

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 2016

MINES ADVISORY GROUP
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MINES ADVISORY GROUP
LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees:

Lord Williams of Baglan (Chair)
Mr Paul Nielsen, ACIB (Treasurer)
Mr Colin Rowe (Vice Chair & Chair of the Governance, Nominations and Review sub-committee)
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) (Governance, Nominations and Review sub-committee)
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 Mary Cocking OBE (resigned 01/09/2016)
Ms Sheelagh Stewart

Management Team – being the key management personnel:

Mr Nick Roseveare MBE – Chief Executive
Mr Llewelyn Jones – Director of Programmes
Mr Michael Darby – Director of Finance
Ms Samantha Wakefield – Director of Human Resources (resigned 31/07/2016)
Ms Rhian Cooke – Director of Human Resources (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
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

Bankers:

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

Solicitors:

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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

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STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

For people affected by conflict and insecurity, 2015/2016 has seen both remarkably positive progress and also terrifying deterioration.

The appalling human rights abuses in Syria and Iraq have led to millions being displaced into camps and host communities. Those who have remained face the daily danger posed by unexploded ordnance; those who fled and have since returned to areas where active hostilities have ceased have found their villages and land lethally contaminated with improvised landmines, booby-traps and unexploded bombs.

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. These demanding contexts have tested MAG's expertise and ingenuity in order to make a practical difference on the ground, enabling communities to re-establish their lives in safety wherever possible. Technical and programmatic innovation has been essential in the success of these life-saving activities. As well as finding ways to respond quickly and safely to such crises, MAG has used its practical experience to influence the thinking of the sector on both principles, policy and practice challenges faced by humanitarian demining organisations in tackling improvised explosive devices, many of which share exactly the same characteristics as conventional landmines, designed to be 'indiscriminate' and 'victim-activated' – lethal to civilians long after the conflict has ceased.

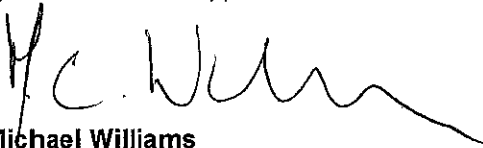
Urgent work is also saving lives and reducing fear in more conventional situations, places like Angola, Cambodia, Sri Lanka and Vietnam, where more needs to be done to help the people still suffering from conflicts long since ended. Such is the desperate pressure on land in Angola's biggest province, Moxico, for instance, that the refugees still continue to return there are building houses on and tilling soil they know not to have been cleared of explosive items. In the unpredictable security environments of Somalia and South Sudan, meanwhile, the urgency to free communities from fear and risk is matched by the paramount importance of ensuring the security of MAG staff themselves is expertly managed. Keeping our staff safe is perhaps MAG's most demanding responsibility of all.

The dedication and professionalism of our teams in Africa, the Middle East, and South and South East Asia is undoubtedly one of MAG's greatest assets, and we are proud that our people, in return, value the organisation: 98 per cent of those asked in our biennial staff survey said that they were proud to work for MAG.

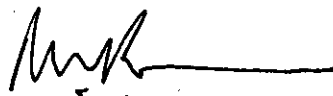
MAG has continued to demonstrate its adaptability and ability to make relevant responses to changing needs and geographies, with the launch of new programmes in Nigeria and Sierra Leone, as well as the expansion into new areas of Myanmar. The impact of MAG's operations around the globe remains high, with the number of direct beneficiaries rising to 1.46 million.

MAG has also widened the relevance of its work thematically, further developing its sector-leading approach to arms management and destruction (AMD). This work assists states like Burkina Faso, Chad, DRC and Mali with the safe and appropriate storage of their weapons and munitions, aiding security and stability, avoiding misappropriation, and reducing the risks of conflict and misuse of weapons. In April MAG convened a ground-breaking meeting in London between numerous affected states and donor states, to develop a coherent international approach and achieve even greater positive impact on the lives and prospects of the people we are working to serve.

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.



Lord Michael Williams
Chair of Trustees



Nick Roseveare
Chief Executive

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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 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 2015/16 MAG records gathered at field level show that some 1.46 million people have directly 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.

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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.

Beneficiaries

A 'direct beneficiary' is a person that directly benefits from MAG's activities as described above. This information is gathered and reported by our field teams. 'Indirect beneficiary' numbers are also collected but may be less robust and so are not reported here. Gender and age disaggregated data is recorded at field level, and will be reported centrally in future.

Direct beneficiaries	1,462,725
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Humanitarian Mine Action (HMA) outputs:

Land cancelled through Non-Technical Survey (m ²)	59,640,897
Land released through Technical Survey and clearance (m ²)	33,826,973
Road Cleared or Surveyed (km)	51,111
Landmines destroyed (Including 3,240 Improvised Landmines) (Anti-Personnel and Anti-Tank consolidated)	15,131
Cluster Munitions destroyed	27,962
Unexploded or Abandoned Ordnance destroyed (excl SAA)	37,565
Mine Risk Education sessions delivered	23,632

Arms Management and Destruction (AMD) outputs:

Technical assessments undertaken	272
Armouries/explosives stores built	74
Armouries/explosives stores rehabilitated	65
Small arms ammunition destroyed (below 14.5mm)	375,170
Small arms and light weapons destroyed	13,289
Training courses conducted	33

2.1.2 Programme Results

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. In **Angola** and **South Sudan** MAG's work 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 **29,153,128m²** (92.1% Angola and 7.9% South Sudan) and **865 spot tasks** (calls to address individual items or sites) were cleared. In **Somalia**, the programme implements armoury refurbishment projects to secure weapons stockpiles, contributing to regional and national security by reducing the risk of theft and diversion. Across the region, **180,210 people** benefitted as a result of MAG's work. MAG's programmes in Somalia and South Sudan have received an increase in resourcing and despite

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the challenging environment are currently scaling up their programming and growing in size.

Continuing from the last business year, Angola has contributed to the majority of the land release output for the region and increased cancellation by 58%. The programme is aiming to finish the redefining of the Landmine Impact Survey (LIS) recorded suspected hazardous areas (SHA) in Moxico by the end of 2016 and is also considering expanding non-technical survey (NTS) activities to work in Lunda Sul and Lunda Norte. Beginning at the meeting of the donors' Mine Action Support Group in Geneva (February 2016), MAG has joined up with other operators to raise awareness about the decline in mine action funding for Angola while highlighting the necessity for clearance to reduce poverty. With the oil slump causing massive economic decline, MAG also mapped out resources required to **declare Moxico mine-free in the next 10 years** as a way to enable long-term socio-economic development. Resourcing the programme continues to be a challenge, despite a clear need, and quantifiable end-game, it remains an organisational priority to encourage institutional support for our work there. In all three 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 Somalia cost of construction and fitting out of armouries has fallen over the year. Helen Maliti lives in Chifoio village where MAG finished clearance in April 2016. Before MAG started working there were 406 people living in the village, now there are 2,513 people living on safe land:

"We were imprisoned by mines. I have 10 children and many grandchildren and they are all alive because of MAG. I praise MAG and the people who support MAG for clearing the death from this area. The population is growing and we are doing well and that is thanks to you."

South Sudan, experienced considerable scale-up throughout the business year and was successful in winning additional donor funding using the Multi-Task Team (MTT) model focus on legacy contamination in Central and Greater Equatoria.

The Somalia programme expanded operations to include HMA through partner-led risk education activities in South Central and began mobilisation in May 2016. AMD activities continued resulting in **39 completed armouries** which contribute to the security sector objectives per region. **MAG conducted nation-wide surveys in Puntland and Somaliland across 157 sites** initially, introducing a baseline of infrastructure risks and needs to inform the prioritisation process. The second phase of the surveys will continue into the 2016-2017 business year to include more National Security Sector Actors (NSSAs).

Middle East

Throughout the financial year 2015/2016, the Middle East programme countries – **Lebanon, Iraq and Syria** – have continued to respond to the regional humanitarian crisis.

Responses ranged from emergency contamination assessments, training of clearance teams to respond to new types of contamination in areas retaken from so-called Islamic State in Iraq and Syria (ISIS) and the continuing task of 'legacy clearance' for the local populations who are living with the threat of landmine, cluster bomb and ERW contamination from previous conflicts. All MAG's work continues to be underpinned with Mine Risk Education sessions targeting the most vulnerable communities (such as returning Internally Displaced Persons and children) which this year has involved piloting new and innovative methods to increase effectiveness.

Overall, there were **314,196 direct beneficiaries** of MAG's Middle East programmes in 2015/16, with **5,970,514m²** of land released through survey and clearance and **16,412 risk education sessions** delivered.

MAG experienced significant growth in its Iraq programme during the last year, with an increase in funding contracts from 3 (July 2015) to 11 (July 2016) – representing a 35% increase in total annual funding. Whilst legacy clearance and community liaison from the MAG bases in Dohuk and Chamchamal continued, two new operational bases were established in the northern Ninewa governorate – one in Bardiya and the other in Sinuni. Community Liaison teams focused on delivering sessions to those displaced from their homes as a result of ISIS and two clearance teams were deployed to Jawala in northern Diyala in response to the large numbers of people returning to contaminated areas. 19 year-old Lena Morat a member of one of the new teams in Sinuni. Her team are all proud and strong women:

"I love my job very, very much. We allow people to come home - we help the community by removing the landmines. People can't come home without us. We are saving their lives. My family and my community are very proud of me – especially my father. I am not at all scared – I am very proud of what I do and I am

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confident and I have been well trained. Thank you MAG for this great opportunity to save my people."

In Lebanon MAG continued with the clearance of minefields and cluster munition sites in southern regions and operations into the Bekaa valley were expanded where vulnerable Syrian refugees who settled on contaminated land have benefited from clearance activities. Real progress has been made in terms of improving the gender balance of the MAG workforce, with women now making up 20% of the total staff, and MAG has piloted two new methods of delivering Risk Education through partnerships with Clowns Without Borders and the Arab Puppet Theatre Foundation. Engaging and entertaining teaching methods, such as theatre and games, have been employed to help teach children about the risks of contamination.

Finally, whilst the situation in Syria remains extremely fluid with major offensives across all regions, MAG has expanded substantially over the past year, with the strategic aim of a 'whole of Syria' approach going forward. Whilst operations in Kobane were suspended, progress in the north east of the country continues. Following an emergency assessment of contamination assessment in new areas, MAG secured funding from the French government to establish clearance capacity in the region and a base has now been set up with one national Syrian clearance team trained. In north west Syria, partnerships have been established with Syria Relief, Ghiras and Bihar Foundation who will deliver Risk Education sessions. Further funding has been secured to increase capacity in the north east and north west regions.

Sahel and West Africa

Arms Management and Destruction (AMD) work has expanded during the year in the Sahel and West Africa with new programmes in Nigeria and Sierra Leone; as well as the consolidation of work in Burkina Faso, Chad, Democratic Republic of Congo and Mali. **82 armouries and ammunition stores** were refurbished or constructed; **13,289 Small Arms and Light Weapons (SALW)** were destroyed as part of AMD activities. **Twenty-five SALW management courses** were delivered to 305 students from different state security actors across the Sahel- West Africa region and a further 20 students benefitted from ammunition management course. In the year, MAG developed standardized training materials for all countries in English and French. By helping national authorities to improve management of state-owned weapons and ammunition, MAG contributes to the national and regional security through reducing the risk of illicit proliferation of weapons and ammunition. MAG also contributes to increasing safety for the civilian population by reducing the likelihood of unplanned explosions in ammunition stores.

An explosion in 2013 at the ammunition depot Mbandaka in Equateur Province, DRC, had caused large-scale devastation and contaminated the area with various types of Unexploded Ordnance (UXO). In 2015, the area is now home to a mix of 5,000 civilian and military residents. Thanks to the clearance work by MAG, the provincial government has been able to sell plots of land to some 130 families, who have come to Camp Ngashi to build a house and sometimes carry out small-scale agriculture, driven by the confidence that the land is now safe. The entire area is in use, dedicated either to the construction of houses, agriculture, small shops, churches, or pits for brick making.

For the Batwamine family the ammunition depot explosion had made things difficult:

"We had heard that other people had found bombs while farming", says mother of six Lina, "We were afraid of explosions and did not dare cultivating as before."

Now the family feels safe to farm again. Their 2 hectares of cassava fields bring in USD 180 per month. The stable income has allowed them to buy a plot of land to each of their six children, in addition to building a house. They have also acquired a 2.5 KVA generator and a motorbike, which they use as a taxi to earn additional revenue.

Across the region **23,950 people directly benefitted** from MAG's HMA clearance interventions (49% female, 51% male) and a further 3,107 indirect beneficiaries were identified (59% female and 41% male). Through mine and explosive remnants of war clearance in the region **609,181m² of land were released**, removing **24,142 landmines and UXO** facilitating safe access to roads and land for livelihoods and socio-economic facilities. In Chad over **50,000km of road was also cleared or surveyed**, and land mine clearance is benefiting key trade in the northern Tibesti region. Mahemat Togoi, canton chief of Zouar, explains the economic impact the land mines have on the region where a lot of money can be made selling camels – it is a traditional trade that has been going on for hundreds or thousands of years. Now the trade does not happen here, because of the mines:

"There used to be a big camel trade through these areas, but they don't come here anymore. They have to avoid the whole area. You can see camel bones everywhere, from where they have been blown up."

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A total of **4,742 mine risk education sessions** were delivered in the region (Chad, DRC and Mali) in the year, benefitting **124,821 people**. In Mali the programme and mine risk education capacity has grown significantly in the year. In DRC the Gender in Mine Action Project was evaluated and the efforts to implement the gender sensitive action points, including staff capacity and inductions were commended as a clear example of how management support and commitment really reinforce gender mainstreaming efforts

South and Southeast Asia

MAG continues to work across South & Southeast Asia to address contamination from wars that have long since ended, but have left behind a deadly legacy of landmines and ERW that continue to prevent development and leave many communities to live in fear.

In the first half of 2016 alone, **MAG cleared over 5,500 anti-personnel landmines in Sri Lanka**, a staggering number. In partnership with the national authority, MAG is moving towards completing resurvey of all of its operational districts within the coming months, and has established new clearance teams in the East of the country. If MAG is able to maintain current capacity, it will be on track to support Sri Lanka in meeting its target of clearing all known contamination by 2020, enabling families to return to their land and rebuild their lives.

"The land is safe and we are safe," Rathika says. "We grow vegetables and have chickens. We could not be here at all if the landmines were still here." Rathika and her son Dilakson live on land made safe by MAG in Mannar District, Sri Lanka.

MAG has been present in **Cambodia** since 1992, carrying out vital clearance work to address landmine and UXO contamination in the West and East of the country respectively. MAG has been able to release over **300 hectares of land** this year, benefitting farmers such as Ao Sophat who rely on agriculture as their primary source of income:

"I could make around \$800 per year from my bananas, rice and beans which makes it hard to cover the daily costs of life. After the handover from MAG, I cropped 500 pepper plants and I have also planted about 200 banana trees, sugar cane trees, cassava and beans, which could earn around \$3500. I am very happy that MAG came to clear landmines and UXO in our village in order to provide a place free from dangers for us."

In **Burma/Myanmar**, the mine action sector has continued to progress, with the 2015 elections representing an opportunity to galvanise support for a broader range of activities. Until recent months, MRE continued to be the only form of activity permitted, which whilst providing vital information to communities, can only be considered an interim approach to Myanmar's landmine contamination problem. As well as expanding the delivery of MRE into Kayin and Thanintharyi districts, MAG became, in Kayah State, the first organisation to secure permission to conduct survey in Burma/Myanmar. This represents a huge step forward; in the first month of the project alone MAG was able to identify a number of areas that will require clearance, and will use this evidence to advocate for further survey to better define the scale of the problem.

This year MAG has cleared over **9,750 landmines**, more than **25,000 submunitions** and just under **14,000 other items of UXO** across the region, as well as delivering **1,919 Mine Risk Education (MRE) sessions** to over **42,000 beneficiaries**. MAG's work in South and Southeast Asia during this period has **directly benefitted a total of 847,210 people**, and indirectly benefitted over 1.3million.

"I feel more confident and safer in doing agricultural activities on my land. Please continue your support to other contaminated areas where landowners might have similar problems to me. You have done an excellent job." Mr Siket is a beneficiary of MAG's work in Khammoune province, **Laos**.

2.2 Financial Review

2.2.1 Financial Overview

Total income has increased to £36.6m (2015: £31.3m), with a similar increase in resources spent directly on charitable activities; 2016: £37.3m (2015: £30.8m). The increased scale of activities can largely be attributed to increased programming in Iraq (£2.3m), Syria (£0.8m), Mali (£0.5m), Cambodia (£1.3m) and Vietnam (£1.9m), partially offset by reductions in the Somalia (£1.1m) and Libya (£1.5m) programmes.

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Total net income (surplus) has fallen from £229k in 2015 to net expenditure (deficit) of £1m in 2016. The deficit is largely due to a reported loss on foreign exchange derivatives of £587k (including restatement under FRS102), together with planned unrestricted investment in programme activities. Included within total net income, net income from donations, legacies and other trading activities has increased to £270k (2015: £150k).

Unrestricted reserves stand at £2.5m (2015: £3.5m). The Board and management have developed robust financial strategies to ensure that the required levels of unrestricted free reserves are earned and maintained.

Cash balances stand at £9.3m (2015: £7.4m) 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 £10.1m (2015: £5.8m) represents the balance of billed grants/contracts, which are to be delivered in future periods.

2.2.2 Reserves

The majority of MAG's operational work is funded from restricted funds. The Trustees adopt a risk based approach in calculating appropriate levels of unrestricted reserves and take into account business adversity, investment in new operational territories, working capital requirements, provision of emergency response funding and the need to provide funds to offset short term programmatic funding gaps. The Board currently considers the current balance of £2.5m of unrestricted reserves to be sufficient to cover the short to medium term needs of the charity.

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 2017, 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 will 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.

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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 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 Quality Management System, all of which complement MAG's overarching approach to risk management. 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. 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.

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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.

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 12 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.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2016**

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 Project Manager (PM), depending on the scale of operations, and are supported by a Finance Manager (FM) and Technical Operations Manager (TOM). The CD is responsible for the delivery of all MAG's statutory, regulatory and contractual commitments in the country. Furthermore, the CD is responsible for all national and international staff within the programme along with safety and welfare, standards and good practice, all disciplinary matters while ensuring adherence to the laws and customs of the country in which they are operating. They also represent the organisation at a country level with the authorities, donors and other stakeholders. CDs report to 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 30th June 2016 MAG employed 2,579 staff globally, 2,425 of whom (94 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 22 different labour codes worldwide, all coordinated by MAG HQ.

MAG currently employs 111 international staff who are deployed to our country programmes to provide technical and management oversight to operations and activities.

43 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.

In April 2016, MAG conducted its third biennial staff survey with a response rate of 89%. The results show that overall, an enormous amount of progress has been made in every area over the last 4 years with 98% of staff in all categories agreeing that they are proud to work for MAG.

The HQ HR Team provide a strategic service to MAG HQ and the country programmes. Part of this involves

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2016**

supporting the development of in-country HR teams. The 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 the standard of staff management and development taking place.

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

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

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

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2016**

5. DECLARATION OF INTERESTS

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

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

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

Thanks

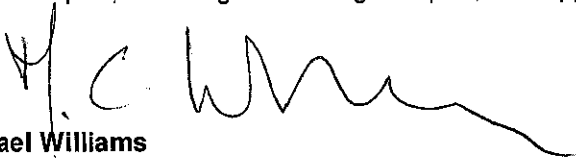
We are very grateful to all our donors for their continued and new support. The following organisations and supporters provided grants and/or contracts that contributed to MAG's success in the last year:

Act for Peace; Actiefonds Minjnen Ruimen (AMR); Altadis Foundation; Government of Australia (AusAID); Bridge Insurance Brokers Limited; Caerus Foundation; Government of Canada (DFATD); Government of the Netherlands (Ministry of Foreign Affairs); ECHO; European Commission; Fibertek; Finn Church Aid; The Fulmer Trust; Government of Germany; Good Gifts; Guernsey Overseas Aid Commission (GOAC); The Harris Family Trust; The Highfields Trust; The Hilda and Preston Davis Foundation; Hind Al Adwani; The Hodgeson Family Trust; International Organisation for Migration (IOM); Government of the Republic of Ireland (Irish Aid); Isle of Man Government; Government of Japan; ITC Supporting Comity; Kirby Laing Foundation; MAG America; The Michael and Harriet Maunsell Charitable Trust; Government of Norway (Ministry of Foreign Affairs); The Rhododendron Trust; BE Rodmell Trust; The Paragon Trust; Sida; Government of Spain; The Stephen and Joanne Vaughan Charitable Trust; Sterling International; Stichting Vluchteling; Government of Switzerland; Government of UK (Department for International Development; Foreign & Commonwealth Office); UNDP; UNOPS; UNSCAR; Unicorn Grocery Limited; 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



Lord Michael Williams
Chair of the Board of Trustees
Date

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

We have audited the financial statements of Mines Advisory Group for the year ended 30 June 2016, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

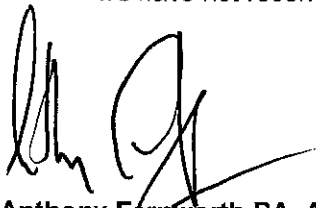
In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Matters on which we are required to report by exception

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

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



Anthony Farnworth BA, ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

28 November 2016

MINES ADVISORY GROUP
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year ended 30 June 2016

FUNDS:	Notes	2016 Unrestricted £'000	2016 Restricted £'000	2016 Total Funds £'000	2015 Unrestricted (restated) £'000	2015 Restricted (restated) £'000	2015 Total Funds (restated) £'000
INCOME FROM:							
Charitable activities	5	-	35,884	35,884	-	30,540	30,540
Donations and legacies	6	327	27	354	301	15	316
Other trading activities	7	158	13	171	153	11	164
Investments	8	7	10	17	17	-	17
Other income	9	60	91	151	139	156	295
TOTAL INCOME		552	36,025	36,577	610	30,722	31,332
EXPENDITURE ON:							
Raising funds	10	255	-	255	304	-	304
Charitable activities	10	5,135	32,192	37,327	3,383	27,416	30,799
TOTAL EXPENDITURE		5,390	32,192	37,582	3,687	27,416	31,103
NET INCOME/(EXPENDITURE)							
Transfer between funds	16	(4,838)	3,833	(1,005)	(3,077)	3,306	229
		3,926	(3,926)	-	3,267	(3,267)	-
NET MOVEMENT IN FUNDS		(912)	(93)	(1,005)	190	39	229
RECONCILIATION OF FUNDS:							
Total funds brought forward as previously reported	26	3,302	219	3,521	3,300	180	3,480
Prior year adjustment	26	149	-	149	(39)	-	(39)
Total funds brought forward as restated	16	3,451	219	3,670	3,261	180	3,441
Net movement in funds for the year		(912)	(93)	(1,005)	190	39	229
Total funds carried forward	16	2,539	126	2,665	3,451	219	3,670

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.

See note 26 for details of prior year restatements as a consequence of adopting FRS 102.

The notes on pages 19 to 34 form part of these accounts.

MINES ADVISORY GROUP
BALANCE SHEET
As at 30 June 2016
Company registration number: 4016409

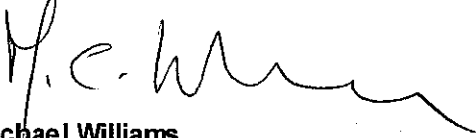
	Note	2016 £'000	2015 (restated) £'000
FIXED ASSETS			
Tangible assets	13	338	199
CURRENT ASSETS			
Debtors within one year	14	5,544	4,039
Cash at bank and in hand		9,340	7,391
		<u>14,884</u>	<u>11,430</u>
CURRENT LIABILITIES			
Amounts falling due within one year	15	<u>(12,557)</u>	<u>(7,959)</u>
NET CURRENT ASSETS		2,327	3,471
NET ASSETS		<u><u>2,665</u></u>	<u><u>3,670</u></u>
FUNDS			
Unrestricted funds	16	2,539	3,451
Restricted funds	16	126	219
TOTAL FUNDS	17	<u><u>2,665</u></u>	<u><u>3,670</u></u>

See note 26 for details of prior year restatements as a consequence of adopting FRS 102.

The notes on pages 19 to 33 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 11/11/16.

Signed on behalf of the Board of Trustees



Lord Michael Williams
Chair

MINES ADVISORY GROUP
CASH FLOW STATEMENT
For the year ended 30 June 2016

	Note	2016 £'000	2015 (restated) £'000
Net cash flows from operating activities		4,443	67
Cash flows from investing activities			
Interest received		17	17
Purchase of plant and equipment		(3,339)	(1,227)
Net cash flows from investing activities		(3,322)	(1,210)
Net increase/(decrease) in cash and cash equivalents		1,121	(1,143)
Cash and cash equivalents at beginning of year		7,391	8,167
Change in cash and cash equivalents due to exchange rate movements		828	367
Cash and cash equivalents at end of year		9,340	7,391
Analysis of cash and cash equivalents			
Cash in hand		223	308
Bank accounts and Notice deposits (less than 3 months)		9,117	7,083
Overdraft facility repayable on demand			
Total cash and cash equivalents		9,340	7,391
Reconciliation of net income/(expenditure) to cash generated by operations:			
Net (outflow)/ income for the year		(1,005)	229
Adjustments for:			
Interest receivable		(17)	(17)
(Increase) in cash and cash equivalents due to exchange rate movements		(828)	(367)
Depreciation charges		3,200	1,245
Operating cash flows before movement in working capital		1,350	1,090
(Increase)/decrease in debtors		(1,505)	1,765
Increase/(decrease) in creditors		4,598	(2,788)
Cash generated by operations		4,443	67

See note 26 for details of prior year restatements as a consequence of adopting FRS 102.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

1. LEGAL STATUS OF THE CHARITY

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.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. The transition date was 1 July 2014. For more information, see note 26.

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 2017 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.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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

Charitable activities include direct costs, salaries and overhead costs of assisting communities affected by conflict overseas. Costs of 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 the 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 transition provisions.

3.6 Foreign currencies

The functional currency of the charity is considered to be sterling because that is the currency of the primary 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.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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

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 profit or loss, 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.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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.

Other employee benefits are measured at estimated liability. In making the transition to FRS 102, the opening fund balances at the date of transition have been restated (see note 26) to reflect the accrual for holiday pay. The transition date was 1 July 2014.

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. 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 2016

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.

	2016	2015
	£'000	£'000
Australian Department of Foreign Affairs and Trade	110	493
Canadian Department of Foreign Affairs, Trade and Development	1,330	678
Department for International Development	2,724	1,675
Dutch Ministry of Foreign Affairs	2,598	4,802
European Commission	2,265	2,834
Fibertek	592	602
Finn Church Aid Foundation	110	295
French Ministry of Foreign Affairs	284	-
Foreign and Commonwealth Office	112	1,210
German Federal Foreign Office	2,071	1,637
Guernsey Overseas Aid Commission	-	28
Iraqi Kurdistan Mine Action Agency	212	110
Irish Aid Department of Foreign Affairs and Trade	143	256
Japanese Ministry of Foreign Affairs	1,495	825
Lebanese Mine Action Centre	64	84
MAG America	16,324	9,822
Norwegian Ministry of Foreign Affairs	855	1,153
Roots of Peace	52	94
Swedish International Development Cooperation Agency	645	810
Swiss Federal Department of Foreign Affairs	-	72
Stichting Vluchteling	56	351
United Nations Office for the Coordination of Humanitarian Affairs (OCHA)	22	-
United Nations Office for Project Services (UNOPS)	2,898	1,323
United Nations Development Programme (UNDP)	104	289
United Nations Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR)	47	29
World Vision	138	584
Trusts & Foundations	598	347
Miscellaneous Donors	35	137
	35,884	30,540

Of the £16.3m from MAG America, £15.4m (2015: £9.7m out of £9.8m) had the U.S. Department of State's Office of Weapons Removal and Abatement as the back donor.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

6 ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds (restated)	Restricted Funds (restated)	Total Funds (restated)
	2016 £'000	2016 £'000	2016 £'000	2015 £'000	2015 £'000	2015 £'000
Public Donations, Appeals & Fundraising	172	22	194	133	13	146
Regular Giving (including gift aid)	123	2	125	112	2	114
Donations from Trusts, Foundations and Legacies	9	3	12	27	-	27
	23	-	23	29	-	29
	327	27	354	301	15	316

7 ANALYSIS OF INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds (restated)	Restricted Funds (restated)	Total Funds (restated)
	2016 £'000	2016 £'000	2016 £'000	2015 £'000	2015 £'000	2015 £'000
Fundraising activities	154	-	154	148	-	148
Merchandise	4	13	17	5	11	16
	158	13	171	153	11	164

8 ANALYSIS OF INCOME FROM INVESTMENTS

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds (restated)	Restricted Funds (restated)	Total Funds (restated)
	2016 £'000	2016 £'000	2016 £'000	2015 £'000	2015 £'000	2015 £'000
Bank interest received	7	10	17	17	-	17

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

9 ANALYSIS OF OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds (restated)	Restricted Funds (restated)	Total Funds (restated)
	2016 £'000	2016 £'000	2016 £'000	2015 £'000	2015 £'000	2015 £'000
Insurance claims	52	51	103	106	34	140
Other income	8	40	48	33	122	155
	60	91	151	139	156	295

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 £132k (2015: £133k), being management salaries attributable to the governance of the charity, trustee expenses, audit fees and other professional fees.

Activities undertaken directly:

Overseas programmes - restricted

Overseas programmes - unrestricted

Total direct activity expenditure

Support costs:

Staff related costs including travel

Premises, IT & Communications

Fundraising Events & Advertising

Professional fees & other costs

Exchange loss / (gain)

Total support costs - unrestricted

Total Expenditure

	Raising funds	Charitable activities	Total	Raising funds (restated)	Charitable activities (restated)	Total (restated)
	2016 £'000	2016 £'000	2016 £'000	2015 £'000	2015 £'000	2015 £'000
Overseas programmes - restricted	-	32,192	32,192	-	27,416	27,416
Overseas programmes - unrestricted	-	568	568	-	418	418
Total direct activity expenditure	-	32,760	32,760	-	27,834	27,834
Support costs:						
Staff related costs including travel	105	2,599	2,704	174	2,814	2,988
Premises, IT & Communications	89	404	493	64	395	459
Fundraising Events & Advertising	55	0	55	58	-	58
Professional fees & other costs	6	1,037	1,043	8	547	555
Exchange loss / (gain)	-	527	527	-	(791)	(791)
Total support costs - unrestricted	255	4,567	4,822	304	2,965	3,269
Total Expenditure	255	37,327	37,582	304	30,799	31,103

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

11 NET INCOME/(EXPENDITURE) FOR THE YEAR

Net income is stated after charging:

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets owned by the charity	3,200	1,245
Foreign exchange loss/(gain)	527	(601)
Rentals under operating leases	862	812
Auditor's remuneration:		-
- Fees payable to the charity's auditor for the audit of the charity's financial statements	50	57
- Fees payable to the charity's auditor for other services:		-
- Grant certification services	22	87
- Taxation services	19	6

12 ANALYSIS OF STAFF AND TRUSTEE COSTS

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

	2016 No.	2015 No.
UK employees:		
Overseas projects	98	96
Programme support and administration	42	53
Fund-raising information and education	4	5
Overseas national employees	2,403	2,004
	2,547	2,158

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)	6,684	7,187
Salaries and wages - Overseas national employees	11,255	9,894
Social security costs	261	215
Pension contribution	89	106
	18,289	17,402

There are no payments to temporary staff (2015: nil) which are not included in the notes outlined above.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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

	2016			2015		
	UK	Int'l	Total	UK	Int'l	Total
between £60,000 and £70,000 per annum:	7	13	20	8	9	17
between £70,000 and £80,000 per annum:	0	11	11	0	9	9
between £80,000 and £90,000 per annum:	0	2	2	0	5	5
between £100,000 and £110,000 per annum:	1	0	1	1	0	1

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions and excluding social security costs) of the key management personnel for the year totalled £472k (2015: £526k).

The total social security costs of the key management personnel of the charity for the year totalled £50k (2015: £55k).

13 TANGIBLE FIXED ASSETS

	Field Assets	Equipment Fixtures & Fittings	Total
	£'000	£'000	£'000
Cost			
at 1 July 2015	18,559	319	18,878
Additions	3,297	42	3,339
Disposals	(9,263)	-	(9,263)
At 30 June 2016	12,593	361	12,954
Depreciation			
At 1 July 2015	18,491	188	18,679
Charge for the year	3,151	49	3,200
Disposals	(9,263)	-	(9,263)
At 30 June 2016	12,379	237	12,616
Net Book Value			
At 30 June 2016	214	124	338
Net Book Value			
At 30 June 2015	68	131	199

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 2016

14 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015 (restated)
	£'000	£'000
Trade debtors	1,569	2,007
Prepayments and accrued income	3,779	1,592
Derivative financial instruments (see note 20)	-	206
Other debtors	196	234
	<u>5,544</u>	<u>4,039</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015 (restated)
	£'000	£'000
Trade creditors	355	370
Deferred income (see note below)	10,193	5,830
Grants repayable	127	216
Other taxation and social security	83	111
Derivative financial instruments (see note 20)	381	-
Accruals	378	605
Other creditors	1,040	827
	<u>12,557</u>	<u>7,959</u>

Deferred income

	2016	2015
	£'000	£'000
Balance as at start of period	5,830	8,537
Amount released to income resources	(5,830)	(8,537)
Amount deferred in the year	10,193	5,830
Balance as at end of period	<u>10,193</u>	<u>5,830</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 2016

16 MOVEMENTS IN FUNDS

	1 July 2015 (restated)	Income	Expenditure	Transfers	30 June 2016
	£'000	£'000	£'000	£'000	£'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)	-
DRC	-	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 2016

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Totals 2016 £'000	Totals 2015 £'000
Tangible fixed assets	338	-	338	199
Net current assets	2,201	126	2,327	3,471
As at 30 June 2016	<u>2,539</u>	<u>126</u>	<u>2,665</u>	<u>3,670</u>

18 OPERATING LEASE COMMITMENTS

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

	2016			2015		
Leases which expire:	Within one year £'000	2-5 years £'000	Over 5 years £'000	Within one year £'000	2-5 years £'000	Over 5 years
Land and buildings	166	452	-	233	510	-
Other	4	2	-	4	5	-

19 FINANCIAL INSTRUMENTS

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

	2016 £'000	2015 £'000
Financial Assets		
Measured at undiscounted amount receivable		
Trade and other debtors (see note 14)	5,925	3,833
Cash at bank and in hand	9,340	7,391
Measured at fair value		
Derivative financial (liabilities)/assets (see note 20)	(381)	206
	<u>14,884</u>	<u>11,430</u>
Financial liabilities		
Measured at undiscounted amount receivable		
Trade and other creditors (see note 15)	(12,176)	(7,959)
	<u>(12,176)</u>	<u>(7,959)</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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 2016, MAG has two forward exchange contracts which mature in July 2017 and November 2017; all other forward exchange contracts mature within 12 months

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

The following table details the forward foreign currency contracts outstanding as at the year end:

	Average contractual exchange rate		Notional Value		Fair Value	
	2016	2015	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Outstanding contracts						
Selling EUR to purchase GBP	1.33	1.26	2,263	794	(267)	77
Selling EUR to purchase USD	1.16	1.26	1,731	1,203	66	129
Selling SEK to purchase GBP	13.29	12.99	752	577	(147)	(2)
Selling NOK to purchase GBP	11.28	-	1,773	-	(26)	-
Selling CAD to purchase GBP	2.00	-	64	-	(7)	-
Selling CAD to purchase USD	-	1.25	-	255	-	2
			6,583	2,829	(381)	206

Losses of £587k (2015: gains of £190k) have been recognised in the Statement of Financial Activities.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

21 DONOR SPECIFIC NOTES

21.1 Netherlands Ministry of Foreign Affairs

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

	1 July 2015	Incoming resources	Resources Expended	Transfers	30 June 2016
	\$	\$	\$	\$	\$
Democratic Republic of Congo	-	956,977	(875,391)	(81,586)	-
Iraq	-	1,133,463	(961,180)	(172,283)	-
Lebanon	-	643,505	(551,675)	(91,830)	-
Libya	-	-	-	-	-
South Sudan	-	448	(448)	-	-
United Kingdom	-	50,139	(43,049)	(7,091)	-
	-	<u>2,784,532</u>	<u>(2,431,743)</u>	<u>(352,789)</u>	-
2014/15 funding	-	<u>6,615,490</u>	<u>(5,857,035)</u>	<u>(758,455)</u>	-

21.2 British Foreign and Commonwealth Office

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

	1 July 2015	Incoming resources	Resources Expended	Transfers	30 June 2016
	£	£	£	£	£
Democratic Republic of Congo	-	101,775	(90,871)	(10,904)	-
Libya	-	9,880	(8,982)	(898)	-
	-	<u>111,655</u>	<u>(99,853)</u>	<u>(11,802)</u>	-
2014/15 funding	-	<u>1,209,875</u>	<u>(1,070,366)</u>	<u>(139,509)</u>	-

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 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 £89k (2015: £106k).

23 RELATED PARTIES

Trustees:

Expenses reimbursed to 13 Trustees during the period amounted to £14k (2015: 10 Trustees - £12k). Of this, £4k (2015: £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 2016 and 2015, Trustees were covered by the overall company indemnity insurance, and as such their costs have not been split out.

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 £1,643 (2015: £365).

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

Matthew Sherrington is a Director of Inspiring Action Consultancy. During the year the charity contracted no consultancy services from Inspiring Action Consultancy (2015 £6k).

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. In the year ended 30 June 2016, ERS reported a loss of £2k (2015: £5k) and the aggregate amount of share capital and reserves at 30 June 2016 is £(22k) (30 June 2015: £(20k)). MAG provides financial support to ERS by way of a loan; as at 30 June 2016 the balance outstanding was £37k (2015: £35k).

24 CONTINGENT LIABILITIES

At the date of signature, there are no contingent liabilities to report (2015: NIL)

25 POST BALANCE SHEET EVENTS

At the date of signature, there are no post balance sheet events to report (2015: £nil)

26 EXPLANATION OF TRANSITION TO FRS 102

This is the first year that MAG has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition.

The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2014.

As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

- Governance costs: these have been re-classified within support costs relating to MAG's charitable activities (see note 10).
- Holiday pay: a liability is now recognised for paid annual leave which was due but not taken at the balance sheet date for any employee not funded within a programme. (The holiday pay liability of any employee funded within a programme would be offset in full by the funding of that programme and the net impact on MAG's Statement of Financial Activities and Balance Sheet would be zero.)

The impact of the restatement of recognised holiday pay is an increase of £2k in employee costs in the 2014/15 financial year. A liability of £55k is recognised at 1 July 2014 and £57k at 30 June 2015 within accruals (see note 15).

- Derivative financial instruments: forward foreign currency contracts are now recognised at fair value at the balance sheet date with changes in fair value recognised in the Statement of Financial Activities.

Previously forward foreign exchange contracts were not recognised in the Statement of Financial Activities but were disclosed as a note to the financial statements. The impact of the recognising forward exchange contracts at fair value is a gain on derivatives of £190k in the 2014/15 financial year. An asset of £16k is recognised at 1 July 2014 and £206k at 30 June 2015 (see note 14).

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

In the financial statements for the year ended 30 June 2015, foreign exchange gains were reflected as income within "Other Income".

In these financial statements, foreign exchange losses have been reflected as expenditure within Support Costs. The re-stated comparative gain for 2014/15 of £791k has been included as negative expenditure under Support costs (see note 10).

Reconciliation of funds:

	Unrestricted Funds		Restricted Funds	
	at 1 July 2014 £'000	at 30 June 2015 £'000	at 1 July 2014 £'000	at 30 June 2015 £'000
Funds as previously reported	3,300	3,302	180	219
Adjustment for holiday pay	(55)	(57)	-	-
Adjustment for forward foreign currency contracts	16	206	-	-
	(39)	149	-	-
Fund balances as restated	3,261	3,451	180	219

Reconciliation of surplus for the year ended 30 June 2015

	£'000
Surplus for the financial year under previous UK GAAP	41
Adjustment for holiday pay liability	(2)
Adjustment for gain on forward foreign currency contracts	190
Surplus for the financial year under FRS 102	229

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 2016

Statement of Financial Activities (including income and expenditure account)

for the year ended 30 June 2016

	2016		2016		2016		2015		2015	
	FUNDS:		Unrestricted	Restricted	Total Funds		Unrestricted (restated)	Restricted (restated)	Total Funds (restated)	
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
INCOME FROM:										
Charitable activities	-	53,501	53,501				-	48,398	48,398	
Donations and legacies	488	40	528				477	24	501	
Other trading activities	236	19	255				242	17	259	
Investments	10	15	25				27	-	27	
Other income	89	136	225				220	247	467	
TOTAL INCOME	823	53,711	54,534				966	48,686	49,652	
EXPENDITURE ON:										
Raising funds	380	-	380				482	-	482	
Charitable activities	7,656	47,997	55,653				5,361	43,447	48,808	
TOTAL EXPENDITURE	8,036	47,997	56,033				5,843	43,447	49,290	
NET INCOME/(EXPENDITURE)	(7,213)	5,715	(1,498)				(4,877)	5,239	362	
Transfer between funds	5,853	(5,853)	-				5,178	(5,178)	-	
NET MOVEMENT IN FUNDS	(1,360)	(139)	(1,498)				301	61	362	
RECONCILIATION OF FUNDS:										
Total funds brought forward as previously reported	5,361	406	5,767				5,187	345	5,532	
Movement in Foreign Exchange	(911)	-	(911)				(66)	-	(66)	
Prior year adjustment	222	-	222				(62)	-	(62)	
Total funds brought forward as adjusted	4,672	406	5,078				5,060	345	5,405	
Net movement in funds for the year	(1,360)	(139)	(1,498)				301	61	362	
Total funds carried forward	3,312	267	3,580				5,361	406	5,767	

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2016

Balance Sheet as at 30 June 2016

	2016		2015	
	\$'000	\$'000	(restated) \$'000	(restated) \$'000
FIXED ASSETS				
Tangible assets		454		313
CURRENT ASSETS				
Debtors	7,448		6,346	
Cash at bank and in hand	12,547		11,613	
	<u>19,995</u>		<u>17,960</u>	
CURRENT LIABILITIES				
Amounts falling due within one year	<u>(16,869)</u>		<u>(12,506)</u>	
NET CURRENT ASSETS		3,126		5,454
NET ASSETS		<u>3,580</u>		<u>5,767</u>
FUNDS				
Unrestricted funds	3,312		5,361	
Restricted funds	267		406	
TOTAL FUNDS	<u>3,580</u>		<u>5,767</u>	

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2015

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 2015

Statement of Financial Activities (including income and expenditure account)
for the year ended 30 June 2016

	2016		2016		2016		2015		2015	
FUNDS:	Unrestricted	Restricted	Total Funds	Unrestricted (restated)	Restricted (restated)	Total Funds	Unrestricted (restated)	Restricted (restated)	Total Funds (restated)	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
INCOME FROM:										
Charitable activities	-	48,391	48,391	-	40,040	40,040	-	40,040	40,040	
Donations and legacies	441	36	477	395	20	415	395	20	415	
Other trading activities	213	18	231	201	14	215	201	14	215	
Investments	9	13	23	22	-	22	22	-	22	
Other income	81	123	204	182	205	387	182	205	387	
TOTAL INCOME	744	48,581	49,326	800	40,279	41,079	800	40,279	41,079	
EXPENDITURE ON:										
Raising funds	344	-	344	399	-	399	399	-	399	
Charitable activities	6,925	43,412	50,337	4,435	35,944	40,379	4,435	35,944	40,379	
TOTAL EXPENDITURE	7,269	43,412	50,681	4,834	35,944	40,778	4,834	35,944	40,778	
NET INCOME/(EXPENDITURE)	(6,524)	5,169	(1,355)	(4,034)	4,335	301	(4,034)	4,335	301	
Transfer between funds	5,294	(5,294)	-	4,283	(4,283)	-	4,283	(4,283)	-	
NET MOVEMENT IN FUNDS	(1,230)	(125)	(1,355)	249	52	301	249	52	301	
RECONCILIATION OF FUNDS:										
Total funds brought forward as previously reported	4,864	316	5,180	4,705	264	4,969	4,705	264	4,969	
Movement in Foreign Exchange	(265)	-	(265)	(39)	-	(39)	(39)	-	(39)	
Prior year adjustment	201	-	201	(51)	-	(51)	(51)	-	(51)	
Total funds brought forward as adjusted	4,801	316	5,116	4,615	264	4,879	4,615	264	4,879	
Net movement in funds for the year	(1,230)	(125)	(1,355)	249	52	301	249	52	301	
Total funds carried forward	3,571	190	3,761	4,864	316	5,180	4,864	316	5,180	

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2015

Balance Sheet as at 30 June 2016

	2016		2015	
	€'000	€'000	(restated) €'000	(restated) €'000
FIXED ASSETS				
Tangible assets		477		281
CURRENT ASSETS				
Debtors	7,825		5,701	
Cash at bank and in hand	13,182		10,432	
	<u>21,007</u>		<u>16,132</u>	
CURRENT LIABILITIES				
Amounts falling due within one year	<u>(17,723)</u>		<u>(11,233)</u>	
NET CURRENT ASSETS		3,284		4,899
NET ASSETS		<u>3,761</u>		<u>5,180</u>
FUNDS				
Unrestricted funds	3,571		4,864	
Restricted funds	190		316	
TOTAL FUNDS	<u>3,761</u>		<u>5,180</u>	