

The HALO Trust

Annual report and financial statements

Company number 2228587

Charity registration numbers

1001813 and SC037870

31 March 2017

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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 2017.

Reference and administrative information

Charity name	The HALO Trust	
Charity registration numbers	1001813 and SC037870	
Company registration number	2228587	
Business address	Carronfoot Thornhill Dumfries DG3 5BF	
Directors and Trustees	Amanda Pullinger (Chairman) Paddy Beeley (appointed 10 June 2016) Anthony Bird Timothy Church FCA (appointed 10 June 2016) Colonel Jane Davis OBE QVRM TD DL RGN Mia Hamwey (appointed 11 October 2016) Michael Merton FCA ACT (resigned 6 July 2016) Paddy Nicoll Mark Sedwill CMG (resigned 30 March 2017) Rupert Younger (appointed 10 June 2016)	
Chief Executive	Major General (Retired) James Cowan CBE DSO	
Secretary	Anthony Wigan FCA	
Registered office	50 Broadway London SW1H 0BL	
Auditor	KPMG LLP 319 St Vincent Street Glasgow G2 5AS	
Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB	
Legal advisors	Bircham Dyson Bell 50 Broadway London SW1H 0BL	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

Statement from the Chairman

The world is facing an unprecedented man-made humanitarian crisis with millions displaced by war and by the weapons with which wars are fought. By clearing the debris of war, The HALO Trust has a vital part to play in achieving resolution. To that end, HALO has undergone extensive modernisation and reform over the last few years. This process has begun to bear fruit in some very encouraging ways.

By tradition, HALO operated independently but is increasingly interested in forging partnerships with other actors inside and outside humanitarian demining. In cooperation with the UK Department for International Development, HALO formed a consortium with the Mines Advisory Group and Norwegian People's Aid to hasten a mine-free world. At Kensington Palace on 4 April 2017, with His Royal Highness Prince Harry, the Development Secretary announced £100 million for Mine Action for the next three years. Under the banner 'Landmine Free 2025', HALO and its partners are now working hard to encourage other donor nations to match the British announcement. The aim is to focus on fifteen of the most severely mine-contaminated countries in the world in the lead up to 2025, enabling signatories to the Ottawa Treaty to fulfil their Article 5 obligations. Where previously there had been only a vague sense of destination, now there is a clear road map which donors and operators can follow - HALO's leadership in achieving this has been vital.

Landmine Free 2025 is indicative of the broader policy work with which we are increasingly involved. But HALO is nothing if it is not rooted in operational excellence. At Christmas 2015, HALO's strength dipped briefly below 6,000 staff; this was a consequence of a reduced Western commitment to Afghanistan and a decline in funding in countries such as Angola and Sri Lanka. I'm pleased to report that HALO has now begun to increase, growing quickly in countries such as Ukraine, Laos and Colombia and reinforcing its workforce in Afghanistan and Sri Lanka. At the time of writing, HALO employs 7,298 people¹, making it twice as large as its nearest peer organisation. This employment supports thousands of families, helping them to rebuild homes and restart livelihoods. By providing large scale employment, HALO reduces poverty and enhances stability in communities affected by the legacy of war. But it would be wrong to link HALO's strength just to the size of its workforce. HALO has cleared 396,590 pieces of ordnance in the last year and released 5,629 hectares of land for peaceful economic use - while peer organisation figures for this year are not yet available, HALO's historic clearance rates show that it will remove and destroy more explosive items than any other organisation in the sector by a considerable margin. This means lives saved, land developed and communities given hope.

Given this momentum, there might be a temptation just to focus on clearing conventional landmines. After all, it is rare to find a humanitarian cause that now has every prospect of success – the landmine really could become a thing of the past. But HALO believes that, not only should it achieve the objectives of Landmine Free 2025, it should also address new humanitarian challenges, notably the threat posed by air defence systems, small arms, ammunition and improvised explosive devices (IEDs).

The acronym 'IED' is ubiquitous, but covers such a wide range of ordnance types it is in danger of becoming misleading. There are certainly complex and sophisticated IEDs that require highly skilled operators to neutralise. But there is also a much more numerous range of simple, victim-operated types which should be classified as home-made anti-personnel landmines and fall within the terms of the Ottawa Convention. Donor nations are spending vast sums paying contractors to clear these devices, but this will become increasingly unaffordable. The Humanitarian Mine Action operators, of which HALO is the largest, are not only less expensive, but, through the employment of local staff, deliver local solutions that go with the grain of local communities. HALO, which is already dealing with the IED threat in Afghanistan and Somalia, therefore intends to grow its capacity in Syria, Iraq, Yemen, Libya and wherever else the humanitarian need exists and it is sufficiently safe to operate.

¹ An increase of 571 employees on the reported year end numbers in Section 3.

To put it simply, HALO's strategy is twofold: first, finish the job and clear the world of landmines; secondly, re-orientate the charity to make it relevant for the humanitarian challenges of the future. This is under-pinned by a sound business model with significant success in the winning of new public sector contracts, investment in private fund raising, and a range of measures to make HALO as efficient as possible. This efficiency is significant: HALO turns over about the same amount of money as its nearest peer organization, but employs twice the number of staff and clears much more ordnance. HALO has also significantly enhanced its financial resilience in the last year: free reserves have increased to £5.4m, providing a strong capital base on which to support growth. In the last year HALO has made concerted efforts to improve the gender balance of its workforce, and will continue to do so in the coming year. By striving to employ more women at all levels, deminers, support staff and managers, the impact of HALO's work will be enhanced.

In the twentieth anniversaries of Diana, Princess of Wales's visit to HALO in Angola and of the subsequent Ottawa Landmine Convention, I think it is fitting that the world is once more focused on this cause, addressing it with renewed vigour. It has been an honour to have chaired The HALO Trust since 2014. Once the anniversary year is behind us and with HALO in excellent shape, it will be a good moment to hand over the chairmanship at the start of 2018. Timothy Church, who will follow me, comes to HALO following a distinguished career with McKinsey & Company.

My thanks go to the many thousands of HALO men and women serving in twenty countries around the world – they are the essence of HALO. Similarly, my thanks go to the volunteer Board members (past and present) who also work tirelessly to support HALO. During the year, Michael Merton and Mark Sedwill resigned from the Board. Michael had been in office for six years and his wise counsel has been a frequent source of reassurance to the Board, particularly on matters of finance. Although Mark Sedwill's tenure was cut short following his appointment as National Security Adviser, his advice during the nine months he was on the Board has been of immense benefit to the organisation. We are sincerely grateful to them both.

Finally, I should like to thank our donors: the United Nations, the European Union, and our partner governments, corporates and private citizens - our work would be impossible without you.



Amanda Pullinger
Chairman

Trustees' annual report

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

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.

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, explosive remnants of war (including IEDs and booby traps), small arms and light weapons 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, according to available resources, in countries where there is a humanitarian need.
- Continue to strive for highest standards of accountability, leadership and management.
- Expand and diversify our donor base.

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

2. The Strategic Report

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

2.1. HALO Outputs Worldwide

Description	FY 2016 / 2017	Cumulative total 1988 - 2017
Minefield area cleared	3,486 hectares	47,514 hectares
Battle area clearance	2,143 hectares	156,279 hectares
Landmines destroyed	46,379	1,640,108
Unexploded ordnance (UXO) destroyed	339,410	11,903,662
Cluster munitions destroyed	5,761	219,103
Small arms ammunition destroyed	193,813	55,368,317
Armouries and/or ammunition storages built, rebuilt or rehabilitated	26	198
Small arms and light weapons destroyed	8,903	192,093
Explosive ordnance disposal call-outs	5,040	72,347

2.2 Programmes

2.2.1 Afghanistan

Afghanistan continues to be one of the world's most mine-affected countries. Over 61,500 hectares of hazardous area remains on the national contamination database – some 3,900 hazardous areas impacting 1,500 villages in 257 of 400 districts. There are a further 90,000 hectares of military firing ranges being cleared. Additional areas, contaminated with conventional ordnance and improvised mines and explosive devices (IEDs), have been reported following fighting between armed opposition groups and the government but are yet to be accurately defined. The focus is increasingly on the threat posed by IEDs which are in effect improvised land mines and fall within the terms of the Ottawa Convention.

Civilian casualties have increased with UNAMA reporting 11,418 in 2016, the highest since records began. Children are most affected, particularly boys. Pressure plate IEDs are causing most casualties.

The security picture continues to evolve and insurgency and criminality have worsened in some districts. This restricted the deployment of HALO teams in some areas for brief periods, but HALO is adept at re-negotiating access. To mitigate these challenges, HALO takes a number of steps including close liaison with affected communities, employment of an ethnically diverse workforce, provision of jobs for 'males of fighting age' and promotion of neutral behaviour and good conduct. In 2016/17 there were seven security incidents involving HALO staff. There were no deaths or injuries, but equipment was stolen on three occasions.

HALO continues to work in support of Afghanistan's Directorate of Mine Action Coordination and the National Mine Action Strategic Plan (2016-2020). In 2016/17, HALO cleared 1,886 hectares of high priority community land across fifteen provinces, and was able to draw down its capacity in Herat and relocate it to northern Afghanistan following the successful completion of the thirteenth of the province's sixteen districts. Weapons and ammunition disposal and conventional weapons destruction teams destroyed over 1,000 tonnes of ammunition and explosives. HALO is implementing projects that integrate mine action and development after signing memoranda of understanding with long-standing development NGOs. HALO is strengthening its approach to the employment of women, in an effort to increase female empowerment. HALO is also engaging in opportunities to support and work with the sector in the areas of anti-vehicle mines, improvised mines and explosive devices. Funding from HALO's core donors (USA, UK, Norway, Finland, The Netherlands, Ireland, Germany, Japan and Canada) continued. There was also funding from UNOCHA, the UN managed Voluntary Trust Fund, and other foundations. The programme increased staff numbers to over 2,600 but has capacity and equipment sufficient for 4,000 staff.

2.2.2 Angola

In 2016 funding for the HALO Angola programme was at its lowest level since 2008 and average staff numbers were down from 370 the previous year to 281. Despite this the programme achieved good outputs: 2,388 anti-tank and anti-personnel mines were destroyed and 87 hectares of land were returned to productive use. In addition, 1,827 items of explosive ordnance and 23 tonnes of large-calibre ammunition, three tonnes of small arms ammunition and 4,831 weapons were destroyed.

In July HALO mothballed its compound in Kuito town and suspended demining in Bie province. Though clearance is still required in Bie, demining operations focused on two provinces: the first was Huambo, where HALO's US and Swiss funded demining teams started the Mine Impact Free Huambo initiative, assisted by a new DIGGER D-250 tilling machine; and secondly Kuando Kubango, more specifically the potential agricultural land around the town of Cuito Cuanavale, where HALO destroyed a wide variety of anti-personnel, anti-tank and improvised mines from land which was immediately cultivated by local farmers.

Comprehensive surveys of Namibe and Cunene provinces were completed, correcting inaccurate and overstated survey conducted by other organisations in 2005/06. HALO's provincial surveys give the National Inter-Sectoral Commission for Demining and Humanitarian Assistance (CNIDAH) a clear picture of the remaining landmine contamination, enabling CNIDAH to articulate reasons for an extension to Angola's Landmine Ban Treaty obligations.

Cost-saving initiatives this year included refining a technical process for rendering safe anti-tank mines, which will reduce the expenditure on explosive stores in future. A vehicle fleet review was started to ensure that vehicles which are beyond economic repair are scrapped, with any proceeds used to support the remaining fleet.

Outwith HALO core activities, guidance and logistical support were provided to the first source-to-mouth expedition along the 1,303km Kwanza River. The two-person crew in a wooden kayak set a new Guinness World Record and raised US\$23,700 in donations for HALO. HALO also supported the National Geographic's 'Into the Okavango' expeditions researching the source lakes that feed the Okavango river delta in Botswana. Donations, publicity and promotional material generated by

scientific research and expeditions, which also demonstrate the wider benefits of landmine clearance, are important as HALO seeks funding from companies and foundations in 2017 and beyond.

In December 2016, US\$500,000 of funding from the JDK Revocable Trust was allocated to Angola's new initiative to increase gender balanced employment, '100 Women in Demining in Angola', which will get underway in mid-2017. This funding, coupled with Japanese funding of US\$550,000 in March 2017, counters to some degree the possible reduction in US funding in mid-2017. New funding streams through partnerships are being explored by HALO senior management and Trustees.

2.2.3 Bosnia and Herzegovina

In mid-2016, HALO identified an opportunity to assist EUFOR to set up a weapons and ammunition management programme in Bosnia, the purpose being to strengthen Bosnia's ability to maintain control of its weapons and prevent illicit diversion. With our partners, Small Arms Survey (SAS), HALO began the assessment phase of the programme in January 2017, funded by the UN Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR). Funding is currently being sought from the US and the German Government to register and mark the estimated 60,000 small arms and light weapons in military stores. This implementation phase will begin in November 2017.

2.2.4 Burma

With support from DFID, 2016 saw the opening of HALO's office in Hpa-An, Kayin, and the first deployment of HALO Mine Risk Education and survey teams in the country (all HALO's work to this point has been conducted through local organisations).

With casualty rates among the highest in the world and thousands displaced, clearance remains the primary objective. However, the peace process remains at an early stage and confidence needs to be built between the army, the new government and the ethnic armed groups. Mine Risk Education and survey continue to be the best means to develop relationships and trust to enable further access into mine affected areas.

In the latter months of 2016 HALO concentrated efforts on the Myaing Gyi Ngu IDP camp, containing 6,000 inhabitants whose villages were mined in 2016. HALO delivered an ambulance service and held discussions to understand better the nature of the contamination. This should provide leverage to encourage all parties to allow mine clearance to take place as a pilot for broader agreements.

HALO also maintains a presence in the north with a UNOCHA funded project throughout northern and central Shan. Here HALO is working through three separate community based organisations to deliver Mine Risk Education, first aid training and casualty evacuation.

2.2.5 Cambodia

During 2016 HALO Cambodia cleared over 1,100 hectares of previously mined land and in the process destroyed over 150 vehicle mines and 6,500 anti-personnel mines. This has enabled land to be returned to productive use for agriculture, resettlement and safe access.

The continued development of a road running parallel to the border with Thailand has encouraged landless families to resettle into previously uninhabited areas of the country and, partially due to this, 2016 saw a doubling of the number of mine accidents in Cambodia. HALO is trying to stay ahead of this by clearing these dense anti-personnel minefields prior to settlement.

While 2015 saw HALO expand its operations into the province of Pursat in 2016, this satellite location was expanded and reconnaissance undertaken into the southwest province of Koh Kong – an area in which no mine clearance has taken place to date and where HALO plans to begin operations in 2017.

HALO has also focused on developing Cambodia's National Mine Action Strategy. This is essential if Cambodia is to reach mine free status by 2025 - to achieve this, there will have to be a significant re-prioritisation of clearance assets onto dense anti-personnel minefields. To this end, HALO has had

support from the US Embassy and continued US engagement is essential if HALO is to maintain current levels of funding.

Three staff died in mine accidents in 2016. Further investigation has not led to the identification of any systemic underperformance; however, programme-wide refresher training and re-accreditation have been conducted, in parallel with increased operational oversight.

HALO and NPA conducted joint trials of Technical Survey Dogs (TSDs) in order to reduce minefields in a cost effective manner. However, the trials showed that the TSDs had limited value and the programme is continuing to work with NPA to establish in what circumstances they could be of use.

2.2.6 Central African Republic (CAR)

HALO's Weapons and Ammunition Disposal operations in Central African Republic were established in 2014 with United Nations Mine Action Service (UNMAS) funding. In the reporting period, over 90 tonnes of ammunition were destroyed by HALO's core team of eight national staff and five expatriates. With the contract successfully delivered, the programme was closed on 8 July 2016.

2.2.7 Colombia

The Colombian Government and FARC signed an historic peace agreement in December 2016, bringing to an end a fifty-year insurgency that cost thousands of lives and displaced six million people. Processing of ex-FARC combatants through their 23 regional disarmament camps within the 180-day reintegration window has been slower than anticipated, and has been extended. But this has not affected security or stability across the country, and the other main insurgent group, ELN, is holding its own peace talks with the government.

The practical implications for humanitarian demining in Colombia have been as tangible and far-reaching as reported in 2016. The post-conflict action plan of DAICMA, the national mine action authority, has directed operators to intervene in the 44 most mine affected municipalities as part of a rapid response strategy. HALO was allocated 14 of these, in Antioquia, Meta, Tolima and Cauca Departments, and has been expanding team numbers to meet increased donor funding from the US, Norwegian, Canadian, The Netherlands, Swiss and Japanese Governments, and the United Nations and European Union. The programme now employs 370 women and men across an enlarged headquarters in Bogota and four regional bases, and new funding (yet to be confirmed) will allow further expansion into a fifth southern department, Putamayo.

At the request of DAICMA, HALO has committed to assist in development of a new demining organisation 'Humanicemos', which will be run and staffed by ex-FARC combatants. This is in addition to continuing to recruit female victims of the conflict and ex-combatants into HALO's own teams. The support involves briefings and visits by future Humanicemos managers to HALO demining teams and, with additional donor funding, could expand into formal HALO training of Humanicemos and joint field operations. This initiative is balanced by HALO signing a Cooperation Agreement with the Colombian Army in 2016, which will facilitate cross-training and the potential for joint operations; this is relevant because DAICMA have allocated some municipalities both to HALO and the army's demining teams.

2.2.8 Democratic Republic of Congo (DRC)

Following the successful conduct of a basic weapons safety and handling course for the Congolese National Police (PNC) in March and April 2016 in Goma and Kinshasa, HALO trainers implemented a second phase of courses for the PNC in August to October 2016 in Bunia and Bukavu. Further courses will be delivered as and when required.

2.2.9 Georgia (including Abkhazia)

Funded by the US and the Japanese Government over the last twelve months, the programme completed the clearance of a former Soviet military firing range at Udabno. The area totalled 7,400 hectares.

Clearance of a former Soviet military base at Chognari was extended and 23 mines have so far been found and destroyed. Once completed, the government plans to invest in the construction of a water reservoir at Chognari to supply the nearby city of Kutaisi.

The Japanese funding will also cover the costs of a complete survey of the Administrative Boundary Line (ABL) with South Ossetia, as requested by EU monitors. Many areas along the ABL remain uncultivated due to the fear of mines; once this survey is complete, most of the land will be returned to agricultural use.

The programme continues to negotiate for permission to clear the seven kilometre minefield at Red Bridge, on the border with Azerbaijan. In 2016 there was one animal accident on the minefield and one mine was found by a local shepherd.

In Abkhazia, the last British funded road rehabilitation project was finished in March 2016, with a bridge built in Tsarche village. Since then HALO has been seeking a donor to continue this work and has approached the UK, the US and the EU with proposals. The UK is currently funding twelve EOD staff.

The programme retains its multi-ethnic composition and, as such, has the confidence of all groups in the region. The two EOD teams (one Abkhaz, one Georgian) responded to 356 call-outs over the last twelve months, destroying 548 items. Additionally, the teams destroyed 36.5 tonnes of badly stored ammunition at the request of the Abkhaz military, thus reducing the chances of an uncontrolled explosion.

2.2.10 Ivory Coast

Following the terrorist attack at Grand Bassam in March 2016, much of the year saw heightened security around Abidjan, including the airport and major shopping centres. October saw a constitutional referendum which was marked by some violence and by the fact there was less than 40 per cent turnout. A mutiny occurred in the Ivorian army in January 2017. The mutineers were mostly ex-northern rebels who had been integrated into the army in 2011. Seizing control of nine cities throughout the country, they pressured the government into accepting their pay demands. The disturbance has not yet ended and future unrest is expected. HALO was successful in being awarded the final UN Mine Action Service (UNMAS) contract in Ivory Coast in support of the closing down of the UN Mission; this comprised battle area clearance of ex-UN camps.

HALO supported the UN Mission with two explosive ordnance disposal teams tasked to destroy ammunition held in ageing government stockpiles or collected from the local community. Members of the civilian authority (ComNat) took over responsibility for Disarmament, Demobilisation and Reintegration (DDR) and HALO conducted training in the planning, operation and management of DDR events. HALO familiarised ComNat and Customs staff with the use of trailer-mounted weapon-cutting shears. 1,758 weapon systems were collected and registered from the general public at ComNat DDR events and 1,578 subsequently cut, along with the disposal of over 16,236 bullets and 13,801 explosive items. HALO's UN funded Physical Security and Stockpile Management project completed 26 armoury renovations and new builds across the country.

HALO had its first grant funding outside UNMAS, with the UK supporting a border security project which ran from August 2016 to February 2017. This project concentrated on the renovation of 20 border posts for the customs agency and their main headquarters armoury in Abidjan.

With no further funding available after June 2017, the Ivory Coast programme will be closed. The final months of the programme will concentrate on logistical movement of equipment and the completion of the last two battle area clearance tasks for the UN Mission. HALO remains hopeful that future opportunities will present themselves in the Ivory Coast and close contact with the national authorities will be maintained.

2.2.11 Kosovo

A significant three year grant from a US-based private donor in 2015 allowed HALO to continue operations in Kosovo throughout 2016 with the same staffing as in previous years, and with an expansion of US Government funding for clearance of cluster munition strikes in the north of Kosovo. HALO looks to maintain this capacity until mid-2018 when new funding will be required.

The US-based private donor will also provide, by way of matched funding, up to half of the estimated US\$6 million required to clear all minefields in Kosovo by 2020, with US\$900,000 raised so far.

The Kosovo Mine Action Centre has currently allocated clearance of all remaining mined areas to HALO, with the Kosovo Security Force and Norwegian People's Aid focusing only on clearance of remaining cluster munition strikes. Without HALO's presence it is estimated that the clearance of all known minefields and NATO cluster munition strikes in Kosovo would take twenty more years.

A grant from the US Department of Defense has allowed the introduction of the dual sensor HSTAMIDS detector in 2016, with clearance rates expected to increase throughout 2017.

2.2.12 Laos

With the completion of the UK contract, the HALO Laos programme is now solely supported by the US Government. Due to an increase in US funding (to US\$4.52m), this did not result in any loss of capacity and indeed HALO has planned for an expansion of ten survey teams in 2017. This would increase the size of the programme to about 300 staff. However, this is dependent upon the signing of a new MOU; the signing has been delayed and therefore the importing of equipment, essential for expansion, has also been delayed.

The programme has focused on two principal areas in 2016: first, in assisting the US Government to develop its strategy for a baseline survey of Laos and create consensus between international and national operators. While funding of US\$90m was announced in September 2016, the exact means by which this is to be expended still remains uncertain. This is likely to be a five-year project, with the majority of the funds being commercially tendered. The national authorities and operators need to agree modalities for national capacity development and information management for such a large project. HALO, MAG and NPA plan to operate as a consortium.

Secondly, HALO's standard operating procedures have been revised and all staff across the programme have been re-trained, with an increased focus on the development of the Laos national capacity. All staff have been cross-trained in survey and clearance to allow greater flexibility in preparation for the anticipated transition to survey in 2018. This has been supported by an enlarged team of expatriate staff.

2.2.13 Mozambique

Following the completion of all demining and the government of Mozambique's declaration in 2015 that it had reached compliance with Article 5 of the Anti-Personnel Mine Ban Convention, and that the country was mine-impact free, the primary focus of HALO activities has been the demobilisation of the programme.

In accordance with the donors' instructions, and HALO's wishes, the vehicles and equipment were prepared for transfer to Zimbabwe in support of demining operations on the border with Mozambique. Unfortunately, the Mozambican National Institute for Demining opposed the transfer. Diplomatic support to break the impasse has been called upon to achieve an arrangement amenable to all parties by mid-2017.

2.2.14 Nagorno Karabakh

HALO is the only organisation to have conducted landmine clearance in Nagorno Karabakh since 2000. In 2016, HALO released over 181 hectares of land, and destroyed 165 mines and 856 items of explosive ordnance.

The greatest challenge to HALO in recent years has been reticence by government donors to fund mine clearance in territory currently controlled by Nagorno Karabakh but lying outside its Soviet era boundary. 62 per cent of the minefields remaining in Nagorno Karabakh are located in this territory. This shortfall has been made up by an anonymous US donor.

In addition to the offer of matching funds from the anonymous US donor to clear these areas, fundraising efforts have brought funding from private donors such as the SJS Charitable Trust, the Gould Family Foundation and the Harbour Lights Foundation. There is further interest from the Izmirlian Foundation for clearance in 2017. Of the US\$4 million available to be matched, over US\$1 million has been raised so far, with further fundraising events planned in Boston and New York in 2017, thanks to the assistance of Nina and Raffi Festekjian who co-chair the fundraising campaign.

HALO conducted two successful crowdfunding campaigns for clearance of two minefields in Lachin and Martuni regions. One was conducted in September 2016, raising US\$30,000 to be matched, and the first of its kind in mine action. This was successfully repeated in February 2017 in partnership with ONEArmenia, raising an additional US\$97,116.

Increased awareness of the impact of landmines led to the United States Senate revising its appropriations language on Nagorno Karabakh. In the Senate appropriations report, the high per capita accident rate was acknowledged and increased funding was recommended for mine clearance, to be used across all territory controlled by Nagorno Karabakh.

In April 2016, four days of intense fighting broke out between Nagorno Karabakh and Azerbaijan. Ground forces were used and territory close to the front lines was captured by Azerbaijan and then mostly regained by Nagorno Karabakh. Towns and villages away from the front line, principally in the northeast, were subject to heavy artillery fire. Further sporadic fighting occurred throughout the year, with a marked increase in the use of force between December 2016 and late February 2017.

In 2016 HALO conducted emergency clearance of the cluster munitions contamination left from the April fighting, with funding from USAID and World Without Mines. There is further contamination now surveyed in the south-western part of the country that will require clearance in the future. These new threats are not expected to impact upon the cost and time estimates to clear the remaining minefields in Nagorno Karabakh.

2.2.15 Somalia

After thirty years of civil war, and despite recent gains made by the peacekeeping African Union Mission in Somalia (AMISOM) in the fight against the Al-Shabaab insurgency, the Federal Republic of Somalia remains a fragile state. Progress has been made with Somalia holding a successful presidential election resulting in Mohamed Abdullahi Mohamed being sworn in.

HALO began mine clearance in southern Somalia in June 2016, at a minefield near Abudwaq, Galmudug State. In September 2016 HALO staff were targeted as part of a violent escalation in a dispute between local sub-clans. A vehicle carrying several HALO staff from one of the clans involved was ambushed as they left Abudwaq. Two HALO staff and a local civilian were killed and two HALO staff were injured. HALO was not the direct target of the September attack; however, the decision was taken to cease all operations in Galmudug State until further notice and close the office in Abudwaq. HALO continued to deploy operational teams from its location in Beletweyne, Hirshebbelle State, where current security remains relatively stable.

During the year HALO surveyed a total of 600 hectares, bringing the total area surveyed to 1,777 hectares of contaminated land. HALO cleared 10 hectares through manual mine clearance techniques and seven hectares through battle area clearance, with a total of 1,424 items of UXO destroyed. In February 2017 HALO found its first anti-personnel mines and in March its first anti-tank mines. HALO employed 178 people with funding from the UK, the US, Germany and the UN.

In spite of the positive gains being made in southern Somalia, HALO continues to face significant security challenges, as well as from Federal and State politics. The Japanese Government elected not to renew funding to the UN Voluntary Trust Fund for FY17/18; additional funding is required to ensure the programme can keep operational momentum and seek expansion.

2.2.16 Somaliland

Somaliland continues to see a welcome decrease in internal conflict and armed violence; as such, its role as a beacon of stability within the wider region remains important. With 600 staff deployed from its headquarters in Hargeisa and from its regional location in Burao, HALO is one of the largest private sector employers in Somaliland.

HALO's historic work in Somaliland has seen the victims of landmines and explosive devices at an all-time low during 2016. Thirteen casualties were recorded for the year, the same figure for 2015 and a mark of HALO's success. Although a significant reduction from the 44 recorded victims in 2009, the figures demonstrate that explosive remnants of war continue to pose a risk to life in Somaliland.

Despite a small reduction in the size of the programme during the year, 263 hectares of contaminated land have been cleared. In addition to manual and mechanical mine clearance, throughout 2016 the programme continued to use a Road Threat Reduction (RTR) unit successfully along specific stretches of mined roads, which themselves present no evidence of mine-laying, but which remain unused by local communities concerned about mine contamination. The RTR verifies that there is no threat in these areas, allowing the communities once again to use roads blocked for decades. Sixty kilometres of road, accounting for a total area of 76 hectares of land, were processed using the RTR asset during the year. There are 147 open minefields and mined roads remaining on the national database. A total of 381 hectares of land requires full clearance and 740 hectares of road require RTR to verify the absence of mines.

HALO is continuing to work in partnership with the Somaliland Mine Action Centre (SMAC) to develop a strategy for mine action and national ownership of the problem. This seeks to achieve the completion of all known and accessible minefields in Somaliland and to outline the transition of clearance capacity from HALO to the Somaliland Government in the near future. HALO is working hard to ensure donor support is sustained in order to meet the transition objective effectively and efficiently.

2.2.17 Sri Lanka

Following the dramatic loss of funding in 2015 when the number of staff fell to 370, HALO Sri Lanka is on track to reach staffing levels of 820 by mid-2017. This has been enabled by the re-engagement of the British Government through the FCO and the Conflict, Security and Stabilisation Fund (CSSF) over three years, the securing of a two year Canadian grant (the Canadians last funded HALO in Sri Lanka in 2011), and a doubling of US funding. Further to the re-employment of staff, this has also allowed the programme to purchase additional mechanical assets to hasten the clearance of Muhamalai – the single largest remaining area to clear in Sri Lanka. With this expansion, HALO Sri Lanka has actively recruited more women and men from the mine affected communities, to enhance the positive impact on these communities and promote female empowerment.

The CSSF funding, while primarily focused on mine clearance, also contains funding for capacity building within the National Mine Action Centre (in 2016 this focused on GIS and medical training), Mine Risk Education through a local partner, and the construction of semi-permanent shelters. WASH, a local development organisation providing facilities and livelihoods development, will be focusing on areas of Muhamalai that have been cleared by HALO.

This increased capacity has been built to help the government achieve its goal of Sri Lanka being mine-free by 2020. A countrywide re-survey of the remaining contaminated area has reduced the area held

on the national database from over 7,000 hectares to 2,600 hectares. While this is still a huge challenge, with further commitments from donors, it is still possible to attain completion by 2020.

In order to secure the additional funding, HALO has engaged in a socio-economic baseline study that has helped to highlight the continued priority of clearance in Jaffna and Kilinochchi. HALO's focus will remain on our current area of operations; however, discussions with other operators will result in further areas to the south that will require clearance by HALO in order to reach the 2020 deadline. The clearance of Sri Lanka, once one of the most mined countries in the world, would be a remarkable achievement.

2.2.18 Syria

HALO is operating inside Syria with local NGO partners and during the reporting period has delivered risk education to 48,000 children and 18,000 adults in 33 conflict affected communities in rural Damascus, Idleb and Aleppo provinces. In February 2017, Syrian recruits from a partner organisation travelled outside Syria to receive specialist survey training and have subsequently initiated community impact surveys in Idleb and Aleppo, including areas that are under the control of the Turkish military as part of Operation Euphrates Shield. This is the first attempt to map the level of contamination with explosive remnants of war in these areas and, as the survey continues and the level of knowledge increases, it will assist with future planning and the prioritisation of clearance.

Despite our best efforts in 2016 and direct representation by the UK Government, HALO is still not registered as an NGO in Turkey and therefore cannot support cross-border operations inside Syria from Turkey. We will continue to work with partners that are active in northern areas of Syria conducting survey and risk education, and we will monitor their activities from Jordan.

HALO has completed the registration process in Jordan and is working to establish a survey, explosive ordnance disposal and battle area clearance capacity in Dar'a in Southern Syria. HALO has secured agreement from the Jordanian International Police Training Centre to provide a site for training Syrian nationals. HALO is extremely grateful to the Kingdom of Jordan for its support in enabling this work.

2.2.19 Ukraine

At the start of 2016, the programme conducted a rapid assessment of 800 settlements in the regions of Donetsk and Luhansk. This was followed by the non-technical survey of areas where mines and explosive residue of war were reported. As of March 2017, 70 minefields with a combined total area of 530 hectares were surveyed outside the 15 kilometre 'buffer zone'. In February, permission was granted for the programme to conduct survey inside the buffer zone where the highest contamination is likely to be found.

Clearance capacity has increased from four to nine teams (150 national staff), with an additional 70 deminers being trained over the forthcoming months. Middle management continues to be provided by HALO's experienced Russian-speaking team leaders and supervisors from the Caucasus; however, some Ukrainian staff have been promoted into these positions. Furthermore, during the winter stand-down, twelve of the most promising Ukrainian operations staff underwent training in Georgia (the lack of an explosives licence meant that the staff had to be sent abroad for the training). This year the programme has also recruited, trained and deployed its first female deminers and currently five are working in the field. HALO has developed the capacity of the interim Mine Action Authority by providing quality management and data management training.

With additional funding raised this year, HALO Ukraine's budget for 2017 is approximately US\$4m. The programme is currently supported by the UK, The Netherlands, Switzerland, Norway, the US, Finland, Germany and Belgium.

2.2.20 West Bank

HALO continues to work successfully under the auspices of both the Israeli National Mine Action Authority and the Palestinian Mine Action Centre, a unique partnership that reflects well on the HALO

management team's ability to coordinate and facilitate. HALO remains the only clearance operator in the West Bank, and the only humanitarian demining agency in Israel.

Clearance of Surif, the fourth of nine Jordanian military laid minefields in the West Bank, will be completed on 31 May 2017. Since April 2014, the 22 Georgian deminers, six Palestinian mechanical operators and medical team, and four Israeli managers have safely destroyed 785 anti-personnel and anti-tank mines in 28.5 hectares of village land within Hebron, Bethlehem and Qalqiliya Districts. From June 2017 the programme will move north into Jenin District where the remaining five tasks are located.

Funding to complete the schedule of nine minefields by December 2018 is now less secure with the switch of HALO's New Zealand funding from West Bank to Colombia, and the programme is focusing on securing a new donor to complement a continuation of US, UK and Netherlands support. Nevertheless, HALO has re-affirmed with senior Israeli and Palestinian authorities a commitment from 2019 onwards to expand humanitarian demining operations into the Jordan Valley and Golan Heights, on selected tasks where removal of mines will allow valuable agricultural land to be put back into use by the original owners.

A successful visit by the Archbishop of Canterbury, Justin Welby, to HALO at the Baptism of Christ Site on 9 May 2017 brought further very welcome publicity to this clearance project, and has re-vitalised fundraising efforts within the broad family of Christian churches. The Israeli Government agencies directly involved with HALO in planning for demining at the Baptism Site have given firm commitments of support, and the first phase of clearance is due to start in late Summer 2017.

2.2.21 Zimbabwe

In the course of 2016 HALO Zimbabwe doubled in size to 335 staff spread across 30 manual demining sections. The expansion was in large part due to the start of DFID funding in Zimbabwe supporting the efforts of the existing donors, namely the US, Ireland, Japan and the Swiss charity, World Without Mines.

HALO Zimbabwe's operations were focused along the northern border with Mozambique, with teams working out of five camps in two districts. Teams have worked on particularly dense minefields, finding 16,699 anti-personnel mines in 102 hectares of cleared ground. All these mines were found in close proximity to residential areas and farmland, so the work has made a huge difference in terms of creating a safe environment for the border communities. The Famine Early Warning Systems Network (FEWSNet) has classified the food security situation in HALO's area as "stressed but would have been in crisis without ongoing humanitarian intervention". HALO has certainly played its part in this alongside other NGO and government interventions.

Zimbabwe has faced an extreme shortage of hard currency. The introduction of "bond notes" in late 2016 was supposed to improve the availability of cash but has had limited effect. HALO is concerned that the shortage of hard currency will affect the supply of imported goods, particularly diesel, so we are investing in additional bulk storage capacity. We are also introducing solar power arrays to reduce our reliance on generators in the field.

HALO continues to work closely with the Zimbabwean authorities and local communities. In the last quarter of 2016 we participated in the twin processes of drafting Zimbabwe's next Mine Ban Treaty extension request and the country's strategic plan for mine action. Both documents aim for a mine free Zimbabwe by the end of 2025. This is very positive but ambitious, as a great deal of capacity expansion will be required for the country to reach that target.

2.3 Future Plans

HALO will continue to conduct operations across 18 countries and territories and expand in new areas in the coming financial year. Following the recent expansion of teams on programmes such as Sri Lanka

and Afghanistan, HALO aims to maintain this momentum and use this expansion as an opportunity to enhance programme efficiency.

In the past year, working together with our sector partners, HALO has developed a road map to complete clearance or nationwide surveys in 15 countries and territories affected by mines and UXO by 2025. This road map is in line with institutional donors' Maputo 15+ Declaration. The roadmap will increase donor interest in the sector and enable better planning, particularly on programmes close to completion, such as Somaliland, Sri Lanka, Nagorno Karabakh and Kosovo.

Building upon momentum from the Kensington Palace event on 4 April 2017 and DFID's announcement to increase its mine action funding to £100m, HALO will continue to work on promoting the Landmine Free 2025 road map, engaging with states party to the Anti-Personnel Mine Ban Treaty and other donor states.

HALO has developed plans to establish new programmes in emerging priority countries. In the next financial year, HALO anticipates opening at least two new programmes in these emerging priority countries (such as Iraq). HALO will also expand the reach and scope of operations in Syria, including clearance of explosive remnants of war in accessible areas, while remaining adaptable to changing circumstances. HALO will use its experience in remote programme management to expand these operations and provide training in contexts where insecurity limits the ability of HALO to operate. This will enable the safe and effective delivery of risk education, explosive ordnance disposal and improvised explosive device disposal.

In addition to Syria and Iraq, HALO will expand its outreach in Ukraine, Colombia and Burma to assist with reconstruction and allow the safe return of internally displaced people and refugees in areas where there is sufficient humanitarian space to operate.

Opportunities for new medium-term projects in weapons and ammunition management will be explored, to enhance the safe storage of weapons and ammunition in state inventories, in support of disarmament processes and plans for stabilisation in fragile states.

To maintain an effective management structure that can respond to the expansion on programmes in an evolving funding landscape and achieve the Landmine Free 2025 roadmap, HALO has expanded the capacity of its Scottish headquarters and opened a small office in the South of England to allow for the increased volume of work with governments and private donors.

3. Structure, Governance and Management

3.1 Structure

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

3.2 Governance

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

The Board holds formal scheduled meetings at least four times a year, as well as a number of ad hoc meetings. In addition, there is normally an annual cross briefing (ACB) held in Scotland, attended by Board members and all HQ and senior international and national staff. An Audit Committee, comprising two Trustees (Timothy Church 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.

The Trustees who were in office at 31 March 2017 and at the date of this report are shown on page 1.

Under the Articles of Association, the Directors in office at the time the Articles were amended on 25 March 2015 continue to hold office until the end of the Board meeting that falls closest to dates set out against their names in the Articles of Association; these dates are staggered between December 2015 and October 2020. The Articles of Association state that each Director shall be appointed for a period of three years, or such shorter period as the Directors shall think fit, at the end of which they shall retire, at which point 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. A Governance/Nominating Committee, currently comprising Jane Davis, Paddy Nicoll, Rupert Younger and Timothy Church, puts the names of prospective Directors, with skills appropriate to HALO, forward to the Board.

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

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

3.3 Organisational Structure and Management

The Board of The HALO Trust is responsible for the strategic direction of the charity. Operational control is exercised by the Chief Executive Officer, who reports to the Board in person on a quarterly basis and in writing on all questions of Board level policy and where operational risk requires a Board level view. The Chief Executive attends Board meetings, but is not a Director and does not vote. The Board reviews risk on an annual basis, dividing it into operational (largely surrounding safety and security), financial and reputational categories. The Chief Executive considers risk and will either: treat it by applying different ways or new means; tolerate it because it is judged acceptable; elevate it to the Board for consideration; or simply cease the activity that gave rise to the risk. Beneath the Chief Executive, HALO has a Chief of Staff, responsible for the coordination of business; a Director of Strategy, responsible for growing the capability of HALO, in both functional and geographic senses; a Director of Development responsible for private fundraising; a Director of Communications; a Finance Director; and Regional Directors responsible for groups of countries; these roles are designed to give HALO the means to run a large, complex and widely distributed organisation and to plan for the future in a sophisticated and robust way. A Programme Manager, who reports to their Regional Director, controls each of HALO's countries and territories. Other staff are responsible for Human Resources, Logistics, and Information Services.

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

3.4 Employees

Delivering HALO's work internationally relies on the hard work and dedication of its staff.

At 31 March 2017, The HALO Trust employed 6,727 staff globally, with 6,638 (98%) being national staff - locally employed and committed to ridding their country of mines and other explosive remnants of war. Our 65 international staff oversee and manage operations and support activities across our global

programmes, with a further 24 staff based in the UK, including key management personnel defined as the Chief Executive Officer, Chief of Staff, Director of Strategy, Director of Development, Finance Director and Regional Directors.

The employment costs of HALO national staff working on US funded grants and contracts are charged to the respective US donors in the accounts of The HALO Trust (USA), Inc., although this practice is diminishing as new US grants and contracts are sub-awarded to the HALO Trust for implementation.

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

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

HALO treats the health and wellbeing of its staff seriously; paramedics, equipped with comprehensive medical packs, are built into the structure of every HALO team and are trained to deliver emergency trauma care for victims of landmines and other ordnance. We also maintain a medical board of experienced international surgeons and doctors, who oversee HALO's medical policy and ensure its correct implementation.

4. Principal Risks and Uncertainties

The Trustees have identified the major risks to which HALO is exposed and have established controls and actions to minimise potential adverse outcomes. These risks and mitigating actions are set out in a comprehensive risk register which is split into the Administrative, Financial, Operational (including Health, Safety and Security), Political and Reputational risks to the organisation.

Duty Holders are allocated responsibility for ensuring that risks are kept as low as reasonably practicable. The HALO Board of Trustees, as Senior Duty Holder, reviews the risk register on a quarterly basis, supported by the Chief Executive (Operational Duty Holder) and Programme Managers (Delivery Duty Holders). The responsibility of each duty holder is to tolerate, treat or elevate risk as they see fit.

Two major risks have been identified from the risk register.

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

Mitigation: HALO's operations are supported by security and incident management plans, which incorporate location specific security risk assessments, together with internationally recognised standard operating procedures which govern both the movement of staff and assets and underpin all operational activity. All appropriate staff at both HQ and programme level are trained in critical incident management skills. Programmes receive annual visits from HALO's medical board to ensure up-to-date medical practice and review casualty evacuation procedures.

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

Mitigation: HALO has developed and continues to maintain strong strategic partnerships with its major donors and has invested in fundraising and communications with a view to broadening its donor base. HALO's free reserves policy takes into account cessation of funding from any of its major donors.

5. Financial Review

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

5.1 Financial Overview

The financial statements of the company can be found on pages 23 to 41.

The application of the company's funds is detailed in notes 4, 5 and 6 on pages 30 and 31.

Income from charitable activities was £40.2m, an increase of £15.3m compared with £24.9m in FY 2015/16. Expenditure on charitable activities of £40.0m reflected a similar increase, £13.4m, compared with £26.6m in FY 2015/16.

The increase in scale of activities during the year was largely attributable to the sub-award by The HALO Trust (USA), Inc. (HALO USA) to The HALO Trust of US contracts, amounting to £4.7m in the year, which in the past would have been undertaken directly by HALO USA, together with an increase of £9.1m in UK Government funding, of which £4.2m was subcontracted to Mines Advisory Group (MAG) and Norwegian People's Aid (NPA).

Deferred income represents donor funding received during the year, for which the respective expenditure will occur in future accounting periods. At 31 March 2017 deferred income amounted to £17.5m, compared with £3.7m at 31 March 2016. The increase reflects the adoption during the year of the model whereby HALO USA sub-awards US Government grants to The HALO Trust.

5.2 Funding and Reserves

Total unrestricted funds at 31 March 2017 were £6.1m, compared with £5.2m at 31 March 2016. The Trustees consider HALO's free reserves to be £5.4m, calculated as total unrestricted funds less fixed assets and stock and reflecting the resources readily available for unrestricted charitable use. Full details of HALO's reserves are shown in notes 15 and 16 of the financial statements.

The Trustees regularly review free reserves and set the target to take account, inter alia, of the cost of making up any shortfall in donor funding towards the cost of running HALO's headquarters, the cost of conducting reconnoitres in new countries and subsequent start-ups of new programmes, and maintaining a contingency in the event of a reduction or cessation of major donor funding.

5.3 Going Concern

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

5.4 Related Parties

In accordance with a memorandum of understanding dated 31 January 2017, The HALO Trust and HALO USA work together in an effort to clear landmines and other debris of war around the world. HALO USA is a 501(c)(3) organisation and raises funds from the US Government and US foundations, corporations and individuals to support the work of both organisations. The financial results of HALO USA are not included here. New US contracts and grants are sub-awarded by HALO USA for implementation by The HALO Trust in accordance with established due diligence procedures.

HALO UK 2015 Limited is the wholly owned trading subsidiary of The HALO Trust. During the year there was no trading activity. Turnover was £67,000 in FY 2015/16.

6. Thanks

During the year, HALO projects were generously supported by the Governments of Belgium, Canada, Finland, Germany, Ireland, Japan, The Netherlands, New Zealand, Norway, Switzerland, the United Kingdom (Department for International Development, Conflict Stability and Security Fund, Foreign & Commonwealth Office), the European Commission, Association for Aid and Relief (AAR) Japan, United Nations Mine Action Service (UNMAS), United Nations Development Programme (UNDP), United Nations Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR), United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), Pro Victimis Foundation, World Without Mines Switzerland, and numerous generous private donations. The United States remains our most generous donor; US support features in the accounts of HALO USA and, to the extent that sub-awards have been made to The HALO Trust, also in the latter's accounts.

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

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



Amanda Pullinger

30 June 2017

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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



319 St Vincent Street
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G2 2LJ
United Kingdom

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 2017 set out on pages 23 to 37. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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 20, 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.

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 2017 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' annual report, which constitutes the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006

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.

B. Marks

Bruce Marks (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

319 St Vincent Street

Glasgow

G2 5AS

4 July 2017

Statement of financial activities
(including an income and expenditure account)
for the year ended 31 March 2017

	Notes	Unrestricted funds £000	Restricted funds £000	2017 Total £000	2016 Total £000
Income from					
Donations and legacies		128	-	128	124
Charitable activities	2	-	40,168	40,168	24,920
Income from investments		8	19	27	20
Other income	3	580	-	580	563
Total income		716	40,187	40,903	25,627
Expenditure on					
Investment management costs		5	-	5	8
Charitable activities	4	3,005	32,783	35,788	26,552
Charitable activities: Sub-granted	5	-	4,223	4,223	-
Total Expenditure		3,010	37,006	40,016	26,560
Net (expenditure)/income on operating activities		(2,294)	3,181	887	(933)
Net gains and (losses) on investments		80	-	80	(10)
Net (expenditure)/income before tax		(2,214)	3,181	967	(943)
Tax payable		-	-	-	-
Net (expenditure)/income		(2,214)	3,181	967	(943)
Transfers between funds	9	3,099	(3,099)	-	-
Net movements in funds		885	82	967	(943)
Reconciliation of funds					
Total funds brought forward at 1 April 2016		5,210	253	5,463	6,406
Total funds carried forward at 31 March 2017		6,095	335	6,430	5,463

Balance sheet
as at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	10	543	1,030
Investments	11	-	934
		543	1,964
Current assets			
Stock		133	285
Debtors	12	5,555	3,491
Cash at bank		20,091	4,823
		25,779	8,599
Creditors: amounts falling due within one year	13	(19,604)	(4,864)
Net current assets		6,175	3,735
Total assets less current liabilities		6,718	5,699
Provisions for liabilities	14	(288)	(236)
Net assets		6,430	5,463
Funds			
<i>Unrestricted funds</i>			
General		6,095	5,056
Revaluation reserve		0	154
		6,095	5,210
Restricted funds	16	335	253
Total funds	17	6,430	5,463

The notes on pages 26 to 37 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 30 June 2017 and were signed on its behalf by:



Amanda Pullinger
Chairman



Timothy Church
Trustee

Cash flow statement

For the year ended 31 March 2017

	2017 £000	2016 £000
Reconciliation of net expenditure to net cash flow from operating activities		
Net expenditure for the reporting period (as per the statement of financial activities)	887	(933)
Adjustments for:		
Interest receivable	(25)	(3)
Investment income	(2)	(9)
Depreciation charges	455	464
Decrease in stock	152	383
Decrease/(increase) in debtors	(2,064)	(179)
Increase/(decrease) in creditors due within one year	14,740	905
Increase/(decrease) in provisions for liabilities and charges	52	(69)
Net cash provided by operating activities	14,195	559
Cash flows from financing activities:		
Interest received	25	3
Investment income	2	9
Net cash provided by financing activities	27	12
Cash flows from investing activities:		
Payments to acquire tangible fixed assets	(99)	(619)
Proceeds from sales of tangible fixed assets	131	15
Payments to acquire investments	(117)	(124)
Proceeds from sales of investments	1,131	108
Net cash provided by/(used in) investing activities	1,046	(620)
Change in cash and cash equivalents in the reporting period	15,268	(49)
Cash and cash equivalents at 1 April 2016	4,823	4,872
Cash and cash equivalents at 31 March 2017	20,091	4,823
Analysis of cash and cash equivalents		
Cash at bank	20,091	4,781
Liquid resources	-	42
Total cash and cash equivalents	20,091	4,823

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

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

Funds

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

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

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

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If part of the unrestricted funds is earmarked at the discretion of the Trustees for a particular purpose, it is designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund. The revaluation reserve, representing the net unrealised gains on investments is shown as a separate component of unrestricted funds.

Donations and legacies

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

Income which is restricted to individual country programmes is recognised as income from donations 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)

Expenditure

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

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

Assets acquired for specific projects 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 donor. The charity retains a full list of all such assets.

Tangible fixed assets

Tangible fixed assets with a value greater than £1,000 and being of use to the business for more 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. At 31 March 2017 The HALO Trust had realised all of its investments.

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 Income from charitable activities

<i>Restricted</i>	2017	2016
Department for International Development (UK)	7,689	4,730
Department for International Development (UK) sub-granted	4,223	-
The Federal Republic of Germany	5,309	2,797
The HALO Trust (USA), Inc.	4,706	-
United Nations Mine Action Service	3,361	4,685
UK Conflict Stability and Security Fund	2,675	700
Royal Netherlands Government	2,204	3,019
Embassy of Japan (in regional offices)	1,935	1,253
Irish Aid	1,903	1,562
Norwegian Government	1,368	591
European Commission	1,285	1,439
Government of Switzerland	602	270
United Nations, Office for the Coordination of Humanitarian Affairs	529	27
iDE and the New Zealand Ministry of Foreign Affairs and Trade	513	526
UK Foreign and Commonwealth Office	352	611
Government of Canada	312	583
United Nations, Office of Project Services	292	-
Belgian Government	178	-
NVESD	170	-
Government of Finland	142	1,593
United Nations Development Programme	-	235
Foundation Pro Victimis	-	106
German Society for International Cooperation	-	25
Foundation World Without Mines	148	64
Other	272	104
	40,168	24,920

3 Other income

	2017 £000	2016 £000
Management Support Services to The HALO Trust (USA), Inc.	457	399
Lease of field assets to The HALO Trust (USA), Inc.	25	82
Donations in kind	53	72
Sale of other assets	-	4
Gain on sale of fixed assets	45	5
Other	-	1
	580	563

4 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.

	Unrestricted	Support costs (note 6)	Subtotal	Restricted	Total
	£000	£000	£000	£000	£000
Afghanistan	116	701	817	9,077	9,894
Angola	49	22	71	242	313
Burma	10	31	41	398	439
Bosnia	-	-	-	4	4
Cambodia	11	256	267	3,351	3,618
Colombia	9	241	250	3,154	3,404
Democratic Rep of Congo	-	12	12	162	174
Georgia	20	45	65	570	635
Ivory Coast	-	87	87	1,141	1,228
Kosovo	-	20	20	257	277
Laos	75	82	157	993	1,150
Mozambique	14	5	19	53	72
Nagorno Karabakh	11	22	33	282	315
Somalia & Somaliland	(6)	409	403	5,336	5,769
Sri Lanka	-	118	118	1,552	1,670
Syria	88	33	121	348	469
Ukraine	5	161	166	2,107	2,273
West Bank	44	63	107	782	889
Zimbabwe	5	217	222	2,843	3,065
Other	14	15	29	101	130
Total	465	2,540	3,005	32,783	35,788

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

5 Charitable activities: sub-granted

The HALO Trust was the lead partner in a consortium to deliver a Department for International Development (UK) contract (see note 2). The sub-grantees received the following grant values in the year (2016: Nil);

	2017 £000
Mines Advisory Group	3,454
Norwegian People's Aid	769
	<u>4,223</u>

6 Support costs

	2017 £000	2016 £000
Support staff remuneration	1,562	1,385
Adjustments relating to pension obligations	12	8
IT and telecommunications	40	123
Property costs	53	39
Travel	90	60
Fundraising and public awareness	101	64
Equipment	125	27
Vehicles	16	12
Depreciation of HQ assets	40	24
Communications and Public Relations	201	223
Governance costs	53	115
Foreign exchange losses	110	-
Other support costs	137	172
	<u>2,540</u>	<u>2,252</u>

All support costs relate to charitable activities.

7 Employee costs & numbers

	2017 £000	2016 £000
<i>Staff costs</i>		
National staff	16,505	11,923
UK-based employees and expatriate staff	4,292	3,916
Social security costs	299	283
Other costs and pension costs	16	15
	<u>21,112</u>	<u>16,137</u>
Re-charged to The HALO Trust (USA), Inc.	(991)	(1,129)
	<u>20,121</u>	<u>15,008</u>

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

	2017 Number	2016 Number
Administration	22	20
Direct project personnel	64	65
National staff *	4,960	4,111
	<u>5,046</u>	<u>4,196</u>

* The average monthly number of national staff (full-time equivalent) employed by both The HALO Trust and its related organisation The HALO Trust (USA), Inc. during the year was 6,222 (2016: 6,092). Those staff directly funded through The HALO Trust are noted above.

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

	2017 Number	2016 Number
£170,001 – £180,000	1	-
£140,001 – £150,000	-	1
£120,001 – £130,000	-	1
£110,001 – £120,000	1	2
£100,001 – £110,000	4	2
£90,001 – £100,000	3	4
£80,001 – £90,000	5	1
£70,001 – £80,000	6	3
£60,001 – £70,000	4	3
	24	17

Of the numbers listed above Key Management Personnel, defined as the Chief Executive Officer, Chief of Staff, Director of Strategy, Finance Director and Regional Directors, form 10 of the 24 employees in 2016/17 (2016: 9 of the 17 employees); the total benefits paid to these individuals was £1,063,000 (2016: £1,020,000).

The charity contributed £16,000 (2016: £14,000) to personal pension schemes on behalf of four (2016: four) employees.

8 Net incoming/(outgoing) expenditure

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

	2017 £000	2016 £000
Depreciation and other amounts written off tangible fixed assets (note 10)	455	464
<i>Auditor's remuneration</i>		
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	29	25
All other services; to include but not limited to Accountant's reports for donor grants and contracts	42	46

9 Transfer between funds

A transfer of £3,099,000 (2016 £1,329,000) was made from restricted to unrestricted funds predominantly for contributions from donors to the support costs of the Trust. These contributions are specified in each of the contracts undertaken, at percentages of the total contract value. The contribution is charged as direct project expenditure to restricted funds, and then transferred to unrestricted funds in the statement of financial activities.

10 Tangible fixed assets

	Land	Freehold property	Fixtures & fittings	Equipment	Motor vehicles	Field vehicles & equipment	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At beginning of year	109	205	32	87	109	1,762	2,304
Additions	-	0	7	48	40	4	99
Disposals	-	(64)	-	-	(15)	(112)	(191)
At end of year	109	141	39	135	134	1,654	2,212
Depreciation							
At beginning of year	-	150	25	82	83	934	1,274
Charge for year	-	5	6	14	17	413	455
Disposals	-	(21)	-	-	(11)	(28)	(60)
At end of year	-	134	31	96	89	1,319	1,669
Net book value							
At 31 March 2017	109	7	8	39	45	335	543
At 31 March 2016	109	55	7	-	26	829	1,026

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

11 Investments

	£000
Market value at 31 March 2016	934
Additions at cost	117
Disposals at opening market rate	(1,051)
Market value at 31 March 2017	-

12 Debtors

	2017 £000	2016 £000
Amounts owed by The HALO Trust (USA), Inc.	-	191
Other debtors	85	43
Prepayments	362	465
Accrued income	5,108	2,792
	<u>5,555</u>	<u>3,491</u>

13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	315	409
Taxation and social security	93	114
Other creditors	55	-
Accruals	1,667	637
Deferred income	17,474	3,704
	<u>19,604</u>	<u>4,864</u>

	2017 £000	2016 £000
<i>Deferred income:</i>		
Balance at start of period	3,704	3,124
Released during the year	(3,704)	(3,124)
Arising during the year	17,474	3,704
	<u>17,474</u>	<u>3,704</u>

14 Provision for liabilities and charges

	Pension obligations £000	Overseas severance liabilities £000	Total £000
At 31 March 2016	140	96	236
Utilised in the year	(20)	(233)	(253)
Provided in the year	12	293	305
	<u>132</u>	<u>156</u>	<u>288</u>
At 31 March 2017			

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, annual payments to staff in Somaliland, and payments to staff in Colombia which are payable throughout the year.

15 Unrestricted funds

	Balance at 31 March 2016 £000	Income £000	Expenditure £000	Other recognised gains and losses £000	Transfer from restricted funds (note 9) £000	Balance at 31 March 2017 £000
Revaluation reserve	154	-	-	(154)	-	-
Other unrestricted funds	5,056	716	(3,010)	234	3,099	6,095
	<u>5,210</u>	<u>716</u>	<u>(3,010)</u>	<u>(80)</u>	<u>3,099</u>	<u>6,095</u>

16 Restricted funds

	Balance at 31 March 2016 £000	Income £000	Expenditure £000	Transfers between funds £000	Balance at 31 March 2017 £000
Afghanistan	-	9,537	(9,078)	(459)	-
Angola	-	325	(242)	(83)	-
Burma	-	478	(397)	(81)	-
Bosnia	-	5	(3)	(2)	-
Cambodia	-	3,607	(3,351)	(256)	-
Central African Republic	-	119	77	(196)	-
Colombia	-	3,333	(3,154)	(179)	-
Democratic Rep of Congo	-	209	(162)	(47)	-
Georgia	-	559	(569)	10	-
Ivory Coast	-	1,606	(1,093)	(513)	-
Kosovo	-	275	(258)	(17)	-
Laos	-	978	(993)	15	-
Mozambique	-	84	(52)	(32)	-
Nagorno Karabakh	-	283	(281)	(2)	-
Somaliland	-	5,901	(5,365)	(536)	-
Sri Lanka	-	1,619	(1,552)	(67)	-
Syria	-	458	(348)	(110)	-
Ukraine	-	2,354	(2,107)	(247)	-
West Bank	-	884	(783)	(101)	-
Zimbabwe	-	3,156	(2,843)	(313)	-
Global	-	4,398	(4,401)	3	-
Residual costs *	253	19	(51)	114	335
	<u>253</u>	<u>40,187</u>	<u>(37,006)</u>	<u>(3,099)</u>	<u>335</u>

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

17 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	-	1,201	(3,890)	2,689	-	-
Angola	-	37	(558)	521	-	-
Burma	-	86	--	(86)	-	-
Bosnia	-	5	-	(5)	-	-
Cambodia	-	123	(1,346)	1,223	-	-
Colombia	-	31	(3,324)	3,293	-	-
Ivory Coast	-	5	(67)	62	-	-
Georgia	-	-	(267)	267	-	-
Kosovo	-	56	(624)	568	-	-
Laos	-	-	(2,650)	2,650	-	-
Nagorno Karabakh	-	35	(508)	473	-	-
Somaliland	-	988	(1,097)	109	-	-
Sri Lanka	-	-	(1,150)	1,150	-	-
Syria	-	166	(566)	400	-	-
Ukraine	-	345	(9)	(336)	-	-
West Bank	-	34	(86)	52	-	-
Zimbabwe	-	523	(1,288)	765	-	-
Other (global)	-	1,473	(44)	(1,429)	-	-
Residual costs	-	-	-	335	-	335
		5,108	(17,474)	12,701		335
<i>Unrestricted funds</i>	543	-	-	5,840	(288)	6,095
Total	543	5,108	(17,474)	18,541	(288)	6,430

18 Related party transactions

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

	Transactions in year £000	Outstanding at year end £000
Salary costs recharged (note 7)	991	44
Other expenses	713	(123)
Management Support Services (see note 3)	457	-
	2,161	(79)

In addition to these transactions The HALO Trust (USA), Inc. sub-granted £13,864,000 (2016:Nil) of grant income to The HALO Trust. £4,706,000 of this was expended in the year, £72,000 was accrued in the year and £9,230,000 was deferred for expenditure in the next financial year.

19 Commitments

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

20 Connected Companies

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

50 Broadway
London
SW1H 0BL

21 Donor Specific Reporting

21.1 Irish Aid

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

	2017 Number	2016 Number
€210,001 – €220,000	1	
€180,001 – €190,000	-	1
€150,001 – €160,000	-	3
€130,001 – €140,000	1	2
€120,001 – €130,000	4	4
€110,001 – €120,000	2	
€100,001 – €110,000	3	1
€90,001 – €100,000	3	3
€80,001 – €90,000	5	2
€70,001 – €80,000	4	4
€60,001 – €70,000	3	7
	26	27

21.2 UK Foreign and Commonwealth Office

As detailed in note 2, the UK Foreign and Commonwealth Office granted The HALO Trust income in West Bank, Nagorno Karabakh, and Georgia. The total value of grant income recognised in the year was £352,000 (2016: £611,000).

Proforma Euro accounts
Unaudited statement of financial activities
(including an income and expenditure account)
For the year ended 31 March 2017

Average rate £1:€1.1775 (2016 £1:€1.27409)

	Unrestricted funds €000	Restricted funds €000	2017 Total €000	2016 Total €000
Income from				
Donations and legacies	151	47,298	47,449	34,204
Income from investments	9	22	31	27
Other income	683	-	683	769
Total income	843	47,320	48,163	35,000
Expenditure on				
Investment management costs	6	-	6	11
Charitable activities	3,540	38,602	42,142	36,263
Charitable activities: Sub-granted		4,973	4,973	-
Total Expenditure	3,546	43,575	47,121	36,274
Net (expenditure)/income on operating activities	(2,703)	3,745	1,042	(1,274)
Net gains and (losses) on investments	94	-	94	(14)
Net (expenditure)/income before tax	(2,609)	3,745	1,136	(1,288)
Tax payable	-	-	-	-
Net (expenditure)/income	(2,609)	3,745	1,136	(1,288)
Transfers between funds	3,650	(3,650)	-	-
Net movements in funds	1,041	95	1,136	(1,288)
Reconciliation of funds				
Total funds brought forward at 1 April 2016	6,628	322	6,950	8664
Retranslation movements	(637)	(32)	(669)	88
Total funds carried forward at 31 March 2017	7,032	385	7,417	6,950

Proforma Euro accounts
Unaudited balance sheet
as at 31 March 2017

Year end rate £1:€1.154 (2016 £1:€1.36698)

	2017		2016	
	€000	€000	€000	€000
Fixed assets				
Tangible assets		627		1,310
Investments		-		1,188
		627		2,499
Current assets				
Stock	153		363	
Debtors	6,410		4,441	
Cash at bank	23,184		6,136	
	29,747		10,939	
Creditors: amounts falling due within one year	(22,624)		(6,188)	
Net current assets		7,123		4,752
Total assets less current liabilities		7,750		7,250
Provisions for liabilities		(333)		(300)
Net assets		7,417		6,950
Funds				
<i>Unrestricted funds</i>				
General		7,032		6,432
Revaluation reserve		0		196
		7,032		6,628
Restricted funds		385		322
Total funds		7,417		6,950

Proforma US\$ accounts
Unaudited statement of financial activities
(including an income and expenditure account)
For the year ended 31 March 2017

Average rate £1:US\$1.29 (2016 £1:US\$1.50797)

	Unrestricted funds US\$000	Restricted funds US\$000	2017 Total US\$000	2016 Total US\$000
Income from				
Donations and legacies	165	51,817	51,982	37,766
Income from investments	11	25	36	31
Other income	749	-	749	849
Total income	925	51,842	52,767	38,646
Expenditure on				
Investment management costs	6	-	6	12
Charitable activities	3,878	42,290	46,168	40,039
Charitable activities: Sub-granted		5,448	5,448	-
Total Expenditure	3,884	47,738	51,622	40,051
Net (expenditure)/income on operating activities	(2,959)	4,104	1,145	(1,405)
Net gains and (losses) on investments	104	-	104	(15)
Net (expenditure)/income before tax	(2,855)	4,104	1,249	(1,420)
Tax payable	-	-	-	-
Net (expenditure)/income	(2,855)	4,104	1,249	(1,420)
Transfers between funds	3,998	(3,998)	-	-
Net movements in funds	1,142	106	1,249	(1,420)
Reconciliation of funds				
Total funds brought forward at 1 April 2016	7,499	365	7,864	9,501
Retranslation movements	(1,054)	(54)	(1,108)	(217)
Total funds carried forward at 31 March 2017	7,588	417	8,005	7,864

Proforma US\$ accounts
Unaudited balance sheet
as at 31 March 2017

Year end £1:US\$1.245 (2016 £1:US\$1.43927)

	2017 US\$000	2016 US\$000
Fixed assets		
Tangible assets	677	1,483
Investments	-	1,345
	<u>676</u>	<u>2,828</u>
Current assets		
Stock	166	410
Debtors	6,915	5,025
Cash at bank	25,013	6,942
	<u>32,093</u>	<u>12,377</u>
Creditors: amounts falling due within one year	(24,407)	(7,001)
	<u>7,687</u>	<u>5,376</u>
Net current assets		
	<u>8,364</u>	<u>8,204</u>
Total assets less current liabilities		
Provisions for liabilities	(359)	(340)
	<u>8,005</u>	<u>7,864</u>
Net assets		
Funds		
<i>Unrestricted funds</i>		
General	7,588	7,278
Revaluation reserve	0	221
	<u>7,588</u>	<u>7,499</u>
Restricted funds	417	365
	<u>8,005</u>	<u>7,864</u>
Total funds		