

**The HALO Trust**

Annual report and financial statements

Company number 2228587

Charity registration numbers

1001813 and SC037870

31 March 2015

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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 2015.

### Reference and administrative information

<b>Charity Name</b>	The HALO Trust	
<b>Charity registration numbers</b>	1001813 and SC037870	
<b>Company registration number</b>	2228587	
<b>Business address</b>	Carronfoot Thornhill Dumfries DG3 5BF	
<b>Directors and Trustees</b>	Amanda Pullinger (Chairman) Anthony Bird Tom Bradby Simon Conway (resigned 30 June 2015) Colonel Jane Davis OBE QVRM TD DL RGN Jamie Lowther-Pinkerton LVO MBE Cindy McCain (appointed 2 October 2014) Michael Merton FCA ACT	
<b>Chief Executive</b>	Major General James Cowan CBE DSO	(selected 17 February 2015 to take up appointment on 29 June 2015)
<b>Secretary</b>	Anthony Wigan FCA	
<b>Registered office</b>	50 Broadway London SW1H 0BL	
<b>Auditor</b>	KPMG LLP 191 West George Street Glasgow G2 2LJ	
<b>Bankers</b>	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB	
<b>Legal advisors</b>	Bircham Dyson Bell 50 Broadway London SW1H 0BL	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

## Trustees' annual report *(continued)*

### Statement from the Chairman

The HALO Trust has spent more than a quarter of a century helping the poorest and most vulnerable communities in the most hazardous parts of the world. Our passion and commitment to that promise has never wavered. Since our founding we have enabled countless men, women and children on four continents to return to their homes without fear of death or injury from landmines or the other deadly debris of war.

We can attest to many areas of progress. Fewer people were killed or injured by landmines and other explosive remnants of war in 2014/2015 than in any previous year. There are now fewer than ten victims per day, compared with 25 per day in 1999. In the last twelve months, we have benefitted over one million people in Afghanistan through mineclearance, enabled over thirty thousand people to resettle and restart their livelihoods in Sri Lanka, and in Cambodia agricultural land cleared by HALO produced crops worth half a million dollars. In addition to returning huge areas of agricultural land to productive use we have improved access to basic services including clean water, schooling and health care; enabled the development of major infrastructure including roads, railways, reservoirs and power lines, and employed thousands of locally recruited staff members, giving them the discipline and self-respect that goes with a full-time job. The impact of our work will stretch far beyond the results measured thus far, achieving sustainable impacts that will continue to benefit future generations.

In the twelve months to 31<sup>st</sup> March 2015 we:

- Made 8,836 hectares (21,832 acres) safe from landmines and unexploded ordnance
- Destroyed 66,920 landmines
- Destroyed 155,615 items of explosive ordnance
- Destroyed 6,595 cluster munitions
- Destroyed 298,320 bullets
- Destroyed 3,100 assault rifles

Internally, we have conducted an organisational review and taken initiatives to strengthen our internal processes, underlining our commitment to become even more efficient and effective, ensuring that we continue to attract and retain the highest quality staff, and to allow us to build a solid foundation for future growth.

Looking to the future, we will carry on as a leader in mine action while using our expertise to address other urgent issues. As the global threat from landmines recedes, we are pioneering new techniques to reduce the casualties caused by unexploded ordnance and to counter the growing threat posed to civilians by badly secured, aging and unstable ammunition. We are also investigating ways that we can decrease the half a million people a year who die as a result of armed violence by working with governments and communities better to manage or destroy weapons.

As we celebrate our success and thank those who have supported us, we must also honour the vision and dedication of our previous Chief Executive and Co-founder Guy Willoughby. Following his departure from HALO in 2014, we said goodbye to a bold leader and welcomed the appointment of a new and inspirational Chief Executive, James Cowan, who was selected in February 2015 and takes up his post full-time on 29 June 2015.

My thanks to all our staff for your dedication and professionalism, and to our partners and donors; without your support our work saving lives and restoring livelihoods would not be possible.

  
**Amanda Pullinger**  
Chairman

## Trustees' annual report *(continued)*

### 1. Objectives and activities for the public benefit

#### 1.1 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.”

#### 1.2 Activities

##### 1.2.1 Help to eliminate the threat to lives and livelihoods posed by landmines and Explosive Remnants of War (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).

##### 1.2.2 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).

##### 1.2.3 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.

## **Trustees' annual report (continued)**

### **1.2.4 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 and 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.

### **1.2.5 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.

### **1.2.6 Promote good governance to ensure a financially sustainable organisation**

- Commit to remain engaged and invest 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.

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.

## Trustees' annual report *(continued)*

### 2. The Strategic Report

#### 2.1. Achievements and performance

##### HALO Outputs Worldwide

Description	2014/15	Cumulative total 1989-2015
Minefield area cleared	4,730 ha (11,687 acres)	40,067 ha (99,008 acres)
Battle Area Cleared (BAC)	4,106 ha (10,145 acres)	150,584 ha (372,102 acres)
Landmines destroyed	66,920	1,557,811
Unexploded Ordnance destroyed	155,615	11,409,902
Cluster munitions destroyed	6,595	206,792
Small Arms Ammunition destroyed	298,320	54,588,462

HALO is committed to a rigorous monitoring and evaluation process to ensure that we accurately measure the impact of our work across all countries. HALO's record to date positions it clearly as market leader in its several areas of humanitarian activity.

#### Programmes

##### Afghanistan

Afghanistan continues to be the world's most mine-affected country and HALO's largest programme with 2,364 staff at 31<sup>st</sup> March 2015. While the programme's bilateral donors are maintaining funding, other donors are capping or reducing commitments, and funding into the UN's Voluntary Trust Fund (VTF) is in steep decline. Mine action donors are split between those who support Afghanistan's commitment to complete clearance of all surveyed contamination by March 2023, and those who are using the international military departure to reduce or end their commitment.

The programme's most notable new demining initiative was the large-scale emergency manual and mechanical clearance of Gulan refugee camp in Khost Province. In July 2014, thousands of refugees fled military operations being conducted by the Pakistani Army in neighbouring Waziristan. HALO has deployed over 300 deminers in support of UNHCR's relief efforts on behalf of the refugees, and between July 2014 and March 2015 safely located and destroyed 114 anti-tank mines and 683 anti-personnel mines in over 250 hectares of land cleared within the camp and on the adjacent hills.

In the central region teams remain deployed on the steep slopes and ridges above the Salang Highway, and the western flank of the northern Shomali valley, where pressure on land-use for grazing and quarrying stone is pushing people onto mined areas and causing casualties. We are also working in Logar Province, where very large areas of flat semi-irrigated land are still contaminated with anti-tank mines laid by the Mujahedin in the 1980s, and where HALO has a further 300 deminers deployed.

## **Trustees' annual report** *(continued)*

Across the North and North-East Regions (Balkh, Baghlan, Samangan, Kunduz, Takhar, Badakhshan) the demining teams continue clearance of the higher rain-fed croplands that were mined in the late 1990s.

HALO's ambition as part of the Afghanistan Peace and Reintegration Program to persuade donors that employing re-integrated males of fighting age as manual deminers, which is in effect a large public works exercise, remains a key objective. The programme has 230 re-integrated ex-combatant deminers, but the management capacity and equipment to employ another 1,500.

There were seven security related fatalities to HALO staff in 2014. Programme staff have survived threats and short-term abduction. Security, as it affects our clearance efforts, continues to vary markedly across the provinces. Increasing amounts of senior management time are spent weighing up security risks with the humanitarian imperative of our demining efforts – clearance of 6,423 mines on 2,781 hectares over the last year.

### **Angola**

In 2014/15 HALO Angola cleared more than 100 hectares of land and destroyed 2,927 anti-personnel mines, 420 anti-vehicle mines, 15,366 explosive items and 1,273 weapons.

HALO expanded its minefield survey work beyond the existing provinces of Huambo, Bié, Benguela and Kuando Kubango into Kwanza Sul and Huila provinces. With this expansion Huila and Kwanza Sul minefields are being fully 'polygon-mapped', a process of accurately delineating the boundaries of the mined areas to ensure that mineclearance work is focussed on areas that actually contain mines. Through clearing land for access, agriculture and housing, HALO's work in Angola continues to improve the living standards and livelihoods of the most vulnerable people, many of whom live in remote areas, cut off from urban areas by mined roads and poor access.

Considerable progress continues to be made in Cuito Cuanavale in Kuando Kubango province. To date over 140,000 people have benefitted as a result of HALO's clearance and threat reduction in Kuando Kubango. The merit of HALO's work was publically acknowledged by the Angolan Government during the 23<sup>rd</sup> March 2015 Cuito Cuanavale Battle Commemorations. Subsequently, HALO initiated discussions to source Angola Government funding.

HALO has reached and started clearance in Lubia, Bié province. Lubia has some of the highest priority minefields in HALO Angola's area of operations. However, we were hampered by poor access, which has since been resolved by the local authorities grading the roads.

HALO weapons and ammunition disposal (WAD) teams assisted the national police with weapons cutting ceremonies and ammunition destruction in six provinces. On 31<sup>st</sup> October 2014, to mark international disarmament week, a public destruction parade was set up in Central Viana, a satellite town of Luanda. The Luanda Provincial Governor, Mr. Graciano Francisco Domingos, and the Interior Secretary of State, Mr. Eugénio Laborinho, operated HALO shears to destroy weapons.

A photographic exhibition was held in Luanda at Epic Sana hotel. The exhibition, which had previously toured the United States, Colombia and Kosovo, was on display in November 2014. It highlighted the landmine problem and positive impact of HALO's clearance. Ambassadors, government dignitaries, petroleum industry executives, and mine action officials attended the exhibition launch.

## Trustees' annual report *(continued)*

### Mozambique

2014 represented a significant year for mine action in Mozambique. With Mozambique's Anti-Personnel Mine Ban Convention Article 5 deadline due to fall in December 2014, and as a result of an increase in donor support, there was a considerable expansion of HALO operations to ensure all allocated tasking was completed and the deadline met. The US State Department (PM/WRA), the UK Department for International Development (DFID), The Royal Netherlands Government (RNG) and Irish Aid contracts saw teams deployed across both Manica and Tete provinces, with the programme's principal achievements including the clearance of all Cahora Bassa minefields, all Mozambique/Zimbabwe 'cordon sanitaire' minefields, and the Beira power line. In the process HALO cleared over 85 hectares and destroyed over 34,000 anti-personnel mines. Of note in June 2014 Maputo hosted the Meeting of the States Parties Review Conference, which produced the Maputo +15 declaration and included a well-received intervention from HALO in support of the +15 Action Plan.

In July 2014 the programme was awarded a further DFID contract in order to deploy teams along the Mozambique/Zimbabwe border as well as conduct 'baseline' and post clearance assessments, install water boreholes and make basic infrastructure repairs. The completion of all HALO 2014 annual work plan tasks by November 2014 allowed the Government of Mozambique to declare Tete province free of mines. However, despite these successes Mozambique was unable to meet the Article 5 deadline. This was largely as a result of other operators failing to deliver on their work plans, and in December 2014 HALO was allocated additional tasking in Manica, Sofala and Inhambane provinces, taking work into the first quarter of 2015. Of note the national mine action Authority, IND, also requested HALO to 'generate resources' and provide a technical assessment of Malhazine ammunition depot in Maputo. According to IND's statement in February 2015, the Government of Mozambique remains confident that all remaining minefields will be completed by November 2015. HALO continues its commitment to Mozambique and IND at this crucial time. In the first quarter of 2015 the programme secured additional funding from both PM/WRA (February to November 2015) and DFID (extension until January 2016) in order to ensure that adequate resources are maintained for successfully delivering a mine free Mozambique in 2015. Following successful completion HALO's priorities will include the successful resettlement and demobilisation of staff, transfer of assets to other HALO programmes, principally Zimbabwe, and a technical assessment of the Malhazine ammunition depot.

### Zimbabwe

FY 2014/15 was a period of consolidation for HALO Zimbabwe. By April 2014 we had just reached our funded capacity of ten 8-person sections and a survey team. By March 2015 we had expanded to twelve sections thanks to a significant increase in the Irish Aid grant. Funding from the Japanese Government and the US State Department, PM/WRA, remained constant. No major new donors were brought on board, although we received detectors from United Nations Mine Action Service (UNMAS) worth \$100,000. A contract was signed with World Without Mines for a single section expansion but this will only occur in the next financial year. DFID is yet to make a decision on funding demining in Zimbabwe, but the programme has been taking steps so as to be in the best position should a request for tenders be launched. As part of this process we have undertaken some pre-clearance community surveys.

HALO's survey of our area of responsibility was completed at the end of 2014. This was a significant achievement as the survey reduced the estimates of contamination by 80%. The extent of contamination was determined to be 2,800 hectares of minefield along a frontage of 426 km. We are currently clearing approximately 1 km of frontage per month. At this rate and with the current resources allocated and committed it would take 35 years to complete the task. There is clearly a need for further resources.

## **Trustees' annual report** *(continued)*

The mine density is high and the programme cleared over 4,500 mines in the reporting period.

HALO Zimbabwe began a victim assistance project in 2014. This has been extended into 2015 in partnership with the British NGO ZANE.

### **Somaliland**

HALO continues to be the only mine action organisation conducting mineclearance in Somaliland. With over 600 national staff, HALO is the largest non-governmental organisation and the third largest employer in Somaliland.

2014 saw the lowest number of civilian accidents caused by mines and ERW since records began. This positive development can be directly attributed to HALO. HALO managed to recruit and deploy staff in the Badhan area of Sanaag region, in border areas between Somaliland and Puntland. The two territories have disputed these areas for almost two decades and previously no aid agency was able to work here. As a result these communities have received little aid historically and remain some of the most vulnerable communities in Somaliland. Furthermore, 2014 saw the conclusion of HALO's socio-economic baseline assessment for all the communities that remain affected by landmines and ERW. The baseline assessment report is at an advanced draft stage, with publication likely to happen by mid-2015. This assessment will enable HALO more accurately to measure and articulate the socio-economic impact of our intervention in Somaliland.

During this financial year HALO cleared over 280 hectares of mine-contaminated land. To date there are 198 remaining minefields to be cleared. These contaminate some 1,650 hectares of land – of which 750 hectares require mineclearance and the remaining 900 hectares require verification. For areas to be verified, HALO plans to deploy the Road Threat Reduction (RTR) system that was previously deployed successfully in Angola. HALO remains on track to complete the clearance of all known minefields in Somaliland by the end of 2017. To achieve this, HALO will need to maintain existing donor support and increase annual funding to \$5 million, ensure that the RTR system is deployed properly, and continue to train and develop the Government's National Demining Agency, which will remain as a residual clearance capacity post-2017.

### **Somalia**

Since mid-2014 HALO has sought to establish a programme in South Central Somalia. This is a logical next step, given our work in Somaliland, and is at the request of the UN and the Federal Government of Somalia.

Following on from several fact-finding missions, a decision was made to establish a location (mini HQ) in Baletweyne town, Hiran district. The aim is to establish a programme that concentrates on survey and clearance of the mined areas along the Somali/Ethiopian border. As only limited work has taken place in these areas and it is very likely that the mines problem is located here (most of it dating from the Ogaden war in late 1970s/early 1980s), HALO has decided initially to concentrate on these border communities. HALO hopes that, as security and safety conditions improve (and mine action is a vital part of this), refugees and Internally Displaced People (IDPs) will start to return to their land. The security situation has remained relatively stable in the border areas compared with the rest of the country. HALO also plans to establish an office in Mogadishu during the first half of 2015.

HALO is funded by Japan via the United Nations Mine Action Service Voluntary Trust Fund, and the German Government to establish the programme in South Central Somalia. With this funding we anticipate establishing a mine action programme of approximately 200 staff by the end of 2015.

## Trustees' annual report (*continued*)

### Ivory Coast

HALO has been working in Ivory Coast since 2011 to ensure that weapons and ammunition are stored in an accountable, safe and secure manner, in line with international standards. This work is closely coordinated with the Ivorian Government and the United Nations.

HALO's Physical Security and Stockpile Management (PSSM) team has so far assessed, and either constructed or rehabilitated hundreds of armouries and ammunition stores across the country, including twenty-six between April 2014 and March 2015.

This has been done in close cooperation with the Ivorian Police, Gendarmerie, Navy, Army and Air Force to ensure that solutions are tailored to meet end user's requirements. Work has ranged from small-scale refurbishment of armouries to the construction of large-scale ammunition storage areas. In addition HALO has also undertaken national capacity building programmes through Explosive Ordnance Disposal (EOD), Disarmament, Demobilization and Reintegration (DDR) and weapons disposal courses to the relevant authorities.

In the wake of the late conflict in Ivory Coast, HALO teams have provided technical support to the national DDR programme. To date, HALO teams have inspected, registered and recorded over 10,000 weapon systems brought in by ex-combatants, including over 3,000 during this reporting period.

Running parallel with PSSM works, HALO EOD teams have also undertaken weapons and ammunition disposal operations across Ivory Coast, destroying over 10,000 weapon systems and over 130 tonnes of unsafe ammunition, including 1,500 weapons and nearly 50 tonnes of ammunition during this reporting period.

### Central African Republic (CAR)

Following the successful training of CAR Security Forces and the disposal of 745 weapons in March 2014, HALO established an Explosive Ordnance Disposal/Physical Security and Stockpile Management (EOD/PSSM) programme in CAR in October 2014 in support of the United Nations Mine Action Service. One EOD and one PSSM team are based in Bangui, with plans to work across the country when the fragile security situation improves. Limited operations have been conducted in the towns of Bouar, Bria and Berberati.

HALO has so far assessed nearly 3,000 small arms and light weapons and has responded to dozens of call-outs across Bangui, removing hundreds of items of explosive ammunition, including a large number of small arms ammunition (SAA) and some weapons. Six *in situ* demolitions have been conducted to date. The team has also assisted the 'UN Panel of Experts on the CAR Security Council Resolution 2196' to assess weapons and ammunition held by the CAR Security Forces. HALO played a major role in a joint Security Forces operation in destroying out-dated S5-MO rockets. The HALO EOD team established itself as the primary point of contact for any EOD callouts in Bangui.

The PSSM team has visited over 30 locations, completing assessments of armouries and ammunition storage facilities. Currently, HALO is supervising the construction of an armoury for 1,000 weapons. Eight additional projects are to be implemented in the near future, including three rehabilitations of existing facilities and the construction of a further five armouries, each with the capacity to hold 100 weapons.

Immediate plans include the design of training for armoury management that will be provided by a HALO instructor. HALO previously designed the Weapons Guidebook to be used by UN Peacekeeping Forces, and will produce an Ammunition Guidebook by the end of 2015.

## Trustees' annual report *(continued)*

### Cambodia

Cambodia is still one of the most mine affected countries in the world, with 154 casualties in 2014 (up from 111 casualties in 2013). HALO's clearance and risk-education work during the year was focussed on the most heavily affected areas of Northwest Cambodia, in particular Battambang, Banteay Meanchey, Otdar Meanchey and Pailin provinces. Over 10,000 hectares were cleared, benefitting over 4,500 people directly and 140,000 people indirectly. Clearance teams continued to work on sections of the dense K5 border minefield, which had previously been suspended due to the border dispute between Thailand and Cambodia. Resources were also dedicated to clearing anti-tank mines, which continue to account for over half of mine casualties in the country. The expansion of the programme to 1,200 staff during the year, following a successful bid for three years of funding from DFID, has provided additional clearance teams to address these two priorities.

During 2014 the programme rolled out comprehensive baseline and post-clearance data collection for every minefield cleared. This data is being used to improve the targeting of clearance to benefit poor families in high-risk areas, as well as provide more detailed outcome reporting to donors. Survey capacity has increased this year to conduct re-survey of four provinces to identify reclaimed land and complete survey of the K-5 mine belt in Koh Kong province. The introduction of tablet-based field data collection and the implementation of web mapping applications have helped to reduce data management costs and make more information available to field managers.

### Laos

HALO Laos was successful in two competitive tenders during FY 2014/15. The US State Department, awarded a grant for continuation of previous funding and DFID, a new donor for HALO in Laos, awarded a grant that increased operational staffing by 63% programme wide. As a result of these grants, HALO Laos currently deploys ten multidisciplinary Survey/EOD/Risk Education (RE) teams and eight Battle Area Clearance teams on a monthly basis.

In September 2014, HALO Laos trialled and subsequently introduced computer based reporting for technical survey through the use of tablet computers. Using 3G in the field allows survey team leaders to report technical survey results directly to the HALO data cell, without the need for extra paperwork or lengthy radio calls. This has significantly reduced the workload of the information management and survey teams, and is much more accurate than traditional paper based data entry. Similarly it has allowed for "real time" monitoring of survey progress, allowing for better-informed management and deployment decisions.

Both the expansion of operations and survey process improvements were instrumental in the programme achieving significantly higher results in both survey and clearance during the 12-month period. Land surveyed increased by 169% to 2,004 hectares, and with land cleared rising to 80 hectares, an increase of 70% on the previous year's results.

HALO Laos was also a significant contributor to the revision of Laos's national standards, particularly regarding the need for survey and subsequent clearance to be evidence rather than request based. The programme feels these changes will markedly improve the sector's effectiveness at targeting cluster munition contaminated land for clearance.

## **Trustees' annual report** *(continued)*

### **Myanmar**

Despite the clear need for HALO to carry out mineclearance and explosive ordnance disposal, political obstacles have so far prevented HALO from operating. In mid-2014, newly trained HALO staff from key ethnic groups in Myanmar participated in a Non-Technical Survey pilot project in Mon State. This was the first such project in Myanmar and a significant step for mine action.

HALO's paperwork for risk education activities was submitted to the Department of Social Welfare, which will allow us, once processed, formally to register and implement projects.

HALO Myanmar has concentrated on raising its profile across a broad spectrum of stakeholders including regional government, key ethnic groups, international donors, private donors and the NGO community. HALO has been liaising with national NGOs with a view to partnering respected and well-organised groups that could implement Mine Risk Education (MRE) projects on HALO's behalf in the short term. HALO has identified three potential partner organisations.

HALO continues to be an active participant of the national technical working group for MRE and has contributed technical knowledge to the development of a standard set of government-endorsed MRE materials. HALO's programme in Myanmar was supported from HALO's reserves throughout the period.

### **Sri Lanka**

HALO remains the largest mine action operator in Sri Lanka with operations in Jaffna, Kilinochchi and Mullaitivu, which are the country's most affected districts. The recent changes in the government are expected to be positive for international aid agencies. The new President has made statements that international aid agencies will be allowed greater flexibility in helping the country, with emphasis on the Tamil population in northern Sri Lanka.

Until the end of 2014, HALO Sri Lanka employed some 1,100 national staff. As the previous Government had set a deadline to remove international mine action agencies from Sri Lanka by the end of 2014, few of our donors made provisions to continue funding beyond this point. When this deadline was lifted at the end of last year, it was too late for donors to mobilise resources. This has had a negative impact on HALO and all other agencies. We had to reduce the programme capacity to 800 staff in February and we are likely to reduce this further during 2015 if no new funding becomes available.

During this financial year HALO Sri Lanka teams cleared just over 200 hectares of mine-contaminated land and in the process cleared over 14,500 landmines and over 5,000 items of unexploded ordnance.

HALO Sri Lanka continues to work towards the goal of completing all known high and medium priority minefields by the end of 2016. This goal will only be achieved if additional funding becomes available and HALO's capacity is maintained at 800 staff. Clearance of the remaining minefields would enable the resettlement of the remaining IDPs and would contribute to the economic development of northern Sri Lanka. Through its studies, HALO estimates that communities could be earning \$2.5 million per annum if they were able to utilize the areas contaminated by landmines. Demining remains a priority for northern Sri Lanka and HALO remains key to getting the job done.

### **West Bank**

HALO's efforts to establish a humanitarian mineclearance programme in the West Bank succeeded when, in April 2014, HALO started clearance at a minefield close to the village of a-Nabi Elyas in Qalqiliya District of the West Bank. Clearance was carried out by a combination of Palestinian, Israeli, Georgian and British staff, all working together under a project supported by both the Israeli Ministry of Defence and the Palestinian Authority. By March 2015, clearance teams had completed approximately two-thirds of the site and found and safely destroyed over 400 mines. The minefield occupies valuable agricultural land and is approximately 100 metres from the nearest village, and is

## **Trustees' annual report** *(continued)*

therefore a high priority for clearance.

Supported by the Governments of the United States, The Netherlands, Great Britain and New Zealand, HALO is focussing its clearance efforts on the minefields in the West Bank laid by the Jordanian military prior to the 1967 war, which still impact upon the lives of Palestinian civilians some 50 years after they were laid. HALO is in discussion with the Israeli National Mine Action Authority (INMAA) and the Palestinian Mine Action Centre (PMAC) regarding future clearance tasking in 2015.

### **Armenia**

Over the reporting year HALO trained a total of 48 staff from Armenia's Peace Keeping Engineering Battalion (PKEB) in humanitarian mineclearance. The PKEB had very limited prior experience of demining to humanitarian standards and HALO has a two-year contract to train and manage its demining units. The PKEB teams are clearing minefields, laid during the war over Nagorno Karabakh, in the southern Armenian region of Syunik. They are currently being managed by experienced HALO staff from Armenia who are training and mentoring PKEB supervisory staff to a standard that will allow them to take full control of clearance operations.

HALO also directly employs two manual mineclearance teams and one mechanical clearance team in southern Armenia. The mechanical team provides the only available solution in Armenia to the clearance of minefields with very dense metal contamination and difficult ground conditions.

### **Nagorno Karabakh**

HALO continued to move towards the completion of the clearance of all minefields within the Soviet boundary of Nagorno Karabakh, with over 96% of the known minefield area cleared. Due to political restrictions on the use of government donor funds, almost all clearance was conducted within this boundary. Overall, across all territory controlled by Nagorno Karabakh, 86% of the known minefield have been cleared.

The single biggest issue for the programme is the lack of funds to clear minefields outside the Soviet boundary. HALO uses the politically neutral term "green areas" to describe this territory. In 2014 ten people were killed or injured in accidents on mines in these areas. In order to address this problem HALO continues its efforts to raise funds from the Armenian diaspora, especially in the United States, and in 2014 HALO was able to clear one minefield in the green areas with funds raised in this way. Recently committed funding will allow expansion of the programme and, in particular, clearance exclusively in the "green areas".

In addition to landmine and cluster munition clearance, HALO has a longstanding mine risk education (MRE) programme in Nagorno Karabakh's schools. All schools are visited annually and MRE is incorporated into the school curriculum. Over the reporting year more than 8,000 children participated in school MRE sessions conducted by HALO.

Over the year 48 hectares of minefield and 1,088 hectares of cluster munition strikes were cleared. This resulted in the completion of 23 individual minefields and 32 cluster munition strikes.

### **Georgia (including Abkhazia)**

HALO's programme in uncontested Georgia continued the clearance of the former Soviet firing range at Udabno, which includes several ancient monasteries on the UNESCO tentative list. The area is an important site for tourism and pilgrimage and it is littered with unexploded ordnance. HALO's clearance focussed first on the monasteries themselves and these have now been cleared. 2,360 hectares of the site were surface cleared during the year.

## **Trustees' annual report** *(continued)*

One of the principal causes of accidents in and around Udabno has been the collection of ordnance as scrap metal. HALO is working with scrap metal dealers in the area and the local authorities to educate the collectors and the dealers in the dangers of this practice.

During the year HALO was able to return to work in parts of Shida Kartli region that were contaminated with cluster munitions and which have previously been inaccessible for security reasons. The areas in question lie close to the Administrative Boundary Line with South Ossetia and their contamination occurred during the Russian invasion of 2008. The area is now more stable and HALO was able to clear 76 hectares of contaminated land. There are now no known areas of ERW contamination in uncontested Georgia resulting from the August 2008 war.

In the course of the year HALO Abkhazia's three EOD teams were called to deal with unexploded, abandoned and privately stockpiled ordnance on 367 occasions. The teams also destroyed 8.8 tonnes of ammunition from military stores. In addition two previously unknown minefields, covering a total area of 0.6 hectares, were surveyed and cleared following their discovery by members of the public.

In Abkhazia HALO also rehabilitates neglected rural road infrastructure that is inhibiting the movement of people to farm, trade and access schooling and public services. Access is particularly problematic at times of high river levels. During the year HALO rebuilt eight bridges that had either collapsed or were in danger of collapse and ten culverts in similar condition, and installed stream bank protection or flood protection at five sites. The communities in which these works took place generally consider themselves to have been forgotten and the works have consequently been very gratefully and warmly received.

HALO Abkhazia is a multi-ethnic programme that enjoys support across all communities in Abkhazia.

### **Kosovo**

HALO Kosovo, with its limited clearance capacity of 53 deminers, completed the clearance of four minefields and two NATO-dropped cluster munition strikes during the year. An independent evaluation conducted in June 2014 for the US Department of State and the UN's International Trust Fund stated the importance of HALO to Kosovo's attainment of mine free and cluster munition free status. Without HALO it was estimated that this would take a quarter of a century. With HALO's current capacity maintained this would be halved. Recently committed funding from the Caerus Foundation will maintain HALO's capacity and allow some increase.

The evaluation also recommended that HALO be contracted to introduce the US-manufactured dual sensor detector to Kosovo for all agencies, including the Kosovo Security Force, to help quicken the rate of mineclearance in Kosovo.

5.7 hectares of minefield and 37.7 hectares of cluster munition strike were cleared during the year.

### **Colombia**

Colombia continues to suffer high landmine casualty rates. HALO is addressing this through mineclearance, established in South East Antioquia. Antioquia has the highest landmine casualty rate in Colombia.

## **Trustees' annual report** *(continued)*

In February and March of this year HALO staff (accompanied by national demining Authority, DAICMA, representatives) conducted assessment visits to Meta and Tolima Departments. These trips confirmed there is a need for mineclearance, strong political will for intervention and appropriate security in both places. For the forthcoming financial year the programme will be seeking to obtain the necessary funding and permissions to ensure that these plans come to fruition.

This year the programme has cleared a total of 30 minefields (an area encompassing 9 hectares) in the municipalities of Nariño and Sonsón in Antioquia, facilitating the return of 1,084 internally displaced people (IDPS) and paving the way for various development projects. HALO's survey teams have conducted survey in the municipalities of Nariño, Sonsón, La Union and El Carmen de Víbora, and have located 49 minefields and cancelled 83 suspected hazardous areas from the national database. This work has helped identify safe areas within the country that will allow some of the 73,127 land restitution claims to be processed.

## Trustees' annual report *(continued)*

### 2.2. Future Plans

The dramatic fall in the casualty rates from landmines since the mid-nineties is a testament to the success of humanitarian mineclearance, but the task is unfortunately far from complete. Vast tracts of fertile land remain uncleared and landmines and the other debris of war block economic development and sustainable livelihoods. HALO will continue as a leader in mine action, helping countries to lift themselves out of poverty as well as fulfil their obligations under international humanitarian law. We will use our expertise to address other urgent issues, including the large number of unplanned explosions in munition storage sites as a result of poorly managed and increasingly unstable ammunition. We will also examine how we can contribute to preventing the deaths of more than half a million people annually as a result of armed violence.

One of the areas of focus in the coming year will be South Central Somalia, where we will tackle a whole range of challenges including landmines, weapons marking and tracing, and badly secured ammunition. Another will be Colombia where there has been an agreement by both sides in the peace process to allow clearance of landmines in previously inaccessible areas. We will also seek to continue to work to clear up after "forgotten conflicts" in places like Myanmar (Burma), Nagorno Karabakh and Kosovo where the work is hard to fund for political reasons.

HALO will continue to maintain its standards and strive for more efficient and effective operations. In line with our charitable objectives and to ensure maximum public benefit from our activities:

- After twenty years of work, Mozambique, one of the most heavily mine affected countries in the world, is expected to be declared free from the impact of mines in 2015.
- In Sri Lanka work will continue on the last of the dense barrier minefields in the Northern Province where our work has so far enabled the safe resettlement of over 190,000 people displaced by war. Subject to continued donor funding, we aim to have cleared all high and medium priority minefields by the end of 2016.
- In Cambodia, focus will be on the K-5 mine belt, the dense concentration of mines on the Cambodian-Thai border where pressure for land use is forcing people to cultivate mined land. We will also continue to clear anti-vehicle mines to allow for new roads and infrastructure that is so crucial for economic development.
- In Afghanistan our geographic reach will further extend into the southern provinces where we are currently providing assistance to refugees from Pakistan, and engaging in a mix of mine clearance and conventional weapons disposal. We will continue to support the case for the benefit of significant investment in Afghanistan, particularly the employment of registered ex-combatants to clear minefields.
- In Angola clearance of the Cuito Canavale battlefield will remain a critical priority. We will continue our discussion with the Angolan Government about funding for the programme. We also hope to secure funding to complete Huambo Province, potentially the first province in Angola to be declared mine-impact free.

## Trustees' annual report *(continued)*

- Finish clearance at Red-Bridge, the last minefield in Georgia, and of the remaining minefields in Armenia.
- An Explosive Ordnance Disposal capacity will be maintained in Abkhazia, as well as providing engineering resources for key road repair as part of post-mineclearance reconstruction.
- Management of weapon and ammunition stocks through the construction and refurbishment of armouries and ammunition stores in Ivory Coast, Angola and Central African Republic will remain an important objective, as well as the identification and development of further PSSM work globally.
- The clearance programme in Zimbabwe and assistance with the management of the national database of mined areas and casualties remain key. Good technical survey will allow more accurate delineation of the boundaries of minefields and thereby decrease the contaminated areas.
- Pioneering use of effective technical survey in Laos to target cluster munition clearance in the most efficient manner possible will be critical for HALO's success.
- On the West Bank, we anticipate completion of the clearance at a-Nabi Elyas minefield and then shifting our focus to Hussain Minefield in Bethlehem District and/or several minefields in the vicinity of Jenin.
- In Somaliland we will work towards our anticipated completion date of 2017 with a focus on clearing anti-tank mines that are blocking roads and inhibiting access to markets.

## Trustees' annual report *(continued)*

### 3. Governance and Management

#### 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<sup>th</sup> March 1988 under the Companies Act 2006 as a company limited by guarantee (company number 2228587). Its governing document is its Articles of Association, which were amended by special resolutions on 25<sup>th</sup> July and 25<sup>th</sup> March 2015. Each of the company's members undertakes to contribute the sum of £10 in the event of the company being wound up whilst a member, or within one year from ceasing to be a member. Each of the Directors/Trustees is also a member of the company.

#### 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 in addition to an annual two-day briefing (ACB), as well as a number of ad hoc meetings. An audit committee comprising two Trustees (Michael Merton FCA ACT and Anthony Bird), together with attendance by the Chairman, the Chief Executive 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.

Tom McMullen resigned as a Director on 22<sup>nd</sup> April 2014 and was succeeded by Amanda Pullinger as Chairman. Angelina Jolie resigned as a Director on 23<sup>rd</sup> May 2014. Cindy McCain was appointed a Director on 2<sup>nd</sup> October 2014. Under the terms of the Articles of Association before amendment, Jamie Lowther-Pinkerton and Tom Bradby retired by rotation and were re-elected to the Board on 2<sup>nd</sup> October 2014. The Trustees who were in office at 31<sup>st</sup> March 2015 and at the date of this report are shown on page 1.

Under the amended Articles of Association, the current Directors 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 amended 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 when he / she 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.

The Articles of Association state that Directors can be appointed by a simple majority of either the Members or Directors. The names of prospective Directors, with skills appropriate to HALO, are put forward to the Board by a Nominating Committee.

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

#### Management

James Cowan was selected as Chief Executive on 17<sup>th</sup> February 2015. During the period prior to him taking up his appointment, the senior management team, comprising seven Desk Officers and the Finance Director, was constituted as a Senior Management Committee (SMC) with a written constitution. The SMC worked together with an Executive Trustee in an advisory role, to recommend strategy to the Board and provide day-to-day management, including oversight of all legal, contractual and financial responsibilities of the charity's business. The SMC took on responsibility for the stewardship of the organisation's human resources, assets and equipment. Its members also provided

senior representation at a national and international level. The SMC met monthly to review policy and monitor risks.

## **Employees**

Delivering HALO's work internationally relies on the commitment and hard work of our valued staff.

As at 31<sup>st</sup> March 2015 The HALO Trust and The HALO Trust (USA), Inc. employed 7,352 national staff, 46 country-based expatriate field officers, 28 roving international advisors and regional managers, and 11 UK-based administrative staff in the headquarters in Scotland. 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 strives to be an equal opportunities employer and has policies and procedures in place to prevent all forms of unlawful and unfair discrimination.

## **4. Principal Risks and Uncertainties**

The Trustees have sought to identify the major risks to which HALO is exposed and have established controls and action to minimise potential adverse outcomes. These risks and mitigating actions are set out in a comprehensive and detailed risk register.

Under each area the strategic and operational risks are identified, together with how they are being, or will be managed. The register is reviewed formally by the Trustees on an annual basis but is kept up to date with regular input from the Chief Executive to identify emergent or escalating risks. Risks are scored against probability and impact criteria with mitigating controls, monitoring processes and action plans considered for all risk areas.

The Trustees also review on a regular basis the major financial risks which the charity faces and believe that maintaining free reserves at the levels stated, combined with regularly reviewing the controls over key financial systems, ensures sufficient resources in the event of adverse conditions.

## Trustees' annual report *(continued)*

### 5. Financial Review

#### Financial Overview

The financial statements of the company can be found on pages 23 to 39. These financial statements have been prepared in accordance with current statutory requirements and the charity's governing document.

The application of the company's funds is detailed in notes 5 and 6 on pages 30 and 31.

Overseas programme contracts with major donors frequently cover periods out of line with the UK financial year. This is because all donors, be they governments, or independent charities based in the UK, Japan or The Netherlands, request that HALO conducts humanitarian mineclearance for a given period, normally ranging from 6 to 30 months. End dates for these programmes rarely fit into the financial year, which results in large amounts of committed funds being carried forward from one year to the next.

Total income in 2014/15 increased by £2.47m to £26.63m. Expenditure, including £1.76m from HALO's reserves on supporting programmes and £0.35m on exceptional governance costs, increased by £2.08m to £27.61m. After allowing for net investment gains, there was a net negative movement in funds of £0.89m. Full details of our work in each programme are given in the Achievements and Performance section above.

HALO's support from governments and other donors is explained in the financial statements.

#### Funding and reserves

Total unrestricted funds at 31 March 2015 were £6,167,000 compared with £7,150,000 at 31 March 2014. The Trustees consider HALO's free reserves to be £1,953,000 (£2,673,000) at 31 March 2014, reflecting the resources readily available for unrestricted charitable use. Full details of HALO's reserves are shown in notes 16 and 17 of the financial statements.

While considering HALO's level of free reserves to be adequate for current needs, the Trustees and the Chief Executive are in the process of instigating improvements in HALO's communications and fundraising capabilities, with the objective of substantially increasing free reserves. This is in order to ensure that HALO is able to respond quickly to emergency humanitarian situations, to start mineclearance in new areas while the donor base is established, to continue mineclearance in areas where there are gaps in donor funding, allowing continuity of teams and continuation of humanitarian aid, to meet non-donor funded closure costs once areas are declared mine free, and to take advantage of opportunities that arise in related areas of activity, in particular Physical Security and Stockpile Management (PSSM) and Armed Violence Reduction (AVR).

During the year ended 31 March 2015, HALO's reserves supported start up costs in Myanmar and teams in Kosovo, as well as unfunded expenditure on personnel, equipment and support costs, principally in Afghanistan, Angola, Sri Lanka and Zimbabwe.

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.

The majority of HALO's funds are held in cash with the charity's bankers, The Royal Bank of Scotland plc. Minimal funds are held in each programme.

## Trustees' annual report *(continued)*

### Investments

The performance of the investments is monitored continually and reported on a quarterly basis. Total return performance is measured against the indices shown below:

Relative performance against benchmarks:

	2014/15 % Change
Investment Portfolio	+ 7.20
FTSE-All Share	+ 5.72
FTSE All-World (excluding UK)	+ 18.94
FTSE Government All Stocks	+13.91

The asset allocation as at 31 March 2015 was 39% Equities, 8% Bonds, 3% Multi-Asset funds, 12% Alternatives, and 37% Cash. The cash holding of £550,000, comprising 37% of the asset allocation, arises mainly from the sale of investments immediately prior to the year-end. Trustees regularly review the investment policy and have agreed that the level of risk and return set out in the current policy continues to be appropriate. Should further funds be available in the future, the Trustees may seek to augment investments where appropriate.

### The HALO Trust (USA), Inc.

The income of The HALO Trust (USA), Inc. (HALO USA) was some \$21 million in 2014/15, similar to that in 2013/14. The financial results of HALO USA are not included here. Both organisations complement each other's activities and work together in the field in an effort to clear landmines around the world. The combined programmes spend of The HALO Trust and HALO USA in 2014/15 was some £39 million.

### Thanks

During the year, HALO projects were sponsored by the Governments of Belgium, Canada, Finland, Germany, Ireland, Japan, The Netherlands, New Zealand, Norway, Switzerland, the United Kingdom (Foreign & Commonwealth Office and the Department for International Development), the European Commission Humanitarian Aid and Civil Protection Office, the European Commission, the EU External Action Service, The Hans K Rausing Trust, Association for Aid and Relief (AAR) Japan, Actiefonds Mijnen Ruimen, United Nations Mine Action Service (UNMAS), United Nations Development Programme (UNDP), United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), and numerous generous private donations.

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

## 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in its activities.

The Trustees are responsible for keeping proper accounting records that 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 the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Disclosure of information to auditor

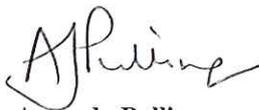
The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each Trustee has taken all the steps that he / she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The report was approved by the Trustees and signed on their behalf by:



**Amanda Pullinger**  
Chairman



**M R Merton**  
Trustee

50 Broadway  
London  
SW1H 0BL

6 July 2015



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

We have audited the financial statements of The HALO Trust for the year ended 31 March 2015 set out on pages 23 to 39. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, 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.

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 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 Generally Accepted Accounting Practice; and
- have been prepared in accordance 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).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us 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.

**Bruce Marks (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

7 July 2015

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

**Statement of financial activities**  
 (including an income and expenditure account)  
 for the year ended 31 March 2015

	Notes	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	97	26,398	26,495	24,066
Investment income	3	13	-	13	57
Other incoming resources	4	119	-	119	34
Total incoming resources		229	26,398	26,627	24,157
<b>Resources expended</b>					
Cost of generating funds: investment management costs		9	-	9	8
Charitable activities	5	2,943	24,305	27,248	25,462
Governance costs	7	350	-	350	56
Total resources expended		3,302	24,305	27,607	25,526
Net incoming/(outgoing) resources before transfers		(3,073)	2,093	(980)	(1,369)
Gross transfers between funds	10	1,997	(1,997)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(1,076)	96	(980)	(1,369)
<b>Other recognised gains and losses</b>					
Net realised investment gains		166	-	166	51
Net (expenditure)/income for the year		(910)	96	(814)	(1,318)
Net unrealised investment gains/(losses)		(73)	-	(73)	16
Net movements in funds		(983)	96	(887)	(1,302)
<b>Reconciliation of funds</b>					
Balance brought forward at 1 April 2014		7,150	143	7,293	8,595
Balance carried forward at 31 March 2015		6,167	239	6,406	7,293

All of the charity's activities are continuing.

The notes on pages 26 to 39 form part of these financial statements

**Balance sheet**  
*as at 31 March 2015*

	Note	2015		2014	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	11		889		951
Investments	12		929		1,278
			<u>1,818</u>		<u>2,229</u>
<b>Current assets</b>					
Stock		668		798	
Debtors	13	3,312		3,599	
Cash at bank		4,872		5,386	
		<u>8,852</u>		<u>9,783</u>	
Creditors: amounts falling due within one year	14	(3,959)		(4,391)	
<b>Net current assets</b>			<u>4,893</u>		<u>5,392</u>
<b>Total assets less current liabilities</b>			<u>6,711</u>		<u>7,621</u>
Provisions for liabilities	15		(305)		(328)
<b>Net assets</b>			<u><u>6,406</u></u>		<u><u>7,293</u></u>
<b>Funds</b>					
<i>Unrestricted funds</i>					
General			5,994		6,904
Revaluation reserve			173		246
			<u>6,167</u>		<u>7,150</u>
Restricted funds	16 17		239		143
<b>Total funds</b>	18		<u><u>6,406</u></u>		<u><u>7,293</u></u>

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 6 July 2015 and were signed on its behalf by:

  
 Amanda Pullinger  
 Chairman

  
 M R Merton  
 Trustee

## Cash flow statement

For the year ended 31 March 2015

	2015 £000	2014 £000
<b>Reconciliation of operating profit to net cash flow from operating activities</b>		
Net outgoing resources before other recognised gains and losses	(980)	(1,369)
Interest receivable	(3)	(4)
Investment income	(10)	(53)
Gain on sale of fixed assets	(6)	(1)
Loss on sale of fixed assets	7	-
Depreciation charges	323	278
Decrease in stock	130	408
Decrease/(increase) in debtors	546	(513)
(Decrease) in creditors due within one year	(691)	(3,603)
(Decrease) in provisions for liabilities and charges	(23)	(53)
<b>Net cash outflow from operating activities</b>	<b>(707)</b>	<b>(4,910)</b>

## Cash flow statement

<b>Net cash outflow from operating activities</b>	<b>(707)</b>	<b>(4,910)</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	3	4
Investment income	10	53
	13	57
<b>Capital expenditure and financial investments</b>		
Payments to acquire tangible fixed assets	(343)	(883)
Proceeds from sales of tangible fixed assets	81	28
Payments to acquire investments	(374)	(358)
Proceeds from sales of investments	816	442
	180	(771)
<b>Decrease in cash</b>	<b>(514)</b>	<b>(5,624)</b>
Cash from liquid resources	(440)	(110)
<b>Movement in cash in period</b>	<b>(954)</b>	<b>(5,734)</b>

## Reconciliation of net cash flow to movements in net funds

	At 1 April 2014 £000	Movement £000	At 31 March 2015 £000
Cash at bank and in hand	5,276	(954)	4,322
Liquid resources	110	440	550
	5,386	(514)	4,872

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified for the revaluation of certain fixed assets and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in February 2006, except for the non-recognition of donated assets (see *donations and gifts* below). Accordingly, the arrangements and headings have been adapted as provided for in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 1, Part 1.

#### *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.

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. The revaluation reserve, representing the net unrealised gains on investments is shown as a separate component of unrestricted funds.

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. Transfers between unrestricted and designated funds are considered and implemented when required.

#### *Voluntary income*

All donations and gifts are included within incoming resources under either restricted funds or unrestricted funds according to the terms under which the donation or gift is made.

Incoming resources which are restricted to individual country programmes are recognised as incoming resources to the extent that the funding conditions for that income have been met:

- For grants from various national governments, the United Nations and private donors, income recognised is 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; income not yet received is included in accrued income and where income received is in excess of income recognised this is included in deferred income.
- For contracts which include milestone payments linked to outputs this is the milestones met; income not yet received is included in accrued income and where income received is in excess of income recognised this is included in deferred income. Any losses under the contract are recognised when identified.

Donations and gifts in kind are brought into the financial statements at their market value to the charity.

Donated assets in overseas projects are not recognised as incoming resources by the charity, principally due to the difficulty in ascertaining an appropriate value for those assets. Had the assets been recognised, they would be included in resources expended on overseas projects.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Resources expended*

Resources expended are analysed between charitable activities, costs of generating funds and governance costs. Charitable activities include all direct costs, salaries and other support costs of each international programme. 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. A proportion of these costs, based on the ratio of the total income of The HALO Trust and The HALO Trust (USA), Inc. is recharged to The HALO Trust (USA), Inc. 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 are charged to that project in line with the terms of the project. These assets will normally be fully utilised within the period of the project (normally 6 to 12 months). 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 reclaimed by the project donor. The charity retains a full list of all such assets.

#### *Tangible fixed assets*

Tangible fixed assets, with a value greater than £1,000, having a value to the business greater than one year, other than those acquired for the purpose of specific projects, are capitalised.

Assets acquired by HALO reserves and not using Restricted Funds are capitalised as Field Assets.

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% reducing balance
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, including stock held outwith the UK, is held at lower of cost and 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 on the last day of the year.

The net exchange gain or loss for the year is included in the statement of financial activities as either incoming resources or resources expended. Where gains or losses arise from early receipt of donor funding these are included within voluntary income; net gains or losses on currency transactions are included as either investment income (gains) or in support costs (losses); other exchange gains and losses are included within resources expended on charitable activities.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Post-retirement benefits*

The company contributes to 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 payable to those staff. Provision for these payments is included in donor contracts albeit the payments may fall outwith the contract period. Where payments are only due on redundancy these are included in restricted funds to allow funds to be available should the liability crystallise. Where payments are due to all employees who leave HALO's employment in a programme these are included in provisions for liabilities and charges.

**Notes** (continued)

**2 Voluntary income**

	2015 £000	2014 £000
<i>Restricted</i>		
Department for International Development (UK)	5,756	3,731
The Federal Republic of Germany	3,074	2,232
Royal Netherlands Government	3,044	2,697
Irish Aid	2,237	1,858
Government of Finland	2,083	2,130
United Nations Mine Action Service	2,075	1,799
Embassy of Japan (in regional offices)	1,846	1,903
Norwegian Government	1,844	2,723
United Nations Mine Action Service; Voluntary Trust Fund	1,212	1,489
European Commission	732	1,207
iDE and the New Zealand Ministry of Foreign Affairs and Trade	664	221
UK Foreign and Commonwealth Office	637	239
EU External Action Service	221	-
United Nations, Office for the Coordination of Humanitarian Affairs	190	-
Government of Canada	334	-
Belgian Government	195	554
Government of Switzerland	104	261
United Nations Development Programme	50	415
The Hans K Rausing Trust	14	229
The Reece Foundation	-	224
European Commission - Humanitarian Aid & Civil Protection	-	2
Other	86	84
	<u>26,398</u>	<u>23,998</u>
<i>Unrestricted</i>	97	68
	<u>26,495</u>	<u>24,066</u>

**3 Investment income**

	2015 £000	2014 £000
Bank interest receivable	3	4
Income from investment portfolio	10	12
Foreign exchange gains	-	41
	<u>13</u>	<u>57</u>

**Notes** (continued)

**4 Other incoming resources**

	2015 £000	2014 £000
Lease of field assets to The HALO Trust (USA), Inc.	68	-
Donations in kind	24	30
Sale of other assets	16	-
Gain on sale of fixed assets	6	-
Other	5	4
	<u>119</u>	<u>34</u>

**5 Charitable activities**

The charity's Trustees consider that there is only 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.

	Activities undertaken directly		Support costs	Total £000
	(restricted) £000	(unrestricted) £000	(unrestricted) £000	
Afghanistan	10,634	265	494	11,393
Angola	1,028	356	63	1,447
Burma/Myanmar	10	86	4	100
Cambodia	2,554	63	119	2,736
Central African Republic	273	3	13	289
Colombia	829	21	39	889
Georgia	393	14	18	425
Ivory Coast	992	-	45	1,037
Kosovo	106	369	22	497
Laos	307	39	16	362
Mozambique	1,196	34	56	1,286
Nagorno Karabakh	115	4	5	124
Somaliland	2,284	17	104	2,405
Sri Lanka	1,626	309	88	2,023
West Bank	1,253	34	58	1,345
Zimbabwe	680	147	37	864
Other	25	-	1	26
	<u>24,305</u>	<u>1,761</u>	<u>1,182</u>	<u>27,248</u>

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.

## Notes (continued)

### 6 Support costs

	2015 £000	2014 £000
Support staff remuneration	927	863
Adjustments relating to pension obligations	1	13
Communication and IT	72	53
Property costs	56	53
Travel	45	69
Fundraising and public awareness	23	163
Equipment	50	46
Vehicles	18	56
Depreciation of HQ assets	33	69
Documentary	42	197
Foreign exchange losses	121	-
Other support costs	142	112
Support costs charged to The HALO Trust (USA), Inc. (note 19)	(348)	(338)
	<u>1,182</u>	<u>1,356</u>

All support costs relate to charitable activities

### 7 Governance costs

	2015 £000	2014 £000
Audit fee – external audit (see note 9)	25	24
Governance review and Articles review	31	28
Professional costs for transition	59	-
Search and selection for CEO	40	-
Strategy and company structure advice	16	-
Board expenses	37	4
Payments to trustees (including employer liabilities, and accommodation)	142	-
	<u>350</u>	<u>56</u>

During the year, two Trustees, Amanda Pullinger (Chairman) and Simon Conway, received remuneration to carry out a review of the Charity's structural, remuneration and governance arrangements. The review was completed during the course of the financial year. Simon Conway also filled the role of Executive Trustee pending the appointment of a new CEO, including advising and co-ordinating the actions of the Senior Management Committee, and visiting and reviewing, as deemed necessary, operations in overseas programmes. Amanda Pullinger received £26,000, and Simon Conway received £96,750 in addition to being provided with accommodation close to HALO's headquarters for the period October 2014 to March 2015. Consent to these payments was obtained from the Charity Commission as necessary. No further payments will be made to Simon Conway in his capacity as Executive Trustee from the end of June, when James Cowan took up his post full-time. Simon Conway is included in the employee bandings in note 8.

Expenses of £37,000 (2014: £4,000) were paid to six (2014: six) trustees for travel and accommodation.

**Notes** (continued)

**8 Employee Costs & Numbers**

	2015 £000	2014 £000
<i>Staff costs</i>		
National staff	13,294	11,815
Compensation for loss of office	61	-
UK-based employees and expatriate staff	2,509	2,213
Social security costs	206	197
Other costs and pension costs	20	26
	<hr/>	<hr/>
Recharged to The HALO Trust (USA), Inc. (note 19)	16,090 (551)	14,251 (453)
	<hr/>	<hr/>
	15,539	13,798
	<hr/> <hr/>	<hr/> <hr/>

The figures include wages and salary costs of local staff incurred in the countries in which HALO operates. During the year ended 31 March 2015, approximately 5,460 (2014: 4,875) local staff were employed by The HALO Trust.

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

	2015 Number	2014 Number
Administration	13	10
Direct project personnel	45	36
	<hr/>	<hr/>
	58	46
	<hr/> <hr/>	<hr/> <hr/>

The number of employees, including the Executive Trustee, whose emoluments, excluding pension contributions, amounted to over £60,000 in the year was as follows:

	2015 Number	2014 Number
£210,001 – £220,000	-	1
£200,001 – £210,000	1	-
£130,001 – £140,000	1	1
£110,001 – £120,000	1	-
£100,001 – £110,000	3	2
£90,001 – £100,000	3	2
£80,001 – £90,000	1	3
£70,001 – £80,000	1	2
£60,001 – £70,000	3	1
	<hr/>	<hr/>
	14	12
	<hr/> <hr/>	<hr/> <hr/>

The charity contributed £20,000 (2014: £26,000) to personal pension schemes on behalf of four (2014: five) employees.

**Notes** (continued)

**9 Net incoming/(outgoing) resources**

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

	2015 £000	2014 £000
Depreciation and other amounts written off tangible fixed assets	324	278
<i>Auditor's remuneration</i>		
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	25	24
All other services; to include but not limited to Accountant's reports for donor grants and contracts	83	53
	<u>          </u>	<u>          </u>

**10 Transfer between funds**

	Unrestricted £000	Restricted £000	Total £000
Headquarters costs	1,047	(1,047)	-
Expenditure support	950	(950)	-
	<u>          </u>	<u>          </u>	<u>          </u>
	1,997	(1,997)	-
	<u>          </u>	<u>          </u>	<u>          </u>

A transfer of £1,997,000 (2014: £1,482,000) 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.

Notes (continued)

11 Tangible fixed assets

	Land	Leasehold property	Freehold property	Fixtures & fittings	Equipment	Motor vehicles	Field Vehicles & Equipment	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<i>Cost</i>								
At beginning of year	109	5	202	17	81	327	834	1,575
Additions	-	-	-	15	-	-	328	343
Disposals	-	-	-	-	-	(173)	-	(173)
Transfers	-	-	-	-	-	-	-	-
At end of year	109	5	202	32	81	154	1,162	1,745
<i>Depreciation</i>								
At beginning of year	-	5	132	17	77	184	209	624
Charge for year	-	-	9	4	4	16	291	324
Disposals	-	-	-	-	-	(92)	-	(92)
Transfers	-	-	-	-	-	-	-	-
At end of year	-	5	141	21	81	108	500	856
<i>Net book value</i>								
At 31 March 2015	109	-	61	11	-	46	662	889
At 31 March 2014	109	-	70	-	4	143	625	951

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

**Notes** (continued)

**12 Investments**

	£000
Market value at 31 March 2014	1,278
Additions at cost	374
Disposals at opening market value	(801)
Gain on revaluation	78
	<hr/>
Market value at 31 March 2015	929
	<hr/> <hr/>

All investments are through regulated funds or are traded on a recognised investment exchange.

Not included under Investments, above, is the sum of £550,000 cash arising from transactions in and income from investments. This sum is held by Cazenove Capital Management at 31 March 2015 (£110,000 at 31 March 2014) and is included in the cash balance at 31 March 2015.

The following investments comprise more than 5% of the portfolio:

	£000
Findlay Park American Funds American USD Distribution	74
HSBC 8.26 FTSE	61
BH Macro Ord NPV GBP	59
Majedie Asset Management UK Equity	54
J O Hambro Capital UK Opportunities	51
First State Investment Global Emerging Market leaders B GBP NAV	48
Artemis UK Special Situations Fund	47
Investec Fund Managers UK Special Situations	47
Schroder European Opportunities Fund	46
	<hr/> <hr/>

**13 Debtors**

	2015	2014
	£000	£000
Amounts owed by The HALO Trust (USA), Inc.	220	309
Other debtors	46	15
Prepayments	388	547
Accrued income	2,658	2,728
	<hr/>	<hr/>
	3,312	3,599
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

14 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	334	114
Taxation and social security	67	51
Other creditors	12	23
Accruals	422	846
Deferred income	3,124	3,357
	<u>3,959</u>	<u>4,391</u>
<i>Deferred income</i>		
		2015 £000
At 31 March 2014		3,357
Released during the year		(3,357)
Arising during the year		3,124
		<u>3,124</u>
At 31 March 2015		<u>3,124</u>

15 Provision for liabilities and charges

	Pension obligations £000	Overseas severance liabilities £000	Total £000
At 31 March 2014	171	157	328
Utilised in the year	(20)	(209)	(229)
Provided in the year	1	205	206
	<u>152</u>	<u>153</u>	<u>305</u>
At 31 March 2015	<u>152</u>	<u>153</u>	<u>305</u>

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

Overseas severance and other employment liabilities relate to provisions for severance to employees when they leave HALO in Sri Lanka and annual payments to staff in Somaliland, as well as Colombian payments which are payable throughout the year

16 Unrestricted funds

	Balance at 31 March 2014 £000	Income £000	Expenditure £000	Other recognised gains and losses £000	Transfer from restricted funds (note 10) £000	Balance at 31 March 2015 £000
Revaluation reserve	246	-	-	(73)	-	173
Other unrestricted funds	6,904	229	(3,302)	166	1,997	5,994
	<u>7,150</u>	<u>229</u>	<u>(3,302)</u>	<u>93</u>	<u>1,997</u>	<u>6,167</u>

Notes (continued)

17 Restricted funds

	Balance at 31 March 2014 £000	Income £000	Expenditure # £000	Transfers between funds £000	Balance at 31 March 2015 £000
Afghanistan	-	11,084	(10,953)	(131)	-
Angola	-	1,169	(1,011)	(158)	-
Burma / Myanmar	-	11	(10)	(1)	-
Cambodia	-	2,791	(2,630)	(161)	-
Central African Republic	-	336	(325)	(11)	-
Colombia	-	866	(843)	(23)	-
Georgia	-	354	(366)	12	-
Ivory Coast	-	1,417	(1,271)	(146)	-
Kosovo	-	102	(109)	7	-
Laos	-	363	(318)	(45)	-
Mozambique	-	1,314	(1,191)	(123)	-
Nagorno Karabakh	-	89	(88)	(1)	-
Somaliland	-	2,418	(2,337)	(81)	-
Sri Lanka	-	2,055	(1,711)	(344)	-
West Bank	-	1,322	(1,326)	4	-
Zimbabwe	-	677	(680)	3	-
Other Global	-	30	(25)	(5)	-
Residual costs *	143	-	(158)	254	239
	<u>143</u>	<u>26,398</u>	<u>(25,352)</u>	<u>(950)</u>	<u>239</u>

\*: These funds represent costs, including redundancy payments, which have been funded but are not payable within the contract period.

#: This includes the headquarters costs transfer of £1,047,000 described in note 10.

Notes (continued)

18 Analysis of net assets between funds

	Fixed assets £000	Accrued income assets £000	Deferred income (liabilities) £000	Other current assets less liabilities due within one year £000	Provisions for liabilities and charges £000	Total £000
<i>Restricted funds</i>						
Afghanistan	-	954	(1,166)	212	-	-
Angola	-	403	(481)	78	-	-
Burma / Myanmar	-	-	-	-	-	-
Cambodia	-	449	(248)	(201)	-	-
Central African Republic	-	52	-	(52)	-	-
Colombia	-	17	-	(17)	-	-
Ivory Coast	-	-	-	-	-	-
Laos	-	11	-	(11)	-	-
Mozambique	-	65	(31)	(34)	-	-
Nagorno Karabakh	-	2	-	(2)	-	-
Georgia	-	32	(295)	263	-	-
Kosovo	-	25	-	(25)	-	-
Somaliland	-	105	(140)	35	-	-
Sri Lanka	-	345	(1)	(344)	-	-
West Bank	-	198	(317)	119	-	-
Zimbabwe	-	-	(445)	445	-	-
Other (global)	-	-	-	-	-	-
Residual costs	-	-	-	239	-	239
	-	2,658	(3,124)	705	-	239
<i>Unrestricted funds</i>	1,818	-	-	4,654	(305)	6,167
<b>Total</b>	<b>1,818</b>	<b>2,658</b>	<b>(3,124)</b>	<b>5,359</b>	<b>(305)</b>	<b>6,406</b>

19 Related party transactions

The HALO Trust is related to The HALO Trust (USA), Inc. through management. Transactions with The HALO Trust (USA), Inc. are set out below:

	Transactions in year £000	Outstanding at year end £000
Support costs recharged (note 6)	430	100
Salary costs recharged (note 8)	630	83
Other expenses paid on behalf of The HALO Trust (USA), Inc.	949	106
Expenses relating to The HALO Trust paid by The HALO Trust (USA), Inc.	(873)	(69)
	1,136	220

In July 2013 The HALO Trust entered into a consultancy agreement with Fiona Willoughby for the provision of professional photographic, marketing and fundraising services. Fiona Willoughby is the wife of Guy Willoughby, the former Chief Executive of The HALO Trust. Under the terms of this agreement, fees of £10,000 and expenses of £5,000 were charged to The HALO Trust. In the year this agreement was terminated and no further payments are due.

Payments to trustees are disclosed in Note 7.

**Notes** *(continued)*

**20**     **Contingent liabilities**

Under the terms of specific contracts entered into by the charity, certain assets purchased under contracts and cash balances unspent may be refundable to donors. It is not considered practical to estimate the financial impact of this contingent liability.

**21**     **Commitments**

There are no annual commitments under non-cancellable operating leases.

The HALO Trust  
**Pro forma US Dollar accounts**  
**Unaudited statement of financial activities**  
*(including an income and expenditure account)*  
*for the year ended 31 March 2015*

	Unrestricted Funds \$000	Restricted funds \$000	2015 Total \$000	2014 Total \$000
<b>Income and expenditure</b>				
<i>Incoming resources</i>				
Voluntary income	156	42,587	42,743	38,243
Investment income	21	-	21	91
Other incoming resources	192	-	192	54
Total incoming resources	369	42,587	42,956	38,388
<b>Resources expended</b>				
<i>Cost of generating funds</i>				
Investment management costs	15	-	15	13
Charitable activities	4,749	39,210	43,959	40,463
Governance costs	565	-	565	89
Total resources expended	5,329	39,210	44,539	40,565
<b>Net incoming/(outgoing) resources before transfers</b>	(4,960)	3,377	(1,583)	(2,177)
Gross transfers between funds	3,222	(3,222)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>	(1,738)	155	(1,583)	(2,177)
Other recognised gains/losses	-	-	-	-
Net realised gains on investment assets	268	-	268	81
<b>Net (expenditure)/income for the year</b>	(1,470)	155	(1,315)	(2,096)
Net unrealised gains on investments assets	(117)	-	(117)	26
<b>Net movements in funds</b>	(1,587)	155	(1,432)	(2,070)
Reconciliation of funds				
Balance brought forward at beginning of year	11,896	237	12,133	12,996
Retranslation differences	(1,163)	(37)	(1,200)	1,207
<b>Balance carried forward at end of year</b>	9,146	355	9,501	12,133

**The HALO Trust**  
**Pro forma US dollar accounts**  
**Unaudited balance sheet**  
*as at 31 March 2015*

	\$000	2015 \$000	\$000	2014 \$000
<b>Fixed assets</b>				
Tangible assets		1,319		1,582
Investments		1,378		2,126
		<u>2,697</u>		<u>3,708</u>
<b>Current assets</b>				
Stock	989		1,328	
Debtors	4,913		6,418	
Cash at bank and in hand	7,227		8,961	
	<u>13,129</u>		<u>16,707</u>	
Creditors: amounts falling due within one year	(5,873)		(7,736)	
<b>Net current assets</b>		<u>7,256</u>		<u>8,971</u>
<b>Total assets</b>		<u>9,953</u>		<u>12,679</u>
Provisions for liabilities and charges		(452)		(546)
<b>Net assets</b>		<u>9,501</u>		<u>12,133</u>
<b>Funds</b>				
Unrestricted funds		8,889		11,486
Revaluation reserve		257		410
		<u>9,146</u>		<u>11,896</u>
Restricted funds		355		237
<b>Total funds</b>		<u>9,501</u>		<u>12,133</u>

**The HALO Trust**  
**Pro forma Euro accounts**  
**Unaudited statement of financial activities**  
*(including an income and expenditure account)*  
*for the year ended 31 March 2015*

	Unrestricted Funds €000	Restricted funds €000	2015 Total €000	2014 Total €000
<b>Income and expenditure</b>				
<i>Incoming resources</i>				
Voluntary income	124	33,633	33,757	28,528
Investment income	17	-	17	68
Other incoming resources	152	-	152	40
<b>Total incoming resources</b>	<b>293</b>	<b>33,633</b>	<b>33,926</b>	<b>28,636</b>
<b>Resources expended</b>				
<i>Cost of generating funds</i>				
Investment management costs	11	-	11	9
Charitable activities	3,747	30,967	34,714	30,182
Governance costs	446	-	446	66
<b>Total resources expended</b>	<b>4,204</b>	<b>30,967</b>	<b>35,171</b>	<b>30,257</b>
<b>Net incoming/(outgoing) resources before transfers</b>	<b>(3,911)</b>	<b>2,666</b>	<b>(1,245)</b>	<b>(1,621)</b>
Gross transfers between funds	2,544	(2,544)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>	<b>(1,367)</b>	<b>122</b>	<b>(1,245)</b>	<b>(1,621)</b>
Other recognised gains/losses				
Net realised gains on investment assets	211	-	211	60
<b>Net (expenditure)/income for the year</b>	<b>(1,156)</b>	<b>122</b>	<b>(1,034)</b>	<b>(1,561)</b>
Net unrealised gains on investments assets	(93)	-	(93)	18
<b>Net movements in funds</b>	<b>(1,249)</b>	<b>122</b>	<b>(1,127)</b>	<b>(1,543)</b>
Reconciliation of funds				
Balance brought forward	8,652	172	8,824	10,146
Retranslation differences	1,029	32	1,061	221
<b>Balance carried forward</b>	<b>8,432</b>	<b>326</b>	<b>8,758</b>	<b>8,824</b>

**The HALO Trust**  
**Pro forma Euro accounts**  
**Unaudited balance sheet**  
*as at 31 March 2015*

	€000	2015 €000	€000	2014 €000
<b>Fixed assets</b>				
Tangible assets		1,215		1,150
Investments		1,270		1,545
		<u>2,485</u>		<u>2,695</u>
<b>Current assets</b>				
Stock	911		965	
Debtors	4,529		4,668	
Cash at bank and in hand	6,661		6,517	
		<u>12,101</u>		<u>12,150</u>
Creditors: amounts falling due within one year		(5,412)		(5,624)
<b>Net current assets</b>		<u>6,689</u>		<u>6,526</u>
<b>Total assets</b>		<u>9,174</u>		<u>9,221</u>
Provisions for liabilities and charges		(416)		(397)
<b>Net assets</b>		<u>8,758</u>		<u>8,824</u>
<b>Funds</b>				
Unrestricted funds		8,195		8,355
Revaluation reserve		237		297
		<u>8,432</u>		<u>8,652</u>
Restricted funds		326		172
<b>Total funds</b>		<u>8,758</u>		<u>8,824</u>