

MINES ADVISORY GROUP

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013**

MINES ADVISORY GROUP

CONTENTS

Contents	Page
Legal and administrative information	1
Letter from the Chair	2-3
Letter from the Chief Executive	4-5
Trustees' Report	6 - 20
Independent auditor's report	21 - 23
Statement of financial activities	24
Balance sheet	25
Cash flow statement	26
Notes to the financial statements	27 – 38
 The following pages do not form part of the statutory accounts:	
Appendix 1 – Pro-forma US Dollar accounts	39 - 41
Appendix 2 – Pro-forma Euro accounts	42- 44

MINES ADVISORY GROUP
LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees:

Revd Professor Michael Hugh Taylor OBE D.Litt (Chair) – resigned 15th November 2013
Lord Michael Williams (Chair) – appointed 15th November 2013
Mr Paul Nielsen, ACIB (Treasurer)
Mr Colin Rowe (Legal Officer)
Dr Steve Wright, FRSA – resigned 15th November 2013
Ms Gill Miller, MA PGCE
Dr Paul Bell, CMIIA, CFE, ACFS (Audit and Finance Committee)
Ms Claire Marles (Audit and Finance Committee) – resigned 6th September 2013
Colonel Christopher Peter Roger Bates
Ms Diane Reid (appointed 20th July 2012)
Dr Vanessa Forbes (appointed 20th July 2012) – resigned 9th October 2013
Dr Tapera Knox Chitiyo (appointed 20th July 2012)
Mr Neil Turton (appointed 15th November 2013)
Ms Kathy Peach (appointed 15th November 2013)
Mr Matthew Sherrington (appointed 15th November 2013)
Mr John Shinnick (appointed 6th September 2013) (Audit and Finance Committee)

Management Team:

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

Auditor:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

Bankers:

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

Solicitors:

Bates Wells & Braithwaite
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Manchester
M2 5QR
United Kingdom

Company Number:

4016409

Registered Charity Number:

1083008

MINES ADVISORY GROUP
STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE
For the year ended 30 June 2013

A LETTER FROM THE CHAIR

At the conclusion of what has been another successful year, I am delighted to present this report from the Mines Advisory Group (MAG) Board of Trustees for the financial year ending 30 June 2013. MAG continues a process of managed evolution, with a plan in place for strategic change that began at the end of 2011/2012 and continued throughout the year covered by this report. This process of change secures MAG's future as a healthy and sustainable organisation in an increasingly competitive sector and challenging funding environment.

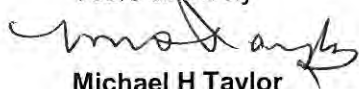
Central to the change agenda this year has been the introduction of a new management structure. The structure is flatter and more inclusive, with the core being focussed on an integrated approach to the management of international programmes, gathering together all the specialisms required to deliver and support them effectively (Finance, Human Resources, and Technical Quality). This has resulted in more economical, efficient and collaborative ways of working. MAG has now developed dedicated capacity for evaluation, allowing us to understand, assess and express more accurately our humanitarian impact in both qualitative and quantitative terms. MAG continues to adapt and strengthen its systems, policies and procedures to improve competitiveness, transparency, and accountability to its donors, beneficiaries and staff. This provides a firm foundation upon which to grow, flourish and embrace future opportunities.

A further significant development is the establishment of a dedicated Policy function to support renewed emphasis on the use of MAG's extensive programme experience to exert authoritative policy influence at local, national, sector and international levels. MAG has brought its field experience to bear in the development of the Arms Trade Treaty and UN Programme of Action on Small Arms and Light Weapons, whilst sharing good practice and 'lessons learned' to support learning within the wider humanitarian mine action community. This has increased our constructive collaboration with states, civil society and the United Nations.

The continued dedication of all MAG staff and trustees, alike, ensures that MAG provides the very best life-saving programmes worldwide for communities ravaged by war and conflict, where the much vaunted 'peace dividend' has hitherto been more like a brutal and bloody poverty trap. MAG's work changes this and unlocks a safer and more secure future, creating the conditions for development to take root and for people to till the soil and reap a literal and metaphorical harvest, in safety. I'd like to thank all our staff, trustees, donors and supporters without whose dedicated work and steadfast support our operations would simply not be possible.

In closing, after 13 rewarding years with MAG, I offer my personal thanks and good wishes to MAG's staff, supporters and continuing Trustees as I adhere to the rotation provisions of the Board and, with great confidence, hand over my responsibilities as Chair to my successor.

Yours sincerely



Michael H Taylor
Chair of the Board of Trustees

MINES ADVISORY GROUP
STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE
For the year ended 30 June 2013

A LETTER FROM THE CHIEF EXECUTIVE

In reflecting on MAG's achievements of the past year I note in particular the steps taken to adapt to the new challenges presented by both the changing sector and by an increasingly competitive funding environment. MAG has a framework of strategic aims and objectives to guide it through the next five years which is informed by our past experience and our analysis of opportunities going forward.

MAG's work is driven by the humanitarian goal of reducing the impact of conflict and armed violence on men, women and children, and unlocking the possibility of peaceful and productive futures for them. While Humanitarian Mine Action remains at the heart of MAG, the past year has seen a significant increase in our Physical Security and Stockpile Management operations. This work reduces the risk of poorly stored or managed legitimate weapons stocks falling into the hands of those who may threaten the safety of the community. It also reduces the risk of explosions of depots (usually in urban areas) which are otherwise frequent occurrences, often killing civilians and destroying housing and infrastructure.

MAG established a presence in both Burma/Myanmar and Mali this year, working closely with the authorities in both countries to respond to the urgent need to reduce accidents from landmines and unexploded ordnance through the provision of risk education sessions, and later to assess the need for the clearance of mines and unexploded remnants of war. We concluded our work in the Republic of Congo addressing the aftermath of the explosions at munitions sites in Brazzaville. Due to local factors beyond our control, MAG reluctantly suspended operations in the important Sudan programme. Having been unable to reach the agreements necessary to re-start our work, MAG has now withdrawn from Sudan. The support and understanding of our major donors has been very much appreciated. The unexpected suspension and closure of this large country programme was a major contributor to the reduction of MAG's overall programme expenditure during the year.

MAG is monitoring the situation in Syria as the need for our expertise becomes more and more apparent, both in response to the immediate emergency and in starting long-term, post-conflict clearance when the circumstances are right. Already our teams in the north of Iraq have cleared land for the construction at Domiz of the largest refugee camp in the country, while our community liaison staff provide risk education on a daily basis for Syrian refugees crossing the border. Sadly, we pay tribute to our colleague Hividar Zubair, of our Northern Iraq team, who lost his life in November in an accident while conducting checks at a designated site used for controlled demolitions. This was a sobering reminder of the dangers of our work, and of the personal courage and professional commitment of all those who work on the frontline for MAG.

In our Head Office the results from MAG's first global Staff Survey (conducted at the end of last year) were collated and formed the basis of a number of activities in the agenda for change, as mentioned in the Chair's introduction above. These give priority to areas such as management style, internal communication, workload, work/life balance and staff development. This creates a positive rolling agenda for MAG to address as we work to make MAG the employer of choice in our sector.

The final change, which consolidated all the other changes in culture and ways of working, is the move to new

MINES ADVISORY GROUP
STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE
For the year ended 30 June 2013

premises. The new offices in central Manchester are more environmentally efficient and fitted-out to a higher specification. The open plan format enhances communication and information flows, and enables maximum inter-departmental collaboration. MAG has benefited from the downturn in the commercial property rental market, thus realising huge qualitative benefits for MAG, whilst being a cost-neutral project overall.

As the organisation accustoms itself to new structures and new ways of working, I am confident that MAG will continue to develop as a healthy organisation, and an influential mine action operator. MAG is now more able than ever to meet the challenges of a changing sector and marketplace, in which resources are becoming tighter, and complexity is ever greater. We see others' expectations of what we can and should achieve, quite rightly, rising continuously; but our own ambition for excellence and effectiveness is one step ahead. We are fortunate to have levels of staff dedication and performance, in UK and overseas, to make any organisation proud. We enjoy the support and guidance of a committed Board of Trustees, and in particular have grown under the wise and experienced chairmanship of Revd. Prof Michael Taylor OBE for the last 13 years, who will step down in November 2013.

MAG is committed to making a life-saving and life-changing difference for communities affected by conflict. Wherever we can do so we'll reduce the risks that people live with, and help to build a new future by literally clearing the path to peaceful social and economic development.

Yours sincerely



Nick Roseveare
Chief Executive

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

TRUSTEES REPORT

The Trustees of Mines Advisory Group (MAG) present their annual report and the audited financial statements for the year ended 30 June 2013.

Objects

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

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

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

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

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

1. ACTIVITIES

MAG programmes continued to be defined across three core areas all driven by the goal of reducing the impact of, and potential for, conflict and armed violence.

In setting out our activities each year we have regard to the Charity Commission guidance on public benefit. The Trustees recognise their responsibility to ensure that the programmes we undertake are in line with our charitable objects and aims as set out in the governing document. The table below clearly highlights the practical steps MAG has taken throughout the year to achieve its charitable objectives. Further details and examples of the humanitarian impact of this work can be found in the proceeding country programme reviews. In terms of public benefit MAG's operations have clearly and actively provided the relief of suffering and distress in areas where conflict has caused 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.

During the past 12 months, MAG has worked in a total of 18 countries or territories (Angola, Burundi, Cambodia, Chad, Democratic Republic of the Congo, El Salvador, Iraq, Lao PDR, Lebanon, Libya, Mali, Myanmar, Puntland State of Somalia, Republic of Congo, South Sudan, Sri Lanka, Sudan and Vietnam).

MAG has the following aims in place that guide us towards achieving our vision of **a safe and secure future for men, women and children affected by armed violence and conflict**:

- the removal of the immediate threats to life, limb and livelihoods presented by the explosive remnants of war;
- supporting communities, governments and others to secure conditions for safe and productive futures for citizens;
- responding to all emergencies where MAG can directly or indirectly address humanitarian risks or need; and
- developing MAG as an effective organisation leading its field and living its values.

Effectively our core programming is split across three operational areas:

Weapons Destruction and Explosive Ordnance Disposal (EOD). This encompasses the majority of our Humanitarian Mine Action (HMA) activities under the associated programming networks, plus the destruction of small arms and light weapons (SALW) and its ammunition. It involves the destruction of arms, whether motivated by international humanitarian law, treaties and conventions, politically binding commitments or the concern for human security.

Physical Security and Stockpile Management (PSSM). Covering the safe storage and management of weapons and munitions (including SALW and ammunition), MAG works to prevent diversion from state-held stocks to the illicit market, support for security sector reform or improvements to the rule of law, and prevent unplanned explosions at munitions sites. The scope covers state arms usually held by the armed forces, the police service or other security in institutions such as correctional services and coastguards.

Community Safety and Security (CSS). Involved here are activities that promote safety and reduce insecurity for communities affected by armed violence and/or explosive ordnance. It builds on work already being carried out under Community Liaison and Risk Education.

The country programme reviews below show how MAG has sought to carry out its aims for the benefit of communities affected by war and conflict.

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

MAG global outputs 1 July 2012 – 30 June 2013

Land surveyed	82,6 million m ²
Land cleared ¹	13.3 million m ²
Road cleared	8,765 m
Landmines cleared and destroyed	11,184
Unexploded Ordnance and sub-munitions cleared and destroyed	307,346
Armouries Refurbished	21
Small Arms and Light Weapons Destroyed ²	23,425
Risk Education sessions delivered	12,876
Direct beneficiaries	740,100

MAG's output statistics are gathered through an organisation-wide monthly reporting system introduced at the start of this business year. The reports use standardised terms and methods of recording to provide the organisation with accurate information and statistics.

A 'direct beneficiary' is a person that directly benefits from MAG's activity. This can refer to clearance, Explosive Ordnance Disposal (EOD) tasks, Risk Education or Land Release. 'Indirect beneficiary' numbers are also gathered, but may be less robust. 'Direct beneficiaries' constitute around one third of the total number of c. 2 million individuals who MAG believes to be beneficiaries of its work.

AFRICA

Angola

Programme Summary

"MAG removed the threat and enabled us to build new houses and use land for agriculture. And because the land is now safe, I've been able to ask the Government for a mobile phone antenna and a water pump." Soba (Chief) Candala, village leader in Moxico Province.

Throughout the past 12 months, Mine Action teams (MATs) worked on the Muhinhi minefield tasks in Lucusse in Moxico Province and it is expected that the minefield will be completed in the first quarter of the next business year. From October 2012 with the end of the European Union- funded project MAT capacity was reduced from four to two teams, with reduced Community Liaison (CL) and Rapid Response Teams (RRTs). The mechanical operations units remained although the road clearance team was disbanded as major roads in Moxico are now clear from contamination. The Handheld Standoff Mine Detection Systems (HSTAMIDS) was integrated into operations during the year as a verification tool rather than a standalone resource and was used in the Muhinhi minefield. MAG's operations continued to be high-impact, with the Moxico Provincial Governance beginning construction of two schools, one primary and one secondary, on land in Lucusse cleared by MAG.

The RRT continued to respond to a high volume of spot task requests throughout the Province with numerous Explosive Ordnance Disposal (EOD) tasks being undertaken, and CL teams delivered Risk Education (RE) sessions to high-risk individuals amongst resident populations, with a targeted approach that sought out returning refugees and internally displaced people.

Close collaboration continued with the national mine action authority, CNIDAH - (National Intersectoral Commission for Humanitarian Assistance and Demining) at both provincial and national level.

Future plans

In the coming year, the programme will complete the minefield task in Lucusse and then will deploy to two further sites identified with CNIDAH in Lingonga and a suspended task in Luzi. Focus will be placed on revitalising and maintaining

¹ Land searched either visually or electronically with all landmines and items of ERW removed or destroyed

² SALW (items <100mm diameter) definitively put beyond use, cannibalisation or repair, through cutting, crushing or other methods of destruction

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

the CL capacity as other funding opportunities are pursued. Internally, the programme will work to consolidate its assets and systems ensuring that it remains well positioned to maximise opportunities and to expand its international and national staff capacity.

Burundi

Programme Summary

MAG Burundi continued to deliver vital Physical Security and Stockpile Management (PSSM) in support of the Government this year. The work represented a continuation of activities with the Force de Defence Nationale (FDN, Burundian Army) and focused primarily on the collection and destruction of small arms and light weapons (SALW) in the possession of the FDN. This work contributed to an overall decrease in SALW levels while building a sustainable national capacity for improved management practices. This in turn will have a considerable impact on the human security of those populations living within the vicinity of ammunition depots, by significantly reducing the risk of accidental explosions.

Future plans

Although the programme was temporarily stood down in March 2013, further funding possibilities exist following the discovery of potential mine-contaminated areas that require full survey and possible clearance. A funding decision from the Swiss Government is pending, after an independent assessment conducted by the Geneva International Centre for Humanitarian Demining (GICHD) recommended that Switzerland support completion of mine clearance, with MAG providing technical and capacity building support to Direction de l'Action Humanitaire contre les Mines et Engins non explosés (DAHMI). Any further clearance activities would be crucial in supporting Burundi in meeting its obligations under Article 5 of the Mine Ban Treaty in advance of the 1 April 2014 deadline.

Chad

Programme Summary

MAG Chad completed a major survey of the north in October. This provided data for the Haut Commissariat National au Déminage (HCND) enabling them to be strategically planning clearance for the country. Elsewhere the programme set up bases in Tibesti and Bardaï, building the capacity of deminers from the HCND through improved training and clearing major routes for the itinerant population, including Faya – Zouar – Bardaï.

As the only provider of mine action in the country, MAG has worked to integrate itself with the population and local authorities, developing relationships with the to raise awareness of our work and identify and evaluate opportunities to extend our reach. A number of challenges were encountered in relation to this, not least the restructuring of the HCND during the year, but MAG works well with the new coordinator and is currently in a good position to develop its operations.

Future plans

Looking ahead the programme is working to develop proposals with a number of potential donors, but the main goal for the forthcoming year is to secure new European funds to continue the project in Tibesti.

DR Congo

Programme Summary

"MAG did a great job. The whole community was afraid and now the children will be safer and people can go on and build their houses." Headmaster in Dongo following MAG's removal and destruction of a 250lb bomb in the centre of the town.

Operations continued in close coordination with all stakeholders including the United Nations Mine Action Coordination Centre (UNMACC), the military and police and national partners such as the National Red Cross to ensure all activities are in line with national and community priorities and contribute to the eventual transfer to the Congolese authorities. During the year, MAG DRC finished the clearance of Lindu minefield in Bas Congo and the land was returned to the community in a handover ceremony in November 2012. Clearance played a key role in achieving a major milestone as Bas Congo was declared mine-free by the UNMACC in April 2013. Additionally the programme has assisted with the United Nations High Commissioner for Refugees (UNHCR) repatriation of returnees to Kungu Territory in Equatorial Province by delivering Mine Risk Education (MRE) at the UNHCR transit camps and clearing unexploded ordnance (UXO) from areas where people were returning, including around homes, schools and on agricultural land. Similarly, in Mbandaka, North Equateur, teams have been conducting Battle Area Clearance

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

(BAC) to facilitate safe access to land, which was abandoned by hundreds of families following an Unplanned Explosion at a Munitions Site (UEMS) in 2007, resulting in the area being littered with UXO.

In partnership with the UNMACC, MAG and two international partners are implementing the National Landmine Contamination Survey. National Red Cross volunteers are deployed to collect data in support of the survey. This project will assist the Congolese authorities in mapping levels of contamination.

MAG continues to be the only Non-Governmental Organisation accredited by the Congolese authorities to conduct Physical Security and Stockpile Management (PSSM) activities in the country. Following the successful launch of MAG's prefabricated armoury containers last year, the programme installed an additional 14 containers at priority sites in Kinshasa, Kisangani and Bas Congo. MAG's PSSM work continued to expand with the construction of an ammunition depot in Kisangani, Province Orientale. Due to the success of this project the programme expects other similar projects to become available.

The main challenge for the programme this year continued to relate to logistical constraints due to the lack of infrastructure in a country the size of Western Europe. A resurgence of conflict in the eastern provinces resulted in the expansion of the United Nations Organisation Stabilisation Mission with an Intervention Brigade.

Future Plans

There remain significant opportunities for the expansion of PSSM activities in the country. MAG will continue to implement innovative security measures at priority sites to minimise the threat of explosive incidents from stockpiles and reduce proliferation of arms from state controlled armouries. In the mine action field, despite donor fatigue in this area, MAG will continue to work under the Dutch grant for the next three years and aim to source funds to conduct Explosive Ordnance Disposal (EOD) spot tasks from conflict areas such as North Kivu and Katanga.

Libya

Programme Summary

"I hope to see a situation where no unauthorised people can reach the ammunition, where it is all stored in good condition and under government control. I hope people will support MAG with this big and important project." General Ali Tumi, Commander of the Zintan ammunition storage area.

MAG continued to establish itself as a primary actor and technical lead for Mine Action and Physical Security and Stockpile Management (PSSM), conducting activities in Misrata, Zintan, Azaziyah and Mizdah. The programme coordinated closely with the Arms and Ammunition Advisory Section (AAAS) to the UN Support Mission in Libya (UNSMIL) and the Libya Mine Action Centre (LMAC). Due to the evolving political context the exact mandate and responsibilities for the LMAC and relevant national authorities in mine action such as, the Ministry of Defense, the military, Ministry of Foreign Affairs and Interior and the role of the AAAS with the LMAC were not agreed. As a result, no national mine action strategy has been composed for the country as yet.

At the end of the business year MAG had four Mine Action Teams (MATs) in Zintan and Misrata. Activities have focused on Battle Area Clearance (BAC), Explosive Ordnance Disposal (EOD), spot tasks and Risk Education (RE). BAC has been undertaken in the Ammunition Supply Areas (ASAs) in Zintan and Misrata to clear the widespread contamination scattered as a result of the damage to their structures and explosive contents during the conflict. In addition, BAC in ASAs is a prerequisite for future PSSM activities. In May, MAG constructed and installed its first Temporary Storage Point comprising of four 40-foot sea containers with protective works in the Zintan ASA.

Future plans

Strategically, MAG Libya plans to continue focusing on PSSM, exploring further pathways in Security Sector Reform and Disarmament. MAG will pursue ongoing BAC activities in ASAs linked with PSSM that contribute to national recovery efforts with small arms and light weapons (SALW) RE also becoming a main focus of the programme. Ensuring continued support and capacity building of national staff, as they gain seniority and experience will be a key component of the programme's future plans, while MAG continues to maintain close relationships with the LMAC.

Mali

Programme Summary

Following military advances by nationalist and Islamic insurgent groups during 2012, and the subsequent French military intervention, MAG conducted an initial assessment visit to Mali in February 2013 at the request of the

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

Government. The team identified the need for a response capacity covering Risk Education (RE), clearance, Physical Security and Stockpile Management (PSSM) and Community Safety and Security (CSS).

By the end of June 2013 MAG set up operations with the deployment of a Country Director and a Community Liaison Manager to Bamako, and was successful in securing funding from the Swiss Development Corporation for an RE project in Segou. Funding was subsequently received from UNMAS for a Non-Technical Survey (NTS) in the same region.

The initial programme start-up phase set up a structure in-country, focusing on registration, opening a MAG office, liaison with key stakeholders and recruitment and training of national staff. Despite the challenges associated with establishing a programme in a new area of operations, the necessary framework is now in place to facilitate successful programme delivery in the coming business year.

Future plans

Along with ensuring that NTS and RE outputs under current contracts are met, the key focus will be to secure funds to develop the programme in 2014. Although opportunities for Explosive Ordnance Disposal (EOD) and clearance activities appear limited, due to high levels of competition with already-established operators, there is certainly a need to continue Community Liaison work in support of Internally Displaced Persons and returnees, as well as potential CSS and PSSM projects. MAG's focus on building the capacity of Malian nationals and close involvement with communities will be a key factor in facilitating further programme development opportunities.

Puntland State of Somalia

Programme Summary

MAG has continued to provide technical support and other expertise for increased safety and security through Physical Security and Stockpile Management (PSSM), Police Explosive Ordnance Disposal (EOD) teams and Community Safety and Security (CSS) projects involving Risk Education (RE). In 2012-2013, the Programme decreased its focus on EOD whilst expanding PSSM operations throughout greater Somalia, and expanded RE from one to two teams in Puntland. This expansion has been possible due to continued liaison and establishing new relationships with governmental and other state authorities.

In November, MAG developed its CSS further, increasing community awareness of Explosive Remnants of War (ERW) and Small Arms and Light Weapons (SALW) to connect the communities to the wider PSSM approach. This is an on-going process that has proved to be successful in increasing awareness while developing relationships with governmental authorities. The CSS work has recently been incorporated with Danish Demining Group's district-level CSS to ensure greater impact.

During the year, MAG re-established operations in South Central in close collaboration with United Nations Mine Action Service (UNMAS) the integrated mission (UNSOM) and the Government. This ensures MAG's presence throughout Somalia as well as developing its PSSM operations by supporting Safety and Security initiatives. Additionally, MAG has become a leading member of a Technical Work Group, hosted by UNMAS, ensuring collaboration and support for organisations and government bodies for Mine Action initiatives.

The refurbishment and construction of armouries has continued successfully in Somaliland and Puntland with MAG further improving weapons cutting training to safeguard the use of the armouries.

Security remains an issue for the Programme and has been addressed by further developing Standard Operating Procedures and conducting a thorough evaluation of the security situation prior to re-entering South Central. The greatest lesson learned during the year is that the need for EOD clearance has drastically decreased and is no longer a focus for operations. This change is due to heavy clearance by national authorities, and the lack of international oversight to clearance operations due to security reasons. A change of scope in objectives of the programme has thereby been identified and has been reassessed by MAG and its donors.

Future plans

MAG plans to develop RE and CSS activities in Somaliland in the coming year to strengthen PSSM impact and provide additional support to Safety and Security for the government and communities. MAG is also preparing collaboration with the local NGO Somali Humanitarian Demining Organization (SODHO) in Mogadishu to deliver RE in support of the newly initiated PSSM activities.

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

Republic of Congo

Programme Summary

Following the emergency operations conducted in the immediate aftermath of the Mpila explosion, the following months saw a shift in MAG's response, to support long-term reconstruction and sustainable capacity building. Subsequent phases of clean-up operations continued until April 2013, to respond to ongoing clearance and Risk Education (RE) needs in and around the site. Clearance of craters and collapsed buildings within the central contaminated zone immediately reduced the physical threat of death and injury posed by unstable items of unexploded ordnance (UXO). The subsequent release of this land to the local authorities represented the first stage of the reconstruction process; making land available for the rebuilding of essential infrastructure and the provision of essential services and transport links. In particular, the Congolese authorities requested urgent clearance of the 'Régiment du Génie' collapsed building, in order to begin the vital reconstruction of social housing for communities displaced as a consequence of the blasts. Additionally and in response to requests from local communities MAG deployed supplementary Community Liaison (CL) capacity to several areas of Brazzaville where residual contamination from the 1997 civil conflict continued to pose a risk.

Activities carried out by CL teams have provided communities with strategies to manage the threat posed by remaining UXO contamination, both in the Mpila neighbourhood and those zones affected by conflict in the 1990s that had not previously received support. The training of community focal points has also been a crucial element in safeguarding the long-term sustainability of the response, ensuring that vulnerable communities are equipped with the necessary materials and knowledge to respond to the threat of UXO on a continuous basis.

With the vast majority of clearance complete, MAG's Republic of Congo programme closed in April 2013.

South Sudan

Programme Summary

"I am happy now MAG has cleared the area. They give hope of security and a better life for all these people. My wish is that MAG will continue the noble cause until the last mine in the country has been cleared, so that none of my countrymen meet the same fate." Arkulano Wani Patrick, 24-year-old mine victim from Juba country.

MAG South Sudan programme continued its Humanitarian Mine Action (HMA) operations in Greater Equatoria States with an exception of two Community Liaison (CL) teams operating in Upper Nile and Unity States. Towards the end of the year, the programme expanded its operational focus to include Physical Security and Stockpile Management (PSSM); deploying a Weapons and Ammunitions Stockpile Management team to refurbish and/or upgrade existing storage infrastructure with low cost/high value measures and to train storekeepers in seven police armouries in Central Equatoria State. Beside, capacity building a local partner - Operation Save Innocent Lives (OSIL) - and effective liaison with key governmental departments, especially the National Mine Action Authority (NMAA), UN Agencies and broader humanitarian organisations effective coordination, information sharing and linking mine action with developmental outcomes has remained a focus of the programme.

In addition to clearance activities, the programme continued CL activities. Teams provided training to staff members of different UN Agencies and NGOs, trained Community Focal Points (CFPs) and provided peer-to-peer child training. This work assists broader humanitarian operations and ensures sustainability of safety messages. As part of these activities, two projects included additional activities on Small Arms Light Weapons Risk Education (SALW RE) as well. Under SALW RE the programme conducted assessments around community attitudes towards SALW and conducted specific sessions in schools in Eastern Equatoria. Additionally teams also organised SALW education campaigns in four communities, a mass media awareness campaign jointly with a United Nations agency, and declared 80 schools in different counties as 'no weapon zones'.

Future plans

The programme plans to continue HMA activities, and building national capacity, with expansion to border areas subject to security conditions, expand PSSM operations and introduce a Community Safety and Security (CSS) component. In terms of challenges, the volatile security conditions, harsh weather, less developed markets - especially at field level - increasing logistics costs and poor infrastructure can be major constraining factors in the country.

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

Sudan

Programme Summary

From the beginning of the year MAG worked to finalise the close down of its Kassala and Damazine operations in response to an instruction of the Humanitarian Aid Commission (HAC).

MIDDLE EAST

Iraq

Programme Summary

"We felt like prisoners, but now we are free. Now, we can let our sheep graze, we can go wherever we like. We can go for picnics with our families. None of this we would have been able to do if MAG hadn't cleared our land." Idris Ahmed Othman, whose nephews were killed in a mine accident.

With more than 500 national staff, MAG Iraq is the largest humanitarian mine action implementer within the Kurdistan region. In addition, MAG Iraq is the only organisation clearing cluster munitions for humanitarian purposes and the sole humanitarian demining implementer in the highly contaminated and contested area of Kirkuk. Significantly, the programme responded to the Syrian refugee crisis through clearance of Domiz camp (the main refugee camp in northern Iraq) and delivering Risk Education (RE) at the border crossing point in Shilikye, Dohuk.

Capacity building has continued to play an important role in the programme's operations over the past 12 months with 10 Mine Detection Dogs and their handlers being trained by MAG and accredited by the Iraqi Kurdistan Mine Action Agency (IKMAA), and support provided to two local partner NGOs – Al Ghad, working in Kirkuk and Working for Peace operating in Diyala. Both organisations provide RE in areas MAG cannot reach due to security concerns.

During the year MAG Iraq celebrated its 20th anniversary of continuous operations. Over two decades, cleared land has been used to: build new roads, schools, hospitals and entire villages; pave the way for thousands of farmers to work in safety; and facilitate access to vital trade routes.

Future plans

MAG will look to sustain operations in support of peace-building initiatives, including exploring opportunities to work with local authorities in stockpile management. Going forward, the programme will continue to respond to the humanitarian crisis related to Syria. Working in coordination with national authorities, UN agencies and other humanitarian NGOs, MAG will continue to communicate vital life-saving RE messages to vulnerable Syrian refugees to mitigate the risks caused by Explosive Remnants of War and provide clearance of sites for new refugee camps as required.

Lebanon

Programme Summary

"My job with MAG is important. The work I do saves people and helps them in their lives." Amel Nader, female deminer.

MAG Lebanon continued to support the Lebanese government in achieving its aim to clear all cluster munitions by the end of 2016 and all landmines by 2021. MAG cleared cluster-strike areas and minefields enabling communities to use cleared land for housing and agricultural activities.

In support of the national authorities' objective of establishing an accurate estimation of contamination levels, the programme has received approval from the Lebanon Mine Action Centre (LMAC) to train and deploy Community Liaison (CL) team to undertake non-technical surveys (NTS) and impact assessments in southern Lebanon. Such surveys provide a clearer picture in terms of impact and therefore lead to improved targeting of resources. Due to the success of the completed surveys, LMAC has consequently requested MAG to increase CL capacity and extend the NTS methodology across the whole of the country.

Major progress towards building national staff capacity was achieved during the 2012/2013 business year, with the number of Field Operations Offices now standing at five and the day to day field operations being managed by national staff. The programme will continue to invest and support the development of all national staff members in order to build country capacity and sustainability of the programmes. In addition, efforts were maintained to promote

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

gender mainstreaming within the programme via refined recruitment and training packages.

As part of its innovative approach this year, MAG Lebanon has trialled various detectors and has identified PIDD detector as the most suitable, providing a 30 per cent increase in productivity. Three detectors have been deployed while procurement for additional 60 is being discussed with potential donors.

Future plans

Going forward, the programme will continue to work closely with the LMAC and Regional Mine Action Centre (RMAC), clearing priority areas for the benefit of communities in central and southern Lebanon, and will develop and implement appropriate means of ensuring that tasks are prioritised according to need. Through the innovative non-technical survey and work of CL teams, MAG will continue to ensure that high impact areas are prioritised for clearance, resulting in a greater level of transparency within operations throughout the country and improved allocation of resources.

SOUTH EAST AND SOUTHERN ASIA

Cambodia

Programme Summary

"We have been waiting a long time for this to happen, and finally we ask MAG and they came! We are so very happy that no more people in this community will become an amputee or will die because of these items in our land." Samnang Art, farmer and double amputee from Raksmei Sangha Village.

MAG Cambodia has been operational for more than twenty years and continues to adopt a "toolbox approach" to clearance, utilising the most appropriate clearance asset and methodology for the task at hand. Over the last twelve months the programme has incorporated Battle Area Clearance (BAC) in East Cambodia alongside new innovative clearance and detection assets that further benefit vulnerable communities across the country. The establishment of an Explosive Remnants of War (ERW) reporting network in North East Cambodia, alongside the new deployment of Explosive Ordnance Disposal (EOD) teams in the region has been successful, in an area that has never before seen clearance or Risk Reduction Education (RRE) delivery. Community Liaison (CL) teams remain have prioritised Non-Technical Survey activities to assist clearance teams in the North West, while ensuring the delivery of RRE to indigenous communities in North East of the country is done in several local languages through a partnership with CARE Cambodia. This includes the delivery of bilingual safety messaging schoolbooks to children across Ratanakiri Province.

The programme has continued to roll out the land release methodology and the use of Handheld Standoff Mine Detection System (HSTAMIDS) technology amongst teams, and is now able to undertake research and development of mechanical assets. MAG continues to work with development partners in creating innovative approaches to livelihood development. This will be expanded upon in the future to ensure that the most vulnerable people in society have the right information about the dangers in their community to avoid dangerous behaviours.

Future plans

Over the next year, the programme will continue to deliver safe and efficient clearance operations integrating wherever possible new clearance and detection technologies. Further, the programme will seek wider and deeper development links with mainstream development partners in order to maximise post clearance land use and the subsequent impact and outcomes of our work.

Lao PDR

Programme Summary

"Thanks to the work of MAG, I am now able to use my land without fear and have confidence that my family and I will not be victims of a UXO accident. Since the land has been cleared I have been able to start work on a new house." Mr Khamung, Khammouane Province.

MAG continues to clear unexploded ordnance (UXO) contamination from two highly affected provinces in Lao PDR - Khammouane and Xieng Khouang. As well as making land safe for individual and community land owners, we partner with Government local authorities and International NGOs who go on to implement a range of development activities on land that has been cleared. One example of this successful way of working was seen this year in Xieng Khouang province where MAG cleared items that enabled Child Fund International to construct a gravity-fed water system for a

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

community. The chief of the beneficiary village said: *'We are very proud that MAG and Child Fund joined forces to support our village. It is very good to know that our village is far safer and that we now all have access to clean water'*.

Operationally throughout the year MAG deployed eight UXO clearance and two Explosive Ordnance Disposal (EOD) Roving teams. Within these teams are Community Liaison staff who help to ensure that clearance resources are deployed to the worst hit areas of known UXO contamination. They undertake pre-clearance community surveys and interviews during which evidence is gathered from all sectors of the community. This ensures operations remain high-impact, and that they deliver the best value for money for donors.

Future plans

In partnership with the Government of Lao and other operators, MAG will continue to seek ways to increase the UXO clearance rates. Such partnerships will create the enabling conditions under which the country can attain vital international and national development targets.

Myanmar

Programme Summary

The initial year of operations in Myanmar has focused on developing key relationships with donors, state authorities, non-state actors (those organisations with significant political influence but not allied to the state) and development partners in civil society. In this time the programme has established a national presence in the country and engaged with both the Myanmar Peace Centre (MPC) and Ministry of Social Welfare for Registration. Additionally a field Office in Kayah State has been established and a Community Liaison (CL) team recruited to providing Risk Education (RE) to communities and front-line humanitarian staff. The programme has also supported the development of the Myanmar Mine Action Standards.

It has become clear over the past eight months that clearance activities will not be possible for at least another two years due to a number of contextual obstacles. These include: on-going conflict, a lack of accountability mechanisms for responsible land-handover, the continued use of landmines under the guise of human security and protection of resources and the lack of the required legislation for Humanitarian Mine Action actors to operate. Despite these limitations, MAG has developed a strong partnership with the International Rescue Committee (IRC) and, with the support of AusAID, is implementing an integrated RE/Victim Assistance programme along the Eastern Border.

Future plans

MAG has been working with the Karan Human Rights Group (KHRG) and the Community Development Association (CDA) to develop a proposal to develop the reach of the programme. Most of the work up to now has revolved around business development and building relationships with the relevant authorities and stakeholders. However, during the next Business Year the programme will also deploy a CL Manager to begin providing RE to more conflict-affected communities. By the end of the year, MAG also expects to establish a regional presence in Kayin State.

Vietnam

Programme Summary

MAG Vietnam continues to be the largest Mine Action NGO in Vietnam, consolidating capacity in the existing provinces of Quang Binh and Quang Tri, and expanding operations in its newest province, Quang Nam. Vietnam's impact-driven operations feed directly into provincial and national development plans, through strong partnerships with provincial authorities. This is complimented by partnerships with NGOs such as Roots of Peace and Plan. Additionally, Impact Assessment has been fully integrated into Community Liaison operations and an extensive database further developed to enable the mapping and evaluation of the direct and indirect impact MAG's operations have on affected communities.

Operations in Quang Nam were developed over the past 12 months with the recruitment, training and deployment of the first Mine Action Team in September. This expansion has been helped by training national staff using experienced MAG capacity from other provinces, as well as maximising established relationships with provincial authorities in Quang Tri to mentor their Quang Nam counterparts in coordination in a province which has previously had no international Mine Action activities.

Much of the programme's strength lies in its national staff, many of whom have worked for MAG for more than 10 years, and the programme has continued to foster and maintain this valuable capacity throughout the year. Progress towards further nationalisation of key positions has progressed extremely well, with a fixed-term international

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

Programme Officer recruited to nationalise this position. Training plans have also been developed for senior technical staff with the aim of developing them to internationally recognised standards.

Future plans

Looking ahead MAG Vietnam plans to consolidate and expand programme funding and capacity. Coupled with this we will further the capacity building of national staff, feeding into policy change at the national level, and increase NGO and authority partnership at the provincial level.

AMERICAS

El Salvador

Programme Summary

Following a three-week assessment in January, MAG deployed a Technical Field Manager (TFM) and a Project Manager to implement a three-month Physical Security and Stockpile Management (PSSM) project from March. Working in close collaboration with the Salvadoran Armed Forces, this project improved the physical security of ten ammunition and weapons storage facilities.

Based on the recommendations outlined in the Assessment Mission report, the first stage of the project entailed the procurement and delivery of materials and equipment required to implement security upgrades, including items such as fencing materials, gate materials, cameras, high security locks and lighting. As a consequence of cost savings made during this procurement phase, MAG was also able to purchase alarm systems and hand-held radios.

The second phase of the project involved the provision of technical advice and oversight to the installation of PSSM upgrades at the ten sites. An 18-man military construction team from the Salvadoran armed forces carried out installation, with MAG's TFM working between the sites in an advisory capacity, to ensure compliance with the required standards. Physical security upgrades at all ten sites were completed during the three-month project period, exceeding the initial targets.

In a country where violent crime and extreme inequality pervade society, the physical improvements to security and infrastructure implemented by MAG will mitigate the likelihood of weapons and ammunition leaking into illicit channels, thus contributing to a reduction in armed violence for the benefit of the population.

The success of the project has contributed to improved regional security by reducing the illicit proliferation of unsecured small arms and light weapons (SALW) being removed from stockpiles. Moreover, army personnel working in the ammunition depots and weapons storage facilities will benefit from a more secure working environment, and an improved autonomous ability to safely store SALW and ammunition.

2. GOVERNANCE AND MANAGEMENT

Structure

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

Governance

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

The Board holds formal scheduled meetings at least four times a year in addition to an annual Board Away Day together with a number of other ad hoc meetings. The Audit and Finance sub-committee (AFC) meets six times a year and other sub-committee meetings are held as required. An Annual Meeting of the Trustees is also held during which items such as the Annual Report and Accounts; appointment/retirement of trustees and auditors are dealt with.

MAG utilises a skills audit register in recruiting new Board members and seeks a range of expertise and knowledge that will assist and support the organisation in its development. All new appointments follow a formal recruitment and induction process, with new Trustees receiving key documents which detail the legal obligations of Trustees, Articles of Association, key policy documents, the Annual Report and Accounts and details of the organisational structure of

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

MAG. Trustees also undertake overseas programme visits as part of their induction to MAG. The Board away day is used for strategic discussion and reflection, and also for a process of facilitated appraisal of Board effectiveness.

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

Management

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

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

Overseas projects and programmes are 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 the Regional Programme Managers (RPMs) in the UK and provide monthly management reports with key operational and financial data. The structure of individual MAG programmes or projects differs according to the size and complexity of the country operations.

Employees

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

As of 30 June 2013, MAG employed 2,289 staff globally, the majority of whom 2,127 (93%) are nationals from countries where our programmes are in operation. Our intention is to ensure that both skills and salaries remain within local economies.

We have an additional 101 staff who are on expatriate/international contracts, recognising that specific technical and senior management skills are not always available in country. MAG drew its international staff this year from 30 different nations, enhancing our diversity, and ensuring that we are able to attract exceptional talent from around the world. Our employees work in a range of technical, managerial, administrative and support positions and all receive appropriate induction, equipment, training and supervision to relevant international and local standards, and our policies on mobility and senior roving technical positions ensure that learning is transferred from programme to programme. In addition, a total of 61 employees worked at MAG's headquarters in the UK.

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

Our Staff Engagement Survey showed that 91% of staff surveyed are proud to work for us. We strive towards ensuring effective and meaningful communication through the whole organisation and a weekly all-staff email is sent out detailing key updates for the coming week; regular emails are sent by MAG's Chief Executive highlighting key events, achievements and progress in our work.

This year we saw vast improvements in the use of our performance management system with 95% of UK and international staff having objectives and reviews in place. We saw a major restructure amongst our teams at Head

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

Office aligning our support teams to the work of our Programme team. A major review of our HQ/International staff reward system was completed resulting in a transparent process for evaluating jobs, setting appropriate allowances and benchmarking salaries and benefits. Our insurance policies were also revised to ensure that cover in place better meets the needs of staff working away from their home countries.

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

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

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

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

Provision of information to the auditor

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

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

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

4. RISK MANAGEMENT

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

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 is committed to establishing a culture across the organisation in which bribery is not tolerated.

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

The corporate risk register covers areas of Corporate Governance, Health and Safety, Contractual Compliance, Statutory Compliance, and Funding. The register enumerates potential effects and current controls, and scores probability and impact against each of the twelve major risk areas.

The principal operational risks faced by MAG relate to the nature of MAG business. Lack of adherence to safety procedures and professional standards in operations would constitute a significant risk were it not given as high a priority as it is in MAG. MAG is licenced by all national authorities in the countries where it works, and is obliged to adhere to national standards, verification of which is regularly undertaken by the authorities in question. Furthermore, MAG is compliant with the International Mine Action Standards (IMAS) which are the professional standards required by institutional donors who support mine action.

MAG's key financial risk is that it fails to secure funding in line with strategic plans. In order to mitigate this risk MAG maintains close relationships with current and potential donors. We are also seeking commercial opportunities through Explosive Risk Solutions Ltd, MAG's trading subsidiary.

Quality Assurance and Quality Control is an integral part of all MAG operations and is laid out in each programme's Standard Operating Procedures and training. The emphasis on quality and safety is built into the implementation process through direct monitoring of operations starting with individual performance at field level. A number of senior technical advisory staff are responsible for travelling between all programmes on a schedule of visits to assure compliance with local standard operating procedures and international standards.

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

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.

6. RESERVES

The majority of MAG's operational work is funded from restricted funds. MAG retains unrestricted reserves to fund programme continuity, support short term working capital needs and to assure the charity's sustainability and capacity to manage unforeseen financial difficulties. The Trustees continue to adopt a risk based approach in calculating reserves and the Board currently considers £1.75m of unrestricted reserves to be the target level of reserves required. Given the nature of MAG's business, the Board considers it prudent to make an allocation within unrestricted reserves to accommodate adverse shifts in the impact of foreign exchange.

7. INVESTMENT

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

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

8. FINANCIAL OVERVIEW

Incoming resources have decreased to £33.2m (2012: £39.9m), with resources spent directly on charitable activities decreasing to £32.1m (2012: £38.8m). The reduction in grant and contract income is largely due to the closure of the Sudan programme and a reduction in funding availability from some of MAG's institutional donors.

In a harsh UK economic environment, voluntary income has fallen to £459k (2012: £553k), largely due to a reduction in income generated from UK community-led events and overseas 'sponsorship' fundraising challenges. The surplus (income, less cost of generating income) earned on Voluntary income of £189k (2012: £233k) has been fully utilised to aid the delivery of MAG's charitable activities and whilst relatively small in value, represents critically important support.

Unrestricted reserves stand at £2.1m (2012: £1.4m) and are modestly in excess of the Board's target reserves balance of £1.75m (2012: £1.75m). The excess adequately accommodates the internal allocation to protect against foreign exchange shifts. 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 £4.1m (2012: £5.3m) and are largely attributable to grant/contract payments received in advance of disbursement, the majority of which are held in UK accounts, where MAG's global treasury management is carried out. Funds are transferred to overseas programmes to cover the short-term (around 15 days) working capital needs.

Deferred Income of £8.3m, (2012: £8.8m) represents the balance of billed grants/contracts which are to be delivered in future periods.

9. GOING CONCERN

The trustees consider MAG to be operating on a going concern basis due to the number, value and financial viability of contracts secured through to at least November 2014, 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.

10. FUTURE PLANS

MAG will strive to further develop its competitive edge, value for money, demonstrable impact, quality, added value and our ability to adapt to more complex interpretations of humanitarianism and development in order to differentiate ourselves from others. In real terms this means that over the forthcoming year we will look to add value and competitive advantage through innovation, sector development, collaboration and building alliances. Integral to this approach is a continued explicit focus on policy and sector influence and a deepening understanding of how our operations contribute measurable impact to the post-conflict development process. As MAG and its donors become more concerned that mine action activities should complement local and national development priorities, and there is growing sector momentum behind Physical Security and Stockpile Management activities, MAG will remain flexible and responsive and ensure that we explore new operational and business models to meet these needs.

Thanks

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

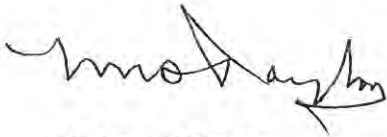
ACE; Act for Peace; Actiefonds Minjnen Ruimen (AMR); Action for Southern Africa; AusAID; Belgian Ministry of Foreign Affairs; British Embassy in DR Congo; Canadian International Development Agency (CIDA); Canadian Department For Aid and International Trade (DFAIT); Dutch Ministry of Foreign Affairs; European Commission – ECHO; European Commission – EuropeAid; The Allan and Nesta Ferguson Charitable Trust; Fibertek; Finn Church

**MINES ADVISORY GROUP
TRUSTEES' REPORT
For the year ended 30 June 2013**

Aid; Flemish Investments Burundi; Foreign & Commonwealth Office (United Kingdom); German Federal Ministry of Foreign Affairs; Glow; Good Gifts; Guernsey Overseas Aid Commission; Imperial Tobacco (the Altadis Foundation); Irish Aid; Isle of Man Government; Japanese Government; Life With Dignity; MAG America; Medico; Norwegian Ministry of Foreign Affairs; Open Gate; QPSW Relief Grant; Seattle Rotary Service Foundation; SIDA; Spanish Government AECID; Stichting Vluchteling; Swiss Government; The Hurvis Foundation; The Kirby Laing Foundation; Department for International Development (DfID) (United Kingdom); Sterling International; UNDP; UNHCR; UNICEF; Unicorn Grocery; Ministry Of Defence (MoD) (United Kingdom); UNMAS; UNOPS; USAID; US Department of State Office of Weapons Removal and Abatement; World Vision.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



Michael H Taylor
Chair of the Board of Trustees
Date

TO THE TRUSTEES OF MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2013

We have audited the financial statements of Mines Advisory Group for the year ended 30 June 2013, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

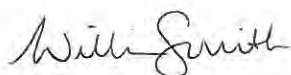
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MINES ADVISORY GROUP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

Matters on which we are required to report by exception

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

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



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

27/11/2013

MINES ADVISORY GROUP
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year ended 30 June 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	3	407,497	51,253	458,750	553,143
Investment income	2	37,883	246	38,129	48,384
Incoming resources from charitable activities	4	-	32,515,437	32,515,437	38,542,771
Other income	5	38,276	153,996	192,272	802,016
Total incoming resources		<u>483,656</u>	<u>32,720,932</u>	<u>33,204,588</u>	<u>39,946,314</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	270,299	-	270,299	319,819
Charitable activities	6	3,444,640	28,684,839	32,129,479	38,834,382
Governance costs	6	136,299	-	136,299	217,772
Total resources expended		<u>3,851,238</u>	<u>28,684,839</u>	<u>32,536,077</u>	<u>39,371,973</u>
Net incoming / (outgoing) resources before transfers		(3,367,582)	4,036,093	668,511	574,341
Transfer between funds	13	<u>4,064,393</u>	<u>(4,064,393)</u>	<u>-</u>	<u>-</u>
Net movement in funds		696,811	(28,300)	668,511	574,341
Total funds brought forward	13	<u>1,447,821</u>	<u>176,749</u>	<u>1,624,570</u>	<u>1,050,229</u>
Total funds carried forward	13	<u>2,144,632</u>	<u>148,449</u>	<u>2,293,081</u>	<u>1,624,570</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.

The notes on pages 26 to 36 form part of these accounts.

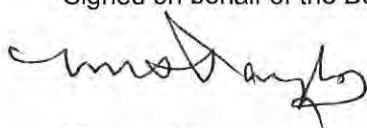
MINES ADVISORY GROUP
BALANCE SHEET
As at 30 June 2013
Company registration number: 4016409

	Notes	2013	2012
		£	£
FIXED ASSETS			
Tangible assets	10	149,654	81,029
CURRENT ASSETS			
Debtors due within one year	11	7,801,849	6,488,791
Cash at bank and in hand		4,105,792	3,844,254
Investments – Cash on deposit		-	1,432,417
		<u>11,907,641</u>	<u>11,765,462</u>
CREDITORS			
Amounts falling due within one year	12	<u>(9,764,214)</u>	<u>(10,221,921)</u>
NET CURRENT ASSETS		<u>2,143,427</u>	<u>1,543,541</u>
NET ASSETS		<u>2,293,081</u>	<u>1,624,570</u>
FUNDS			
Unrestricted funds	13	2,144,632	1,447,821
Restricted funds	13	<u>148,449</u>	<u>176,749</u>
TOTAL FUNDS	13	<u>2,293,081</u>	<u>1,624,570</u>

The notes on pages 26 to 36 form part of these accounts.

These accounts were approved by the Board of Trustees and authorised for issue on 15th November 2013.

Signed on behalf of the Board of Trustees



Michael H Taylor
Chair

MINES ADVISORY GROUP
CASH FLOW STATEMENT
For the year ended 30 June 2013

	2013		2012	
	£	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities				
Net incoming / (outgoing) resources	668,511		574,341	
Depreciation	1,243,208		1,057,026	
(Increase) / Decrease in debtors	(1,313,058)		(2,757,293)	
(Decrease) / Increase in creditors	(457,707)		(936,785)	
Bank interest received	(38,129)		(48,384)	
Net cash inflow/(outflow) from operating activities		102,825		(2,111,095)
Returns on investments and servicing of finance				
Interest received		38,129		48,384
Capital expenditure				
Payments to acquire tangible fixed assets	(1,311,833)		(984,501)	
		(1,311,833)		(984,501)
(Decrease) / Increase in liquid resources		(1,170,879)		(3,047,212)
Net cash resources at 1 July		5,276,671		8,323,883
Net cash resources at 30 June		4,105,792		5,276,671

The notes on pages 26 to 36 form part of these accounts.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

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

The trustees consider MAG to be operating on a going concern basis due to the number, value and financial viability of contracts secured through to November 2014, in addition to prudent assumptions on the anticipated level of business throughout this period. MAG has adequate resources to continue in operational existence for the foreseeable future, cash headroom has been analysed and is appropriate to current and forecast business levels. In addition, MAG has the operational capacity, knowledge and expertise to continue to be at the forefront of the post conflict recovery sector for the foreseeable future.

1.2 INCOME RECOGNITION

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

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

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

Investment income is recognised on a receivable basis.

1.3 RESOURCES EXPENDED

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

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

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

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

absorbed by each activity.

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

1.4 RESTRICTED AND UNRESTRICTED FUNDS

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

1.5 LEASING CONTRACTS

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

1.6 FOREIGN CURRENCIES

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

1.7 TANGIBLE FIXED ASSETS

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

Depreciation rates for HQ held assets are as follows;

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

Motor Vehicles – 25% straight line

Leasehold improvements – 20% straight line

1.8 PENSION COSTS

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

1.9 TAXATION

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

1.10 OVERSEAS PROGRAMMES

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

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1.11 INVESTMENTS

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

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

2. INVESTMENT INCOME

	2013 £	2012 £
Bank interest received		
Unrestricted	37,883	44,239
Restricted	246	4,145
	<u>38,129</u>	<u>48,384</u>

3. VOLUNTARY INCOME

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Regular Giving*	115,636	1,856	117,492	94,455
Legacies	25,288	-	25,288	9,487
Public Donations, Appeals and Fundraising Events*	231,171	3,911	235,082	323,801
Trusts, Foundations & Partnerships	35,402	45,486	80,888	125,400
	<u>407,497</u>	<u>51,253</u>	<u>458,750</u>	<u>553,143</u>
Total voluntary income	<u>407,497</u>	<u>51,253</u>	<u>458,750</u>	<u>553,143</u>

*Includes gift aid

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

4 Incoming resources from charitable activities	2013	2012
	£	£
Act for Peace	315,897	50,152
Actiefonds Minjnen Ruimen (AMR)	16,786	33,042
Atlantis Foundation	1,122	-
AusAID	1,682,278	2,140,359
Belgian Ministry of Foreign Affairs	1	498,031
British Embassies	1,206	22,735
CIDA	259,950	539,205
DFAIT (Dept Foreign Aid and Int'l Trade)	320,215	536,876
Corporate	35,174	57,733
DFID	5,089,085	6,537,133
Dutch Ministry of Foreign Affairs - EUR	3,874,758	4,079,472
European Commission	3,004,852	1,676,419
EC - ECHO	568,138	1,709,945
Fibertek	570,131	566,820
Finn Church Aid foundation	286,821	11,186
Foreign and Commonwealth office	723,061	-
German Federal Ministry of Foreign Affairs	687,310	752,642
Good Gifts	8,400	22,675
Guernsey Overseas Aid Commission (GOAC)	9,370	51,308
Irish Aid	157,031	250,607
Isle of Man	19,506	-
International Organisation for Migration	-	114,896
Japanese Government	370,628	-
Life with Dignity	-	190,432
Ministry Of Defence	168,463	784,521
Medico International	-	16,841
MAG America	9,028,780	10,587,430
Miscellaneous Donors	30,681	125,198
Norwegian Ministry of Foreign Affairs	1,199,840	1,059,939
SIDA	687,973	1,408,349
Spanish Government	488,803	1,214,171
Swiss Government	378,478	122,020
Stichting Vluchteling	259,876	333,716
Sterling International LLC	326,155	34,900
Trusts & Foundations	40,932	28,603
USAID	-	53,882
UNHCR	41,779	232,586
UNICEF	11,257	69,490
UNOPS	1,095,154	1,851,399
UNDP	755,756	748,453
World Vision	(210)	29,604
	<u>32,515,437</u>	<u>38,542,771</u>

Of the £9,028,780 from MAG America, £8,971,348 (2012: £10,572,157 out of £10,587,430) 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 2013

5. OTHER INCOME	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2013	2013	2013	2012
	£	£	£	£
Merchandise	10,266	17,316	27,582	33,108
Insurance Claims	45,206	125,418	170,624	345,520
Shared Services	-	-	-	16,465
Consultancy	-	-	-	1,808
Prior Year VAT refund	-	-	-	335,692
Other Income	(17,196)	11,262	(5,934)	69,423
Total	<u>38,276</u>	<u>153,996</u>	<u>192,272</u>	<u>802,016</u>

6 RESOURCES EXPENDED

	Generating Voluntary Income £	Charitable Activities £	Governance £	Total 2013 £	Total 2012 £
Overseas programmes unrestricted	-	91,446	-	91,446	95,519
Support Costs:					
Staff Remuneration & other staff costs	149,412	2,361,598	31,182	2,542,192	2,811,842
Travel	7,876	201,353	4,223	213,452	257,863
Premises, IT & Communications	11,329	432,098	-	443,427	364,844
Fundraising Events & Advertising	90,024	13,038	-	103,062	167,775
Professional fees & other costs	11,658	449,510	100,894	562,062	1,466,614
Exchange (gain) / loss	-	(104,403)	-	(104,403)	(447,222)
Total unrestricted	<u>270,299</u>	<u>3,444,640</u>	<u>136,299</u>	<u>3,851,238</u>	<u>4,717,235</u>
Overseas programmes restricted	<u>-</u>	<u>28,684,839</u>	<u>-</u>	<u>28,684,839</u>	<u>34,654,738</u>
Total, year ended 30 June 2013	<u>270,299</u>	<u>32,129,479</u>	<u>136,299</u>	<u>32,536,077</u>	<u>39,371,973</u>
Total, year ended 30 June 2012	<u>319,819</u>	<u>38,834,382</u>	<u>217,772</u>	<u>39,371,973</u>	

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

7. NET INCOMING RESOURCES

	2013 £	2012 £
The net incoming resources for the year are stated after charging:		
Depreciation of tangible fixed assets owned by the charity	1,243,208	1,057,026
Foreign exchange gains	(104,403)	(447,222)
Operating lease rentals - Land and buildings	692,693	845,631
Auditors' remuneration:		
Fees payable to the charity's auditor for the audit of the charity's financial statements	50,000	83,437
Non-audit fees:		
Grant certification services	64,333	56,457
Taxation services	8,783	68,500
Other services	4,750	0

8 STAFF COSTS

	2013 £	2012 £
Salaries and wages - UK employees (including those working overseas)	7,019,334	7,196,118
Salaries and wages - Overseas national employees	10,337,306	12,299,648
Social security costs	206,944	227,693
Pension contribution	86,803	92,189
	17,650,387	19,815,648

UK staff costs include payments to temporary staff of £29,217 (2012 £18,426) not included in employee numbers outlined below.

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

UK employees:		
Overseas projects	107	131
Programme support and administration	62	62
Fund-raising information and education	5	4
	174	197

In addition to the employees stated above, the charity employs 2,326 (2012 - 2,894) national staff overseas.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

Number of employees whose emoluments were between £60,000 and £70,000 per annum:	9	5
between £70,000 and £80,000 per annum:	2	2
between £80,000 and £90,000 per annum:	-	1
between £100,000 and £110,000 per annum:	1	-

Pension costs of £25,298 (2012 - £20,590) were paid in respect of those higher paid employees noted above.

9 TRANSACTIONS WITH TRUSTEES

Expenses reimbursed to Trustees during the period amounted to £4,223 (2012 - £7,626). £609 of this (2012 - £3,773) related to travel and accommodation costs for trustees visiting MAG projects. No remuneration was paid to Trustees during the period in their capacity as Trustees.

In 2013 and 2012 trustees were covered by the overall company indemnity insurance, and as such their costs have not been split out.

10. TANGIBLE FIXED ASSETS

	Field Assets £	Equipment Fixtures & Fittings £	Total £
Cost			
At 1 July 2012	16,731,148	337,554	17,068,702
Additions	1,311,833	-	1,311,833
Disposals	-	-	-
At 30 June 2013	18,042,981	337,554	18,380,535
Depreciation			
At 1 July 2012	16,731,148	256,525	16,987,673
Charge for the year	1,163,208	80,000	1,243,208
Disposals	-	-	-
At 30 June 2013	17,894,356	336,525	18,230,881
Net book value			
At 30 June 2013	148,625	1,029	149,654
Net book value			
At 30 June 2012	-	81,029	81,029

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

11. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	6,273,821	5,169,679
Prepayments and accrued income	1,360,938	1,180,873
Other debtors	167,090	138,239
	<u>7,801,849</u>	<u>6,488,791</u>
Total	7,801,849	6,488,791

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	500,817	232,433
Deferred income (below)	8,309,979	8,760,950
Grants repayable	10,495	206,407
Other taxation and social security	168,819	140,911
Accruals	202,305	239,729
Other creditors	571,799	641,491
	<u>9,764,214</u>	<u>10,221,921</u>

Deferred income	2013	2012
	£	£
Balance as at 1 July	8,760,950	10,156,067
Amount released to income resources	(8,760,950)	(10,156,067)
Amount deferred in the year	8,309,979	8,760,950
Balance as at 30 June	<u>8,309,979</u>	<u>8,760,950</u>

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

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

13. RESTRICTED/UNRESTRICTED FUNDS

	1 July 2012 £	Incoming Resources £	Resources Expended £	Transfers £	30 June 2013 £
Angola	73,279	1,776,027	(1,624,856)	(170,186)	52,264
Burundi	-	264,109	(234,925)	(29,184)	-
Cambodia	53,882	2,784,811	(2,027,205)	(787,081)	24,407
Chad	-	2,178,796	(2,001,269)	(177,527)	-
Colombia	1	-	-	-	1
Republic of Congo	995	781,736	(723,772)	(58,959)	-
Democratic Republic of Congo	1,711	3,463,212	(2,914,444)	(550,734)	(255)
El Salvador	-	154,146	(140,487)	(13,659)	-
Laos	42,317	1,761,183	(1,676,360)	(89,535)	37,605
Lebanon	4,066	2,896,890	(2,627,379)	(259,604)	13,973
Libya	455	2,782,331	(2,519,787)	(261,703)	1,296
Mali	-	4,329	(4,329)	-	-
Myanmar	-	31,977	(23,104)	(9,123)	(250)
North Iraq	-	5,006,399	(4,498,834)	(507,314)	251
Sudan	-	1,243,173	(1,120,726)	(122,447)	-
Puntland State of Somalia	-	1,497,269	(1,325,486)	(171,782)	1
South Sudan	34	2,049,096	(1,850,194)	(197,726)	1,210
Sri Lanka	-	1,578,398	(1,408,049)	(154,403)	15,946
UK	9	300,101	(115,542)	(184,568)	-
Vietnam	-	2,166,949	(1,848,091)	(318,858)	-
Restricted	176,749	32,720,932	(28,684,839)	(4,064,393)	148,449
Unrestricted	1,447,821	483,656	(3,851,238)	4,064,393	2,144,632
Total	1,624,570	33,204,588	(32,536,077)	-	2,293,081

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

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

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Totals 2013 £	Totals 2012 £
Tangible fixed assets	149,653	-	149,653	81,029
Net current assets	1,994,979	148,449	2,143,428	1,543,541
Total net assets	2,144,632	148,449	2,293,081	1,624,570

15. OPERATING LEASE COMMITMENTS

At 30 June 2013 the charity had annual commitments under non-cancellable operating leases as follows:

	2013			2012		
	Within 1 year £	2-5 years £	Over 5 years £	Within 1 year £	2-5 years £	Over 5 years £
Land and buildings	376,227	78,973	68,572	241,196	174,687	-
Other	165,739	3,181	-	216,136	62,854	-

16. DONOR SPECIFIC NOTES

16.1 Netherlands Ministry of Foreign Affairs

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

	1 st July 2012 \$	Incoming Resources \$	Resources Expended \$	Transfers \$	30 th June 2013 \$
Democratic Republic of Congo	-	1,071,632	(979,045)	(92,587)	-
Iraq	-	917,519	(773,711)	(143,808)	-
Lebanon	-	1,274,362	(1,121,717)	(152,645)	-
Libya	-	1,452,520	(1,322,779)	(129,741)	-
South Sudan	-	1,300,744	(1,168,638)	(132,107)	-
Total	-	6,016,777	(5,365,889)	(650,888)	-

16.2 British Foreign and Commonwealth Office

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

	1st July 2012 £	Incoming Resources £	Resources Expended £	Transfers £	30th June 2013 £
Somalia	-	723,061	(635,252)	(87,809)	-

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

17. PENSION CONTRIBUTIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions of up to 5% for staff, 10% for the Chief Executive Officer Contributions paid by the charity to the fund amounted to £86,803 (2012: £92,189)

18. CONNECTED COMPANIES

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

19. RELATED PARTIES

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

Colin Rowe is a Trustee of the charity and a Director of North West Notaries. During the year the charity contracted Notarial services from North West Notaries Limited totalling £0 (2012 £2,125).

20. CONTINGENT LIABILITIES

The charity has provided unsecured guarantees to the European Commission, Delegation of the EU in Chad in respect of pre-financing payable under Grant Contract "Programme of Support to Demining in the North and East of Chad. At 30 June 2013, guarantees outstanding amounted to £1,706,193 (2012: £0) and £1,334,975 of the pre-financing had been spent.

21. COMPANY STATUS

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

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2013

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 2013

	Notes	Unrestricted Funds \$	Restricted Funds \$	Total Funds 2013 \$	Total Funds 2012 \$
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary Income		639,461	80,428	719,890	878,925
Investment income		59,448	386	59,834	76,880
Incoming resources from charitable activities		-	51,024,579	51,024,579	61,243,178
Other income		60,064	241,657	301,721	1,274,376
Total incoming resources		<u>758,973</u>	<u>51,347,050</u>	<u>52,106,023</u>	<u>63,473,359</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		424,164	-	424,164	508,182
Charitable activities		5,405,473	45,013,445	50,418,917	61,706,539
Governance Costs		213,886	-	213,886	346,032
Total resources expended		<u>6,043,523</u>	<u>45,013,445</u>	<u>51,056,968</u>	<u>62,560,753</u>
Net incoming/ (outgoing) resources before transfers		(5,284,550)	6,333,605	1,049,055	912,606
Transfer between funds		<u>6,378,015</u>	<u>(6,378,015)</u>	<u>-</u>	<u>-</u>
Net movement in funds		1,093,465	(44,410)	1,049,055	912,606
Total funds brought forward		2,248,868	276,527	2,525,395	1,683,623
Movement in Foreign Exchange		(71,540)	-	(71,540)	(70,834)
Total funds carried forward		<u>3,270,793</u>	<u>232,117</u>	<u>3,502,911</u>	<u>2,525,395</u>

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

All incoming resources and resources expended derive from continuing activities.

MINES ADVISORY GROUP
US DOLLAR ACCOUNTS
For the year ended 30 June 2013

	2013	2012
	\$	\$
FIXED ASSETS		
Tangible assets	228,611	125,960
CURRENT ASSETS		
Debtors due within one year	11,918,105	10,086,826
Cash at bank and in hand	<u>6,272,009</u>	<u>8,202,585</u>
	18,190,113	18,289,411
CREDITORS		
Amounts falling due within one year	<u>(14,915,883)</u>	<u>(15,889,976)</u>
NET CURRENT ASSETS	<u>3,274,300</u>	<u>2,399,435</u>
NET ASSETS	<u>3,502,911</u>	<u>2,525,395</u>
FUNDS		
Unrestricted funds	3,270,793	2,248,868
Restricted funds	<u>232,117</u>	<u>276,527</u>
TOTAL FUNDS	<u>3,502,910</u>	<u>2,525,395</u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2013

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 2013

	Unrestricted Funds €	Restricted Funds €	Total Funds 2013 €	Total Funds 2012 €
INCOMING RESOURCES				
Incoming resources from generated fund:				
Voluntary income	496,280	62,420	558,700	649,630
Investment income	46,137	300	46,436	56,824
Incoming resources from charitable activities	-	39,599,738	39,599,738	45,265,915
Other incoming resources	46,615	187,548	234,163	941,915
Total incoming resources	<u>589,033</u>	<u>39,850,005</u>	<u>40,439,037</u>	<u>46,914,284</u>
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of generating voluntary income	329,190	-	329,190	375,606
Charitable activities	4,195,141	34,934,548	39,129,689	45,608,392
Governance costs	165,995	-	165,995	255,759
Total resources expended	<u>4,690,326</u>	<u>34,934,548</u>	<u>39,624,875</u>	<u>46,239,757</u>
Net incoming/(outgoing) resources before transfers	(4,101,294)	4,915,457	814,163	674,527
Transfer between funds	4,949,923	(4,949,923)	-	-
Net movement in funds	848,629	(34,466)	814,163	674,527
Total funds brought forward	1,823,754	209,881	2,033,635	1,167,224
Movement in Foreign Exchange	(159,849)	-	(159,849)	191,886
Total funds carried forward	<u>2,512,534</u>	<u>175,415</u>	<u>2,687,949</u>	<u>2,033,637</u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2013

	2013		2012	
	€	€	€	€
FIXED ASSETS				
Tangible assets		175,424		101,432
CURRENT ASSETS				
Debtors due within one year	9,145,327		8,122,669	
Cash at bank and in hand	4,812,809		6,605,337	
	<u>13,958,137</u>		<u>14,728,006</u>	
CREDITORS				
Amounts falling due within one year	<u>(11,445,612)</u>		<u>(12,795,801)</u>	
NET CURRENT ASSETS		<u>2,512,525</u>		<u>1,932,205</u>
NET ASSETS		<u>2,687,949</u>		<u>2,033,637</u>
FUNDS				
Unrestricted funds		2,512,534		1,823,444
Restricted funds		<u>175,415</u>		<u>210,193</u>
TOTAL FUNDS		<u>2,687,949</u>		<u>2,033,637</u>