

Company Number 2871809

GLOBAL WITNESS LIMITED
A company limited by guarantee

Financial Statements
30 November 2005

GLOBAL WITNESS LIMITED

Financial statements for the year ended 30 November 2005

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GLOBAL WITNESS LIMITED

Reference and Administrative Information

Status

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

Governing Document

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

Directors:

Patrick J Alley
Charmian P Gooch
Simon J Taylor

Secretary

Charmian P Gooch

Registered Office

Russell Square House
10-12 Russell Square
London
WC1B 5LF

Operational address

PO Box 6042
London
N19 5WP

Auditors

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

Bankers

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

Further information

More detailed information on Global Witness and its activities can be accessed on the website www.globalwitness.org

GLOBAL WITNESS LIMITED

Report of the Directors for the year ended 30 November 2005

The Directors present their report and the audited statements for the year ended 30 November 2005.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" revised in March 2005. Although the organisation is not a registered charity, this has been done to comply with best practice as Global Witness Limited (referred to throughout as Global Witness) is a not for profit organisation.

Structure, Governance and Management

The organisation is a company limited by guarantee and its activities are governed by its Memorandum and Articles of Association.

The board of Directors consists of the three members of the organisation who founded Global Witness in 1993.

Risk management

On an on-going basis, procedures are reviewed and improved to ensure staff safety and security, particularly regarding overseas travel. Where risks are identified, systems are implemented to mitigate and manage those risks.

Other potential risk areas, including information security and financial systems and controls are also reviewed and updated on a regular basis.

Objectives and activities.

The Memorandum of Association of Global Witness states that the organisation was established to research, document and publicise human rights, environmental and other records and abuses of countries, regimes and organisations throughout the world.

Through a combination of covert investigations and targeted advocacy, Global Witness changes the way the world thinks about the extraction and trading of natural resources and the devastating impact their unsustainable exploitation can have upon development, human rights and stability.

During the financial year covered by this report the main activities of the organisation in the pursuit of these objectives and projects involved research, investigations, campaigning and information exchange, and publication of reports and briefing documents.

In May 2005, Global Witness celebrated its tenth anniversary, an event that coincided with the award to the directors of the Gleitsman Foundation International Activist Award.

In the decade since Global Witness initiated its first campaign the organisation has been successful in creating a growing international awareness that poor governance and exploitation of natural resources leads to massive human suffering. Global Witness' undercover investigations, hard-hitting reports and targeted advocacy have unequivocally shown that unaccountable resource exploitation leads to poverty, human rights violations and geo-political and economic destabilisation. Global Witness' findings have significantly shaped global policy and with relatively limited staff and resources, it has sought - and continues to seek - not just front-line relief from the consequences of conflict and corruption, but long-term and lasting solutions to bring about their end.

As Global Witness enters its second decade, it is working towards the creation of a number of internationally-recognised mechanisms for preventing the misappropriation of natural resources and resource-fuelled wars once and for all. Global Witness believes that revenue from natural resources can drive peaceful and sustainable development in the world's poorest countries, rather than providing the logistics for war and corruption.

GLOBAL WITNESS LIMITED

Report of the Directors for the year ended 30 November 2005

Achievements and performance

In its first ten years, the ten highlights of Global Witness' achievements are:

Helping to close down the Khmer Rouge

Global Witness successfully campaigned, in 1995, for the closure of the Thai-Cambodia border to the Thai/Khmer Rouge timber trade. This deprived the Khmer Rouge of US\$90 million per year and contributed to the movement's disintegration.

Helping to create the Kimberley Process

Global Witness' campaign on conflict diamonds led directly to the establishment of the Kimberley Process Certification Scheme, an international agreement to prevent the trade in conflict diamonds. This has forced the opaque diamond industry into the light and, while still a work in progress, it has reduced smuggling and increased global awareness of the role diamonds can play in funding and fuelling conflict. The campaign has also led to companies attempting to improve conditions for diamond diggers. Global Witness was co-nominated for the 2003 Nobel Peace Prize for its work on Conflict Diamonds.

Briefing the United Nations Security Council

In January 1999 Global Witness was the first NGO to be asked to provide an informal briefing to the UN Security Council. The briefing concerned conflict diamonds. Since then we have continued to brief the United Nations on issues around conflict resources.

Revenue transparency as a key accountability mechanism to address state-looting and corruption in the opaque world of oil, gas and mining.

Global Witness' campaign of exposure of corruption and the funding of conflict and state-looting in the oil, gas and mining sectors, kick-started the international debate around revenue transparency as a useful tool to address the "resource curse" in resource-rich, but poor countries. Global Witness conceived and co-launched the Publish What You Pay Campaign (PWYP), now an international coalition of 300+ civil society organisations working to deliver revenue transparency and the accountable management of extractive industry revenues. The launch of the PWYP campaign led directly to the UK government's launch of the Extractive Industry Transparency Initiative (EITI), supported and driven by companies, governments, and civil society, in its efforts to deliver revenue transparency for the extractive industries. EITI is also supported by institutional investors, holding approximately US\$8.3 trillion under management.

Cutting off Charles Taylor's access to natural resource revenues

Global Witness' investigations and campaigning directly led to the imposition of precedent-setting UN Security Council sanctions on exports of Liberian timber, depriving former President Charles Taylor's despotic regime of vital revenue and establishing international recognition of the potential role of the timber trade in arms trafficking and the funding of conflict. Arguably, these sanctions were the straw that broke the camel's back for Taylor, who fled to Nigeria less than two months later.

Exposing the individuals, corporations and institutions that promulgate natural resource exploitation

On 18th March 2005 Guus Kouwenhoven, president of the Oriental Timber Company, was arrested by the Dutch authorities and charged with involvement in war crimes and UN sanctions busting, relating to his activities in Liberia. This is the first time anyone has been charged with these offences in relation to the trade in natural resources. According to the press release of the Dutch prosecutor, the investigation was instigated because of the work of both Global Witness and the UN Expert Panels on Liberia.

Uncovering mineral smuggling operations in the Democratic Republic of Congo (DRC)

In 2004 Global Witness' investigations in DRC's Katanga province uncovered large-scale copper and cobalt smuggling operations which deprived the country's economy of between US\$1-4 million per day. This exposé has resulted in a sharp increase in international attention on political and economic tensions relating to the role of natural resources in DRC, and in Katanga in particular.

Conceiving Independent Forest Monitoring

Global Witness pioneered and conceived the concept of Independent Forest Monitoring of illegal logging. Working with host governments, Global Witness established the first two Independent Monitoring operations, in Cambodia and Cameroon, which have resulted in numerous prosecutions of logging companies, the generation of millions of dollars of fines and, in Cambodia, a total logging moratorium and a big decrease in illegal activity.

GLOBAL WITNESS LIMITED

Report of the Directors for the year ended 30 November 2005

Achievements and performance (continued)

Exposing Burma's \$250 million a year illegal timber trade

Global Witness' investigations have uncovered the key players and the political and economic motivations driving the unsustainable logging which has destroyed large swathes of virgin forests in one of the world's 'hottest' biodiversity hotspots. As a result of Global Witness' advocacy the EU has changed its Common Position on Burma to allow for support for environmental protection, and the destructive logging of Burma's forests has been made a priority issue for EU-China diplomatic discussions.

Consistently pushing forwards the international consensus on conflict resources and corruption

Policies and concepts formulated by Global Witness are now incorporated in numerous rafts of international policy, including those of the International Financial Institutions, the UN, the UK Africa Commission, the EITI, the Kimberley Process and the annual US Appropriations Acts.

Financial Review

The organisation has net funds remaining at year end of £370,676 of which £150,061 represents funds restricted for specific activity, as agreed in donor contracts, to be undertaken during the fiscal year ending November 2006. Of the remaining amount, £132,339 represents funds designated for strategic development of the organisation and £88,276 represents an accumulated operating reserve held as contingency. After a number of years of significant growth, Global Witness continues to strengthen its organisational infrastructure and to increase core staff numbers to ensure operational effectiveness.

Reserves Policy

Global Witness will continue to build up unrestricted, undesignated reserves. Taking into account the funding profile and after making an assessment of the organisation's risk, the Directors have determined that the target for the amount of the reserves should be an amount equivalent to three months' operating costs. In the present financial year, the target would be a reserve of some £600,000.

Plans for future periods

Global Witness's aim is to continue to develop new campaigns and to ensure that all campaigns are properly resourced and professionally and competently supported so that the objectives of each campaign can be effectively and efficiently achieved.

Fixed assets

Fixed asset movements during the year are stated in note 8 to the financial statements.

The Directors

The Directors throughout the year and up to the date of this report were:

Patrick J Alley
Charmian P Gooch
Simon J Taylor

The Directors are all equal members of Global Witness. Every member has undertaken to contribute equally to the capital of the organisation such as may be required not exceeding £1. At 30 November 2005 there were 3 (2004: 3) members of Global Witness which is a not for profit company.

The members and Directors of Global Witness are not able to obtain dividends from the organisation.

GLOBAL WITNESS LIMITED

Report of the Directors for the year ended 30 November 2005

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company as at the balance sheet date and of the results for the year then ended.

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

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

Auditors

Sayer Vincent resigned during the year and Chantrey Vellacott DFK LLP were appointed in their place. Chantrey Vellacott DFK LLP have indicated their willingness to continue in office, subject to their re-appointment at the Annual General Meeting.

Approval

This report was approved by the Board of Directors on 9 November 2006 and signed on its behalf by:

CP Gooch
Director

GLOBAL WITNESS LIMITED

Independent auditors' report to the members of Global Witness Limited

We have audited the financial statements of Global Witness Limited for the year ended 30 November 2005 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Report of the Directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatement within it or material inconsistencies within the financial statements.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 30 November 2005 and its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditors

LONDON

Dated: 9 November 2006

GLOBAL WITNESS LIMITED

Statement of financial activities For the year ended 30 November 2005 (Incorporating an Income and Expenditure account)

	Notes	Restricted	Unrestricted	2005 Total	2004 Total (as restated)
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income: donations		-	-	-	7,290
Voluntary income: grants receivable		1,476,456	530,914	2,007,370	2,136,025
Bank interest		-	3,397	3,397	2,520
Total incoming resources	3	1,476,456	534,311	2,010,767	2,145,835
Resources expended					
Costs of generating funds					
		-	114,486	114,486	80,453
Charitable activities					
Illegal and unsustainable logging – Cambodia	163,937	-	163,937	158,202	
Making governments and companies transparent		314,686	-	314,686	254,249
Combating conflict diamonds		197,318	-	197,318	234,450
Illegal and unsustainable logging - Burma		118,289	-	118,289	155,845
Conflict commodities in West Africa		220,199	-	220,199	183,078
Independent Forest Monitoring		201,631	-	201,631	123,552
Forest monitoring in Cameroon		131,819	-	131,819	273,873
Natural resources in the Democratic Republic of Congo		204,151	-	204,151	221,362
The i2 Project		197,559	-	197,559	179,059
The Meta Project		102,535	-	102,535	61,146
Other projects		193,609	-	193,609	-
Strategic development		5,677	-	5,677	10,444
Total charitable activities		2,051,410	114,486	2,165,896	1,935,713
Governance costs		-	23,307	23,307	27,950
Total resources expended	4	2,051,410	137,793	2,189,203	1,963,663
Net incoming/(outgoing) resources for the year before transfers, being net (expenditure)/income for the year	5	(574,954)	396,518	(178,436)	182,172
Transfer between funds		421,765	(421,765)	-	-
Net movement in funds		(153,189)	(25,247)	(178,436)	182,172
Funds at start of the year		303,250	245,862	549,112	366,940
Funds at end of the year		150,061	220,615	370,676	549,112

All of the above results are derived from continuing activities with the exception of the i2 Project, the Illegal and unsustainable logging – Cambodia and the Forest monitoring in Cameroon projects as shown in note 12. There were no other recognised gains or losses other than those stated above.

The notes on pages 9 to 16 form part of these financial statements.

GLOBAL WITNESS LIMITED

Balance Sheet as at 30 November 2005

	Notes	2005	2004
		£	£
Fixed assets			
Tangible fixed assets	8	<u>44,234</u>	<u>55,370</u>
Current assets			
Debtors	9	<u>301,317</u>	343,959
Cash at bank and in hand		<u>245,753</u>	<u>307,005</u>
		547,070	650,964
Creditors: amounts falling due within one year	10	<u>(220,628)</u>	<u>(157,222)</u>
Net current assets		<u>326,442</u>	<u>493,742</u>
Net assets	11	<u>370,676</u>	<u>549,112</u>
Reserves			
Restricted funds		150,061	303,250
Unrestricted funds			
- Designated funds		132,339	132,339
- General funds		<u>88,276</u>	<u>113,523</u>
Total funds	12	<u>370,676</u>	<u>549,112</u>

Approved by directors on 9 November 2006 and signed on their behalf by

DIRECTOR

The notes on pages 9 to 16 form part of these financial statements.

GLOBAL WITNESS LIMITED

Notes to the financial statements For the year ended 30 November 2005

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

They follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (revised in March 2005), in order to follow best practice as the company operates as a not for profit organisation despite not being a registered charity.

b) Incoming resources

Income in the form of grants and donations is credited to the income and expenditure account when the conditions of entitlement, certainty and measurement have been met. Income which is specified as being for a future period is deferred.

c) Resources expended

Resources expended are recognised in the period to which the expenditure relates. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular campaign or project where the cost relates directly to that activity.

“Support costs” of charitable activities (note 4) comprise costs incurred in support of expenditure on the objects of the company. These costs include the overall direction and administration of each project or campaign and the salary and overhead costs of the central functions and are apportioned based on staff time.

Costs of generating funds comprise the costs incurred by Global Witness in raising funds for campaigns and publicising the work of the organisation.

Governance costs comprise the costs of compliance with regulatory and constitutional requirements and include certain directors’ costs and auditors’ remuneration.

d) Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Office equipment	25% straight line method
Film and video equipment	25% straight line method

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 and other gifts in kind given to the organisation for use are included as income in the year in which they were donated. Gifts in kind are valued at market value at the time of receipt. They are charged to the relevant project in the same year.

Fixed assets used overseas are not capitalised. They are expensed in the year of purchase.

e) Pension scheme

Global Witness operates a stakeholder pension scheme. The pension liability is based on five per cent of employees’ gross earnings after six months’ employment, six per cent after twelve months up to two years’ service and seven per cent 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 after having made payment to employees’ personal pensions. Contributions are recognised in the period to which they relate.

GLOBAL WITNESS LIMITED

Notes to the financial statements For the year ended 30 November 2005

1. Accounting Policies (continued)

f) Foreign Currencies

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

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the organisation.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

h) Operating leases

Rental payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the lease duration.

2. Related party transactions

- i) The three directors, Patrick Alley, Charmian Gooch and Simon Taylor, are also the sole directors of Global Witness Publishing Incorporated, a Washington D.C. non-profit corporation. Global Witness Publishing Inc. holds the lease on the Washington office and employs the employees based in the United States. It also is the publisher of reports and hosts the Global Witness website. During the year income received and costs borne by Global Witness on behalf of Global Witness Publishing Inc. amounted to £nil (2004: £133,726) and £122,020 (2004: £50,178) respectively.
- ii) One of the Directors, Patrick Alley, is also a Director of Global Witness Foundation, a Californian Non Profit Benefit Corporation which has exemption under Section 501 (c) (3) of the Internal Revenue Code. Since the year end the status has changed to that of an independent Californian non-profit public benefit organisation. 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 has given Global Witness Limited £107,492 (2004: £Nil) of income in the year.

GLOBAL WITNESS LIMITED

Notes to the financial statements for the year ended 30 November 2005

3. Total incoming resources

	Illegal and un-sustainable logging - Cambodia	Making governments and companies transparent	Combating conflict diamonds	Illegal and unsustainable logging - Burma	Conflict commodities in West Africa	Independent Forest monitoring Guide	Monitoring forests in Cameroon	Natural resources in the Democratic Republic of Congo	The I2 Project	The Meta Project	Systems and community communications	Total Restricted Funds	Un-Restricted Funds	2005 Total	2004 Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Incoming resources from generating funds:															
Bank interest	-	-	-	-	-	-	-	-	-	-	-	-	3,397	3,397	2,520
Other Donations	-	34,095	-	-	-	-	-	-	-	-	-	34,095	-	34,095	7,290
Humanist Institute for Co-operation with Developing Countries (Hivos)	-	4,901	-	-	-	156,710	96,503	89,500	-	-	-	347,614	200	347,814	631,113
UK Department for International Development (DfID)	-	-	-	-	-	-	-	105,499	-	-	-	105,499	-	105,499	-
Swedish International Development Co-operation Agency (Sida)	-	53,681	53,681	-	-	-	-	-	-	-	-	107,362	-	107,362	107,364
Netherlands Ministry of Foreign Affairs	59,988	30,000	77,295	29,988	86,882	20,000	-	34,640	133,636	95,000	100,000	667,429	-	667,429	726,390
Global Witness Trust	-	-	(30,000)	-	-	-	-	-	-	(15,000)	(20,000)	(65,000)	-	(65,000)	-
Less: deferred (GWT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,842
Haut Commissariat Canada	-	-	-	-	-	-	-	-	810	-	-	12,847	-	12,847	-
Netherlands Committee for the World Conservation Union	-	88,469	51,917	-	-	-	-	-	-	-	-	140,386	-	140,386	126,111
Oxfam Novib	-	-	-	-	-	-	-	-	-	-	-	-	405,280	405,280	425,946
Open Society Institute	50,000	-	-	-	-	-	-	-	-	-	-	50,000	-	50,000	50,000
Oxfam GB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,714
World Bank (Cameroon Forest Monitor Project)	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000	-
Ethical Investors	-	26,042	-	-	-	-	-	-	-	-	-	26,042	81,450	107,492	-
Global Witness Foundation	-	-	2,338	-	-	-	-	-	-	-	-	2,338	-	2,338	16,447
Partnership Africa Canada on behalf of the Canadian Foreign Ministry	-	3,662	33,220	-	-	5,962	-	-	-	5,000	-	47,844	40,984	88,828	9,098
Other restricted – including sundry income	109,988	240,850	188,451	42,025	86,882	182,672	96,503	229,639	134,446	85,000	80,000	1,476,456	534,311	2,010,767	2,145,835

GLOBAL WITNESS LIMITED

Notes to the financial statements For the year ended 30 November 2005

3. Total resources expended

	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	Costs of generating funds	Illegal and un-sustainable logging – Cambodia	Making governments and companies transparent	Combating conflict diamonds	Illegal and un-sustainable logging – Burma	Conflict commodities in West Africa	Independent Forest Monitoring	Monitoring forests in Cameroon	Natural resources in the Democratic Republic of Congo	The i2 project	The Meta Project	Other projects and communications	Systems and communications	2004	2005		
Staff costs (Note 6)	76,002	99,561	147,087	105,482	52,127	116,071	98,457	36,778	88,744	124,798	44,305	123,451	-	-	1,112,863	-	1,003,790
Consultancy	70	1,282	30,259	14,951	2,406	16,274	24,732	52,211	8,123	2,006	31,950	1,789	-	-	186,053	-	143,438
Other staff costs	2,956	4,382	4,402	2,625	1,291	4,376	2,489	533	7,483	3,688	1,210	3,355	-	-	38,790	-	52,390
Reports and briefing documents	5,541	7,417	28,224	2,275	36,070	10,273	31,173	14,854	15,908	-	590	1,022	-	-	153,347	-	76,706
Travel and accommodation	8,558	19,881	43,922	29,945	10,321	38,122	15,848	5,534	43,215	1,677	8,793	19,918	-	-	245,734	-	214,647
Office expenses	4,284	16,080	8,548	6,177	1,116	3,221	2,451	12,624	1,794	27,722	2,196	3,209	-	-	89,422	-	120,593
Fundraising activities	15,965	-	-	-	-	-	-	4,358	-	-	-	11,933	-	-	32,256	-	-
Professional fees	1,057	-	-	-	-	-	-	-	-	-	-	-	-	-	1,057	-	5,124
Other programme costs	-	-	12,640	3,402	-	-	-	-	-	-	-	-	5,677	-	21,719	-	10,000
Miscellaneous	53	567	1,022	659	182	939	220	129	1,111	444	38	488	-	-	5,852	-	1,507
Bad debts	-	-	-	5,108	-	-	-	-	9,182	-	-	-	-	-	14,290	-	9,128
Cameroon – additional costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,995
Support costs	-	15,280	39,919	27,613	15,280	31,952	27,177	4,966	29,414	38,528	13,725	29,005	-	-	272,859	-	275,605
Exchange rate(gain) / loss	-	(513)	(1,337)	(919)	(504)	(1,029)	(916)	(168)	(823)	(1,304)	(272)	(561)	-	-	(8,346)	-	4,790
	114,486	163,937	314,686	197,318	118,289	220,199	201,631	131,819	204,151	197,559	102,535	193,609	5,677	2,165,896	1,935,713		
Governance costs															23,307		27,950
Total resources expended															2,189,203		1,963,663

The Support costs comprise of consultancy costs, training and employers insurance costs, report and travel costs, premises, office and telecom costs, depreciation and loss on sale of fixed assets amounting to £272,859 (2004: £275,605).

GLOBAL WITNESS LIMITED

Notes to the financial statements For the year ended 30 November 2005

5. Net incoming/(outgoing) resources

This is stated after charging:	2005 £	2004 £
Depreciation	20,881	18,454
Loss on disposal of fixed assets	11,095	7,851
Directors' remuneration	147,360	141,936
Auditors' remuneration:		
Audit	10,000	9,500
Under accrual in previous year	-	2,753
Other services	-	729
Operating lease rentals:		
Property	37,174	37,174
	<u>37,174</u>	<u>37,174</u>

6. Staff costs and numbers

	2005 £	2004 £
Salaries and wages		
• United Kingdom staff	848,562	794,368
• Overseas staff costs	121,772	84,085
Social security costs	93,175	82,185
Pension contributions	49,354	43,152
	<u>1,112,863</u>	<u>1,003,790</u>

No employee earned more than £60,000 during the year (2004: nil)

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

2005 Number	2004 Number
29	28.5
<u>29</u>	<u>28.5</u>

7. Taxation

The organisation had no corporation tax liability in the year to 30 November 2005 (2004: £ Nil) because there were no taxable profits in the year.

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Notes to the financial statements For the year ended 30 November 2005

8. Tangible fixed assets

	Office equipment	Film and Video	Total
	£	£	£
Cost			
At 1 December 2004	100,751	2,775	103,526
Written off in year	(33,886)	(1,178)	(35,064)
	<u>66,865</u>	<u>1,597</u>	<u>68,462</u>
Additions in year	20,840	-	20,840
At 30 November 2005	<u>87,705</u>	<u>1,597</u>	<u>89,302</u>
Depreciation			
At 1 December 2004	46,749	1,407	48,156
Written off in year	(23,164)	(805)	(23,969)
Charge for the year	20,518	363	20,881
At 30 November 2005	<u>44,103965</u>	<u>45,068</u>	
Net book value			
At 30 November 2005	<u>43,602</u>	<u>632</u>	<u>44,234</u>
At 30 November 2004	<u>54,002</u>	<u>1,368</u>	<u>55,370</u>

9. Debtors

	2005 £	2004 £
Accrued Income	70,534	65,394
Amount due from Global Witness Trust	181,965	254,509
Prepayments	26,075	9,950
Other debtors	22,743	14,106
	<u>301,317</u>	<u>343,959</u>

10. Creditors: Amounts falling due within one year

	2005 £	2004 £
Accruals	55,976	51,979
Provision for grant claw back	-	13,000
Pension provision	23,449	4,927
Other taxation and social security	31,734	25,395
Other creditors	44,469	61,921
Deferred income	65,000	-
	<u>220,628</u>	<u>157,222</u>

GLOBAL WITNESS LIMITED

Notes to the financial statements For the year ended 30 November 2005

11. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	14,674	-	29,560	44,234
Net current assets	135,387	132,339	58,716	326,442
	150,061	132,339	88,276	370,676

12. Movements in funds	At the start of the year £	Incoming resources £	Resources expended £	Transfers £	At the end of the year £
Restricted funds:					
Illegal and unsustainable logging - Cambodia	19,173	109,988	(163,937)	34,776	-
Making governments and companies transparent	-	240,850	(314,686)	73,836	-
Combating conflict diamonds	-	188,451	(197,318)	8,841	(26)
Illegal and unsustainable logging - Burma	-	42,025	(118,289)	76,264	-
Conflict commodities in West Africa	-	86,882	(220,199)	133,317	-
Independent Forest Monitoring	10,174	182,672	(201,631)	8,785	-
Forest monitoring in Cameroon	140,079	96,503	(131,819)	(104,763)	-
Natural resources in the Democratic Republic of Congo	45,193	229,639	(204,151)	-	70,681
The i2 Project	-	134,446	(197,559)	63,113	-
The i2 Project – Capital funds	5,083	-	-	-	5,083
The Meta Project	-	85,000	(102,535)	17,535	-
Other Projects	83,548	-	(193,609)	110,061	-
Systems and communications	-	80,000	(5,677)	-	74,323
Total restricted funds	303,250	1,476,456	(2,051,410)	421,765	150,061
Unrestricted funds:					
Designated funds:					
Strategic development	132,339	-	-	-	132,339
General funds	113,523	534,311	(137,793)	(421,765)	88,276
Total unrestricted funds	245,862	534,311	(137,793)	(421,765)	220,615
Total funds	549,112	2,010,767	(2,189,203)	-	370,676

GLOBAL WITNESS LIMITED

Notes to the financial statements For the year ended 30 November 2005

12. Movements in funds (continued)

Purpose of restricted funds

Funds restricted for use by Global Witness, with the objective of investigating, exposing and seeking to end the role of natural resource exploitation in funding conflict and corruption in the following arenas:

- Illegal/ unsustainable logging, conflict and instability in Burma, Cambodia and Liberia
- Revenue transparency in the extractive industry sector, particularly oil, world-wide
- Eradicating conflict diamonds from the legitimate trade, world-wide
- Improving natural resource transparency, accountability and equity in the Democratic Republic of Congo and neighbouring states
- Developing a database system to identify, trace, document and expose international patterns of corruption
- Acting as the Independent Forest Monitor (independent third party monitoring the range of official processes relating to forest management in Cambodia and Cameroon)

Purposes of designated funds

Strategic development

Funds designated for the strategic development and consolidation of the organisation

Transfers between funds

Transfers predominantly represent transfers from general funds to cover shortfalls on restricted projects.

The transfer from the Cameroon Monitoring project to general funds occurred as general funds were initially used to fund this project, prior to restricted funding being secured. This therefore represents a "reimbursement" to general funds.

13. Operating lease commitments

The organisation had annual commitments under operating leases expiring as follows:

	Land and Buildings	
	2005 £	2004 £
Between 2 – 5 years	<u>37,174</u>	<u>37,174</u>

14. Members

Global Witness had three members at 30 November 2005 (2004: three members) who have pledged to contribute £1 each if the organisation is wound up.