



Mines Advisory Group

Company No. 4016409

Registered Charity No. 1083008

Financial statements for the
year ended 30 June 2007

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



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CHARITY INFORMATION

Trustees and Board of Directors:

Michael H. Taylor (Chair)
John Fairhurst (Treasurer)
Elizabeth Marsh
Lord Thomas of Macclesfield
Dr Steve Wright
Sarah Manning
William Cooke

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Lou McGrath

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Company Number:

4016409

Registered Charity Number:

1083008

LETTER FROM THE CHAIR AND EXECUTIVE DIRECTOR

The information contained in this report tells the story of MAG's success in achieving its charitable objectives. There is no doubt that the work undertaken over the last year has, like previous years, saved countless numbers of people from becoming another statistic amongst the many thousands of people who are killed and maimed each year by the explosive remnants of armed conflict. But it is not only lives and limbs we have saved. We have been able to return dignity to people who have had to live with the trauma of war and give them the possibility and opportunity to move on from the restrictions that landmines and unexploded munitions may have imposed on their lives.

Our strategy over the past three years has also been to play a preventative role. By working alongside all parties who have been involved in a particular armed conflict and those, such as the UN, whose role it is to help create peaceful solutions to a war or conflict. It is a fact that wars create stockpiles of weapons and munitions that find their way across borders and help fuel new conflicts. MAG's role has been to destroy the rifles and guns of demobilised soldiers and the stockpiles of excess arms and munitions, thus putting them beyond use. This has included portable surface to air missiles that today are recognised as a major threat to all civilian aircraft. We are grateful to those who have supported us in further developing this vital work.

Through its Community Liaison teams, MAG ensures consideration is given to the needs of all those affected, and works with them to make sure we understand their priorities. Recognising that ownership of the problem belongs to those whose future is dependant on the outcomes is key to MAG's planning process. Moving from an emergency phase it is then the development goals of the country and its communities that we seek to assist in addressing.


MAG is operational in more countries and carries out a larger number of assessment missions than any organisation undertaking the same type of clearance work. By multi-skilling staff MAG does not require the huge numbers of personnel that similar organisations often have. This also allows greater flexibility by using larger or smaller teams depending on the particular problem. We are also unique in that we not only employ and train women to undertake landmine clearance and explosive ordnance disposal, but also those who have lost a limb through a landmine accident. Often these are the people who are marginalised when it comes to employment. However, when prosthesis are provided for those disabled and if given the proper training, MAG is then able to increase opportunities for these people.

MAG's ability to respond to the most recent bombing in Lebanon is an indication of the number of lives that can be saved when there is commitment to support an emergency response. MAG teams were on the ground the day after the bombing stopped and the ceasefire announced. The clearance of cluster munitions from streets and houses and provision of warnings about the dangers to the returning population helped reduce casualties from an early stage. We were thankful for the flexibility and support from several donors that enabled our quick response.

In order for MAG to continue to expand its operational work while remaining cost effective we are further developing *quality management systems*. By *creating and formalising systems and processes that are simple, efficient and functional* MAG will be able to continue its operational growth while keeping our human resources at a reasonable level.

This report is a measure of the hard work and commitment of all MAG staff throughout the year. We are proud to be working with them and to be part of an organisation whose employees have the determination to fulfil our charitable objectives.

Finally we would like to thank all our donors and supporters who have made all the clearance we have undertaken possible. Without the financial support that all of you provide us with none of this work could have been achieved. Thank you.



Michael H. Taylor
Chair



Lou McGrath OBE
Executive Director

ACTIVITIES REPORT

Some measure performance in staff numbers, or the amount of mines and ordnance removed from a given area. While these are useful indicators, they do not show the complete picture. That is why MAG chooses to explain its impact in photographs and by telling the story of the long-term benefits achieved for the communities we serve. In the range of work MAG undertakes there is one single thing that links all our activities: and that is people. People who rely on our skills to live and work without fear of death or injury. People who have already suffered through conflict yet are still denied access to basic needs. People who wish for a better future for their children. Counting mines cleared, munitions or rifles destroyed is one thing, but the number of people whose circumstances we have changed and improved for the better is the most rewarding and illustrates the lasting impact our work can have. In the short reports that follow, we include several case studies to highlight some of the achievements of MAG's teams this past year.

During this year, MAG operated in Angola, Cambodia, Chad, Cyprus, Democratic Republic of Congo, Iraq, Lao PDR, Lebanon, Nepal, Somaliland, Sri Lanka, Sudan, and Vietnam.

Angola

In Angola MAG is operating in areas that are traditional migration routes receiving large numbers of returning refugees from neighbouring Zambia and DRC. In collaboration with the UN's High Commission for Refugees and World Food Programme, operations have been vital to the safety of these moving populations. MAG's operations were made up of 12 clearance teams, 4 Rapid Response Teams, 5 Community Liaison teams, 4 Mechanical Clearance Teams and a Road Operations Unit. During the year MAG completed its part in the national Landmine Impact Survey (LIS) in Lunda Sul and Moxico, assisting the national government body, National Inter-Sectoral Commission for Demining and Humanitarian Assistance (CNIDAH), and other operators to target clearance resources to priority areas. MAG's teams cleared tens of thousands of square metres of contaminated land, providing land for residents and safe access for national and international development agencies.

250km of road opened by MAG

"A wonderful day for the whole of Angola," was the way Antonio Lemos, MAG's Information Officer, described the completion of MAG's historical road and bridge project in the east of the country. It is now possible, for the first time in decades, to travel safely on 250km of primary road running deep into the interior of Moxico Province. With diverse partners including local authorities, international NGOs, the UN and European Governments, MAG has played an integral role in an \$8 million international project, which included opening corridors into Angola's three neighbouring countries - DR Congo, Namibia and Zambia - and resulted in the construction of more than thirty bridges.

During the twenty-seven year conflict, a significant number of bridges were destroyed throughout the region. Furthermore, the road itself was considered highly dangerous with numerous landmines, munitions and other explosive Remnants of Conflict scattered along it. Landmines once littered the road and bridge sites meaning that they had to be painstakingly cleared before construction could take place. Only once the area was considered safe could MAG's partners, the Swedish Rescue Services Agency (SRSA) and the World Food Programme (WFP) proceed to construct the bridges.

These roads and bridges are crucial to the development of a country that, until recently, was ravaged by conflict. The threat of injury, or even death, as a result of making even the shortest of journeys, meant that many people were excluded from basic social amenities and access to other regions. This hindered both trade and general social and economic growth. Thanks to MAG's contribution, the road is now fully open, meaning that conditions and the potential for sustainable development will dramatically improve for many communities in one of the poorest and most remote corners of Africa.



Cambodia

MAG's Explosive Ordnance Disposal (EOD) productivity rose by 14 percent as teams prioritised the clearance of UXO on the Vietnam border, the site of heavy bombing of the Ho Chi Minh trail, according to bombing data and high casualty figures. Operations were made up of 21 Mine Action Teams, 3 mine detection dog teams, 1 technical survey team, 7 Community Liaison teams, 6 mapping teams, 8 scrub-cutting teams and 5 EOD teams. Within those teams 36 percent of employees are women and 7 percent are amputee deminers. Technology trials of a Maxx + mini-excavator, a new Mk VI tracked Tempest vegetation cutter and the HSTAMIDS hand-held multi-sensor mine detector system also took place. The teams cleared 4,183,890sq/m of dangerous or suspect land during the year and this is now used for resettlement, agriculture, road building, schools and other social services.

Hope and safety

Kheun Sokhon lives in the village of Ou Chheu Krom. Between 1979 and 1998 the area was a battlefield, heavily mined by the Khmer Rouge, Vietnamese troops and the soldiers of the Cambodian government. Kheun's life has been a struggle, not only because, like the other villagers, she lives surrounded by the daily threat, but because she's an amputee having lost her right leg when she stepped on a landmine four years ago while working as a casual labourer in Thailand.

"Being disabled makes things difficult, sometimes I feel just like an animal," she said, describing her life in the village. She has a young child and, until recently, struggled to get any kind of employment. But now she works as a locality deminer for MAG. She was delighted to have this opportunity, but understandably afraid at the thought of clearing mines and unexploded ordnance (UXO). Her fears disappeared however over the course of her training. She was also very happy that when training was complete she passed all the tests with a very high score. Because she could not read or write, she listened to the trainer very carefully and tried hard to remember what she had learned. Coming second overall in a group of nearly fifty deminers, many of whom had been to school, was a remarkable achievement.

Sokhon thanked MAG for her job as a locality deminer - an innovation developed by MAG that provides training to local people, giving them the skills to clear mines from their communities and use the salaries to support their families. Sokhon hopes that her salary, along with the income from her brothers and from the corn her parents produce, will enable them to one day buy a small piece of land that they can live on themselves - at the moment they live on land rented from somebody else. Sokhon's final comments reflect her hope for the community and for the safety of her own child: "I hope that after MAG has cleared this area, the people will have a better and safer road to their houses, and that my child will walk safely here without fear of danger."



Kheun Sokhon at work

Chad

MAG carried out a programme of well clearance, creating safe access for nomadic populations, completed in January 2007. Overall, nearly 10 million sq/m of land was cleared or marked and more than 9,000 landmines and other remnants of conflict removed. There is a plan to return to Chad in 2008 to provide further support to the national agency, CND (Commissariat National de Déminage).

Cyprus

The minefields in the 180km long buffer zone are being cleared by a private agency contracted by the United Nations. MAG has carried out the Quality Assurance role since the start of operations in October 2004. The project, in four phases, is currently in its second phase, which involves the clearance of all minefields laid by Turkish forces, and minefields of unknown origin.

DR Congo

Operations consist of up to four mine clearance / EOD teams, a mobile rapid response team, two Small Arms/Light Weapons (SALW) destruction teams and three Community Liaison teams. Mine clearance and Explosive Ordnance Disposal teams cleared more than 200,000sq/m benefitting more than 100,000 people in the process. It should be noted that the areas cleared are not large, 'traditional' minefields and represents nearly 2,000 tasks, or call-outs to deal with dangerous items. A key developing aspect of operations involves MAG's work with the national army to collect, sort and destroy excess SALW.

Innovative SALW project

This year, in collaboration with the government of the DRC, its armed forces and the United Nations, MAG initiated a project to ensure the safe storage of ordnance and the destruction of surplus weaponry, and unstable or degraded ammunition. The project promotes the security and safety of the local population and eliminates the risk of the weapons being used again or stolen and passed on to fuel conflict elsewhere. It is part of a drive, supported by President Kabila, to increase security in the provinces by decreasing the number of arms depots subject to theft and accident.

MAG is responsible for nationwide weapons destruction in several military regions across the country and is currently basing its operations in Kinshasa, Mbandaka (Equateur province) and Lubumbashi (Katanga province). Next year will see increased MAG SALW operations as funding becomes available. Weapons collected during the ongoing DDR programme (Disarmament, Demobilisation, Reintegration) are transported to a central location and then destroyed using hydraulic shears.



Weapons collected during the ongoing DDR programme are transported to a central location and then destroyed by the MAG team using special shears

During the first four operational months of the project in 2007, MAG destroyed more than 23,250 weapons and 42,000 items of ammunition from four weapons stockpiles.

Iraq

MAG trained 44 members of an Iraqi Army Engineers unit from Tikrit in basic demining and Explosive Ordnance Disposal. Successful applicants formed clearance teams, which continue to operate semi-autonomously with MAG providing refresher training and supervisor and technical guidance. MAG also provided a 6-month Ordnance Recognition and Disposal Program in Dohuk for 23 members of the Dohuk Civil Defence unit. The course educated regional authorities to EOD level 3. A total of 549 local personnel made up 21 clearance teams and several mechanical and dog teams supported by a comprehensive Community Liaison programme. This includes a Mine Risk Education component that is used in government ministries and forms part of the school curriculum. Clearance figures remained significant this year with some 3.8 sq/km of land now safe to use for agriculture and refugee/IDP resettlement with a further 7.5 sq/km marked as dangerous or suspect. MAG is planning to start Small Arms/Light Weapons projects in the coming year.

Saving Darband village

Since the early nineties MAG has cleared seven of the thirteen mined areas in and around Darband village. The teams have not been working here all the time; they cleared the initial high priorities before returning recently as population growth and the need for more agricultural land and irrigation channels made previously 'low' priority areas high priority. Abula Khan the village mayor explains: "We first returned here in late 1991 and found our village destroyed and the ground covered in mines. We tried to start our lives again but nearly 70 people have been killed or injured by mines and we have lost hundreds of animals. It was like living in a prison. We cleared small areas ourselves to build houses but that's it. Most people didn't come home. They stayed in the collective towns. When MAG came here we could start our lives again. Originally 30 families came back. Now there are 84. We are very grateful. MAG are true liberators." He pauses, indicating all the houses and fruit-laden trees nearby. "This is all possible because of what MAG has done. Otherwise it would all be barren. We have to have animals to survive. We can now grow food and can access trees for firewood."



The village Mayor Abdullah Khan and Mula (religious leader) Kadar Abdulla Mala next to one of the villages new irrigation canals

The village now grows barley, wheat, lentils, chickpeas, cucumbers and fruit all on safe land. They also have sheep, goats, chickens and cows. Roads and paths have been opened up connecting other villages thus allowing travel and trade. "It is great that MAG has come back to help us. We need more water for our crops - we need to finish our canal but the area nearby is still mined. Two people were killed trying to get water. The first priority is our children.

We are always scared that they might go into the minefield. Also, we have to watch our animals closely to make sure they don't get blown up. The population has increased and the pressures on us are growing. There are still five minefields here. If MAG can clear them all, we'll have more animals and grow more food. Our village will prosper."

Laos

Integration of UXO clearance into sustainable development interventions continued throughout the year, linking with development partners to ensure clearance is targeted towards long-term sustainable outcomes for affected communities. Areas were cleared for road access, drainage and irrigation canals, electricity pylons, schools, latrines, safe water supply and agricultural production. One of the lessons that MAG has learned in Laos is to align projects and programmes with government poverty reduction strategies including those aiming at achievement of the Millennium Development Goals. Operations increased throughout the year with an additional 2 teams trained in Xieng Khouang (making a total of 4) and three UXO clearance teams in Khammouane (making a total of 7). Included here for the first time were two all-female teams – one in each Province. The first Community Liaison teams were trained during the year eventually deploying a total 7 teams of 2 members each.

Blow it up - and give it back

In Phan Op village, MAG's Salaam Amin and his team make a very large bomb safe - using a very small explosion. The bomb case remains intact, and his team then hands it back to the villager on whose land the bomb was found. The following day, the roving team returns to find three villagers waiting for them. Word has spread that MAG gives back the scrap metal after removing the explosives, and the waiting villagers are eager to report the presence of large bombs on their land. After they have been made safe by MAG they will be able to sell these bomb cases for almost US\$60.

Sixty dollars is a lot of money in Phan Op. The village is in Boulapha district (Khammouane province) - one of the poorest districts in the country. Its residents have very little of value, but there is one resource widely available to them: scrap metal left over from the war. An estimated 80 per cent of villagers in the district (including children) undertake scrap metal collection with potentially lethal results. They may find harmless scrap metal - or they may find unexploded ordnance (UXO) that injures or kills them. Such activities are becoming the highest cause of UXO-related injuries in Laos. But whilst the danger level is high, the temptation is great. Collectors are usually paid between US\$16 - US\$23 for large bomb casings, in an area where most people are subsistence farmers with little or no cash income.



The result of the 'low-order' explosion

MAG is working in the district to remove UXO, but removing the threat in the conventional way - by destroying items completely - would have a severe impact on people's livelihoods in an area where the trade in scrap metal forms a major part of the economy. Therefore in Boulapha, MAG uses what is known as a 'low order technique', which destroys all the explosive material whilst preserving the bomb casing. The cases can then be given back to the villagers, who can safely sell the scrap metal. Another MAG field manager working in the district highlighted how important this approach is. He said: "Once the villagers understand we are destroying dangerous items in a manner that results in scrap being left over, they are more willing to report UXO." The long-term effect of this can only serve to save more lives.

Lebanon

Since the end of the 34-day war MAG teams have made more than 4.3 million sq/m of land safe for local communities to rebuild their lives and livelihoods. Many of the people displaced from the south returned immediately the ceasefire was announced on 14th August 2006. MAG's teams returned with them on the 15th and were immediately on the ground, giving safety messages and clearing cluster munitions from the roads, houses, orchards and fields. From September operations expanded rapidly from 5 to 22 teams to handle the massive increase in contamination.

Yohmor Village – one year on

Yohmor, a village in Southern Lebanon about five kilometres from the border with Israel, was hit by several types of explosive ordnance including artillery shells and air-dropped bombs, during the 34-day conflict. This resulted in the village being littered from one end to the other with unexploded cluster munitions. A line of houses along the main road was destroyed in an air strike, and the rubble that was left in the road hid deadly surprises, in the form of unexploded M42, M46 and M77 cluster submunitions.

In the days following the end of the war, there were two fatalities and three injuries as residents attempted to clear the land, including the death of one man who tried to clear the entrance to the cemetery to bury another victim of the war. Each of the families who returned to their homes in Yohmor after fleeing faced profound and frightening changes. The Zhours, for example, found an unexploded rocket in a bedroom of their partially destroyed home that contained hundreds of unexploded bomblets. The Olleik sisters, Sukna and Khadeeja, returned to a completely destroyed house and a field full of cluster submunitions. Statistically, 260 of the 600 homes in Yohmor were heavily damaged, meaning that almost half of Yohmor's 5,000 residents were homeless.

MAG was among the first agencies on the scene, and took part in the emergency clearance of dangerous remnants of conflict in the days immediately following the ceasefire. One year on, having long ago cleared public areas and streets in Yohmor, MAG is now focusing on making private land safe enough for reconstruction or livelihood activities, such as farming. One of the houses presently under construction belongs to Hajj Hussein Olleik, an elderly farmer living with his wife. His two-storey house was one in the line of homes that was destroyed, and he returned to find nothing but rubble and cluster bombs. "They were spread as if someone had been planting bombs instead of seeds," he said. The area was cleared by MAG early in the summer of 2007, allowing the family to start constructing a new, smaller one-storey house in August. Hajj Hussein is thankful to all who have helped him through difficult times. "I feel completely safe now," he added.



A MAG technician clearing farmer Hajj Hussein Olleik's land

There is a steady hum of activity as workers rebuild homes. So far, MAG has worked at seven Cluster Bomb Unit strike locations, and has destroyed 1,407 submunitions. There is still much work to do, but the village is returning to life.

Nepal

MAG was contracted by the UN for a short period during the year to provide a Technical advisor in EOD, IEDD (Improvised Explosive Device Destruction) and Ammunition Storage.

Somaliland / Puntland

MAG was awarded a 6-month UN contract starting 1st April 2007 to conduct EOD (Explosive Ordnance Disposal) training in Hargeisa (Somaliland) and Garowe (Puntland) as part of the continued United Nations Development Programme to help establish and maintain a suitable National Police EOD capacity. During the training in Somaliland, several MANPADS were found and destroyed by the teams during the course.

Sri Lanka

MAG was forced to scale down its presence in the first half of the year as the conflict between the Sri Lankan government and the Liberations Tigers of Tamil Eelam (LTTE) increased. By June, MAG had again begun the process of resuming operations in Batticaloa District, and deployed international technical staff to the programme towards the end of the month in order to conduct refresher training and to work with the national Mine Action Office in Vavuniya prior to resuming operations in the district with 2 MATs, 2 Community Liaison teams and 2 mechanical teams. The security situation is still a major concern for the programme and is being monitored very closely. MAG currently has no plans to expand into other districts in the country due to security concerns.

Mechanical clearance

MAG use a Bozena mini-flail to perform area reduction and Quality Assurance tasks on land cleared manually. Recently the team began work on an area of land owned by the Kathirvelu family for four generations. The land had been occupied by the Sri Lankan army from 1998-2001. It was a known mined area and was manually cleared by the Humanitarian Demining Unit (HDU) in mid-2002, but not to international standards. Mr Kathiravelu and his son began to clear and plant on the land. They began planting in an area 20m away from the land that had previously been cleared. Whilst working there they discovered two anti-personnel mines. It appeared that they were the result of nuisance mining (landmines laid outside the



The Bozena at work

mapped minefield). The family became concerned that the whole area was mined and feared for their safety. MAG is now using the Bozena to verify the entire area. Once completed Mr Kathiravelu and his family will be able to cultivate crops of tomato, cabbage, chilli trees and lemons. MAG used the Bozena to verify a total area of 268,750 sq/m.

Sudan

MAG has successfully developed smaller teams to deal with the demands of staffing and management caused by the difficult and complex working environment. The Landmine Impact Survey (LIS) was completed in Eastern Equatoria and Blue Nile State and began in three new states: Kassala and Red Sea States in the North and Northern Bhar el Ghazal in the South. MAG expects to complete an additional five states by the end of 2007. Technical teams have focused on providing clearance activities in areas identified by the Landmine Impact Survey (LIS), clearing areas ranked as having the most impact on adjacent communities. MAG also supported survey and clearing efforts designed to open key access roads, leading to improved economic and social activity for communities along those routes. MAG's Community Liaison/Mine Risk Education teams continue to support Internally Displaced Persons (IDPs) and refugee repatriation efforts in Sudan.

Safe return packs assist refugees

Targeted mine risk education (MRE) at the Kapoeta UNHCR Way Station is enabling the safe travel, return and resettlement of refugees. "I am looking forward to returning to my home after many years as a refugee. I now feel safe to return, with the knowledge that MAG has given me, and I know how to minimise these risks and dangers." The Safe Return Pack Angelina Taen received as part of MAG's MRE will, she said, not only assist her return to the heavily war-affected town of Torit, but also help to raise awareness once back home.

Angelina left her hometown in early 2000, having seen friends and family members killed and injured by landmines and unexploded ordnance (UXO). She headed to Kakuma Refugee Camp in northern Kenya, which was established more than 20 years ago to provide health and educational services to residents. Now, following the signing of the Comprehensive Peace Agreement (CPA), the government of southern Sudan is promoting safe return for Sudanese refugees.

Crucial to this is the service provided by MAG's Community Liaison (CL) team at the Way Station, which opened in late 2006 in order to assist and process returnees travelling through Eastern Equatoria. Angelina attended a number of MRE sessions in Kakuma Refugee Camp, organised by Handicap International, saying it raised her awareness and knowledge of mines.

MAG's MRE session at Kapoeta was, however, "very different to previous MRE I have received. It focused not only on mines, but on UXO as well. I learnt a lot of new things about UXO during this session". The number of planned repatriations is continuing to increase. As confidence grows in the peace agreement, more people are registering to return to their place of origin. The activities being completed by the CL team and by MAG's technical staff in Eastern Equatoria are supporting the long-term peace and stability of the region.

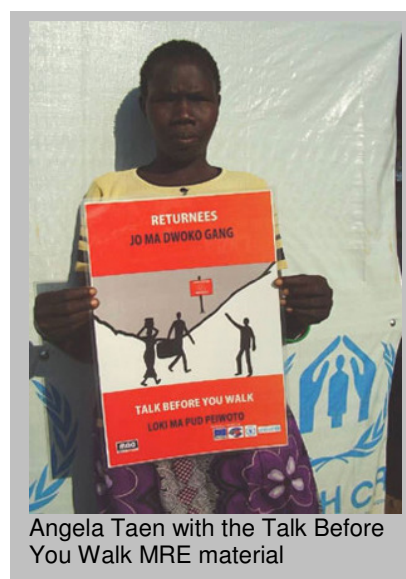
Vietnam

Operations were made up of 191 staff, deploying nine mobile teams supported by mechanical equipment in Quang Binh and Quang Tri Provinces. Mobile teams are responsive to community needs, as defined by the communities themselves. Using this new strategy, results during the year show that more than 22 times as many items per month are being found and destroyed. Mobile teams visited 35,598 houses, searched 59,277 sq/m and performed 5,811 Explosive Ordnance Disposal (EOD) tasks.

Raising children under the threat of UXO

Cluster bombs dropped more than 30 years ago in Quang Binh Province continue to threaten the lives and limbs of children unable to play in their own garden, with the contaminated land making it difficult to grow rice crops and vegetables in an economy that relies on home grown produce to supplement incomes. One affected family explains how MAG helped them look forward to building new and safer lives.

"We do not play in the garden," said 13-year-old Vo Thi Trang. "Because my mother says there are many bombs and mines still out there." As well as the normal pressures of bringing up four children aged between 10 and 16, Vo Ngoc Quyen and Dinh Thi Huong, both 44, also had to live with the fear that one of them would accidentally set off one of the many items of unexploded ordnance (UXO) left behind. The soil around Tu Loan village is very poor and sandy, explained Mrs Huong, but farmers were afraid of digging deeper into the ground to improve the soil quality



Angela Taen with the Talk Before You Walk MRE material

because the area was contaminated by all sorts of bombs.

"The fear of hitting UXO makes it even more difficult to grow rice crops and vegetables. I did not dare plant a garden in the plot outside my house because I was afraid for myself and my children." Such a situation put severe restraints on the family's livelihood, forced to rely on the small salary that her husband brings in as a driver with the Truong Tinh Company to feed, clothe and send the children to school.

MAG teams conducted a house-to-house search of the villages of Hung Loc and Tu Loan for all known and reported UXO. As part of this work, one team removed three cluster bombs from Mrs Huong's garden. She now plans to use the plot outside her house to grow vegetables to feed her children and maybe even sell for profit. She told MAG: "I am very happy that my family are no longer in danger and grateful to them for removing these bombs from my garden as well as our village and Hung Loc. We are no longer afraid and looking forward to building new and safer lives."



Technicians use a large loop detector to investigate the report of some buried items

The area, which Mrs Huong says was known for its beautiful big trees before the war, was devastated during the 1960s and 70s: "I cannot remember which years were the worst, I just remember the bombs falling and being afraid."

Plans for the future

In the coming year MAG has plans to expand some of its existing operations and to include countries where negotiations have been ongoing during this year. These include further SALW work in Burundi and in the Republic of Congo where MAG will support national agencies to destroy excess and unsafe weapons and munitions, and provide advice in safer stockpiling methods to insure against stockpile and warehouse accidents and their potentially severe humanitarian consequences. Discussions will continue on working with organisations such as the Regional Centre on Small Arms and Light Weapons (RECSA) as to what further countries MAG can provide assistance to through its SALW teams.

We aim to provide assistance to local partners in Community Liaison and Mine Risk Education in Colombia and will continue to work towards the day when MAG staff can safely enter areas and begin the task of clearance. We will also look at the possibility of developing previous work in Kashmir in partnership with Islamic Relief. In Chad we aim to provide further assistance depending on the outcome of talks being carried out through the UN and national authorities. MAG will widen its areas of operation in Vietnam to provide clearance in areas where there is a need for clinics, schools, houses and agricultural land and monitoring the option of providing assistance in Myanmar / Burma will continue. As in all countries where conflict or where there is a potential for further conflict MAG will monitor the political and military situation in programme countries such as Iraq and Sri Lanka and continue to keep a daily watch, and all necessary security procedures will be in place to ensure maximum safety for all staff.

MAG intends to improve its quality management systems throughout the organisation. The overall objective will ultimately be to achieve International Standards Organisation (ISO) accreditation. The audit process will begin early in the next financial year involving all staff with the objective to bring in quality systems and procedures to improve efficiency and transparency, provide increased confidence to our donors and supporters, as well as, most importantly a better response to conflict-affected communities worldwide.

MAG would like to thank all donors and supporters who have contributed to our success in this financial year:

Adopt-a-Minefield, AMR, Ausaid, Austrian Aid for Mine Victims, the Government of Belgium, the British Council, Canada/DFAIT, CARE, Cordaid, CWS (Church World Service), the Government of the UK/DFID and the FCO, the Department of State/PMWRA/Office of Weapons Removal and Abatement of the USA, the European Commission - ECHO and EuropeAid, Freeman Foundation, the Government of Finland, the Government of Germany, Guernsey Overseas Aid, the Humpty Dumpty Institute, Imperial Tobacco, the Government of Ireland/IrishAid, the Isle of Man Government, Islamic Relief Worldwide, the Government of Japan/Kusanone, Japan-ASEAN Integration Fund, Jersey Overseas Aid, the Kirby Laing

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OBJECTIVES AND ACTIVITIES

MAG is a humanitarian organisation clearing the Remnants of Conflict for the benefit of local communities worldwide. Its activities involve:

- delivering prioritised clearance of Remnants of Conflict;
- locating and destroying abandoned munitions and weapons caches to prevent the potentially destabilising effect of stockpiles and the fuelling of new or further conflict in the countries concerned and across borders;
- providing Small Arms/Light Weapons (SALW) interventions, and proactive solutions to the emerging threat from SALW;
- gathering and sharing relevant information and survey data;
- educating civilian populations at risk from the Remnants of Conflict;
- providing appropriate emergency responses;
- building local capability and competency through training and supervision programmes to assure long term sustainability;
- engaging with national DDR processes (Disarmament, Demobilisation, Reintegration), to help create the conditions for post-conflict reconstruction and peace building;
- integrating activities within the broader development sector, cooperating with partners to ensure sustainable development, secure poverty alleviation and build futures

Conflict recovery

MAG's objects are to assist communities affected by conflict. *Conflict recovery* is the term used to describe our vision that saving lives and building futures means more than simply clearing the Remnants of Conflict and considers the long-term development of communities when prioritising activities.

Remnants of Conflict

MAG has coined the term *Remnants of Conflict* to encompass landmines, unexploded ordnance, abandoned ordnance, MANPADS (Man-Portable Air Defence Systems), Small Arms and Light Weapons (SALW), as well as the demilitarisation of excess or unstable weaponry and munitions that remain in arsenals after the conflict that caused their stockpiling is over. One area where MAG has made considerable strides is that of MANPADS, short-range surface-to-air missiles that can be carried and fired by a single individual. They are a serious potential threat to passenger air travel and the commercial aviation industry around the world and found in several countries in insecure stockpiles. MAG has made great efforts to locate MANPADS and ensure their safe destruction.

Community Liaison

MAG's Community Liaison (CL) approach promotes greater involvement of conflict affected communities by encouraging the participation of local organisations and communities in the development and implementation of MAG's operations. CL informs planning and prioritises clearance and MRE activities, by targeting precious resources based on data that reflects the real needs and aspirations of the communities it serves.

Partnership for the long-term

Effective partnerships ensure integration with national and local development plans. To help provide services and opportunities for sustainable development and economic recovery, MAG works with others, building partnerships with UN agencies (like the World Food Programme, UN Mine Action Service, UNICEF, the United Nations Development Programme), with government ministries, and non-governmental agencies such as CARE, Islamic Relief, Médecins sans Frontières, Triangle Génération Humanitaire, World Vision and Church World Service, as well as local organisations such as Jasmar and OSIL in Sudan. Additionally, MAG works with the Survey Action Center and IMMAP on landmine impact surveys and RECSA (Regional Center for Small Arms) and Saferworld in arms reduction initiatives that

dovetail with our weapons destruction expertise.

Peace building and conflict prevention

Where possible MAG links with DDR processes (Disarmament, Demobilisation, Reintegration) and in the removal and destruction of potentially destabilising and dangerous stockpiled weapons and munitions. In the context of ceasefire and peace processes, involving the United Nations or other bodies, MAG also provides capacity and expertise in destroying SALW and MANPADS, and provides advice and support in securing legitimately-held stockpiles of weapons and munitions.

Emergency response

MAG responds to emergency situations in two ways: Mine Risk Education provides information on what and where the dangers are, and how to avoid them in order to reduce the risk of death and injury and, where funding is available and the political and military situation permits, MAG also provides clearance options. This has been the case in Iraq, Lebanon and Sri Lanka over the past few years.

GOVERNANCE AND MANAGEMENT

The Mines Advisory Group (MAG) is a registered charity regulated by the Charity Commission of England and Wales; it became an incorporated charity (limited by guarantee) on 16 June 2000, and operates under a set of Articles and a Memorandum of Association.

As the concept of a charitable incorporated company is not familiar in some countries, it is important to clarify for international readers of this report that MAG's Trustees receive no financial benefits nor is the organisation motivated by profit.

The Trustees who held office during the financial year and at the date of this report are set out on page 1. The Board of Trustees approves the organisation's strategic direction and annual plans and budgets, ensuring that these fall within MAG's charitable objects. The Executive Director (ED) has overall responsibility for running the organisation on behalf of the Board. The Trustees hold four quarterly board meetings and an Annual General Meeting each year. The quarterly meetings monitor progress against plans and budgets that are formally approved each year, as well as reviewing progress and policy. The Trustees hold sub-committee meetings as required, including Finance and Audit sub-committee which meet six times per year.

MAG regularly recruits new members of the Board, all of whom act in a voluntary capacity and up to one third of the members of the Board must rotate annually (based on their length of service) – they can stand for re-election if they wish. In attracting and recruiting members of the Board, MAG seeks a range of expertise and knowledge that will assist and support the organisation in its development. New members are interviewed and appointed by the Board, inducted into the work of the different departments, and receive regular briefings on different aspects of the organisation. Board members also undertake familiarisation and review visits overseas to operational programs.

Led by the Executive Director the Directorate is made up of the Director of Finance, Director of Operations and Director of Policy. This group recommend strategy to the Board, provide the day to day management of the charity, including accountability and oversight for all legal, contractual and financial responsibilities relating to the charity's business. They are responsible for the good care of the organisation's human resources, assets and equipment. They also provide senior representation both at a national and international level.

The organisation has an internal monitoring and evaluation team (International Development and Evaluation Team, IDET), who work outside the country management structure, and report directly to the Executive Director. The IDET monitor MAG's programmes and projects according to contractual obligations and planned activities as well as ensuring compliance to safety, standards and good practice. The IDET play a key role in the development of new programmes and projects and assist in the evaluation of new technologies with a mind to cost effectiveness, practicality and safety.

Day-to-day activities are structured around five core functions: Operations; Finance; International partnerships and fundraising; Human resources and administration; and Communications. The Operational Management Team (OMT) comprises senior managers who are the heads of each of these departments, bringing together all the areas of expertise. The OMT is responsible for day-to-day

implementation of the organisation's approved plans within budgets. They ensure the coordination of MAG's activities and represent the organisation at key levels with other stakeholders. They play a role in the development of MAG's policy and procedures for approval and ensure compliance with these and the organisation's contractual obligations. They are responsible for the management of all staff both in the UK and overseas along with safety and welfare, standards and good practice and disciplinary matters. The OMT are responsible to the Directorate and report to, and meet with them, on a regular basis.

Overseas projects and programmes are managed by Country Programme Managers (CPMs) who are supported by a Finance Manager (FM) and Technical Operations Manager (TOM). The CPM is responsible for the overall management of the programme and its implementation. They are responsible for all national and international staff within the programme, along with safety and welfare, standards and good practice, all disciplinary matters and adherence to the laws and customs of the country in which they are operating. The CPM represents the organisation at a country level with stakeholders. The CPMs report to the Head of Operations in the UK and are required to provide regular up-to-date financial and project reports. The structure of MAG programmes differs according to the size and complexity of the country operations.

As at 30 June 2007, MAG employed 2,644 staff overseas: the majority were local national staff from the programme countries and 97 were international (expatriate). A total of 35 staff worked at MAG's headquarters in the UK. Staff figures rise and fall according to operational need. MAG drew its international staff this year from 26 different nations, bringing a wide and varied cultural and linguistic diversity to add to its skills and expertise.

Overseas staff are employed in a variety of technical, managerial, administrative and support positions. All received appropriate equipment, training and supervision to relevant international and local standards. MAG also seeks to employ mine survivors, supporting the provision of metal free prosthetic limbs. In the UK MAG also has a cultural mix of staff and operates an internship programme with successful candidates sharing 3-month stints each with the International Partnerships and Operations departments.

Risk management

The Board recognises and regularly reviews the major risks to which the organisation could be exposed. MAG considers risk not only in terms of safety and security of staff in field operations, but equally in terms of financial, managerial, reputational and other risks that might affect its ability to deliver a quality service for its beneficiaries. Policies and procedures are in place to support this, and are reviewed regularly by the Board.

Risk assessments are conducted before significant new initiatives or programme expansions. Risk assessments are also incorporated in operational and departmental plans and updated during the year. Internal risks are reduced through the application of appropriate controls and procedures to ensure that financial, HR, administrative and operational procedures are effective. The IDET monitoring and evaluation unit also strengthens MAG's learning process to reduce risk. Standard Operating Procedures are in place and continually under review in all MAG operations to ensure risk is assessed, monitored and managed at field level; and effectively managed in all operational activities. Appropriate insurance is also in place for MAG staff.

Declaration of interests

All members of the Board and Directorate declare relevant interests on an annual basis. Lou McGrath, MAG's Executive Director, and Tim Carstairs, MAG's Director for Policy, also serve as unpaid officers for MAG America; President and Secretary/Treasurer respectively. MAG America (www.magamerica.org) is a not-for-profit 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.

Reserves

The majority of MAG's operational commitments are related to activities funded by restricted funds. The contractual agreements cover the completion of such tasks and related financial commitments. The Board recognises the importance of building and maintaining unrestricted reserves at an appropriate level and the Board has recommended a reserves level equal to at least 120 days of the organisation's

core costs. The Board is satisfied that this level of reserve will provide financial cover for the organisation to meet its legal obligations if so required and also strengthen its ability to respond at such times as would be required to meet its charitable objects.

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 a short-term deposits providing a market rate of interest.

Financial review

MAG has continued to develop this year with our fundraising activities ensuring that institutional income and expenditure continues to grow. In preparation for the start of the next year, MAG already had a significant proportion of funding in place to carry out its existing projects, many of which span a number of financial years.

Productivity in the field operations is also evidenced in the increase in funds expended during the year: £23,186,028 this year, up from £22,191,181 last year.

This growth was driven by significant development of a number of country programs during the year, including Democratic Republic of Congo, Iraq, Laos and Sudan. In addition there was a large growth in our project in Lebanon due to the urgent response needed to clear the remnants of the 34-day conflict of July and August 2006 between Israel and the Hezbollah.

MAG was also very successful in fundraising during the year as the financial report shows raising £30,640,231. As some of MAG's grants span several financial years, the report shows that significant restricted funding is carried forward into to continue to support our plans and obligations on projects that had not yet come to an end at 30 June 2007.

MAG's public and corporate fundraising has also had a good year showing £939,151 raised compared with £503,582 the previous year with only a comparatively low increase in fundraising costs. MAG continues to seek new patrons and supporters, including well-known public figures, artists and media personalities, to help raise and maintain awareness and understanding about our work and develop further support. We are very grateful to all of our donors for their continued and new support.

LEGAL AND ADMINISTRATIVE DETAILS:

Name: The Mines Advisory Group
Charity Number: 1083008
Company Number: 4016409
Status: Company Limited by Guarantee
Company Address: 47 Newton Street, Manchester M1 1FT

Members of the Board of Trustees between 1st July 2006 to 30th June 2007

Michael H. Taylor	Chair
John Fairhurst	Treasurer
William Cooke	
Sarah Manning	appointed 29 November 2006
Elizabeth Marsh	
James Sinclair	resigned 24 October 2006
Lord Terry Thomas	resigned 13 November 2007
Steve Wright	

Directorate

Lou McGrath	Executive Director
Susan Ní Chríodáin	Director of Finance
Robert White	Director of Operations
Tim Carstairs	Director for Policy

Company Secretary Timothy Carstairs

The Trustees are also directors for the purposes of charity and company law. The members of the Directorate are not members of the board of trustees.

“Remnants of conflict such as landmines, explosive ordnance, malfunctioning and abandoned weapons deny access to key community assets such as land, water, and infrastructure, and restrict the modus operandi of government and relief and development agencies. Remnants of conflict hamper or even deny a possible transition from poverty for those people and communities affected. Conflict recovery interventions, as performed by MAG, are designed as a ‘livelihood approach’, and are a necessary prerequisite to achieving results at a local level in support of the overall objective of eradicating poverty.”



Michael H. Taylor
Chair

28 February 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINES ADVISORY GROUP

We have audited the financial statements of Mines Advisory Group for the year ended 30 June 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees, who also act as trustees for the charitable activities of Mines Advisory Group, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of state of the charitable company's affairs as at 30 June 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



Mazars LLP

Chartered Accountants and Registered Auditors

Merchant Exchange
Whitworth Street West
Manchester, M1 5WG

28 February 2008

**Statement of Financial Activities (including income and expenditure account)
For the year ended 30 June 2007**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Incoming resources from generated fund:					
Voluntary income		765,904	173,247	939,151	503,582
Investment income	2	39,111	-	39,111	39,443
Incoming resources from charitable activities	3	-	30,640,231	30,640,231	23,120,186
Other incoming resources		<u>87,682</u>	<u>7,877</u>	<u>95,559</u>	<u>104,900</u>
Total incoming resources		<u>892,697</u>	<u>30,821,355</u>	<u>31,714,052</u>	<u>23,768,111</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		173,371	-	173,371	118,599
Charitable activities	4	2,163,010	21,023,018	23,186,028	22,191,181
Governance costs	4	<u>21,750</u>	<u>-</u>	<u>21,750</u>	<u>21,150</u>
Total resources expended		<u>2,358,131</u>	<u>21,023,018</u>	<u>23,381,149</u>	<u>22,330,930</u>
Net incoming resources before transfers		(1,465,434)	9,798,337	8,332,903	1,437,181
Transfer between funds	11	<u>2,220,416</u>	<u>(2,220,416)</u>	<u>-</u>	<u>-</u>
Net movement in funds	11	<u>754,982</u>	<u>7,577,921</u>	<u>8,332,903</u>	<u>1,437,181</u>
Total funds brought forward	11	<u>487,220</u>	<u>11,104,851</u>	<u>11,592,071</u>	<u>10,154,890</u>
Total funds carried forward	11	<u>1,242,202</u>	<u>18,682,772</u>	<u>19,924,974</u>	<u>11,592,071</u>

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

All incoming resources and resources expended derive from continuing activities.

Balance Sheet as at 30 June 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible assets	8		41,518		100,483
CURRENT ASSETS					
Debtors	9	18,922,155		11,505,403	
Cash at bank and in hand		2,087,390		1,635,142	
			<u>21,009,545</u>	<u>13,140,545</u>	
CREDITORS					
Amounts falling due within one year	10	1,126,089		1,648,957	
NET CURRENT ASSETS			<u>19,883,456</u>	<u>11,491,588</u>	
NET ASSETS			<u>19,924,974</u>	<u>11,592,071</u>	
FUNDS					
Unrestricted funds	12		1,242,202		487,220
Restricted funds	12		18,682,772		11,104,851
TOTAL FUNDS	12		<u>19,924,974</u>		<u>11,592,071</u>

The accounts were approved by the Board of Trustees on

28/2/08

Signed on behalf of the Board of Trustees



Michael H. Taylor
Chair

**Cash Flow Statement
For the year ended 30 June 2007**

	£	2007 £	£	2006 £
Reconciliation of operating surplus to net cash inflow from operating activities				
Surplus on operations	8,332,903		1,437,181	
Depreciation	2,318,414		2,899,296	
Increase in debtors	(7,416,751)		(1,834,867)	
(Decrease) in creditors	(522,869)		(220,149)	
Bank interest received	(39,111)		(39,443)	
	<u> </u>		<u> </u>	
Net cash inflow from operating activities		2,672,586		2,242,018
Returns on investments and servicing of finance				
Interest received		39,111		39,443
Capital expenditure				
Payments to acquire tangible fixed assets	(2,259,449)		(2,859,709)	
	<u> </u>		<u> </u>	
		(2,259,449)		(2,859,709)
Increase/(decrease) in cash		<u> </u>		<u> </u>
		452,248		(578,248)
Increase/(decrease) in cash in the period				
Increase/(decrease) in liquid resources		<u> </u>		<u> </u>
		452,248		(578,248)
Net cash resources at 30 June 2006		<u> </u>		<u> </u>
		1,635,142		2,213,390
Net cash resources at 30 June 2007		<u> </u>		<u> </u>
		2,087,390		1,635,142

**Notes to the Financial Statements
For the year ended 30 June 2007**

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting & Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.2 Income recognition

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

Income from charitable activities, including income received under contract and grants where entitlement to funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

- The donor specified that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

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. No permanent endowment funds were received in the year.

1.3 Restricted and unrestricted funds

Restricted funds are those where the donor has specified the manner of spending the grant, but support may also include central support costs which, whilst not specifically specified, are necessary for the operation of the project.

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 directors.

1.4 Resources expended

Expenditure is recorded in the financial statements in the period in which it is incurred, and includes creditors and accruals where material and is inclusive of any VAT which cannot be reclaimed.

1.5 Charitable activities

These expenses include direct costs and salaries and overhead costs of assisting communities affected by conflict overseas, including funds transferred to the project by the UK support team for the ongoing requirements of the projects.

1.6 Costs of generating voluntary income

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

Notes to the Financial Statements (continued)
For the year ended 30 June 2007

1. Accounting policies (continued)

1.7 Support costs

These comprise staff and head office costs. The majority of these costs support charitable activities and are so allocated.

1.8 Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

1.9 Leasing contracts

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

1.10 Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Exchange differences are written off to the income and expenditure account.

1.11 Tangible fixed assets

Assets in the UK costing more than £1,000 are capitalised and written off over 4 years at 25% per annum. Any assets costing less than £1,000 have been written off in these accounts. UK assets are stated at cost less depreciation.

All expenditure of a capital nature on relief work overseas is capitalised but then, in recognition of the lack of a material residual value or the recoverability of the assets by the charity, is depreciated fully in the year of purchase.

1.12 Pension costs

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

1.13 Taxation

The charity has been granted exemption from tax under Section 505(1) (c) of the Income and Corporation Taxes Act 1988 on its charitable activities as a body established for charitable purposes only.

2. Investment income

	2007	2006
Bank interest received		
	£	£
Restricted	-	46
Unrestricted	39,111	39,397
	<hr/>	<hr/>
	39,111	39,443
	<hr/>	<hr/>

**Notes to the Financial Statements (continued)
For the year ended 30 June 2007**

3. Incoming resources from charitable activities

MAG's charitable activity is clearing the remnants of conflict for the benefit of local communities worldwide.

	2007	2006
	£	£
Restricted:		
Government, EU and UN Agencies	22,188,761	15,397,587
Charitable institutions	8,451,470	7,722,599
	<u>30,640,231</u>	<u>23,120,186</u>

Income by donor:

	2007
	£
Department for International Development (DFID)	10,396,496
MAG America (U.S. Government sub-grants)	5,748,849
UN Agencies	4,671,889
U.S. Government	1,502,242
European Commission (European Commission Humanitarian Office & Europe Aid)	1,450,312
Dutch Government/VL	1,323,890
Irish Aid	1,014,610
Other	4,531,943
	<u>30,640,231</u>

4. Resources expended

Charitable activities

MAG's charitable activity is clearing the remnants of conflict for the benefit of local communities worldwide.

	2007	2006
	£	£
Direct costs	21,154,246	20,341,580
Support costs	2,031,782	1,849,601
	<u>23,186,028</u>	<u>22,191,181</u>

The presentation of the 2006 comparative figures for support costs have been adjusted to show the gross support costs incurred by the organisation. The contribution arising, in accordance with the contractual terms of those grants, from restricted donations towards operating and support costs are now shown as transfers from restricted funds to unrestricted funds on the transfers line of 'the Statement of Financial Activities'.

Governance costs

	2007	2006
	£	£
Audit fees	21,750	21,150
	<u>21,750</u>	<u>21,150</u>

**Notes to the Financial Statements (continued)
For the year ended 30 June 2007**

5. Net incoming resources

	2007	2006
	£	£
The net incoming resources for the year are stated after charging:		
Depreciation of tangible fixed assets owned by the company	2,318,414	2,899,296
Operating lease rentals	382,578	285,399
-Land and buildings		
Auditors' remuneration	21,750	21,150
-Audit		
-Non-audit services	25,128	41,401
	<u> </u>	<u> </u>

6. Staff costs

	2007	2006
	£	£
Salaries and wages		
- UK employees (including those working overseas)	4,990,467	4,287,287
Salaries and wages		
- Overseas national employees	5,506,635	4,564,375
Social security costs	111,802	112,056
Pension contributions	58,004	56,679
	<u> </u>	<u> </u>
	<u>10,666,908</u>	<u>9,020,397</u>

The average number of UK employees in the year was:

- Overseas projects	96	92
- Programme support and administration	30	25
- Fund-raising information and education	3	2
	<u> </u>	<u> </u>
	<u>129</u>	<u>119</u>

In addition to the employees stated above, the charity employed the services of nationals in the field totalling 2,656 (2006 – 2,120).

Number of employees whose annual emoluments were between:

£60,000 and £70,000	4	4
£70,000 and £80,000	1	1
	<u> </u>	<u> </u>

Pension costs of £12,202 (2006:£12,202) were paid in respect of the higher paid employees noted above.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2007**

7. Transactions with Trustees

Expenses reimbursed to Trustees during the period amounted to £283 (2006 - £979). No remuneration was paid to Trustees during the period in their capacity as directors. The company had paid indemnity insurance on behalf of the trustees, amounting to £2,100 (2006 - £2,625).

8. Tangible fixed assets

	Field Assets £	Vehicles £	Equipment Fixtures & Fittings £	Total £
Cost or valuation				
At 1 July 2006	13,647,863	18,284	510,371	14,176,518
Additions	2,259,449	-	-	2,259,449
At 30 June 2007	<u>15,907,312</u>	<u>18,284</u>	<u>510,371</u>	<u>16,435,967</u>
Depreciation				
At 1 July 2006	13,647,863	18,284	409,888	14,076,035
Charge for the period	2,259,449	-	58,965	2,318,414
At 30 June 2007	<u>15,907,312</u>	<u>18,284</u>	<u>468,853</u>	<u>16,394,449</u>
Net Book Value				
At 30 June 2007	<u>-</u>	<u>-</u>	<u>41,518</u>	<u>41,518</u>
Net Book Value				
At 30 June 2006	<u>-</u>	<u>-</u>	<u>100,483</u>	<u>100,483</u>

9. Debtors

	2007 £	2006 £
Grant income	18,414,720	11,259,110
Prepayments and accrued income	327,623	211,116
Other debtors	179,812	35,177
	<u>18,922,155</u>	<u>11,505,403</u>

Included within Grant income of £18,414,720 (2006: £11,259,110) are amounts due after more than one year of £6,513,849 (2006: £989,507).

**Notes to the Financial Statements (continued)
For the year ended 30 June 2007**

10. Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	586,718	756,844
Deferred income	23,756	25,076
Grants repayable	303,792	709,504
Other taxation and social security	38,345	30,315
Accruals	170,612	50,664
Other creditors	2,866	76,554
	<hr/>	<hr/>
	1,126,089	1,648,957

Deferred income comprises grant income to be used in future accounting periods.

	2007
	£
Balance as at 1 July 2006	25,076
Amount released to income resources	(40,107)
Amount deferred in year	38,787
	<hr/>
Balance as at 30 June 2007	23,756

**Notes to the Financial Statements (continued)
For the year ended 30 June 2007**

11. Restricted/unrestricted funds

	Balance at 1 July 2006 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 30 June 2007 £
Restricted:					
Angola	1,153,525	3,154,329	(1,947,889)	(368,219)	1,991,746
Cambodia	665,839	2,678,857	(1,639,682)	(75,387)	1,629,627
Chad	707,920	-	(488,376)	(233,799)	(14,255)
Cyprus	20,321	210,505	(169,339)	(2,982)	58,505
Democratic Republic of Congo	182,701	3,454,718	(1,859,408)	(122,740)	1,655,271
Iraq	3,106,550	3,636,812	(3,195,031)	(291,417)	3,256,914
Laos	1,172,641	2,616,980	(1,374,312)	(179,476)	2,235,833
Lebanon	121,722	6,207,321	(4,009,717)	(427,775)	1,891,551
Nepal	-	15,206	-	-	15,206
Somalia	-	76,616	(20,179)	(2,117)	54,320
Sri Lanka	888,334	(384,584)	(355,080)	(51,423)	97,247
Sudan	1,316,979	7,836,968	(4,228,014)	(413,445)	4,512,488
UK	162,614	517,593	(51,804)	(21,690)	606,713
Vietnam	1,605,705	800,034	(1,684,187)	(29,946)	691,606
	<u>11,104,851</u>	<u>30,821,355</u>	<u>(21,023,018)</u>	<u>(2,220,416)</u>	<u>18,682,772</u>
Unrestricted	487,220	892,697	(2,358,131)	2,220,416	1,242,202
	<u>11,592,071</u>	<u>31,714,052</u>	<u>(23,381,149)</u>	<u>-</u>	<u>19,924,974</u>

Restricted funds

The closing restricted fund balances relate to unspent grant and contract balances which are to be carried forward to the following year. The organisation has received over 100 sources of income in the form of restricted funds, which have been consolidated within the above note and shown by country in which the donor wishes the funds to be used. Grouping the funds in this way also gives some appreciation of the level of activity being undertaken in each country.

The funds relate to a variety of activities which include land mine clearance, education and the removal and destruction of stockpiled weapons and munitions.

Transfers

Transfers reflect the contribution made by donors making restricted donations who have agreed a percentage of their funds to be put towards central operating and support expenses.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2007**

12. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Totals 2007 £
Tangible fixed assets	41,518	-	41,518
Net current assets	1,200,684	18,682,772	19,883,456
Total net assets	<u>1,242,202</u>	<u>18,682,772</u>	<u>19,924,974</u>

13. Commitments

At 30 June 2007 the company had annual commitments under non-cancellable operating leases as follows:

	2007			2006		
	Within 1 year £	2-5 years £	Over 5 years £	Within 1 year £	2-5 years £	Over 5 years £
Land & buildings	189,331	92,849	-	193,155	129,844	5,839
Other	1,008	720	-	1,008	720	-
	<u>190,339</u>	<u>93,569</u>	<u>-</u>	<u>194,163</u>	<u>130,564</u>	<u>5,839</u>

At 30 June 2007, the company had authorised and contracted for capital commitments of £Nil (2006 - £20,843).

14. 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 5% (10% for members of the directorate and 15% for the Executive Director) paid by the company to the fund and amounted to £58,004 (2006 - £56,679).

15. Connected companies

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

16. Related parties

Mines Advisory Group and MAG America are organisations that complement each others activities and work together in the field in an effort to clear even more mines around the world. Co-ordination and consistency in operations is provided by the Executive Director also holding office as the President of the MAG America Board of Trustees. The organisation also shared the same company secretary during the financial year.

17. Company status

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