

The HALO Trust

Annual report and financial statements

Company number 2228587

Charity registration numbers

1001813 and SC037870

31 March 2016

Contents

Trustees' annual report	1
Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements	20
Independent auditor's report to the trustees and members of The HALO Trust	21
Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Notes	25

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 2016.

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 Tom Bradby (resigned 9 October 2015) Tim Church FCA (appointed 10 June 2016) Simon Conway (resigned 30 June 2015) Colonel Jane Davis OBE QVRM TD DL RGN Jamie Lowther-Pinkerton LVO MBE (resigned 1 February 2016) Cindy McCain (resigned 6 December 2015) Michael Merton FCA ACT Paddy Nicoll (appointed 8 September 2015) Mark Sedwill CMG (appointed 29 July 2015) 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 191 West George Street Glasgow G2 2LJ	
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 HALO Trust has delivered extraordinary success over the last quarter of a century, and it is dedicated to sustaining this success for the next 25 years. To that end, HALO has undergone significant changes in recent times, including a re-structuring of the leadership team and the appointment of a new Chief Executive Officer. We have also added new Board members who bring skills and experience from which The HALO Trust can benefit.

These changes are a necessary response to a rapidly evolving world in which new challenges arise all the time. The Middle East crisis is perhaps the most acute example and HALO is preparing to put its expertise to good use clearing the debris of war in Syria once the circumstances allow. Similarly, in Ukraine, many parts of Africa and Colombia, HALO is ready to make a difference and will do the same in other countries and regions when the time comes.

HALO's core role has always been to remove the threat of landmines and this will continue to be the case. But recent conflicts have involved a broader mix of weapons and ammunition including small arms, cluster munitions, improvised explosive devices (IEDs), artillery munitions, bombs, rockets and missiles – these are causing many more casualties and, in turn, are fuelling the refugee crisis. HALO is evolving rapidly to deal with all these threats and has therefore adjusted its mission statement as follows:

“To lead the effort to protect lives and restore livelihoods for those threatened by landmines and the debris of war”.

But this is not to underplay the legacy of landmines, which continue to exercise a toxic humanitarian effect in many of the countries in which HALO operates. In September 2015, Mozambique was declared mine free. HALO is proud of the significant role it played in achieving this historic goal through the destruction of 171,076 mines and numerous other munitions over a 22-year period. HALO is determined to deliver a similar result in other mine-affected countries. It does, however, recognise that some donor countries have had to shift their emphasis towards resolution of the Middle East crisis.

HALO is therefore working hard to concentrate resources on those countries that remain most affected by landmines and which may be forgotten as attention concentrates on the Middle East. While 80% of Afghanistan's landmines have been destroyed, 20% have not and casualties have begun to rise, largely as a result of the threat from Improvised Explosive Devices (IEDs). HALO knows that it can remove the remaining mines and, in the process, give jobs to Afghans who might otherwise become victims, insurgents or refugees – but only if the right resources are available. In Angola, Cambodia and Sri Lanka, to list three of our largest operations, HALO wishes to grow its workforce to free these countries from the landmine threat, in exactly the same way that it did in Mozambique.

HALO believes it is not enough for the international community to have set 2025 as the target for ridding the world of landmines – we want to work with other operators, donors and organisations to determine the road map to 2025, with countries prioritised and waypoints established in each year between now and the target date.

One of HALO's key themes is a determination to work with, rather than in isolation from, other participants. To this end, this year HALO formed a ground-breaking consortium with The Mines Advisory Group (MAG) and Norwegian People's Aid (NPA) for work contracted by the UK Department for International Development (DFID) in Zimbabwe, Somalia, South Sudan and Burma. Similarly, in Afghanistan, HALO has signed memoranda of understanding with several NGOs to deliver broader developmental goals. HALO is also working closely with our principal donors to build coherent funding solutions in all our countries.

But while governmental support will continue to be the mainstay of HALO's funding, we are looking to develop other sources of revenue from private and corporate donors. Next year marks the twentieth anniversary of Diana, Princess of Wales's declaration of support for HALO and humanitarian de-

mining. Two decades on, the world is still affected by landmines. Never has there been a better time to get behind HALO and to support its work to rid the world of landmines.

All this amounts to a period of considerable change in the strategic landscape. So that HALO can get ahead of a rapidly evolving world, a series of initiatives are underway to make the charity fit for the coming era. To that end, the headquarters has been reinforced with new capabilities to plan future commitments, run current operations, and establish support structures that are a necessary part of any forward thinking organisation. By necessity, these capabilities come at a cost. The Board takes the view that this is a wise investment in the future: through these reforms HALO's capacity to meet a growing humanitarian need will be enhanced.

My thanks go to all of HALO's staff in whichever country they operate. Their dedication and professionalism is inspiring and courageous. I would also like to thank our partners and donors, whether they be supra-national organisations such as the UN and EU, national governments, or the growing body of private citizens and organisations who support our work; without your help our humanitarian achievements would not be possible.



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. Achievements and performance

HALO Outputs Worldwide

Description	FY 2015 / 2016	Cumulative total 1988 - 2016
Minefield area cleared	4,150 ha (10,254 acres)	44,217 ha (109,262 acres)
Battle Area Clearance	3,552 ha (8,776 acres)	154,136 ha (380.878 acres)
Landmines destroyed	37,896	1,595,707
Unexploded Ordnance (UXO) destroyed	154,398	11,564,300
Cluster munitions destroyed	6,550	213,342
Small Arms Ammunition destroyed	587,733	55,176,195
Armouries and/or ammunition storages built, rebuilt or rehabilitated	22	172
Small arms and light weapons destroyed	12,424	183,190
Explosive ordnance disposal call-outs	8,085	67,307

In the financial year 2014/15 HALO teams cleared 29,769 mines from densely laid minebelts along the Mozambique/Zimbabwe border in Tete province. By contrast, during the financial year 2015/16, operations in Mozambique were nearing completion, and HALO cleared 1,202 mines in the months leading up to September 2015, when Mozambique was finally declared mine impact free. Therefore, the completion of Mozambique operations is directly attributable to the drop in HALO's global outputs between these financial years. There was no significant change to any other HALO programme outputs during this period. As HALO's work in Zimbabwe picks up, we anticipate our mine clearance rates returning to the norm.

HALO is committed to a rigorous monitoring and evaluation process to ensure accurate measurement of the impact of its work across all countries. HALO's record to date positions it clearly as market leader as the critical work of measuring impact grows in sophistication.

Programmes

Afghanistan

Afghanistan continues to be one of the world's most mine-affected countries, where 60,000 hectares of work remains on the national contamination database - 4,200 hazardous areas impacting 1,500 villages in 254 of 400 districts. An additional 99,000 hectares of International Security Assistance Force (ISAF) firing ranges are being cleared. Civilian casualties from legacy mines/UXO have dropped to 28 per month, but that figure rises to 100 per month if IEDs are included. District level insurgency and local criminality is limiting the deployment of HALO teams on to high priority tasks in certain provinces. HALO counters with intensive liaison, communicating neutrality and work opportunities for 'males of fighting age' through village councils to Taliban district commanders. In 2015/16, HALO cleared over 2,000 hectares of high priority community land across 12 provinces, an important contribution to the national effort; but six vehicles, 41 detectors, plus radios and other ancillaries were stolen during various armed assaults on HALO teams. Some of these incidents involved the abduction of HALO national staff, though all were later released unharmed. In one ambush directed at Afghan Security Forces, two HALO staff lost their lives in the ensuing crossfire.

Funding from HALO's core donors (UK, Norway, Finland, The Netherlands, Ireland, Germany, Japan, Canada) continues but funding through the UN managed Voluntary Trust Fund has declined markedly. From a 2012 high of 3,800 national staff the programme is working hard to remain at 2,400. Vehicles and detectors to return the programme to 4,000 staff are available and HALO is seeking the funding to use them. HALO has signed innovative partnership memoranda of understanding with three long-standing development NGOs operating in Afghanistan to help seek new funding opportunities, aligning mine and UXO clearance operations with follow-on development projects in impacted communities. And very positively, the Afghan Government has assumed formal coordination and control of all civilian clearance operations through the Directorate for Mine Action Coordination (DMAC), and published a new national strategic mine action plan.

In Afghanistan our Weapons and Ammunition Disposal and Conventional Weapons Destruction teams continue to locate and destroy about 800 tonnes of munitions per year.

Angola

In 2015, HALO Angola cleared over 135 hectares of land, destroyed 3,958 mines and 1,527 items of explosive ordnance and reduced the anti-vehicle mine threat on 59km of road. The programme's weapons and ammunition disposal teams cut up 9,770 weapons, destroyed over 36 tonnes of explosive ordnance and over eight tonnes of bullets. Work continued in support of both local communities and the Angolan government.

While the Angola programme continues to deliver effective operations and address unrealised needs, it has been facing decreasing levels of support since 2008 and, with that, a reduction in capacity. In 2015 efforts to reverse this and to raise awareness of Angola's needs have continued. In October, James Cowan (CEO) and Anthony Bird (Trustee) visited Angola and met the Minister for Territories, the head of the Angolan mine action authority and a number of ambassadors. Angolan government officials reaffirmed the requirement for international support for mine clearance, particularly in light of Angola's economic challenges.

The Angolan programme has been helped significantly by the visit in December of Under Secretary Rose Gottemoeller of the United States, and by joint statements made by HALO with MAG and NPA in February to the international mine action community. These efforts will need to be built upon but there have been signs of progress - in early 2016 the US Department of State, Political Military/Weapons Removal and Abatement (PM/WRA) and the Swiss Government along with Digger

DTR – Demining Technologies and the Geneva International Centre for Humanitarian Demining (GICHD) are partnering with HALO to make Huambo province mine impact free. If successful, Huambo could be one of the first of eighteen provinces in Angola to be completed.

In addition, HALO is continuing to re-survey provinces outside its traditional area of operations, to assist Angola in articulating the size of its mines problem. This is important for its upcoming request to the Anti-Personnel Mine Ban Convention for more time to solve its mines problem, which is due in 2017. Following completion of survey in Kwanza Sul and Huila provinces in 2015, HALO is extending into Namibe and Cunene provinces. While the majority of the programme's mine clearance capacity has been focused in Kuando Kubango, HALO has decided to move the operational focus in the Plan'alto region from Bié to Huambo to complete work in the province. Weapons and ammunition disposal teams continue to have a role in supporting the police and military forces across the country. Work in 2015 has included improvements to ammunition storage facilities in Huambo town. This work is expected to expand in 2016 to include the construction of new facilities to safeguard military stocks and to protect local civilian population.

Armenia

HALO's project in Armenia was completed in October 2015 having achieved its objective of leaving in place a trained, experienced, self-managing national mine clearance capacity.

To achieve this, HALO trained 64 staff from the Peace Keeping Engineering Battalion (PKEB). Minefield management courses were run for ten staff, who were then mentored by HALO's managers in running minefield operations. HALO's supervision was gradually reduced and then removed at the point at which HALO was confident that these team leaders could manage safe, effective mine clearance without external support.

In addition, two PKEB staff and two from Armenia's Centre for Humanitarian De-mining and Expertise were given ordnance disposal training to a level suitable for all unexploded ordnance encountered in Armenia.

Burma

2015 was a dramatic year for Burma with the election of the National League for Democracy. While many of the political obstacles that prevented mine clearance in the past remain, HALO hopes that this new era will allow for increased activity beyond risk education and victim assistance in one of the most heavily impacted countries in the world.

After numerous delays HALO eventually achieved formal recognition by the Department of Social Welfare, enabling us to implement projects in Burma. HALO signed a contract with the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) to begin mine risk education, first aid training and casualty evacuation in Northern Shan. This is being conducted through two community based organisations using a 'train the trainers' model, with HALO staff giving oversight and quality assurance.

HALO has opened a small office and recruited two new members of staff in the town of Lashio to facilitate this. Northern Shan has seen conflict throughout 2015 so HALO has delivered risk education to the recently displaced. While this contract was not enough to cover the full costs of the programme, HALO anticipates other donors' support throughout the course of 2016.

HALO continues to be an active participant in the national technical working group, delivering technical support and making the case for expanded mine action activities.

Cambodia

HALO Cambodia continues to focus clearance on the most heavily mine impacted areas of northwest Cambodia, including Battambang, Banteay Meanchey, Otdar Meanchay and Pailin. 2015 saw an expansion into the province of Pursat using additional funds from the US Department of State. Five teams are working in Pursat where very little mine clearance has taken place by virtue of its remote location. The clearance of nearly 1,300 hectares of mined land has benefitted over 130,000 people both directly and indirectly and, in so doing, HALO has destroyed over 5,000 mines and nearly 6,000 items of ordnance. Baseline and post-clearance data collection has enabled better task prioritisation, factoring socio-economic benefit alongside human security.

The Government of Finland has stopped funding mine-clearance in Cambodia after many years of support, however the award of a grant from the German Federal Foreign Office has meant that the capacity of the programme has not diminished.

The casualty trend is towards an increase in anti-tank mine accidents, largely as a result of the mechanisation of agriculture in Cambodia. HALO has responded by allocating additional survey and clearance teams to counter this threat as the majority of accidents occur outside recognised mined areas.

Land pressure continues to increase with rural migration and the development of a new highway along the border. This has led to increased pressure to clear large areas of the border minefields. HALO remains the only organisation allocating significant resources to these dense anti-personnel minefields. A Joint Border Commission will hopefully now enable further clearance along the border by putting in place a formal structure for applications. This Commission will allow us to work closely with the Cambodian Authorities to prioritise the remaining minefields in Cambodia and establish a credible plan for completion by 2025.

Central African Republic (CAR)

HALO has worked in Central African Republic since 2014, providing one ammunition disposal team and one weapons stockpile management team in support of the United Nations Mine Action Service (UNMAS). HALO continued to respond to call-outs across Bangui, destroying or removing dangerous explosives from residential areas. 157 call outs were conducted in Bangui and surrounding areas between April 2015 and March 2016. In addition, HALO teams cleared seven tonnes of degraded ammunition and explosives from Camp Beal, located near the centre of Bangui, which would have affected up to 10,000 residents in the event of an explosion.

In June 2015, HALO secured a United Nations funded short-term project for weapons safety, marking and recording. An instructional team provided a national database and delivered training to students from the national army, police and gendarmerie, enhancing national capacity for improving security of weapons in the country. In September 2015 the team deployed to Birao, 800 kilometres north-east from the capital; it safely destroyed over 130 tonnes of explosives and thousands of detonators which had been left behind by a Chinese mining company on the eve of the December 2012 conflict. This explosive material was left in unguarded shipping containers, on the outskirts of the town. Meanwhile, HALO's weapons and ammunition management team segregated and re-stocked over 80 tonnes of ammunition at Camp de Roux, near the centre of Bangui, minimizing the hazard of an unplanned explosion.

After peaceful presidential and parliamentary elections in March 2016, HALO expects to see further political stabilization and improvement of security in country, which would allow continuation of our activities outside Bangui, including weapons and ammunition assessments in preparation for the 2016/2017 project. The current two-year contract with UNMAS ends in June 2016 and HALO is actively pursuing funding opportunities with the UN and other bilateral donors.

Colombia

Colombia is potentially on the brink of a historic peace deal. After more than 50 years of conflict between the government and the FARC, the world's most-enduring guerrilla organisation, leaders of the two sides are widely expected to close protracted negotiations by signing a peace agreement this year. Besides the symbolism of the deal for a country seeking justice and truth for its eight million registered victims, the practical implications for de-mining will be tangible and far-reaching. The national mine action authority, DAICMA's, post-conflict action plan is of particular interest as it will allow operators to intervene in 44 high-impact municipalities earmarked as part of a rapid response strategy. HALO is currently the only accredited civilian de-mining operator in the country, and while others are likely to become accredited, our longevity in-country means our stock is high.

HALO has declared its interest in eleven of the high-impact municipalities and has plans for substantial internal growth to meet future operational and administrative requirements. The programme currently employs 250 national staff across three field locations and the central office in Bogotá.

As a minimum, the workforce will have to double and a new operations base will be needed in the department of Cauca. This fragile department accounts for the greatest indigenous and Afro-Colombian populations in Colombia, having an IDP count of over 100,000. Cauca's demographic diversity will present a new and complex challenge, but also an interesting opportunity for growth and greater humanitarian impact in the country that has ranked second in terms of landmine victims and internally displaced people for the last five years.

Democratic Republic of Congo

The HALO Trust was contracted to conduct training for the Congolese National Police in the Democratic Republic of Congo over a five-week period. Twenty police personnel were instructed in basic weapons safety and handling and trained to provide instruction in this field. In addition, 43 students were instructed in weapons and ammunition management to enable them to manage armouries to the right standard. 33 students were instructed on weapons inventory databases and marking of weapons; both courses were in accordance with national requirements and international guidelines. The students were selected from the National Police Training School, the Police Technical and Scientific Branch and the Weapons and Ammunition Logistics Division. In the short to medium term HALO's work in DRC will take place as funding for projects arises. HALO will actively explore opportunities to establish a permanent weapons and ammunition management project there.

Georgia (including Abkhazia)

Clearance of the former military firing range at Udabno continued throughout the year and should be completed in mid-2016. Upon completion, HALO will have cleared almost 7,000 hectares of land in the area.

After more than ten years of efforts to gain permission to clear Georgia's largest minefield, and the one with the greatest humanitarian impact, at Red Bridge on the border with Azerbaijan, this was granted in July 2015. But tensions on the border led to the suspension of operations the following month. HALO continues to work with the government of Georgia to resolve these problems.

In February 2016 HALO secured funding from Japan and the United States to clear a minefield at Chognari, close to Georgia's second city, Kutaisi. Clearance of the site will finish in early 2017 and this will leave Red Bridge as the only major minefield in Georgia.

The need for HALO's continued presence in Abkhazia was shown by 'call-outs' to deal with mines and ordnance at a rate of almost one a day in 2015. HALO Abkhazia retains its multi-ethnic composition and, as such, it has the confidence of all groups in the region. This results in ordnance being handed anonymously to HALO by members of all communities.

HALO continued its rehabilitation of road infrastructure in Abkhazia with the construction of a new bridge to the village of Tsarche. Previously, access to the village was by an improvised bridge constructed by the local people. The new triple-span bridge gives safe year-round access to the village.

Ivory Coast

Following the disputed presidential elections in 2010/11, civil unrest was fuelled by the looting of weapons and ammunition from poorly secured police and military armouries across the country. The resulting fighting led to the deaths of over 2,000 people. HALO's goal in the Ivory Coast is to reduce armed violence by protecting civilians from violent acts committed using unsecured weapons. HALO also aims to prevent accidental explosions of ageing and unstable ammunition that is all too often held in densely populated urban centres.

HALO supports the UN Mission with two explosive ordnance disposal teams tasked to destroy 126.6 metric tonnes of ammunition, held in ageing government stockpiles. The teams also gave technical support to the last phase of the UN led Disarmament Demobilisation and Reintegration (DDR) mission which drew to a close in July 2015. Support from HALO led to the recovery and destruction of 2,422 weapons. Members of the civilian authority taking over responsibility for DDR – ComNat - were trained in the planning, operation and management of DDR events. This included the familiarisation of ComNat staff in the use of trailer mounted weapon cutting shears. An additional 3,243 weapon systems were collected and registered from the general public at ComNat DDR events, along with nearly half a million bullets and 7,604 explosive items.

HALO's Physical Security and Stockpile Management (PSSM) project has this year completed 22 armoury renovations and has 39 separate tasks in progress across the country. The effectiveness of this work was seen on three separate occasions when armouries, previously rehabilitated by HALO, were attacked and attempts made to enter and steal the weapons inside. All entry attempts failed and the weapons and ammunition remained secure - testament to the quality of work undertaken by HALO since 2011. HALO is seeking an extension of the current contract with UNMAS for the final year of the UN Mission. HALO anticipates playing a central role in the destruction of surplus ammunition left behind when the final UN peacekeeping troops pull out in 2017.

Kosovo

A substantial grant from a US-based private donor allowed HALO to continue operations in Kosovo with the same staffing as in previous years throughout 2015 and to expand operations in 2016. Without HALO's presence it is estimated that the clearance of all minefields and NATO cluster munition strikes in Kosovo will take 20 more years.

The donor will also provide up to half of the estimated \$6 million in matched funding to clear all minefields in Kosovo by 2020.

A grant from the US Department of Defense has introduced the dual sensor HSTAMIDS detector which is expected to improve clearance rates by at least 20%. HALO is eager to introduce this detector to Kosovo's national capacity to bring forward significantly the date at which Kosovo will be mine free.

Laos

HALO Laos continued to refine its operational procedures for both survey and clearance. There was a subsequent increase in the area cleared, by 60% to over 120 hectares, and an increase in the area surveyed to nearly 3,000 hectares. Almost 9,000 items of ordnance were in consequence destroyed. The programme expanded slightly with the award of a grant by the United Nations Development Programme (UNDP) to conduct survey in the Lako area, along the Laos-Vietnamese border. This directly benefitted over 5,000 people from rural communities.

To assist the national capacity in Laos and improve the allocation of resources, HALO has partnered with the local unexploded ordnance (UXO) office in Laos, providing it with surveyed areas to conduct clearance. This reinforces the view that clearance should be based upon evidence and represents a shift away from request-based clearance. Post-clearance land-use surveys also began in 2015 (twelve months after clearance). This has enabled HALO to articulate better the benefits of clearance to rural communities in Laos and enables better prioritisation for the future.

In 2015, HALO published the first national estimate of cluster munition contamination, based on survey data - distributed to donors, the national authority, and other operators and stakeholders. While there is a long way to go before the full extent is known (it is a best estimate given survey information at the time), it represents a significant step forward for the sector, fighting previous misconceptions about the amount of work left to do in Laos. HALO estimates that the area left to clear is between 100,000 and 200,000 hectares, as opposed to previous estimates of 8,700,000 hectares. HALO has worked closely with MAG and NPA in Laos to refine this data and produce a plan for a Nationwide Baseline Survey which would define the true extent of contamination in Laos.

HALO's programme in Laos has been funded during the year by DFID, the United States and the United Nations Development Programme (UNDP).

Mozambique

2015 has been a very significant year for HALO and for Mozambique's mine action programme. In September, the Government of Mozambique declared to the international community that it had reached compliance with Article 5 of the Anti-Personnel Mine Ban Convention by rendering all known mined areas no longer dangerous, a declaration that clearance of all of its minefields had been completed. This is a major achievement considering Mozambique was one of the most mine-affected countries in the world and demonstrates that solving a country's mines problem is achievable.

HALO has played a central role in this achievement since it began operations in 1994. HALO's contribution includes the clearance of 1,121 minefields and over 1,748 hectares of land, and the destruction of 171,076 mines and 25,257 pieces of ordnance. Clearance has assisted well in excess of a million beneficiaries and directly contributed to the re-building and development of Mozambique following its civil war. In excess of 1,600 Mozambican men and women, drawn from all ten provinces, have worked for HALO as part of this effort.

In August, HALO's last minefield was cleared under the Pungue Bridge in Sofala province. The bridge supports the Beira railway line connecting the port to Zimbabwe and other land-locked countries. It is a vital piece of infrastructure for trade and a key component of the Beira Agricultural Growth Corridor initiative which seeks to generate US\$1bn in annual revenues for Mozambique.

With the completion of this minefield, HALO has been preparing for its departure from Mozambique. Efforts have focused on demobilising staff, disposing of equipment and handing over vital records to the Government.

In 2015, HALO was able to demobilise the majority of its national staff and, with support from donors, (the US Department of State PM/WRA, DFID, Irish Aid and The Netherlands), offer a resettlement package, which included training in new skills to help them enter the wider job market.

HALO has continued to hold discussions with the Mozambique Government and donors to export surplus de-mining equipment to assist other affected countries, namely Zimbabwe, given its shared border minefields. Equipment disposal will be a key challenge in 2016.

HALO has taken care to hand over to the Government all of its mine action records held in two shipping containers. This important archive records HALO's interventions in Mozambique and forms a key reference resource.

While mine clearance operations ended in August, HALO was asked to assist the Mozambique Government in clearing some bunkers at an ammunition depot in the capital, heavily contaminated following a series of unplanned explosions. Given the complex nature of the task and the heavy restrictions put in place on operations, HALO developed procedures that could have utility in other built up areas with an ammunition problem, for instance in Syria.

In 2016, HALO will focus on the responsible closure of its programme in Mozambique.

Nagorno Karabakh

HALO is the only organisation to have conducted landmine clearance in Nagorno Karabakh since 2000.

The greatest challenge to HALO in Nagorno Karabakh in recent years has been reticence by government donors to fund mine clearance in territory currently controlled by Nagorno Karabakh but lying outside its boundary during the Soviet period. 85 per cent of the minefields remaining in Nagorno Karabakh are located in this territory. To resolve this, in 2015 HALO secured a grant and matched funding from a private donor based in the United States with the aim of clearing all minefields in Nagorno Karabakh by 2020. To release all matching funds HALO is seeking to find an additional \$3.6 million, having raised \$410,000 to date.

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.

HALO suspended operations during the fighting but resumed them with an emergency response two days after a ceasefire had been agreed. Mine clearance operations were restored three days later. HALO has identified some new cluster bomb contamination in Nagorno Karabakh as a result of the recent fighting; this covers an area of 200 to 300 hectares. These new threats are not expected to impact upon the cost and time estimates to clear the remaining minefields in Nagorno Karabakh.

The situation between Nagorno Karabakh and Azerbaijan is being monitored closely but HALO is confident of its ability to continue to work safely. Security precautions and evacuation procedures have been strengthened accordingly.

Somalia

Following 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 controlled in part by a number of non-state armed groups in addition to the Federal Government. This creates a difficult environment for HALO. In response to this unique challenge, HALO has established a firm presence in Southern Somalia during the year. HALO opened operational bases in Beletweyne (Hiran Province) in April 2015, Mogadishu in August 2015 and Abudwaq (Galmudug State) in January 2016 and employed over 90 staff in the process.

HALO is focused on clearance of landmines and dangerous explosive items along the border region with Ethiopia. Anti-personnel and anti-tank mines were laid along the border during the Ogaden War in the late 1970s and early 1980s and have remained un-surveyed and un-cleared since then. The continued presence of these unrecorded minefields is having considerable impact on rural communities who describe hundreds of accidents to humans and livestock.

Since deploying the first non-technical survey teams in August 2015 HALO has subsequently surveyed 1,103 hectares of suspected hazardous area in 71 separate tasks. Having secured funding from Japan via the UN's Voluntary Trust Fund, DFID and the German Federal Foreign Office, HALO began training the first de-miners in March 2016 while survey, demining and Explosive Ordnance Disposal (EOD) capacity will all be expanded later in 2016.

HALO's work in Southern Somalia is only beginning; additional donor funding is required to guarantee the sustainability of the project and ensure that hard-won progress and relationships are not lost in this challenging working environment.

Somaliland

HALO is the largest non-governmental organisation in Somaliland and is the only agency conducting mine clearance activities in this region. With over 600 staff based out of its operational hubs in Hargeisa and Burao, HALO is the third largest private sector employer in Somaliland.

Somaliland remains a stable influence in the wider region and continues to see conflict and armed violence decrease. 2015 has been the most productive year on record for the programme, with 290 hectares of contaminated ground cleared. 169 minefields still remain; these contain 574 hectares of land that requires full mine clearance and 868 hectares of land requiring a verification process to confirm the absence of mines.

The programme completed the importation of a Road Threat Reduction (RTR) unit from HALO Angola, which is now being used to verify areas of mined roads that present no evidence of mine-laying yet lie unused by local communities. In just three months 67 hectares of land was processed using the RTR asset alone, opening vital access roads that had remained unused for decades. The impact of HALO's historic work is seen clearly with victims of landmines and explosive devices at an all-time low during 2015, with just thirteen casualties being recorded for the year. This is a significant reduction from 44 victims in 2009. HALO's goal in Somaliland is to accelerate this downward trend and reduce the number of accident victims to zero while returning contaminated ground to productive use in the process.

HALO is collaborating with the Somaliland Mine Action Centre to develop a national strategy for mine action. This is a joint plan for the completion of all known minefields in Somaliland. The plan also outlines the transition of clearance responsibilities from HALO to the Somaliland Government's National De-mining Agency (NDA) due to take place during 2018. HALO wants to expand donor support to the Somaliland programme to ensure capacity is sustained and clearance continues at its current rate. As multi-sector humanitarian interventions in Southern Somalia become ever more viable, HALO finds itself working harder than ever to ensure that current donors remain engaged and focused on seeing Somaliland's clearance through to the end in 2018.

Sri Lanka

HALO continues to clear thousands of mines from some of the densest minefields in the world in northern Sri Lanka. In 2015, previously military occupied land in the Jaffna peninsula was released allowing the resettlement of some of the 35,000 remaining IDPs, many of whom have been displaced for over 20 years. HALO remains the only organisation with the mechanical equipment to conduct clearance in these areas. A new sand-screening trailer has enabled the clearance of large low-threat areas on the eastern coast. This has enabled manual clearance teams to concentrate their attention on the dense mine lines elsewhere. During 2015 HALO teams cleared over 80 hectares of high priority minefield and destroyed nearly 14,000 mines.

Political support from the new Government has remained strong in 2015: the Mine Action Centre has been brought under the Ministry for Resettlement and cabinet approval has been gained for Sri Lanka to accede to the Ottawa Mine Ban Treaty (although this has not yet been ratified). HALO worked closely with the Government to develop a strategy to clear all known minefields by 2020; however, additional

work is required to clarify the extent of the threat outside HALO's area of operations before a figure can be placed on how much this will cost. This will be finalised in 2016.

In 2015 HALO Sri Lanka suffered a sharp decline in donor funding and a significant gap between contracts from one of our stable donors. This, compounded by a strike, resulted in a reduction in the number of staff to 370. The total number of staff has since risen to over 480, with staff previously made redundant being re-recruited. 30% of HALO's staff in Sri Lanka are now women. HALO was awarded a grant of £110,000 from the UK FCO in recognition of the fact that, while the DFID contract had ended, the project was a notable success. HALO hopes that this will be followed by further grants in 2016.

Ukraine

In 2015/16 HALO established a humanitarian mine clearance programme in Ukraine to clear explosive remnants of war resulting from the recent conflict. Working under a memorandum of understanding with the government of Ukraine, HALO has recruited and trained civilians – largely from communities affected by the conflict – for the clearance of minefields and other contaminated sites in Eastern Ukraine. The Ukraine programme received support from HALO's existing programmes in the Caucasus in the form of equipment and Russian-speaking specialists, allowing a rapid growth to a capacity of over 80 operational staff by March 2016.

The United Nations estimates there to be about 1.5 million internally displaced persons in Ukraine resulting from the current conflict. The International Committee of the Red Cross estimates there to have been over 600 casualties caused by explosive remnants of war, almost all of them in the eastern regions of Donetsk and Luhansk. The full scale of the problem is not yet known, but HALO has six survey teams working to establish the extent and nature of the contamination and four trained and equipped clearance teams clearing high-priority sites. This capacity is expected to expand over the course of 2016.

The programme is generously supported by the United Kingdom, The Netherlands, Switzerland, Norway and the European Union.

West Bank

By January 2016 HALO had completed the clearance of two minefields in the West Bank: a-Nabi Elyas minefield in Qalqiliya District and Hussan minefield in Bethlehem District. Clearance involved a combination of mechanical and manual clearance methods and the safe destruction of over 700 anti-personnel and anti-tank mines at the two sites. Sixteen land-owning families have been able return to their land and use it in safety as a result.

The programme will continue to clear other high-priority minefields in the West Bank where mines laid in the 1950s and early 1960s, a period of Jordanian military control of the West Bank, continue to impact upon the lives and livelihoods of Palestinian civilians to the present day. HALO's team in the West Bank consists of Palestinian, Israeli, British and Georgian staff. HALO has begun a campaign to raise money for the clearance of the site of the Baptism of Christ on the banks of the River Jordan. Careful negotiation with Israelis, Palestinians and eight Christian denominations has resulted in agreement that clearance of this high profile site should proceed.

HALO works under the auspices of both the Israeli National Mine Action Authority and the Palestinian Mine Action Centre, with support from the following donor governments: the United States, the United Kingdom, The Netherlands and New Zealand.

Zimbabwe

2015 has seen HALO's capacity in Zimbabwe grow to a total of 182 staff and sixteen de-mining sections. This has been helped by continued support from the United States, Ireland and Japan, and support from new donors including World Without Mines and the Pro Victimis Foundation.

Operations have concentrated on Zimbabwe's northern border with Mozambique and to the east of the border crossing point at Mukumbura. The teams have been clearing one kilometre of linear frontage per month and have been tackling reinforced ploughshare belts and some isolated sections of the densely laid cordon sanitaire. Clearance continues directly in and beside communities, key access routes and resources. In the year, HALO's teams destroyed 6,618 mines, cleared fifteen minefields and over 42 hectares. HALO has responded to 41 call-outs, largely resulting in the destruction of mines rather than ordnance which remains scarce.

Relations continue to strengthen with the Zimbabwe authorities and local communities where the impact of the work is keenly felt. The programme recruits the majority of employees from the affected communities. It also supports the local economy through road rehabilitation, improved access to water sources and provision of prosthetics as part of its victim assistance project. HALO is also working with local partner Happy Readers to develop risk education books for children.

2016 should see significant growth in the capacity of the programme and an expansion of operations east to Rushinga with support from DFID. HALO wishes to introduce mechanical assets to the programme and remains hopeful that surplus de-mining equipment from Mozambique can be released for use in Zimbabwe.

2.2. Future plans

HALO will work with signatories of the Ottawa Treaty to promote funding for completion of clearance of all known mined areas by 2025. Building on the success of "Mine-Free Mozambique" HALO will promote a road map for completion of heavily affected states like Angola, Sri Lanka, Cambodia and Afghanistan.

HALO will continue to clear mines and explosive residue of war in forgotten and frozen conflicts. Particular emphasis will be placed on the completion of clearance of mined areas in Somaliland, Nagorno Karabakh and Kosovo.

HALO will launch a public-fundraising campaign to clear the mines and booby traps from the site of the Baptism of Christ on the western bank of the Jordan River.

HALO will expand its weapons and ammunition management programmes globally to assist fragile states to maintain weapons and ammunition in state inventories. In addition to the construction of armouries and ammunition stores, and the destruction of surplus weapons as part of formal disarmament processes, HALO will prioritise weapons marking and registration, national legislative compliance, and monitoring and mentoring of stockpile management.

HALO will work to develop new methods of assisting civilian communities either to give up or safely manage weapons, and thereby reduce the potential for armed violence.

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

HALO will continue to develop a remote management model to allow for safe and effective delivery of explosive ordnance disposal and improvised explosive device disposal in circumstances where conflict persists and the security situation limits the ability of HALO to operate. To this end, HALO will explore the viability of working in conflict-affected states including Libya, Yemen and Nigeria.

In a rapidly evolving strategic landscape, HALO will continue to modernise its internal structures so that it can deliver on its humanitarian mandate.

3. Structure, Governance and Management

Structure

The company is a registered charity (with the Charity Commission for England and Wales - no. 1001813 and with the Office of the Scottish Charity Regulator - no. SC037870) incorporated on 9 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.

Governance

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

The Board holds formal scheduled meetings at least four times a year in addition to an annual two-day cross briefing (ACB), as well as a number of ad hoc meetings. An audit committee, comprising two Trustees (Michael Merton FCA ACT and Anthony Bird), together with attendance by the Chairman, the Chief Executive and the Finance Director, assists the Board in discharging its obligations to ensure the adequacy of internal controls and the integrity of the financial statements.

Simon Conway resigned as a Director on 30 June 2015, Tom Bradby resigned as a Director on 9 October 2015, Cindy McCain resigned as a Director on 6 December 2015, and Jamie Lowther-Pinkerton resigned as a Director on 1 February 2016. Mark Sedwill was appointed as a Director on 29 July 2015 and Paddy Nicoll was appointed as a Director on 8 September 2015. The Trustees who were in office at 31 March 2016 and at the date of this report, including Paddy Beeley, Tim Church and Rupert Younger, appointed as Directors on 10 June 2016, 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 Nominating Committee, currently comprising Amanda Pullinger, Jane Davis and Paddy Nicoll, 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.

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 now has a Chief of Staff, responsible for the coordination of business; a Director of

Strategy, responsible for securing new business; a Finance Director; a Communications Director; and Regional Directors responsible for groups of countries; these are new roles and are designed to give HALO the means to run a large, complex and widely distributed organisation and plan for the future in a sophisticated and robust way. A Programme Manager, who reports to his/her 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 are managed within this framework, to ensure consistency and governance. Any pay increases awarded are based upon performance against key strategic priorities and personal objectives which support the vision and progression of HALO's strategy and work. This approach ensures that we retain and motivate key personnel while maintaining appropriate internal controls.

Employees

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

At 31 March 2016, The HALO Trust employed 5,853 national staff, 51 country-based expatriate field officers, the CEO plus ten Director grade and a further twenty non-operational support staff, and ten UK-based administrative staff in the headquarters in Scotland. The employment costs of HALO staff working on US funded grants and contracts are charged to the respective US donors in the accounts of The HALO Trust (USA), Inc. The emphasis on national staff recruited from conflict-affected communities means that the salaries and knowledge base remain in country and benefit those most in need.

HALO strives to be an equal opportunities employer and has policies and procedures in place to prevent all forms of unlawful and unfair discrimination.

4. Principal Risks and Uncertainties

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

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

The Trustees also review on a regular basis the major financial risks which the charity faces. By maintaining free reserves at the levels stated, and regularly reviewing the controls over key financial systems, HALO will ensure that it has sufficient resources in the event of adverse conditions.

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 applicable in the UK and Republic of Ireland published on 16 July 2014.

Financial Overview

The financial statements of the company can be found on pages 22 to 37. These financial statements have been prepared in accordance with current statutory requirements and the charity's governing document.

The application of the company's funds is detailed in notes 4 and 5 on page 29.

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

Total income in 2015/16 decreased by £1.35m from £26.98m to £25.63m. Expenditure decreased by £0.70m from £27.26m to £26.56m, including £0.715m (FY 2014/17 £1.761m) from HALO's reserves on supporting programmes, of which £0.439m was for depreciation on field vehicles and equipment. There was a net negative movement in funds of £0.943m (FY 2014/15 £0.887m). Full details of HALO's work in each programme are given under achievements and performance, section 2.1 of the Strategic Report, above.

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

Funding and Reserves

Total unrestricted funds at 31 March 2016 were £5.21m, compared with £6.17m at 31 March 2015. The Trustees consider HALO's free reserves to be £1.10m at 31 March 2016 (£1.95m at 31 March 2015), reflecting the resources readily available for unrestricted charitable use. Full details of HALO's reserves are shown in notes 16 and 17 of the financial statements. Included in the adjustments to calculate free reserves is the exclusion of accrued income, which comprises the debtor balances owing to HALO by government donors, being the value of expenditure already incurred by HALO. At 31 March 2016, accrued income stood at £2.79m (£2.66m and £2.73m, respectively at 31 March 2015 and 31 March 2014). These balances are normally collected within four to six weeks, so, although not immediately available and therefore not included as part of free reserves, they are close to being considered "free".

HALO's level of free reserves has decreased each year from a level of £4.79m at 31 March 2011. This is mainly because HALO has borne the cost of establishing new programmes and supported existing programmes by investing in vehicles and equipment or making good gaps in donor funding. HALO has ceased making material commitments to expenditure of this nature until results are achieved from the implementation of communications and fund raising measures aimed, inter alia, at building free reserves of The HALO Trust to a level of £6m and those of The HALO Trust (USA), Inc. to the USD equivalent of £3m (up from the USD equivalent of £1.65m at 31 March 2016). The combined total of £9m would cover three months of global direct costs for both The HALO Trust and The HALO Trust (USA), Inc.

Given the spread of government donors to HALO's work, it is unlikely that there would be a cessation of funding that would call for this level of free reserves. It will, however, ensure that HALO is able to respond quickly to emergency humanitarian situations, to start mine-clearance and related activities in new areas while the donor base is established, and to continue working in areas where there are gaps in donor funding, allowing continuity of teams and continuation of humanitarian aid.

During the year ended 31 March 2016, HALO's reserves supported the cost of establishing programmes in Burma and Ukraine, and in Turkey to enable work in Syria. These programmes have now all been awarded donor funding. HALO's reserves have also met unfunded expenditure on personnel, equipment and support costs in Kosovo (now fully funded), particular requirements in Afghanistan, Zimbabwe, Mozambique and Cambodia, and the cost of a reconnaissance in Guinea Bissau. Depreciation on vehicles and equipment owned by HALO and located overseas is charged to HALO's reserves against the respective programmes.

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.

Funds held in each programme are kept to a minimum, with the exception of awards that carry the obligation placed on HALO by the donor to keep such funding in the country for which it has been awarded.

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.

Investments

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

Relative performance against benchmarks:

	2015/16 % Change
Investment Portfolio	-1.3%
FTSE-All Share	-3.9%
FTSE All-World (excluding UK)	-0.2%
FTSE Government All Stocks	+3.3%

The asset allocation as at 31 March 2016 was 64% Equities, 12% Bonds, 5% Multi-Asset funds, 15% Alternatives, and 4% Cash. Trustees regularly review the investment policy and have agreed that the level of risk and return set out in the current policy continues to be appropriate. Should further funds be available in the future, the Trustees may seek to augment investments where appropriate.

Related Parties

The income of The HALO Trust (USA), Inc. was some \$21 million in 2015/16, similar to that in 2014/15. The financial results of The HALO Trust (USA), Inc. are not included here. Both organisations complement each other's activities and work together in the field in an effort to clear landmines and other debris of war around the world. The combined programmes spend of The HALO Trust and The HALO Trust (USA), Inc. in 2015/16 was some £39 million.

HALO UK 2015 Limited is the wholly owned trading subsidiary of The HALO Trust. During the year donations totalling £62,500 were made by HALO UK 2015 Limited to The HALO Trust.

Thanks

During the year, HALO projects were sponsored by the Governments of 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 Office for the Coordination of Humanitarian Affairs (UNOCHA), World Without Mines Switzerland, and numerous generous private donations. The United States remains our most generous donor, but US support features in the accounts of HALO USA.

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

The Trustees' report including the strategic report was approved by the Board.


Amanda Pullinger

10 June 2016

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 have 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 expenditure over income 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.

Disclosure of information to auditor

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

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

Auditor

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

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



Amanda Pullinger
Chairman



Michael Merton
Trustee

50 Broadway
London
SW1H 0BL

10 June 2016



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 2016 set out on pages 22 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

10 June 2016

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

Statement of financial activities
 (including an income and expenditure account)
 for the year ended 31 March 2016

	Notes	Unrestricted funds £000	Restricted funds £000	2016 Total £000	2015 Total £000
Income from					
Donations and legacies	2	124	24,920	25,044	26,495
Income from investments		12	8	20	13
Other income	3	563	-	563	467
Total income		699	24,928	25,627	26,975
Expenditure on					
Investment management costs		8	-	8	9
Charitable activities	4	2,852	23,585	26,437	27,596
Charitable activities: governance costs	6	115	-	115	350
Total Expenditure		2,975	23,585	26,560	27,955
Net gains and (losses) on investments		(10)	-	(10)	93
Net (expenditure)/income before tax		(2,286)	1,343	(943)	(887)
Tax payable		-	-	-	-
Net (expenditure)/income		(2,286)	1,343	(943)	(887)
Transfers between funds	9	1,329	(1,329)	-	-
Net movements in funds		(957)	14	(943)	(887)
Reconciliation of funds					
Total funds brought forward at 1 April 2015		6,167	239	6,406	7,293
Total funds carried forward at 31 March 2016		5,210	253	5,463	6,406

All of the charity's activities are continuing.

The notes on pages 25 to 37 form part of these financial statements

Balance sheet
as at 31 March 2016

	<i>Note</i>	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>10</i>		1,030		889
Investments	<i>11</i>		934		929
			<hr/>		<hr/>
			1,964		1,818
Current assets					
Stock		285		668	
Debtors	<i>12</i>	3,491		3,312	
Cash at bank		4,823		4,872	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	<i>13</i>	8,599 (4,864)		8,852 (3,959)	
		<hr/>		<hr/>	
Net current assets			3,735		4,893
			<hr/>		<hr/>
Total assets less current liabilities			5,699		6,711
Provisions for liabilities	<i>14</i>		(236)		(305)
			<hr/>		<hr/>
Net assets			5,463		6,406
			<hr/> <hr/>		<hr/> <hr/>
Funds					
<i>Unrestricted funds</i>					
General			5,056		5,994
Revaluation reserve			154		173
			<hr/>		<hr/>
Restricted funds	<i>15</i> <i>16</i>		5,210 253		6,167 239
			<hr/>		<hr/>
Total funds	<i>17</i>		5,463		6,406
			<hr/> <hr/>		<hr/> <hr/>

The notes on pages 25 to 37 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 10 June 2016 and were signed on its behalf by:



Amanda Pullinger
Chairman



Michael Merton
Trustee

Cash flow statement

For the year ended 31 March 2016

	2016 £000	2015 £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)	(933)	(980)
Adjustments for:		
Interest receivable	(3)	(3)
Investment income	(9)	(10)
Depreciation charges	464	323
Decrease in stock	383	131
Decrease/(increase) in debtors	(179)	546
Increase/(decrease) in creditors due within one year	905	(691)
(Decrease) in provisions for liabilities and charges	(69)	(23)
Net cash provided by (used in) operating activities	<u>559</u>	<u>(707)</u>

Cash flow statement

Cash flows from operating activities:

Net cash provided by/(used in) operating activities 559 (707)

Cash flows from financing activities:

Interest received	3	3
Investment income	9	10
<i>Net cash provided by financing activities</i>	12	13

Cash flows from investing activities:

Payments to acquire tangible fixed assets	(619)	(343)
Proceeds from sales of tangible fixed assets	15	81
Payments to acquire investments	(124)	(374)
Proceeds from sales of investments	108	816
<i>Net cash (used in)/provided by investing activities</i>	(620)	180

Change in cash and cash equivalents in the reporting period (49) (514)

Cash and cash equivalents at 1 April 2015 4,872 5,386

Cash and cash equivalents at 31 March 2016 4,823 4,872

Analysis of cash and cash equivalents

Cash at bank	4,781	4,322
Liquid resources	42	550
Total cash and cash equivalents	<u>4,823</u>	<u>4,872</u>

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.

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

Where contracts accounted for within restricted funds include contributions towards headquarters costs, an appropriate transfer is made of these contributions between restricted and unrestricted funds. Transfers between unrestricted and designated funds are considered and implemented when required.

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, costs of generating funds and governance costs. Charitable activities include all direct costs, salaries and other support costs of each international programme. Where this expenditure is funded by donors it is restricted expenditure as all donor contracts are included within restricted funds; other expenditure is included in unrestricted funds.

Support costs include all administration costs of the charity including the costs of the head office in the UK and are treated as unrestricted expenditure. 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, having a value to the business greater than one year, other than those acquired for the purpose of specific projects, are capitalised.

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

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

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

Stock

Stock represents items purchased by the charity for use in overseas projects where at the time of purchase the individual project has not been identified.

Until the respective item is charged to an individual project, all stock, including stock held outwith the UK, is held at lower of cost and net realisable value.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are re-translated monthly into sterling at the rates of exchange prevailing at the start of each month. Transactions in foreign currencies are recorded at the date of the transactions and translated to sterling at their monthly rate. At the year end, monetary assets and liabilities are translated to the actual rate on the last day of the year.

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

Notes (continued)

1 Accounting policies (continued)

Post-retirement benefits

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

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

Investments

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

Cash and liquid resources

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

Taxation

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

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

Overseas severance provisions

In certain programmes, when staff leave HALO either through redundancy or of their own volition, payments may be payable to those staff. Provision for these payments is included in donor contracts albeit the payments may fall outwith the contract period. Where payments are only due on redundancy these are included in restricted funds to allow funds to be available should the liability crystallise. Where payments are due to all employees who leave HALO's employment in a programme these are included in provisions for liabilities and charges.

Notes (continued)

2 Donations and legacies

	2016 £000	2015 £000
<i>Restricted</i>		
United Kingdom: Department for International Development	4,730	5,756
United Nations Mine Action Service	4,685	2,075
Royal Netherlands Government	3,019	3,044
The Federal Republic of Germany	2,797	3,074
Government of Finland	1,593	2,083
Irish Aid	1,562	2,237
European Commission	1,439	953
Embassy of Japan (in regional offices)	1,253	1,846
United Kingdom: Conflict Stability and Security Fund	700	-
United Kingdom: Foreign and Commonwealth Office	611	637
Norwegian Government	591	1,844
Government of Canada	583	334
iDE and the New Zealand Ministry of Foreign Affairs and Trade	526	664
United Nations, Office for the Coordination of Humanitarian Affairs	27	190
Government of Switzerland	270	104
United Nations Development Programme	235	50
Pro Victimis Foundation	106	-
German Society for International Cooperation	25	-
Belgian Government	-	195
Voluntary Trust Fund	-	1,212
Other	168	100
	<hr/>	<hr/>
Unrestricted	24,920	26,398
	124	97
	<hr/>	<hr/>
	25,044	26,495
	<hr/> <hr/>	<hr/> <hr/>

3 Other income

	2016 £000	2015 £000
Management Support Services to The HALO Trust (USA), Inc.	399	348
Lease of field assets to The HALO Trust (USA), Inc.	82	68
Donations in kind	72	24
Sale of other assets	4	16
Gain on sale of fixed assets	5	6
Other	1	5
	<hr/>	<hr/>
	563	467
	<hr/> <hr/>	<hr/> <hr/>

Management Support Services to The HALO Trust (USA), Inc. was previously reported as a credit against Support Costs (note 5), however in the year a fixed monthly fee for the provision of this service was agreed between The HALO Trust and The HALO Trust (USA), Inc. and the fees for this service are now recognised against other income. The comparative figures in note 3 above and note 5 have been adjusted accordingly.

Notes (continued)

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 through crucial road clearance and snow clearance and assisting with emergency resettlement of IDPs.

	Restricted	Unrestricted	Support costs (note 5)	Total
	£000	£000	£000	£000
Afghanistan	8,232	135	737	9,104
Angola	1,268	61	117	1,446
Burma	26	92	10	128
Cambodia	2,592	31	231	2,854
Central African Republic	533	21	49	603
Colombia	818	4	72	894
Democratic Rep of Congo	80	-	7	87
Georgia	507	18	46	571
Ivory Coast	1,137	5	100	1,242
Kosovo	162	32	17	211
Laos	522	65	52	639
Mozambique	720	24	65	809
Nagorno Karabakh	117	12	11	140
Somalia & Somaliland	3,595	80	323	3,998
Sri Lanka	689	-	61	750
Ukraine	730	13	65	808
West Bank	941	34	86	1061
Zimbabwe	771	26	70	867
Other	145	62	18	225
Total	23,585	715	2,137	26,437

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 5, which principally relate to headquarters costs and which cannot be allocated to contracts, are allocated on the basis of activity in each country.

5 Support costs

	2016 £000	2015 £000
Support staff remuneration	1,385	927
Adjustments relating to pension obligations	8	1
IT and telecommunications	123	72
Property costs	39	56
Travel	60	45
Fundraising and public awareness	64	23
Equipment	27	50
Vehicles	12	18
Depreciation of HQ assets	24	33
Communications and Public Relations	223	-
Documentary	-	42
Foreign exchange losses	-	121
Other support costs	172	142
	2,137	1,530

All support costs relate to charitable activities.

Notes (continued)

6 Charitable activities: governance costs

	2016 £000	2015 £000
Audit fee – external audit (see note 8)	25	25
Governance review and Articles review	-	31
Professional costs for transition	4	59
Search and selection for CEO	1	40
Strategy and company structure advice	-	16
Regulatory advice	23	-
Board expenses	23	37
Payments to Trustee* (including employer liabilities)	39	142
	<u>115</u>	<u>350</u>

During the year, one Trustee*, Simon Conway, received remuneration to fill the role of Executive Trustee pending the appointment of a new CEO, including advising and co-ordinating the actions of the Senior Management Committee, and visiting and reviewing, as deemed necessary, operations in overseas programmes. Simon Conway received £34,500; no other associated benefits were received. Consent to these payments was obtained from the Charity Commission as necessary. No further payments were made to Simon Conway in his capacity as Executive Trustee from 30 June 2015 after James Cowan took up his post of CEO full-time. Simon Conway is included in the employee bandings in note 7. Simon Conway resigned from the Board and became employed as the Director of Strategy from 1 July 2015.

Expenses of £23,000 (2015: £37,000) were paid to seven (2015: six) Trustees for travel and accommodation.

7 Employee Costs & Numbers

	2016 £000	2015 £000
<i>Staff costs</i>		
National staff	11,923	13,294
Compensation for loss of office	-	61
UK-based employees and expatriate staff	3,916	2,509
Social security costs	283	206
Other costs and pension costs	15	20
	<u>16,137</u>	<u>16,090</u>
Re-charged to The HALO Trust (USA), Inc.	(1,129)	(551)
	<u>15,008</u>	<u>15,539</u>

The figures include the salary costs of local staff incurred in the countries in which HALO operates. During the year ended 31 March 2016, approximately 4,111 (2015: 5,460) local staff were employed by The HALO Trust. This calculation excludes staff when they are working on US funded grants and contracts.

The increase in staff costs re-charged, for UK-based employees and expatriate staff, to The HALO Trust (USA), Inc. in the year was due to employees being paid from The HALO Trust, through its payroll software, instead of being paid directly by The HALO Trust (USA), Inc. This change in the method of payment, in addition to a greater number of UK-based employees and expatriate staff, explains the increase in cost from £2.509 million in the year ended 31 March 2015 to £3.916 million in the year ended 31 March 2016.

Notes (continued)

7 Employee Costs & Numbers (continued)

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

	2016 Number	2015 Number
Administration	20	13
Direct project personnel	65	45
	<u>85</u>	<u>58</u>

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

	2016 Number	2015 Number
£200,001 – £210,000	-	1
£140,001 – £150,000	1	-
£130,001 – £140,000	-	1
£120,001 – £130,000	1	-
£110,001 – £120,000	2	1
£100,001 – £110,000	2	3
£90,001 – £100,000	4	3
£80,001 – £90,000	1	1
£70,001 – £80,000	3	1
£60,001 – £70,000	3	3
	<u>17</u>	<u>14</u>

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 9 of the 17 employees in the year 2015/16; the total benefits paid to these individuals was £1,020,000.

The charity contributed £14,000 (2015: £20,000) to personal pension schemes on behalf of four (2015: four) employees.

8 Net incoming/(outgoing) expenditure

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

	2016 £000	2015 £000
Depreciation and other amounts written off tangible fixed assets	464	324
Auditor's remuneration		
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	25	25
All other services; to include but not limited to Accountant's reports for donor grants and contracts	46	83
	<u>46</u>	<u>83</u>

Notes (continued)

9 Transfer between funds

	Unrestricted £000	Restricted £000	Total £000
Headquarters costs	1,097	(1,097)	-
Expenditure support	232	(232)	-
	<u>1,329</u>	<u>(1,329)</u>	<u>-</u>

A transfer of £1,329,000 (2015 £1,997,000) 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 £000	Leasehold property £000	Freehold property £000	Fixtures & fittings £000	Equipment £000	Motor vehicles £000	Field Vehicles & Equipment £000	Total £000
<i>Cost</i>								
At beginning of year	109	5	202	32	81	154	1,162	1,745
Additions	-	-	3	-	6	-	610	619
Disposals	-	-	-	-	-	(45)	(10)	(55)
At end of year	<u>109</u>	<u>5</u>	<u>205</u>	<u>32</u>	<u>87</u>	<u>109</u>	<u>1,762</u>	<u>2,309</u>
<i>Depreciation</i>								
At beginning of year	-	5	141	21	81	108	500	856
Charge for year	-	-	9	4	2	10	439	464
Disposals	-	-	-	-	-	(35)	(6)	(41)
At end of year	<u>-</u>	<u>5</u>	<u>150</u>	<u>25</u>	<u>83</u>	<u>83</u>	<u>933</u>	<u>1,279</u>
<i>Net book value</i>								
At 31 March 2016	<u>109</u>	<u>-</u>	<u>55</u>	<u>7</u>	<u>-</u>	<u>26</u>	<u>829</u>	<u>1,030</u>
At 31 March 2015	<u>109</u>	<u>-</u>	<u>61</u>	<u>11</u>	<u>-</u>	<u>46</u>	<u>662</u>	<u>889</u>

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

Notes (continued)

11 Investments

	£000
Market value at 31 March 2015	929
Additions at cost	124
Disposals at opening market rate	(103)
Loss on revaluation of investments	(16)
Market value at 31 March 2016	<u>934</u>

Included in the cash flow statement for the year ended 31 March 2016 is the sum of £42,000 held by Cazenove Capital Management and described as liquid resources.

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

	£000
Majedie UK Equity Fund, Shs Class -X- GBP Accumulation,	49
J O Hambro UK Opportunities Fund, Shs Class -X- GBP Accumulation	54
Findlay Park American Fund	78
Brevan Howard Macro Ltd Shs GBP Income	54
First State Investment Global Emerging Market Leaders B GBP	47

12 Debtors

	2016	2015
	£000	£000
Amounts owed by The HALO Trust (USA), Inc.	191	220
Other debtors	43	46
Prepayments	465	388
Accrued income	2,792	2,658
	<u>3,491</u>	<u>3,312</u>

Notes (continued)

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	409	334
Taxation and social security	114	67
Other creditors	-	12
Accruals	637	422
Deferred income	3,704	3,124
	<u>4,864</u>	<u>3,959</u>

Deferred income

	2016 £000
At 31 March 2015	3,124
Released during the year	(3,124)
Arising during the year	3,704
	<u>3,704</u>

14 Provision for liabilities and charges

	Pension obligations £000	Overseas severance liabilities £000	Total £000
At 31 March 2015	152	153	305
Utilised in the year	(20)	(105)	(125)
Provided in the year	8	48	56
	<u>140</u>	<u>96</u>	<u>236</u>

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

Overseas severance and other employment liabilities relate to provisions for severance to employees when they leave HALO in Sri Lanka, 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 2015 £000	Income £000	Expenditure £000	Other recognised gains and losses £000	Transfer from restricted funds (note 9) £000	Balance at 31 March 2016 £000
Revaluation reserve	173	-	-	(19)	-	154
Other unrestricted funds	5,994	699	(2,975)	9	1,329	5,056
	<u>6,167</u>	<u>699</u>	<u>(2,975)</u>	<u>(10)</u>	<u>1,329</u>	<u>5,210</u>

Notes (continued)

16 Restricted funds

	Balance at 31 March 2015 £000	Income [*] £000	Expenditure [#] £000	Transfers between funds £000	Balance at 31 March 2016 £000
Afghanistan	-	8,575	(8,532)	(43)	-
Angola	-	1,296	(1,243)	(53)	-
Burma	-	27	(27)	-	-
Cambodia	-	2,687	(2,666)	(21)	-
Central African Republic	-	725	(711)	(14)	-
Colombia	-	961	(875)	(86)	-
Democratic Rep of Congo	-	91	(83)	(8)	-
Georgia	-	542	(521)	(21)	-
Ivory Coast	-	1,586	(1,372)	(214)	-
Kosovo	-	146	(145)	(1)	-
Laos	-	577	(574)	(3)	-
Mozambique	-	759	(775)	16	-
Nagorno Karabakh	-	118	(120)	2	-
Somaliland	-	3,673	(3,697)	24	-
Sri Lanka	-	712	(727)	15	-
Ukraine	-	767	(764)	(3)	-
West Bank	-	920	(976)	56	-
Zimbabwe	-	758	(765)	7	-
Residual costs [*]	239	8	(109)	115	253
	<u>239</u>	<u>24,928</u>	<u>(24,682)</u>	<u>(232)</u>	<u>253</u>

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

#: This includes the headquarters costs transfer of £1,329,000 described in note 9.

Notes (continued)

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	-	984	(943)	(41)	-	-
Angola	-	431	(21)	(410)	-	-
Burma	-	-	-	-	-	-
Cambodia	-	154	(211)	57	-	-
Central African Republic	-	54	-	(54)	-	-
Colombia	-	170	(462)	292	-	-
Democratic Republic of Congo	-	91	-	(91)	-	-
Ivory Coast	-	231	-	(231)	-	-
Kosovo	-	54	-	(54)	-	-
Laos	-	24	-	(24)	-	-
Mozambique	-	-	-	-	-	-
Nagorno Karabakh Georgia	-	-	(404)	404	-	-
Somaliland	-	307	(314)	7	-	-
Sri Lanka	-	110	(287)	177	-	-
Ukraine	-	2	(140)	138	-	-
West Bank	-	113	(341)	228	-	-
Zimbabwe	-	39	(559)	520	-	-
Other (global)	-	-	(22)	22	-	-
Residual costs	-	-	-	253	-	253
	-	2,764	(3,704)	1,193	-	253
<i>Unrestricted funds</i>	1,964	28	-	3,454	(236)	5,210
Total	1,964	2,792	(3,704)	4,647	(236)	5,463

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:

	2016 Transactions in year £000	2016 Outstanding at year end £000	2015 Transactions in year £000	2015 Outstanding at year end £000
Salary costs recharged	1,129	141	630	83
Other expenses paid on behalf of The HALO Trust (USA), Inc.	1,380	81	949	106
Expenses relating to The HALO Trust paid by The HALO Trust (USA), Inc.	(217)	(31)	(873)	(69)
Management Support Services	399	-	430	100
	2,691	191	1,136	220

Notes *(continued)*

19 Contingent liabilities

Under the terms of specific contracts entered into by the charity, certain assets purchased under contracts and cash balances unspent may be refundable to donors. The likelihood of any material such refunds is considered to be remote.

20 Commitments

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

21 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

22 Donor Specific Reporting

22.1 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:

	2016 Number
€180,001 – €190,000	1
€150,001 – €160,000	3
€130,001 – €140,000	2
€120,001 – €130,000	4
€100,001 – €110,000	1
€90,001 – €100,000	3
€80,001 – €90,000	2
€70,001 – €80,000	4
€60,001 – €70,000	7
	<hr/>
	27
	<hr/> <hr/>

22.2 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, Georgia and Colombia. The total value of grant income recognised in the year was £611,000 (2015 £637,000).

The HALO Trust
Pro forma US Dollar accounts
Unaudited statement of financial activities
(including an income and expenditure account)
for the year ended 31 March 2016

Average rate: £1:\$1.50797 (2015: £1:\$1.61326)

	Unrestricted funds \$000	Restricted funds \$000	2016 Total \$000	2015 Total \$000
Income from				
Donations and legacies				
Income from investments	187	37,579	37,766	42,743
Other income	19	12	31	21
	849	-	849	753
Total income				
	1,055	37,591	38,646	43,517
Expenditure on				
Investment management costs	12		12	15
Charitable activities	4,301	35,565	39,866	44,520
Charitable activities: governance costs	173	-	173	565
Total expenditure	4,486	35,565	40,051	45,100
Net gains and (losses) on investments	(15)	-	(15)	151
Net expenditure	(3,446)	2,026	(1,420)	(1,432)
Transfers between funds	2,004	(2,004)	-	-
Net movements in funds	(1,442)	22	(1,420)	(1,432)
Reconciliation of funds				
Total funds brought forward at 1 April 2015	9,146	355	9,501	12,133
Retranslation differences	(205)	(12)	(217)	(1,200)
Total funds carried forward at 31 March 2016	7,499	365	7,864	9,501

The HALO Trust
Pro forma US dollar accounts
Unaudited balance sheet
as at 31 March 2016

Closing rate: £1:\$1.43927 (2015: £1:\$1.48339)

	2016	2015
	\$000	\$000
Fixed assets		
Tangible assets	1,483	1,319
Investments	1,345	1,378
	<u>2,828</u>	<u>2,697</u>
Current assets		
Stock	410	989
Debtors	5,025	4,913
Cash at bank and in hand	6,942	7,227
	<u>12,377</u>	<u>13,129</u>
Creditors: amounts falling due within one year	(7,001)	(5,873)
	<u>5,376</u>	<u>7,256</u>
Net current assets		
	<u>5,376</u>	<u>7,256</u>
Total assets	<u>8,204</u>	<u>9,953</u>
Provisions for liabilities and charges	(340)	(452)
	<u>7,864</u>	<u>9,501</u>
Net assets	<u>7,864</u>	<u>9,501</u>
Funds		
Unrestricted funds	7,278	8,889
Revaluation reserve	221	257
	<u>7,499</u>	<u>9,146</u>
Restricted funds	365	355
	<u>7,864</u>	<u>9,501</u>
Total funds	<u>7,864</u>	<u>9,501</u>

The HALO Trust
Pro forma Euro accounts
Unaudited statement of financial activities
(including an income and expenditure account)
for the year ended 31 March 2016

Average rate: £1: €1.36575 (2015: £1: €1.27409)

	Unrestricted Funds €000	Restricted funds €000	2016 Total €000	2015 Total €000
Income from				
Donations and legacies	170	34,034	34,204	33,757
Income from investments	16	11	27	17
Other income	769	-	769	595
Total income	955	34,045	35,000	34,369
Expenditure on				
Investment management costs				
Charitable activities	11	-	11	11
Charitable activities: governance costs	3,895	32,211	36,106	35,157
	157	-	157	446
Total expenditure	4,063	32,211	36,274	35,614
Net gains and losses on investments	(14)	-	(14)	118
Net (outgoing)/incoming expenditure	(3,122)	1,834	(1,288)	(1,127)
Transfers between funds	1,851	(1,851)	-	-
Net movements in funds	(1,271)	(17)	(1,288)	(1,127)
Reconciliation of funds				
Total funds brought forward at 1 April 2015	8,432	326	8,758	8,824
Retranslation differences	(533)	13	(520)	1,061
Total funds carried forward at 31 March 2016	6,628	322	6,950	8,758

The HALO Trust
Pro forma Euro accounts
Unaudited balance sheet
as at 31 March 2016

Closing rate: £1: €1.27217 (2015: £1: €1.36698)

	€000	2016 €000	€000	2015 €000
Fixed assets				
Tangible assets		1,310		1,215
Investments		1,188		1,270
		<u>2,498</u>		<u>2,485</u>
Current assets				
Stock	363		911	
Debtors'	4,441		4,529	
Cash at bank and in hand	6,136		6,661	
	<u>10,940</u>		<u>12,101</u>	
Creditors: amounts falling due within one year	(6,188)		(5,412)	
		<u>4,752</u>		<u>6,689</u>
Net current assets		4,752		6,689
Total assets		<u>7,250</u>		<u>9,174</u>
Provisions for liabilities and charges		(300)		(416)
Net assets		<u>6,950</u>		<u>8,758</u>
Funds				
Unrestricted funds		6,432		8,195
Revaluation reserve		196		237
		<u>6,628</u>		<u>8,432</u>
Restricted funds		322		326
Total funds		<u>6,950</u>		<u>8,758</u>