

The HALO Trust

Annual report and financial statements

Company number 2228587

Charity registration numbers

1001813 and SC037870

31 March 2019

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Trustees' annual report

The Trustees, who are also Directors of The HALO Trust for the purposes of the Companies Act 2006, present their annual report and the audited financial statements for the year ended 31 March 2019.

Reference and administrative information

| | | |
|-------------------------------------|--|---|
| Charity name | The HALO Trust | |
| Charity registration numbers | 1001813 and SC037870 | |
| Company registration number | 2228587 | |
| Business address | Carronfoot Thornhill Dumfries DG3 5BF | |
| Directors and Trustees | Timothy Church FCA (Chairman) Mark Aedy Anthony Bird Paddy Beeley Colonel Jane Davis OBE QVRM TD DL RGN Nima Elbagir Gemma Mortensen (appointed 01 January 2019) Paddy Nicoll John Raine CMG OBE (appointed 01 January 2019) Anastasia Staten (appointed 22 May 2018) Rupert Younger | |
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| Secretary | Anthony Wigan FCA | |
| Registered office | 50 Broadway London SW1H 0BL | |
| Auditor | KPMG LLP 319 St Vincent Street Glasgow G2 5AS | |
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Statement from the Chairman

In the year under review HALO has continued to deliver on its mission to lead the effort to protect lives and restore livelihoods for those affected by conflict. We have cleared a further 4,578 hectares of landmines and destroyed 108,004 Explosive Remnants of War (ERW). In Afghanistan alone the area cleared was equivalent to over 3,600 football pitches. In Angola, we are working with the wildlife conservation sector to begin clearance of landmines from the headwaters of the Okavango Delta. Individual country reports are given in The Strategic Report beginning on page 4. Albeit not a measure of success in of itself, our revenues grew by 22.7% to £75 million. We now operate in 26 countries and territories employing over 8,000 staff who are overwhelmingly local nationals. Moreover, in what was once a largely male dominated organisation, increasing numbers of talented women now thrive.

In meeting its humanitarian mandate, we are committed to a supporting programme of institutional modernisation. We are dedicated to the highest standards of safeguarding and, given the inherently dangerous nature of our work, are also focussed on maintaining the highest technical safety standards. While casualties, either from landmines, other accidents, or hostile intent do arise, we are committed to constant improvement through the most thorough investigative processes.

As the world's largest mine action charity, HALO has helped rally donor support to make the target of substantially clearing the world of the scourge of traditional mines by 2025 a likelihood. We have enjoyed considerable success in refocussing international effort to get specific countries free of mines. For example, Sri Lanka, a country once acutely contaminated, could become mine free within three years. While we are increasingly encouraged by the success of this campaign, there is sadly too much evidence to suggest that there will be a growing humanitarian need for our work long into the future.

Accordingly, while remaining true to our mine clearance traditions, we have evolved into a charity that is also able to deliver for its new beneficiaries, the victims of present-day conflict, by addressing the scourges of Improvised Explosive Devices (IEDs) and the other remnants of war. To that end, we have new programmes in Iraq, Syria, Libya and Yemen, among others. Existing programmes such as Afghanistan, previously focussed on landmines, have also pivoted towards the IED threat.

In truth, as victim-operated devices, most IEDs can legally be classed as anti-personnel (AP) landmines. Indeed, in countries as far apart as Colombia and Sri Lanka, HALO has long experience of improvised landmines. In a sector naturally drawn to technical distinctions, the discussion within the mine action community has focused on the tactics, techniques and procedures that distinguish landmines from IEDs. Beyond the technical debate, the bigger challenge is how to deal with non-state actors operating outside of a rules-based international order. HALO has played its part in shaping this debate, notably in the design of new international mine action standards, in the development of mechanical clearance capabilities, in cutting edge survey techniques for urban areas and the modalities through which we sustain consent for our presence.

I would like to thank all of our staff, national and international in the field, who, day after day, continue to risk life and limb to help our beneficiaries. They are on the frontline of our work, but behind them is a community of donors, supporting staff and volunteer Board members, without whom our life-saving work would be impossible.



Timothy Church

Trustees' annual report

The Trustees' annual report should also be considered as the Directors' report for company law purposes.

1. MISSION, OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

1.1 Mission

HALO's mission is to lead the effort to protect lives and restore livelihoods for those affected by conflict.

1.2 Objectives

The objects of the charity, as set out in the Articles of Association, are:

- "The relief of poverty, sickness, suffering and distress throughout the world, in particular by the provision of hydrological, engineering and other works and medical aid with particular emphasis on the care and rehabilitation of non-combatant victims in areas where there is human conflict and the provision of assistance in the removal of debris of military hardware which may be a direct threat to non-combatants in hazardous areas where hostilities have ceased, and
- To carry out or conduct or to assist in carrying out or conducting any research into the special problems arising from injuries sustained by non-combatants in hazardous areas and into methods of alleviating suffering arising therefrom and to publish the useful results of any such research."

1.3 Activities

1.3.1 Help to eliminate the threat to lives and livelihoods posed by landmines and ERW

- Implement effective minefield survey, landmine and ERW clearance, and risk education to help the recovery and development of affected communities.
- Assist affected countries to comply with Article 5 of the Anti-Personnel Mine Ban Treaty, Article 4 of the Convention on Cluster Munitions and Protocol 5 of the Convention on Conventional Weapons (CCW).

1.3.2 Design and deliver Physical Security and Stockpile Management (PSSM) of explosive ammunition for the protection of civilians

- Deliver safe and secure storage and management of ammunition to provide governments with control of ammunition stocks and to ensure the safety and security of the civilian population.
- Destroy unsafe, unserviceable and surplus ammunition stocks.
- Remove and destroy Man-Portable Air-Defence Systems (MANPADS), missiles, grip stocks and batteries.
- Influence and inform policies on best practice for destruction and storage of ammunition in accordance with Protocol 5 of the CCW (Technical Annex).

1.3.3 Reduce the potential for armed violence in fragile states

- Destroy Small Arms and Light Weapons (SALW) and other conventional weapons systems.
- Manage SALW and educate communities and authorities to improve stability and resilience.
- Contribute to stabilisation and consolidation of peace through reintegration of former combatants.

1.3.4 Respond rapidly to crises to alleviate immediate suffering and enable broader humanitarian efforts

- Maintain sufficient resources to respond rapidly to the post-conflict humanitarian needs of civilians affected by landmines, ERW (including IEDs and booby traps), SALW and other weapons.
- Provide rapid response to mitigate risk to civilians of Unplanned Explosions at Munitions Sites (UEMS).
- Deploy existing assets in support of emergency relief efforts.

1.3.5 Lead and influence the sector as an effective, committed and innovative humanitarian organisation

- Train, develop and retain motivated men and women with technical and leadership skills to optimise the delivery and impact of HALO programmes.
- Achieve best value for money through research and innovation.
- Participate in knowledge sharing across the sector and promote best practice.
- Assist in building national capacities and strengthening national authorities.

1.3.6 Promote good governance to remain a financially sustainable organisation

- Remain engaged and invest, according to available resources, in countries where there is a humanitarian need.
- Continue to strive for highest standards of accountability, leadership and management.
- Expand and diversify our donor base.
- Maintain a satisfactory level of reserves.

1.3.7 Work with other organisations to deliver broader outcomes

- Enable other organisations to facilitate the return of communities displaced by ERW.
- Enable other organisations to facilitate long-term livelihoods for beneficiaries.
- Enable conservation organisations to restore natural habitats degraded by ERW.

The Trustees confirm that they have referred to the Charity Commission’s general guidance on public benefit when reviewing HALO’s aims and objectives and in planning future activities.

2. THE STRATEGIC REPORT

The Strategic Report was approved by the Board together with the financial statements.

2.1 HALO Outputs Worldwide

| Description | FY 2018 / 2019 | Cumulative total 1988 - 2019 |
|---------------------------------------|----------------|------------------------------|
| Minefield area cleared | 4,578 hectares | 55,359 hectares |
| Battle area clearance | 416 hectares | 155,597 hectares |
| Landmines destroyed | 41,460 | 1,742,393 |
| Unexploded Ordnance (UXO) destroyed | 60,355 | 11,750,651 |
| Cluster munitions destroyed | 6,189 | 84,871 |
| Small Arms Ammunition (SAA) destroyed | 436,807 | 56,748,078 |
| SALW destroyed | 4,170 | 188,739 |

| | | |
|---|-------|--------|
| Explosive Ordnance Disposal (EOD) call-outs | 6,104 | 82,120 |
|---|-------|--------|

During 2018/19, HALO conducted a review of historical data and statistics. As part of this process, some historical figures have been revised. The cumulative totals for the period 1988-2019 reflect these revisions.

2.2 Programmes

Afghanistan

In 2018/19, HALO was able to clear more land than in any previous year, exceeding 2,590 hectares, equivalent to over 3,600 football pitches. Clearance benefitted over 141,000 men, women and children. This was achieved because the programme deployed more demining teams than ever before and saw staffing numbers peak at 3,850 in September 2018. Demining work was concentrated in rural areas to assist vulnerable communities, with the majority of land being used after clearance for grazing and agriculture. During the year, studies of land use after clearance have shown improvements in crop diversity and yield for communities, despite the impact of drought. HALO has continued to work in partnership with development agencies with the support of its donors. This has included DACAAR and Afghanaid, who created livelihoods and constructed infrastructure to aid communities following clearance.

HALO's operations in the south, run from Kandahar, are developing, bringing a much needed capability to an area which has seen some of the highest casualty figures of recent years. Around Kandahar, HALO is engaged in traditional mine action activities, but has now developed and deployed a capacity in Helmand to deal with IEDs, known in Afghanistan as Abandoned Improvised Mines (AIM). AIM are victim-operated IEDs that are no longer in use. HALO has worked at both the national and international levels to support development of frameworks and standards for AIM. While the technical challenge of dealing with these devices is relatively straightforward to address with the right training and equipment, the greater challenge is acquiring consent to clear these devices. HALO is drawing on 30 years of work in Afghanistan and strong links to communities to secure access to tackle this threat. Looking ahead, HALO will create more AIM clearance teams and offer training to develop the AIM capacity of other organisations in Afghanistan.

HALO's Weapons and Ammunition Management (WAM) capacity is working across the country to remove ammunition and explosives from circulation. HALO has secured memoranda of understanding with both the Ministry of Defence and the Ministry of Interior to assist the teams. During the year, HALO has rehabilitated or constructed stores and armouries at fifteen police facilities in Kabul, including one at the Ministry of Interior headquarters.

The restructuring of the programme in early 2019 has enhanced capability, aided growth and improved communications internally and externally. The programme is increasing its links with the diplomatic community in Kabul, sending out regular newsletters and hosting more visits and events. Donor support in the year has been strong, with funding from the USA, Germany, the Netherlands, the UK, Norway, Finland, Ireland, Japan and the UN Voluntary Trust Fund (VTF). However, the programme has had to spend considerable effort adjusting to the UK's decision to cease bilateral funding from the UK's Department for International Development (DFID) to HALO in Afghanistan for the 2018-20 Global Mine Action Programme (GMAP), and instead to direct this through the UN Voluntary Trust Fund (VTF). This has resulted in a drop in HALO's staffing capacity in 2019.

The programme has continued to invest in research and development initiatives to increase productivity, principally in the area of anti-vehicle mine clearance, by trialling new technologies in both Afghanistan and the UK.

While supervision and quality assurance in the field mean that HALO has not had any mine accidents, the security picture in Afghanistan remains complex. The programme has mitigated the security risks and operations have not been hampered. In fact, HALO has reached more insecure areas through increased community liaison efforts this year than before; this is due to the need for HALO's support and its ability to provide employment to people from affected communities.

Peace negotiations may bring a period of volatility but also opportunity. HALO is well positioned to support the reintegration of former fighters to conduct clearance for humanitarian purposes of areas contaminated by recent war.

Angola

The decline in funding for Angola was turned around in FY 2018/19, in large part through the re-engagement of DFID in Angola and the continuing success of the 100 Women in Demining project. The programme grew from 259 staff (21 per cent female) in April 2018 to 321 staff (22 per cent female) in March 2019. Further programme growth is expected in 2019 as a result of a highly successful international effort to recognise the link between landmines and wildlife conservation. This led the US Congress to pass the DELTA Act, coupled with recognition in Angola of the long-term economic merit of opening up the mine-affected south-east of the country to integrated, sustainable development linked to wildlife and biodiversity conservation.

Despite its relatively small capacity, the programme was able to deliver strong outputs: 88.1 hectares of land were returned to productive use, ten anti-tank (AT) and 1,071 AP mines were destroyed, along with 3,618 items of unexploded or abandoned ordnance and over 6.6 tons of stray large-calibre ammunition. A milestone was reached with the clearance of all known minefields in Huambo Province, bar one, adjacent to a facility occupied by the Angolan Army.

Bosnia and Herzegovina

HALO is implementing a weapons marking programme in the Federation Bosnia and Herzegovina (FBiH). During 2018, the programme ran a number of workshops for the Armed Forces of FBiH to establish the operational requirements to mark around 63,000 SALW held in stockpiles. Selection and training of twenty soldiers took place in June and July and, following liaison with various government ministries and the Joint Chiefs of Staff, permission to begin the weapons marking was finally received in November.

Since then the programme has quality-checked, marked and registered 8,815 weapons in accordance with national and international standards. It has expanded from two to four marking teams with funding from the German Federal Foreign Office, the Norwegian MOD and the UN.

The programme is in talks with the Minister of Security of the FBiH to expand the project into the police force and HALO is engaging with key stakeholders in other Balkans countries, with the aim of setting up similar projects across the region in the coming year.

Cambodia

During FY 2018/19 HALO maintained 1,100 staff with continued, generous and long-standing support from the UK, the USA, Germany and Ireland. 50 per cent of deminers and members of Survey/EOD teams are women. Women also occupy five of the ten senior management positions on the programme.

In response to internal migration and road development, HALO is now conducting demining operations in all provinces through which the 700 km K5 mine belt passes along the border with Thailand, including Koh Kong Province. HALO has responded to an increase in AT mine accidents in Tbong Khmum Province in the east by conducting clearance.

In FY 2018/19 HALO cleared 1,150 hectares of previously mined land and in the process destroyed over 5,500 AP and AT mines. EOD teams destroyed over 4,700 items of UXO and stray ammunition. Mine clearance activities have directly benefitted 42,728 men, women and children and an additional 131,922 people who live in the same village administrative areas as the minefields cleared.

HALO's Survey/EOD teams also re-assessed land previously recorded as hazardous. They were able to remove from the database over 1,450 hectares of land recorded as being mined. This was largely as a result of farmers reclaiming minefields through cultivation, removing certain types of mines themselves and then calling HALO to destroy them.

Additional donor support was secured from Australia, Switzerland (through the UNDP Clearance for Results Programme) and The Palladium Group, to support infrastructure development through survey and EOD work, which enabled development of over 100 kms of irrigation channels, supplying water and electricity lines to remote communities.

HALO has also focussed on supporting Cambodia's National Mine Action Strategy. This is essential if Cambodia is to reach mine free status by 2025. To achieve this, there will have to be a significant increase in the number of deminers deployed. The Royal Cambodian Armed Forces are reviewing a large commitment of over 1,000 additional deminers to support mine clearance efforts in Cambodia.

Colombia

After a period of partial stability, which followed the signing of the 2016 peace agreement between the Colombian Government and the Revolutionary Armed Forces of Colombia (FARC), a number of rural areas in Colombia saw much of this positive progress reversed during the year.

The general political and security situation has impacted the humanitarian mine action sector with demining organisations experiencing security-related incidents. A HALO vehicle was stopped and burned by a Non-State Armed Group (NSAG) in Meta Department. While the staff were unharmed and allowed to continue, the incident led to a reduction in HALO's operational capacity in the region and led to a review of security across the programme.

The change of government also led to a shake-up of the mine action sector with the Department for Comprehensive Action against Antipersonnel Mines (AICMA) now reporting directly to the Office for the High Commissioner for Peace, a civilian-led department inside the Office of the Presidency. As part of the transition process, HALO is supporting the National Mine Action Authority and helping to steer development of a new national mine action strategy; this is due for completion in 2019.

Set against this backdrop, HALO remains focused on the safety and security of its staff and the delivery of cost-effective operations. Over the course of the year, HALO cleared 24.9 hectares of suspected ground, finding and destroying 184 improvised mines and 81 items of UXO. HALO's strength marginally reduced to 508 in its Bogota headquarters and its five regional operational bases. The proportion of women in the Colombian workforce during the year was 34 per cent.

During FY18/19, HALO received generous support from the US Department of State, Canada, Norway, UN Development Programme (UNDP) – UN Multi-Partner Trust Fund Office (UNMPTF Office), Swiss Development Corporation (COSUDE), UN Mine Action Service, The Netherlands, New Zealand, Grupo Energia Bogota, Ireland, and the UK MOD via the UK Embassy in Bogota.

El Salvador

El Salvador ranks among the most dangerous countries in the world, with high rates of gang-related crime, extortion and kidnapping impacting the lives of citizens. Working with the Salvadorian Government, and funded by the US Department of State, HALO continued to implement a WAM project to increase civilian safety and security. HALO achieved this by working alongside government agencies to identify stockpiles of obsolete weapons and explosive items, by strengthening the national capacity and legal processes overseeing official stockpiles, and by providing safe and secure storage solutions.

During the year, HALO disposed of more than 1,800 weapons, 127,000 bullets and 2.5 tons of obsolete munitions. In support of the Salvadorian army, HALO delivered security upgrades to two munition storage sites and trained 23 students as ammunition storekeepers and store managers.

During February and March, HALO supported the Salvadorian Police with the identification (via X-ray) and disposal of a 100 pound aircraft bomb found in a quarry and thought to have been supplied to opposition forces in the 1970s. The bomb was moved to an unpopulated area and disposed of during a joint HALO and National Police operation.

Georgia (including Abkhazia)

With the support of the Japanese Government in 2018, HALO completed UXO clearance operations at two sites near the Administrative Boundary Line with South Ossetia and at one site on the Black Sea coast.

In the absence of government permissions to work at any of the five remaining minefields, HALO suspended its operations in uncontested Georgia in 2019. However, HALO's training base in the south (Udabno) has been maintained for future EOD/Improvised Explosive Device Disposal (IEDD) courses. Vehicles and equipment have been temporarily re-distributed to other programmes, and one staff member has been retained to provide logistics support to the Abkhazia, West Bank, Ukraine and Nagorno Karabakh programmes.

Through engagement with the Georgian Government and international donors, HALO continues to try and secure permission and funding to complete the last minefields. Discussions include Red Bridge, the politically complex border minefield covering an estimated 225 hectares adjacent to Azerbaijan. A recent thaw in relations between the Governments of Armenia and Azerbaijan suggest that there could be some future progress.

In Abkhazia, clearance operations continued at Primorsky, the site of a former local military ammunition store, which exploded in August 2017. Following funding from the UK and EU in 2018, clearance operations now continue under a US Department of State grant; teams are currently tackling the densest contamination at the epicentre of the blast. To date, the programme has surface-cleared 146 of the 410 contaminated hectares of land and destroyed over 62,000 items of UXO.

In addition to the Primorsky operations, core activities have continued with HALO's teams responding to the residual risk of UXO. These activities include demolition of surplus ammunition for the Abkhaz army, for which the accident at Primorsky emphasised the need.

The EU has also expressed interest in HALO resuming rural infrastructure rehabilitation projects across Abkhazia. The programme has submitted a concept to deliver fourteen road and bridge repair tasks, scheduled to begin in 2020.

Guatemala

The proliferation of SALW from state-held stockpiles has been one of the main factors fuelling the violence and instability in Guatemala, which has one of the highest murder rates in the region. Stolen or illegally imported weapons are used to enable narcotics-related activities, with gangs controlling great areas of the country.

HALO's small project team has continued to help solve this problem by working with the Ministry of Defence in a capacity development and support role. During the year, more than 2,400 SALW were destroyed and over nine tons of obsolete munitions were disposed of under the project funded by the US Department of State. HALO also delivered security upgrades to a priority ammunition storage facility and trained 35 students from the military and the police on EOD techniques.

Work also continues, with the Public Ministry and other actors, to demystify the legal processes required to allow the destruction of larger quantities of confiscated and obsolete state-owned weapons stockpiles. Planned activities include further EOD work with the army and the delivery of training to ammunition storekeepers and store managers.

Honduras

Honduras struggles with corruption, insecurity and crippling gang violence, which have a destabilising effect on the entire country. Low wages, poor training and inadequate oversight by government agencies have caused weapons to fall into the hands of gangs, often in return for money and drugs. Violence is part of many people's lives and this has driven an exodus of migrants out of Honduras in the hope of finding better lives in neighbouring countries.

Using funding from the US Department of State, HALO continued to implement a counter-proliferation programme in support of the Honduran National Police, the Ministry of Defence, the Public Ministry and other government agencies. Significant challenges have been encountered while attempting to clarify the laws surrounding weapons disposal and, apart from one small event in 2014, Honduras has not disposed of stockpiled weapons for over a decade. The HALO team has acted as an interlocutor between various government agencies and stakeholders, enabling the clarification of the correct legal process to enable the disposal of thousands of obsolete, confiscated or surplus weapons held by the State.

HALO also delivered security upgrades to three priority SALW storage sites and trained ten students as ammunition storekeepers and store managers.

Iraq

The HALO Trust was registered in Iraq on 9 May 2018 and immediately received provisional accreditation from the Iraqi Directorate of Mine Action (DMA). With HALO USA funding assistance, two teams were established and two armoured machines procured in-country.

By the end of July 2018, HALO was fully operational in southern Fallujah with US\$200,000 of additional funding from New Zealand. A three-month hiatus between the end of the provisional accreditation in November and the award of full two-year accreditation had the unfortunate effect of halting operations in Fallujah; it similarly impacted on mobilisation of the United Nations Mine Action Service (UNMAS) contract in Salah al-Din with a further four machines. After a further delay waiting for a DMA task order, work on the UNMAS project began in Tikrit on 8 April 2019. Both projects are now fully operational and clearing improvised explosives devices from high-impact urban areas.

In the eleven months since operations began, up to the time of writing towards the end of June 2019, HALO has disposed of 225 IEDs and 55 items of UXO. Land cleared, largely by mechanical means,

amounts to 6.5 hectares. There was an exponential increase in clearance rates in April 2019, resulting from refinement of mechanical clearance procedures and the start of the Salah al-Din project.

The focus in the coming year will be on expanding into new areas, including western Anbar.

Kosovo

HALO has maintained a capacity of ten teams in Kosovo over the past year, thanks to commitments from the US Department of State, The Netherlands and private donations, all matched by a US private donor to achieve double the output.

A socio-economic baseline assessment was completed in 2018, enabling a better understanding of the impact of ERW on affected communities and the broader alignment of mine action against sustainable development goals. The assessment established a framework for prioritising the country's remaining contamination, which has since been adopted by the national authority and used to shape Kosovo's Multi-Year Strategic Plan 2019-2024.

The number of women employed increased to fifteen per cent of the workforce, from four in FY 2017/18 to seventeen in FY 2018/19; the programme continues expanding its existing gender policy through a partnership with the Gender Mine Action Programme.

Laos

In Laos, the US Department of State was HALO's sole donor before the award of DFID funding in June 2018, and is providing HALO with US\$17.3m, over a four and a half year period (2018-22), to undertake a systematic Cluster Munitions Remnants Survey (CMRS) of Savannakhet Province. The US-funded CMRS represents the first ever baseline assessment of UXO contamination in Laos. Survey data collected by HALO, along with MAG and NPA in five other UXO contaminated provinces, will enable the Laos Government and donors to prioritise follow-on clearance.

The UK's GMAP funding (2018-20) will enable HALO to employ an additional 250 national staff in Savannakhet whose primary focus will be clearing contaminated areas identified by the CMRS.

Delays beyond HALO's control with signing Memoranda of Understanding (MOUs) for both the US and UK projects have adversely affected our operational planning and resulting outputs. Although now resolved, the MOUs were required for the import of equipment and so the procurement for both projects was held up and consequently programme expansion was delayed. Now that both MOUs have been secured, the programme will increase from 300 to 550 national staff.

Myanmar

HALO's Myanmar programme is funded by DFID and the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), with four survey and three mine risk education teams deployed across Kayin, Kachin and Shan States, working alongside two local partners.

In the South East (Kayin State), teams have made significant progress starting survey operations, although full clearance remains elusive. Advocacy has continued to focus on the Myaing Gyi Ngu Internally Displaced Persons (IDP) camp, a site where, it is hoped, the first humanitarian mine clearance in-country will start. This clearance project has the full endorsement and backing of the national and state governments, but the army has yet to declare its support for the project.

In the North (Kachin and northern Shan State), the conflict has continued to escalate, with a corresponding rise in casualties. HALO is working to move its focus from the South East (Kayin) northwards to ensure that it is well positioned in the area of greatest humanitarian need.

Nagorno Karabakh

In an effort to establish more accurately the actual remaining contamination, HALO is undertaking a new baseline survey of the whole of Karabakh.

Projects began in 2016 with ONEArmenia and the Izmirlian Foundation, and the programme continues to explore ways to engage more private donors, especially within the Armenian diaspora.

The end of the financial year marked the one-year commemoration of the March 2018 accident, of which the Nagorno Karabakh police investigation continues. HALO supported the families of the deceased with funeral arrangements and successfully lobbied the Government of Nagorno Karabakh to provide them with further financial support. The two injured staff, Aram Mkrtchyan and Garik Ghahiryanyan, are recovering well.

Somalia

In FY1 2018/19, HALO surveyed 1,339.5 hectares across Somalia, bringing the total area surveyed to 3,486 hectares of contaminated land. The priority was a large battle area clearance (BAC) task of which 170 hectares were cleared, with 1,829 items of UXO destroyed through EOD callouts and BAC. HALO continues to employ 146 staff with funding from the UK, the USA, Finland, and The Netherlands.

This year saw a shift in HALO's approach to operations in Somalia. In March 2018, eight of twelve manual mine clearance teams stood down following security concerns in Hiraan. HALO re-focused attention to Galmudug State and opened a satellite office in Guriel. Mobile Community Outreach and Mine Risk Education (CORE), WAM and PSSM teams became the new focus, increasing both in number and geographic scope. Somalia is too dynamic an environment to sustain long-term static operations. With four different activities across three states and numerous clan areas, HALO has the flexibility to respond effectively in ever-changing circumstances.

Despite encouraging steps toward stability, Somalia is still volatile and remains in a prolonged period of flux. In September 2018, several of the federal member states declared that they no longer recognised the federal system, and the election in the South West State created a great deal of chaos. The withdrawal of African Union troops has been postponed to a future, still unconfirmed, date. Al Shabaab (AS) maintains control over most of the country and continues to carry out terror attacks.

Somaliland

During 2018 HALO cleared over 167 hectares of previously mined land, 92 per cent manually and the remainder mechanically, releasing land for access and agriculture, specifically grazing. In 2016, high-priority tasks on the Ethiopian border were suspended due to extreme drought conditions. Following higher rainfall in 2018, HALO focussed efforts on these ex-military camp border minefields. As a result, HALO registered a higher mine count than any year since 2008, finding 236 AP and 15 AT mines. Nevertheless, drought remained a concern throughout 2018, with late *Deyr* rains failing. To address this, HALO purchased a new water tanker and installed additional storage in camps.

The programme remained at similar capacity to previous years, employing 536 Somaliland men and women as at 31 March 2019. Of these, 406 are operational staff. During 2018, 178 EOD callouts were completed and 597 items of ERW were found and destroyed.

Following the election of President Muse Bihi in November 2017, mine action responsibilities were reorganised during 2018. The national mine action authority, Somaliland Mine Action Centre (SMAC), and national mine clearance capacity, National Demining Agency (NDA), were both subsumed as civilian departments into the Ministry of Defence. Both directors changed and in December they merged into the Mine Action Department (MAD). Throughout the year HALO continued *de facto* to

employ two NDA teams that will form a future national capacity, and hosted meetings aimed at improving the knowledge and strategic leadership of the MOD in their new mine action role.

While transition efforts continue, HALO aims to keep as high an employment rate as possible to clear the remaining 970 hectares, comprising 22 minefield and 68 road tasks, lest a future authority be unable to deploy at scale. Much of this area will be re-categorised to reflect low-density contamination patterns.

Utilising HALO core funding, the programme also ran a humanitarian intervention that delivered shelter and hygiene kits, hygiene promotion and mine risk education to drought-affected IDPs in the Togdheer and Sool regions. A total of 794 households and 5,161 individuals directly benefitted from the project, which acted as a pilot for potential future humanitarian projects in Somaliland outside mine action.

Sri Lanka

The programme has successfully weathered funding challenges, including delays, during FY 2018/19. Through donor flexibility and careful planning, no staff were made redundant. Over the last three months the programme has benefitted from an increase in funding from the United States, as well as new funding through DFID's GMAP programme and from Germany. HALO now employs 738 Sri Lankan staff, many of whom were previously IDPs and of whom 284 are women.

Norway has expressed a commitment to fund HALO's programme, provisionally starting in July 2019, enabling HALO to complete its allocated tasks by the end of 2020. In FY 2018/19 HALO cleared 25 minefields, with 46 allocated remaining. During this clearance, over 10,000 mines and 3,500 items of UXO and SAA were located and destroyed.

HALO continues to work closely with other agencies and the government to refine the national strategy, workplan and task allocation, and to ensure that Sri Lanka reaches a mine free state in the most efficient manner. This collaborative approach has been welcomed by the National Mine Action Center (NMAC) and other operators.

Predicted shortfalls in capacity and associated clearance by other entities mean HALO might take on additional tasking to share the burden of clearance of remaining minefields. There is hope that Sri Lanka's mine free status will be achieved by the end of 2021.

Syria

In partnership with three Syrian NGOs, HALO implemented humanitarian projects in opposition-controlled Idlib and Aleppo Governorates of Syria throughout 2018/19 and in Dar'a Governorate until July 2018. The programme was managed remotely from offices in Amman, Jordan. In December 2018 HALO obtained NGO registration in Turkey.

In Dar'a, until the southern de-escalation zone returned to Government of Syria control, five teams carried out village-by-village contamination survey, and dealt with all surface explosive hazards found by carrying out a controlled burn of the items using thermite flares. 655 abandoned and highly unstable munitions were safely destroyed, 11 hectares of battle area clearance were completed, and six conventional minefields surveyed during work that covered more than 80 communities. While efforts were curtailed by the change in political control, a large manual and mechanical, rural and urban clearance programme will be required in southern Syria to support the return of IDPs and refugees. One deputy team leader was killed in an airstrike on 5 July 2018.

In Idlib and Aleppo over 130 HALO-funded Syrian NGO team staff delivered enhanced contamination impact survey, risk education and victim data collection with funding from the United Kingdom, The

Netherlands, Belgium, European Commission (ECHO), UNOCHA and UNMAS. From 2016 to 2018 304,460 Syrians received risk education (77 per cent of whom were children) through 16,727 sessions.

Ukraine

In November 2018, Ukraine submitted a five-year extension request for its obligations under Article 5 of the Ottawa Treaty. In January 2019, President Poroshenko signed the country's first mine action law, which will establish a civilian National Mine Action Authority and Mine Action Centre.

The programme has expanded its operational capacity from 225 staff in April 2018 to almost 400 in March 2019. To date, HALO has identified 188 hazardous areas across Donetsk and Luhansk, with a total area of more than 1,700 hectares. Clearance in twenty minefields has already been completed and HALO teams have found a total of 1,352 mines, cluster munitions and other ERW. HALO has secured access to key areas in the "buffer zone" (the area encompassing all government-controlled territory within 15 kms of the current line of contact), where the great majority of civilian casualties have occurred. In 2018, HALO received permission to deploy teams to these priority areas from all donors.

Operational efficiency has improved through the deployment of two mechanical clearance teams working with three machines. However, the main limiting factor remains the lack of an explosives licence, forcing the programme to rely on state institutions to destroy all ordnance found. With the establishment of the new mine action law, National Mine Action Authority and national mine action standards, this problem should be resolved.

HALO's budget during the past financial year reached £4.7m with the support of eight donor countries and is expected to expand with additional EU funding this summer.

The US-funded project to build six explosive stores 700 kms to the west of Kiev has been progressing slowly due to various delays; however, a memorandum of understanding, signed by the MOD in May 2019, means that more progress will be made.

West Bank

HALO's work in the West Bank is coordinated by the Israeli National Mine Action Authority (INMAA) and the Palestinian Mine Action Centre (PMAC). HALO remains the only clearance operator in the West Bank, and the only humanitarian demining agency in Israel.

HALO is deployed in Jenin District, northern West Bank, on three of the four remaining minefields left from the original nine on the 2013 schedule. An additional three minefields, two Jordanian laid, and one Israeli laid, at the northern end of the Jordan Valley have high humanitarian and economic priority for nearby Palestinian communities; HALO will seek to clear these if funding is available.

Principal donors in 2018 were the United Kingdom, The Netherlands and the European Commission.

Since April 2014, the programme has cleared 16.6 hectares of impacted land, locating and destroying 811 AP and 72 AT mines. Despite Gaza-related tension during 2018, HALO work in the north of the West Bank was stable throughout the period.

In 2018, after two years of private fundraising and with additional financial support from the State of Israel, HALO began clearance at the Qasr al-Yahud Baptism Site by the Jordan River. The full project covers 80 hectares of ground of religious and social importance, including mined and abandoned Christian churches. During the period, the Ethiopian, Greek, Franciscan, Russian and Syrian churches and their yards were successfully cleared, and 536 AT mines located and marked for destruction. The

Coptic and Romanian churchyards and remaining AT mine lines across the valley floor will be cleared during 2019/20.

Yemen

In the autumn of 2018, HALO conducted two visits to Yemen to assess the capacity of the Yemen Mine Action Executive Committee (YEMAC) to address the levels of ERW and IED contamination caused by the conflict. The conclusion was that the YEMAC was severely under-equipped and lacking in the technical skills necessary to meet the threat.

HALO officially began operations by conducting three EOD training courses for 36 students from the YEMAC between December 2018 and February 2019. The training was conducted in Jordan with the assistance of the Jordanian Armed Forces and Jordan's National Committee for Demining and Rehabilitation.

In March 2019, a programme manager was appointed with the mandate of registering HALO in Yemen and establishing an office in the city of Aden. Once this is accomplished, HALO Yemen intends to conduct capacity building training for the YEMAC, as well as beginning HALO-badged survey and EOD activities in southern Yemen. The programme is currently funded by the US Department of State and the Foreign Ministry of The Netherlands. There is potential for significant expansion in Yemen provided that HALO can secure safe access.

Zimbabwe

HALO cleared 19,753 mines from 128 hectares of land in Mount Darwin and Rushinga Districts.

An increase in funding from DFID and a very quick follow-on contract from the Embassy of Japan has enabled the programme to expand from 315 staff to 409. This expansion has seen the number of female staff increase from fourteen per cent to twenty per cent.

In the coming months the programme is expecting to receive a mechanical crusher, generously donated to HALO by Mining Machinery Developments (MMD) and valued at £550,000. It is hoped that this will improve productivity and safety when clearing dense cordon sanitaire minefields.

2.3 New Programmes

Libya

HALO has established a programme in Libya and secured funding from the UK Conflict Security and Stabilisation Fund (CSSF) until 2020. HALO has formed a partnership with Danish Church Aid (DCA) and will focus on the clearance of the town of Sirte in the coming year. Daesh held Sirte until late 2016 and fighting affected 80 per cent of the city, leaving homes, schools and critical infrastructure heavily damaged and littered with ordnance.

HALO will introduce mechanical clearance to Libya, specifically armoured machines, to clear urban areas. Ahead of clearance, HALO conducted a rapid field assessment of the city, identifying 38 per cent of the city that requires mechanical clearance. It is intended that this process will be replicated in Yemen.

HALO has procured heavy plant, which is being armoured in preparation for the start of mechanical clearance in the summer of 2019.

HALO is registered as an international Non-Governmental Organisation in Libya, with offices in Tripoli, Misrata and Sirte. HALO also maintains a transit office in Tunis for the purpose of engaging with the donor community as well as other organisations working on the Libya response from Tunisia.

Guinea Bissau

Ageing and poorly stored ammunition, which has been effectively abandoned, continues to pose a grave threat to the civilian population in Guinea Bissau, as well as to infrastructure, including the international airport. The main effort in the last twelve months has been to build a relationship of trust with the Ministry of Defence and the armed forces. Continuing and endemic political instability has made this very challenging. With funding from the US Department of State, HALO has completed construction of a temporary ammunition storage area at a site away from populated areas.

The focus in the coming year will be to move usable ammunition into the storage area and destroy unstable and ageing ammunition including large numbers of Soviet aircraft bombs. Permission for disposal has been provisionally granted, but is unlikely to occur before a new government has formed and the usable ammunition has been moved.

2.4 Training

International Staff Training

Emphasis was placed on enhancing HALO's international staff training, along with an increase in the availability of resources for trainees and trainers. Increased training time was given to incident management, risk and safeguarding, and leadership.

During the reporting period, twelve new international staff members (seven women and five men) began entry-level Field Officer training, with eight completing the training and deploying into varying roles including Programme Officer, Operations Manager and Programme Manager. An additional middle-entry course was run for three new staff members (two men and one woman), all of whom have had careers in different fields. They passed and became Programme Managers.

Programme Manager courses were conducted in Cambodia and Sri Lanka with eighteen attending, including six female staff. A Programme Officer course was conducted in Colombia with ten attendees, including eight female staff.

The focus in the coming year will include mid-career and refresher training, as well as improved opportunities for the promotion of national staff into international roles. PSSM modules will also be added to the Field Officer training.

EOD Training

Over the past year, HALO has conducted EOD training covering all competency levels of the International Mine Action Standards (IMAS). IMAS Level 1 EOD training was delivered to fourteen international staff and 51 national staff. IMAS Level 2 EOD training was delivered to 43 national staff. IMAS Level 3 EOD training was delivered to 13 international staff and 28 national staff.

IMAS Level 3+ EOD training, covering Air Dropped Weapon (ADW) disposal, was delivered to five international staff and IEDD training was delivered to eleven international staff and eight Afghan national staff.

EOD refresher training was conducted across five programmes, refreshing 78 national staff in EOD techniques. EOD awareness training was also delivered to 26 Georgian civilians working in the scrap industry.

PSSM Training

In response to an increasing demand in fragile states, HALO developed a new syllabus for PSSM training, including ammunition and armoury storekeepers and store managers courses, as well as SALW marking courses. Courses were delivered to partners in the armed forces of Guinea Bissau, Honduras, El Salvador and Bosnia and to HALO staff in Afghanistan and Somalia. There will be a greater emphasis on train-the-trainer courses in future to ensure sustainability.

2.5 Research and Development

HALO prioritised Research and Development (R&D) in the second half of 2018 – the R&D team was strengthened with the addition of a deputy head of department.

Projects supported by the US Humanitarian Demining Research and Development Programme have progressed well: dual-sensor detector projects in Kosovo and Zimbabwe have resulted in increased efficiency, prompting the donor to contribute further detectors.

An increasing focus has been on IEDs and urban clearance. Practical trials, supported by the Humanitarian Innovation Fund, were conducted in Afghanistan on collapsing complex buildings, using mechanical assets, in urban environments contaminated with explosive ordnance. Testing of IED detectors in Afghanistan supported the start of the AIM pilot project. Projects in development include a study into the effectiveness of buried IEDs over time, and the use of automated satellite imagery analysis for urban survey.

A project with King's College London to develop a Quadrupole Resonance detector for minimum-metal AT mines underwent promising initial testing in the UK. The initial focus for this project is Angola. Initial trials of a new ground-penetrating radar detector for AT mines have taken place in Afghanistan. New relationships are being built with the University of Warwick in the UK, as well as John Hopkins University and the Colorado School of Mines in the USA.

Scoping work continues on the potential for unmanned aerial systems (UAS) to assist with the technical survey of contaminated areas.

2.6 Future Plans

Building on the successful work with donors and the sector stakeholders, HALO will continue to engage and lead the mine action sector, while also strengthening delivery and coordination outside mine action, in areas such as PSSM, WAM, Armed Violence Reduction, and Community Resilience.

The key thematic areas on which HALO will concentrate its efforts in the mid-term are:

2.6.1 Responding to Humanitarian Crisis

Responding to the crises in the Middle East, North Africa and Central Asia to help millions of people will remain a strategic priority. The last two years have seen HALO develop successful programmes in Iraq, Syria, Libya and Yemen, while maintaining its long-standing work in Afghanistan and elsewhere. These programmes will continue to grow to meet the current need.

To ensure that this expansion is managed correctly and that programmes are delivered in the safest and most efficient manner, HALO will continue to grow its pool of managers and specialists. Therefore, HALO will continue to invest in the training and capacity building of staff.

2.6.2 Strategic Engagements

HALO will look to develop a new strategy for 2021-2025. Aside from providing an internal direction of travel for the organisation, HALO's new strategy will build on existing sectoral work. Key engagements will be:

- a) Organise a two-day conference in Scotland that will bring together leading mine action operators and donors. The intent of the conference will be to assess how the Mine Action sector can achieve the Landmine Free 2025 goal and how the sector can better coordinate its work on Weapons Control.
- b) Advocate for a new pool of funding from the UK Government that concentrates on Weapons Control. This funding would be complementary to mine action and other life-saving activities. Recent conflicts have proved that the international community needs to do more to protect

civilians from the misuse of weapons and HALO intends to lead in this work. This will also help donor nations improve regional and national security.

- c) The Landmine Free 2025 campaign will be enhanced in the run-up to the Review Conference of the Anti-Personnel Mine Ban Convention, which will be held in Oslo in November 2019. HALO will play an active role both independently and as a campaign member in various working groups and committees to inform the Oslo action plan.
- d) HALO will continue to champion the need for alternative funding mechanisms to fund clearance in countries contaminated by landmines and explosive ordnance. The work will see higher engagement with donors (public and private) and like-minded sector organisations.

2.6.3 Partnerships

In the coming year, HALO will seek to form additional partnerships within the aid sector. This will see HALO work even closer with other mine action organisations, but also with development and conservation organisations. This approach follows the need for greater collaboration between aid sub-sectors to facilitate better delivery of aid to beneficiaries. HALO will pay particular attention to linking mine action with development to improve impact. With this in mind, HALO will take opportunities to be integrated into wider consortia.

HALO fully supports the principles of the Inter-Agency Standing Committee's Grand Bargain, launched in May 2016, with commitments from the largest donors and humanitarian agencies to improve the effectiveness and efficiency of humanitarian action. HALO, as a mass employer, is well placed to contribute on the localisation agenda and we aim to enhance its engagement with local partners to deliver programmes.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1 Structure

The company is a registered charity (with the Charity Commission for England and Wales - no. 1001813 and with the Office of the Scottish Charity Regulator - no. SC037870) incorporated on 9 March 1988 under the Companies Act 2006 as a company limited by guarantee (company number 2228587). Its governing document is its Articles of Association. Each of the company's Members undertakes to contribute the sum of £10 in the event of the company being wound up while a Member, or within one year from ceasing to be a Member. Each of the Directors/Trustees is also a Member of the company.

3.2 Governance

The Directors/Trustees are responsible for the strategic direction of the organisation. The Chief Executive, to whom certain powers are delegated, works with a senior management team and reports to the Board.

The Board holds formal scheduled meetings at least four times a year, as well as a number of ad hoc meetings. In addition, there is an annual cross briefing (ACB) held in UK, attended by Board members and all HQ and senior international and national staff. An Audit and Remuneration Committee, comprising four Trustees (Mark Aedy, Anthony Bird and Paddy Beeley, plus, ex officio as Chairman of the Board, Timothy Church), together with attendance by the Chief Executive, the Company Secretary and the Finance Director, assists the Board in discharging its obligations to ensure the adequacy of internal controls and the integrity of the financial statements. A Governance/Nominating Committee made up of four Trustees (Rupert Younger, Jane Davis and Paddy Nicoll, plus, ex officio as Chairman of the Board, Timothy Church), and attended by the Chief Executive, the Company Secretary and the Head of Governance and Safeguarding, ensures that the required governance policies are in place and

that measures are taken to ensure that they are enacted. The Committee also puts forward nominations with a view to maintaining an appropriate balance of skills and diversity on the Board and ensuring that adequate succession plans are in place. Both the Audit and Remuneration Committee and the Governance/Nominating Committee meet at least twice a year.

The Trustees who were in office at 31 March 2019 and at the date of this report are shown on page 1.

Under the Articles of Association, the Directors in office at the time the Articles were amended on 18 March 2015 continue to hold office until the end of the Board meeting that falls closest to dates set out against their names in the Articles of Association; these dates are staggered between December 2015 and October 2020. The Articles of Association state that each Director shall be appointed for a period of three years, or such shorter period as the Directors shall think fit, at the end of which they shall retire, at which point they shall be eligible for re-election. No Director shall serve for a consecutive period of more than nine years, save with the approval of a two-thirds majority of the Directors. Anthony Bird has served since October 2010. The Board unanimously resolved to extend his period beyond nine years because of the valuable skills and experience that he brings.

The Articles of Association state that Directors can be appointed by a simple majority of the Directors.

BDB Pitmans (HALO's solicitors) give new Trustees an induction into the duties and responsibilities of Board membership as stipulated by law and the Charity Commission. New Trustees receive comprehensive induction information and are encouraged to spend time in HALO's headquarters in Scotland and to visit HALO's overseas programmes.

The Trustees benefitted from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

3.3 Organisational Structure and Management

The Board is responsible for the strategic direction of the charity. Operational control is exercised by the Chief Executive Officer (CEO), who reports to the Board in person on a quarterly basis and in writing on all questions of Board level policy and where operational risk requires a Board level view. The CEO attends Board meetings, but is not a Trustee and does not vote. A review of the senior executive level structure was conducted in July 2018, reducing the number of directors to seven: a director of Capability, responsible for growing the capability of HALO, in both functional and geographic senses; a director of Fundraising and Communications responsible for private fundraising and communications; a director of Finance and Support Services to include Logistics and IT; a director of Human Resources and Administration; an executive director HALO USA; a director of Strategy responsible for shaping HALO's strategy, partnerships and policy; and a director of Programmes responsible for five country regions. A programme manager, who reports to a head of region, controls one of HALO's countries and territories. Other staff in each country programme are responsible for Human Resources, Logistics, and Information Services. These roles are designed to give HALO the means to run a large and complex organisation.

HALO has a structured salary framework linked to job roles, responsibilities and seniority. Within each job band there are a number of pay grades, each of which has a defined salary range. The pay and remuneration for all personnel within HALO is managed within this framework, to ensure consistency and governance. Any pay increases awarded are based upon performance against priorities and personal objectives, which support the vision and progression of HALO's strategy and work. This approach is designed to ensure that HALO retains and motivates personnel while maintaining appropriate internal controls.

3.4 Employees

HALO's success relies on the hard work and dedication of its staff. At 31 March 2019, HALO employed 8,240 staff globally, with 8,068 (98 per cent) being national staff - locally employed and committed to

riding their own countries of mines and other ERW. (Average staff numbers during 2018/19, as reported in note 7 to the financial statements, were 8,203). Currently, 108 international staff oversee and manage operations and support activities across HALO's global programmes, with a further 56 staff based in the UK, including key management personnel such as the CEO, directors, chief of staff and heads of region.

The emphasis on national staff recruited from conflict-affected communities means that the salaries and knowledge base remain in country and benefit those most in need. HALO's commitment to improving the gender balance of its national staff continues, with six programmes having women making up more than a third of their staff. As at 31 March 2019, 18 per cent of HALO's workforce was women, up from 16 per cent at the start of the financial year. (Excluding the Afghanistan programme, which is HALO's biggest and where cultural norms make it hard to employ women, the 31 March 2019 percentage of women rises to 28 per cent, up from 26% at 31 March 2018).

HALO is set on cultivating a safe and respectful working environment where its staff are recognised for their contribution and performance. HALO's Equality and Diversity Policy supports its aims to ensure employees are treated on the basis of their relevant merits and abilities, to provide a working environment that is supportive of the dignity and respect of the individual, and to prevent all forms of unlawful and unfair discrimination.

HALO provides continuation training to staff to support their development and career progression, and a comprehensive training package for operational staff to equip them with the necessary skills for working in the field. Many junior HALO employees successfully advance into senior technical and management roles.

HALO treats the health and well-being of its staff seriously; paramedics, equipped with comprehensive medical packs, are built into the structure of every HALO team and are trained to deliver emergency trauma care for victims of landmines and other ordnance. HALO also maintains a medical board of experienced international surgeons, doctors and nurses, who oversee its medical policy and ensure its correct implementation by visiting programmes on a regular basis.

4. PRINCIPAL RISKS AND UNCERTAINTIES

HALO's attitude to risk is considered in the light of the organisation's mission to lead the effort to save life and restore livelihoods for those affected by conflict. This necessarily requires it to undertake dangerous work in remote and politically unstable locations.

HALO's Risk Management policy establishes clear procedures to ensure that risks relating to the organisation, and the health, welfare and security of staff and beneficiaries, are properly assessed and managed. It ensures that risk is routinely considered in a transparent manner at every level of the organisation.

In HALO's senior management structure, each director is the Duty Holder for a risk register relating to activities under their control. A directors' risk committee sits on a quarterly basis to assess and agree the risk mitigation procedures being applied within each Group. At this committee, any risks that need to be elevated are included in a corporate risk register that is presented quarterly to the CEO.

The CEO is the Senior Duty Holder and will consider the appropriateness of actions being taken to mitigate risk. The CEO will either: treat risk by applying different ways or new means; tolerate it because it is judged acceptable; elevate it to the Board for consideration; or simply cease the activity that gave rise to the risk.

The Board reviews the Corporate Risk Register quarterly, dividing it into operational (largely safety, security and safeguarding), financial and reputational categories and establishes mitigating actions to minimise the likelihood of risks occurring. Should such risks occur, the Risk Register also establishes contingency plans, designed to reduce any potentially deleterious impact.

The Governance/Nominating Committee reviews the Risk Management policy on an annual basis.

The key risks identified include:

Risk: security and/or serious incidents impact on HALO's ability to deliver operations and jeopardise the safety of staff.

Mitigation: HALO is continually updating its measures to reduce the likelihood of these risks occurring. These measures include the introduction of a new role as Global Head of Operational Compliance and additional oversight of security procedures by senior management. HALO's operations are supported by security and incident management plans, which incorporate location-specific security risk assessments, together with internationally recognised standard operating procedures governing both the movement of staff and assets and underpinning all operational activity. All relevant staff at both HQ and programme level are trained in critical incident management skills. Programmes receive annual visits from a member of HALO's Medical Board to ensure up-to-date medical practice and to review casualty evacuation procedures.

Risk: HALO's contracts are dependent on funding from governments and other statutory bodies. Governments' priorities change over time.

Mitigation: HALO has developed and continues to maintain strong strategic partnerships with its major donors, and has invested in private fundraising and communications with a view to broadening its donor base. HALO's free reserves policy recognises the possibility of cessation of funding from major donors.

Risk: HALO staff, beneficiaries or other stakeholders fall victim to a safeguarding incident.

Mitigation: HALO has recruited a Head of Governance and Safeguarding to help shape and direct HALO's approach to safeguarding. A revised Safeguarding Directive has been issued, which sets out an extensive global training and awareness plan for all areas of HALO. Staff who undergo training will be reminded of safeguarding policies and HALO's zero tolerance approach on harassment or abuse of power.

Risk: Adverse currency movements in a multi-currency operating environment.

Mitigation: Budgets are prepared taking into account potential minor currency swings. The Board has developed a treasury management strategy, which, in addition to investment of free reserves, provides for the forward purchasing of hard currency to mitigate where possible against future adverse foreign exchange movements.

Risk: HALO is exposed to information security breaches resulting in financial loss, theft, reputational damage, business disruption, fines and litigation, and high impact damage to individuals.

Mitigation: The Board approved an information security strategy in October 2018; policies, procedures and guidelines are set in place; technical controls using advanced technologies are implemented and tested regularly; training is provided to relevant staff.

Risk: HALO is exposed to financial crime, such as fraud, bribery and corruption, resulting in loss of funds, inflated costs of supply chains, corrupt working practices, and misappropriation of assets.

Mitigation: Appropriate policies and procedures are set in place (such as financial SOPs, procurement procedures, delegation of financial and budgetary authority, cash controls, segregation of duties, whistleblowing, supplier due diligence), with training provided to relevant staff and controls audited on a regular basis.

5. FINANCIAL REVIEW

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102) applicable in the UK and Republic of Ireland.

5.1 Financial Overview

The financial statements of the company can be found on pages 26 to 40. The application of the company's funds is detailed in notes 4, 5 and 6 on pages 33 and 34.

Income from charitable activities was £73.95m, with growth of £13.59m over the prior year. Of particular note is increased funding from the US Department of State, Political Military Affairs Bureau /Office of Weapons Removal and Abatement (PM/WRA), via The HALO Trust (USA), Inc (£1.1m), the UK Department for International Development (£2.1m), the Federal Republic of Germany (£1.1m), the UK Conflict Stability and Security Fund (£2.8m) and the United Nations Office of Project Services (£2.3m).

Operations in most geographical regions have grown in the year, particularly in Iraq where income of £3.4m is reported, against £193,000 in the prior year. Income has also grown in relation to projects in Afghanistan (£2.1m increase), Colombia (£1.2m increase) and Ukraine (£1.8m increase). Operations in Ivory Coast ceased in the prior year and so no income has been recognised for this country.

Unrestricted income has also increased significantly as a result of the donation to the charity by MMD Group of a landmine clearance asset, comprising a bespoke piece of equipment valued at £550,000, which has been capitalised on the balance sheet.

Expenditure on charitable activities increased by £14m, to £69.6m, reflected by a similar increase in income on the prior year, due to the increased funding secured for in-country operations.

Deferred income represents donor funding received during the year, for which the respective expenditure will occur in future accounting periods. At 31 March 2019, deferred income amounted to £10.1m, compared with £7.7m at 31 March 2018, with the movement of £2.4m mainly due to the timing of sub-award grant income received from The HALO Trust (USA), Inc. for US Department of State projects, and the subsequent disbursement of funds in HALO programmes.

The increase in the net book value of fixed assets during the year (£762,000) is largely attributable to both the purchase and donation of field vehicles and equipment.

5.2 Funding and Reserves

Total unrestricted funds at 31 March 2019 were £6.96m, compared with £6.95m at 31 March 2018. The Trustees consider HALO's free reserves to be £5.7m, calculated as total unrestricted funds (£6.96m) less fixed assets (£1.16m) and stock (£0.1m), and reflecting the resources readily available for unrestricted charitable use. Full details of HALO's reserves are shown in notes 14 and 15 of the

financial statements. The Trustees regularly review unrestricted reserves in accordance with the reserves policy, which takes into account any short-term gaps in donor funding, managing the closure of programmes, providing emergency response funding, conducting reconnoitres in new countries, programme start-up costs, developing organisational capacity, managing foreign exchange exposure, and maintaining a contingency in the event of a material reduction or cessation of major donor funding. The Trustees consider the current free reserves balance of £5.7m to be sufficient to cover the risks and opportunities identified in the reserves policy.

5.3 Going Concern

The Trustees consider HALO to be a going concern; HALO has commitments from donors in the form of grants and contracts to maintain activities in countries where it operates. The financial statements reflect the investment that has been made to ensure that HALO is best placed to deliver its humanitarian goals efficiently and cost effectively. On a programme-by-programme basis the Trustees confirm that the charity has sufficient assets available to enable it to meet its obligations as they fall due.

5.4 Related Parties

In accordance with a memorandum of understanding dated 31 January 2017, The HALO Trust and The HALO Trust (USA), Inc. work together in an effort to clear landmines and other debris of war around the world. The HALO Trust (USA), Inc. is a 501(c)(3) organisation and raises funds from the US Government and US foundations, corporations and individuals to support the work of both organisations. The financial results of The HALO Trust (USA), Inc. are not included here. US contracts and grants are sub-awarded, via specific contract agreements, by The HALO Trust (USA), Inc. for implementation by The HALO Trust. HALO UK 2015 Limited was the wholly owned trading subsidiary of The HALO Trust. During the year there was no trading activity and HALO UK 2015 Limited was dissolved on 2 April 2019.

6. MAJOR PARTNERS

During the year, HALO projects were generously supported by the US Department of State, Bureau of Political-Military Affairs/Office of Weapons Removal and Abatement, via The HALO Trust (USA), Inc., the Governments of Belgium, Canada, Czech Republic, Finland, Germany, Ireland, Japan, The Netherlands, New Zealand, Norway, Switzerland, the United Kingdom (Department for International Development, and the Conflict Stability and Security Fund, Foreign & Commonwealth Office), the European Commission, Association for Aid and Relief (AAR) Japan, United Nations Mine Action Service (UNMAS), United Nations Development Programme (UNDP), United Nations Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR), FIBERTEK, World Without Mines Switzerland, BP, Eni S.p.A, and numerous other generous private donors.

The HALO Trust would like to thank all those who have supported its work.

The Trustees' annual report, including The Strategic Report, was approved by the Board.



Timothy Church

10 July 2019

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the trustees and members of The HALO Trust

Opinion

We have audited the financial statements of The HALO Trust (“the charitable company”) for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2019 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts..

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees’ conclusions, we considered the inherent risks to the charitable company’s business model, including the impact of Brexit, and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;

- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

The purpose of our audit work and to whom we owe our responsibilities

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, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

B. Marks

Bruce Marks (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

319 St Vincent Street

Glasgow

G2 5AS

08 August 2019

Statement of financial activities
 (including income and expenditure account)
for the year ended 31 March 2019

| | <i>Notes</i> | Unrestricted funds £000 | Restricted funds £000 | 2019 Total £000 | 2018 Total £000 |
|---|--------------|--|--------------------------------------|--------------------------------|--------------------------------|
| Income from | | | | | |
| Donations and legacies | | 308 | - | 308 | 649 |
| Charitable activities | 2 | - | 73,950 | 73,950 | 60,356 |
| Income from investments | | 39 | 18 | 57 | 48 |
| Other income | 3 | 692 | - | 692 | 78 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total income | | 1,039 | 73,968 | 75,007 | 61,129 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditure on | | | | | |
| Charitable activities | 4 | 5,718 | 63,889 | 69,607 | 55,607 |
| Charitable activities: sub-granted | 5 | - | 5,417 | 5,417 | 4,640 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditure | | 5,718 | 69,306 | 75,024 | 60,247 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (expenditure)/income on operating activities | | (4,679) | 4,662 | (17) | 882 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Transfers between funds | 9 | 4,687 | (4,687) | - | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movements in funds | | 8 | (25) | (17) | 882 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Reconciliation of funds | | | | | |
| Total funds brought forward at 1 April 2018 | | 6,954 | 36 | 6,990 | 6,430 |
| Transfer from restricted funds to provisions | 13 | - | - | - | (322) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds carried forward at 31 March 2019 | | 6,962 | 11 | 6,973 | 6,990 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 29 to 40 form part of these financial statements.

**Balance sheet
 as at 31 March 2019**

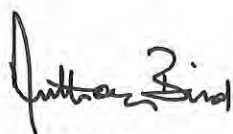
| | <i>Note</i> | 2019 | 2018 |
|--|-------------|---------------------|---------------------|
| | | £000 | £000 |
| Fixed assets | | | |
| Tangible assets | 10 | 1,153 | 391 |
| | | <u>1,153</u> | <u>391</u> |
| Current assets | | | |
| Stock | | 96 | 124 |
| Debtors | 11 | 12,868 | 10,138 |
| Cash at bank | | 10,040 | 8,889 |
| | | <u>23,004</u> | <u>19,151</u> |
| Creditors: amounts falling due within one year | 12 | <u>(14,744)</u> | <u>(10,598)</u> |
| Net current assets | | 8,260 | 8,553 |
| Total assets less current liabilities | | <u>9,413</u> | <u>8,944</u> |
| Provisions for liabilities | 13 | (2,440) | (1,954) |
| Net assets | | <u>6,973</u> | <u>6,990</u> |
| Funds | | | |
| Unrestricted funds: general | | 6,962 | 6,954 |
| Restricted funds | 14 | 11 | 36 |
| Total funds | 15 | <u>6,973</u> | <u>6,990</u> |

The notes on pages 29 to 40 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 10 July 2019 and were signed on its behalf by:



Timothy Church
 Chairman



Anthony Bird
 Director

Cash flow statement

For the year ended 31 March 2019

| | 2019 | 2018 |
|---|---------------|-----------------|
| | £000 | £000 |
| Reconciliation of net income to net cash flow from operating activities | | |
| Net expense for the reporting period (as per the statement of financial activities) | (17) | 882 |
| Adjustments for: | | |
| Interest receivable | (39) | (46) |
| Donation in kind – fixed asset | (550) | - |
| Depreciation charges | 286 | 270 |
| Decrease in stock | 27 | 10 |
| Increase in debtors | (2,730) | (4,585) |
| Increase/(decrease) in creditors due within one year | 4,146 | (9,007) |
| Increase in provisions for liabilities and charges | 487 | 1,345 |
| Net cash provided by/(used in) operating activities | 1,610 | (11,131) |
| Cash flows from financing activities: | | |
| Interest received | 39 | 46 |
| Net cash provided by financing activities | 39 | 46 |
| Cash flows from investing activities: | | |
| Payments to acquire tangible fixed assets | (498) | (119) |
| Proceeds from sales of tangible fixed assets | - | 2 |
| Net cash used in investing activities | (498) | (117) |
| Change in cash and cash equivalents in the reporting period | 1,151 | (11,202) |
| Cash and cash equivalents at 1 April 2018 | 8,889 | 20,091 |
| Cash and cash equivalents at 31 March 2019 | 10,040 | 8,889 |
| Analysis of cash and cash equivalents | | |
| Cash at bank | 10,040 | 8,889 |
| Total cash and cash equivalents | 10,040 | 8,889 |

Notes

(forming part of the financial statements)

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006.

The HALO Trust (“HALO”) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern Basis

The Trustees consider HALO to be operating on a going concern basis due to the value of contracts secured through to June 2020 in addition to informed estimations on the level of business throughout this period. HALO has sufficient financial and operational resources to continue in existence for the foreseeable future.

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific conditions, which may be declared by the donors or with their authority or created through legal processes, but still within the wider objects of the charity.

Where contracts accounted for within restricted funds include contributions towards headquarters costs an appropriate transfer is made of these contributions between restricted and unrestricted funds. Any unspent funds at the end of a contract are either returned to the donor or transferred to unrestricted funds in accordance with the terms of the contract.

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If part of the unrestricted funds is earmarked at the discretion of the Trustees for a particular purpose, it is designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees’ discretion to apply the fund.

Income Recognition

Income received from charitable activities where entitlement to funding is subject to specific performance conditions, is recognised as earned (normally equivalent to the expenditure incurred at the end of the financial year as it is considered that this is when the charity becomes entitled to the income, after having provided the related services). 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.

Donations, legacies and income from other trading activities are recognised where there is entitlement, probability of receipt and the amount can be measured reliably. Gifts in kind received are accounted for in the Statement of Financial Activities as soon as it is prudent and practicable to do so.

Investment income is recognised on a receivable basis. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes (continued)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is analysed between charitable activities and support costs. Charitable activities include all direct costs, salaries and other costs of each HALO programme and also include expenditure which HALO has sub-granted to partner organisations. Where this expenditure is funded by donors it is restricted expenditure as all donor contracts are included within restricted funds; other expenditure is included in unrestricted funds.

Support costs include all administration costs of the charity including the costs of the head office in the UK and are treated as unrestricted expenditure. Those costs which meet the definition of governance costs are included in that category; all other management and administration costs are included in support costs under charitable expenditure.

Assets acquired for specific projects, where ownership vests in the donor, are charged in full to that project on the date of acquisition and are not capitalised. At the end of a specific project any such assets may be transferred to other projects with the consent of the donor or may be transferred back to the donor. The charity retains a full list of all such assets.

Tangible fixed assets

Tangible fixed assets, acquired by HALO's own funds, or donated where title vests in The HALO Trust, with a value greater than £1,000 and being of use to the business for more than one year are capitalised.

Land is held at the purchased value on the date of being acquired and is not depreciated. Depreciation for all other fixed assets is provided using the following rates and bases to write off the cost or initial values, less residual values, of tangible assets over their estimated useful lives:

| | |
|--|--|
| Freehold buildings | 15 years |
| Leasehold properties | 20% straight line or over the period of the lease if shorter |
| Fixtures and fittings and office equipment | 25% straight line |
| Motor vehicles | 25% straight line |
| Field Assets | 25% straight line |

Stock

Stock represents items purchased by the charity for use in overseas projects where at the time of purchase the individual project has not been identified. Until the respective item is charged to an individual project, all stock is held at lower of cost or net realisable value.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are re-translated monthly into sterling at the rates of exchange prevailing at the start of each month. Transactions in foreign currencies are recorded at the date of the transactions and translated to sterling at their monthly rate. At the year end, monetary assets and liabilities are translated to the actual rate at the balance sheet date. Any gain or loss arising on translation is included in the statement of financial activities.

Notes (continued)

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised at fair value, unless that value is immaterial. The gain or loss on initial recognition and re-measurement to fair value is recognised in the Statement of Financial Activities.

Post-retirement benefits

The charity contributes to defined contribution personal pension plans on behalf of certain employees. The amount charged in resources expended represents the contributions payable to those plans in respect of the accounting year.

Pension payments are made to a former Trustee of the charity. A provision has been set aside for the payment of this pension based on the estimated life of the individual based on the latest mortality tables; adjustments are made to the provision on an annual basis for changes in mortality tables and for payments made.

Investments

Fixed asset investments are stated at market value. Unrealised gains and losses represent the difference between the market value at the beginning and the end of the financial year, or if purchased in the year the difference between cost and market value at the end of the financial year. Realised gains and losses represent the difference between the proceeds and cost.

Cash and liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either convertible into known amounts of cash at or close to their carrying values. Liquid resources comprise term deposits of less than one year.

Taxation

The HALO Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2014 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2014 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The company is registered for VAT and fully recovers this on relevant expenditure, which is accordingly stated net of the related VAT in the statement of financial activities.

Overseas severance provisions

In certain programmes, when staff leave HALO either through redundancy or of their own volition, payments may be due to those staff. Provision for these payments, commensurate with local labour law, is charged to donor contracts on a monthly basis and included in provisions for liabilities and charges.

2 Income from charitable activities

| Restricted: | 2019 | 2018 |
|---|---------------------|--------------|
| | £000 | £000 |
| US Department of State, Bureau of Political-Military Affairs, Office of Weapons Removal and Abatement, via The HALO Trust (USA), Inc. | 18,958 | 17,853 |
| Department for International Development (UK) | 10,076 | 8,253 |
| Federal Republic of Germany | 8,367 | 7,202 |
| UK Conflict Stability and Security Fund | 6,544 | 3,958 |
| The HALO Trust (USA), Inc. other sub-granted | 4,239 | 1,870 |
| United Nations, Office of Project Services | 3,156 | 790 |
| Royal Netherlands Government | 2,908 | 3,187 |
| Norwegian Government | 2,438 | 1,848 |
| Irish Aid | 2,054 | 2,032 |
| Government of Canada | 1,647 | 1,816 |
| Embassy of Japan (in regional offices) | 1,211 | 1,280 |
| Private Non-governmental income | 1,096 | 627 |
| Government of Finland | 1,091 | 779 |
| United Nations Mine Action Service | 905 | 707 |
| United Nations Development Programme | 752 | 283 |
| European Commission | 626 | 1,368 |
| Fibertek Inc. | 619 | 538 |
| United Nations, Office for the Coordination of Humanitarian Affairs | 594 | 669 |
| European Civil Protection and Humanitarian Aid Operations | 357 | - |
| iDE and the New Zealand Ministry of Foreign Affairs and Trade | 306 | 151 |
| Foundation World Without Mines | 292 | 144 |
| Government of Switzerland | 236 | 160 |
| Federal Government of Belgium | 32 | 43 |
| Ministry of Foreign Affairs of the Czech Republic | 17 | - |
| UK Foreign and Commonwealth Office | 12 | 158 |
| | <hr/> 68,533 | <hr/> 55,716 |
| Restricted Income Sub Granted to other agencies: | | |
| UK Department for International Development (DfID) | 4,889 | 4,640 |
| Irish Aid | 350 | - |
| UK Conflict Stability and Security Fund (CSSF) | 178 | - |
| | <hr/> 5,417 | <hr/> 4,640 |
| | <hr/> 73,950 | <hr/> 60,356 |
| | <hr/> <hr/> | <hr/> <hr/> |

3 Other income

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Lease of field assets to The HALO Trust (USA), Inc. | - | 8 |
| Donations in kind – fixed assets | 550 | - |
| - other | 84 | 49 |
| Gain on sale of fixed assets | - | 2 |
| Other | 58 | 19 |
| | <hr/> | <hr/> |
| | 692 | 78 |
| | <hr/> | <hr/> |

4 Charitable activities

The charity's Trustees consider that there is one core activity (clearance of debris of war) which is carried out in various worldwide locations, although HALO will lend its resources to assist with other emergency work, including opening up trade routes through crucial road clearance and snow clearance, and assisting with emergency resettlement of IDPs.

| | Unrestricted £000 | Support costs (note 6) £000 | Subtotal £000 | Restricted £000 | Total 2019 £000 | Total 2018 £000 |
|----------------------|----------------------|--------------------------------------|------------------|--------------------|-----------------------|-----------------------|
| Abkhazia | 2 | 61 | 63 | 780 | 843 | 0 |
| Afghanistan | 102 | 1,327 | 1,429 | 17,093 | 18,522 | 16,475 |
| Angola | 27 | 182 | 209 | 2,347 | 2,556 | 2,284 |
| Burma | - | 36 | 36 | 460 | 496 | 512 |
| Bosnia | 1 | 23 | 24 | 295 | 319 | 282 |
| Cambodia | 23 | 403 | 426 | 5,195 | 5,621 | 4,851 |
| Colombia | 77 | 531 | 608 | 6,836 | 7,444 | 5,930 |
| El Salvador | 4 | 20 | 24 | 256 | 280 | 86 |
| Georgia | 19 | 21 | 40 | 269 | 309 | 771 |
| Guatemala | 7 | 15 | 22 | 194 | 216 | 91 |
| Guinea Bissau | 20 | 37 | 57 | 471 | 528 | 231 |
| Honduras | 5 | 12 | 17 | 153 | 170 | 117 |
| Iraq | (61) | 250 | 189 | 3,214 | 3,403 | 193 |
| Ivory Coast | 92 | - | 92 | - | 92 | 139 |
| Kosovo | 10 | 74 | 84 | 952 | 1,036 | 795 |
| Laos | 99 | 264 | 363 | 3,395 | 3,758 | 3,117 |
| Libya | (112) | 55 | (57) | 713 | 656 | - |
| Mozambique | 18 | - | 18 | - | 18 | 26 |
| Nagorno Karabakh | 68 | 69 | 137 | 892 | 1,029 | 845 |
| Somalia & Somaliland | 66 | 421 | 487 | 5,422 | 5,909 | 5,339 |
| Sri Lanka | 28 | 207 | 235 | 2,666 | 2,901 | 3,452 |
| Syria | 56 | 174 | 230 | 2,244 | 2,474 | 1,781 |
| Ukraine | 67 | 334 | 401 | 4,304 | 4,705 | 2,809 |
| West Bank | 112 | 93 | 205 | 1,194 | 1,399 | 1,058 |
| Yemen | 1 | 21 | 22 | 272 | 294 | 6 |
| Zimbabwe | 23 | 265 | 288 | 3,417 | 3,705 | 3,732 |
| Global | 4 | 65 | 69 | 855 | 924 | 685 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 758 | 4,960 | 5,718 | 63,889 | 69,607 | 55,607 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

All costs which can be directly attributed to donor contracts have been allocated and are shown in restricted funds; other expenditure directly relating to programmes is shown in unrestricted funds. Support costs, analysed in note 6, which principally relate to headquarters costs and which cannot be allocated to contracts, are allocated on the basis of activity in each country.

5 Charitable activities: sub-granted

HALO was the lead consortium partner in grants funded by the Department for International Development, Irish Aid and UK Conflict Stability and Security Fund. Under these grants, HALO awarded sub-grants to the following agencies:

| | 2019 | 2018 |
|------------------------|--------------|-------------|
| | £000 | £000 |
| Mines Advisory Group | 3,473 | 3,933 |
| Norwegian People's Aid | 1,767 | 707 |
| DanChurchAid | 177 | - |
| | <hr/> | <hr/> |
| | 5,417 | 4,640 |
| | <hr/> <hr/> | <hr/> <hr/> |

6 Support costs

| | 2019 | 2018 |
|-------------------------------------|--------------|-------------|
| | £000 | £000 |
| Support staff remuneration | 2,313 | 1,864 |
| IT and telecommunications | 193 | 168 |
| Accommodation | 125 | 101 |
| Travel | 362 | 163 |
| Fundraising and public awareness | 224 | 187 |
| Equipment | 37 | 47 |
| Vehicle expenses | 21 | 15 |
| Depreciation of HQ assets | 78 | 42 |
| Communications and public relations | 380 | 251 |
| Governance | 38 | 78 |
| Field employee training costs | 891 | 681 |
| Other support costs | 154 | 89 |
| Legal and Professional | 144 | 56 |
| | <hr/> | <hr/> |
| | 4,960 | 3,742 |
| | <hr/> <hr/> | <hr/> <hr/> |

All support costs relate to charitable activities.

7 Employee costs & numbers

| | 2019 | 2018 |
|--|---------------|--------|
| | £000 | £000 |
| Staff costs | | |
| National staff | 31,013 | 26,757 |
| UK-based employees and expatriate staff | 7,430 | 5,643 |
| Social security costs | 436 | 375 |
| Pension contributions* | 167 | 27 |
| | <hr/> | <hr/> |
| Re-charged to The HALO Trust (USA), Inc. | 39,046 | 32,802 |
| | (96) | (220) |
| | <hr/> | <hr/> |
| | 38,950 | 32,582 |
| | <hr/> | <hr/> |

*A defined contribution plan is a post-employment benefit plan under which the charity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The average monthly number of persons (full-time equivalent) employed by HALO during the year, including local national staff, is shown below.

| | 2019 | 2018 |
|--|---------------|--------|
| | Number | Number |
| Administration | 43 | 30 |
| Direct project personnel; UK based and international | 121 | 90 |
| Direct project personnel; national staff | 8,039 | 7,483 |
| | <hr/> | <hr/> |
| | 8,203 | 7,603 |
| | <hr/> | <hr/> |

The number of employees, whose emoluments, including overseas tax dues, including pension contributions, amounted to over £60,000 in the year was as follows:

| | 2019 | 2018 |
|---------------------|---------------|--------|
| | Number | Number |
| £170,000 – £180,000 | 1 | 1 |
| £120,001 – £130,000 | - | 1 |
| £110,001 – £120,000 | 3 | 2 |
| £100,001 – £110,000 | 1 | 1 |
| £90,001 – £100,000 | 6 | 6 |
| £80,001 – £90,000 | 9 | 7 |
| £70,001 – £80,000 | 7 | 5 |
| £60,001 – £70,000 | 4 | 5 |
| | <hr/> | <hr/> |
| | 31 | 28 |
| | <hr/> | <hr/> |

Of the 31 listed above, Key Management Personnel, defined as the CEO, Company Secretary, director of Capability, director of Strategy, director of Finance, director of Human Resources, director of

Programmes, and director of Development, numbered 8 in 2018/19 (14 of the 28 employees in FY 2017/18); the total benefits paid to these individuals amounted to £864,092 (£1,402,000 in FY 2017/18).

8 Net incoming/(outgoing) expenditure

Net incoming/(outgoing) restricted and unrestricted resources are stated after charging:

| | 2019 £000 | 2018 £000 |
|--|-------------------|-------------------|
| Depreciation and other amounts written off tangible fixed assets (note 10) | 286 | 270 |
| Auditor's remuneration: | | |
| Amounts receivable by the auditors and their associates in respect of: | | |
| Audit of these financial statements | 28 | 28 |
| All other services; including but not limited to Accountant's reports for donor grants and contracts | 23 | 26 |
| | <u> </u> | <u> </u> |

9 Transfer between funds

A transfer of £4,687,000 (2017/2018 £4,461,000) was made from restricted to unrestricted funds predominantly for contributions from donors to the support costs of the Trust. These contributions are specified in each of the contracts undertaken, at percentages of the total contract value. The contribution is charged as direct project expenditure to restricted funds, and then transferred to unrestricted funds in the statement of financial activities.

10 Tangible fixed assets

| | Land | Freehold property | Fixtures & fittings | Equipment | Motor vehicles | Field vehicles & equipment | Total |
|-----------------------|------------|----------------------|------------------------|------------|-------------------|----------------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | | | |
| At beginning of year | 109 | 141 | 39 | 147 | 148 | 1,737 | 2,321 |
| Additions | - | 9 | 22 | 47 | | 970 | 1,048 |
| Disposals | - | - | - | - | - | - | - |
| At end of year | <u>109</u> | <u>150</u> | <u>61</u> | <u>194</u> | <u>148</u> | <u>2,707</u> | <u>3,369</u> |
| Depreciation | | | | | | | |
| At beginning of year | - | 136 | 37 | 113 | 98 | 1,546 | 1,930 |
| Charge for year | - | 1 | 6 | 24 | 13 | 242 | 286 |
| Disposals | - | - | - | - | - | - | - |
| At end of year | <u>-</u> | <u>137</u> | <u>43</u> | <u>137</u> | <u>111</u> | <u>1,788</u> | <u>2,216</u> |
| Net book value | | | | | | | |
| At 31 March 2019 | <u>109</u> | <u>13</u> | <u>18</u> | <u>57</u> | <u>37</u> | <u>919</u> | <u>1,153</u> |
| At 31 March 2018 | <u>109</u> | <u>5</u> | <u>2</u> | <u>34</u> | <u>50</u> | <u>191</u> | <u>391</u> |

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

11 Debtors

| | 2019 | 2018 |
|--|---------------|-------------|
| | £000 | £000 |
| Amounts owed by The HALO Trust (USA), Inc. | - | 691 |
| Other debtors | 528 | 190 |
| Prepayments | 1,160 | 1,261 |
| Accrued income | 11,180 | 7,996 |
| | <hr/> | <hr/> |
| | 12,868 | 10,138 |
| | <hr/> <hr/> | <hr/> <hr/> |

12 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|--|---------------|-------------|
| | £000 | £000 |
| Trade creditors | 1,074 | 692 |
| Taxation and social security | 130 | 109 |
| Other creditors | - | 4 |
| Accruals | 3,426 | 2,118 |
| Deferred income | 10,093 | 7,675 |
| Amounts owed to The HALO Trust (USA), Inc. | 21 | - |
| | <hr/> | <hr/> |
| | 14,744 | 10,598 |
| | <hr/> <hr/> | <hr/> <hr/> |

| | 2019 | 2018 |
|----------------------------|----------------|-------------|
| | £000 | £000 |
| Deferred income: | | |
| Balance at start of period | 7,675 | 17,474 |
| Released during the year | (7,675) | (17,474) |
| Arising during the year | 10,093 | 7,675 |
| | <hr/> | <hr/> |
| Balance at end of period | 10,093 | 7,675 |
| | <hr/> <hr/> | <hr/> <hr/> |

13 Provision for liabilities and charges

| | Pension obligations | Overseas severance liabilities | 2019 | 2018 |
|--|----------------------------|---------------------------------------|--------------|-------------|
| | £000 | £000 | £000 | £000 |
| At 31 March | 121 | 1,832 | 1,953 | 288 |
| Transfer from restricted provisions | - | - | - | 322 |
| Transferred from The HALO Trust (USA), Inc | - | - | - | 672 |
| Utilised in the year | (23) | (1,253) | (1,276) | (642) |
| Provided in the year | 8 | 1,755 | 1,763 | 1,314 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March | 106 | 2,334 | 2,440 | 1,954 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Pension obligations relate to the pension arrangements for a former employee.

Overseas severance and other employment liabilities relate to provisions for severance to employees under their contracts of employment and in accordance with the local labour law.

14 Restricted funds

| | Balance at 31 March 2018 £000 | Income £000 | Expenditure £000 | Transfers between funds £000 | Balance at 31 March 2019 £000 |
|------------------|---|----------------|---------------------|------------------------------------|---|
| Abkhazia | - | 852 | (780) | 72 | - |
| Afghanistan | - | 18,339 | (17,093) | 1,246 | - |
| Angola | - | 2,405 | (2,347) | 58 | - |
| Burma | - | 524 | (460) | 64 | - |
| Bosnia | - | 332 | (296) | 36 | - |
| Cambodia | - | 5,549 | (5,195) | 354 | - |
| Colombia | - | 7,327 | (6,836) | 491 | - |
| El Salvador | - | 290 | (256) | 34 | - |
| Georgia | - | 253 | (269) | (16) | - |
| Guatemala | - | 197 | (194) | 3 | - |
| Guinea Bissau | - | 509 | (471) | 38 | - |
| Honduras | - | 199 | (153) | 46 | - |
| Iraq | - | 3,410 | (3,214) | 196 | - |
| Kosovo | - | 998 | (952) | 46 | - |
| Laos | - | 3,634 | (3,395) | 239 | - |
| Libya | - | 761 | (713) | 48 | - |
| Nagorno Karabakh | - | 841 | (892) | (51) | - |
| Somaliland | - | 5,969 | (5,422) | 547 | - |
| Sri Lanka | - | 2,910 | (2,666) | 244 | - |
| Syria | - | 2,243 | (2,244) | (1) | - |
| Ukraine | - | 4,726 | (4,304) | 422 | - |
| West Bank | - | 1,270 | (1,194) | 76 | - |
| Yemen | - | 297 | (272) | 25 | - |
| Zimbabwe | - | 3730 | (3,417) | 313 | - |
| Global | - | 6,385 | (6,269) | 116 | - |
| Residual costs | 36 | 18 | - | 43 | 11 |
| | <u>36</u> | <u>73,968</u> | <u>(69,304)</u> | <u>4,689</u> | <u>11</u> |

15 Analysis of assets and liabilities between funds

| | Unrestricted Funds £000 | Restricted Funds £000 | Totals 2019 £000 | Unrestricted Funds £000 | Restricted Funds £000 | Totals 2018 £000 |
|-----------------------|--|--------------------------------------|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible Fixed assets | 1,153 | - | 1,153 | 391 | - | 391 |
| Net current assets | 5,808 | 11 | 5,819 | 6,563 | 36 | 6,599 |
| As at 31 March 2019 | 6,961 | 11 | 6,972 | 6,954 | 36 | 6,990 |

16 Related party transactions

The HALO Trust is related to The HALO Trust (USA), Inc. through the delivery of common charitable activities. The CEO of The HALO Trust is also the President of The HALO Trust (USA) Inc. Transactions with The HALO Trust (USA), Inc. are set out below:

| | Transactions in year £000 | Outstanding at year end £000 |
|--|--|---|
| Salary costs recharged (note 7) | 96 | 9 |
| Other expenses paid on behalf of The HALO Trust (USA), Inc. | 434 | 23 |
| Expenses relating to The HALO Trust paid by The HALO Trust (USA), Inc. | (41) | (53) |
| | 489 | (21) |

In addition to these transactions The HALO Trust (USA), Inc. sub-granted funding to The HALO Trust as per the schedule below:

| | 2019 £000 | 2018 £000 |
|--|----------------------|----------------------|
| Funds transferred to The HALO Trust | 27,023 | 21,000 |
| Accrued Income at 31 March 2019 | 196 | 513 |
| Deferred Income at 31 March 2019 | (4,022) | (1,790) |
| Total income sub-granted by The HALO Trust (USA), Inc. | 23,197 | 19,723 |

17 Commitments

At 31 March there were the following future minimum lease payments under non-cancellable operating leases:

| | 2019 | 2018 |
|---------------------------------------|-------------|-------------|
| | £000 | £000 |
| Land and Buildings | | |
| Operating leases due: | | |
| Within one year | 112 | 74 |
| In the second to fifth year inclusive | 179 | 58 |
| | <hr/> | <hr/> |
| | 291 | 132 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Vehicles | | |
| Operating leases due: | | |
| Within one year | 21 | - |
| | <hr/> | <hr/> |
| | 21 | - |
| | <hr/> <hr/> | <hr/> <hr/> |

18 Connected Companies

The HALO Trust had a £1 shareholding in HALO UK 2015 Limited (company number 09395204). The registered address of HALO UK 2015 Limited is:

50 Broadway
 London
 SW1H 0BL

This company was dissolved on 2 April 2019.

19 Derivative financial instruments

The charity places foreign exchange forward contracts to manage exposure to foreign currency exchange risk. At 31 March 2019 the charity had £8m of foreign currency exchange forward contracts. The fair value of these derivative financial instruments at 31 March 2019 was immaterial.

Proforma Euro accounts
 Unaudited statement of financial activities
 (including an income and expenditure account)
 For the year ended 31 March 2019

Average rate £1:€1.1511 (2018 £1:€1.1.147)

| | Unrestricted funds €000 | Restricted funds €000 | 2019 Total €000 | 2018 Total €000 |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Income from | | | | |
| Donations and legacies | 355 | 85,124 | 85,479 | 69,972 |
| Income from investments | 45 | 21 | 66 | 52 |
| Other income | 797 | | 797 | 89 |
| Total income | 1,197 | 85,145 | 86,342 | 70,113 |
| Expenditure on | | | | |
| Charitable activities | 6,582 | 73,543 | 80,125 | 63,781 |
| Charitable activities: sub-granted | | 6,236 | 6,236 | 5,322 |
| Total expenditure | 6,582 | 79,779 | 86,361 | 69,103 |
| Net (expenditure)/income on operating activities | (5,385) | 5,366 | (19) | 1,010 |
| Net (expenditure)/income | (5,385) | 5,366 | (19) | 1,010 |
| Transfers between funds | 5,395 | (5,395) | 0 | - |
| Net movements in funds | 10 | (29) | (19) | 1,010 |
| Reconciliation of funds | | | | |
| Total funds brought forward at 1 April 2018 | 7,918 | 41 | 7,959 | 7,051 |
| Retranslation movements | 229 | - | 229 | (102) |
| Total funds carried forward at 31 March 2019 | 8,157 | 12 | 8,169 | 7,959 |

Proforma Euro accounts
 Unaudited balance sheet
 as at 31 March 2019

Year end rate £1:€1.1511 (2018 £1:€1.147)

| | 2019 | | 2018 | | |
|--|----------|---------------|----------|---------------|--|
| | €000 | €000 | €000 | €000 | |
| Fixed assets | | | | | |
| Tangible assets | 1,352 | | 445 | | |
| | | <u>1,352</u> | | <u>445</u> | |
| Current assets | | | | | |
| Stock | 112 | | 140 | | |
| Debtors | 15,075 | | 11,547 | | |
| Cash at bank | 11,762 | | 10,125 | | |
| | | <u>26,949</u> | | <u>21,812</u> | |
| Creditors: amounts falling due within one year | (17,273) | | (12,071) | | |
| | | <u>9,676</u> | | <u>9,741</u> | |
| Net current assets | | 9,676 | | 9,741 | |
| Total assets less current liabilities | | <u>11,028</u> | | <u>10,186</u> | |
| Provisions for liabilities | | (2,859) | | (2,227) | |
| | | <u>8,169</u> | | <u>7,959</u> | |
| Net assets | | 8,169 | | 7,959 | |
| Funds | | | | | |
| Unrestricted funds: general | | 8,157 | | 7,918 | |
| | | <u>8,157</u> | | <u>7,918</u> | |
| Restricted funds | | 12 | | 41 | |
| | | <u>8,169</u> | | <u>7,959</u> | |
| Total funds | | 8,169 | | 7,959 | |

Proforma US\$ accounts
 Unaudited statement of financial activities
 (including an income and expenditure account)
 For the year ended 31 March 2019

Average rate £1:US\$1.3064 (2018 £1:US\$1.326)

| | Unrestricted funds US\$000 | Restricted funds US\$000 | 2019 Total US\$000 | 2018 Total US\$000 |
|---|----------------------------------|--------------------------------|--------------------------|--------------------------|
| Income from | | | | |
| Donations and legacies | 402 | 96,609 | 97,011 | 80,893 |
| Income from investments | 51 | 24 | 75 | 61 |
| Other income | 904 | | 904 | 103 |
| Total income | 1,357 | 96,633 | 97,990 | 81,057 |
| Expenditure on | | | | |
| Charitable activities | 7,470 | 83,465 | 90,935 | 73,735 |
| Charitable activities: sub-granted | | 7,077 | 7,077 | 6,153 |
| Total expenditure | 7,470 | 90,542 | 98,012 | 79,888 |
| Net (expenditure)/income on operating activities | (6,113) | 6,091 | (22) | 1,169 |
| Net (expenditure)/income | (6,113) | 6,091 | (22) | 1,169 |
| Transfers between funds | 6,123 | (6,123) | - | - |
| Net movements in funds | 10 | (32) | (22) | 1,169 |
| Reconciliation of funds | | | | |
| Total funds brought forward at 1 April 2018 | 9755 | 52 | 9,807 | 7,555 |
| Retranslation movements | (614) | (5) | (619) | 1,083 |
| Total funds carried forward at 31 March 2019 | 9,151 | 15 | 9,166 | 9,807 |

Proforma US\$ accounts
 Unaudited balance sheet
 as at 31 March 2019

Year end £1:US\$1.3064 (2018 £1:US\$1.326)

| | 2019 | | 2018 | |
|--|----------|---------------|----------|---------------|
| | US\$000 | US\$000 | US\$000 | US\$000 |
| Fixed assets | | | | |
| Tangible assets | 1,516 | | 549 | |
| | | <u>1,516</u> | | <u>549</u> |
| Current assets | | | | |
| Stock | 126 | | 173 | |
| Debtors | 16,915 | | 14,224 | |
| Cash at bank | 13,198 | | 12,471 | |
| | | <u>30,239</u> | | <u>26,868</u> |
| Creditors: amounts falling due within one year | (19,381) | | (14,869) | |
| Net current assets | | <u>10,858</u> | | <u>11,999</u> |
| Total assets less current liabilities | | <u>12,374</u> | | <u>12,548</u> |
| Provisions for liabilities | | (3,208) | | (2,740) |
| Net assets | | <u>9,166</u> | | <u>9,808</u> |
| Funds | | | | |
| Unrestricted funds: general | | 9,151 | | 9,756 |
| Restricted funds | | 9,151 | | 9,756 |
| | | 15 | | 52 |
| Total funds | | <u>9,166</u> | | <u>9,808</u> |