

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

TRUSTEES' ANNUAL REPORT and
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2017

MINES ADVISORY GROUP

CONTENTS

Contents	Page
Legal and administrative information	1
Statement from the Chair and Chief Executive	2
Trustees' Report	3 - 14
Independent auditor's report	15 - 17
Statement of financial activities	18
Balance sheet	19
Cash flow statement	20
Notes to the financial statements	21 – 37

The following pages do not form part of the statutory accounts:

Appendix 1 – Pro-forma US Dollar accounts	38 - 40
Appendix 2 – Pro-forma Euro accounts	41 - 43

MINES ADVISORY GROUP
LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees for the Year Ending 30th June 2017 and until the date of signing the financial statements:

Lord Williams of Baglan (Chair) (stepped down 10/03/2017)
Mr Colin Rowe (Vice Chair & Chair of the Governance, Nominations and Review sub-committee to 10/03/2017, Chair on an interim basis 10/03/2017)
Mr Paul Nielsen, ACIB (Treasurer) (resigned 11/11/2016)
Mr Anthony Collier (Trustee and Appointed Treasurer 11/11/2016)
Dr Paul Bell, CMIIA, CFE, ACFS (Audit and Finance sub-committee & Deputy Board Security Focal Point)
Colonel Christopher Peter Roger Bates (Governance, Nominations and Review sub-committee)
Ms Diane Reid, MinstF(Cert) (Vice Chair & Chair of the Governance, Nominations and Review sub-committee 10/03/2017)
Dr Tapera Knox Chitiyo
Mr Neil Andrew Turton (Audit and Finance sub-committee)
Ms Kathy Peach (Board Security Focal Point & member of the Health, Safety & Security sub-committee)
Mr Matthew Sherrington (Board Fundraising Focal Point)
Mr John Michael Shinnick (Audit and Finance sub-committee)
Dr Jane Cocking OBE (resigned 01/09/2016)
Ms Sheelagh Stewart (resigned 08/02/2017)
Mr Dominic Kendal- Ward (appointed 11/11/2016)

Management Team – being the key management personnel:

Dr Jane Cocking OBE – Chief Executive (appointed 03/01/2017)
Mr Nick Roseveare MBE – Chief Executive (resigned 25/11/2016)
Mr Llewelyn Jones – Director of Programmes
Mr Michael Darby – Director of Finance (resigned 09/04/2017)
Mr AJ Karwa – Director of Finance (appointed 27/03/2017 interim basis)
Ms Samantha Wakefield – Director of Human Resources (resigned 31/07/2016)
Ms Rhian Cooke – Director of Human Resources (appointed 01/08/2016)
Mr Darren Cormack – Director of Business Development
Mr Chris Loughran – Director of Policy and Evaluation

Independent Auditor:

Deloitte LLP
2 Hardman Street, Manchester, M3 3HF
Statutory Auditor
Manchester, United Kingdom

Bankers:

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

Solicitors:

Bates Wells & Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Registered and Principal Office:

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

Company Number:

4016409

Registered Charity Number:

1083008

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

For people affected by conflict and insecurity the year to June 2017 has been one of fear and trepidation and for the first time in many years, we have seen a rise in the number of casualties as a result of landmines. But this has also been a year of progress and awareness. Mine clearance activities have continued globally and there has been a significant amount of public attention to the issue, particularly in the UK, arising from events around the 20th anniversary of the ground breaking anti-personnel Mine Ban Treaty, or Ottawa Convention, which banned the production, use and trade in landmines. For MAG this is an important anniversary too as we mark 20 years since we became a co-recipient of the Nobel Peace Prize as a co-founder of the International Campaign to Ban Landmines.

The appalling cost of conflict has been felt particularly keenly in Syria and Iraq where already millions were displaced into camps and host communities. Many who have been returning to their homes where active hostilities have ended have met an even more treacherous situation as a result of the daily danger posed by unexploded ordnance. This has often been in the form of wickedly devious improvised landmines and booby traps that use everyday objects to deliver their lethal impact. MAG is working in several of these locations, clearing the explosive items that not only pose a direct threat to life and limb but also hinder stabilisation and reconstruction efforts. In total, we have cleared 13,000 devices and we believe we are now recognised as a market leader in this area and have established a training school to share our experience across our own organisation and the sector.

Meanwhile the impact of the legacy of landmines continues to be felt across wide areas of SE Asia and parts of Africa. MAG's work has continued to grow in response and clearance activities worldwide have more than doubled over the past two years. We were particularly pleased to play our part in enabling the first District of Sri Lanka to be declared Mine Impact Free. Our sector leading work in Arms Management and Destruction (AMD) has expanded and we have built and refurbished armouries and munitions stores to ensure that people are not injured or killed by inadequate storage and management of weapons. In total MAG's work has reached 923,000 beneficiaries directly and 1.6 million indirectly.

MAG also aims to achieve our charitable purpose by using our experience to influence the rest of the sector to improve the quality and quantity of work done. We have published and presented work on the importance of humanitarian principles in mine action and studies of individual countries. In partnership with other sector actors, we have launched the Landmine Free 2025 campaign that highlights both the progress and the distance to be travelled towards this international commitment. It has captured the imagination of high profile individuals and supporters.

We continue to work to be as efficient and accountable as possible. Over the course of this financial year, the occurrence of fraud in relation to fuel in the Vietnam programme was brought to the attention of management. External accountants are investigating the incident and their findings are being considered. We believe at this stage that the occurrence is isolated to this location and is not material to our financial statements further to our organisational insurance policies. We will be reviewing the changes that should be made further to the conclusion of the external investigation.

Our achievements would be impossible without the generous support of our institutional, corporate and individual donors. We received very encouraging feedback and endorsement from our supporters when we asked them what they thought of our approach to fundraising and communications, while a novel 'Thankathon' involving many UK-based and international staff went some small way to showing our appreciation of the critical contribution made to our work by our individual supporters.



Colin Rowe

Chair of Trustees



Jane Cocking

Chief Executive

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

TRUSTEES' REPORT

1. OBJECTS AND ACTIVITIES

1.1 Objects

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

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

1.2 Activities

MAG's core activity is the creation of conditions of improved safety and security for those affected by armed violence, conflict and insecurity, with key interventions including (but not limited to):

- The survey and clearance of land contaminated by landmines and cluster munitions
- Destruction of unexploded and abandoned ordnance
- Delivery of Mine Risk Education (MRE) sessions to at-risk communities
- Supporting states to destroy stockpiles
- Address and mitigate immediate humanitarian risk resulting from Unplanned Explosions at Munitions Stores (UEMS) and similar events
- Destruction of small arms and light weapons
- Promoting safe and secure state storage and management of weapons and munitions
- Destruction of small arms ammunition
- Destruction of surplus and obsolete munitions
- Construction and rehabilitation of armouries and explosive stores
- Building capacity to strengthen the resilience of communities to conflict or armed violence
- Development of national standards and approaches

Due to the inter-related nature of many of the above (varying according to local context and needs), these interventions are consolidated into the single core activity in the notes to the financial statements.

Public Benefit

In setting out our activities each year we have had due regard to the Charity Commission guidance on public benefit. The target beneficiaries of MAG's work are those whose lives are endangered by, or whose development is blocked by, the explosive remnants of war. The greater public, in the locations where MAG works, are the general beneficiaries of its work, as indeed are future generations in those locations where the threats to life and the obstacles to development are removed by MAG. In 2016/17 MAG records gathered at field level show that some 2.5 million people have benefitted from MAG interventions.

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

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

2. STRATEGIC REPORT

2.1 Programme review

2.1.1 Outputs

The outputs data below, whilst representing a significant achievement, only reflects one measure of the value of MAG's activity. A single landmine (or indeed the fear of one) on one plot of agricultural land, is just as much an obstacle to the development of that land as the confirmed presence of many more landmines would be. Equally, the impact of clearance of many thousands of square metres of inaccessible or unusable land, may have much less impact than the clearance of smaller areas in densely populated locations where pressure on land is high. Outputs data alone, without contextualisation and the responsible setting of priorities by MAG teams on the ground in response to the information received from affected communities, can only ever tell part of the story, and must not be taken alone as the measure of either efficiency or effectiveness.

Trends

MAG's **clearance** activities **more than doubled** over the past two years with the amount of cleared land rising from 19.1 million m² in 2014/15 to 46.5 million m² in 2016/17. Due to significant expansion of the Middle East programmes in 2016/17, the number of removed **improvised landmines / booby traps** increased from 2,964 last year to more than **13,000** items. The number of armouries and munitions stores has been steadily increasing over the past three years. MAG built **41** and refurbished **30** **armouries/munitions stores** more than the previous year. Furthermore, **31,904 Risk Education (RE) sessions** and **60 AMD courses** were delivered - compared to the previous year MAG delivered **8,272** **more RE sessions** and **almost double** the amount of **AMD training courses**.

Beneficiaries

A 'direct beneficiary' is a person that directly benefits from MAG's activities as described above. Beneficiary numbers are recorded at task and activity level in each programme and are aligned to the donor funding the teams. The beneficiary numbers are aggregated each month by the programme and reported centrally. All beneficiary numbers are disaggregated into four categories; women, girls (under 18), boys (under 18) and men.

	TOTAL	Women	Girls	Boys	Men
Direct Beneficiary	923,990	198,623	256,983	275,354	193,030
Indirect Beneficiary	1,629,258	401,930	426,595	448,878	351,855

Humanitarian Mine Action (HMA) outputs:

Land cancelled through Non-Technical Survey (m ²)	39,108,003
Land cleared through Technical Survey and Clearance (m ²)	46,526,899
Road Cleared or Surveyed (m)	6,927
Landmines destroyed (Anti-personnel and Anti-Tank consolidated)	9,236
Cluster munitions destroyed	26,247
UXO/AXO destroyed (excluding SAA)	40,320
Mine Risk Education sessions delivered	31,904
IEDs	13,466

Arms Management and Destruction (AMD) outputs:

Technical assessments undertaken	214
Armouries/Munitions stores built	115
Armouries/Munitions stores refurbished	95
Small Arms Ammunition destroyed	1,243
Small Arms and Light Weapons destroyed	10,826
Weapons marked	21,798
Training courses conducted	60

East and Southern Africa

MAG's programmes in the East and Southern Africa region are undertaking both Humanitarian Mine Action (HMA) and Arms Management and Destruction (AMD) activities.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

In **Angola, the DRC and South Sudan** MAG provides life-saving MRE, access to safe routes and cleared land for residents and returnees to conduct socio-economic activities. The combined land release for the region amounts to a total of **24,466,592m²** and **1,064 spot tasks** (calls to address individual items or sites) were undertaken. In the **DRC and Somalia**, the programmes also implement armoury and ammunition storage refurbishment projects. These projects secure weapons stockpiles and contribute to regional and national security by reducing the risk of theft and diversion and unplanned explosions. Across the region, **649,771 people** benefitted as a result of MAG's work, more than a three-fold increase on last year.

As was the case in the last business year, Angola has contributed to the majority of the land release output for the region. The programme reached a milestone in 2017, completing the resurvey of suspected hazardous areas (SHA) in Angola's largest province, Moxico. This three-year process has allowed MAG to **cancel and reduce over 108km²** of suspected hazardous areas in Moxico, 21% of which was cancelled and reduced this business year, while precisely defining the remaining 244 minefields for clearance. The programme is now in a position to expand its non-technical survey (NTS) activities to Lunda Sul and Lunda Norte, with two survey teams and a rapid response team already being deployed to the latter province as part of a two-week mission to support the emergency relocation of refugees from the DRC. However, resourcing the programme continues to be a challenge. Despite a clear need, and quantifiable end-game as outlined in MAG's roadmap to a mine-free Angola by 2025, it remains an organisational priority to encourage institutional support for our work there.

The **Somalia** programme continued both its AMD and HMA operations, the latter through partner-led risk education activities in the centre and south of the country. In total, 82,943 people in Somalia benefitted from these risk education sessions during the financial year. The AMD capacity of the national and regional security forces were also increased through the construction of **15 armouries**, which contributed to the security sector objectives of the regions, as well as the **training of 268 security sector staff**. The programme plans to expand these activities to South-Central Somalia in the 2017-2018 business year, in order to replicate the success demonstrated in Somaliland and Puntland to date. In the DRC, the programme extended its AMD activities and saw **16,400 weapons marked, over 10,000 small arms destroyed** and a total of **16 armouries and munition storehouses constructed or refurbished**. This represents a substantial contribution to the stability of the country, reducing the risk of the diversion of small arms and light weapons to non-state actors as well as that of unplanned explosions in munitions stores.

MAG's HMA and AMD programmes continue to have a marked impact on individuals and local communities. Paulo Sapalo, a former Angola refugee who lives near the Lunjacutchi minefield in Moxico Province, told the programme's Community Liaison team that she is "thankful to MAG for the work they do... [now] we can continue to cultivate without fear". Likewise, Mohammed Farah, whose children were injured playing with unexploded ordnance he had collected for scrap in Berdale, Somalia, attributed MAG's risk education to his understanding of "the risks that are involved in this trade and the dangers of death and injury that it can pose to other children and other families in my community." the Commander of the Correctional Corps in Somaliland reported that after MAG's AMD intervention they had received "positive feedback from the community and we want to continue to work in this direction".

In all four countries, a focus on efficiency has begun to be seen in improved outputs and reducing cost per unit - in Angola and South Sudan cost per m² of land released and in the DRC and Somalia the cost of construction and fitting out of armouries has fallen over the year. In this regard, MAG is well placed to provide increasingly efficient operations from the funding it receives from donors and, importantly, continue to improve the security of those living in the East and Southern Africa region.

In addition in this region, the deployment of a Programme Manager and receipt of national registration in **Zimbabwe** will enable the programme to become fully operational later in 2017, and an emergency AMD intervention in **Swaziland** following the flooding of an ammunition depot.

Middle East

MAG has continued to deliver high impact humanitarian mine action across **Iraq, Lebanon and Syria**, in response to the regional humanitarian crisis.

The programmes have continued to find innovative ways to respond to the rapidly developing crisis, including the expansion of mechanical capacities to enhance operational efficiency and reduce the need for manual handling of items, and the deployment of new risk education materials and approaches. The coalition offensive has made significant progress in the battle to reclaim territory from so-called Islamic State in Iraq and Syria (ISIS), which has enabled MAG to conduct vital clearance and risk education activities to promote the safe returns of displaced communities. The nature,

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

scope and scale of the improvised contamination being found represents a new landmine emergency and MAG will continue to expand its response.

In 2016/17, MAG's Middle East programmes **released 22.6 million metres squared of land**, removing **over 26,000 items**, including **more than 13,000 improvised items** in former ISIS areas of Iraq and Syria. **Over 21,000 risk education sessions** have been delivered to **more than 350,000 at risk women, girls, boys and men** across the region.

MAG's **Iraq** programme continued to expand significantly during the 2016/17 year, with an increase from 55 operational teams in July 2016, to 90 in June 2017. Much of this expansion has taken place in northern Ninewah and in the areas to the north and north east of Mosul city, where displaced communities have seen their villages destroyed, and faced improvised landmines and booby traps when they have attempted to return to rebuild their lives. In October 2016, MAG began operations in the area around the Khazir River east of Mosul city and in villages around Bashiqa to the north east, the following month. Work to tackle contamination from previous conflicts in the Kurdistan Region continued, and MAG also deployed a large Community Liaison capacity to deliver risk education and conduct contamination assessments across the Kurdistan Region, Ninewah Governorate, and through partner organisations in Salahaddin, Kirkuk and Diyala Governorates.

The **Syria** programme has seen further expansion, with a second MAG base established in the north east of the country in Ain Issa in June 2017, alongside the continued delivery of risk education sessions and contamination assessments through partner organisations in north west and southern areas of the country. MAG has established successful operational relationships with four local partner organisations during the past year. A total of 23 partner Community Liaison teams are currently deployed and operational in NW and South Syria as well as 10 MAG Community Liaison teams in North East Syria. MAG is conducting manual clearance of urban, agricultural and critical infrastructure, with support provided to other humanitarian interventions in order to restore basic services to returning communities. Utilising lessons learned from operations in Iraq, the Syria programme is looking to incorporate a mechanical capacity into its operations for the coming year. The operating context remains challenging, and the expansion of team capacity continues at a steady pace, with the security of staff the number one priority. The number of clearance teams deployed has increased from one to four since July 2016, and plans are in place for the deployment of a further nine clearance teams before the end of 2017.

In **Lebanon** MAG has continued to clear landmine and cluster munition contamination in southern and eastern areas of the country. The protracted crisis in Syria has seen the population in Lebanon swell, heightening the need for safe land for both resident and refugee communities. Contamination from wars long since finished has prevented people in villages like Al Tabye from safely utilising their land. But now MAG is conducting clearance, there is hope that Al Tabye and many villages like it can look forward to a more prosperous future. Local policeman, Ayam Neame said *"we are lucky to have MAG clearing our land and keeping us safe. We suffered for many years, today it's time to recover and get rid of our fears."* In April 2017, MAG began clearance on the Blue Line on the southern border, where there has been a recent increase in accidents. The high density of the contamination has already seen many landmines removed, and MAG will work to expand its capacity in the coming year.

In July 2016, MAG began delivery of a UNOPS funded contract in **Cyprus**, conducting clearance, technical and non-technical survey of areas within and on both sides of the buffer zone in consultation with the UN mission and local authorities. The project is ongoing, and represents part of a wider effort to build confidence between both sides of the buffer zone.

South and Southeast Asia

Throughout the financial year 2016/2017, the South and Southeast Asia programme countries – **Cambodia, Laos, Myanmar/Burma, Sri Lanka and Vietnam** have continued to respond to the deadly legacy of landmines and ERW in the region that has stifled development and has left many communities living in fear.

In **Laos and Vietnam**, MAG has made significant strides in improving cluster munition survey and clearance in some of the most heavily contaminated provinces through the use of new methodologies. In these countries 33,847 dangerous items were removed this year. For the majority of people relying on agricultural production for their livelihoods, the removal of these items from rice paddies and forests has resulted in the increase in safe land to farm and the elimination of fear. Nguyen Thi Thao, a farmer in Cam Lo District, Vietnam, where MAG has cleared 238,815m² of land surrounding her village, explained;

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

"I saw MAG technicians carefully clearing every meter of land and removing the threat. Now I feel very relieved to work and will use a machine to plough deeper. This will help us to improve our living conditions and we can spend more on our children's education".

In September 2016, MAG welcomed the announcement of the then US President Barack Obama, which committed the United States to provide \$30 million a year over three years for the UXO sector in Laos, doubling the level of US funding in 2015. This will provide significant support for a country that has the most contamination per capita.

In **Cambodia**, MAG has focused on increasing productivity through the use of improved technologies. Using advanced dual-sensor devices such as the Scorpion, the programme has been able to more than double the amount of land released back to communities, resulting in 6,236,214m² released this year. MAG is supporting the development of a new national strategy that commits to clearing Cambodia by 2025. In addition, MAG's work has supported the significant reduction in number of casualties within the country, which in 2016 was less than 100 for the first time ever.

In **Sri Lanka** this year, significant progress has been made on the district-by-district approach to completion of mine clearance. In June 2017, through the efforts of MAG and the Sri Lankan Army's Humanitarian Demining Unit the first affected district of Batticaloa was declared Mine Impact Free, meaning it reached a level of residual risk where all known minefields have been cleared. This is a notable step towards the country's target of clearing all known contamination by 2020 and makes a real difference to the communities in Batticaloa who can now live without the fear of landmines.

In **Burma/Myanmar**, following two years of work and trust building with communities and authorities, MAG began Non-Technical Survey activities to measure the extent of contamination in Kayah State in July 2016. This survey was the first of its kind within the country, with 33,800m² mapped out as contaminated by landmines within the first year. MAG has the widest national reach within the country, working from four operational bases and in partnership with three local organisations. This has placed MAG in a position to share information and lessons learned with other stakeholders and continue to advocate for permission to begin the process of demining. MAG remains optimistic that mine-clearance, in at least a limited capacity, will begin within the next few years.

Across the region this year, MAG has cleared **7,173 landmines**, more than **25,000 submunitions** and **11,670 other items of UXO** from contaminated land. In addition, MAG has delivered over **1,500 Mine Risk Education sessions to 28,261 beneficiaries**. **42,991,489m²** of land was released back to communities, resulting in more access to safe land that can be used to farm, build houses, develop infrastructure and provide safe access to communities. Across the region, **146,467** (50% female and 50% male) **people have directly benefitted from MAG's work this year and 381,175** (48% female and 52% male) **have indirectly benefitted**.

West Africa and Sahel

The scope of Arms Management and Destruction (AMD) work in the Sahel and West Africa region has significantly increased over the past year, mainly due to the growth of existing programmes and the consolidation of recently established programmes in Nigeria and Sierra Leone. MAG also began establishing a presence in Guinea and Niger, with confirmed funding for Mauritania too, together with an assessment conducted in Gambia.

MAG has also expanded the range of activities in the region, most significantly the development of a National Action Plan for AMD in **Burkina Faso**, in cooperation with Small Arms Survey (SAS) and the National Commission to Fight the Illicit Proliferation of SALW (NatCom). Lessons learnt from this process will be used in Mali and Sierra Leone, where MAG plans to carry out work related to a National Action Plan. Overall, in this region, MAG has improved the physical security of 173 weapons and ammunition storage facilities, marked 5,398 weapons and destroyed 1,243 Small Arms Ammunitions (SAA) and 618 Small Arms and Light Weapons (SALW). All weapons marked in the region belong to the **Sierra Leone** armed and security forces and were purchased for use in UN peacekeeping missions.

By far the highest number of SALW was destroyed in **Nigeria**. The Nigerian authorities also collaborated with MAG to organise a public event for weapons destruction marking the UN Small Arms Destruction Day. This highlights the public commitment the Nigerian authorities are making to weapons destruction. In Nigeria, MAG worked to establish risk education and non-technical survey operations in the North East, to allow returnees and internally displaced persons by the ongoing humanitarian crisis to move in more safety. MAG finalised preparations and launched the HMA activities in Borno State in June 2017

In order to build capacity of the national authorities and encourage national ownership of AMD issues, MAG is constantly

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

working with the national commissions on SALW as well as the national defence and security forces in the countries of activities. MAG has trained 595 personnel of national defence and security forces in armoury and ammunition storekeeping and management, in order to allow the national authorities to safely manage state owned weapons and ammunition. MAG has also been implementing AMD workshops for mid-level officers, in order to raise awareness for AMD topics on a higher level. This workshop has been quite successful in Mali, Burkina Faso and Chad, where participants have underlined that it was useful to exchange with other forces as well as be informed about the training their staff receive from MAG.

Among the training courses implemented by MAG, there are also Training-of-Trainer (ToT) sessions, designed to enable the participants to provide training courses to their colleagues. In **Chad**, Toubaro Danemadji, a female Police veteran teaching at the only police school in the country, said:

"As instructors, there is going to be a change in how we handle, maintain, and work with our weapons. We will pass this on to the recruits and they will start on the right path"

Previously, the Police school, designed to welcome 5,000 recruits, only had one instructor covering the subject of armoury storekeeping and management. According to Toubaro Danemadji, the ToT course was not only beneficial for the school, but for the entire country, as more qualified instructors make the school more efficient.

In two countries in the region, Chad and Mali, MAG has also implemented humanitarian mine action projects. In Chad, the only country in the region where MAG cleared land in the last year, 120,297 m² of land were released. Part of the released land was along the transit route from Sherda to Zouar, which could not be used previously but has now been re-opened and is being used by merchants, government officials and defence and security forces as well as private persons travelling for education, health or other reasons.

In **Mali**, 113,474 persons living in conflict-affected areas have benefitted from risk education, providing them with the necessary information to carry out their daily tasks in a safer way in a dangerous environment. Sand collectors in Gao had no other choice than to take up their activity again, when returning home after having fled the conflict earlier. When they found unexploded ordnance in the sand quarry, they did not know what the items were, but luckily, they informed MAG. MAG evacuated and marked the area and informed the residents of the dangers related to the discovered items. Ibrahim, a local sand collector, said:

"I feel less in danger now that I met the MAG teams. I will not take risks again if I find an unknown object: now I know to whom I shall refer."

Europe

In May 2017, MAG began operations in **Bosnia and Herzegovina (BiH)** for the first time. Initial funding from WRA was matched by strategic investment from MAG's own resources, and followed by an additional grant from Austria – the first support MAG has received from this donor in more than 15 years. Austrian interest was driven by engagement at the Kensington Palace event, and historical links between HRH Princess Diana and the issue of landmines in BiH mean that there is potential for strong media and public profile in the UK. MAG BiH now has **23 national staff**, with **two teams undertaking survey and clearance** in Pale-Prača, 35km east of Sarajevo. In the first six weeks of operations, by the end of FY16/17, **more than 20,000m² of land** had been cleared, **33,000m² reduced** and **31 mines removed**.

2.2 Financial Review

2.2.1 Financial Overview

Total income has increased to £46.9m (2016: £36.6m), with a similar increase in resources spent directly on charitable activities; 2017: £47.0m (2016: £37.3m). The increased scale of activities can largely be attributed to increased programming in Iraq (£4.1m), Syria (£2.3m), Mali (£1.6m), Cyprus (£1.0m) and Lebanon (£0.7m), partially offset by reductions in the Senegal (£0.8m) and Chad (£0.5m) programmes.

Total net expenditure has fallen from £1m in 2016 to £0.4m in 2017. The improvement in net expenditure is largely due to an increase in net income from programmes of £0.6m (2017 £4.3m, 2016 £3.7m). Included within total net income, net income from donations, legacies and other trading activities £259k, which is at a similar level to 2016 (2016 £270k).

Unrestricted reserves stand at £2.1m (2016 £2.5m). The Board and management have developed robust financial strategies to ensure that the required levels of unrestricted free reserves are earned and maintained.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

Cash balances stand at £17.6m (2016 £9.3m) 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 overseas programmes to cover the short-term (around 15 days) working capital needs.

Deferred Income of £16.0m (2016 £10.2m) represents the balance of billed grants/contracts, which are to be delivered in future periods and to which MAG is not yet entitled.

2.2.2 Reserves

The majority of MAG's operational work is funded from restricted funds. The Trustees adopt a risk based approach in calculating appropriate levels of unrestricted reserves and take into account business adversity, investment in new operational territories, working capital requirements, provision of emergency response funding and the need to provide funds to offset short term programmatic funding gaps. The Board currently considers the current balance of £2.1m of unrestricted reserves to be sufficient to cover the existing and immediate position of the charity to respond to these risks.

2.2.3 Investment

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

2.2.4 Going Concern

The trustees consider MAG to be operating on a going concern basis due to the number, value and financial viability of contracts secured through to at least December 2018, in addition to prudent assumptions on the anticipated level of business throughout this period. MAG has adequate resources to continue in operational existence for the foreseeable future, cash headroom has been analysed and is appropriate to current and forecast business levels. In addition, MAG has the operational capacity, knowledge and expertise to continue to be at the forefront of the post conflict recovery sector for the foreseeable future.

2.3 Future Plans

MAG will continue to commit itself to serving communities impacted by conflict and insecurity. Overall, the scale of our Mine Action work outside of the Middle East will remain the same, although we will maintain openness to geographic expansion where needs and funding opportunities converge. In the Middle East, where the threat to communities from landmines and ERW is significant, MAG's work is likely to continue to expand.

2.4 Principal Risks

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

Under each area, the subjective level strategic and operational risks are identified, together with how they are being managed. The register is considered by the Trustees in the appropriate sub-committees and at every Board meeting, supported by the Chief Executive's report, which highlights emergent or escalating risks, which have been identified through the relevant management chains across MAG. Risks are scored against probability and impact criteria, with controls, monitoring processes and action plans considered for all risk areas. Headline risks (which do not constitute all identified risks), together with the headline risk management strategies for each of the six 'risk areas' are as follows:

Corporate Governance

Risk: MAG fails to ensure appropriate Corporate Governance to fulfil statutory and organisational requirements.

Management Strategy: The MAG Board set the rolling five-year strategic direction of the organisation which incorporates key success indicators and are supported by the Audit & Finance Committee, the Governance, Nominations and Remuneration Committee and the Health, Safety and Security Committee, who assist the Board in fulfilling statutory and organisational requirements, with a clear focus on risk management.

Health, Safety & Security

Risk: MAG fails to prevent or appropriately manage programmatic safety and security and fails to deliver on MAG's obligations around duty of care.

Management Strategy: MAG operates across a complex range of international territories, with significant risks associated with the health, safety and security of staff. MAG is licenced by the relevant national authorities in all operational areas, and is obliged to adhere to national and International Mine Action Standards (IMAS) standards. Security plans, Site risk assessments and standard operating procedures are in place across MAG programmes and

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

are designed to ensure the safety and security of staff at all times, underpinned by the recruitment of suitably qualified and experienced technical specialists, together with robust internal quality assurance, quality control and reporting processes.

Contractual Compliance

Risk: MAG fails to deliver against donor contractual obligations.

Management Strategy: Much of MAG's work is delivered under contract, where outputs, and/or activities to be delivered across the life of any given work programme are clearly specified within donor contracts. MAG's project management systems, tools and approaches are designed to ensure that both operational and financial data is readily available across the project lifespan, enabling management to ensure that projects are delivered within budget and in line with the quality expectations of both the donor and beneficiary. MAG has implemented a Quality Assurance Framework, which is governed by the risk management policy and underpinned by the ISO9001:2015 Quality Management System, all of which complement MAG's overarching approach to risk management. MAG is in the process of developing an improved Information Management System and reviewing logistics and internal audit processes. In addition, MAG has an Operational Development Team (ODT), comprised of six technical experts in the fields of Humanitarian Mine Action, Arms Management and Destruction, Mechanical Assets, Community Liaison and Medical Procedures. The members of the ODT are not assigned to a programme, but rotate across MAG programmes in a Quality Assurance, Monitoring and Evaluation function. Because of the roving nature of their roles, ODT members can also be quickly deployed to new operational areas in their capacity as technical experts.

Statutory Compliance

Risk: MAG fails to ensure that it is operating in accordance with local, regional, national and international legislation, including (but not limited to), company registration, operating permits, labour law, tax law, insurance regulations/requirements.

Management Strategy: MAG's global compliance database captures the statutory requirements for each MAG programme. Data is extracted from reviews of legislation, legal advice and sector knowledge/information sharing. Where available, MAG joins NGO forums/networks in order to ensure obligations are delivered in line with best practice in the sector. Assumptions contained within the database are verified/audited no less than annually as part of MAG's compliance framework.

Bribery and Corruption

Risk: MAG is exposed to instances of bribery and corruption.

Management Strategy: The Board of Trustees and Management Team recognise that bribery is contrary to the fundamental values of integrity, transparency and accountability and undermines organisational effectiveness. MAG has in place necessary policies and procedures (including Financial Crime, Procurement, Personal Conduct, Gifts & Hospitality, Declaration of Interests, Whistleblowing, Finance/HR Frameworks) to reduce incidence of bribery and corruption to the lowest possible levels, and ensure proper reporting and sound management of those events which do occur. The occurrence of fraud in relation to fuel in the Vietnam programme was brought to the attention of management and has been independently investigated. Management will be reviewing whether changes should be made in the light of this investigation.

MAG is also committed to the eradication of modern slavery and has published a statement to this effect on our website, maginternational.org.

Funding Environment

Risk: MAG's key financial risk is that it fails to secure funding in line with strategic plans.

Management Strategy: In order to mitigate this risk MAG constructs robust business plans for each International Programme. MAG engages in proactive and constructive dialogue with the donor community relevant to the work that we undertake, including with multilateral organisations, governments, trusts, foundations and individuals and encourages policy development and enhanced funding commitment to the sectors in which we work.

3. GOVERNANCE AND MANAGEMENT

3.1 Structure

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

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

3.2 Governance

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

The Board holds formal scheduled meetings at least four times a year in addition to an annual Board Away Day together with a number of other ad hoc meetings.

The Audit and Finance sub-committee (AFC) meets quarterly and takes delegated responsibility on behalf of the Board for ensuring MAG maintains an effective financial management and reporting structure across the organisation. The committee examines and reviews financial stewardship, statutory reporting, internal controls, risk management, internal and external audit and supports the Board in fulfilling its legal obligations.

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

MAG operates across a complex range of international territories, with significant risks associated with the health, safety and security of staff. The Health Safety and Security sub-committee (HSSC) meets quarterly and exists to communicate, promote and champion health, safety & security in MAG headquarters and overseas. The HSSC reports to the Board on the progress of initiatives and the lessons learnt from incidents that have occurred.

In 2016, the Board appointed a Fundraising Focal Point to provide assurance to the trustees that fundraising is being managed to a high standard and that the Board's duty of care is being fulfilled. The Board Fundraising Focal Point meets with the Fundraising Team on a quarterly basis and reports to the Board any matters of significance.

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

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

All Trustees give their time freely and received no remuneration or financial benefit in their capacity as trustees. 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.

3.3 Management

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

The organisation has an Operations Development Team (ODT) who report to the Director of Programmes. ODT 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 Country Representative (CR), depending on the scale of operations, and are supported by a Finance Manager (FM) and Technical Operations

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

Manager (TOM). The CD is responsible for the delivery of all MAG's statutory, regulatory and contractual commitments in the country. Furthermore, the CD is responsible for all national and international staff within the programme along with safety and welfare, standards and good practice, all disciplinary matters while ensuring adherence to the laws and customs of the country in which they are operating. They also represent the organisation at a country level with the authorities, donors and other stakeholders. CDs report to Regional Directors (RDs) 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.

3.4 Employees

The work of MAG overseas and in the UK relies on the commitment and hard work of its employees. At 30 June 2017 MAG employed 2,973 staff globally, 2,779 of whom (93 per cent) are nationals from programme countries who are contracted on terms and conditions in line with local norms and requirements. Consequently, MAG currently complies with 27 different labour codes worldwide, all coordinated by MAG HQ.

MAG currently employs 146 international staff who are deployed to our country programmes to provide technical and management oversight to operations and activities.

48 people were employed at MAG HQ, the majority of whom provide direct support to their in-country counterparts. A further 6 members of staff make up MAG's Operational Development Team (ODT) who monitor and support the development of MAG's country programmes, primarily through targeted support visits.

Our recruitment and selection processes, as well as our reputation, ensure that MAG remains an employer of choice within the sector and that quality candidates are attracted to work for us. MAG's reward policies have been developed with the following key principles in mind:

Fair	Ensure that all staff are equitably and appropriately paid for the work they complete
Competitive	Enabling MAG to attract and retain appropriately skilled and experienced staff
Accountable	Ensure that decisions made with regards to remunerations are transparent and justifiable
Responsible	MAG will adhere to any statutory requirements or other binding rules in place relating to salaries and benefits
Affordable	Ensure that MAG's financial resources are used in the most responsible way

Salaries and benefits are regularly reviewed, for all employees (including key management personnel) to ensure their continued appropriateness. Where available, local benchmarking data is used to ensure that salaries are competitive and fair within the local employment market.

MAG is a diverse organisation. Currently, our workforce originates from 52 different countries. People are drawn to work for us from a diverse range of backgrounds, and we rely on this combination of skills, experience and perspectives to deliver our work to greatest effect and for the maximum benefit of those who need it. Dignity at Work and Equality Opportunity policies are in place which ensure that decisions around recruitment, career progression, training opportunities and terms and conditions are made on the basis of merit.

MAG recognises that often its employees work in demanding and challenging contexts. Consequently, a number of Health and Welfare initiatives are in place including pre-deployment and biennial medical, Health and Welfare Handbook, which includes travel health and stress management guides, availability of counselling services and comprehensive medical and life insurance.

The HQ HR Team provide a strategic service to MAG HQ and the country programmes. Part of this involves supporting the development of in-country HR teams. The HQ HR team conduct regular support visits to country programmes to provide targeted support and mentoring to in-country HR Managers.

A HR Quality Assurance Framework (QAF) is in place to encourage the continual development of the HR functions in place in each location. The QAF sets out the minimum necessary requirements to ensure that staff are being managed in line with MAG standards and local requirements and that the risks associated with the employment and management of people in challenging contexts are managed and mitigated. The QAF is then used to work towards the continuous development of the HR function in country to improve quality of HR services being provided to country programmes.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

MAG works in dynamic contexts and change is consequently inevitable, whether it is strategically planned or unexpected. Change processes and procedures are in place to ensure the organisation responds appropriately, manages any associated risks and supports staff through times of uncertainty.

4. STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

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

Provision of information to the auditor

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

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

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

5. DECLARATIONS OF INTERESTS

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

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

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2017**

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

Thanks

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

The Allen and Overy Foundation; The Altadis Foundation; The Asfari Foundation; Australian Department of Foreign Affairs and Trade; Belgian Ministry of Foreign Affairs; Bridge Insurance Brokers Limited; British High Commission; The Caerus Foundation; UK Department for International Development; Dutch Ministry of Foreign Affairs; European Commission; Fibertek; Fraternité en Irak; The Freeman Foundation; UK Foreign and Commonwealth Office; French Ministry of Foreign Affairs; The Genesis Charitable Trust; German Federal Foreign Office; Global Affairs Canada; Good Gifts; Irish Aid Department of Foreign Affairs and Trade; Japanese Ministry of Foreign Affairs; MAG America; Ministry of Foreign Affairs of Finland; Norwegian Ministry of Foreign Affairs; The Stanley Thomas Johnson Foundation; Swedish International Development Cooperation Agency; United Methodist Committee on Relief (UMCOR); United Nations Office for the Coordination of Humanitarian Affairs (OCHA); United Nations Office for Project Services (UNOPS); United Nations Development Programme (UNDP); United Nations Food and Agriculture Organisation; United Nations Regional Centre for Peace and Disarmament in Africa (UNREC); Government of the United States (Department of State Office of Weapons Removal and Abatement)

Auditor

Deloitte LLP has expressed their willingness to continue as its auditor for the next financial year.

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



Colin Rowe
Chair of the Board of Trustees

Date 11 January 2018

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Independent auditor's report to the members of the Mines Advisory Group

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2017 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Mines Advisory Group (the 'charitable company') which comprise:

- the statement of financial activities (including income and expenditure account);
- the balance sheet;
- the statement of cash flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Sarah Anderson

Sarah Anderson FCCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
15 January 2018

MINES ADVISORY GROUP
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year ended 30 June 2017

FUNDS:		2017	2017	2017	2016	2016	2016
	Notes	Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM:							
Charitable activities	5	-	46,052	46,052	-	35,884	35,884
Donations and legacies	6	374	83	457	327	27	354
Other trading activities	7	65	-	65	158	13	171
Investments	8	22	2	24	7	10	17
Other income	9	257	24	281	60	91	151
TOTAL INCOME		718	46,161	46,879	552	36,025	36,577
EXPENDITURE ON:							
Raising funds	10	263	-	263	255	-	255
Charitable activities	10	5,269	41,733	47,002	5,135	32,192	37,327
TOTAL EXPENDITURE		5,532	41,733	47,265	5,390	32,192	37,582
NET INCOME/(EXPENDITURE)		(4,814)	4,428	(386)	(4,838)	3,833	(1,005)
Transfer between funds	16	4,343	(4,343)	-	3,926	(3,926)	-
NET MOVEMENT IN FUNDS		(471)	85	(386)	(912)	(93)	(1,005)
RECONCILIATION OF FUNDS:							
Total funds brought forward	16	2,539	126	2,665	3,451	219	3,670
Net movement in funds for the year		(471)	85	(386)	(912)	(93)	(1,005)
Total funds carried forward	16	2,068	211	2,279	2,539	126	2,665

There were no other recognised gains or losses other than those listed above and the net income for the year.

All income and expenditure derives from continuing activities.

The notes on pages 21 to 37 form part of these accounts.

MINES ADVISORY GROUP
BALANCE SHEET
As at 30 June 2017
Company registration number: 4016409

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible assets	13	297	338
CURRENT ASSETS			
Debtors within one year	14	3,435	5,544
Cash at bank and in hand		17,550	9,340
		<u>20,985</u>	<u>14,884</u>
CURRENT LIABILITIES			
Amounts falling due within one year	15	<u>(19,003)</u>	<u>(12,557)</u>
NET CURRENT ASSETS		1,982	2,327
NET ASSETS		<u>2,279</u>	<u>2,665</u>
FUNDS			
Unrestricted funds	16	2,068	2,539
Restricted funds	16	211	126
TOTAL FUNDS	17	<u>2,279</u>	<u>2,665</u>

The notes on pages 21 to 37 form part of these financial statements.

These financial statements of Mines Advisory Group (Company number 4016409) were approved by the Board of Trustees and authorised for issue on 10 November 2017.

Signed on behalf of the Board of Trustees



Colin Rowe
Interim Chair of the Board of Trustees

MINES ADVISORY GROUP
CASH FLOW STATEMENT
For the year ended 30 June 2017

	2017	2016
Note	£'000	£'000
Net cash flows from operating activities	10,379	4,443
Cash flows from investing activities		
Interest received	24	17
Purchase of plant and equipment	(2,526)	(3,339)
Net cash flows from investing activities	(2,502)	(3,322)
Net increase in cash and cash equivalents	7,877	1,121
Cash and cash equivalents at beginning of year	9,340	7,391
Change in cash and cash equivalents due to exchange rate movements	333	828
Cash and cash equivalents at end of year	17,550	9,340
Analysis of cash and cash equivalents		
Cash in hand	565	223
Bank accounts and Notice deposits (less than 3 months)	16,985	9,117
Total cash and cash equivalents	17,550	9,340
Reconciliation of net income/(expenditure) to cash generated by operations:		
Net expenditure for the year	(386)	(1,005)
Adjustments for:		
Interest receivable	(24)	(17)
Increase in cash and cash equivalents due to exchange rate movements	(333)	(828)
Depreciation charges	2,567	3,200
Operating cash flows before movement in working capital	1,824	1,350
Decrease / (increase) in debtors	2,109	(1,505)
Increase in creditors	6,446	4,598
Cash generated by operations	10,379	4,443

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. LEGAL STATUS OF THE CHARITY

The Mines Advisory Group (MAG), a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are currently 11 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 1.

2. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015; and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies are set out below:

3.1 Preparation of financial statements - going concern basis

The trustees consider MAG to be operating on a going concern basis due to the number, value and financial viability of contracts secured through to December 2018 in addition to prudent assumptions on the anticipated level of business throughout this period. MAG has adequate resources to continue in operational existence for the foreseeable future. Cash headroom has been analysed and is appropriate to current and forecast business levels. In addition, MAG has the operational capacity, knowledge and expertise.

The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

3.2 Income recognition

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, probability of receipt and the amount can be measured reliably. Income is deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement or the donor has specified the funds can only be utilised in future accounting periods. In the absence of any stipulation from the funder, multi-annual grants where there is entitlement to income to cover more than one year, are recognised in line with project activity.

Donations, legacies and income from other trading activities are recognised where there is entitlement, probability of receipt and the amount can be measured reliably. 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. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank

3.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is analysed between the activities in furtherance of the charity's objects, cost of raising funds

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

voluntary income and support costs. Expenditure is recorded in the financial statements in the period in which it is incurred, adjusted for creditors and accruals where material, and is inclusive of any VAT which cannot be reclaimed.

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

Support costs comprise staff, head office and governance costs. The majority of staff and head office 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.

3.4 Fund accounting

Restricted funds represent income that has been received and recognised in the financial statements, which is subject to specific conditions imposed by the donor, client or grant making institution. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in note 16 to the financial statements. 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.

3.5 Leasing contracts

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except that the rent free period under the charity's lease of its UK head office is spread over the period to the first rent review in June 2020 as permitted under FRS 102 transitional provisions.

3.6 Foreign currencies

The functional currency of the charity is considered to be sterling because that is the currency of the current economic environment in which it operates and these financial statements are presented in pounds sterling. 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.

3.7 Tangible fixed assets

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

Depreciation rates for HQ held assets are as follows:

Fixtures, Fittings & Equipment	–	20-33% straight line
Motor Vehicles	–	25% straight line
Leasehold improvements	–	20% straight line

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

3.8 Taxation

The charity has been granted exemption from tax under Section 478 of the Corporation Tax Act 2010 on its charitable activities as a body established for charitable purposes only.

3.9 Overseas programmes

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

3.10 Subsidiary undertaking

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

3.11 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through statement of financial activities, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

The charity uses derivative financial instruments to reduce its exposure to foreign exchange risk, in line with the charity's risk management policies; the charity does not enter into speculative derivative contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Financial Activities.

3.12 Employee benefits

The charity operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the charity during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 3, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Example judgements are:

- Likelihood of programme closure
- Likelihood of programme spend
- Insurable claims
- Valuations of derivatives

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

All known material liabilities have been properly included in the financial statements, including provisions for tax, severance and social security liabilities where a liability is considered likely to crystallise. Other than as outlined in this note and in the accounting policies set out in note 3, the Trustees do not consider there are any critical judgements or sources of material estimation uncertainty requiring disclosure.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

5 ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

Income, all of which is restricted, was received and recognised under contracts and grants from the organisations set out below to carry out MAG's core activity of achieving a safe and secure future for those affected by armed violence, conflict and insecurity.

	2017	2016
	£'000	£'000
Australian Department of Foreign Affairs and Trade	12	110
Belgian Ministry of Foreign Affairs	163	-
British High Commission	200	-
Canadian Department of Foreign Affairs, Trade and Development	254	1,330
Department for International Development	3,085	2,724
Dutch Ministry of Foreign Affairs	3,054	2,598
European Commission	821	2,265
Fibertek	550	592
Finn Church Aid Foundation	-	110
Foreign and Commonwealth Office	553	112
French Ministry of Foreign Affairs	1,199	284
German Federal Foreign Office	3,379	2,071
Iraqi Kurdistan Mine Action Agency	-	212
Irish Aid Department of Foreign Affairs and Trade	49	143
Japanese Ministry of Foreign Affairs	1,663	1,495
Lebanese Mine Action Centre	-	64
MAG America	18,725	16,324
Ministry of Foreign Affairs of Finland	203	-
Norwegian Ministry of Foreign Affairs	4,606	855
Swedish International Development Cooperation Agency	845	645
Stichting Vluchteling	99	56
United Nations Office for the Coordination of Humanitarian Affairs (OCHA)	779	22
United Nations Office for Project Services (UNOPS)	4,450	2,898
United Nations Development Programme (UNDP)	120	104
United Nations Food and Agriculture Organisation	165	-
United Nations Regional Centre for Peace and Disarmament in Africa (UNREC)	100	-
United Nations Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR)	-	47
Trusts & Foundations	823	598
Miscellaneous Donors	155	225
	46,052	35,884

Of the £18.7m from MAG America, £16.8m (2016: £15.4m out of £16.3m) had the U.S. Department of State's Office of Weapons Removal and Abatement and Office of US Foreign Disaster Assistance as the back donors.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

6 ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Total Funds 2017 £'000	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000
Public Donations, Appeals & Fundraising Events	190	81	271	172	22	194
Regular Giving (including gift aid)	157	2	159	123	2	125
Donations from Trusts, Foundations and Partnerships	13	-	13	9	3	12
Legacies	14	-	14	23	-	23
	374	83	457	327	27	354

7 ANALYSIS OF INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Total Funds 2017 £'000	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000
Fundraising activities	62	-	62	154	-	154
Merchandise	3	-	3	4	13	17
	65	-	65	158	13	171

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

8 ANALYSIS OF INCOME FROM INVESTMENTS

	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Total Funds 2017 £'000	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000
Bank interest received	22	2	24	7	10	17

9 ANALYSIS OF OTHER INCOME

	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Total Funds 2017 £'000	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000
Insurance claims	169	-	169	52	51	103
Other income	88	24	112	8	40	48
	257	24	281	60	91	151

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

10 ANALYSIS OF EXPENDITURE

All costs of charitable activities are incurred to carry out MAG's core activity of achieving a safe and secure future for those affected by armed violence, conflict and insecurity. All support costs relate to charitable activities. Included within support costs are governance costs of £116k (2016: £132k), being management salaries attributable to the governance of the charity, trustee expenses, audit fees and other professional fees.

	Raising funds 2017 £'000	Charitable activities 2017 £'000	Total 2017 £'000	Raising funds 2016 £'000	Charitable activities 2016 £'000	Total 2016 £'000
Activities undertaken directly:						
Overseas programmes - restricted	-	41,733	41,733	-	32,192	32,192
Overseas programmes - unrestricted	-	628	628	-	568	568
Total direct activity expenditure	-	42,361	42,361	-	32,760	32,760
Support costs:						
Staff related costs including travel	108	2,809	2,917	105	2,599	2,704
Premises, IT & Communications	46	539	585	89	404	493
Fundraising Events & Advertising	101	-	101	55	-	55
Professional fees & other costs	8	828	836	6	1,037	1,043
Exchange loss / (gain)	-	465	465	-	527	527
Total support costs - unrestricted	263	4,641	4,904	255	4,567	4,822
Total Expenditure	263	47,002	47,265	255	37,327	37,582

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

11 NET INCOME/(EXPENDITURE) FOR THE YEAR

Net income is stated after charging:

	2017	2016
	£'000	£'000
Depreciation of tangible fixed assets owned by the charity	2,567	3,200
Foreign exchange loss/(gain)	465	527
Rentals under operating leases	966	862
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's financial statements	51	48
- Audit of subsidiary	2	2
- Fees payable to the charity's auditor for other services:		
- Grant certification services	27	22
- Taxation services	1	19

12 ANALYSIS OF STAFF AND TRUSTEE COSTS

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

	2017	2016
	No.	No.
UK employees:		
Overseas projects	134	98
Programme support and administration	42	42
Fund-raising information and education	4	4
Overseas national employees	2,639	2,403
	<u>2,819</u>	<u>2,547</u>

All employees are engaged in carrying out MAG's charitable activities.

Their aggregate remuneration comprised:

	£'000	£'000
Salaries and wages - UK employees (including those working overseas)	8,172	6,684
Salaries and wages - Overseas national employees	15,785	11,255
Social security costs	218	261
Pension contribution	71	89
	<u>24,246</u>	<u>18,289</u>

There are no payments to temporary staff (2016: nil) which are not included in the notes outlined above.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

The number of employees whose emoluments, excluding pension contributions, was over £60,000 in the year was:

	2017			2016		
	UK	Int'l	Total	UK	Int'l	Total
between £60,000 and £70,000 per annum:	4	11	15	7	13	20
between £70,000 and £80,000 per annum:	1	11	12	0	11	11
between £80,000 and £90,000 per annum:	0	7	7	0	2	2
between £90,000 and £100,000 per annum:	1	1	2	0	0	0
between £100,000 and £110,000 per annum:	0	0	0	1	0	1

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel for the year totalled £489k (2016: £522k).

13 TANGIBLE FIXED ASSETS

	Field Assets	Equipment Fixtures & Fittings	Total
	£'000	£'000	£'000
Cost			
At 1 July 2016	12,593	361	12,954
Additions	2,438	88	2,526
Disposals	(45)	-	(45)
At 30 June 2017	14,986	449	15,435
Depreciation			
At 1 July 2016	12,379	237	12,616
Charge for the year	2,461	106	2,567
Disposals	(45)	-	(45)
At 30 June 2017	14,795	343	15,138
Net Book Value			
At 30 June 2017	191	106	297
Net Book Value			
At 30 June 2016	214	124	338

All of the above assets are used in the administration of the charity or in support of its operations.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

14 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£'000	£'000
Trade debtors	1,990	1,569
Prepayments and accrued income	1,146	3,779
Other debtors	299	196
	<u>3,435</u>	<u>5,544</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£'000	£'000
Trade creditors	380	355
Deferred income (see note below)	15,985	10,193
Grants repayable	-	127
Other taxation and social security	110	83
Derivative financial instruments (see note 20)	566	381
Accruals	371	378
Other creditors	1,591	1,040
	<u>19,003</u>	<u>12,557</u>

Deferred income

	2017	2016
	£'000	£'000
Balance as at start of period	10,193	5,830
Amount released to income	(10,193)	(5,830)
Amount deferred in the year	15,985	10,193
Balance as at end of period	<u>15,985</u>	<u>10,193</u>

Deferred income comprises income for charitable activities to be spent in future periods.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

16 MOVEMENTS IN FUNDS

	1 July 2016	Income	Expenditure	Transfers	30 June 2017
	£'000	£'000	£'000	£'000	£'000
Restricted funds analysed by Programme					
Middle East					
Iraq	29	11,486	(10,634)	(836)	45
Lebanon	-	3,273	(3,051)	(214)	8
Syria	-	3,159	(2,797)	(362)	-
East and Southern Africa					
Angola	8	1,605	(1,451)	(149)	13
Somalia	1	1,920	(1,757)	(163)	1
South Sudan	17	3,662	(3,140)	(509)	30
Swaziland	-	35	(17)	(18)	-
Zimbabwe	-	37	(40)	(5)	(8)
Sahel and West Africa					
Burkina Faso	-	487	(451)	(36)	-
Democratic Republic of Congo	6	2,132	(1,940)	(181)	17
Chad	-	999	(929)	(66)	4
Mali	-	2,415	(2,227)	(188)	-
Nigeria	-	533	(464)	(69)	-
Siera Leone	-	426	(361)	(64)	1
Senegal	3	337	(222)	(116)	2
South and South east Asia					
Cambodia	23	2,300	(2,072)	(190)	61
Laos	6	3,118	(2,836)	(261)	27
Myanmar	-	687	(604)	(79)	4
Sri Lanka	18	1,897	(1,770)	(137)	8
Vietnam	12	4,309	(3,953)	(388)	(20)
Other					
UK	-	262	(154)	(93)	15
Libya	3	-	-	-	3
Cyprus	-	1,006	(793)	(213)	-
Bosnia and Herzegovina	-	76	(70)	(6)	-
Restricted funds	<u>126</u>	<u>46,161</u>	<u>(41,733)</u>	<u>(4,343)</u>	<u>211</u>
Unrestricted fund	<u>2,539</u>	<u>718</u>	<u>(5,532)</u>	<u>4,343</u>	<u>2,068</u>
Total funds	<u><u>2,665</u></u>	<u><u>46,879</u></u>	<u><u>(47,265)</u></u>	<u><u>-</u></u>	<u><u>2,279</u></u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

Comparative 2016

	1 July 2015 (restated) £'000	Income £'000	Expenditure £'000	Transfers £'000	30 June 2016 £'000
Restricted funds analysed by Programme					
Middle East					
Iraq	19	7,536	(6,655)	(871)	29
Lebanon	15	2,602	(2,407)	(210)	-
Syria	-	888	(752)	(136)	-
East and Southern Africa					
Angola	18	1,617	(1,441)	(186)	8
Somalia	-	1,274	(1,150)	(123)	1
South Sudan	-	3,677	(3,253)	(407)	17
Sahel and West Africa					
Burkina Faso	-	191	(174)	(17)	-
Democratic Republic of Congo	-	2,230	(2,018)	(206)	6
Chad	-	1,481	(1,384)	(97)	-
Mali	1	852	(752)	(101)	-
Nigeria	-	56	(50)	(6)	-
Siera Leone	-	45	(35)	(10)	-
Senegal	-	1,096	(893)	(200)	3
South and South east Asia					
Cambodia	40	2,461	(2,235)	(243)	23
Laos	82	3,344	(3,092)	(328)	6
Myanmar	-	242	(222)	(20)	-
Sri Lanka	27	1,328	(1,222)	(115)	18
Vietnam	14	4,721	(4,153)	(570)	12
Other					
UK	-	377	(304)	(73)	-
Libya	3	-	-	-	3
Philippines	-	7	-	(7)	-
Restricted funds	219	36,025	(32,192)	(3,926)	126
Unrestricted fund	3,451	552	(5,390)	3,926	2,539
Total funds	3,670	36,577	(37,582)	-	2,665

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.

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purposes.

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

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Totals 2017 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Totals 2016 £'000
Tangible fixed assets	297	-	297	338	-	338
Net current assets	1,771	211	1,982	2,201	126	2,327
As at 30 June 2017	2,068	211	2,279	2,539	126	2,665

18 OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases:

Leases which expire:	2017			2016		
	Within one year £'000	2-5 years £'000	Over 5 years £'000	Within one year £'000	2-5 years £'000	Over 5 years £'000
Land and buildings	181	322	-	166	452	-
Other	3	-	-	4	2	-

19 FINANCIAL INSTRUMENTS

The carrying value of the charity's financial assets and liabilities are summarised by category below:

	2017 £'000	2016 £'000
Financial Assets		
Measured at undiscounted amount receivable		
Trade and other debtors (see note 14)	4,001	5,925
Cash at bank and in hand	17,550	9,340
	21,551	15,265
Financial liabilities		
Measured at undiscounted amount payable		
Trade and other creditors (see note 15)	(18,437)	(12,176)
Measured at fair value		
Derivative financial liabilities (see note 20)	(566)	(381)
	<u>(19,003)</u>	<u>(12,557)</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

20 DERIVATIVE FINANCIAL INSTRUMENTS

MAG receives funds in a number of currencies, but most of its expenditure is denominated in US dollars (USD) and UK Sterling (GBP). The net exposure of each currency is monitored and managed by the use of forward exchange contracts. On being awarded a contract denominated in any currency other than USD or GBP, MAG may enter into a forward foreign currency contract to manage the exchange rate risk arising between the award of the contract and the receipt of funds under the contract over the life of the contract.

Most forward exchange contracts mature within 12 months of the contract date; where MAG is awarded a multi-year funding contract, it may enter into a forward exchange contract which matures on the anticipated date of the final payment of funds. As at 30 June 2017, MAG has one forward exchange contract which matures in April 2019; all other forward exchange contracts mature within 12 months of the balance sheet date.

Forward foreign currency contracts are valued using quoted forward exchange rates and interest rates corresponding to the maturities of the contracts.

On 30 June 2017, MAG entered into a put option to purchase up to \$2.5m on 27 June 2018 (the Expiry Date) at a strike rate of 1.25 in order to partially hedge an exchange risk under a USD denominated contract. If on the Expiry date, the GBP/USD spot rate is at or below the strike rate, MAG will purchase USD 2.5m at the strike rate. If the GBP/USD spot rate is above the strike rate, there will be no settlement under this trade.

Outstanding contracts	Average contractual exchange rate		Notional Value		Fair Value	
	2017	2016	2017	2016	2017	2016
			£'000	£'000	£'000	£'000
Forward Exchange contracts						
Selling EUR to purchase USD	1.05	1.16	5,283	1,731	(548)	66
Selling EUR to purchase GBP	-	1.33	-	2,263	-	(267)
Selling SEK to purchase GBP	11.04	13.29	906	752	(11)	(147)
Selling NOK to purchase GBP	-	11.28	-	1,773	-	(26)
Selling CAD to purchase GBP	-	2.00	-	64	-	(7)
			6,189	6,583	(559)	(381)
Put Option			1,927	-	(7)	-
					(566)	(381)

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

21 DONOR SPECIFIC NOTES

21.1 Dutch Ministry of Foreign Affairs

Included in the Statement of Financial Activities are the following income and expenditure for Charitable Activities funded by the Dutch Ministry of Foreign Affairs.

	30 June 2016	Income	Expenditure	Transfers	30 June 2017
	\$	\$	\$	\$	\$
Democratic Republic of Congo	-	624,154	(572,608)	(51,546)	-
Iraq	-	1,384,109	(1,256,028)	(128,080)	-
Lebanon	-	748,197	(686,370)	(61,827)	-
Syria	-	887,120	(834,671)	(79,454)	(27,005)
South Sudan	-	213,215	(195,603)	(17,612)	-
United Kingdom	-	32,604	(32,604)	-	-
	-	3,889,399	(3,577,884)	(338,519)	(27,005)
2015/16 funding	-	2,784,532	(2,431,743)	(352,789)	-

21.2 British Foreign and Commonwealth Office

Included in the Statement of Financial Activities are the following income and expenditure for Charitable Activities funded by the British Foreign and Commonwealth Office.

	1 July 2016	Income	Expenditure	Transfers	30 June 2017
	£	£	£	£	£
Burkina Faso	-	15,592	(8,836)	(6,757)	-
Democratic Republic of Congo	-	138,832	(123,957)	(14,875)	-
Sierra Leone	-	199,214	(177,870)	(21,345)	-
Somalia	-	112,797	(101,253)	(11,543)	-
Swaziland	-	34,956	(31,211)	(3,746)	-
United Kingdom	-	51,877	(46,811)	(5,066)	-
	-	553,268	(489,937)	(63,331)	-
2015/16 funding	-	111,655	(99,853)	(11,802)	-

22 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 the former Chief Executive Officer. All pension contributions are funded out of unrestricted reserves and are reflected within Support Costs in note 10.

Contributions paid by the company to the fund amounted to £71k (2016: £89k).

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

23 RELATED PARTIES

Trustees:

Expenses reimbursed to 13 Trustees during the period amounted to £10k (2016: 13 Trustees - £14k). Of this, £2k (2016: £4k) related to travel and accommodation costs for trustees visiting MAG projects. No remuneration was paid to Trustees during the current or prior financial year in their capacity as Trustees.

No donations were received from the trustees during the year (2015: £nil).

In 2017 and 2016, Trustees were covered by the overall company indemnity insurance, the costs relating specifically to the trustees were not separately identified.

Colin Rowe is a Trustee of the charity and a Director of North West Notaries Limited. During the year the charity contracted Notarial services from North West Notaries Limited totalling £734 (2016: £1,643).

MAG America:

MAG and MAG America work together to assist countries affected by armed conflict. MAG America is a 501(c)3 organization that raises awareness of, and funds for, MAG's life-saving work from US Government donors, foundations, corporations and individuals. MAG and MAG America are separately constituted and have independent boards.

Explosive Risk Solutions Ltd (ERS):

ERS (Company Number 04030037) is a 100% subsidiary of MAG, incorporated and registered in England and Wales. The principal activities of ERS are 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
- 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.

In the year ended 30 June 2017, ERS reported a loss of £2k (2016: £2k) and the aggregate amount of share capital and reserves at 30 June 2017 is £24k (30 June 2016: £(22k)). MAG provides financial support to ERS by way of a loan; as at 30 June 2016 the balance outstanding was £39k (2016: £37k).

24 CONTINGENT LIABILITIES

At the date of signature, there are no contingent liabilities to report (2016: nil).

25 POST BALANCE SHEET EVENTS

At the date of signature, there are no post balance sheet events to report (2016: nil).

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2017

APPENDIX 1 - PRO FORMA US DOLLAR ACCOUNTS

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

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

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

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

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2017

Statement of Financial Activities (including income and expenditure account)

for the year ended 30 June 2017

FUNDS:	2017	2017	2017	2016	2016	2016
	Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME FROM:						
Charitable activities	-	58,642	58,642	-	53,501	53,501
Donations and legacies	476	106	582	488	40	528
Other trading activities	83	-	83	236	19	255
Investments	28	3	31	10	15	25
Other income	327	31	358	89	136	225
TOTAL INCOME	914	58,781	59,695	823	53,711	54,534
EXPENDITURE ON:						
Raising funds	335	-	335	380	-	380
Charitable activities	6,709	53,142	59,851	7,656	47,997	55,653
TOTAL EXPENDITURE	7,044	53,142	60,186	8,036	47,997	56,033
NET INCOME/(EXPENDITURE)	(6,130)	5,639	(492)	(7,213)	5,715	(1,498)
Transfer between funds	5,530	(5,530)	-	5,853	(5,853)	-
NET MOVEMENT IN FUNDS	(600)	108	(492)	(1,360)	(139)	(1,498)
RECONCILIATION OF FUNDS:						
Total funds brought forward	3,312	267	3,580	5,361	406	5,767
Movement in Foreign Exchange	(132)	-	(132)	(911)	-	(911)
Prior year adjustment	-	-	-	222	-	222
Total funds brought forward as adjusted	3,180	267	3,448	4,672	406	5,078
Net movement in funds for the year	(600)	108	(492)	(1,360)	(139)	(1,498)
Total funds carried forward	2,580	375	2,956	3,312	267	3,580

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2017

MINES ADVISORY GROUP - COMPANY LIMITED BY GUARANTEE

Balance Sheet as at 30 June 2017

	2017	2016
	\$'000	\$'000
FIXED ASSETS		
Tangible assets	385	477
CURRENT ASSETS		
Debtors	4,455	7,825
Cash at bank and in hand	22,764	13,182
	<u>27,219</u>	<u>21,007</u>
CURRENT LIABILITIES		
Amounts falling due within one year	<u>(24,648)</u>	<u>(17,723)</u>
NET CURRENT ASSETS	2,571	3,284
NET ASSETS	<u>2,956</u>	<u>3,761</u>
FUNDS		
Unrestricted funds	2,581	3,571
Restricted funds	375	190
TOTAL FUNDS	<u>2,956</u>	<u>3,761</u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2017

APPENDIX 2 - PRO FORMA EURO ACCOUNTS

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

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

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

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

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2017

Statement of Financial Activities (including income and expenditure account)
for the year ended 30 June 2017

FUNDS:	2017	2017	2017	2016	2016	2016
	Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
	€'000	€'000	€'000	€'000	€'000	€'000
INCOME FROM:						
Charitable activities	-	62,103	62,103	-	48,391	48,391
Donations and legacies	504	112	616	441	36	477
Other trading activities	88	-	88	213	18	231
Investments	30	3	32	9	13	23
Other income	347	32	379	81	123	204
TOTAL INCOME	968	62,250	63,219	744	48,581	49,326
EXPENDITURE ON:						
Raising funds	355	-	355	344	-	344
Charitable activities	7,106	56,279	63,385	6,925	43,412	50,337
TOTAL EXPENDITURE	7,460	56,279	63,739	7,269	43,412	50,681
NET INCOME/(EXPENDITURE)	(6,492)	5,971	(521)	(6,524)	5,169	(1,355)
Transfer between funds	5,857	(5,857)	-	5,294	(5,294)	-
NET MOVEMENT IN FUNDS	(635)	115	(521)	(1,230)	(125)	(1,355)
RECONCILIATION OF FUNDS:						
Total funds brought forward	3,571	190	3,761	4,864	316	5,180
Movement in Foreign Exchange	(24)	-	(24)	(265)	-	(265)
Prior year adjustment	-	-	-	201	-	201
Total funds brought forward as adjusted	3,547	190	3,737	4,801	316	5,116
Net movement in funds for the year	(635)	115	(521)	(1,230)	(125)	(1,355)
Total funds carried forward	2,912	305	3,217	3,571	190	3,761

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2017

Balance Sheet as at 30 June 2017

	2017		2016	
	€'000	€'000	€'000	€'000
FIXED ASSETS				
Tangible assets		419		477
CURRENT ASSETS				
Debtors	4,848		7,825	
Cash at bank and in hand	<u>24,770</u>		<u>13,182</u>	
	29,618		21,007	
CURRENT LIABILITIES				
Amounts falling due within one year	<u>(26,821)</u>		<u>(17,723)</u>	
NET CURRENT ASSETS		2,797		3,284
NET ASSETS		<u>3,217</u>		<u>3,761</u>
FUNDS				
Unrestricted funds	2,912		3,571	
Restricted funds	<u>305</u>		<u>190</u>	
TOTAL FUNDS	<u>3,217</u>		<u>3,761</u>	

