost of generating income £	Environmental and human rights research and campaigning £	Governance £	2010 £	2009 £ (restated)
General Management	34,492	155,215	6,674	196,381	164,722
Finance, Human Resources and Information Technology	82,586	212,342	4,295	299,223	263,041
	117,078	367,557	10,969	495,604	427,763

This year the UK premises and facilities costs have been allocated across charitable activities, fundraising and support costs as this was deemed more appropriate. 2009 support costs have been reallocated accordingly to be consistent with the current year.

Basis of apportionment	
General management	Head count
Financial management	Estimated time spent
Human resources	Head count
Information technology	Head count

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

6. Net incoming resources for the year

This is stated after charging:

	2010	2009
	£	£
Depreciation	93,613	88,774
Operating lease rentals		
▪ property	118,202	119,929
Auditor's remuneration		
▪ audit	9,350	8,900
▪ other services	7,486	2,595
Directors' remuneration	216,090	210,556
Directors' reimbursed expenses	1,933	1,240
	<u>1,933</u>	<u>1,240</u>

7. Staff costs and numbers

Staff costs were as follows:

	2010	2009
	£	£
Salaries and wages		
United Kingdom staff	1,804,081	1,709,046
Overseas staff costs	243,727	182,536
Social security costs	196,024	169,924
Pension contributions	113,062	102,111
	<u>2,356,894</u>	<u>2,163,617</u>
Other staff costs	328,780	95,103
	<u>2,685,674</u>	<u>2,258,720</u>

Six employees earned more than £60,000 during the year (2009: 5).

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

	2010	2009
	No.	No.
	<u>53</u>	<u>48</u>

8. Taxation

The organisation had no corporation tax liability in the year to 30 November 2010 (2009: £Nil), because there were no taxable profits in the year.

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

9. Tangible fixed assets (Company and Group)

	Computer equipment & software £	Office fixtures & fittings £	Office furniture & equipment £	Total £
Cost				
At the start of the year	85,685	171,816	43,613	301,114
Additions in year	17,814	4,112	8,896	30,822
Transfers in the year	-	(11,564)	11,564	-
Disposals in the year	-	-	-	-
At the end of the year	<u>103,499</u>	<u>164,364</u>	<u>64,073</u>	<u>331,936</u>
Depreciation				
At the start of the year	50,344	57,272	31,550	139,166
Charge for the year	28,516	55,473	9,624	93,613
Transfers in the year	-	(3,855)	3,855	-
Disposals in the year	-	-	-	-
At the end of the year	<u>78,860</u>	<u>108,890</u>	<u>45,029</u>	<u>232,779</u>
Net book value				
At the end of the year	<u>24,639</u>	<u>55,474</u>	<u>19,044</u>	<u>99,157</u>
At the start of the year	<u>35,341</u>	<u>114,544</u>	<u>12,063</u>	<u>161,948</u>

10. Subsidiary Undertaking

The company controls Global Witness Publishing Incorporated, a company registered in Washington DC, United States of America, as the two entities have common directors. The subsidiary is used to undertake Global Witness's activities in the United States of America. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below:

	2010 £	2009 £
Grants received from Global Witness Limited	383,921	214,776
Income from other funders	17,877	15,047
Total income	<u>401,798</u>	<u>229,823</u>
Total expenditure	<u>372,804</u>	<u>267,262</u>
Unrealised exchange rate gains in the year	-	1,485
Net movement in funds for the year	28,994	(35,954)
Total funds brought forward	<u>6,696</u>	<u>42,650</u>
Total funds carried forward	<u>35,690</u>	<u>6,696</u>
The aggregate of the assets, liabilities and funds was:		
Assets	35,690	6,696
Liabilities	-	-
Total funds	<u>35,690</u>	<u>6,696</u>

Global Witness Limited**Notes to the financial statements****For the year ended 30 November 2010****11. Company**

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

	2010 £	2009 £
Gross income	4,549,711	3,831,831
Net movement in funds, being net income/(expenditure) for the year	<u>(197,432)</u>	<u>(197,267)</u>
Represented by		
Restricted funds	359,008	310,137
Unrestricted funds	1,253,549	1,499,851
Total funds	<u>1,612,557</u>	<u>1,809,988</u>

12. Debtors (Company and Group)

	2010 £	2009 £
Accrued income	12,062	32,406
Other debtors	29,048	63,647
Prepayments	21,854	15,624
	<u>62,964</u>	<u>111,677</u>

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

	2010 £	2009 £
Taxation and social security	64,207	49,925
Other creditors	120,858	164,874
Accruals and deferred income	281,626	257,236
Pension provision	12,480	3,670
	<u>479,171</u>	<u>475,705</u>

14. Analysis of net assets between funds (Group)

	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	-	99,157	99,157
Current assets	441,918	1,586,342	2,028,260
Current liabilities	<u>(82,910)</u>	<u>(396,261)</u>	<u>(479,171)</u>
Net assets at the end of the year	<u>359,008</u>	<u>1,289,238</u>	<u>1,648,246</u>

Global Witness Limited

Notes to the financial statements

For the year ended 30 November 2010

15. Movements in funds (Company and Group)

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Forest protection and climate	33,028	1,774,567	(1,649,635)	157,960
Ending corruption	162,109	452,079	(506,912)	107,276
Ending conflict	70,000	577,179	(553,407)	93,772
Maximising accountability and transparency	45,000	95,264	(140,264)	-
Total restricted funds	310,137	2,899,089	(2,850,218)	359,008
Unrestricted funds:				
General funds	1,506,547	1,668,500	(1,885,809)	1,289,238
Total unrestricted funds	1,506,547	1,668,500	(1,885,809)	1,289,238
Total	1,816,684	4,567,589	(4,736,027)	1,648,246

Purposes of restricted funds

Restricted funds are used to fund Global Witness's campaigns which fall under the four aims 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.

16. Operating lease commitments

The group had annual commitments at the year end under

	Property	
	2010	2009
	£	£
More than 1 year and less than 5 years	135,606	121,766
	135,606	121,766

17. Related party transactions

One of the directors, Patrick Alley, is also a director of Global Witness Foundation, a Californian non profit public benefit organisation, which has exemption under section 501(c) 3 of the Internal Revenue code. There is no legal relationship between the two entities, other than the involvement of the director. Global Witness Foundation was incorporated on 21 May 2001. Global Witness Foundation made a grant of £156,215 to Global Witness Limited in the year (2009: £306,114).

Global Witness Limited contracted Breda Daly as an interim Head of Fundraising during the year, paying her a total of £49,355 for fees and travel expenses during the year. Breda Daly is the wife of Patrick Alley and he was not party to the decision made to employ her. The transaction was carried out at arms length.

