

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

MINES ADVISORY GROUP

CONTENTS

Contents	Page
Legal and administrative information	1
Statement from the Chairman	2
Statement from the Chief Executive (Acting)	3
Statement from the Chief Executive	4
Report of the trustees	5 - 23
Independent auditors' report	24 - 25
Statement of financial activities	26
Balance sheet	27
Cash flow statement	28
Notes to the financial statements	29 – 42
 The following pages do not form part of the statutory accounts:	
Appendix 1 – Pro-forma US Dollar accounts	43 - 45
Appendix 2 – Pro-forma Euro accounts	46- 48

MINES ADVISORY GROUP
LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees:

Michael H Taylor (Chair)
John Fairhurst (Treasurer – resigned November 2010)
Paul Nielsen (Treasurer)
Colin Rowe (Legal Officer)
John Greaves (Audit and Finance Committee – resigned December 2010)
Sarah Jones (Audit and Finance Committee - resigned February 2011)
Steve Wright
Bill Cooke
Gillian Miller
Paul Bell (Audit and Finance Committee)
Claire Marles (Audit and Finance Committee - appointed to the Board May 2011)
Christopher Bates (appointed to the Board July 2011)

The Executive Team:

Lou McGrath – Chief Executive (resigned March 2011)
Nick Roseveare – Chief Executive (appointed November 2011)
Susan Ní Chríodáin – Director of Finance (resigned July 2010)
Dougal Freeman – Director of Finance (joined February 2011)
Rob White – Director of Operations
Steve Priestley – Director of Business Development (resigned January 2011)

Auditors:

Crowe Clark Whitehill LLP
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

Bankers:

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

Solicitors:

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Registered and Principal Office:

68 Sackville Street
Manchester
M1 3NJ

Company Number:

4016409

Registered Charity Number:

1083008

**MINES ADVISORY GROUP
STATEMENT FROM THE CHAIRMAN**

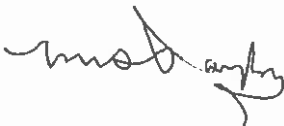
A STATEMENT FROM THE CHAIR

I am delighted to present this report from the Mines Advisory Group (MAG) Board of Trustees for the financial year ending 30 June 2011. In meeting organisational and external tests head on, the organisation has looked at new ways to grow and develop in what has proved to be a challenging and demanding twelve months.

The end of March saw the Trustee Board accept the resignation of Lou McGrath OBE from the role of Chief Executive after more than twenty years service. As a co-founder of MAG and its Chief Executive since 1996, Lou made an outstanding contribution towards making the organisation what it is today. The Trustees and I remain most grateful for all the work he has done.

Recruitment for Lou's replacement has now taken place, with Nick Roseveare MBE taking up the role of Chief Executive in November 2011. Nick joins MAG after more than three years as Chief Executive of Bond, the membership body for 370 UK non-governmental organisations working in international development. His experience includes 20 years' service with Oxfam and he spent 10 years in field and country management roles, living in Sudan, Ethiopia and Mozambique. Amongst others he served as Oxfam's Humanitarian Director with global responsibility for operational responses to both natural disasters and conflicts. Additionally he was a founder member of both the Mozambique branch of the International Campaign to Ban Landmines and the UK NGO/Military Contact Group. He currently serves as a member of the BBC Appeals Advisory Committee.

In conclusion I would like to thank my colleagues on the Board of Trustees, the staff both in the UK and overseas who continue to achieve so much and work tirelessly to keep MAG as a recognised world leader in the field of mine clearance and Armed Violence reduction. Additionally I'd like to extend particular thanks to all our individual, institutional and corporate donors. Without your support our lifesaving operations in some of the world's most vulnerable countries simply would not be possible. Looking ahead MAG will continue to strive to ensure that our work remains effective and efficient, providing the maximum positive impact on the communities we serve.



Michael Taylor
Chair of the Board of Trustees
3 February 2012

**MINES ADVISORY GROUP
STATEMENT FROM THE CHIEF EXECUTIVE (ACTING)**

A STATEMENT FROM THE CHIEF EXECUTIVE (ACTING)

MAG saves and improves lives by reducing the devastating effects armed violence and the remnants of conflict have on people around the world. Over the past twelve months the new organisational structure was introduced, leading to significant strategic strides being taken and contributing to key operational successes.

In an ongoing environment of financial uncertainty, MAG successfully secured multi-year grants with the UK Department for International Development (DFID) in Cambodia, Lao PDR, Vietnam and Sudan and was able to consolidate additional funding for many of its currently active programmes. This has provided a strong base from which to develop initiatives and operations.

In Vietnam, teams removed the 100,000th item of unexploded ordnance (UXO) found in Quang Tri province, while in Lebanon the programme celebrated its tenth year of operations. In developing our links with Armed Violence Reduction (AVR) activities major steps were taken as we worked with the member states of the Southern African Development Community (SADC) and the Institute of Security Studies (ISS) to implement a firearm marking project, and major Physical Stockpile and Security Management (PSSM) projects were completed in Burundi and DR Congo.

Perhaps most significantly, MAG once again proved its ability to respond efficiently and effectively to emergency situations. Early in the year, it became clear that Libya would be a flashpoint for armed violence as rebel forces confronted Gaddafi troops. By mid-March MAG had deployed a technical expert, who undertook an emergency assessment of the threat posed by landmines and abandoned and unexploded ordnance. Since then, MAG has carried out clearance and secured ammunition supply points (ASPs) around Benghazi, Ajdabiya and Misrata and is now planning to deploy more teams to work in the most dangerous areas. There is little doubt that this will prove to be one of MAG's busiest and most challenging programmes in the future.

I feel confident that MAG now has the structure and strategic direction in place to meeting the challenges of the next few years. Within the human security sector MAG's work has a proven positive impact on sustainable livelihoods, AVR and the early recovery from the debilitating effects of war. The work MAG does directly supports the alleviation of poverty and actively contributes to the Millennium Development Goals.



Rob White

Director of Operations (formerly Acting Chief Executive)
3 February 2012

**MINES ADVISORY GROUP
STATEMENT FROM THE CHIEF EXECUTIVE**

A STATEMENT FROM THE CHIEF EXECUTIVE

I assumed my responsibilities as Chief Executive in November 2011 and am immensely proud to have joined MAG.

My first contact with MAG was in Southern Africa in the mid- 1990s and I remain as impressed now as I was then with the work and the staff of the organisation. Having lived and worked in areas contaminated with mines and unexploded ordnance, and amongst communities facing the daily risks of death and injury due to these and other deadly debris of violence and conflict, I have a personal understanding of these risks and of the MAG mission.

In my first weeks with MAG I have been privileged to visit MAG's Cambodian teams at work in the minefields of north western Cambodia, to hear from numerous governmental donors the high regard in which MAG is held, and to listen to the appreciation expressed by several national authorities and other organisations with whom MAG works on the quality of our partnerships at country level.

MAG staff work tirelessly in pursuit of the twin humanitarian and development goals, and strive to achieve the highest standards to assure safe and secure environments for civilians re-establishing their lives and livelihoods in the wake of violence and conflicts.

I welcome this Trustee Report as a testimony to extraordinary achievements of MAG and those with whom it works around the world.

I commit myself to leading MAG in the years ahead in such a way that we are able to both confidently prove the worth, and continuously improve the impact, of our work to save lives and build futures.



Nick Roseveare MBE

Chief Executive

3 February 2012

MINES ADVISORY GROUP

TRUSTEES REPORT

TRUSTEES REPORT

The Trustees of Mines Advisory Group (MAG) present their annual report and the audited financial statements for the year ended 30 June 2011.

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.

MAG is a neutral and impartial humanitarian organisation. We see the practical expression of our charitable aims as the clearance of the remnants of conflict from current and former conflict zones for the benefit of affected communities worldwide, whilst educating people about the dangers surrounding leftover ordnance and weapons. Activities are concentrated where the humanitarian impact is greatest in order to:

- Provide safe access to water, shelter and food for remote communities, and assist the safer return of refugees and internally displaced persons to their homes;
- Create safe land for wide-scale agricultural developments and farming, as well as cash-crops, orchards and individual gardens;
- Destroy illicit caches of munitions and small arms and light weapons, and assist authorities in managing legitimate stocks to prevent them falling into the wrong hands and jeopardising peace;
- Open up safe access routes between villages and communities, creating the potential for new or renewed trade;
- Provide safe land for construction or reconstruction of housing, schools, health centres and other infrastructure; and
- Boost the local economy through the training and employment of national staff from amongst affected communities.

MINES ADVISORY GROUP TRUSTEES REPORT

1. ACTIVITIES

The past year has been a period of change as MAG introduced a new management structure in HQ that better reflects the range of activities the organisation now undertakes. In order to achieve the strategic priorities laid out in last year's Report, MAG has continued to look at how we position our work within the context of Armed Violence Reduction (AVR) in order to remain a market leader in the sector. This relates specifically to the role MAG has to play in interventions such as Disarmament, Demobilisation and Reintegration (DDR), Security Sector Reform (SSR), Early Recovery, Physical Security and Safety Management (PSSM) and reconstruction in addressing the residual explosive threat of landmines, Small Arms and Light Weapons (SALW), heavy weapons and air-dropped munitions, improvised explosive devices (IEDs) and any other explosive threats to communities and socio-economic development and reconstruction.

In setting out our activities each year we have regard to the Charity Commission guidance on public benefit. 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.

During the past 12 months, MAG has worked in a total of 19 countries or territories (Afghanistan, Angola, Burundi, Cambodia, Chad, Colombia, Democratic Republic of the Congo, Gaza, Iraq, Lao PDR, Lebanon, Libya, Pakistan, Puntland State of Somalia, Republic of Congo, Rwanda, Sri Lanka, Sudan and Vietnam), carrying out a combination of the following activities, depending on the focus of operations:

- **Landmine clearance.** Manual clearance using hand-held detectors (including dual sensor technology), mechanical clearance such as flails and sifting machines, mine detection dogs and other relevant technologies.
- **Community Liaison (CL).** Working with local communities and other stakeholders to gather, analyse and disseminate relevant information to enable the effective prioritisation of clearance activities and to identify the most appropriate solutions to maximise impact and reduce dangers caused by remnants of conflict.
- **Explosive Ordnance Disposal (EOD).** The detection, identification, evaluation, rendering safe, recovery and disposal of unexploded, abandoned and unsecured ordnance.
- **Battle Area Clearance (BAC).** The systematic and controlled clearance of hazardous areas where the hazards are known not to include mines.
- **Emergency Response.** Immediate mobilisation of highly skilled teams, in response to emergencies and other high priority clearance operations.
- **Conventional Weapons Management.** Assessing weapons stockpiles; advising on best practice for storage, security, control and destruction of weapons and ammunition; identifying, recording, marking and cataloguing weapons and their ammunition.
- **Conventional Weapons Disposal.** Safely documenting and overseeing the destruction of a variety of surplus small arms, light weapons and their ammunition, putting them beyond use using a variety of effective techniques.
- **Mine Risk Education (MRE).** Education, training and information activities alerting affected people to the risks posed by landmines, UXO and other remnants of conflict and supporting them to adopt safe behaviours and risk reduction strategies.
- **Safer Communities.** Strengthening institutions and networks and enhancing local capacity to address safety and security within communities affected by small arms or remnants of conflict.
- **Survey and demarcation.** Surveying, mapping and marking known and suspected minefields and hazardous areas through the gathering, collation, analysis and use of information from a wide range of information sources.
- **Specialist technical consultancy.** Providing expert advice to high-level, global institutions on effective, practical solutions to armed violence and the impact of conflict.
- **Quality Management (QA and QC).** Monitoring the clearance process and inspecting previously cleared land to ensure that clearance has been carried out to international standards.
- **Capacity-building and partnership.** Actively seeking opportunities to work with national partners - both NGOs and national authorities - passing on skills and expertise, and ensuring activities are targeted to have the most impact.
- **Training.** Providing internationally approved practical and theoretical training in a wide range of disciplines linked to clearance and armed violence reduction, including EOD techniques, MRE and weapons stockpile management.

MINES ADVISORY GROUP TRUSTEES REPORT

AFRICA

Angola

During 2010/11 MAG operated in Moxico Province maintaining its priority to clear and release land based on the level of impact and benefit on vulnerable communities. We continued our working partnership with the National Intersectoral Commission for Humanitarian Assistance and Demining (CNIDAH) at both the provincial and federal levels ensuring effective assistance is given in achieving the Government's strategic mine action priorities.

Extensive clearance work was completed in '4 de Fevereiro Commune', with communities now resettling on the cleared land. The programme also developed three fully functional sub-field bases in Lucusse, Luzi and Cangamba communities from which technical teams carry out clearance of Suspected Hazardous Areas (SHAs). MAG's Community Liaison (CL) teams have delivered Mine Risk Education (MRE) sessions in these areas, and other surrounding high impact communities, as well as working in partnership with the International Organization for Migration (IOM) and UNHCR in delivering MRE to Zambian returnees who have been returning to the province since mid-2011. Lucas Paulo Jolomba, a recent returnee said: *"When I came back, I didn't know my land was still mined, this made me sad, but I am happy to know that MAG is taking care of our land and now I know that my family and I must be very careful for mines when we begin our new lives here."* Additionally, CL teams have been implementing MRE teacher training in Luao and Lumbala N'guimbo communities. Meanwhile, the Road Operations Unit has cleared the entire Cangamba-Moye road, and MAG deployed an additional Rapid Response Team, which is now operational throughout the entire province. Furthermore, MAG successfully trained four Handheld Standoff Mine Detection System (HSTAMIDS) operators and is currently training 10 more operators including international MAG staff from other programmes as well as two CNIDAH members.

During 2010/11 MAG cleared a total of 404,013m² of land and 131km of road, assessed more than 770 SHAs and completed 880 Conventional Weapons spot tasks. CL teams delivered 229 MRE sessions and contributed data towards the LIS for 30 new communities. Over the year more than 34,000 people have benefited from MAG's clearance and CL work.

Looking ahead MAG will maintain land and road clearance as well as Explosive Ordnance Disposal (EOD) and CL capacity. MAG Angola is working to adapt to the limited donor funding available, integrating partnerships with other NGOs that deliver development projects. The programme is also developing a corporate fundraising strategy that will attract new donors, while reinforcing sustainable development and poverty alleviation in Moxico. There is an acknowledgement that as a country with considerable natural resources it has become increasingly challenging to access traditional donor funds as the international community puts further pressure on Angola to invest in its own mine clearance. This has led to MAG reaching out in-country to potential sources of corporate social responsibility to fund operations. MAG has been successful in forming strong potential connections with new donors and building on partnerships while remaining committed to furthering socio-economic development and reducing the risk of death and injury to vulnerable conflict-affected communities.

Burundi

MAG's work in Burundi helps reduce the risks from accidental ammunition depot explosions and mine accidents. Additionally, by improving the security and the management of small arms and light weapons (SALW) our operations limit the risks of leakage of state-owned weapons into illegal hands. Significantly, since 2007, MAG has destroyed more than 20,000 hand grenades. This is an important achievement in the context of armed violence in Burundi where hand grenades are considered a weapon of choice. In support of the Government's efforts to reduce the risks posed by SALW, landmines and Explosive Remnants of War (ERW), MAG works directly with the police, civilian defence and army to build their operational and SALW management capacity.

Until December 2010, MAG worked in partnership with the Burundian police to implement a comprehensive Physical Security and Stockpile Management (PSSM) project. This was implemented nationwide by two joint MAG and police teams, and delivered the following results:

1. A total of 3,614 weapons, 6,826 magazines, 13,978 munitions (including grenades, mortars and artillery shells) and 1,019,590 surplus small arms ammunition (SAA) were collected and destroyed.
2. The security of SALW was improved in 173 police armouries, as teams fitted more than 1,000 gun racks.

MINES ADVISORY GROUP TRUSTEES REPORT

From December 2010 to February 2011, an Army SALW survey team carried out an assessment of military SALW. Recommendations for improvements were made and will be implemented with MAG's support in projects currently being developed for the coming year. Key findings from the survey include:

- More than 10,000 weapons and 70 tons of ammunition are degraded or surplus with some representing a high risk of accidental explosion;
- Poor infrastructure for the storage of SALW, with most stocks requiring security improvements; and
- Lack of training to safely store and manage SALW.

From July to September 2010, MAG supported the National Mine Action Authority in surveying the remaining 96 Suspected Hazardous Areas (SHAs) in the country, 10 of which were confirmed as contaminated. In addition, more than 2,000 people living close to contaminated areas received basic Mine Risk Education. Since March, MAG and the National Mine Action Authority have set up a joint manual clearance team to clear mined areas, with work expected to be completed by October 2011. Additionally, the programme is currently researching ways to recycle the scrap metal originating from weapon destruction by collaborating with a French Technical University to set up a small eco-foundry run by ex-combatants. MAG has planned for a progressive reduction in activity level in Burundi as the key areas of work will be concluded over the duration of the current business year and once current US state department funding is expended there will be a commensurate scale down of capacity. In the interim MAG continues to discuss with in-country donors and national stakeholders as to whether there is any additional work for the organisation to be involved in around SALW destruction and Physical Security and Stockpile Management (PSSM).

Chad

Operations in Chad focus on improving the lives of communities affected by conflict as well as assisting the Chadian Government in achieving the objectives set in the Geneva Convention. Alongside our main activities of mine clearance and survey, two other projects were implemented; an assessment mission into the Tibesti mountains and an airstrip reconnaissance mission in the north. Due the success of the latter, aircraft supplying urgently needed food and other items to the returnees from Libya stranded in the vicinity were able to land safely and distribute aid.

All three main objectives for the year were met (to develop and secure MAG's funding position; to provide quality driven solutions for operations with a permanent focus on capacity building of the Centre National de Déminage (CND); and improving the efficiency and effectiveness of support systems). Although the programme encountered some challenges to growth and operations, such as delays in international procurement and recruiting national technical staff and unexpected requests to feed data into the Information System for Mine Action (IMSMA) database, MAG learnt from these and mitigating measures were included in the planning – for instance the deployment of a Programme Officer to assist with reporting.

The recent history of funding patterns in Chad has been sporadic, therefore MAG has been working hard at developing the existing partnerships and operations over a longer, more sustainable period in order to really start to tackle the substantive mines and UXO problem that exists within the country. To that end, MAG Chad is planning a clearance project in the north, near Fada, and the provision of a three month Rapid Intervention Team also in the north. Goals for the new business year include, but are not limited to:

- continuation of survey activities with the United Nations Development Programme (UNDP);
- procurement of a mechanical device to assist the clearance in Fada;
- Battle Area Clearance (BAC) in the south-east of the country; and
- Mine Risk Education (MRE) activities;
- UNDP are currently reviewing a MAG proposal for additional national survey work scheduled to start at some point before April 2012

Overall, MAG's work in Chad has contributed to the provision of far more reliable contamination data resulting in the government now developing realistic mine action priorities. Additionally, the Tibesti mission was important in gaining initial data for future survey and clearance projects in that region.

MINES ADVISORY GROUP TRUSTEES REPORT

DR Congo

Over the past year the DR Congo programme greatly expanded its Humanitarian Mine Action (HMA) and Conventional Weapons Management and Disposal (CWMD) operations in Equateur, Kasai Oriental, Kasai Occidental, Bandundu and Bas Congo provinces, with a roving destruction capacity in the East.

MAG's ability to react to emergency requests was demonstrated throughout the year including: the destruction of more than 12 tons of ammunition at Camp Bokala in Mbandaka after a rocket launched itself into town centre; clearance of 4,234m² of land around health centres to be rehabilitated in South Equateur; clearance of Mbandaka Airport following clashes as requested by the United Nations; and ongoing Mine Risk Education (MRE) and clearance requests from Non-Governmental Organisations (NGOs) and the UN. These rapid responses have improved physical safety and security, and brought peace of mind to affected communities. Following the emergency stockpile clearance in Mbandaka, the Acting Governor for Equateur Province, Dr Bruno Bindaba, said: *"I can only thank MAG for the work in Equateur...MAG should continue to clear other battle areas in the province to spare the population from these deadly objects so that people can get involved in development activities of the province"*.

MAG's investment in building national capacity resulted in the landmark training of three national army demining teams which are now conducting clearance. MAG has further developed partnerships with three national partners including the establishment of new Community Liaison (CL) teams with the National Red Cross, RIAO and existing partner ECC MERU. MAG has continued to support the two Humanitas Ubangi CL teams in Northern Equateur.

The CWMD programme concluded a ground-breaking Physical Security and Stockpile Management (PSSM) project including the development of the unique Ammunition Stockpile Risk Assessment tool, rehabilitation of a model armoury and reconstruction of the ammunition depot at Camp Kokolo in Kinshasa. For the coming year, MAG is seeking funding to conduct a project securing weapons in Kinshasa and Bas Congo. MAG is also recognised as a key partner of the UN Mine Action Centre and one of the main implementing agencies in both fully scoping the contamination problem at a national level as well as then mobilising, training and putting the resources on the ground to address it.

Challenges continued to be linked to logistics, lack of infrastructure, high international staff turnover and recruitment difficulties. MAG's objective of strengthening the in-country Quality Assessment/Quality Control capacity was not fully achieved due to delays in recruiting suitable personnel. Reinforcement of financial and logistics functions were improved; however fully strengthened systems are still to be rolled out.

To ensure alignment with the newly established national mine action strategy, and to continue to build national capacity, MAG intends to open a national Explosive Ordnance Disposal (EOD) School in Kinshasa in 2012. MAG will continue to optimise the use of resources, including increased integration of capacities within each team. The programme expects continued growth opportunities in both stockpile and weapons management, and new areas such as weapons marking. However, in the short to medium term there will be some reduction in capacity in 2012 and this will also provide an opportunity to further improve the support systems in-country under a new Country Director who will be deploying in January 2012.

Libya

MAG deployed two staff members to Benghazi and Cairo in April 2011 in response to the ongoing conflict in Libya. An assessment of the contamination and its impact in Eastern Libya was conducted, which identified an immediate need for clearance. MAG met with representatives from the National Transitional Council (NTC) in Benghazi and liaised with donors, the UN and other Humanitarian organisations in both Cairo and Benghazi to coordinate response activities.

In late April and early May, two Technical Field Managers (TFMs) and a Project Manager deployed to conduct operations from Benghazi in coordination with the Joint Mine Action Coordination Team (JMACT) and the NTC. MAG carried out emergency Explosive Ordnance Disposal (EOD) spot tasks in support of the returning population and is continuing to conduct spot tasks and clearance of an Ammunition Supply Point (ASP) in the region between Ajdabiya and Benghazi.

MINES ADVISORY GROUP TRUSTEES REPORT

MAG conducted an initial assessment mission to Misrata in May and found evidence of the use of cluster munitions, anti-tank and anti-personnel mines as well as various types of unexploded ordnance (UXO) from the bombardment of the city, which was often displayed in makeshift 'UXO museums' on the streets. MAG is now operational there with two teams conducting clearance activities at ASPs, EOD tasks, cluster munition clearance in coordination with the JMACT and NTC.

In response to increased fighting and population movement in the west MAG plans to deploy a Regional Community Liaison Manager and a Technical Support Manager to Tunisia and the Nafusa Mountains in July. There are reports of 65,000 refugees in Tunisia, while the heavy fighting in the mountains has resulted in UXO contamination, while the laying of mines has been confirmed along with potentially the use of cluster munitions. JMACT stated there is an immediate need for the provision of Risk Education (RE) for Libyan refugees.

Since beginning operations MAG has found and removed more than 12,000 items of UXO. The situation in Libya is fluid and unpredictable and, while there have been rapid developments and increasing areas under the control of the opposition forces, fighting is ongoing. The levels of ordnance in Libya are significant, and pose a risk not only to civilian life but also to regional security given the porous borders in the Saharan region. MAG will work closely with partners to address the clearance needs of the population where security permits and is ready to respond to newly accessible areas and increase capacity as the need becomes clear.

Looking forwards, there are substantial minefields on both the Egypt and the Chad borders, as well as alleged activities of mine replanting in and around the Zlitan and Brega areas. MAG will continue to position itself as a key provider of both PSSM activities and potential mine clearance work as the situation continues to stabilise and it will be important to note how the new fledgling authority chooses to position itself with regard to the Anti-Personnel landmine and Cluster Munitions treaties. There will likely be significant opportunities for further expansion of MAG's operational capacity in Libya and the organisation will look to adequately resource this in terms of donor funding and personnel to deliver additional activities.

Puntland State of Somalia

This year MAG Somalia has expanded both geographically and operationally to continue reaching the most vulnerable populations. Continuation funding ensured three Community Liaison (CL) Teams in Puntland State of Somalia maintained vital spot task collection for the MAG Police Explosive Ordnance Disposal (EOD) team alongside delivery of Mine Risk Education (MRE). This also ensured a standalone CL/MRE capacity, and nationalisation of the CL management capacity which began in June 2011.

The Police EOD Team has continued to undertake clearance work, achieving notable success with the destruction of more than 370 Anti-Personnel (AP) mines in January 2011. Commenting on this event, Ali Jama Hassan, Chief of Cabinet, Office of the President stated: *"The Government of Puntland thanks MAG and PMAC [Puntland Mine Action Centre] agencies for the identification, disposal and public awareness of deadly mines. The Government appreciates the successful mine action activities which protect citizens including children and help contribute to the overall security of Puntland."*

Following three years of successful EOD work in Puntland, the next stage of growth was the establishment of operations in South Galcaio, where there has been very little tangible mine action work due to the widespread insecurity and continued fierce fighting. It is widely believed there are high levels of contamination, and stockpiles of varying size held within people's homes and urban areas.

In December 2010 the Police Commissioner in Somaliland's capital Hargeysa invited MAG to view a main police armoury; its poor condition was putting police officers and the surrounding population in direct danger of an accidental explosion. MAG renovated the armoury and carried out a survey of 47 further armouries. A Physical Security and Stockpile Management (PSSM) project began in June 2011 to help ensure leaks from stockpiles managed by national authorities do not potentially heighten levels of violent crime, as ongoing political insecurity increases the risk of a return to conflict.

MINES ADVISORY GROUP TRUSTEES REPORT

This year's expansion has represented strong progress against objectives ensuring the programme will continue to be the leader in mitigating the physical threat posed by contamination - to both human life and sustainable development. While it is clear that security management in South Galcaio will be difficult, relations with clan elder and Local Authority leaders will continue to be developed to ensure their support. MAG Somalia has also diversified its funding base, which we will look to utilise in the coming year to further develop the programme's scope. There is a considerable amount of work to be done across the different, fragmented regions of Somalia and MAG is well positioned to do be at the forefront of this. Much of this will be contingent on proactive security management which is being put in place.

Republic of Congo

Following a nine-month stand-down period, MAG restarted operations in February 2011, implementing a Battle Area Clearance (BAC) project in the area surrounding a former munitions depot next to Brazzaville's international airport. The depot exploded in 1997 and the resulting contamination is known to have led to the deaths of at least five people and injuries to more. Although the start of the project was delayed for several months due to extended contract and budget negotiations, operational progress has been significant. The programme has continued to work in close partnership with the Congolese armed Forces (FAC), and has made a measurable contribution to capacity building through the training and certification of twelve FAC personnel in Explosive Ordnance Disposal (EOD) techniques. This newly-formed EOD capacity is now conducting BAC on the project site.

A local Community Liaison (CL) capacity has also been trained and is working to ensure that local populations are aware of the risks of contamination and how to respond to them. These communities will benefit from improved safety and security, enabling them to develop opportunities such as small enterprises and agriculture, free from the threat of unexploded ordnance (UXO).

"Since 1997 the population around Maya Maya has lived in fear," said MAG's CL Officer, Camille Ngoma, a resident of the area. "For the first time since the explosion, they can use a safe path which crosses the full length of the formally UXO-littered land."

MAG's operations continue to contribute to the long-term security of the Congolese population and the strengthening of national capacity. The current project will run to the end of March 2012, and in the coming months the programme will seek to identify and pursue opportunities to extend MAG's presence within the country. Recent discussions between MAG and the FAC indicate there is interest in the development of a new SALW or PSSM project. This will be further investigated alongside donor interests, however the more realistic scenario will be a completion of the current activities and a withdrawal from the country as there is traditionally little active donor interest in funding the Republic of Congo. This being the case it will be imperative that MAG conclude its role here in a very carefully managed way to ensure all commitments to donor, staff and other national stakeholders are concluded in a fully compliant manner.

South Sudan

The South Sudan programme has continued successful operations across the Greater Equatoria and Jonglei States successfully implementing 'land release' methodology, incorporating mechanical, clearance and survey assets and involving Community Liaison (CL) activity. Supporting development and humanitarian initiatives, MAG has delivered Mine Risk Education (MRE) to around 400 Non-Governmental Organisation (NGO) and UN staff from more than 30 different organisations. Since October, more than 300,000 people have returned to South Sudan, and MAG has supported this return by delivering MRE to nearly 16,000 returnees.

Throughout the past 12 months MAG has also supported NGOs such as AAR Japan, and GIZ by surveying areas for contamination prior to drilling for boreholes. Additionally, MAG has surveyed Kapoeta airstrip following a request from the World Food Program, and the United Nations High Commissioner for Refugees compound in Bor, Jonglei. MAG is currently working in partnership with CHF International, surveying project sites prior to them starting development activities.

The United Nations Mine Action Office (UNMAO) began to transfer primary responsibilities to the National Mine Action Authority in June. Supporting this national handover MAG has continued capacity building of staff within both the programme and our partner; Operation Save Innocent Lives (OSIL). Additionally, MAG handed over a national CL Manager and team to OSIL in 2010, and our second national Technical Field Manager (TFM) received UNMAO accreditation in 2011. This TFM and a manual clearance team will be handed over to OSIL in late 2011.

MINES ADVISORY GROUP TRUSTEES REPORT

During the year MAG operated the first ever Sudan People's Liberation Army (SPLA) seconded Explosive Ordnance Disposal (EOD) team in South Sudan, training them to EOD level 2. The team has now destroyed nearly 250,000 items including 26 Man Portable Air Defence Systems (MANPADS). Working in partnership with the SPLA in this manner enables MAG to gain successful approvals to destroy surplus munitions, and works towards building a highly skilled group of technicians with the capability to continue EOD operations in South Sudan in the future. MAG also successfully organised the first ever EOD Level 3 course in South Sudan in July with participants from MAG, National Mine Action Authorities, UNMAO and partners in North Sudan such as JASMAR and the Joint Integrated Demining Units.

MAG has started linking with organisations operating within Security Sector Reform, developing plans to assess armouries across all 10 states. MAG has continued to build strong relations with various security actors including the Prisons Service, the Police Service and the SPLA. Armoury control, and indeed the wider sectors of Physical Security and Stockpile Management, Community Security, and Disarmament are clearly areas in need of MAG's expertise during the coming years.

Sudan

Ahead of the separation of South Sudan from the North in July 2011, MAG Sudan divided into two Country Programmes in February 2011. In North Sudan MAG operated three Multi-Task Teams (MTTs) and five Community Liaison (CL) teams, supported by a mechanical asset.

Teams conducted technical and non-technical survey, Battle Area Clearance (BAC), Explosive Ordnance Disposal (EOD) spot tasks, manual and mechanical clearance, and CL activities in Blue Nile State and Kassala. During 2010, 40 new Dangerous Areas (DAs) were registered on the Sudan Information Management System for Mine Action (IMSMA), however in just six months MAG identified 142 DAs in northern Kassala alone. Due to this high level of contamination MAG was unable to progress into Red Sea as planned. However, the programme expanded CL activities into White Nile State, delivering Mine Risk Education (MRE) to South Sudanese returnees. Teams manually cleared a total of 890,595m², destroyed 4,281 items of Explosive Remnants of War (ERW) and released 2,448,888m² back to communities benefiting 69,445 people. MRE was delivered to 19,024 beneficiaries. One key success was the clearance of Demein minefield, which lay close to three communities and on an important trade route with Eritrea. Adam Hamid Salih, aged nine, thanked MAG: *"Before MAG came here it was hard to get to school, but now MAG cleared the area we can come to school daily."*

In October MAG partnered with GOAL and Samaritan's Purse to open safe access to their target communities in northern Kassala, as well as ensuring their staff and communities practice safe behaviours. *"We are grateful for the important clearance and risk education activities which have been delivered by MAG. To date MAG has opened up access to many communities which have clear needs for WASH and Nutrition interventions but would otherwise have been inaccessible"* – Area Coordinator, GOAL Kassala.

All MAG's activities were carried out in coordination with the National Mine Action Centre to ensure they were in line with national priorities. MAG has contributed towards the formation of a sustainable national mine action capacity by seconding, training and deploying two teams from the NDU and five MRE teams with national partner JASMAR. MAG has also nationalised its CL Manager position and is training a national Technical Field Manager, Technical Operations Manager and Medical Coordinator.

MAG has invested heavily in developing strong relations with donors and as a result is currently the only funded mine action capacity in the region. MAG intends to expand its operations in the next year, deploying four MTTs and CL teams to Blue Nile and the Eastern States, and three Rapid Response Teams with two CL teams to South Kordofan. These will assist in opening access for humanitarian agencies following recent conflict. MAG will continue to work very closely with the National Mine Action Centre in terms of operational coordination and resource mobilisation to best enable it to meet its aims of Ottawa Treaty Article 5 compliance.

MINES ADVISORY GROUP TRUSTEES REPORT

MULTI-COUNTRY AFRICAN PROJECTS

Institute Security Studies

During this year, MAG started implementing a project in partnership with the Institute of Security Studies (ISS) to help Member States of the Southern African Development Community (SADC) meet their obligations under Article 9 of the 2001 SADC Protocol on Control of Firearms Ammunition and Other Related Material, by ensuring that they have the capacity to mark firearms.

This project will provide marking machines to 10 Member States, combined with high-quality training. The distribution and training is being undertaken in partnership with the Southern African Regional Police Chief Council Organisation (SARPCCO) and is a vital first step in helping to trace and, ultimately, reduce illegal cross-border movements of firearms.

Additional outcomes of the project are anticipated to be improved ability of SARPCCO Member States to manage their firearm stockpiles and trace illicit firearms, and improved cooperation between each other on issues relating to firearms tracing.

As planned, 10 marking machines were procured and distributed to the agreed countries in the SARPCCO region, and, to date, 23 technicians have received training. The project is expected to conclude during the next year, with final training sessions being delivered in member states and evaluations being undertaken by MAG.

As well as the importance of this project to contribute to a reduction in illegal cross-border weapons movement and an improvement in weapons management in the countries involved, it is significant for MAG in that it establishes new operational partnerships (with ISS and with SARPCCO) helping to position us as a provider of expertise in SALW-related operations in this region. MAG will continue to work closely with the Institute on potential follow up work and will also build on this relationship at relevant Armed Violence Reduction sector fora.

East African Community

In June, MAG attended a meeting with the East African Community's SALW National Focal Points in Moshi, Tanzania to lay the groundwork for the implementation of a multi-country project to cover stockpile management for police forces in Tanzania, Kenya and Uganda (due to start in July 2011).

MIDDLE EAST

Afghanistan

MAG Afghanistan continued to support Afghan demining operator Organisation for Mine Clearance and Afghan Rehabilitation (OMAR) throughout the year, and also extended its role to also support another Afghan operator, the Mine Detection Centre (MDC). In both cases, MAG's role involved two core advisory aspects; technical support and organisational development, improving the safety of demining staff and their ability to clear mine and unexploded ordnance (UXO) thereby releasing contaminated land efficiently and effectively.

During 2010, the programme left OMAR's accommodation and set up its own premises. This enabled MAG to provide training and organisational development to the two national demining NGOs and strengthen the independence of the national demining sector, a strategy that is in line with the objectives of the Mine Action Coordination Centre of Afghanistan (MACCA).

Working within the cultural environment in Afghanistan, the perception of age and wisdom created a challenging dynamic in OMAR, where senior management lacked the same level of buy-in as younger staff members. This, together with an operating environment where bilateral funds are available to national NGOs, created competing priorities between projects and ultimately resulted in a number of lessons being learnt, most notably that the project could have benefited from exploring alternative ways of securing participation from OMAR senior management.

MINES ADVISORY GROUP TRUSTEES REPORT

MAG's project with MDC progressed well, capitalising on experience gained from working with OMAR. For example, Standard Operation Procedures (SOPs) were prioritised and the introduction of new SOPs was staggered allowing sufficient time for retraining and for the financial costs of reprinting documents to be absorbed. As with OMAR, the ongoing complex security environment in Afghanistan continued to affect MAG's ability to travel outside Kabul city to MDC's areas of operation.

MAG's activities in Afghanistan ended for the time being at the end of June 2011. Prior to this, the programme worked to gain operational accreditation and is now positioned to return and work operationally should a suitable opportunity and funding arise. In addition, there are ongoing requirements to develop the capacity of the Afghan mine action NGOs, which MAG is currently discussing with stakeholders.

Gaza

Between January 2009 and January 2011, MAG assessed 1,801 sites and properties for the presence of unexploded ordnance (UXO), responded to more than 250 requests for Explosive Ordnance Disposal (EOD) support and safely identified 358 items of UXO (including 63 white phosphorus and 71 Anti-Tank mines) and 2,100 items of small arms ammunition.

Partnerships played an important role throughout the implementation of operations in Gaza. We carried out risk assessments for the United Nations Development Programme (UNDP), CHF International, Food and Agriculture Organization (UN) and UXO safety briefings for CARE International, the Palestinian Agricultural Relief Committee, Catholic Relief Services, the International Committee for the Red Cross and Mercy Corps. The risk assessments allowed rubble removal to start on 204 buildings, meaning that rebuilding work could then begin, resulting in short-term employment and income for 900 local workers. In addition to clearance and risk assessment, MAG worked with UNICEF to implement a programme of UXO risk education for the government primary schools and UNICEF-supported Family Centres.

MAG operated in Gaza for two years and finally closed the programme in January 2011.

The response in Gaza highlights MAG's ability to react quickly and effectively to post-conflict humanitarian emergencies. With donor support MAG had EOD technicians on the ground ready to provide targeted UXO threat assessment and safety briefings, allowing relief work to start rapidly. MAG can be ready to respond to any further need identified within Gaza should there be a requirement to restart operations.

Iraq

After visiting Bawan Village in the Dahuk area of Northern Iraq Community Liaison (CL) teams were able to carry out a community assessment survey to prioritise clearance tasks. *"The villagers are in need of re-building what was destroyed during the conflict, therefore we need mine clearance so we can have safe land for construction,"* said Mr. Abdul Jabar Shukri, the village leader. These surveys capture quantitative and community-level socio-economic data on the impact of the remnants of conflict, as well as the impact on wider conflict recovery and rehabilitation. As a result of the survey CL teams identified four minefields blocking access to farming land, roads and areas that will be used to build houses. The tasks have been added to MAG's prioritisation list for future clearance.

Over the past 12 months, MAG continued to target local communities, internally displaced people (IDPs) and returning populations affected by landmines and unexploded ordnance (UXO). MAG Iraq has the longest-running and most established programme of Community Liaison (CL) and Risk Education (RE) in the country. Operations integrate manual and mechanical clearance and have developed the use of Mine Detection Dogs (MDD) within the programme.

MAG has worked with the Ministry of Environment supporting the role of the National Mine Action Authority (NMAA) in Baghdad, as well as the Iraqi Kurdistan Mine Action Authority (IKMAA) and the General Directorate of Mine Action (GDMA) in the north. As part of its commitment to national capacity building, MAG has continued to work with the Ministries of Education and Health to deliver sustainable and independent RE through schools and other establishments. Its work with national implementing partners in Baghdad, Kirkuk and Diyala has consolidated operations, broadening the impact, geographical reach and range of beneficiaries.

MINES ADVISORY GROUP TRUSTEES REPORT

Throughout the year, operations continued to support socio-economic development, reconstruction and rehabilitation initiatives in the region. For example, work in Chimany Village allowed the community to safely return to their homes and begin to build the houses that had been destroyed. After several accidents causing injuries to four shepherds the villagers did not feel safe using their land. MAG cleared 967 cluster munitions from battle areas around the village, and the clearance provided safe access for the community to their grazing and agricultural lands.

Looking ahead MAG Iraq will implement impact-driven operations in support of peace-building initiatives and to help Iraq meet its mine ban treaty obligations. Our work has a positive impact on reducing armed violence and supports the implementation of National Development Strategies working towards achieving the Millennium Development Goals (MDGs).

Lebanon

MAG Lebanon passed its tenth anniversary of clearance activities during 2010, continuing to clear cluster munition contamination and landmines in line with national priorities.

During the year the programme consolidated its capacity to deploy seven Battle Area Clearance (BAC) teams and two Mine Clearance Teams (MCT) in the south and central areas of Lebanon. The BAC teams continued to work in villages such as Zawtar West where they have cleared seventeen cluster munition strike areas since 2006. One MCT worked on the Blue Line between Lebanon and Israel until March 2011 when it moved to join the other MCT in the Mount Lebanon (Chouf) region to clear civil war era mines. MAG's manual teams are supported by mechanical assets, which conduct ground preparation, verification and rubble removal and crushing. The programme has further developed its mechanical assets in its specialised workshop; innovations include the development of an armoured mini vegetation cutter to access difficult areas in the mountainous areas. These assets are unique in Lebanon and have been used to support other clearance organisations at the request of the Lebanon Mine Action Centre (LMAC).

All clearance activities are determined by the LMAC based on the 2015 End State Strategy, to ensure all 'high and medium impacted communities are clear of Explosive Remnants of War (ERW)' by 2015. The priorities are BAC in the south and minefield clearance in the centre and north. The LMAC has indicated that 66 per cent of land contaminated with cluster munitions and 51 per cent of minefields have been cleared so far.

Manual and mechanical clearance throughout the year has contributed to a total of 759,842m² of land cleared in eighteen villages. MAG was assigned 31 tasks, many of which are rocky and mountainous areas or where ERW has sunk and moved over time. All clearance is sub-surface or involves full excavation and during the year the output per team was approximately 600m² a day for BAC and 80m² a day for manual MCT as teams undertook this time-motion heavy methodology to ensure land is cleared and safe for residents to use.

In 2010-11 the majority of cleared land (74 per cent) is used for agriculture. A further 15 per cent is used to build shelters and new homes for local families. In 2011/12 the Lebanon programme will add one BAC team and continue to develop innovative attachments for its mechanical assets to support the manual teams and other organisations clearing in southern Lebanon. In September 2011 the programme will be heavily involved in the Lebanon-hosted 2nd Meeting of State Parties for the Convention on Cluster Munitions. MAG's future strategy will also be closely aligned to the aims of putting in place a well-trained national capacity that can be handed over to a domestic authority to deal with the residual mine action needs after MAG's eventual phased departure from Lebanon.

Pakistan

MAG Pakistan continued implementation of its Risk Education (RE) project that started in March 2010, in partnership with local non-governmental organisation Sustainable Peace and Development Organisation (SPADO). The initial project ran until the end of November 2010, and delivered Risk Education to 39,359 conflict-affected individuals from South Waziristan displaced to DI Khan and Tank (southern Khyber Pakhtunkhwa (KP)).

In November 2010 MAG secured additional funding from the European Commission Humanitarian Aid Department (ECHO) to deliver RE in south and central KP, again in partnership with SPADO. Thirty national staff were recruited (24 RE Officers, two Project Coordinators and four District Coordinators) in December 2010 and January 2011 and began delivering sessions in February. The teams will deliver RE to 140,000 conflict-affected individuals in four Districts in KP by November 2011 - DI Khan and Tank in southern KP and Kohat and Hangu in central KP. Up to June 2011, 2,204 sessions had taken place involving 70,613 people.

MINES ADVISORY GROUP TRUSTEES REPORT

In the absence of a formal mine action body in Pakistan, UNICEF has taken the lead within the United Nations system and coordinates an informal Risk Education Working Group, which serves as an information sharing and coordination forum for RE operators. MAG has been an active participant in this group, producing a standardised set of RE materials and education resources for use by all operators in the country.

Pakistan is thought to have one of the greatest per capita rates of gun ownership in the world - an estimated 20 plus million, half of which are owned illegally. The problems resulting from the presence of high quantities of small arms are pervasive throughout the country, where they are a feature of tribal disputes, political and criminal violence and festive celebration. MAG is currently working to identify funding sources and potential partners to implement a small arms and light weapons (SALW) RE project in KP.

SOUTH EAST AND SOUTHERN ASIA

Cambodia

MAG Cambodia works to create an environment that is safe from the threat of mines and unexploded ordnance (UXO), allowing previously affected communities to benefit from humanitarian and development projects. This is achieved through partnerships with Non-Governmental Organisations (NGOs) ensuring the integration of clearance activities with development projects on prioritised community land.

At a national level, the programme continues to support the Government to achieve the National Mine Action Strategy, including the ninth Cambodian Millennium Development Goal (MDG) for mine and UXO clearance and victim assistance. An essential part of this is MAG's continued commitment to the National Baseline Survey which aims to develop a dynamic atlas of contamination, enhancing the information available on mine contamination, ensuring the best use of clearance resources to achieve the maximum humanitarian impact. MAG has also maintained longstanding relationships with local authorities so that clearance supports community needs and development priorities.

Between July 2010 – June 2011 MAG Cambodia cleared of 1,973,362m² of land removing and destroying 3,431 Anti-Personnel landmines, 151 Anti-Tank mines and 10,204 items of UXO, benefiting more than 167,000 people.

The programme continues to be at the forefront of innovation, rolling-out technologies and methodologies that improve the effectiveness and efficiency of clearance. MAG's 'toolbox' approach, which uses different clearance assets depending on the type of contamination, has also helped establish MAG as one of the primary Humanitarian Mine Action (HMA) providers in Cambodia. The toolbox approach was demonstrated in Banteay Meanchey Province, where MAG deployed Mine Action Teams, Mine Detection Dogs, a Ground Preparation Team and Research and Development teams on one minefield from May 2010–March 2011, clearing 55,100m² of suspect land and removing 68 mines and 16 items of UXO. Chan Rong, one of the beneficiaries of clearance said; *"...I fully trust MAG's work. I think my family living will be better in the future."*

Throughout 2010-2011, MAG Cambodia has increased programme capacity, but operations in the East have been stood down due to funding challenges. Over the forthcoming year MAG will look for additional donors to fund Explosive Ordnance Disposal (EOD) operations in the East and North, which will be boosted by the 11th Meeting of States Parties in Cambodia. In addition to this, MAG will continue to work at the forefront of land release approaches in Cambodia, liaising closely with the national authorities and also aiming to increase productivity levels through the roll out of dual sensor Ground Penetrating Radar detection technology.

Lao PDR

Integral to MAG Lao's work is partnerships with a range of development actors that ensures maximum impact from clearance operations. MAG has supported the Government's poverty reduction goals, linked with the achievement of the Millennium Development Goals (MDGs). Capacity building of local government authorities has continued to be a focus, with Provincial capacity now able to survey contamination. Speaking about a joint project between MAG Laos and the Lao Government, Mr. Douangsy, chief of Nammen village, said: *"We are so proud and appreciate the organisations that help our village. Soon we will get clean water in our village and will reduce the suffering of our women and children carrying water across difficult terrain."*

MINES ADVISORY GROUP TRUSTEES REPORT

MAG Lao has increased collaboration with multiple development Non-Governmental Organisations (NGOs) expanding MAG's 'Linking Mine Action with Development' approach, and aims to respond to every call to clear unexploded ordnance (UXO) for development purposes. A beneficiary of a World Education livestock rearing project said: *"Our family will now get more income from raising animals. My father, who has a leg amputation, takes responsibility for looking after the animals. He enjoys this very much."*

MAG Lao currently deploys 12 UXO clearance teams, including two all-female teams, and two roving teams, as well as 14 Community Liaison (CL) teams, employing 391 local people. This year saw the full roll out of 12 detectors per team for all 12 teams, improving the efficiency and value for money, with the programme achieving a 77 per cent increase in productivity in the first five months of 2011 compared to 2010, whilst providing additional employment for rural people.

Between July 2010 – June 2011, MAG Lao cleared 8,295,195m² of land, removing 13,818 items of UXO, benefiting 196,522 people. Cleared land has been used for Agriculture (90 per cent); Health and education facilities (2 per cent); and 8 per cent for other development purposes.

There were no major challenges to operations this year, and during 2011-2012, MAG will continue to build the capacity of national authorities to achieve their obligations related to the MDGs, Convention on Cluster Munitions, UXO and poverty alleviation strategies. There are indications that some additional funding may be made available in Laos and should this be the case MAG will look to further consolidate and build on the operational capacity that we currently have in-country.

Sri Lanka

MAG continued to support the Government's emergency resettlement process by carrying out mine action activities to reduce the risk created by the presence of landmines, unexploded ordnance (UXO) and improvised explosive devices (IEDs) in villages in the Northern Province; operating initially from a base in Vavuniya then from an additional base in Kilinochchi.

During the year MAG expanded its capacity by two Mine Action Teams, and deployed additional mechanical resources to support its technical survey activities. In March 2011, the programme re-initiated Non-Technical Survey (NTS) activities in Batticaloa and Trincomalee Districts in the Eastern Province and deployed three Community Liaison (CL) teams to the area.

CL staff continued to implement Safer Village Plans (SVPs), the CL approach pioneered by MAG in 2009. By working with returning communities and other external stakeholders, the wider needs of the community are identified and prioritised and risk reduction strategies developed, enabling more targeted mine action. As explained by Christy Martin, MAG's CL Supervisor *"Previously mine action was based only on government priorities but with SVPs, the focus has now shifted to the real needs of the communities, allowing for maximum impact of our work."* CL staff also carried out a training programme for local Mine Risk Education (MRE) implementers helping to ensure a sustainable local capacity. During the project 140 MRE providers were trained from five partner organisations and expect to reach up to 400 beneficiaries a week.

MAG continued to carry out NTS in three districts in the north, surveying 51 task areas and releasing 133.6km² of high impact land, benefiting 21,107 individuals who will return to these areas, or use the land for livelihoods activities. MAG's technical survey and clearance continued to focus on tasks in Puthukudiyiruppu Division in Mullaitivu where the majority of the internally displaced persons (IDPs) still in temporary camps in Vavuniya are set to return, plus Vavuniya North and Madhu Division in Mannar. In Suthanthipuram, Jesuthas Jude, the local co-operative shop manager, was happy to use the shop again after MAG cleared his village: *"Now there are 170 families who use this shop. We are very thankful to MAG for allowing us to return home and rebuild our lives."* Through a combination of clearance activities MAG was able to release 9km² back to the community, uncovering 9,888 anti-personnel landmines, 2,133 items of UXO and 20 anti-tank mines.

MINES ADVISORY GROUP TRUSTEES REPORT

In anticipation of reduced international support to Sri Lanka, MAG, in addition to carrying out emergency activities to support the final IDP returns, will also work to ensure a sustainable local capacity exists in Sri Lanka through capacity building initiatives with the government-run Humanitarian Demining Unit and the National Mine Action Centre. Furthermore, as the situation on the ground evolves MAG's activities will look to support the ongoing development phase and support to livelihoods activities. In addition to this MAG is exploring the possibility of SALW destruction activities in conjunction with the army.

Vietnam

This year has been very positive for MAG Vietnam as we re-established ourselves as one of the leading Humanitarian Mine Action (HMA) organisations in the country. Highlights include securing long term funding for Quang Tri province, strengthening strategic partnerships and achieving significant operational milestones.

After a decrease in capacity in the previous year due to a lack of funding, MAG Vietnam has now restored a strong operational presence. The programme now hopes for a period of relative stability, forming a solid foundation until 2013.

Partnerships with provincial authorities are key to achieving the greatest impact. The coordination with authorities ensures clearance is linked with development plans. In June the relationship with authorities was consolidated with the signing of new Memoranda of Understanding with both Provincial People's Committees (Quang Tri and Quang Binh), providing MAG with a secure operating environment until 2014. Partnerships with development Non-Governmental Organisations (NGOs) continue to be actively pursued.

MAG continues to focus on mobile operations; the systematic clearance of dangerous areas in accordance with a village priority list issued by the provincial authorities. In addition, MAG clears static sites that benefit entire communities. For example, in 2010 Quang Tri provincial authorities were successful in securing funding through the US Embassy to build a new school in Hoa Ly village. Before construction could take place, the school needed to be cleared of unexploded ordnance (UXO). MAG worked closely with the authorities to prioritise the site for clearance and through prompt action was able to clear the site and allow the construction of the school to commence.

At the end of June 2011 MAG Vietnam reached a significant milestone when it removed its 100,000th item of UXO from Quang Tri province. During 2010-2011, the programme removed a total of 12,738 items of UXO. MAG has also undertaken a major commitment to introduce Impact Monitoring into the programme. Impact Assessment Toolkits will be developed and are on schedule to be completed and fully implemented by the end of 2011.

Looking ahead, MAG Vietnam plans to establish a new area of operation in Quang Nam province in 2011-12. Initial assessments have been made and dialogue with the authorities is ongoing, with the hope that the programme can secure the necessary funds to begin operations. MAG's plans also include additional efforts to source corporate support in country.

THE AMERICAS

Colombia

During the past year, MAG Colombia continued Community Liaison (CL) activities in the departments of Antioquia and Choco, whilst expanding the scope of its activities to include Risk Management work with indigenous communities and Non-Technical Survey (NTS) in support of internally displaced person (IDP) return.

MAG trained and deployed 23 Community Liaison Officers (CLOs) from partner organisation the Colombian Campaign Against Landmines (CCCM) to deliver Risk Reduction Education (RRE) to 49,121 beneficiaries. These activities have had a considerable impact on the security of rural communities, and figures show a significant reduction in the number of mine accidents in the 23 municipalities where MAG has worked. The training of CCCM staff to form an autonomous CL capacity will also ensure the long-term sustainability in these departments.

MINES ADVISORY GROUP TRUSTEES REPORT

CL activities have been instrumental in establishing trust with communities, which is essential for the collection of NTS data in an environment where there is widespread fear and a lack of confidence in outsiders. MAG deployed an NTS capacity from November 2010, which identified 22 suspected hazardous areas (SHAs) and discredited a further 20. These surveys provide Humanitarian Mine Action (HMA) actors with accurate contamination data in remote areas, and will be used to support plans for IDP return. *"As a result of our work, displaced families are able to return. Residents who stayed know exactly what the risks are, and neighbouring communities send their village leaders to ask if we can help them,"* said one of MAG's NTS officers. *"It is rewarding to know that we can reduce the risks of accidents in communities and we can help them start to rebuild their lives".*

MAG Colombia's reputation was further enhanced with the implementation of an innovative pilot project, working in close coordination with the Indigenous Organisation of Antioquia (OIA) to train groups in Risk Management. Colombia's indigenous population is particularly vulnerable to the threat of Explosive Remnants of War (ERW), and MAG is the first HMA operator to work with these groups.

A difficult funding environment, coupled with government delays in accrediting non-state actors to undertake clearance activities, limited the potential for programme expansion. Although MAG extended its donor base during the year, finance could not be secured beyond July 2011. There remains considerable scope for HMA, and once the accreditation process is complete MAG is looking to source funding for Rapid Response Teams to demine and deactivate unexploded ordnance (UXO) and improvised explosive devices (IEDs). MAG Colombia also plans to extend into Armed Violence Reduction, through a pilot project in schools in Bogota, and hopes that RRE and NTS will be expanded.

2. GOVERNANCE AND MANAGEMENT

Structure

MAG became an incorporated charity (limited by guarantee) on 16th June 2000. As a charitable company, MAG is governed by Charity law and Company law.

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 Executive 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 as well as a number of other ad hoc meetings. The Audit and Finance sub-committee (AFC) meets six times a year and other sub-committee meetings are held as required. 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 annually.

In recruiting new Board members MAG seeks a range of expertise and knowledge that will assist and support the organisation in its development. All new appointments follow a formal recruitment process including meetings with the Executive Team and the Chairman and/or other Board members prior to interview and appointment by the full Board. A formal induction programme for new Trustees has been prepared and all new Trustees receive various documents detailing the legal obligations of Trustees alongside the Articles of Association; key policy documents; the Annual Report and Accounts and details of the organisational structure of MAG. Trustees also undertake overseas visits to operational programmes as part of their induction to MAG.

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.

MINES ADVISORY GROUP TRUSTEES REPORT

Management

Led by the Chief Executive, the Executive Team is made up of the Director of Operations (Deputy Director); Director of Finance and Director of Business Development. The Executive 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 Executive 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.

Day-to-day activities are structured around five core functions: Operations; Finance; Business Development; Central Support Services; and HR. The Operational Management Team (OMT) comprises the heads of these departments, bringing together all the key areas of the organisation. The OMT ensures the coordination of MAG's activities and represent the organisation at key levels with other stakeholders. They play a role in developing policy and procedures and ensure compliance with these and the organisation's contractual obligations. They are responsible for the performance and management of all staff in the UK and overseas through appropriate line management. The OMT and the Executive Team forms the Senior Management Team (SMT). The SMT are the decision making body within MAG and meet regularly to review policy and monitor risks.

The organisation has an International Development and Evaluation Team (IDET), who work outside the country management structure, and report directly to the Chief Executive. 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 normally 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 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 stakeholders. CDs report to the Head of Operations 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 valued staff.

As of 30 June 2011, MAG employed 2,696 staff overseas, the majority of which were local national staff from the programme countries with 121 who were international (expatriate, including IDET staff). This means that both skills and salaries remain within local economies.

MAG drew its international staff this year from over 30 different nations, bringing a diverse cultural and linguistic mix, adding to the organisation's skills and expertise. A total of 59 staff worked at MAG's headquarters in the UK.

Overseas staff fill a range of technical, managerial, administrative and support positions and all receive appropriate equipment, training and supervision to relevant international and local standards. Additionally, MAG actively aims to employ mine survivors, supporting the provision of metal-free prosthetic limbs. In the UK MAG also has a cultural mix of staff and operates an internship programme with successful candidates carrying out three-month stints with the Operations department.

MINES ADVISORY GROUP TRUSTEES REPORT

3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' 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 trustees 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 trustees 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Provision of information to auditors

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.

4. RISK MANAGEMENT

The Board have identified the major risks to the organisation and a comprehensive and detailed risk register is maintained. This register details the major strategic and operational risks faced and how they are being managed. The key risks are considered by the Trustees at every Board meeting and the Senior Management Team (SMT) continually reassesses the risks throughout the year. The Board are satisfied that systems are in place to monitor, manage and mitigate MAG's exposure to major risks, including those risks related to Bribery.

The Board of Trustees and senior management of MAG recognise that bribery is, contrary to fundamental values of integrity, transparency and accountability and undermines organisational effectiveness.

MAG is committed to establishing a culture across the organisation in which bribery is unacceptable.

5. DECLARATION OF INTERESTS

All members of the Board and Directorate declare relevant interests on an annual basis.

MINES ADVISORY GROUP TRUSTEES REPORT

6. RESERVES

The majority of MAG's operational work is funded from restricted funds. MAG retains unrestricted reserves to fund programme continuity and to ensure it has the capacity to respond to international emergencies. Unrestricted reserves are also used to support short term working capital needs. The Trustees continue to adopt a risk based approach in calculating reserves and the Board currently consider £1.75M to be the target level of reserves required. MAG's reserves have dipped as a result of a number of interventions in countries to ensure programme continuity and MAG's intervention in Libya. The Board will review the reserves policy and progress towards target levels in the new financial year.

7. 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.

8. FINANCIAL OVERVIEW

Incoming resources have increased to £37.9m (2010 £31.2m), with resources spent directly on charitable activities increasing to £37.5m (2010 £31.3m). The increase in grant and contract income in the year reflects the strong position that MAG continues to hold in the sector and its commitment to delivering high quality, cost effective interventions across the globe. MAG has drawn funds from a wide range of institutional donors, all of which have made a significant contribution towards the delivery of MAG's operational programme.

Voluntary income has remained stable at £820k, against costs of £337k, which include £200k to cover the direct costs of running fundraising events. The surplus of £483k has been fully utilised to aid the delivery of charitable activities overseas and whilst relatively small in value, represents important leverage for MAG's programmes.

As a number of MAG's larger donors begin to commission for service delivery, rather than offer traditional programmatic grants, it has been necessary to reconsider the approach for accounting for performance related contracts. MAG has taken the decision that, where there are clear performance conditions attached to grants/contracts that income is recognised on such contracts in line with service delivery, that is, against the achievement of agreed objectives or milestones. In order to ensure consistency within the accounts, grants/contracts of this nature for prior years have been reassessed in terms of income recognition and restated within these accounts, along with commensurate adjustments to restricted funds, deferred income and grant debtors. Full details of the restatement is provided at note 16 to the accounts.

Unrestricted fund balances stand at a little over £1m and are short of the boards target reserves balance of £1.75m. The board and management will develop appropriate financial strategies to ensure that the required levels of unrestricted reserves are developed and maintained.

Cash balances stand at £8.3m 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 programmes on a short term need basis.

Deferred Income (£10.2m), (2010 £6.4m) represents the balance of billed grants/contracts which are to be delivered in future periods.

MINES ADVISORY GROUP TRUSTEES REPORT

9. FUTURE PLANS

Key business objectives have been identified that will move the organisation forward into a new phase of growth while ensuring a balance between organisational development and support and service delivery. These include:

- Identifying and securing new income streams.
- Developing business in new regions including West Africa, Central and Eastern Europe and the Pacific, plus strategies for multi-year funding.
- Implementing appropriate systems to support and drive operational efficiency and effectiveness, including, but not limited to ISO quality management.
- Provide services, training and assistance in clearance and reconstruction, while undertaking preventative measures that improve human security and providing threat and risk education.

10. PUBLIC BENEFIT STATEMENT

The trustees have given due regard to charity commission guidance on public benefit and confirm that the company is compliant with Section 4 of the charities act 2006 in respect of public benefit, with further details provided in the country reports above.

11. DONOR RECOGNITION

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); AusAID; Belgian Ministry of Foreign Affairs; British High Commission, Chad; The Caipirinha Foundation; Chevron; CIDA; DFAIT (Dept Foreign Aid and Int'l Trade); DFID; Dutch Ministry of Foreign Affairs; EC – ECHO; Eurocross; European Commission; Fibertek; Flemish Investments, Burundi; German Federal Ministry of Foreign Affairs; German Government; GICHHD; Good Gifts; Guernsey Overseas Aid Commission (GOAC); The Hurvis Foundation; Imperial Tobacco Group; International Organisation for Migration; Irish Aid; Japanese Government; The Kirby Laing Foundation; Life With Dignity; Lutheran World Federation (LWF); MAG America; Marshall Legacy Institute; Medico; Mid East Assistance; Ministry Of Defence; Norwegian Ministry of Foreign Affairs; Perenco; The Rowan Charitable Trust; SIDA; Spanish Government – AECID; Stichting Vluchteling; Swiss Government; Terra Renaissance; The T.U.U.T Charitable Trust; UNICEF; Unicorn Grocery Ltd; UNMACC (UN Mine Action Coordination Centre); UNOPS; USAID, US State Department (WRA); Vodaphone; World Vision

12. AUDITORS

Crowe Clark Whitehill LLP have expressed their willingness to continue as auditors for the next financial year.



Michael H Taylor
Chair of the Board of Trustees

3 February 2012

**MINES ADVISORY GROUP
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

We have audited the financial statements of Mines Advisory Group for the year ended 30 June 2011 either set out pages 25 to 27 and the 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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements. 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 2011 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MINES ADVISORY GROUP
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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
- 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



Vicky Szulist

Senior Statutory Auditor

for and on behalf of Crowe Clark Whitehill LLP

Chartered Accountants and Statutory Auditor

Arkwright House

Parsonage Gardens

Manchester

M3 2HP

Date *3rd February 2012*

MINES ADVISORY GROUP
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year ended 30 June 2011

		Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
	Notes				
INCOMING RESOURCES					As Restated
Incoming resources from generated funds:					
Voluntary income	3	761,419	58,362	819,781	794,335
Investment income	2	14,265	-	14,265	2,867
Incoming resources from charitable activities	4		36,260,531	36,260,531	30,303,933
Other incoming resources	5	775,544	48,980	824,524	72,270
Total incoming resources		1,551,228	36,367,873	37,919,101	31,173,405
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	336,577	-	336,577	283,914
Charitable activities	6	4,610,922	32,915,599	37,526,521	31,271,098
Governance costs	6	313,327	-	313,327	285,519
Total resources expended		5,260,826	32,915,599	38,176,425	31,840,531
Net incoming/(outgoing) resources before transfers		(3,709,598)	3,452,274	(257,324)	(667,126)
Transfer between funds	13	3,485,878	(3,485,878)	-	-
Net incoming/(outgoing) resources after transfers		(223,720)	(33,604)	(257,324)	(667,126)
Total funds brought forward	13	1,257,065	50,488	1,307,553	1,974,679
Total funds carried forward	13	1,033,345	16,884	1,050,229	1,307,553

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 28 to 41 form part of these accounts.

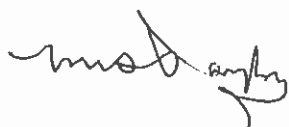
MINES ADVISORY GROUP
BALANCE SHEET
As at 30 June 2011
Company registration number: 4016409

	Note	2011	2010
		£	£
FIXED ASSETS			As restated
Tangible assets	10	153,554	789,264
CURRENT ASSETS			
Debtors due within one year	11	3,731,498	4,653,118
Cash at bank and in hand		<u>8,323,883</u>	<u>3,404,238</u>
		12,055,381	8,057,356
CREDITORS			
Amounts falling due within one year	12	<u>(11,158,706)</u>	<u>(7,539,067)</u>
NET CURRENT ASSETS		<u>896,675</u>	<u>518,289</u>
NET ASSETS		<u>1,050,229</u>	<u>1,307,553</u>
FUNDS			
Unrestricted funds	13	1,033,345	1,257,065
Restricted funds	13	<u>16,884</u>	<u>50,488</u>
TOTAL FUNDS	14	<u>1,050,229</u>	<u>1,307,553</u>

The notes on pages 28 to 41 form part of these accounts.

These accounts were approved by the Board of Trustees and authorised for issue on

Signed on behalf of the Board of Trustees



Michael H. Taylor
Chair

3 February 2012

MINES ADVISORY GROUP
CASH FLOW STATEMENT
For the year ended 30 June 2011

	2011		2010	
	£	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities				As restated
Net incoming/(outgoing) resources	(257,324)		(667,126)	
Depreciation	2,308,157		1,333,049	
(Increase) / Decrease in debtors	921,620		(160,521)	
(Decrease) / Increase in creditors	3,619,639		1,030,442	
Bank interest received	<u>(14,265)</u>		<u>(2,867)</u>	
Net cash inflow from operating activities		6,577,827		1,532,977
Returns on investments and servicing of finance				
Interest received		14,265		2,867
Capital expenditure				
Payments to acquire tangible fixed assets	<u>(1,672,447)</u>		<u>(1,843,994)</u>	
		<u>(1,672,447)</u>		<u>(1,843,994)</u>
(Decrease)/Increase in cash		<u>4,919,645</u>		<u>(308,150)</u>
(Decrease)/Increase in liquid resources		<u>4,919,645</u>		<u>(308,150)</u>
Net cash resources at 30 June 2010		<u>3,404,238</u>		<u>3,712,388</u>
Net cash resources at 30 June 2011		<u>8,323,883</u>		<u>3,404,238</u>

The notes on pages 28 to 41 form part of these accounts.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared on a 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 for the next 12 months, along with an extremely positive cashflow position. Indirect costs are heavily scrutinised to ensure that MAG delivers maximum impact in the field, with a clear focus on cost control. 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 evenly over the period to which they relate.

The change in this accounting policy has been reflected within these accounts and the effect on the prior year is shown in note 16. It is not practicable to ascertain the effect of this change in accounting policy on the income for the current year.

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.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

Costs of generating voluntary income include the salaries and overhead costs of UK staff involved in fund-raising and increasing public awareness.

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, which 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. 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 have been expensed in these accounts.

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 company 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.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

2. INVESTMENT INCOME

	2011 £	2010 £
Bank interest received		
Restricted	-	-
Unrestricted	14,265	2,867
	<u>14,265</u>	<u>2,867</u>

3. VOLUNTARY INCOME

	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Total Funds 2011 £	Total Funds 2010 £
Regular Giving*	112,597	-	112,597	216,172
Legacies	43,119	-	43,119	1,736
Public Donations, Appeals and Fundraising Events*	581,349	25,752	607,101	472,598
Trusts, Foundations & Partnerships	24,354	32,610	56,964	103,829
	<u>761,419</u>	<u>58,362</u>	<u>819,781</u>	<u>794,335</u>
Total voluntary income	<u>761,419</u>	<u>58,362</u>	<u>819,781</u>	<u>794,335</u>

*Includes gift aid

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Incoming resources from charitable activities	2011	2010 as restated	2010 Prior year adjustment Decrease/ (Increase) in deferred income	2010 as originally stated
	£	£	£	£
Act for Peace	53,378	-	-	-
Armorgroup	-	119,062	85,912	33,150
Actiefonds Minjnen Ruimen (AMR)	17,155	11,274	(6,593)	17,867
Arden Security	-	238,270	238,270	-
AusAID	1,530,111	748,861	(415,841)	1,164,702
Belgian Ministry of Foreign Affairs	1,031,765	902,829	17,282	885,547
British High Commission Cameroon	9,780	-	-	-
Care	-	23,592	23,592	-
CIDA	1,221,931	1,108,946	(166,175)	1,275,121
DFAIT (Dept Foreign Aid and Int'l Trade)	508,326	312,122	208,948	103,174
Corporate	28,211	20,944	(16,287)	37,231
Cordaid	-	24,808	24,808	-
DFID	3,997,934	3,534,766	1,534,765	2,000,001
Dutch Ministry of Foreign Affairs	4,282,759	4,388,805	(1,101,380)	5,490,185
European Commission	1,223,096	95,149	(77,912)	173,061
EC - ECHO	1,548,574	77,698	(15,822)	93,520
Fibertek	470,532	476,379	49,187	427,192
Flemish Investments Burundi	-	1,946	-	1,946
Freeman Foundation	-	274,054	274,054	-
General Exploration	-	124,431	124,431	-
German Federal Ministry of Foreign Affairs	-	-	-	-
German Government	549,020	528,927	(223,538)	752,465
Guernsey Overseas Aid Commission (GOAC)	6,932	121,899	40,889	81,010
Humpty Dumpty	-	67,744	67,744	-
Irish Aid	375,827	471,933	16,020	455,913
ITC Supporting community	-	13,302	-	13,302
International Organisation for Migration	473	-	-	-
Isle of Man	-	27,081	27,081	-
Islamic Relief Worldwide	-	(2,510)	83,173	(85,683)
Japanese Government	293,119	270,375	(156,027)	426,402
Jersey Overseas Aid	-	25,730	25,730	-
Life with Dignity	80,769	-	-	-
Lutheran World Federation (LWF)	136,627	139,868	(23,142)	163,010
Ministry Of Defence	419,974	113,614	113,614	-
Medico International	12,884	-	-	-

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (continued)

MAG America	11,006,227	9,729,229	(1,838,793)	11,568,022
Marshall Legacy Institute	150,865	258,120	277,831	(19,711)
Miscellaneous Donors	10,646	17,758	(5,928)	23,686
Nationale Demineage	-	11,134	11,134	-
Norwegian Ministry of Foreign Affairs	764,868	884,619	62,935	821,684
UNOCHA	768	32,547	(3,971)	36,518
PRENCO	12,569	-	-	-
SIDA	1,461,295	951,665	(365,595)	1,317,260
Spanish Government	800,326	479,464	(652,718)	1,132,182
Swiss Government	344,718	136,349	(178,435)	314,784
Stichting Vluchteling	287,259	218,804	3,262	215,542
Terra Renaissance	628	8,286	(628)	8,914
Trusts & Foundations	18,856	-	-	-
Terra Seis Middle East	-	-	-	-
USAID	169,943	-	-	-
UNMACC	70,450	-	-	-
UNICEF	204,472	119,786	(9,451)	129,237
UNMAS	53,183	259,666	175,515	84,151
United Nations Ocha	27,587	45,602	(27,587)	73,189
UNOPS	202,400	2,145,735	413,334	1,732,401
UNDP	2,624,830	517,916	(1,835,690)	2,353,606
World Vision	249,464	225,354	(301,694)	527,048
	<u>36,260,531</u>	<u>30,303,933</u>	<u>(3,523,696)</u>	<u>33,827,629</u>

Of the £11,006,227 from MAG America, £10,904,305 (2010: £9,634,649 out of £9,729,229) had the U.S. Department of State's Office of Weapons Removal and Abatement as the back donor.

5. OTHER INCOME	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2011	2011	2011	2010
	£	£	£	£
Merchandise	29,767	-	29,767	31,162
Insurance Claims	421,235	-	421,235	-
Shared Services	29,231	-	29,231	-
Prior Year VAT refund	282,707	-	282,707	-
Other Income	12,604	48,980	61,584	41,108
Total, year ended 30 June 2011	<u>775,544</u>	<u>48,980</u>	<u>824,524</u>	<u>72,270</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

6. RESOURCES EXPENDED

	Generating Voluntary Income 2011 £	Charitable Activities 2011 £	Governan ce 2011 £	Total 2011 £	Total 2010 £
Direct costs					
Assisting communities affected by conflict	-	33,150,875	-	33,150,875	28,501,791
Support costs					
Staff Remuneration & other staff costs	111,243	2,727,990	157,759	2,996,992	2,561,769
Insurance	4,176	89,727	31,678	125,581	156,811
Travel	1,279	257,014	10,596	268,889	236,518
Premises, IT & Communication	-	226,000	-	226,000	307,338
Fundraising Events & Advertising	203,476	469	-	203,945	194,953
Professional fees & other costs	16,403	797,808	113,294	927,505	278,752
Exchange gain	-	276,638	-	276,638	(397,401)
Total year ended 30 June 2011	336,577	37,526,521	313,327	38,176,425	31,840,531
Total year ended 30 June 2010	283,914	31,271,098	285,519	31,840,531	

7. NET INCOMING RESOURCES

	2011 £	2010 £	2010 £	2010 £
The net incoming resources for the year are stated after charging:				
		as restated	Prior year adjustment Foreign Exchange	
Depreciation of tangible fixed assets owned by the company	2,308,157	1,333,049	-	1,333,049
Foreign exchange gains	347,855	(30,812)	570,327	(601,139)
Operating lease rentals - Land and buildings	775,584	685,071	-	685,071
Auditors' remuneration - Audit	34,720	46,058	-	46,058
- Non-audit services	13,788	31,047	-	31,047

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

8. STAFF COSTS

	2011 £	2010 £
Salaries and wages		
- UK employees (including those working overseas)	7,119,558	7,133,313
- National employees at overseas locations	10,260,177	8,527,078
Social security costs	216,384	320,368
Pension contribution	95,874	102,715
	<u>17,691,993</u>	<u>16,083,474</u>

UK employee costs above include payments to temporary staff of £17,298 (2010: £12,968), these staff are not included in employee numbers outlined below

The average number of UK employees in the year was:

Overseas locations	121	123
Programme support and administration	64	65
Fund-raising information and education	5	4
	<u>190</u>	<u>192</u>

In addition to the UK employees stated above, the charity employs 2,575 (2010 – 2,372) national staff in the overseas locations.

Number of employees whose annual emoluments were between:

£60,000 and £70,000	5	5
£70,000 and £80,000	-	4
£80,000 and £90,000	1	-
£100,000 and £110,000	1	1

Pension costs of £19,852 (2010: £32,641) were paid in respect of the higher paid employees noted above.

9. TRANSACTIONS WITH TRUSTEES

Expenses reimbursed to trustees during the year amounted to £6,494 (2010 - £1,177). No remuneration was paid to trustees during the year in their capacity as directors. In 2011 and 2010 the trustees were covered by the overall company indemnity insurance, the costs relating specifically to the trustees were not separately identified.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

10. TANGIBLE FIXED ASSETS

	Field Assets £	Equipment Fixtures & Fittings £	Total £
Cost or valuation			
At 1 July 2010	14,126,798	334,185	14,460,983
Additions	1,669,078	3,369	1,672,447
Disposals	(49,229)	-	(49,229)
	<u>15,746,647</u>	<u>337,554</u>	<u>16,084,201</u>
At 30 June 2011			
Depreciation			
At 1 July 2010	13,567,007	104,712	13,671,719
Charge for the year	2,228,869	79,288	2,308,157
Disposals	(49,229)	-	(49,229)
	<u>15,746,647</u>	<u>184,000</u>	<u>15,930,647</u>
At 30 June 2011			
Net book value			
At 30 June 2011	<u>-</u>	<u>153,554</u>	<u>153,554</u>
Net book value			
At 30 June 2010	<u>559,791</u>	<u>229,473</u>	<u>789,264</u>

11. DEBTORS

	2011 £	2010 £	2010 £	2010 £
		as restated	Prior Year Adjustment	As originally stated
Trade debtors	3,049,684	4,031,077	(9,414,170)	13,445,247
Prepayments and accrued income	343,461	518,263	-	518,263
Other debtors	338,353	103,778	-	103,778
	<u>3,731,498</u>	<u>4,653,118</u>	<u>(9,414,170)</u>	<u>14,067,288</u>
At 30 June 2011				

All of the above amounts fall due within one year. Grant income debtors include a provision for bad and doubtful debts of £44,145 (2010: £146,746)

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £	2010 £	2010 £ As originally stated
		as restated	Prior Year Adjustment	
Trade creditors	140,647	733,597	-	733,597
* Deferred income	10,156,067	6,360,600	6,299,707	60,893
Grants repayable	-	16,351	-	16,351
Other taxation and social security	93,190	69,016	-	69,016
Accruals	69,661	335,064	-	335,064
Other creditors	699,141	24,439	-	24,439
	<u>11,158,706</u>	<u>7,539,067</u>	<u>6,299,707</u>	<u>1,239,360</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

	2011 £	2010 £	2010 £	2010 £ as originally stated
		as restated	Prior year Adjustment	
Balance as at 1 July 2010	6,360,600	5,195,312	5,195,312	0
Amount released to income resources	(6,360,600)	(5,195,312)	(5,195,312)	0
Amount deferred in the year	10,156,067	6,360,600	6,299,707	60,893
Balance as at 30 June 2011	<u>10,156,067</u>	<u>6,360,600</u>	<u>6,299,707</u>	<u>60,893</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

13. RESTRICTED/UNRESTRICTED FUNDS

	Balance at 01-Jul-10 as originally stated £	Prior year Adjustment Foreign Exchange £	Prior year Adjustment Deferred Income £	Balance at 01-Jul-10 as restated £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 30-Jun-11 £
Afghanistan	54,906	(10,159)	(44,747)	-	254,007	(234,800)	(19,207)	-
Angola	1,530,692	43,389	(1,571,204)	2,877	2,672,333	(2,441,152)	(225,046)	9,012
Burundi	189,355	30,185	(219,540)	-	521,842	(473,576)	(48,266)	-
Cambodia	823,512	22,238	(825,712)	20,038	2,280,181	(2,093,480)	(206,739)	-
Chad	478,337	(17,390)	(460,947)	-	2,255,876	(1,783,449)	(472,427)	-
Colombia	16,679	(16,675)	(4)	-	375,540	(253,077)	(122,463)	-
Republic of Congo	1	(1)	-	-	218,955	(196,398)	(22,557)	-
Democratic Republic of Congo	2,851,505	46,552	(2,898,057)	-	5,483,567	(5,108,945)	(374,544)	78
Gaza	1,247,442	69,042	(1,316,484)	-	482,783	(446,857)	(35,926)	-
Iraq	2,420,943	73,435	(2,487,502)	6,876	5,671,470	(5,196,181)	(482,165)	-
Laos	1,370,474	65,023	(1,435,497)	-	2,411,201	(2,202,498)	(208,673)	30
Lebanon	1,617,256	21,714	(1,638,970)	-	2,659,261	(2,448,050)	(205,591)	5,620
Libya	-	-	-	-	95,890	(84,423)	(11,467)	-
Pakistan	31,600	(3,487)	(28,113)	-	226,689	(207,261)	(19,428)	-
Rwanda	3,373	-	(3,373)	-	151,020	(136,317)	(14,703)	-
Somalia	87,721	25,340	(113,061)	-	883,485	(785,340)	(98,145)	-
Sri Lanka	309,269	151,745	(458,372)	2,642	2,136,588	(1,949,392)	(187,694)	2,144
South Sudan	2,179,945	30,975	(2,210,920)	-	4,165,399	(3,783,166)	(382,233)	-
Sudan	(257,292)	(961)	258,253	-	1,292,320	(1,184,104)	(108,216)	-
Swaziland	-	-	-	-	43,334	(40,086)	(3,248)	-
Tanzania	-	-	-	-	19,220	(15,339)	(3,881)	-
UK	197,894	15,046	(205,575)	7,365	646,552	(570,271)	(83,646)	-
Vietnam	40,426	24,316	(54,052)	10,690	1,420,360	(1,281,437)	(149,613)	-
Restricted	15,194,038	570,327	(15,713,877)	50,488	36,367,873	(32,915,599)	(3,485,878)	16,884
Unrestricted	1,827,392	(570,327)	-	1,257,065	1,551,228	(5,260,826)	3,485,878	1,033,345
Total	17,021,430	-	(15,713,877)	1,307,553	37,919,101	(38,176,425)	-	1,050,229

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

13. RESTRICTED/UNRESTRICTED FUNDS (continued)

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.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Totals 2011	Totals 2010
	£	£	£	£
Tangible fixed assets	153,554	-	153,554	789,264
Net current assets	<u>879,791</u>	<u>16,884</u>	<u>896,675</u>	<u>518,289</u>
Total net assets	<u>1,033,345</u>	<u>16,884</u>	<u>1,050,229</u>	<u>1,307,553</u>

15. OPERATING LEASE COMMITMENTS

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011			2010		
	Within 1 year	2-5 years	Over 5 years	Within 1 year	2-5 years	Over 5 years
	£	£	£	£	£	£
Land and buildings	290,012	178,370	10,400	284,837	166,268	10,400
Other	<u>132,751</u>	<u>57,863</u>	<u>-</u>	<u>92,956</u>	<u>58,076</u>	<u>-</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

16. Prior Year Adjustment

As a number of MAG's larger donors begin to commission for service delivery, rather than offer traditional programmatic grants, it has been necessary to reconsider the approach for accounting for performance related contracts. MAG has taken the decision that, where there are clear performance conditions attached to grants/contracts that income is recognised on such contracts in line with service delivery, that is, against the achievement of agreed objectives or milestones. In order to ensure consistency within the accounts, grants/contracts of this nature for prior years have been reassessed in terms of income recognition and restated within these accounts, along with commensurate adjustments to restricted funds, deferred income and grant debtors.

In addition, in order to ensure that the opening restricted reserves position at 1st July 2010 correctly reflected the 'true' value at that date, an amount of £570,327 has been transferred from unrestricted to restricted funds. This adjustment arises as a result of foreign currency gains and losses on overseas contracts.

Full details of the restatement, together with the impact on the SOFA and Balance sheet follow:

Statement of Financial Activities (including income and expenditure account)

	Notes	Total Funds 2010 £	Prior year Adjustment Deferred Income £	Total Funds 2010 £ as originally stated
INCOMING RESOURCES		as restated		
Incoming resources from generated funds:				
Voluntary Income	3	794,335	-	794,335
Investment income	2	2,867	-	2,867
Incoming resources from charitable activities	4	30,303,933	3,523,696	33,827,629
Other income	5	72,270	-	72,270
Total incoming resources		<u>31,173,405</u>	<u>3,523,696</u>	<u>34,697,101</u>
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of generating voluntary income	6	283,914	-	283,914
Charitable activities	6	31,271,098	-	31,271,098
Governance Costs	6	285,519	-	285,519
Total resources expended		<u>31,840,531</u>	<u>-</u>	<u>31,840,531</u>
Net incoming / (outgoing) resources before transfers		(667,126)	3,523,696	2,856,570
Transfer between funds	14	-	-	-
Net movement in funds		<u>(667,126)</u>	<u>3,523,696</u>	<u>2,856,570</u>
Total funds brought forward	14	1,974,679	12,190,181	14,164,860
Total funds carried forward	14	<u>1,307,553</u>	<u>15,713,877</u>	<u>17,021,430</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

16. Prior Year Adjustment (Continued):

Balance Sheet as at 30 June 2010

	Note	2010 £	Prior year Adjustment Deferred Income £	2010 £ as originally stated
		as restated		
FIXED ASSETS				
Tangible assets	10	789,264		789,264
CURRENT ASSETS				
Debtors within one year	11	4,653,118	(9,414,170)	14,067,288
Cash at bank and in hand		<u>3,404,238</u>	<u>-</u>	<u>3,404,238</u>
		8,057,356	(9,414,170)	17,471,526
CURRENT LIABILITIES				
Amounts falling due within one year	12	<u>(7,539,067)</u>	<u>(6,299,707)</u>	<u>(1,239,360)</u>
NET CURRENT ASSETS		<u>518,289</u>	<u>(15,713,877)</u>	<u>16,232,166</u>
NET ASSETS		<u>1,307,553</u>	<u>(15,713,877)</u>	<u>17,021,430</u>
FUNDS				
Unrestricted funds	13	<u>1,257,065</u>	<u>(570,327)</u>	<u>1,827,392</u>
Restricted funds	13	<u>50,488</u>	<u>(15,143,550)</u>	<u>15,194,038</u>
TOTAL FUNDS	13/14	<u>1,307,553</u>	<u>(15,713,877)</u>	<u>17,021,430</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

17. PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions of up to 5% for staff, 10% for members of Directorate and 15% for the Chief Executive. Contributions paid by the company to the fund amounted to £97,482 (2010 - £102,715).

18. CONNECTED COMPANIES

MAG Response Ltd (Company Number 04030037) is a 100% subsidiary of Mines Advisory Group and has not traded since incorporation on 10 July 2000.

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.

20. 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.

21. CONTINGENT INCOME

MAG is currently in dialogue with HMRC in respect of our VAT status. Depending on the outcome we may be able to make a retrospective claim for input tax. Due to the level of uncertainty surrounding the outcome of these discussions no claim for retrospective VAT has been recognised in these accounts.

22. POST BALANCE SHEET EVENTS

MAG is working closely with the national mine authorities in Lebanon to transition the programme to national ownership. There will be costs associated with the transition but at this stage they cannot be quantified.

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2011

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.

The assets and liabilities have been translated at the exchange rates prevailing at the balance sheet date. Income and expenditure items are translated at the average exchange rates for the period. Exchange differences arising are shown on the balance sheet as a currency reserve

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2011

	Notes	Unrestricted Funds \$	Restricted Funds \$	Total Funds 2011 \$	Total Funds 2010 \$
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary Income		1,206,177	92,452	1,298,629	1,261,225
Investment income		22,597	-	22,597	4,552
Incoming resources from charitable activities		-	57,440,911	57,440,911	48,115,804
Other income		1,228,553	77,590	1,306,143	114,748
Total incoming resources		<u>2,457,327</u>	<u>57,610,953</u>	<u>60,068,280</u>	<u>49,496,329</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		533,178	-	533,178	450,791
Charitable activities		7,304,240	52,142,149	59,446,389	49,651,442
Governance Costs		496,345	-	496,345	453,340
Total resources expended		<u>8,333,763</u>	<u>52,142,149</u>	<u>60,475,912</u>	<u>50,555,573</u>
Net incoming/ (outgoing) resources before transfers		(5,876,436)	5,468,804	(407,632)	(1,059,244)
Transfer between funds		<u>5,522,043</u>	<u>(5,522,043)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(354,393)	(53,239)	(407,632)	(1,059,244)
Total funds brought forward		1,885,845	75,748	1,961,593	3,020,837
Movement in Foreign Exchange		129,662	-	129,662	-
Total funds carried forward		<u>1,661,114</u>	<u>22,509</u>	<u>1,683,623</u>	<u>1,961,593</u>

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 2011

	2011	2010
	\$	\$
FIXED ASSETS		
Tangible assets	246,163	1,184,052
CURRENT ASSETS		
Debtors due within one year	5,981,964	6,980,611
Cash at bank and in hand	13,344,018	5,107,038
	<u>19,325,982</u>	<u>12,087,649</u>
CREDITORS		
Amounts falling due within one year	<u>(17,888,522)</u>	<u>(11,310,108)</u>
NET CURRENT ASSETS	<u>1,437,460</u>	<u>777,541</u>
NET ASSETS	<u>1,683,623</u>	<u>1,961,593</u>
FUNDS		
Unrestricted funds	1,661,114	1,885,845
Restricted funds	22,509	75,748
TOTAL FUNDS	<u>1,683,623</u>	<u>1,961,593</u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2011

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.

The assets and liabilities have been translated at the exchange rates prevailing at the balance sheet date. Income and expenditure items are translated at the average exchange rates for the period. Exchange differences arising are shown on the balance sheet as a currency reserve

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2011

	Unrestricted Funds €	Restricted Funds €	Total Funds 2011 €	Total Funds 2010 €
INCOMING RESOURCES				
Incoming resources from generated fund:				
Voluntary income	892,764	68,429	961,193	902,907
Investment income	16,726	-	16,726	3,259
Incoming resources from charitable activities	-	42,515,472	42,515,472	34,445,967
Other incoming resources	909,326	57,429	966,755	82,148
Total incoming resources	1,818,816	42,641,330	44,460,146	35,434,281
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of generating voluntary income	394,638	-	394,638	322,720
Charitable activities	5,406,307	38,593,540	43,999,847	35,545,336
Governance costs	367,375	-	367,375	324,545
Total resources expended	6,168,320	38,593,540	44,761,860	36,192,601
Net incoming/(outgoing) resources before transfers	(4,349,504)	4,047,790	(301,714)	(758,310)
Transfer between funds	4,087,196	(4,087,196)	-	-
Net movement in funds	(262,308)	(39,406)	(301,714)	(758,310)
Total funds brought forward	1,539,775	61,847	1,601,622	2,359,932
Movement in Foreign Exchange	(132,684)	-	(132,684)	-
Total funds carried forward	1,144,783	22,441	1,167,224	1,601,622

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
EURO ACCOUNTS
For the year ended 30 June 2011

	2011		2010	
	€	€	€	€
FIXED ASSETS				
Tangible assets		170,660		966,768
CURRENT ASSETS				
Debtors due within one year	4,147,187		5,699,607	
Cash at bank and in hand	<u>9,251,163</u>		<u>4,169,851</u>	
	13,398,350		9,869,458	
CREDITORS				
Amounts falling due within one year	<u>(12,401,786)</u>		<u>(9,234,604)</u>	
NET CURRENT ASSETS		<u>996,564</u>		<u>634,854</u>
NET ASSETS		<u>1,167,224</u>		<u>1,601,622</u>
FUNDS				
Unrestricted funds		1,144,783		1,539,775
Restricted funds		<u>22,441</u>		<u>61,847</u>
TOTAL FUNDS		<u>1,167,224</u>		<u>1,601,622</u>