

# Global Witness

Report and Financial Statements

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**31 December 2022**

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## Reference and administrative details

### For the year ended 31 December 2022

**Directors**

Patrick Alley  
Gabrielle Darbyshire  
Charmian Gooch  
Fatima Hassan  
Christine Kanu  
Juana Kweitel  
Kirsty Lang  
Marina Melanidis (appointed 22 February 2022)  
Olanrewaju Suraju  
Simon Taylor

**CEO** Mike Davis

**Registered Office** 2nd Floor  
55 Ludgate Hill  
London  
EC4M 7JW

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London  
E2 9DA

**Tel:** +44 (0)20 7947 0309

**Email:** mail@globalwitness.org

**Website:** www.globalwitness.org

**Company number** 2871809  
Company Limited by Guarantee

### Principal Advisers

**Banker** Lloyds Bank plc.  
25 Gresham Street  
London  
EC2V 7HN

Nationwide Building Society  
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Northampton  
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**Auditor** Crowe U.K. LLP  
2nd Floor  
55 Ludgate Hill  
London  
EC4M 7JW

## Report of the Directors

### For the year ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with applicable law, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), effective 1 January 2015. Although Global Witness is not a UK registered charity, the financial statements have been prepared in line with the Charities SORP in order to reflect best practice as a not-for-profit organisation.

### Structure, governance & management

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

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

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

The directors who served during the period and up to the date of the report are listed on page 3. The directors have no beneficial interest in the company.

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

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

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

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

Global Witness' activities in the USA are undertaken through Global Witness Inc. (formerly Global Witness Publishing until 14 Dec 2018), a company registered in Washington DC, USA. Activities in Europe are managed through Global Witness ASBL, a not-for-profit association registered in Belgium. Since both of these companies have common directors and are managed on a unified basis with Global Witness, their results are consolidated and presented together in these financial statements.

Global Witness has a close relationship with Global Witness Foundation and GW Trust. There is no common control between Global Witness and both of these entities, and as a consequence Global Witness is unable to influence these entities.

Three of Global Witness' directors are also the directors of two other entities: Global Witness Projects Limited and Sauroktonos Limited. These two entities were dormant in the year.

## **Public benefit**

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

## **Objectives, impacts and activities**

Global Witness campaigns to shift the balance of power from those profiting most from climate breakdown to those most adversely affected. Through our campaigns, we will fight to dismantle the power of polluters who disproportionately influence climate-critical decision-making and instead create space for the people and communities most affected by climate breakdown to drive change. To do so, we must take on the corruption of our political, economic and digital systems that allow polluters to hold power over the planet and its people. Our work seeks to urge action to stay within 1.5 degrees of global warming and elevate the voices and needs of those disproportionately affected by climate breakdown.

Our six campaigning priorities in 2022 were to:

- 1.** Stop the oil and gas industry from escalating global warming by making us dependent on fossil fuels
- 2.** Reduce the destruction of climate-critical tropical forests by constraining the financing of the industries driving it

3. Ensure corporate accountability for environmental and human rights abuses
4. Protect Land and Environmental Defenders by taking on the industries most associated with attacks and killings
5. Tackle digital threats to democracy
6. Ensure that the current energy transition is fair and responsible, serving people and the planet.

The fundraising targets set by the Board for 2022 were successfully achieved during the year. Fundraising income was £10.7m against a target of £9.5m. Global Witness derives a minimal amount of its funds through public fundraising. After the Russian invasion of Ukraine in February 22, we started a Ukraine-related campaign to secure additional funds over and above the income target of £9.5m. Fundraising income of £10.7m includes £439k for Ukraine Campaign.

## Strategic Report

### EU Fossil Gas

> In January, we published a report showing that Shell's fossil hydrogen plant in Canada is emitting more climate-wrecking gases than it is capturing. The report helped to further the conversation around the harms of gas and was used in our advocacy work in the EU on the Hydrogen and Decarbonised gas package. Also in September, we co-launched with our allies a new Handbook on Energy Poverty in the EU Parliament, to demonstrate how social and climate policy can and must go hand in hand to ensure clean and affordable energy for all.

### Forests

> After over three years of campaigning from ourselves and others in the sector, the EU adopted its landmark anti-deforestation law in December, putting the bloc on a pathway to making sure banks and investors do not invest in forest destruction. Our advocacy led to rubber and leather being added to the list of imports linked to deforestation.

> In partnership with our Land and Environmental Defenders campaign, in November we brought Brazilian defenders to speak directly with US Congressional offices and senior State Department officials. As a result, we secured commitments from two influential members of Congress to sign onto the FOREST Act, and the State Department agreed to hold related briefings for interagency working groups in 2023.

### Corporate Accountability

> We focused our efforts in 2022 on securing the EU's Corporate Sustainable Due Diligence Directive (CSDDD), which would be an unprecedented measure requiring all companies operating within the EU to identify, prevent, mitigate and account for their environmental and human rights impacts within their global value chains. We published a report in February analysing where the draft directive met our asks and where it needed to be strengthened, and then submitted for review our proposed revised text to the MEP leading this legislative process, eliminating loopholes and strengthening the inclusion of greater environmental protections and climate due diligence. We will continue our advocacy work on the CSDDD into 2023.

## Land and Environmental Defenders (LEDs)

- > In May, we held an event bringing together two Brazilian LEDs in conversation with policymakers to discuss how the EU can help protect communities from harms in corporate supply chains. Over 125 people attended, including an influential MEP who then made positive commitments to address loopholes in the draft legislation.
- > And September saw the release of 'A Decade of Defiance: Global Witness's 10th Annual Report on the Killings of Environmental Defenders', which revealed that an LED has been killed every 2 days on average since 2012. The report was mentioned over 1,500 times in global media, received praise at COP27, and has led to partnership work with the UN Special Rapporteur on Human Rights and Climate Change.
- > COP27 provided us with a further opportunity to raise the voices of LEDs in global policy spaces, co-hosting the only event in the blue zone dedicated to land and environmental defenders, which featured a number of inspiring female voices and frontline defenders from Africa, Asia and Latin America, as well as the new Brazilian Environment Minister, Marina Silva and US Senator, Edward Markey.

## Digital Threats to Democracy

- > Following lengthy and comprehensive campaigning from ourselves and others to hold the technology giants of the world accountable for their actions, the EU Parliament voted to endorse the Digital Services Act – the most sweeping and ground-breaking rules for regulating tech companies anywhere in the world, setting global standards for a more transparent and safer online environment.
- > Our investigations into social media platforms also continued, showing Facebook failing to detect and root out hate speech capable of inciting violence prior to elections in Myanmar, Ethiopia and Kenya, to which Nick Clegg, President for Global Affairs at Meta, responded: "Your work on digital threats, as well as recent investigations on Meta's ability to detect hate speech in Ads ahead of Kenya's elections, helped our teams to take steps to further improve the AI systems used alongside human reviews."
- > Additionally, using the same investigative model, we ran a series of investigations into Facebook, YouTube and TikTok's ability to prevent significant election disinformation in Brazil and the US prior to recent national elections. In December, our investigation showed that death threats against US election workers were approved on Facebook, which was covered in the New York Times and again demonstrated how Facebook has failed to root out disinformation and hate speech.

## Strengthen Natural Resource Governance

- > In August, we released the publication Myanmar's Poisoned Mountains, looking at how Chinese companies have outsourced mining of heavy rare earth minerals, in demand as they are used to build electric vehicles and wind turbines, to a militia-controlled area of Myanmar. We used pioneering satellite imagery to convey the scale of the operation, documenting the devastating impact this highly polluting industry is having on local ecosystems, livelihoods and access to safe drinking water for communities in Kachin. This was published in a new format for Global Witness – bringing the key evidence into a short interactive story that let the reader understand the different aspects (e.g., the

communities affected, the global supply chain, and the landscape) – which proved very effective, and will be a format replicated in future investigations.

## New initiatives in 2022

- > **Stop Russian Fossil Fuels funding the war in Ukraine:** Twelve days after Russia invaded Ukraine, Global Witness was approached by a representative of a group of influential Ukrainian diaspora figures who requested we help them work to stop Putin financing his war through fossil fuel exports. Our campaign uses data-driven, quick-turnaround investigations, and we have built a rich evidence base to show that big fossil fuel companies have continued to help Putin fund his horrifying war, including publishing a report in partnership with the New York Times, which put Chevron's role in continuing to ship oil from Russian ports under the spotlight, and publishing an investigation into TotalEnergies' Siberian gas field in Termokarstavoye and its links to Russian military attacks on Ukrainian civilians, released in partnership with Le Monde. These investigations are helping to increase public pressure on key players to cut off their fossil fuel revenues and end any profiteering at the expense of Ukraine's people. The campaign reached over 9M people on social media.
- > **Fossil Fuels Newsroom:** In September, we began developing a new way of working which aims to use 'newsroom'-style tactics to tackle our fossil fuel dependency in the context of Europe's energy crisis, galvanising public anger at the huge profits being made by fossil fuel companies, and increasing awareness of the role the industry has played in creating and corrupting our energy systems and dominating our political landscape. Our analysis in the runup to Shell's Q3 2022 profit reporting was featured extensively in the UK press, and played into debates in the UK over windfall taxes and the cost-of-living crisis. The team also led our investigation which identified that 636 fossil fuel lobbyists were registered for COP27 – an increase of over 25% from Glasgow, illustrating a rise in the influence of the fossil fuel industry at the climate talks. By mobilising strategic sections of the public, the campaign aims to increase pressure on politicians to distance themselves from the fossil fuel industry, and to instead accelerate the clean energy transition.

## Future Plans

- > We will build on our narrative around dismantling polluter power, and creating the right conditions for activism to thrive, continuing to amplify and support the voices and demands of our partners and activists in the global south, and develop more data-driven, quick-turnaround investigations to maintain pressure on the industries driving climate breakdown and environmental and human rights harms, and making it hard to ignore by governments and decision-makers.
- > We will finalise our three-year strategic planning process (2023-2025) across organisational teams, which was started in 2022, embarking on our new strategy to better align our annual outcomes with our overall goal of addressing climate breakdown.
- > We will continue to seek to advance narratives aimed at exposing global south injustices and inequities, including at the Climate Convention of the Parties (COP28) in the United Arab Emirates and other campaign moments that highlight the issue.
- > In 2023 we will also be marking 30 years since Global Witness was founded.



## Financial review

Total income for year was £10,731,000 (2021: £10,129,000), a increase of £602,000. Fundraising income exceeded the target set for the year as part of our 3 year strategic financial plan, we anticipate subsequent years to remain in line with those plans. The value of donations in kind in the year is £27,069 (2021: £60,774).

Total expenditure for the year was £10,230,000 (2021: £9,032,000). The cost of fundraising was £1,418,000 (2021: £1,193,000), with the ratio of cost to income increasing to 13.2% (2021: 11.8%).

Net assets at 31 December 2022 increased to £7,242,000 (2021: £6,745,000), with net current assets of £7,138,000 (2021: £6,583,000).

## Reserves policy

The directors have examined the requirement for free reserves, i.e. those unrestricted funds not designated for specific requirements or required for development and strategic reserve purposes.

The Board has reviewed the reserve policy during the year and revised the level of free reserves, calculated as the unrestricted net assets (note 14) less the designated fund, required to be held.

The following risks were considered in developing the reserve policy: going concern risk, risk of unplanned expenditure and risk of income shortfall. Additionally, the Directors have identified the requirement to have funds available for maximising opportunities and future organisation development and strategic plans.

The Board have set a target of maintaining free reserves at a total aggregate minimum level in the range of £4.25m- £4.5m.

At 31 December 2022 free reserves decreased to £5,997,000 (2021: £6,044,000). The reserve is built up to maintain the momentum of our work over the next few years in anticipation of the difficult economic circumstances as Covid restrictions start to relax with added pressure due to the current tense geopolitical environment as a result of the Russia-Ukraine conflict, which may result in a challenging funding environment as well as increasing costs due to rampant inflation. The Board are currently reviewing plans which will add to the long term investment portfolio and bring the free reserve balance in line with the target range.

The designated fund represents unrestricted funds set aside by the Board for specific purposes. At the end of 2022, funds have been set aside for the following purposes:

- i.** to cover costs relating to any insurance claim excesses; and for use in supporting general transparency campaigning. Should no related expenditure arise, the funds would then be transferred to the general fund's category.
- ii.** Grantham's one-off funds received in 2022 are to be utilised in the next three years to achieve the new strategy.

## Investment Policy

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

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

In line with the objectives of the investment policy the Directors will seek to add to the portfolio as future investment opportunities arise.

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

## Risk management

The directors actively manage risk professionally, responsibly, and constructively and review the risk register quarterly. This involves identifying the types of risks the organisation may face and assessing and balancing them in terms of potential impact and the likelihood of occurrence. The main risks include:

| Risk   | Management Approach   |
|--|---|
| <p><b>Inability to sustain income growth and maintain a manageable cost structure.</b></p> | <p>The economic environment continues to impact the organisation’s ability to sustain income growth and maintain a manageable cost structure within the context of forty year high inflation.</p> <p>We have set ambitious income targets which are realistic, have evolved our investigation and campaigns approach, as well as adjusting our cost structure to ensure that it is sustainable.</p> |
| <p><b>Not retaining or attracting highly skilled and motivated staff.</b></p>              | <p>The rising cost of living has necessitated that we review our pay and reward package to ensure that it remains competitive.</p> <p>We have implemented policies which promote a work life balance and fosters a culture of empowerment which supports wellbeing of our staff.</p>  |
| <p><b>Exposure to civil/criminal litigation arising from campaign activities.</b></p>      | <p>The nature of Global Witness’s work means that the risk of libel cases will always be high, which is why we have ensured that we have a strong legal team with relevant expertise to provide comprehensive guidance on our campaign content, dealing with any emerging issues as appropriate.</p>  |

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

## Going concern

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

## Statement of COVID-19

From the experience in 2020 and 2021 and the systematic changes we have made over this period, we are confident we can quickly adapt our operating model while still achieving our targets if the pandemic takes another negative turn.

With the relaxation of travel restrictions in 2022, we have successfully moved to a hybrid working model that allowed us to reduce office space resulting in cost savings and, at the same time, providing an opportunity to build a culture that promotes creativity and effectiveness. We started restarting international travel to reconnect with our colleagues and work directly.

In 2023, learning from the experience of the hybrid working model, our working model will further evolve, and we expect a lot more travel compared to 2022. Considering potential challenges in the economic outlook post-COVID and the current geopolitical situation, we have set a conservative income target for 2022 and marginally adjusted our operating cost structure accordingly.

For 2023 on the back of a successful year in terms of fundraising, we have set a realistic but ambitious target of £10.38m as compared to a conservative income target of £9.5m for 2022. Due to forty-year high inflation in 2022, we are adjusting our organisation structure to ensure our cost structure is aligned with our income growth target.

## Statement of responsibilities of the directors

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

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

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

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

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

#### Disclosure of Information to Auditors

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

## Members

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees at 31 December 2022 was 3 (2021: 3).

In approving the Report of the Directors, the Board are also approving the Strategic Report included here in their capacity as Company Directors. Approved by the directors on 2 May 2023 and signed on their behalf by



Christine Kanu  
Chair of the Finance and Remuneration Committee

# Independent Auditor's Report to the Members of Global Witness

## Opinion

We have audited the financial statements of Global Witness ('the parent company') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise the Consolidated statement of financial activities, Company and Group balance sheets, Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's income and expenditure, for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

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

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

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

## **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Taxation legislation, Employment legislation, and anti-fraud, bribery and corruption legislation.

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

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

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

## Use of our report

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



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



## Consolidated statement of financial activities

(incorporating an income and expenditure account)

### For the year ended 31 December 2022

|   |      | Restricted   | Unrestricted | 2022          | 2021   |
|---|------|--------------|--------------|---------------|--------|
|   | Note | £'000        | £'000        | Total         | Total  |
|   |      |              |              | £'000         | £'000  |
| <b>Income from:</b>   |      |              |              |               |        |
| Donations   | 2    | 861          | 5,330        | <b>6,191</b>  | 6,073  |
| <i>Charitable activities – income from campaigns</i>        | 3    |              |              |               |        |
| Environmental and human rights research and campaigning     |      | 4,513        |              | <b>4,513</b>  | 4,041  |
| Other Income  |      | -            | 27           | <b>27</b>     | 15     |
| <b>Total</b>  |      | <b>5,374</b> | <b>5,357</b> | <b>10,731</b> | 10,129 |
| <b>Expenditure on:</b>                                      |      |              |              |               |        |
| <i>Raising Funds</i>  |      |              |              |               |        |
| Fundraising   |      | -            | 1,418        | <b>1,418</b>  | 1,193  |
| <i>Charitable activities – expenditure on campaigns</i>     |      |              |              |               |        |
| Environmental and human rights research and campaigning     |      |              |              |               |        |
| Forests   |      | 1,843        | 454          | <b>2,297</b>  | 2,345  |
| Land and Environmental Defenders                            |      | 694          | 1,136        | <b>1,830</b>  | 1,383  |
| Gas   |      | 1,543        | 665          | <b>2,208</b>  | 1,453  |
| Corporate Accountability                                    |      | 588          | 61           | <b>649</b>    | 829    |
| Digital Threats   |      | 18           | 806          | <b>824</b>    | 667    |
| Strengthen Natural Resource Governance                      |      | 811          | 193          | <b>1,004</b>  | 1,162  |
| <b>Total expenditure</b>                                    | 4    | <b>5,497</b> | <b>4,733</b> | <b>10,230</b> | 9,032  |
| Net gain/(loss) on investments                              |      | -            | (4)          | <b>(4)</b>    | 3      |
| <b>Net movement in funds, being net income for the year</b> | 5    | <b>(123)</b> | <b>620</b>   | <b>497</b>    | 1,100  |
| <b>Total funds brought forward</b>                          |      | <b>510</b>   | <b>6,235</b> | <b>6,745</b>  | 5,645  |
| <b>Total funds carried forward</b>                          |      | <b>387</b>   | <b>6,855</b> | <b>7,242</b>  | 6,745  |

All of the above results are derived from continuing activities. The notes on pages 21 to 33 form an integral part of the financial statements. All interest receivable and other income was unrestricted in 2022 and 2021. Other income comprises contributions to campaign expenses.

## Balance sheet

### For the year ended 31 December 2022

|  | Note | Company                         |                                 | Group                           |                                 |
|--|------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  |      | 31<br>December<br>2022<br>£'000 | 31<br>December<br>2021<br>£'000 | 31<br>December<br>2022<br>£'000 | 31<br>December<br>2021<br>£'000 |
| <b>Fixed assets</b>                    |      |                                 |                                 |                                 |                                 |
| Tangible fixed assets                  | 8    | 75                              | 130                             | 81                              | 135                             |
| Investments                            |      | 23                              | 27                              | 23                              | 27                              |
|  |      | <b>98</b>                       | 157                             | <b>104</b>                      | 162                             |
| <b>Current assets</b>                  |      |                                 |                                 |                                 |                                 |
| Debtors                                | 11   | 1,123                           | 732                             | 1,045                           | 734                             |
| Cash held as short term investment     |      | 227                             | 227                             | 227                             | 227                             |
| Cash at bank and in hand               |      | 7,192                           | 6,460                           | 7,302                           | 6,495                           |
|  |      | <b>8,542</b>                    | 7,419                           | <b>8,574</b>                    | 7,456                           |
| <b>Current liabilities</b>             |      |                                 |                                 |                                 |                                 |
| Creditors: amounts due within one year | 12   | (1,419)                         | (852)                           | (1,436)                         | (873)                           |
| <b>Net current assets</b>              |      | <b>7,123</b>                    | 6,567                           | <b>7,138</b>                    | 6,583                           |
| <b>Net assets</b>                      | 13   | <b>7,221</b>                    | 6,724                           | <b>7,242</b>                    | 6,745                           |
| <b>Funds</b>                           |      |                                 |                                 |                                 |                                 |
| Restricted funds                       |      | 387                             | 510                             | 387                             | 510                             |
| Unrestricted funds                     |      |                                 |                                 |                                 |                                 |
| Designated funds                       |      | 858                             | 191                             | 858                             | 191                             |
| General funds                          |      | 5,976                           | 6,023                           | 5,997                           | 6,044                           |
| <b>Total funds</b>                     | 14   | <b>7,221</b>                    | 6,724                           | <b>7,242</b>                    | 6,745                           |

Approved by the trustees and authorised for issue on 2 May 2023 and signed on their behalf by:



Christine Kanu  
Chair of the Finance and Remuneration Committee

Company Registration Number: 2871809

The notes on pages 21 to 33 form an integral part of the financial statements

## Statement of Cash Flows

For the year ended 31 December 2022

|  | Note | Company                      |                              | Group                        |                              |
|--|------|------------------------------|------------------------------|------------------------------|------------------------------|
|  |      | 31 December<br>2022<br>£'000 | 31 December<br>2021<br>£'000 | 31 December<br>2022<br>£'000 | 31 December<br>2021<br>£'000 |
| <b>Net cash provided by operating activities</b>           | A    | <b>793</b>                   | 1,488                        | <b>876</b>                   | 1,412                        |
| <b>Cash flows from investing activities</b>                |      |                              |                              |                              |                              |
| Purchase of property, plant and equipment                  |      | (61)                         | (64)                         | (69)                         | (64)                         |
| <b>Net cash provided by (used in) investing activities</b> |      | <b>(61)</b>                  | (64)                         | <b>(69)</b>                  | (64)                         |
| Change in cash and cash equivalents in the year            |      | <b>732</b>                   | 1,424                        | <b>807</b>                   | 1,348                        |
| Cash and cash equivalents at the beginning of the year     | B    | <b>6,687</b>                 | 5,263                        | <b>6,722</b>                 | 5,374                        |
| <b>Cash and cash equivalents at the end of the year</b>    | B    | <b>7,419</b>                 | 6,687                        | <b>7,529</b>                 | 6,722                        |

### Note A:

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

|  | Company                      |                              | Group                        |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 31 December<br>2022<br>£'000 | 31 December<br>2021<br>£'000 | 31 December<br>2022<br>£'000 | 31 December<br>2021<br>£'000 |
| Net income for the period                        | <b>497</b>                   | 1,100                        | <b>497</b>                   | 1,100                        |
| <b>Adjustments for:</b>                          |                              |                              |                              |                              |
| (Gains)/losses on investments                    | <b>4</b>                     | (3)                          | <b>4</b>                     | (3)                          |
| (Gains)/losses on disposal of fixed assets       | <b>42</b>                    | 7                            | <b>43</b>                    | 8                            |
| Depreciation charges                             | <b>74</b>                    | 9                            | <b>80</b>                    | 80                           |
| (Increase) in debtors                            | <b>(391)</b>                 | 354                          | <b>(311)</b>                 | 306                          |
| (Decrease)/Increase in creditors                 | <b>567</b>                   | (49)                         | <b>563</b>                   | (79)                         |
| Less: Interest received                          | -                            | -                            | -                            | -                            |
| <b>Net cash provided by operating activities</b> | <b>793</b>                   | 1,488                        | <b>876</b>                   | 1,412                        |

**Note B:****Analysis of cash and cash equivalents**

|  | <b>Company</b>                                    |                              | <b>Group</b>                                      |                              |
|--|---|------------------------------|---|------------------------------|
|  | <b>31 December</b><br><b>2022</b><br><b>£'000</b> | 31 December<br>2021<br>£'000 | <b>31 December</b><br><b>2022</b><br><b>£'000</b> | 31 December<br>2021<br>£'000 |
| Cash held as short term investment     | <b>227</b>  | 227                          | <b>227</b>  | 227                          |
| Cash at bank and in hand               | <b>7,192</b>                                      | 6,460                        | <b>7,302</b>                                      | 6,495                        |
| <b>Total cash and cash equivalents</b> | <b>7,419</b>                                      | 6,687                        | <b>7,529</b>                                      | 6,722                        |

# Notes to the financial statements

## For the year ended 31 December 2022

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

### 1. Accounting policies

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

#### a) Basis of preparation and assessment of going concern

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

The Directors have reviewed the financial position and future plans of the organisation, using a range of assessments including scenario planning and ongoing cashflow forecasting and monitoring.

Based on these assessments and having regard to the resources available to the organisation the Directors have concluded that there are no material uncertainties related to events or conditions that cast significant doubt on the organisation's ability to continue its activities for the foreseeable future. They can therefore continue to adopt the going concern basis in preparing the annual report and accounts.

There are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described below.

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

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

#### b) Income recognition

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

Grants receivable are credited to the Statement of Financial Activities when the organisation has received the signed grant agreement, unless there are specific time restrictions or performance conditions that delay entitlement to the income.

Restricted Income from government and other grants is recognised when the organisation has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Expenditure which meets these criteria is charged to the fund.

Donated professional services are recognised on the basis of the value of the gift to the organisation which is the amount the organisation would have been willing to pay to obtain services of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the organisation; this is normally upon notification of the interest paid or payable by the Bank.

**c) Fund accounting**

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

**d) Expenditure recognition**

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

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

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

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

**e) Tangible Fixed Assets**

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

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

**f) Debtors**

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

**g) Cash at bank and in hand**

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

**h) Creditors and provisions**

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

**i) Investments**

Investments are included in the financial statements at the market value as at 31 December 2022. Gains and losses on the revaluation of investments are included in the Statement of Financial Activities.

**j) Derivative financial instruments**

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

**k) Accounting estimates and key judgements**

The items in the accounts that are considered to involve critical accounting estimates and judgements include:

- > revenue recognition where judgement is required to appropriately apply the income accounting policies (policy note b), from governments and other institutional donors;
- > cost allocation methodology requires judgement as to the most appropriate bases to use to apportion support and governance costs between raising funds and charitable expenditure categories (note 4, below);
- > the decision as to whether there is any potential liability in respect of any ongoing legal proceedings and whether this should be provided for, or disclosed as a provision.

In the view of the Directors there are no estimates or assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**l) Foreign Exchange Transactions**

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

## m) Operating Leases

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

## n) Pension Scheme

Global Witness contributes to defined contribution pension schemes on behalf of its employees and contributions for the year are charged in the Statement of Financial Activities as they fall due.

| 2. Donations   | Restricted<br>£'000 | Unrestricted<br>£'000 | 2022<br>Total<br>£'000 | 2021<br>Total<br>£'000 |
|--|---------------------|-----------------------|------------------------|------------------------|
| Ford Foundation  |                     | 277                   | <b>277</b>             | -                      |
| The Foundation to Promote Open Society                                     |                     | 1,946                 | <b>1,946</b>           | 2,503                  |
| Luminate   |                     | 373                   | <b>373</b>             | 958                    |
| CHARISMA Stiftung für nachhaltige Entwicklung                              |                     | 9                     | <b>9</b>               | 16                     |
| The William and Flora Hewlett Foundation                                   |                     | 191                   | <b>191</b>             | 147                    |
| Grantham Foundation for the Protection of the Environment                  |                     | 850                   | <b>850</b>             | 188                    |
| Quadrature Climate Foundation  |                     | 500                   | <b>500</b>             | 1,000                  |
| Skoll Foundation   |                     | -                     | -                      | 56                     |
| Other grants and donations   |                     | 20                    | <b>20</b>              | 2                      |
| <b>Grants from Global Witness Foundation:</b>                              |                     |                       |                        |                        |
| Ackerman Family Fund   |                     | -                     | -                      | 38                     |
| Flora Family Foundation  |                     | 14                    | <b>14</b>              | -                      |
| Patagonia.com  |                     | 4                     | <b>4</b>               | 4                      |
| Susan Gibson   |                     | -                     | -                      | 3                      |
| Trellis Charitable Fund  |                     | 183                   | <b>183</b>             | -                      |
| Wellspring Philanthropic Fund  |                     | 114                   | <b>114</b>             | 143                    |
| Other grants and donations   | 6                   | 288                   | <b>294</b>             | 93                     |
| <b>Grants from Global Witness Trust</b>                                    |                     |                       |                        |                        |
| Nationale Postcode Loterij N.V.  |                     | 442                   | <b>442</b>             | 391                    |
| The Frederick Mulder Foundation  |                     | -                     | -                      | 10                     |
| Postcode Justice Trust, supported by players of People's Postcode Lottery' | 800                 | -                     | <b>800</b>             | 400                    |
| Jane Thurnell-Read   |                     | 2                     | <b>2</b>               | 1                      |
| Kenneth Miller Trust   | 35                  | -                     | <b>35</b>              | 2                      |
| The Kestrelman Trust   | 20                  | -                     | <b>20</b>              | -                      |
| Coles Medlock Foundation   |                     | -                     | -                      | 4                      |
| Oliver Hudson  |                     | 3                     | <b>3</b>               | 3                      |
| Other grants and donations   |                     | 87                    | <b>87</b>              | 50                     |
| Donated services and facilities  |                     | 27                    | <b>27</b>              | 61                     |
| <b>Total</b>   | 861                 | 5,330                 | <b>6,191</b>           | 6,073                  |

Included within the 2021 total was restricted income of £NIL and unrestricted income of £6,073,000. Donated services and facilities comprise professional legal fees and other services provided pro bono, or at reduced rates to the normal market rate.



### 3. Income from charitable activities

|  | Restricted<br>£'000 | Unrestricted<br>£'000 | 2022<br>Total<br>£'000 | 2021<br>Total<br>£'000 |
|--|---------------------|-----------------------|------------------------|------------------------|
| Arcadia  | 500                 | -                     | 500                    | 500                    |
| Arcus Foundation   | 99                  | -                     | 99                     | 98                     |
| Brook Foundation   | 40                  | -                     | 40                     | 141                    |
| Climate Imperative   | -                   | -                     | -                      | 75                     |
| Department of Foreign Affairs and<br>Trade of Ireland *                                | 172                 | -                     | 172                    | -                      |
| Don Quixote II Foundation  | 253                 | -                     | 253                    | 144                    |
| Energy Transition Fund, a sponsored<br>project of Rockefeller Philanthropy<br>Advisors | 94                  | -                     | 94                     | -                      |
| European Climate Foundation  | 615                 | -                     | 615                    | 347                    |
| Evan Cornish Foundation  | 10                  | -                     | 10                     | -                      |
| The Frederick Mulder Foundation *  | 10                  | -                     | 10                     | 10                     |
| Good Energies Foundation   | 420                 | -                     | 420                    | 443                    |
| Hopewell Fund  | -                   | -                     | -                      | 317                    |
| Humanity United Action   | -                   | -                     | -                      | 110                    |
| Kenneth Miller Trust   | -                   | -                     | -                      | 38                     |
| The Kestrelman Trust   | -                   | -                     | -                      | 30                     |
| Laudes Foundation  | 181                 | -                     | 181                    | 142                    |
| The Minor Foundation for Major<br>Challenges   | 10                  | -                     | 10                     | 21                     |
| Norwegian Agency for Development<br>Cooperation (NORAD)                                | 869                 | -                     | 869                    | 823                    |
| Oak Foundation   | -                   | -                     | -                      | 41                     |
| Alliance for Open Society international  | 207                 | -                     | 207                    | -                      |
| Silicon Valley Community Foundation  | -                   | -                     | -                      | 19                     |
| Skoll Foundation   | 30                  | -                     | 30                     | 11                     |
| Swedish Postcode Foundation *  | 202                 | -                     | 202                    | 222                    |
| The Waterloo Foundation  | 50                  | -                     | 50                     | 25                     |
| Tilia Fund   | 395                 | -                     | 395                    | 364                    |
| UK DFID – Forest Governance bridging<br>grant Markets and Climate<br>Programme         | -                   | -                     | -                      | 14                     |
| UK FCDO Forest Governance<br>Markets and Climate Programme                             | 147                 | -                     | 147                    | 103                    |
| Other grants and donations   | 209                 | -                     | 209                    | 3                      |
| <b>Total charitable activities</b>   | <b>4,513</b>        | <b>-</b>              | <b>4,513</b>           | <b>4,041</b>           |

The summary of the transactions for 2022 under the Forest Governance MC grant were as follows: opening balance 1 Jan 2022 £2,337 deficit; income received £147,231, expenditure £144,894, and a balance of funds remaining at 31 December 2022 of (£NIL).

The summary of the transactions for 2022 under The Minor Foundation for Major Challenges grant were as follows: opening balance 1 Jan 2022 £9,997 deficit; income received £10,282, expenditure £284, and a funds balance at 31 December 2023 of (£NIL)

Included within the 2021 total was restricted income of £4,041,000 and unrestricted income of £NIL.

\* Denotes income received via GW Trust.

#### 4. Total expenditure

|  | Direct<br>activities<br>£'000 | Support costs<br>(including<br>governance<br>costs)<br>£'000 | <b>2022</b><br><b>£'000</b> | 2021<br>£'000 |
|--|-------------------------------|--|-----------------------------|---------------|
| <b>Costs of raising funds</b>                                  | 913                           | 505  | <b>1,418</b>                | 1,193         |
| <b>Charitable activities</b>                                   |                               |  |                             |               |
| <i>Environmental and human rights research and campaigning</i> |                               |  |                             |               |
| Forests  | 1,954                         | 343  | <b>2,297</b>                | 2,345         |
| Land and Environmental Defenders                               | 1,572                         | 258  | <b>1,830</b>                | 1,383         |
| Gas  | 1,921                         | 287  | <b>2,208</b>                | 1,453         |
| Corporate Accountability                                       | 571                           | 78   | <b>649</b>                  | 829           |
| Digital Threats  | 692                           | 132  | <b>824</b>                  | 667           |
| Strengthen Natural Resource<br>Governance                      | 889                           | 105  | <b>1,004</b>                | 1,162         |
| <b>Total charitable activities</b>                             | <b>7,609</b>                  | <b>1,203</b>   | <b>8,812</b>                | <b>7,839</b>  |
| <b>Total expenditure</b>                                       | <b>8,522</b>                  | <b>1,708</b>   | <b>10,230</b>               | <b>9,032</b>  |

#### Support costs (including governance costs):

|  | Cost of<br>raising funds<br>£'000 | Environmental<br>and human rights<br>research and<br>campaigning<br>£'000 | <b>Total</b><br><b>2022</b><br><b>£'000</b> | Total<br>2021<br>£'000 |
|--|-----------------------------------|---|---|------------------------|
| General Management                                     | 43                                | 158   | <b>201</b>                                  | 272                    |
| Finance, Human Resources and<br>Information Technology | 435                               | 947   | <b>1,382</b>                                | 1,183                  |
| Governance costs                                       | 27                                | 98  | <b>125</b>                                  | 133                    |
|  | <b>505</b>                        | <b>1,203</b>  | <b>1,708</b>                                | <b>1,588</b>           |

#### Support function

General management  
Finance  
Human resources  
Information Technology  
Governance costs

#### Basis of apportionment

Head count  
Estimated time spent  
Head count  
Head count  
Head count

## 5. Net income for the year

This is stated after charging:

|                                | 2022      | 2021      |
|--------------------------------|-----------|-----------|
|                                | £'000     | £'000     |
| Depreciation                   | 80        | 80        |
| Operating lease rentals        |           |           |
| property                       | 335       | 282       |
| Auditor's remuneration         |           |           |
| statutory audit                | 28        | 23        |
| other services                 | 2         | 16        |
| Directors' remuneration        | 375       | 343       |
| Directors' reimbursed expenses | 1         | 1         |
| Foreign exchange gains         | 65        | 76        |
|                                | <b>65</b> | <b>76</b> |

During the year 4 Directors were reimbursed expenses relating to travel and subsistence costs incurred in the course of their work (2021: 4 Directors reimbursed)

## 6. Staff costs and numbers

Staff costs were as follows:

|                       | 2022         | 2021         |
|-----------------------|--------------|--------------|
|                       | £'000        | £'000        |
| Salaries              |              |              |
| United Kingdom staff  | 3,813        | 3,632        |
| Overseas staff        | 1,094        | 1,036        |
| Social security costs | 562          | 519          |
| Pension contributions | 434          | 323          |
|                       | <b>5,903</b> | <b>5,510</b> |
| Other staff costs     | 348          | 294          |
|                       | <b>6,251</b> | <b>5,804</b> |

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

|                           | 2022 | 2021 |
|---------------------------|------|------|
|                           | No.  | No.  |
| From £60,001 to £70,000   | 9    | 4    |
| From £70,001 to £80,000   | 3    | 2    |
| From £80,001 to £90,000   | 5    | 7    |
| From £90,001 to £100,000  | 4    | 6    |
| From £100,001 to £110,000 | 1    | -    |
| From £110,001 to £120,000 | 1    | 1    |
| From £120,001 to £130,000 | 1    | -    |

Pension contributions to defined contribution pension schemes for these 24 employees totalled £151,187 in the period (2021: £103,040 for 20 employees).

In 2022 the organisation made termination payments of £128,516 (2021: £56,639). The termination payments were a combination of compulsory redundancy payments plus termination payments made under settlement agreements. Such payments are accounted for as staff costs and are funded from unrestricted reserves.

The key management personnel of the organisation comprise the 3 founding members as Executive Directors, and the Chief Executive Officer. The total employee benefits of the key management personnel of the organisation were £374,573 (2021 £342,635). The remaining non-executive Directors were not paid or received any other benefits arising from their roles.

The current year's figure includes employees employed for seven years and now qualify for a sabbatical.

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

|                          | <b>2022</b> | 2021 |
|--------------------------|-------------|------|
|                          | <b>No.</b>  | No.  |
| Campaigning and advocacy | <b>63</b>   | 68   |
| Fundraising              | <b>12</b>   | 14   |
| Finance and operation    | <b>13</b>   | 12   |
|                          | <b>88</b>   | 94   |

## 7. Taxation

The organisation paid £957 in corporation tax in the period to 31 December 2022 (restated 2021: £6,801).

## 8. Tangible fixed assets

| <b>Group</b>                              | Computer<br>equipment &<br>software<br>£'000 | Office<br>fixtures &<br>fittings<br>£'000 | Office<br>furniture &<br>equipment<br>£'000 | <b>Total<br/>£'000</b> |
|---|--|---|---|------------------------|
| <b>Cost</b>                               |  |   |   |                        |
| At 1 January 2022                         | 229  | 125                                       | 93  | <b>447</b>             |
| Additions in period                       | 52   | -   | 17  | <b>69</b>              |
| Disposals in period                       | (141)  | (93)                                      | 56  | <b>(290)</b>           |
| At 31 December 2022                       | <b>140</b>                                   | <b>32</b>                                 | <b>54</b>                                   | <b>226</b>             |
| <b>Depreciation</b>                       |  |   |   |                        |
| At 1 January 2022                         | 170  | 56  | 86  | <b>312</b>             |
| Charge for the period                     | 42   | 31  | 7   | <b>80</b>              |
| Disposals in period                       | (130)  | (65)                                      | (52)  | <b>(247)</b>           |
| At 31 December 2022                       | <b>82</b>                                    | <b>22</b>                                 | <b>41</b>                                   | <b>145</b>             |
| <b>Net book value at 31 December 2022</b> | <b>58</b>                                    | <b>10</b>                                 | <b>13</b>                                   | <b>81</b>              |
| At 31 December 2021                       | 59   | 69  | 7   | <b>135</b>             |

| <b>Company</b>                            | Computer<br>equipment &<br>software<br>£'000 | Office<br>fixtures &<br>fittings<br>£'000 | Office<br>furniture &<br>equipment<br>£'000 | <b>Total<br/>£'000</b> |
|---|--|---|---|------------------------|
| <b>Cost</b>                               |  |   |   |                        |
| At 1 January 2022                         | 214  | 117                                       | 83  | <b>414</b>             |
| Additions in period                       | 46   | -   | 15  | <b>61</b>              |
| Disposals in period                       | (138)  | (93)                                      | (55)  | <b>(286)</b>           |
| At 31 December 2022                       | 122  | 24  | 43  | <b>189</b>             |
| <b>Depreciation</b>                       |  |   |   |                        |
| At 1 January 2022                         | 154  | 53  | 77  | <b>284</b>             |
| Charge for the period                     | 39   | 29  | 6   | <b>74</b>              |
| Disposals in period                       | (127)  | (65)                                      | (52)  | <b>(244)</b>           |
| At 31 December 2022                       | 66   | 17  | 31  | <b>114</b>             |
| <b>Net book value at 31 December 2022</b> | <b>56</b>                                    | <b>7</b>                                  | <b>12</b>                                   | <b>75</b>              |
| At 31 December 2021                       | 60   | 64  | 6   | 130                    |

## 9. Global Witness Inc and Global Witness ASBL

Global Witness Inc. is a company registered in Washington DC, USA. Suite 04-135, 700 K Street Northwest, Washington, DC, 20001, USA. File number 234493. Global Witness ASBL is registered in Belgium. Registered office, Rue du Commerce, 31, Brussels, 1000, Belgium, registration number 0763679119. Both of these entities fall within the definition of “subsidiary” as set out in paragraph 9.4 of FRS102, in that Global Witness, Global Witness Inc. and Global Witness ASBL are managed on a unified basis. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the entities is shown below:

|   | <b>Global Witness ASBL</b> |       | <b>Global Witness Inc</b> |            |
|---|----------------------------|-------|---------------------------|------------|
|   | <b>2022</b>                | 2021  | <b>2022</b>               | 2021       |
|   | <b>£'000</b>               | £'000 | <b>£'000</b>              | £'000      |
| Grants received from Global Witness                     | <b>126</b>                 | 18    | <b>1,068</b>              | <b>967</b> |
| Other income  | -                          | -     | <b>17</b>                 | -          |
| <b>Total income</b>                                     | <b>126</b>                 | 18    | <b>1,085</b>              | <b>967</b> |
| <b>Total expenditure</b>                                | <b>126</b>                 | 18    | <b>1,085</b>              | <b>967</b> |
| Net movement in funds for the period                    | -                          | -     | -                         | -          |
| <b>Total funds brought forward</b>                      | -                          | -     | <b>22</b>                 | 22         |
| <b>Total funds carried forward</b>                      | -                          | -     | <b>22</b>                 | 22         |
| The aggregate of the assets, liabilities and funds was: |                            |       |                           |            |
| <b>Assets</b>   | <b>18</b>                  | 10    | <b>117</b>                | 60         |
| <b>Liabilities</b>                                      | <b>(18)</b>                | (10)  | <b>(95)</b>               | (38)       |
| <b>Total Funds</b>                                      | -                          | -     | <b>22</b>                 | 22         |

**10. Company**

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

|  | <b>2022</b>   | 2021   |
|--|---------------|--------|
|  | <b>£'000</b>  | £'000  |
| Gross income   | <b>10,801</b> | 10,087 |
| Net movement in funds, being net income/(expenditure) for the period | <b>497</b>    | 1,100  |
| Represented by   |               |        |
| Restricted funds   | <b>387</b>    | 510    |
| Unrestricted funds   | <b>6,834</b>  | 6,214  |
| Total funds  | <b>7,221</b>  | 6,724  |

**11. Debtors**

|                | <b>Company</b> | Company | <b>Group</b> | Group |
|----------------|----------------|---------|--------------|-------|
|                | <b>2022</b>    | 2021    | <b>2022</b>  | 2021  |
|                | <b>£'000</b>   | £'000   | <b>£'000</b> | £'000 |
| Other debtors  | <b>162</b>     | 71      | <b>64</b>    | 63    |
| Prepayments    | <b>297</b>     | 71      | <b>317</b>   | 81    |
| Accrued income | <b>664</b>     | 590     | <b>664</b>   | 590   |
|                | <b>1,123</b>   | 732     | <b>1,045</b> | 734   |

**12. Creditors: amounts due within 1 year**

|                              | <b>Company</b> | Company | <b>Group</b> | Group |
|------------------------------|----------------|---------|--------------|-------|
|                              | <b>2022</b>    | 2021    | <b>2022</b>  | 2021  |
|                              | <b>£'000</b>   | £'000   | <b>£'000</b> | £'000 |
| Taxation and social security | <b>91</b>      | 95      | <b>91</b>    | 96    |
| Other creditors              | <b>391</b>     | 355     | <b>390</b>   | 334   |
| Accruals and deferred income | <b>937</b>     | 402     | <b>955</b>   | 443   |
|                              | <b>1,419</b>   | 852     | <b>1,436</b> | 873   |

**13. Analysis of net assets between funds**

|  | Restricted   | Unrestricted | <b>Total</b>   |
|--|--------------|--------------|----------------|
|  | funds        | funds        | <b>funds</b>   |
|  | 2022         | 2022         | <b>2022</b>    |
| <b>Group</b>                               | £'000        | £'000        | <b>£'000</b>   |
| Tangible fixed assets                      | -            | 81           | <b>81</b>      |
| Investments                                | -            | 23           | <b>23</b>      |
| Current assets                             | 387          | 8,187        | <b>8,574</b>   |
| Current liabilities                        | (718)        | (718)        | <b>(1,436)</b> |
| <b>Net assets at the end of the period</b> | <b>(331)</b> | <b>7,573</b> | <b>7,242</b>   |

| Group                                      | Restricted | Unrestricted | Total        |
|--|------------|--------------|--------------|
|  | funds      | funds        | funds        |
|  | 2021       | 2021         | 2021         |
|  | £'000      | £'000        | £'000        |
| Tangible fixed assets                      | -          | 135          | 135          |
| Investments                                | -          | 27           | 27           |
| Current assets                             | 510        | 6,946        | 7,456        |
| Current liabilities                        | (348)      | (525)        | 873          |
| <b>Net assets at the end of the period</b> | <b>162</b> | <b>6,583</b> | <b>6,745</b> |

#### 14. Movements in funds

| Group                                  | At the start of the period |               |                 | Transfers between funds | At the end of the period |
|--|----------------------------|---------------|-----------------|-------------------------|--------------------------|
|  | 1 Jan 2022                 | Income        | Expenditure     |                         | 31 Dec 2022              |
|  | £'000                      | £'000         | £'000           |                         | £'000                    |
| <b>Restricted funds:</b>               |                            |               |                 |                         |                          |
| Forests                                | 275                        | 1,739         | (1,843)         | -                       | 171                      |
| Land and Environmental Defenders       | 4                          | 677           | (694)           | -                       | (13)                     |
| Gas                                    | 107                        | 1,456         | (1,543)         | -                       | 20                       |
| Corporate Accountability               | 123                        | 448           | (588)           | -                       | (17)                     |
| Digital Threats                        | -                          | 126           | (18)            | -                       | 108                      |
| Strengthen Natural Resource Governance | 1                          | 928           | (811)           | -                       | 118                      |
| <b>Total restricted funds</b>          | <b>510</b>                 | <b>5,374</b>  | <b>(5,497)</b>  | <b>-</b>                | <b>387</b>               |
| <b>Unrestricted funds:</b>             |                            |               |                 |                         |                          |
| Designated funds                       | 191                        | 667           | -               | -                       | 858                      |
| General funds                          | 6,044                      | 4,690         | (4,737)         | -                       | 5,997                    |
| <b>Total unrestricted funds</b>        | <b>6,235</b>               | <b>5,357</b>  | <b>(4,737)</b>  | <b>-</b>                | <b>6,855</b>             |
| <b>Total funds</b>                     | <b>6,745</b>               | <b>10,731</b> | <b>(10,234)</b> | <b>-</b>                | <b>7,242</b>             |

| Group                                  | At the start of the period |               |                | Transfers between funds | At the end of the period |
|--|----------------------------|---------------|----------------|-------------------------|--------------------------|
|  | 1 Jan 2021                 | Income        | Expenditure    |                         | 31 Dec 2021              |
|  | £'000                      | £'000         | £'000          | £'000                   | £'000                    |
| <b>Restricted funds:</b>               |                            |               |                |                         |                          |
| Forests                                | 743                        | 1,638         | (2,106)        | -                       | 275                      |
| Land and Environmental Defenders       | 12                         | 437           | (445)          | -                       | 4                        |
| Gas                                    | 5                          | 781           | (679)          | -                       | 107                      |
| Corporate Accountability               | 33                         | 590           | (500)          | -                       | 123                      |
| Digital Threats                        | -                          | -             | -              | -                       | -                        |
| Strengthen Natural Resource Governance | 111                        | 585           | (789)          | 94                      | 1                        |
| <b>Total restricted funds</b>          | <b>904</b>                 | <b>4,031</b>  | <b>(4,519)</b> | <b>94</b>               | <b>510</b>               |
| <b>Unrestricted funds:</b>             |                            |               |                |                         |                          |
| Designated funds                       | 191                        | -             | -              | -                       | 191                      |
| General funds                          | 4,550                      | 6,098         | (4,510)        | 94                      | 6,044                    |
| <b>Total unrestricted funds</b>        | <b>4,741</b>               | <b>6,098</b>  | <b>(4,510)</b> | <b>(94)</b>             | <b>6,235</b>             |
| <b>Total funds</b>                     | <b>5,645</b>               | <b>10,129</b> | <b>(9,029)</b> | <b>-</b>                | <b>6,745</b>             |

The transfer between funds in 2021 represents a reinstatement of funds to an Open Society Foundation grant where expenditure had been previously allocated but subsequently identified as not allowable.

#### Purpose of restricted funds

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

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

#### Purpose of designated fund

The designated fund represents unrestricted funds set aside by the Board for specific purposes. At the end of 2022, funds have been set aside for the following purposes:

- i. to cover costs relating to any insurance claim excesses; and for use in supporting general transparency campaigning. Should no related expenditure arise, the funds would then be transferred to the general fund's category.
- ii. Grantham's one-off funds received in 2022 are to be utilised in the next three years to achieve the new strategy.



## 15. Operating lease commitments

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

|                  | <b>Property<br/>2022<br/>£'000</b> | Property<br>2021<br>£'000 |
|------------------|------------------------------------|---------------------------|
| Amounts payable: |                                    |                           |
| Within 1 year    | <b>267</b>                         | 130                       |
| 2-5 years        | <b>692</b>                         | -                         |
|                  | <b>959</b>                         | 130                       |

## 16. Related party transactions

One of the directors, Patrick Alley, is also a director of Global Witness Foundation, a Californian non profit public benefit organisation, which has exemption under section 501(c)(3) of the Internal Revenue code. There is no legal relationship between the two entities other than the involvement of the director. Global Witness Foundation was incorporated on 21 May 2001. Global Witness Foundation made grants totalling £890,000 to Global Witness in the period (2021: £532,000).

## 17. Financial risk management

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

### Foreign exchange transactional currency risk

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

### Liquidity risk

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

## 18. Investments

| <b>Group</b>                                 | <b>2022<br/>£'000</b>     | 2021<br>£'000     |
|--|---------------------------|-------------------|
| <b>Market value</b>                          |                           |                   |
| At 1 January 2022                            | <b>27</b>                 | 24                |
| Net gain/(loss) on revaluation of investment | <b>(4)</b>                | 3                 |
| At 31 December 2022                          | <b>23</b>                 | 27                |
| <br>Historical cost                          | <br><b>17</b>             | <br>17            |
| <br>The investments are held as follows:     | <br><b>2022<br/>£'000</b> | <br>2021<br>£'000 |
| Other equities                               | <b>22</b>                 | 24                |
| Cash   | <b>1</b>                  | 3                 |
|  | <b>23</b>                 | 27                |