

MINES ADVISORY GROUP
(A company limited by guarantee and not having a share capital)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014

MINES ADVISORY GROUP

CONTENTS

Contents	Page
Legal and administrative information	1
Statement from the Chair and Chief Executive	2
Trustees' Report	3 - 13
Independent auditor's report	14 - 15
Statement of financial activities	16
Balance sheet	17
Cash flow statement	18
Notes to the financial statements	19 – 31
 The following pages do not form part of the statutory accounts:	
Appendix 1 – Pro-forma US Dollar accounts	32 - 34
Appendix 2 – Pro-forma Euro accounts	35 - 37

MINES ADVISORY GROUP
LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees:

Lord Michael Williams (Chair) (joined 15 November 2013)
Mr Paul Nielsen, ACIB (Treasurer)
Mr Colin Rowe (Legal Officer)
Ms Gill Miller, MA PGCE
Dr Paul Bell, CMIIA, CFE, ACFS (Audit and Finance Committee)
Colonel Christopher Bates
Ms Diane Reid
Dr Tapera Knox Chitiyo
Mr Neil Turton (joined 15 November 2013)
Ms Kathy Peach (joined 15 November 2013)
Mr Matthew Sherrington (joined 15 November 2013)
Mr John Shinnick (Audit and Finance Committee) (joined 6 September 2013)
Ms Clare Marles (resigned 6 September 2013)
Ms Vanessa Forbes (resigned 9 October 2013)
Mr Michael Taylor (resigned 15 November 2013)
Mr Steve Wright (resigned 15 November 2013)

The Management Team:

Nick Roseveare – Chief Executive
Richard Holmes – Director of Programmes (resigned 10 November 2014)
Mick Darby – Director of Finance
Samantha Wakefield – Director of Human Resources
Darren Cormack – Director of Business Development
Chris Loughran – Director of Policy and Evaluation

Auditors:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

Bankers:

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Solicitors:

Bates Wells & Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Registered and Principal Office:

Suite 3A
South Central
11 Peter Street
Manchester
M2 5QR

Company Number:

4016409

Registered Charity Number:

1083008

MINES ADVISORY GROUP
STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE
For the year ended 30 June 2014

STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

2014 marks the 25th anniversary of MAG: twenty five years spent fighting the abomination that is indiscriminate victim-activated weapons, and reducing and removing the risks faced by those trapped in fear and poverty by landmines and explosive remnants of war.

MAG can take some satisfaction in the contribution it has made around the world, the recognition it has received, and the reputation that our best work has earned us during the last quarter of a century.

The most recent endorsement of MAG came in the form of a message received from Kofi Annan, former Secretary General of the United Nations and recipient of the 2001 Nobel Peace Prize (an honour MAG shared in 1997), saying, *"I applaud the progress and commitment of MAG over the last 25 years. The work of organizations like MAG is invaluable and I wish you every success as you mark this important milestone."*

Indeed the progress and commitment of MAG has achieved a great deal in the last 25 years. MAG teams working in 40 countries around the world, have:

- returned 5.5 billion square metres of land to safe and productive use. This is equivalent to a one kilometre wide strip of land all the way from London to Moscow, and back again – or, a one metre wide strip of land wrapped over 130 times around the world;
- found and destroyed more than 400,000 landmines and cluster munitions;
- found and destroyed 6 million items of unexploded ordnance and other dangerous items;
- found and destroyed in excess of 10 million items of small arms ammunition;
- delivered 100,000 risk education sessions to help people stay safe until land is cleared; and
- built or refurbished over 360 armouries and ammunition storage points.

These numbers are truly remarkable. However, the greatest reward is the knowledge that, in achieving these outputs, MAG has had a positive impact on the future of so many people. In one country, in one year, in South East Asia for instance, 92 per cent of respondents to our impact survey reported that they no longer experience any months of food shortage in the year due to the safe access to productive land that MAG has made possible. This is the real and lasting difference that MAG makes.

Sadly, there is still plenty to keep MAG busy for many years to come – and certainly MAG will continue to make a difference to the daily lives and future prospects of millions of conflict-affected women, men and children around the world.

In 2013/14 MAG increased the number of people it reached to c.2.1 million, across all operations. MAG has helped to ensure that those fleeing the Syria and Iraq crises can be given refuge on safe land in neighbouring countries and districts. MAG also supported the clean-up of military ordnance scattered across typhoon-struck Tacloban in the Philippines. MAG continued its painstaking work of clearing up after conflict in more and more countries where communities seek to rebuild their lives.

We appreciate the generous support of our many donors, and the tremendous dedication and professionalism of MAG teams in UK and in our country programmes.



Lord Michael Williams
Chair of Trustees



Nick Roseveare
Chief Executive

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

TRUSTEES REPORT

1. OBJECTS AND ACTIVITIES

1.1 Objects

The objects of the charity, as set out in the governing document, are:

- a) the relief of suffering and distress throughout the world, in particular in areas where conflict causes human fatality or injury, due to the presence of the debris of war, such as land mines, unexploded ordnance, stockpiles of weapons and ordnance and other residual contamination; and to deliver such relief by (but not limited to):
 - the provision of training and assistance in clearance and reconstruction;
 - undertaking any preventative measures that improve human security including (but not limited to) safely managing, storing, destroying or reducing the availability of stockpiles of ammunition, arms and weapons;
 - providing necessary medical support and education needed; and
- b) to carry out research into solving the problems faced by those whose lives have been affected by conflict and to disseminate any useful results of such research for the public benefit.

1.2 Activities

MAG has the following Aims in place that guide us towards achieving our vision:

1. The removal of the immediate threats to life, limb and livelihoods presented by the explosive remnants of war.
2. Supporting communities, governments and others to secure conditions for safe and productive futures for citizens.
3. Responding to all emergencies where MAG can directly or indirectly address humanitarian risks or need.
4. Developing MAG as an effective organisation leading its field and living its values.

The MAG Strategic Aims are set for the period 2013-2018 and are the means by which we deliver our Mission. Each Aim has a number of subsidiary Objectives.

AIM 1: Remove the immediate threats to life limb & livelihoods presented by landmines and explosive remnants of war.

- 1.1 safely find and destroy landmines, unexploded ordnance and other weapons, which present a risk to people and an obstacle to their development
- 1.2 enable communities to mitigate the risks of living with the debris of conflict

AIM 2: Support communities, governments & others to secure conditions for safe and productive futures for citizens.

- 2.1 promote safe and secure state storage and management of weapons and munitions
- 2.2 build capacity to strengthen the resilience of communities to conflict or armed violence
- 2.3 use evidence-based analysis to inform and influence inter/national policy development and decision-making affecting the safety and security of civilians

AIM 3: Respond to all emergencies where MAG can directly or indirectly address humanitarian risks or need.

Using MAG's key competencies in Mine Action, Explosive Ordnance Disposal, Mine Risk Education and related fields:

- 3.1 address and mitigate immediate humanitarian risk resulting from Unplanned Explosions at Munitions Stores (UEMS) and similar events
- 3.2 mitigate the risks to, and enable the addressing of the needs of, civilians in humanitarian crises

AIM 4: Further develop MAG as an effective organisation leading its field and living its values.

- 4.1 develop motivated and effective staff, with the right skills and leadership to continuously improve the quality and impact of MAG's work
- 4.2 develop effective systems for accountability, management and good governance which promote learning

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

and innovation

4.3 develop internal and external communications of our growing organisation

4.4 develop our resource generation and income mix

4.5 develop a global MAG to realise our Vision

MAG programmes continued to be defined across the core areas of mine action and arms management and destruction, driven by the goal of reducing the impact of, and potential for, conflict and armed violence.

Mine Action. This covers landmines and explosive remnants of war in conflict and post-conflict contexts. Primary activities are survey, clearance and risk education, but MAG also supports states to destroy stockpiles.

Arms Management and Destruction. The scope of this work depends on humanitarian need and the context in which MAG is operating. It can support various initiatives, such as security sector reform, rule of law, armed violence reduction and prevention, and the reduction of risk and civilian impact following Unplanned Explosions at Munitions Sites (UEMS). It also includes the destruction of surplus and/or obsolete weapons, munitions and ammunition.

In setting out our activities each year we have regard to the Charity Commission guidance on public benefit. During the past 12 months, MAG has worked in a total of 17 countries or territories (Angola, Burundi, Cambodia, Chad, Democratic Republic of the Congo, Honduras, Iraq, Lao PDR, Lebanon, Libya, Mali, Myanmar, Philippines, Somalia, South Sudan, Sri Lanka and Vietnam).

The target beneficiaries of MAG's work are those whose lives are endangered by, or whose development is blocked by, the explosive remnants of war. The greater public, in the areas where MAG works, are the general beneficiaries of its work, as indeed are future generations in these locations. In 2013/14 MAG records gathered at field level show that some 1.43 million people may have directly benefitted from MAG interventions, and a further 0.65 million may have indirectly benefitted.

The Trustees recognise their responsibility to ensure that the programmes we undertake are in line with our charitable objects and aims as set out in the governing document.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

2. STRATEGIC REPORT

2.1 Achievements and Performance

MAG outputs worldwide	
Land Cancelled and Reduced ¹ (Minefield and Battle Area)	3,228,568m ²
Land Cleared ² (Minefield and Battle Area)	13,727,367m ²
Road Cleared	29,000 metres
Landmines Cleared and Destroyed	7,256
Unexploded Ordnance Cleared and Destroyed	120,022
Small Arms Ammunition (below 14.5mm)	885,220
Armouries/Munitions Stores Built/Refurbished	115
Weapons Destroyed ³	41,252
Risk Education sessions conducted	12,233
Direct beneficiaries	1,434,861
<p>MAG's output statistics are gathered through an organisation-wide monthly reporting system introduced at the start of this business year. The reports use standardised terms and methods of recording to provide the organisation with accurate information and statistics.</p> <p>'Direct beneficiary' is a person that directly benefits from MAG's activity. This can refer to clearance, Explosive Ordnance Disposal (EOD) tasks, Risk Education or Land Release. 'Indirect beneficiary' numbers are also gathered, but may be less robust. 'Direct beneficiaries' constitute almost three quarters of the total number of c. 2.08 million individuals who MAG believes to be beneficiaries of its work.</p>	

The numbers above, while significant, only reflect one dimension of MAG's activity over the past 12 months. The real story lies in the impact our work had and continues to have on vulnerable and conflict-affected individuals and communities. In order to achieve this impact MAG has a way of working which optimises the use of donor resources (economy), delivering outputs and impact that show our *efficiency* and *effectiveness* in an increasingly competitive sector.

EFFICIENCY – CREATING OUTPUTS THAT DELIVER RESULTS

Outputs can be easy to define and measure but rarely 'live' beyond figures and statistics on the page. Throughout 2013/14 MAG has recorded a number of significant successes achieved thanks to careful consideration of efficiencies in the field, the results of which have impacted not only on the work MAG carries out on daily basis, but also within the sector and on a global scale.

In April 2014, **Burundi** declared itself 'landmine-free' at the Mine Ban Convention in Geneva. This was an important step for the small African country, enabling it to meet its obligations under Article 5 of the Mine Ban Treaty and for the sector itself as it showed that difficult targets can be achieved with the right level of funding from the international community combined with the right technical expertise. Having previously carried out clearance operations in 2011, MAG was able to secure funding to support the survey and clearance of newly discovered, mine-contaminated areas. By providing technical and capacity-building support to the national clearance organisation Direction de l'Action Humanitaire contre les Mines et Engins non explosés (DAHMi), MAG played a major part in this mine clearance success story, an achievement that has real significance in a sector where global results can often be seen in terms of unachievable figures and a distant, almost impossible dream.

Similarly, in **Lebanon**, MAG joined with the British Embassy in Beirut and the Lebanon Mine Action Center, to publish the results of a MAG survey into the remaining known or suspected cluster munition contamination. It took place between September 2013 and April 2014 and was the first of its kind since the 2006 hostilities. Including recommendations for land release through cancellation that would result in potential savings of \$7-11 million, it laid out a roadmap for a cluster munition free Lebanon that, with increased funding and expanded operations could

¹ Land cancelled as a result of non-technical and technical surveys after being assessed as not representing a risk from mines and Explosive Remnants of War (ERW)

² Land searched either visually or electronically with all items of ERW removed or destroyed

³ Small arms and light weapons definitively put beyond use, cannibalisation or repair, through cutting, crushing or other destruction methodologies

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

significantly bring forward the current projected date of 2018 for completion of clearance (based on current capacity). This would prevent injuries and even deaths, while freeing the remaining affected land for use in agricultural production and other income raising activity by some of the country's poorest communities.

The past 12 months saw an unprecedented increase in refugees crossing the border from Syria into both **Iraq** and **Lebanon** (20 per cent and 50 per cent respectively). In both countries, MAG reacted quickly to the crisis and is supporting the Syrian relief effort by providing risk education sessions to newly arriving refugees, clearing unexploded ordnance from areas so that they can make safe for camps to be built or expanded, as well as collecting information about contamination that will better guide future operations. Added to this, the increase in violent uprisings in Iraq at the beginning of June means that more than half a million civilians have fled their homes in Mosul and Tikrit, seeking refuge in the Kurdistan Region in the north. In response to this emergency, MAG has been able to mobilise quickly, using its expertise to deliver urgent safety messages in transit camps and at checkpoints, while making more than 89,000m² of land safe in Dohuk for a new camp to be established.

A ground-breaking project in the **Sahel region of West Africa** has highlighted MAG's approach to partnerships that increase efficiency and improve results in areas and environments that can prove to be both challenging, yet in desperate need for technical assistance. Improving the management of arms and ammunition is a priority for many states in this part of Africa as they have large stockpiles amassed due to conflict, while there is the ongoing risks resulting from cross-border insecurity and the prevalence of non-state armed groups. MAG, in close collaboration with Handicap International and the Bonn International Center for Conversion, is implementing a unique regional project that plays to the strengths of our Arms Management and Destruction experience. Through a programme of assessments that will determine training needs, identify surplus or obsolete items and assess stockpile management procedures, the project will carry out weapons and ammunition destruction activities, assist with weapons marking, provide training and develop and implement national small arms and light weapons and ammunition standards. With a humanitarian focus, this project will reduce the number of weapons in circulation, secure weapon stores in trafficking hotspots and help states progress towards meeting their obligations in terms of their commitments to regional agreements, such as the Nairobi Protocol, which provides a roadmap for improving arms management practices in the region.

EFFECTIVENESS – IMPACT FOR FUTURE GENERATIONS

"Our lives can be normal for the first time in a generation." Residents of Tan An village, Vietnam.

Being able to monitor and assess the long-term impact of MAG's work is crucial in demonstrating the lasting humanitarian legacy which removing the threat of landmines, cluster munitions and other explosive weapons leaves in the lives of communities worldwide. With a focus on South East Asia, MAG concluded a series of Impact Assessments at the end of 2013. Surveying some of the most mine-affected districts in **Cambodia, Lao PDR** and **Vietnam**, MAG designed tools to measure the impact of landmine and unexploded ordnance clearance on levels of poverty, confidence and vulnerability felt by communities, and the number of accidents occurring. These assessments highlighted some major findings across all three countries, namely:

- An overall increase in safety with a reduction of accidents.
- A decrease in the psychological fear linked to both real or perceived contamination.
- An increase in the availability of land safe for agricultural use, improving food security and increasing economic opportunities, with communities showing demonstrably higher employment and increased income.

More specifically, in areas where MAG has worked:

- In Cambodia there was a 32 per cent increase in households reporting their income as being in the highest bracket of the survey.
- In Lao PDR there was fall of 43 per cent of respondents who felt that there was land they could not access due to unexploded ordnance.
- In Vietnam 78 per cent of respondents felt that the removal of unexploded ordnance had enabled farmland to be used.

In short people in affected communities now feel less vulnerable and are more able to reclaim land and develop their livelihoods.

A very different example of MAG's impact is reflected in our urgent response in the wake of Typhoon Haiyan that devastated the city of Tacloban in the **Philippines** in early November 2013. Amidst the general chaos and human suffering caused by the storm surge, it quickly became apparent that an ammunition storage depot located close to the airport was badly damaged, and stored munitions had been dispersed over a wide area where civilians were trying to rebuild their lives amongst the debris. Within days MAG was on the ground undertaking an assessment of the

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

needs and weeks later carried out two-weeks of intensive training with the Philippine army, air force and navy personnel in Battle Area Clearance and in the use of specialist search equipment. With the area now clear, MAG showed its capacity to respond quickly, efficiently and effectively to emergencies that fall outside our usual scope of conflict or post-conflict scenarios, delivering long-term impact that will be felt for generations to come.

In last year's review we laid out plans to further add value and retain a competitive advantage through innovation, sector development, collaboration and building alliances. This was achieved through consolidating existing programmes and operations while actively pursuing opportunities to expand. Our co-ordinated responses to various emergencies throughout the year have reflected this, along with our considered approach to partnership working. Our analysis of impact has been shared widely and we've maintained a pro-active approach to growing our influence within the sector. Although the pursuit of funding remains competitive and the need to show return on investment and value for money is at the forefront of ours and our donors thinking, MAG is well placed to continue to meet the challenges ahead.

2.2 Financial Review

2.2.1 Financial Overview

Incoming resources have increased to £33.9m (2013: £33.2m), with resources spent directly on charitable activities increasing to £32.3m (2013: £32.1m).

Voluntary income has increased to £556k (2013: £459k), thanks to increased legacy income. The surplus (income, less cost of generating income) earned on Voluntary income of £281k (2013: £189k) has been fully utilised to aid the delivery of MAG's charitable activities and whilst relatively small in value, represents critically important support. Unrestricted reserves stand at £3.3m (2013: £2.1m) and are broadly in line with the Board's target reserves balance of £3.5m (2013: £1.75m). The Board and management have developed robust financial strategies to ensure that the required levels of unrestricted free reserves are earned and maintained.

Cash balances stand at £8.2m (2013: £4.1m) and are largely attributable to grant/contract payments received in advance of disbursement, the majority of which are held in UK accounts, where MAG's global treasury management is carried out. Funds are transferred to overseas programmes to cover the short-term (around 15 days) working capital needs.

Deferred Income of £8.5m, (2013: £8.3m) represents the balance of billed grants/contracts which are to be delivered in future periods.

2.2.2 Reserves

The majority of MAG's operational work is funded from restricted funds. The Trustees adopt a risk based approach in calculating appropriate levels of unrestricted reserves and take into account business adversity, investment in new operational territories, working capital requirements, provision of emergency response funding and the need to provide funds to offset short term programmatic funding gaps. The Board currently considers £3.5m of unrestricted reserves to be the target ceiling. Given the nature of MAG's business, the Board considers it prudent to make an allocation within unrestricted reserves to accommodate adverse shifts in the impact of foreign exchange.

2.2.3 Investment

To date the funding of the charity's activities and the resultant need to access cash flow have not required long term investments and MAG currently only invests funds in short-term deposits providing a market rate of interest.

2.2.4 Going Concern

The trustees consider MAG to be operating on a going concern basis due to the number, value and financial viability of contracts secured through to at least November 2015, in addition to prudent assumptions on the anticipated level of business throughout this period. MAG has adequate resources to continue in operational existence for the foreseeable future, cash headroom has been analysed and is appropriate to current and forecast business levels. In addition, MAG has the operational capacity, knowledge and expertise to continue to be at the forefront of the post conflict recovery sector for the foreseeable future.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

2.3 Future Plans

With tightening resources and a growing global complexity plus rising donor expectations, more than ever, there is an emphasis on providing evidence of value for money in everything that we do. This continues to be a high priority for MAG as we maintain an approach that demonstrates that the way we spend funds has high impact. In an increasingly competitive market place we will show clarity about our added value and competitive advantage. We will demonstrate this through innovation, sector development and collaboration. Alongside these efforts we will innovate our business model to pro-actively seek non-traditional resources for newer areas of work.

2.4 Principal Risks

The Board has identified the major risks to the organisation and a comprehensive and detailed risk register is maintained, covering five key areas; Corporate Governance, Health, Safety & Security, Contractual Compliance, Statutory Compliance, and the Funding environment.

Under each area, the subjective level strategic and operational risks are identified, together with how they are being managed. The register is considered by the Trustees at every Board meeting, supported by the Chief Executive's report which highlights emergent or escalating risks, which have been identified through the relevant management chains across MAG. Risks are scored against probability and impact criteria, with controls, monitoring process and action plans considered for all risk areas. The headline risk management strategies for each of the five 'risk areas' are as follows:

Corporate Governance

The MAG Board set the rolling five-year strategic direction of the organisation which incorporates key success indicators and are supported by the Audit & Finance and Governance, Nominations and Remuneration committees, who assist the Board in fulfilling statutory and organisational requirements, with a clear focus on risk management. In October 2014, the Audit & Finance Committee commissioned an external review of MAG's corporate approach to risk management in order to ensure that policies, methods and approaches relating to risk management are fit for purpose and embedded across the organisation.

Health, Safety & Security

MAG operates across a complex range of international territories, with significant risks associated with the health, safety and security of staff. MAG is licenced by the relevant national authorities in all operational areas, and is obliged to adhere to national and international Mine Action Standards (IMAS) standards. All standard operating procedures are designed to ensure the safety and security of staff at all times, underpinned by the recruitment of suitably qualified and experienced technical specialists, together with robust internal quality assurance, quality control and reporting processes. During the year, MAG undertook an organisational review of security policies, methods and procedures, with the resulting recommendations now in the process of being implemented.

Contractual Compliance

Much of MAG's work is delivered under contract, with statements of work/task orders etc. specifying the outputs to be delivered across the life of any given work programme. MAG's project management systems, tools and approaches are designed to ensure that project outputs are delivered within budget and in line with the quality expectations of the both the donor and beneficiary. MAG has implemented a compliance framework, which is governed by the risk management policy and underpinned by the ISO9001 Quality Management System, all of which complement MAG's overarching approach to risk management. MAG employs around 2,200 worldwide, all of whom play a significant role in delivering charitable activities. The Human Resources Framework, embedded in all operational territories is used to drive MAG's ability to recruit, develop, engage, manage and retain high calibre staff.

Statutory Compliance

MAG has developed a central database to aid the management of statutory compliance requirements across all international territories; this includes details of Company registration, Labour Law and Insurance and is underpinned by local legal advice, together with standard NGO practice. Assumptions contained within the database are verified as part of MAG's compliance framework.

The Board of Trustees and Management Team recognise that bribery is contrary to the fundamental values of integrity, transparency and accountability and undermines organisational effectiveness. MAG has in place all necessary policies and procedures to reduce incidence of bribery and corruption to the lowest possible levels, and ensure proper reporting and sound management of those events which do occur.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

Funding Environment

MAG's key financial risk is that it fails to secure funding in line with strategic plans. In order to mitigate this risk MAG constructs robust financial/operational plans for each International Programme together with targeted funding strategies. MAG engages in proactive and constructive dialogue with the donor community relevant to the work that we undertake, including with multilateral organisations, governments, trusts, foundations and individuals. MAG encourages policy development and enhanced funding commitment to the sectors in which we work.

MAG operates across a diverse range of countries and currencies, managing exposure to fluctuations in exchange rates so as to minimise any detrimental impact on budgeted income/expenditure levels. MAG retains funds in non-Sterling/Euro/USD currencies only to the extent that payments are due to be made in those currencies and seeks to match its exchange rate risks in the first instance. Foreign exchange forward contracts are placed in order to mitigate against potential adverse foreign exchange movements.

We adopt an approach of continuous improvement of our systems. MAG is ISO 9001:2008 and ISO 14001:2004 accredited.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

3. GOVERNANCE AND MANAGEMENT

Structure

MAG is a registered charity (Number 1083008) regulated by the Charity Commission of England and Wales; it became an incorporated charity (limited by guarantee) on 16 June 2000 (Number: 4016409) and operates under a set of Articles and a Memorandum of Association.

The organisation's goals and approaches are guided by its charitable objectives. The objects of the charity, as set out in the governing document, are:

a) the relief of suffering and distress throughout the world, in particular in areas where conflict causes human fatality or injury, due to the presence of the debris of war, such as land mines, unexploded ordnance, stockpiles of weapons and ordnance and other residual contamination; and to deliver such relief by (but not limited to):

- the provision of training and assistance in clearance and reconstruction;
- undertaking any preventative measures that improve human security including (but not limited to) safely managing, storing, destroying or reducing the availability of stockpiles of ammunition, arms and weapons;
- providing necessary medical support and education needed; and

b) to carry out research into solving the problems faced by those whose lives have been affected by conflict and to disseminate any useful results of such research for the public benefit.

Governance

The Board of Trustees is responsible for the strategic direction of the organisation. Operational decision-making is delegated by the Board to the Chief Executive and the Management Team who coordinate and direct MAG's work worldwide. The current composition of the Board is set out on **Page 1** of this document.

The Board holds formal scheduled meetings at least four times a year in addition to an annual Board Away Day together with a number of other ad hoc meetings. The Audit and Finance sub-committee (AFC) meets six times a year and takes delegated responsibility on behalf of the Board for ensuring MAG maintains an effective financial management and reporting structure across the organisation. The committee examines and reviews control methods, including risk management, and supports the Board in fulfilling its legal duty.

The Governance Nominations and Review sub-committee (GNRC) meets quarterly and exists to keep the Board's governance arrangements under review and to make appropriate recommendations to the Board to ensure that MAG's arrangements are consistent with best practice corporate governance standards. It also assists the Chair in keeping the composition of the Board under review and to lead the appointments process for nominations to the Board.

An Annual Meeting of the Trustees is also held during which items such as the Annual Report and Accounts; appointment/retirement of trustees and auditors are dealt with.

MAG utilises a skills audit register in recruiting new Board members and seeks a range of expertise and knowledge that will assist and support the organisation in its development. All new appointments follow a formal recruitment and induction process, with new Trustees receiving key documents which detail the legal obligations of Trustees, Articles of Association, key Policy documents, the Annual Report and Accounts and details of the organisational structure of MAG. Trustees also undertake overseas programme visits as part of their induction to MAG. The Board Away Day is used for strategic discussion and reflection, and also for a process of facilitated appraisal of Board effectiveness.

All Trustees give their time freely and receive no remuneration or financial benefit. Details of Trustee expenses are disclosed in **note 9** to the accounts. Trustees are required to declare all relevant interests and MAG maintains a register of interests as an internal record of Trustee interests.

Management

Led by the Chief Executive, the Management Team is made up of the Director of Programmes, Director of Finance, Director of Human Resources, Director of Business Development and Director of Policy and Evaluation. The Management Team recommend strategy to the Board and provide day-to-day management including accountability and oversight for all legal, contractual and financial responsibilities relating to the Charity's business. The Management Team are responsible for the stewardship of the organisation's human resources, assets and equipment. They also provide senior representation both at national and international level. The Management Team are the decision making body within MAG and meet regularly to review Policy and monitor risks.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

The organisation has an International Development and Evaluation Team (IDET) who report to the Director of Programmes. IDET monitor MAG's programmes and projects according to contractual obligations and planned activities, as well as ensuring compliance to safety and technical standards and best practice. The team plays a key role in developing new programmes and projects, and assists in the evaluation of new technologies, bearing in mind cost-effectiveness, practicality and safety.

Overseas projects and programmes are managed by a Country Director (CD) or Project Manager (PM), depending on the scale of operations, and are supported by a Finance Manager (FM) and Technical Operations Manager (TOM). The CD is responsible for the delivery of all MAG's statutory, regulatory and contractual commitments in the country. Furthermore the CD is responsible for all national and international staff within the programme along with safety and welfare, standards and good practice, all disciplinary matters while ensuring adherence to the laws and customs of the country in which they are operating. They also represent the organisation at a country level with the authorities, donors and other stakeholders. CDs report to the Regional Programme Managers (RPMs) in the UK and provide monthly management reports with key operational and financial data. The structure of individual MAG programmes or projects differs according to the size and complexity of the country operations.

Employees

The work of MAG overseas and in the UK relies on the commitment and hard work of its employees.

During the year, MAG employed 2,226 staff globally, 2,065 of whom (93 per cent) are nationals from countries where our programmes are in operation. Our intention is to ensure that both skills and salaries remain within local economies.

95 staff are employed on expatriate/international contracts, reflecting that specific technical and senior management skills are not always available in country. MAG drew its international staff this year from 48 different nations, enhancing our diversity, and ensuring that we are able to attract exceptional talent from around the world. Our employees work in a range of technical, managerial, administrative and support positions and all receive appropriate induction, equipment, training and supervision to relevant international and local standards, and our policies on mobility and senior roving technical positions ensure that learning is transferred from programme to programme. In addition, a total of 66 employees worked at MAG's headquarters in the UK and as part of our roving technical team.

MAG strives to ensure equality of opportunity seeking, wherever possible, to employ widows and family members of mine victims, plus landmine survivors and other economically or socially disadvantaged members of the community. Decisions around recruitment, career progression, training opportunities and terms and conditions are made on the basis of merit.

Our Staff Engagement Survey held in February 2014 showed that 93 per cent of staff surveyed are proud to work for us. As a result of this we have continued our dialogue with staff with focus group discussions. We strive towards ensuring effective and meaningful communication through the whole organisation and a weekly all-staff email is sent out detailing key updates for the coming week; regular emails are sent by MAG's Chief Executive highlighting key events, achievements and progress in our work.

This year we introduced management development sessions for staff on a range of topics that include managing performance, delegation, setting objectives, holding one to ones, working at a distance and time management. The training materials have been produced so that the training modules can also be held in our field locations. We have also implemented the national staff employment framework in Angola, Vietnam, Iraq, Somalia and Myanmar – this includes a staff handbook, a guide for managers and a range of policies, procedures and guidance notes that focus on national staff in each country.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

4. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Mines Advisory Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to;

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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.

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

Provision of information to the auditor

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 148 of the Companies Act 2006.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2014**

5. DECLARATION OF INTERESTS

MAG requires Trustees and all staff where relevant to declare their interests on appointment; or, where they acquire an interest subsequent to their appointment. A declaration of interests form is provided for this purpose. The Company Secretary maintains a Register of Trustees' Interests and a separate Register of Interests declared by staff and volunteers with responsibility for, and providing authorisation of, the procurement of goods or services for MAG.

The declaration of interests is updated at least annually by staff and Trustees. At the Annual Meeting of the Trustees the Board reviews both declarations of interest registers.

MAG America (<http://www.magamerica.org/>) is a not-for-profit (501 (3)(c)) charitable organisation registered in the USA and raises awareness of the impact of landmines and ordnance, and funds to support MAG's work. Funding decisions are made by MAG America's Board of Directors, which is independent from that of MAG, and are regulated by contract. As such the accounts of MAG America are not consolidated within these financial statements.

Thanks

We are very grateful to all our donors for their continued and new support. The following organisations and supporters provided grants and/or contracts that contributed to MAG's success in the last year:

Act for Peace; Actiefonds Minjnen Ruimen (AMR); Altadis Foundation; AusAID; Bridge Insurance Brokers Limited; Caerus Foundation; Canadian Government (DFATD); Dutch Ministry of Foreign Affairs; ECHO; European Commission; Fibertek; Finn Church Aid; The Fulmer Trust; German Government; Good Gifts; Guernsey Overseas Aid Commission (GOAC); The Harris Family Trust; The Highfields Trust; The Hilda and Preston Davis Foundation; Hind Al Adwani; The Hodgeson Family Trust; International Organisation for Migration (IOM); Irish Aid; Isle of Man Government; Japanese Government; ITC Supporting Comity; Kirby Laing Foundation; MAG America; The Michael and Harriet Maunsell Charitable Trust; Norwegian Ministry of Foreign Affairs; The Rhododendron Trust; BE Rodmell Trust; The Paragon Trust; Sida; Spanish Government; The Stephen and Joanne Vaughan Charitable Trust; Sterling International; Stichting Vluchteling; Swiss Government; UK Department for International Development; UK Foreign & Commonwealth Office; UK Ministry of Defence; UNDP; UNOPS; UNSCAR; Unicorn Grocery Limited; US State Department Office of Weapons Removal and Abatement.

Auditors

Deloitte LLP have expressed their willingness to continue as auditors for the next financial year.

The Trustees Report, including the Strategic Report, was approved on behalf of the Board and signed on its behalf by



Lord Michael Williams
Chair of the Board of Trustees
Date 15 November 2014

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

We have audited the financial statements of Mines Advisory Group for the year ended 30 June 2014, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2014 and of its incoming resources and application of resources, including its 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.

Opinion on other matter prescribed by the Companies Act 2006

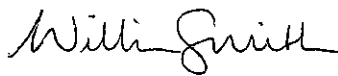
In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

Matters on which we are required to report by exception

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

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



William Smith MA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

21 November 2014

MINES ADVISORY GROUP
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year ended 30 June 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	3	542,136	14,177	556,313	458,750
Investment income	2	13,648	228	13,876	38,129
Incoming resources from charitable activities	4	-	32,867,917	32,867,917	32,515,437
Other income	5	376,682	92,938	469,620	192,272
Total incoming resources		932,466	32,975,260	33,907,726	33,204,588
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	260,849	-	260,849	270,299
Charitable activities	6	4,291,217	28,028,185	32,319,402	32,129,479
Governance costs	6	140,398	-	140,398	136,299
Total resources expended		4,692,464	28,028,185	32,720,649	32,536,077
Net incoming / (outgoing) resources before transfers		(3,759,998)	4,947,075	1,187,077	668,511
Transfer between funds	13	4,915,362	(4,915,362)	-	-
Net movement in funds		1,155,364	31,713	1,187,077	668,511
Total funds brought forward	13	2,144,632	148,449	2,293,081	1,624,570
Total funds carried forward	13	3,299,996	180,162	3,480,158	2,293,081

The statement of financial activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 19 to 31 form part of these accounts.

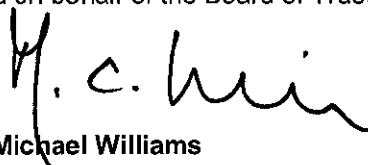
MINES ADVISORY GROUP
BALANCE SHEET
As at 30 June 2014
Company registration number: 4016409

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		217,381		149,654
CURRENT ASSETS					
Debtors due within one year	11	5,788,514		7,801,849	
Cash at bank and in hand		<u>8,166,971</u>		<u>4,105,792</u>	
		13,955,485		11,907,641	
CREDITORS					
Amounts falling due within one year	12	<u>(10,692,708)</u>		<u>(9,764,214)</u>	
NET CURRENT ASSETS			<u>3,262,777</u>		<u>2,143,427</u>
NET ASSETS			<u>3,480,158</u>		<u>2,293,081</u>
FUNDS					
Unrestricted funds	13		3,299,996		2,144,632
Restricted funds	13		<u>180,162</u>		<u>148,449</u>
TOTAL FUNDS	13		<u>3,480,158</u>		<u>2,293,081</u>

The notes on pages 19 to 31 form part of these accounts.

These accounts were approved by the Board of Trustees and authorised for issue on 15th November 2014.

Signed on behalf of the Board of Trustees



Lord Michael Williams
Chair

MINES ADVISORY GROUP
CASH FLOW STATEMENT
For the year ended 30 June 2014

	2014		2013
	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities			
Net incoming resources	1,187,077		668,511
Depreciation	976,372		1,243,208
Decrease/(increase) in debtors	2,013,335		(1,313,058)
Increase/(decrease) in creditors	928,494		(457,707)
Bank interest received	<u>(13,876)</u>		<u>(38,129)</u>
Net cash inflow/(outflow) from operating activities		5,091,401	102,825
Returns on investments and servicing of finance			
Interest received		13,876	38,129
Capital expenditure			
Payments to acquire tangible fixed assets	<u>(1,044,099)</u>		<u>(1,311,833)</u>
		(1,044,099)	(1,311,833)
Increase/(decrease) in liquid resources		4,061,179	(1,170,879)
Net cash resources at 1 July 2013		4,105,792	5,276,671
Net cash resources at 30 June 2014		<u>8,166,971</u>	<u>4,105,792</u>

The notes on pages 19 to 31 form part of these accounts.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Statement of Recommended Practice (revised 2005) "Accounting and Reporting by Charities", applicable accounting standards and the Companies Act 2006.

The trustees consider MAG to be operating on a going concern basis due to the number, value and financial viability of contracts secured through to November 2015, in addition to prudent assumptions on the anticipated level of business throughout this period. MAG has adequate resources to continue in operational existence for the foreseeable future, cash headroom has been analysed and is appropriate to current and forecast business levels. In addition, MAG has the operational capacity, knowledge and expertise to continue to be at the forefront of the post conflict recovery sector for the foreseeable future.

1.2 INCOME RECOGNITION

Voluntary income including donations, gifts, income arising from fundraising events, legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities, including income received under contracts and grants where entitlement to funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Performance conditions may be stipulated explicitly by the client or donor, or may be implicit as per MAG's operational proposal. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement or the donor has specified the funds can only be utilised in future accounting periods. In the absence of any stipulation from the funder, multi-annual grants where there is entitlement to income to cover more than one year, are recognised in line with project activity.

Gifts in kind received are accounted for in the Statement of Financial Activities as soon as it is prudent and practicable to do so. They are valued as by the donor in the grant documentation.

Investment income is recognised on a receivable basis.

1.3 RESOURCES EXPENDED

Expenditure is analysed between the activities in furtherance of the charity's objects, cost of generating voluntary income and governance costs. Expenditure is recorded in the financial statements in the period in which it is incurred, adjusted for creditors and accruals where material, and is inclusive of any VAT which cannot be reclaimed.

Charitable activities include direct costs, salaries and overhead costs of assisting communities affected by conflict overseas. Costs of generating voluntary income include the salaries and overhead costs of UK staff involved in fund-raising and increasing public awareness.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Support costs comprise staff and head office costs. The majority of these costs support charitable activities and are so allocated. Support costs that are fully attributable to that activity are charged directly to that activity. Costs are apportioned to the activity based on the amount of staff time absorbed by each activity.

Governance costs comprise costs involving the public accountability of the charity and its compliance with regulation and good practice, as well as costs associated with the strategic direction of the organisation. These costs include costs related to statutory audit and legal fees.

1.4 RESTRICTED AND UNRESTRICTED FUNDS

Restricted funds represent income that has been received and recognised in the financial statements, which is subject to specific conditions imposed by the donor, client or grant making institution. Unrestricted funds are monies that have been received towards the general objectives of the charity as a whole to be spent at the discretion of the trustees. Where contracts accounted for within restricted funds include contributions toward support costs, an appropriate transfer is made between restricted and unrestricted funds.

1.5 LEASING CONTRACTS

Instalments under operating lease rentals are charged to the income and expenditure account as incurred. The charity does not acquire assets under finance leases or hire purchase agreements.

1.6 FOREIGN CURRENCIES

Transactions in foreign currencies are translated into sterling at average monthly rates. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date or, if hedged, at the forward exchange rate. Any gain or loss arising on translation is included in the statement of financial activities.

1.7 TANGIBLE FIXED ASSETS

Tangible fixed assets in the UK are stated at cost less depreciation. Assets in the overseas programmes costing more than £2,500 are capitalised and depreciated in full in the year of acquisition. Any assets costing less than £2,500 are expensed.

Depreciation rates for HQ held assets are as follows;

Fixtures, Fittings & Equipment – 20-33% straight line

Motor Vehicles – 25% straight line

Leasehold improvements – 20% straight line

1.8 PENSION COSTS

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the charity during the year in accordance with FRS 17.

1.9 TAXATION

The charity has been granted exemption from tax under Section S478 of the Corporation Taxes Act 2010 on its charitable activities as a body established for charitable purposes only.

1.10 OVERSEAS PROGRAMMES

MAG delivers programmes through a number of different legal entities in the countries in which it operates. MAG exercises full management control of all such entities and as such, all overseas branches and entities are incorporated within the accounts.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1.11 INVESTMENTS

Current asset investments represent monies invested in short-term money market instruments. Net cash resources in the cash flow statement consist of cash at bank and in hand and current asset investments – cash on deposit.

Explosive Risk Solutions Ltd (Company Number 04030037) is a 100% subsidiary of MAG. The results of the subsidiary undertaking(s) are not material to the combined group and have therefore not been consolidated into MAG's financial statements.

2. INVESTMENT INCOME

	2014 £	2013 £
Bank interest received		
Unrestricted	13,648	37,883
Restricted	228	246
	<u>13,876</u>	<u>38,129</u>

3. VOLUNTARY INCOME

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Regular Giving*	86,937	1,589	88,526	117,492
Legacies	162,432	-	162,432	25,288
Public Donations, Appeals and Fundraising Events*	267,747	12,588	280,335	235,082
Trusts, Foundations & Partnerships	25,020	-	25,020	80,888
	<u>542,136</u>	<u>14,177</u>	<u>556,313</u>	<u>458,750</u>
Total voluntary income	<u>542,136</u>	<u>14,177</u>	<u>556,313</u>	<u>458,750</u>

*Includes gift aid

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	2014	2013
	£	£
Act for Peace	210,637	315,897
Actiefonds Minjnen Ruimen	8,218	16,786
Altadis Foundation	59,518	1,122
AusAID	1,341,863	1,682,278
Belgian Ministry of Foreign Affairs	-	1
British Embassies	-	1,206
Canadian Department of Foreign Affairs, Trade and Development	342,442	580,165
Corporate	50,001	35,174
Department for International Development	7,189,025	5,089,085
Dutch Ministry of Foreign Affairs	3,152,668	3,874,758
European Commission	1,784,598	3,004,852
EC - ECHO	932	568,138
Fibertek	636,713	570,131
Finn Church Aid	259,538	286,821
Foreign and Commonwealth office	2,052,204	723,061
Deutsche Gesellschaft für Internationale Zusammenarbeit	142,781	-
German Federal Foreign Office	264,189	687,310
Good Gifts	10,813	8,400
Guernsey Overseas Aid Commission	45,120	9,370
Hind Al Adwani	32,731	-
Irish Aid	178,143	157,031
Isle of Man International Development Committee	494	19,506
International Organisation for Migration	92,052	-
Japanese Ministry of Foreign Affairs	728,024	370,628
UK Ministry Of Defence	-	168,463
MAG America	9,652,625	9,028,780
Miscellaneous Donors	119,802	30,681
Norwegian Ministry of Foreign Affairs	1,422,461	1,199,840
Swedish International Development Cooperation Agency	813,252	687,973
Spanish Ministry of Foreign Affairs	3,098	488,803
Swiss Federal Department of Foreign Affairs	418,605	378,478
Stichting Vluchteling	324,243	259,876
Sterling International LLC	18,556	326,155
Trusts & Foundations	88,708	40,932
UNHCR	-	41,779
UNICEF	-	11,257
UNOPS	920,174	1,095,154
UNDP	453,810	755,756
UNSCAR	49,474	-
World Vision	-	(210)
	<u>32,867,917</u>	<u>32,515,437</u>

Of the £9,652,625 from MAG America, £9,558,217 (2013: 8,971,348 out of £9,028,780) had the U.S. Department of State's Office of Weapons Removal and Abatement as the back donor.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

5 OTHER INCOME	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2014	2014	2014	2013
	£	£	£	£
Merchandise	5,454	12,124	17,578	27,582
Insurance Claims	322,217	45,045	367,262	170,624
Corporate sponsorship	20,833	-	20,833	-
Other Income	28,178	35,769	63,947	(5,934)
Total	<u>376,682</u>	<u>92,938</u>	<u>469,620</u>	<u>192,272</u>

6 RESOURCES EXPENDED

	Generating Voluntary Income £	Charitable Activities £	Governance £	Total 2014 £	Total 2013 £
Overseas programmes unrestricted	-	437,327	-	437,327	91,446
Support Costs:					
Staff Remuneration & other staff costs	152,626	2,490,700	44,499	2,687,824	2,542,192
Travel	3,685	176,542	6,447	186,674	213,452
Premises, IT & Communications	22,114	495,471	-	517,585	443,427
Fundraising Events & Advertising	68,559	-	-	68,559	103,062
Professional fees & other costs	13,865	748,022	89,452	851,339	562,062
Exchange gain	-	(56,845)	-	(56,845)	(104,403)
Total unrestricted	<u>260,849</u>	<u>4,291,217</u>	<u>140,398</u>	<u>4,692,464</u>	<u>3,851,238</u>
Overseas programmes restricted	<u>-</u>	<u>28,028,185</u>	<u>-</u>	<u>28,028,185</u>	<u>28,684,839</u>
Total, year ended 30 June 2014	<u>260,849</u>	<u>32,319,402</u>	<u>140,398</u>	<u>32,720,649</u>	<u>32,536,077</u>
Total, year ended 30 June 2013	<u>270,299</u>	<u>32,129,479</u>	<u>136,299</u>	<u>32,536,077</u>	

In accordance with the Statement of Recommended Practice (revised 2005) "Accounting and Reporting by Charities", support costs that are fully attributable to that activity are charged directly to that activity.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

7. NET INCOMING RESOURCES

	2014	2013
	£	£
The net incoming resources for the year are stated after charging:		
Depreciation of tangible fixed assets owned by the charity	976,372	1,243,208
Foreign exchange gains	(56,845)	(104,403)
Operating lease rentals	873,636	692,693
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's financial statements	52,000	50,000
Non-audit fees:		
Grant certification services	52,750	64,333
Taxation services	-	8,783
Other services	9,500	4,750

8 STAFF COSTS

	2014	2013
	£	£
Salaries and wages - UK employees (including those working overseas)	7,139,568	7,019,334
Salaries and wages - Overseas national employees	9,718,441	10,337,306
Social security costs	229,376	206,944
Pension contribution	87,356	86,803
	<u>17,174,741</u>	<u>17,650,387</u>

UK staff costs include payments to temporary staff of £27,798 (2013: £29,217) not included in employee numbers outlined below.

The average number of persons employed by the charity during the year was:

UK employees:		
Overseas projects	95	107
Programme support and administration	61	62
Fund-raising information and education	5	5
	<u>161</u>	<u>174</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

8 STAFF COSTS (continued)

In addition to the employees stated above, the charity employs 2,065 (2013: 2,326) national staff overseas.

	Total	2014		Total	2013	
		UK	International		UK	International
between £60,000 and £70,000 per annum:	15	4	11	9	4	5
between £70,000 and £80,000 per annum:	5	-	5	2	-	2
between £80,000 and £90,000 per annum:	4	1	3	-	-	-
between £100,000 and £110,000 per annum:	1	1	-	1	1	-

Pension costs of £30,564 (2013 - £25,298) were paid in respect of those higher paid employees noted above.

An independent benchmarked Remuneration Review was conducted in 2013 and implemented in 2014 to consolidate allowances into salaries and to address market competitiveness. Benchmarking results were shared with those organisations that contributed data.

9 TRANSACTIONS WITH TRUSTEES

Expenses reimbursed to Trustees during the period amounted to £6,447 (2013 - £4,223). £2,873 of this (2013 - £609) related to travel and accommodation costs for trustees visiting MAG projects. No remuneration was paid to Trustees during the period in their capacity as Trustees.

In 2014 and 2013 Trustees were covered by the overall company indemnity insurance; and as such their costs have not been split out.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

10 TANGIBLE FIXED ASSETS

	Field Assets £	Equipment Fixtures & Fittings £	Total £
Cost			
At 1 July 2013	18,042,981	337,554	18,380,535
Additions	815,733	228,366	1,044,099
Disposals	-	(246,747)	(246,747)
At 30 June 2014	<u>18,858,714</u>	<u>319,173</u>	<u>19,177,887</u>
Depreciation			
At 1 July 2013	17,894,356	336,525	18,230,881
Charge for the year	921,954	54,418	976,372
Disposals	-	(246,747)	(246,747)
At 30 June 2014	<u>18,816,310</u>	<u>144,196</u>	<u>18,960,506</u>
Net book value			
At 30 June 2014	<u>42,404</u>	<u>174,977</u>	<u>217,381</u>
Net book value			
At 30 June 2013	<u>148,625</u>	<u>1,029</u>	<u>149,654</u>

11 DEBTORS

	2014 £	2013 £
Amounts falling due within one year:		
Trade Debtors	4,406,535	6,273,821
Prepayments and accrued income	1,129,984	1,360,938
Other debtors	<u>251,995</u>	<u>167,090</u>
Total	<u>5,788,514</u>	<u>7,801,849</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	210,129	500,817
Deferred income (below)	8,537,220	8,309,979
Grants repayable	13,125	10,495
Other taxation and social security	200,055	168,819
Accruals	961,329	202,305
Other creditors	770,850	571,799
	<u>10,692,708</u>	<u>9,764,214</u>

Deferred income	2014	2013
	£	£
Balance as at 1 July	8,309,979	8,760,950
Amount released to income resources	(8,309,979)	(8,760,950)
Amount deferred in the year	<u>8,537,220</u>	<u>8,309,979</u>
Balance as at 30 June	<u>8,537,220</u>	<u>8,309,979</u>

Deferred income comprises of income for fundraising events occurring in future accounting periods and income for charitable activities to be spent in future periods.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

13 RESTRICTED/UNRESTRICTED FUNDS

	1 July 2013 £	Incoming Resources £	Resources Expended £	Transfers £	30 June 2014 £
Angola	52,264	1,056,036	(997,184)	(106,442)	6,674
Burundi	-	153,046	(137,183)	(15,863)	-
Democratic Republic of Congo	(255)	3,023,796	(2,518,319)	(501,229)	3,993
Republic of Congo	-	2,796	1,567	(4,363)	-
Colombia	1	-	-	(1)	-
UK	-	2,362,028	(1,582,745)	(777,499)	1,784
Iraq	251	5,407,993	(4,837,267)	(570,118)	859
Cambodia	24,394	2,699,225	(2,088,285)	(556,451)	78,883
Laos	37,605	2,880,357	(2,347,096)	(515,715)	55,151
Lebanon	13,973	2,977,807	(2,752,580)	(232,568)	6,632
Sri Lanka	15,959	746,339	(699,629)	(62,499)	170
Libya	1,296	2,341,194	(2,091,932)	(247,489)	3,069
Mali	-	234,399	(210,532)	(23,867)	-
Myanmar	(250)	344,069	(320,896)	(22,923)	-
Sudan	-	10,330	(8,488)	(1,842)	-
Somalia	1	1,827,419	(1,618,126)	(209,294)	-
South Sudan	1,210	3,251,943	(2,770,129)	(483,024)	-
El Salvador	-	2,216	(197)	(2,019)	-
Chad	-	852,330	(743,461)	(108,869)	-
Vietnam	-	2,342,937	(1,919,953)	(410,925)	12,059
Sahel Maghreb	-	162,858	(143,142)	(19,716)	-
Honduras	-	186,007	(159,879)	(26,128)	-
Philippines	-	77,223	(63,542)	(13,681)	-
Syria	-	32,912	(19,187)	(2,837)	10,888
Restricted	148,449	32,975	(28,028,185)	(4,915,362)	180,162
Unrestricted	2,144,632	932,466	(4,692,464)	4,915,362	3,299,996
Total	2,293,081	33,907,726	(32,720,649)	-	3,480,158

The restricted funds balance is the consolidation of individual grant and contract balances in MAG's country programmes that are being carried forward to next year in line with the individual terms and conditions of these grants and contracts. These restricted fund balances are consolidated by country to provide an appreciation of the level of activity being undertaken in each country of operation.

Transfers from restricted to unrestricted reserves include contributions by donors/clients who have agreed that a contractual element of their restricted funds can be allocated towards the organisation's unrestricted funds.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Totals 2014 £	Totals 2013 £
Tangible fixed assets	217,381	-	217,381	149,653
Net current assets	<u>3,082,615</u>	<u>180,162</u>	<u>3,262,777</u>	<u>2,143,428</u>
Total net assets	<u>3,299,996</u>	<u>180,162</u>	<u>3,480,158</u>	<u>2,293,081</u>

15 OPERATING LEASE COMMITMENTS

At 30 June 2014 the charity had annual commitments under non-cancellable operating leases as follows:

	2014			2013		
	Within 1 year £	2-5 years £	Over 5 years £	Within 1 year £	2-5 years £	Over 5 years £
Land and buildings	455,072	269,817	89,853	376,227	78,973	68,572
Other	<u>58,894</u>	<u>-</u>	<u>-</u>	<u>165,739</u>	<u>3,181</u>	<u>-</u>

16 DONOR SPECIFIC NOTES

16.1 Netherlands Ministry of Foreign Affairs

Included in the Statement of Financial Activities are the following Incoming Resources and Resources Expended for Charitable activities funded by the Netherlands Ministry of Foreign Affairs

	1 July 2013 \$	Incoming Resources \$	Resources Expended \$	Transfers \$	30 June 2014 \$
Democratic Republic of Congo	-	(1,057,112)	960,053	97,059	-
Iraq	-	(1,090,373)	927,065	163,308	-
Lebanon	-	(687,128)	608,238	78,890	-
Libya	-	(1,127,214)	1,012,364	114,850	-
South Sudan	-	(1,085,708)	970,256	115,452	-
United Kingdom	-	<u>(66,085)</u>	<u>60,220</u>	<u>5,865</u>	<u>-</u>
Total	-	<u>(5,113,620)</u>	<u>4,538,196</u>	<u>575,424</u>	<u>-</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

16.2 British Foreign and Commonwealth Office

Included in the Statement of Financial Activities are the following Incoming Resources and Resources Expended for Charitable activities funded by the Foreign and Commonwealth office.

	1 July 2013	Incoming Resources	Resources Expended	Transfers	30 June 2014
	£	£	£	£	£
Somalia	-	(1,137,643)	1,001,810	135,834	-
Libya	-	(600,000)	535,668	64,332	-
Lebanon	-	(300,000)	275,229	24,771	-
Angola	-	(14,561)	13,061	1,500	-
	-	-	-	-	-
	-	(2,052,204)	1,825,767	226,437	-

17 PENSION CONTRIBUTIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions of up to 5% for staff, 10% for the Chief Executive Officer Contributions paid by the charity to the fund amounted to £87,356 (2013: £86,803)

18 CONNECTED COMPANIES

Explosive Risk Solutions Ltd (Company Number 04030037) is a 100% subsidiary of Mines Advisory Group. The loss for the year was £12,410 (2013 £1,868) and the aggregate amount of share capital and reserves at 30 June 2014 is £(14,515) (30 June 2013: £(2,105)).

19 RELATED PARTIES

Mines Advisory Group (MAG) and MAG America work together to assist countries affected by armed conflict MAG America seeks to raise awareness and funds in the USA for MAG's field activities around the world.

Colin Rowe is a Director of the charity and a Director of North West Notaries Limited. During the year the charity contracted Notarial services from North West Notaries Limited totalling £4,044 (2013 £nil). ERS, MAG's wholly owned subsidiary contracted Notarial services from North West Notaries Limited totalling £3,460 (2013 £nil).

20 CONTINGENT LIABILITIES

The charity has provided unsecured guarantees to the European Commission, Delegation of the EU in Chad in respect of pre-financing payable under Grant Contract "Programme of Support to Demining in the North and East of Chad. At 30 June 2014, guarantees outstanding amounted to £1,599,360 (2013: £1,706,193) and all of the pre-financing had been spent (2013: £1,334,975).

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

21 DERIVATIVES NOT INCLUDED AT FAIR VALUE

The charity places foreign exchange forward contracts to manage exposure to foreign currency exchange risks. The fair value of these instruments is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date. At 30 June 2014 MAG had £1,822k of foreign currency exchange forward contracts. The unrealised gain on these derivatives at 30 June 2014 was £23k (2013: £1,378k of foreign currency exchange contracts with an unrealised loss of £2k).

22 COMPANY STATUS

The company is a charitable company limited by guarantee and has no share capital.
In the event of winding up, the liability of the trustees drawn from the current Board is limited to £1 each.

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2014

APPENDIX 1 - PRO FORMA US DOLLAR ACCOUNTS

The financial information presented within this appendix represents extracts from the financial statements presented in US Dollars and does not form part of the audited financial statements of the company.

The following accounting policy has been applied in the preparation of the information in this appendix.

Monetary assets and liabilities are translated into US dollars at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions.

At the year end, these are translated to the actual rate on the last day of the year. All differences are taken to the statement of financial activities.

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2014

	Notes	Unrestricted Funds \$	Restricted Funds \$	Total Funds 2014 \$	Total Funds 2013 \$
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary Income		878,704	22,978	901,682	719,890
Investment income		22,121	370	22,491	59,834
Incoming resources from charitable activities		-	53,272,867	53,272,867	51,024,579
Other income		610,532	150,636	761,168	301,721
Total incoming resources		1,511,357	53,446,851	54,958,208	52,106,023
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		422,788	-	422,788	424,164
Charitable activities		6,955,277	45,428,549	52,383,826	50,418,917
Governance Costs		227,560	-	227,560	213,886
Total resources expended		7,605,625	45,428,549	53,034,174	51,056,968
Net incoming/ (outgoing) resources before transfers		(6,094,267)	8,018,302	1,924,034	1,049,055
Transfer between funds		7,966,900	(7,966,900)	-	-
Net movement in funds		1,872,632	51,402	1,924,034	1,049,055
Total funds brought forward		3,270,793	232,118	3,502,911	2,525,395
Movement in Foreign Exchange		500,460	-	500,460	(71,540)
Total funds carried forward		5,643,885	283,520	5,927,405	3,502,911

The statement of financial activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2014

	2014	2013
	\$	\$
FIXED ASSETS		
Tangible assets	370,243	228,611
CURRENT ASSETS		
Debtors due within one year	9,858,997	11,918,105
Cash at bank and in hand	<u>13,909,985</u>	<u>6,272,009</u>
	23,768,982	18,190,113
CREDITORS		
Amounts falling due within one year	<u>(18,211,820)</u>	<u>(14,915,883)</u>
NET CURRENT ASSETS	<u>5,557,162</u>	<u>3,274,300</u>
NET ASSETS	<u>5,927,405</u>	<u>3,502,911</u>
FUNDS		
Unrestricted funds	5,643,885	3,270,793
Restricted funds	<u>283,520</u>	<u>232,118</u>
TOTAL FUNDS	<u>5,927,405</u>	<u>3,502,911</u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2014

APPENDIX 2 - PRO FORMA EURO ACCOUNTS

The financial information presented within this appendix represents extracts from the financial statements presented in Euros and does not form part of the audited financial statements of the company.

The following accounting policy has been applied in the preparation of the information in this appendix.

Monetary assets and liabilities are translated into Euros at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions.

At the year end, these are translated to the actual rate on the last day of the year. All differences are taken to the statement of financial activities.

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2014

	Unrestricted Funds €	Restricted Funds €	Total Funds 2014 €	Total Funds 2013 €
INCOMING RESOURCES				
Incoming resources from generated fund:				
Voluntary income	647,943	16,944	664,887	558,700
Investment income	16,312	272	16,584	46,436
Incoming resources from charitable activities	-	39,282,639	39,282,639	39,599,738
Other incoming resources	450,198	111,076	561,274	234,163
Total incoming resources	<u>1,114,453</u>	<u>39,410,931</u>	<u>40,525,384</u>	<u>40,439,037</u>
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of generating voluntary income	311,758	-	311,758	329,190
Charitable activities	5,128,720	33,498,352	38,627,072	39,129,689
Governance costs	167,799	-	167,799	165,995
Total resources expended	<u>5,608,277</u>	<u>33,498,352</u>	<u>39,106,629</u>	<u>39,624,875</u>
Net incoming/(outgoing) resources before transfers	(4,493,824)	5,912,579	1,418,755	814,163
Transfer between funds	5,874,676	(5,874,676)	-	-
Net movement in funds	1,380,852	37,903	1,418,755	814,163
Total funds brought forward	2,512,354	175,415	2,687,949	2,033,635
Movement in Foreign Exchange	245,234	-	245,234	(159,849)
Total funds carried forward	<u>4,138,620</u>	<u>213,318</u>	<u>4,351,938</u>	<u>2,687,949</u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2014

	2014		2013	
	€	€	€	€
FIXED ASSETS				
Tangible assets		271,835		175,424
CURRENT ASSETS				
Debtors due within one year	7,238,537		9,145,327	
Cash at bank and in hand	10,212,797		4,812,809	
	<u>17,451,334</u>		<u>13,958,137</u>	
CREDITORS				
Amounts falling due within one year	<u>(13,371,231)</u>		<u>(11,445,612)</u>	
NET CURRENT ASSETS		<u>4,080,103</u>		<u>2,512,525</u>
NET ASSETS		<u>4,351,938</u>		<u>2,687,949</u>
FUNDS				
Unrestricted funds		4,138,620		2,512,534
Restricted funds		<u>213,318</u>		<u>175,415</u>
TOTAL FUNDS		<u>4,351,938</u>		<u>2,687,949</u>