

Charity Registration Number: 1071946

**THE GLOBAL WITNESS TRUST**

**Financial Statements  
30 November 2005**

# THE GLOBAL WITNESS TRUST

## Financial statements for the year ended 30 November 2005

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# THE GLOBAL WITNESS TRUST

## Reference and Administrative Information

### Status

The organisation is a registered charity, registered on 13 October 1998 and governed by a Declaration of Trust dated 19 June 1998.

### Trustees

Jeremy Bristow	
Caroline Digby	(Chair until 6 June 2006)
David Edgerton	(resigned 6 September 2005)
Claire Elliott	(resigned 22 March 2005)
Lorna MacKinnon	(appointed 8 January 2006)
Chris Mitchell	(Chair from 6 June 2006)
Tony Stevenson	(Treasurer)

### Registered Office

PO Box 6042  
London  
N19 5WP

### Charity Number

1071946

### 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

# THE GLOBAL WITNESS TRUST

## Report of the Trustees for the year ended 30 November 2005

The trustees present their report and the audited financial statements for The Global Witness Trust ("the Trust") 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 the charity's Trust deed, applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

### Structure, governance and management

The Global Witness Trust is governed by a Board of Trustees who meet four times a year to discuss and plan the Trust's activities, and to oversee the grant application process and disbursement of funds received.

The trustees who served during the year and up to date of this report are listed on page 2. The trustees have no beneficial interest in the charity.

Trustees have the power to appoint or to co-opt new members onto the Board and appointments are ratified in accordance with the charity's Deed of Trust. There is a process of induction for new trustees, which includes meetings with staff and the provision of key information.

### Risk management

The trustees have examined the major risks that the Charity faces and confirm that systems have been established so that the necessary steps can be taken to manage any such risks. All of the charity's income arises from fundraising. The trustees regularly monitor the progress of development and fundraising through the year and are aware of the need for there to be challenging, yet achievable, targets.

### Objects of the Trust

The objects of The Global Witness Trust, as laid out in the Declaration of Trust, are as follows:

- 1) To advance the education of the public in environmental matters, the preservation and conservation of the natural environment and its sustainable development and the causes and effects of environmental degradation; and
- 2) To carry out or promote research into the maintenance and observance of human rights in places or areas where there may have been an impact on the human rights of the inhabitants of such places and areas as a consequence of environmental damage or change, and to publish or otherwise disseminate the useful results of such research.

### Review of activities and performance

Fundraising efforts in the year continued to yield impressive results, with major grants awarded from the Sigrid Rausing Trust, USAID, the Diana Memorial Fund, Trocaire and Stichting Doen. This allowed the Trust to fund new areas of work, including charitable activities involving the diamond industry, forest monitoring and Global Witness' "meta" campaign. In addition, capital grants for upgrades to systems and communications equipment were made.

### Grant making policy

The Trust Directors acting as a Board have determined that the best way for the Trust to fulfil its object is to support the charitable aspects of investigations and campaigns undertaken by Global Witness Limited, a decision that is reviewed annually or as and when the Board consider appropriate. The Board of Trustees considers applications for funding from Global Witness Ltd in light of the charity's objects, and each successful application is governed by a separate and specific grant agreement.

# THE GLOBAL WITNESS TRUST

## Report of the Trustees for the year ended 30 November 2005

### Financial review

Overall, restricted funds income was slightly down on the 2004 total but remain at a similar level, maintaining the vast increase over 2003. Unrestricted income grew to almost double the 2004 total thanks to the success of the web site donation service. This enabled the Trust to meet all its core costs and increase the level of unrestricted reserves held.

### Reserves policy

The trustees are aware of the Charity Commission requirements for all charities to have a formalised reserves policy, which justifies and explains the reasons for the reserves held. The Trust has a policy to hold reserves of £5,600. Average reserves of this amount were held during the year. These reserves are to pay for £3,600 known ongoing costs and charges, and £2,000 held for contingency. The reserves policy is reviewed on an annual basis.

### Future plans

The Trust will step up its efforts to support the work of Global Witness in the coming year, with the aim of an expansion of the work currently undertaken. A strategy to move the focus of fundraising efforts to major donors is being implemented, and central to the success of this is the creation of a Development Board to assist in maximising available donor funds.

Plans to incorporate Global Witness Trust as a company limited by guarantee have been pursued since the balance sheet date.

### Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources for the year then ended.

In preparing those financial statements which give a true and fair view, the trustees should follow 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 charity will continue on that basis

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

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

# **THE GLOBAL WITNESS TRUST**

## **Report of the Trustees for the year ended 30 November 2005**

### **Auditors**

Sayer Vincent resigned as auditors during the year and Chantrey Vellacott DFK LLP were appointed in their place. Chantrey Vellacott DFK LLP have indicated their willingness to be reappointed for the ensuing year.

### **Approval**

This report was approved by the Board of Trustees on 12 September 2006 and signed on its behalf by:

Tony Stevenson

# THE GLOBAL WITNESS TRUST

## Independent auditors' report to the trustees of The Global Witness Trust

We have audited the financial statements of The Global Witness Trust 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 under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 (2) of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

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 Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Report of the Trustees 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

# THE GLOBAL WITNESS TRUST

## Independent auditors' report to the trustees of The Global Witness Trust

### Opinion

In our opinion the financial statements give a true and fair view of the charity's state of affairs at 30 November 2005 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Charities Act 1993.

CHANTREY VELLACOTT DFK LLP

Chartered Accountants  
Registered Auditors

LONDON

Date: 12 September 2006



# THE GLOBAL WITNESS TRUST

## Statement of financial activities For the year ended 30 November 2005

	Notes	Restricted funds £	Unrestricted funds £	2005 Total funds £	2004 Total funds £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income - donations		-	7,265	7,265	3,739
Voluntary income - grants receivable	2	667,427	-	667,427	721,617
Bank interest		-	1,935	1,935	2,014
<b>Total incoming resources</b>		<b>667,427</b>	<b>9,200</b>	<b>676,627</b>	<b>727,370</b>
<b>Resources expended</b>					
<b>Charitable activities</b>					
Grants payable		667,427	-	667,427	726,391
<b>Governance costs</b>		<b>-</b>	<b>5,959</b>	<b>5,959</b>	<b>2,321</b>
<b>Total resources expended</b>	3	<b>667,427</b>	<b>5,959</b>	<b>673,386</b>	<b>728,712</b>
<b>Net incoming/(outgoing) resources for the year</b>	4	<b>-</b>	<b>3,241</b>	<b>3,241</b>	<b>(1,342)</b>
<b>Exchange rate losses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(232)</b>
<b>Net movement in funds</b>		<b>-</b>	<b>3,241</b>	<b>3,241</b>	<b>(1,574)</b>
<b>Funds at the start of the year</b>		<b>-</b>	<b>2,031</b>	<b>2,031</b>	<b>3,605</b>
<b>Funds at the end of the year</b>		<b>-</b>	<b>5,272</b>	<b>5,272</b>	<b>2,031</b>

All amounts relate to continuing activities.

There were no recognised gains and losses other than those stated above.

The notes on page 10 to 12 form part of these financial statements.

# THE GLOBAL WITNESS TRUST

## Balance Sheet as at 30 November 2005

	Notes	2005 £	2004 £
<b>Current assets</b>			
Debtors	6	<b>115,950</b>	132,802
Cash at bank and in hand		<b>76,165</b>	125,988
		<b>192,115</b>	258,790
<b>Creditors: amounts falling due within one year</b>	7	<b>186,843</b>	256,759
<b>Net current assets, being net assets</b>		<b>5,272</b>	2,031
<b>Represented by:</b>			
Restricted funds		-	-
Unrestricted funds - general funds		<b>5,272</b>	2,031
<b>Total funds</b>	8	<b>5,272</b>	2,031

The financial statements on pages 8 to 12 were approved by the Trustees on 12 September 2006 and signed on their behalf by:

**TONY STEVENSON**  
Trustee

The notes on page 10 to 12 form part of those financial statements.

# THE GLOBAL WITNESS TRUST

## 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 The Charities Act 1993, applicable accounting standards and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005.

#### b) Incoming resources

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Bank interest is recognised on an accruals basis.

#### c) Resources expended

Grants payable represent funding transferred to Global Witness Limited. This is recognised in line with the recognition of the related income.

Governance costs represent the costs of statutory compliance, including trustee costs and auditors' remuneration.

#### d) 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 recognised in the Statement of Financial Activities and are therefore taken into account in arriving at the surplus or deficit for the year.

#### e) Fund accounting

Unrestricted funds are general funds available for general charitable purposes in line with the Trust's objects.

Restricted funds are to be used for specific purposes as laid down by the donor, and include those funds received in response to specific requests stipulated in funding applications.

### 2. Voluntary income - grants receivable

	2005 Total £	2004 Total £
<b>Restricted:</b>		
The Staples Trust	20,000	45,000
Comic Relief	-	25,000
Concern Worldwide	6,882	6,981
Sigrid Rausing Trust	350,000	260,000
Diana Fund	60,000	-
Ahjama Fund	15,000	-
USAID	143,633	208,768
Trocaire	37,272	20,343
Stichting Doen	34,640	155,525
	<hr/> <b>667,627</b> <hr/>	<hr/> <b>721,617</b> <hr/>

# THE GLOBAL WITNESS TRUST

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

### 3. Total resources expended

Under charitable activities, the amounts represent grants payable to Global Witness Limited to support the research and educational aspects of its work, as analysed by country / campaign below:

	<b>2005</b>	2004
	<b>Total</b>	Total
	£	£
<b>(a) Charitable activities:</b>		
Cambodia	<b>59,986</b>	127,393
Diamonds	<b>77,295</b>	40,000
Burma	<b>29,988</b>	102,865
Liberia	<b>86,882</b>	152,125
Democratic Republic of Congo	<b>34,640</b>	58,593
i2	<b>133,636</b>	163,140
Forest policy	<b>20,000</b>	7,500
Oil	<b>30,000</b>	40,000
Meta	<b>95,000</b>	-
Systems and communications upgrades	<b>100,000</b>	30,000
Other projects	-	4,775
	<b>667,427</b>	726,391
<b>(b) Governance costs:</b>		
Audit fees	<b>3,903</b>	2,250
Bank charges	<b>82</b>	71
Legal fees	<b>1,939</b>	-
Sundry	<b>35</b>	-
	<b>5,959</b>	2,321
<b>Total resources expended</b>	<b>673,386</b>	728,712

4. <b>Net incoming/(outgoing) resources for the year</b>	<b>2005</b>	2004
	£	£
These are stated after charging:		
Auditors remuneration:		
Audit - current year	<b>2,938</b>	2,250
- under provision in previous year	<b>965</b>	-

The trustees received no remuneration in the year (2004: £nil), nor did they claim any expenses (2004: £nil).

The charity does not employ any staff. Operational functions are carried out on the charity's behalf by Global Witness Limited.

### 5. Taxation

The charity is exempt from income tax as all its income is charitable and is applied for charitable purposes.

# THE GLOBAL WITNESS TRUST

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

6.	<b>Debtors</b>			<b>2005</b>	<b>2004</b>
				£	£
	Grants receivable			<b>115,950</b>	132,789
	Other debtors			-	13
				<u><b>115,950</b></u>	<u>132,802</u>
7.	<b>Creditors: amounts falling due within one year</b>			<b>2005</b>	<b>2004</b>
				£	£
	Accruals			<b>4,878</b>	2,250
	Amounts due to Global Witness Limited			<b>181,965</b>	254,509
				<u><b>186,843</b></u>	<u>256,759</u>
8.	<b>Analysis of funds</b>				
		At 1	Incoming	Outgoing	<b>At 30</b>
		December	Resources	resources	<b>November</b>
		2004			<b>2005</b>
		£	£	£	<b>Total</b>
					<b>£</b>
	The Staples Trust	-	<b>20,000</b>	<b>(20,000)</b>	-
	Concern Worldwide	-	<b>6,882</b>	<b>(6,882)</b>	-
	Sigrid Rausing Trust	-	<b>350,000</b>	<b>(350,000)</b>	-
	Diana Fund	-	<b>60,000</b>	<b>(60,000)</b>	-
	Ahjama Fund	-	<b>15,000</b>	<b>(15,000)</b>	-
	USAID	-	<b>143,633</b>	<b>(143,633)</b>	-
	Trocaire	-	<b>37,272</b>	<b>(37,272)</b>	-
	Stichting Doen	-	<b>34,640</b>	<b>(34,640)</b>	-
	<b>Total restricted funds</b>	-	<u><b>667,427</b></u>	<u><b>(667,427)</b></u>	-
	<b>Unrestricted funds</b>	2,031	<u><b>9,200</b></u>	<u><b>(5,959)</b></u>	<u><b>5,272</b></u>
	<b>Total funds</b>	2,031	<u><b>676,627</b></u>	<u><b>673,386</b></u>	<u><b>5,272</b></u>

Restricted funds are used in furtherance of the objects of the Trust, as described in the Report of the Trustees, and in accordance with stipulations of the funders. Outgoing resources represent transfers to Global Witness Limited.

Net assets at 30 November 2005 comprise net current assets which are represented by unrestricted general funds.