

The HALO Trust
(a company limited by guarantee)

Annual report and financial statements
Company number 2228587
Charity registration numbers
1001813 and SC037870
31 March 2011

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Trustees' annual report

The Trustees, who are also directors of The HALO Trust for the purposes of the Companies Act 2006, present their annual report and the audited financial statements for the year ended 31 March 2011.

Reference and administrative information

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|-------------------------------------|--|--|---|
| 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 | T P McMullen (Chairman) A W Bird A L Grinling A J M Lowther-Pinkerton MVO MBE M R Merton FCA ACT A J G Wight OBE MC LVO | (appointed 29 October 2010) | (appointed 13 May 2010) |
| Chief Executive | G N J Willoughby | | |
| Secretary | N Fraser | | |
| Registered office | 125 Borough High Street London SE1 1NP | | |
| Auditors | KPMG LLP 191 West George Street Glasgow G2 2LJ | | |
| Bankers | Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB | | |
| Legal advisors | Harbottle Associates 2 Kentish Buildings 125 Borough High Street London SE1 1NP | Anderson Strathern WS 1 Rutland Court Edinburgh EH3 8EY | Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA |
| Investment advisors | Cazenove Capital Management Limited Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9QG | | |

Trustees' annual report *(continued)*

Structure

The company is a registered charity (registered in England and Wales - No. 1001813 and Scotland - No. SCO37870) incorporated under the Companies Act 2006 as a company limited by guarantee (Company number 2228587), and its governing documents are its Memorandum and Articles of Association. Each of the members has undertaken to contribute the sum of £100 in the event of the company being insolvent on winding up whilst he/she is a member, or within one year after he/she ceases to be a member. The company is managed on behalf of the members by a Board of Trustees.

Governance and Management

Governance

Potential new Trustees are initially identified and appointed by current Trustees and serve until the next Annual General Meeting at which the Members of the company will either confirm or reject their appointment. Once appointed, Trustees serve for three years at which point they must retire and offer themselves for re-election. In addition, the company's Articles of Association require one third of the serving Trustees to retire from office at each Annual General Meeting. The retiring Trustees are eligible for re-election. The Trustees who served during the year are shown on page 1.

Potential new Trustees are selected according to specific skills they possess that would benefit the overall management and direction of the organisation as a whole. For example, given the nature of some of the countries in which HALO operates, security of our staff is a major concern; as such, one of the Trustees has a background in related issues and is able to provide appropriate advice and guidance. Other Trustees have skills related to the legal environment, financial issues, politics and international development. Once agreement on the potential new Trustee has been reached, an informal approach is made to ascertain whether the individual would wish to undertake what is in essence a significant responsibility.

Trustee induction comprises an initial two day intensive period at the UK headquarters in south west Scotland. This two day period is designed to give the new Trustee both a thorough briefing on the range and breadth of HALO operations and a clear understanding of their own legal and administrative responsibilities arising out of their position on the Board. Operational issues are dealt with by a combination of staff drawn from the senior management team, with the administrative aspects of their responsibilities arising from legislation and regulation covered by the Chief Executive and Finance Director. In addition, Trustees are free to consult the organisation's legal advisors should they feel it appropriate. Trustees are also expected to undertake at least one country visit every two years to ensure they maintain a clear understanding of the operational process and environment.

The three or four meetings of the Board held each year also allow the communication of changes in regulation and ensure that the Trustees are kept up to date. In addition to the formal meetings, information and reports are sent to Trustees on a bi-monthly basis.

Disclosure of information to auditors

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 auditors are unaware; and each Trustee has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Trustees' annual report *(continued)*

Management

The Trustees are responsible for the strategic direction of the organisation and the charity is organised in the way the Trustees think most suitable at the time - currently The HALO Trust and its allied organisation, The HALO Trust (USA), Inc. ("HALO USA"), employ 8,000 indigenous mineclearers and 40 expatriate managers and technicians, all spread across HALO's international programmes. The UK headquarters are staffed by one director, five regional desk officers (SE Asia, Central Asia, Caucasus & Balkans, Horn of Africa, and Southern Africa), three other desk/project officers covering logistics/support, Weapons & Ammunition Disposal (WAD), and mechanical, and also a finance/administration department under a Finance Director - all of whom travel around and co-ordinate the overseas work and liaise with governments and sponsors.

This headquarters is also responsible for the separate day-to-day management of HALO USA operations.

Operational decision-making in respect of programme management is delegated by the Trustees to the Chief Executive and senior management, with strategic issues being reserved for Board decision. For example, expansion of an in-country programme would not normally require Board oversight as, once sufficient finance was in place, the additional work would be undertaken. However, expansion into new areas of operation that might be substantially different from that currently being undertaken would be reserved for the Board in the light of advice from the senior management team.

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

Risk management

The Trustees have identified the major strategic risks to which HALO is exposed and have established controls and action to minimise potential adverse outcomes. Risk is a significant part of daily operations for HALO and is thus accorded considerable management time. As far as possible, the Trustees have ensured that all operational risks to staff, assets and third parties have been examined and appropriate plans put in place to manage this risk. Examples include ensuring that all staff are insured against injury and death, continuous training and review of staff and skill sets necessary to undertake clearance operations safely takes place, appropriate third party and business insurance is in place, vehicles have necessary mine protection fitted, and there are regular monitoring visits by senior management, finance staff and UK-based medical advisors.

The Trustees also actively review on a regular basis the major financial risks which the charity faces and believe that maintaining free reserves at the levels stated, combined with ongoing review of the controls over key financial systems carried out through audit programmes, will provide sufficient resources in the event of adverse conditions.

The Trustees consider the following to be the main risks faced by the organisation:

- Interruption/discontinuance of donor funding – a number of multi-year programme funding agreements are now in place with donor governments;
- Security of working environments and staff – fortnightly security assessments are carried out and reported to headquarters;
- Key staff turnover – succession planning and staff and job rotation are regularly reviewed; and
- Financial management system integrity – comprehensive and frequent system reviews are undertaken allied to strong internal control and check processes.

Trustees' annual report *(continued)*

Objectives and activities for the public benefit

Objectives

The charity is a non-political, non-religious, British charity whose main objective is the relief of poverty, sickness, suffering and distress including the removal of the debris of war. HALO provides mineclearance, engineering and medical support, and also assists other relief organisations and monitors programmes in a post-conflict environment. HALO's policy is to concentrate its efforts on pure mineclearance 'getting mines out of the ground, now', on weapons, ammunition and bomb disposal and proving ground safe for road movement or rehabilitation – and being flexible enough to use its very considerable human and equipment assets for emergency disaster relief where necessary. Its policy is to avoid all unnecessary distractions that so often clutter charitable operations - such as public relations, advertising, symposiums and conferences, and bumbling bureaucracies.

The HALO vision is to continue to strengthen its role as the biggest independent mineclearance operator in the world, while ensuring the overall priority of effective and efficient service delivery to the local populations in countries that are affected by the debris of war. In order to achieve its objectives, HALO strives to maintain the highest standards of service delivery and expand wherever and whenever resources will allow in the fields of:

- Mineclearance – allow teams to provide clearance based on priority humanitarian need;
- Explosive Ordnance Disposal (EOD) – provide specialist services to destroy or safely remove any items of unexploded ordnance which remains as debris of war (now referred to "ERW" – Explosive Remnants of War); and
- Weapons & Ammunition Disposal (abbreviated to "WAD") – to enable disarmament, demobilisation and reintegration of former combatants and the disposal of surplus stockpiles of weapons and ammunition in support of various peace processes.

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

Activities

The whole concept of 'humanitarian mineclearance' was introduced to the international community by The Hazardous Areas Life-support Organisation (HALO) in 1988.

During the year 2010/11, HALO conducted mineclearance and associated programmes in Afghanistan, Cambodia, Angola, Mozambique, Georgia, Abkhazia, Nagorno Karabakh, Somaliland, Kosovo, Sri Lanka, Colombia and Zimbabwe.

In brief, HALO's income rose by £1.4m from the previous financial year to approximately £22.5m and expenditure rose by £2.2m to £22.6m.

During the year, HALO projects were sponsored by the Governments of:

- Australia;
- Austria;
- Belgium;
- Canada;
- Czech Republic;
- Finland;
- Germany;
- Ireland;
- Japan;
- The Netherlands;
- Norway;
- Switzerland;
- United Kingdom (Foreign & Commonwealth Office and the Department for International Development);

Trustees' annual report *(continued)*

Activities *(continued)*

and also by

- European Commission Humanitarian Aid Office (ECHO) and European Development Fund (EDF);
- The Reece Foundation;
- Association for Aid and Relief (AAR) Japan;
- Tokyo District of Rotary International;
- Actiefonds Mijnen Ruimen (AMR); and
- United Nations Development Programme (UNDP) and United Nations Mine Action Service (UNMAS);

and numerous generous private donations.

Of note, the Governments of Ireland, Finland and The Netherlands continued their “block” funding scheme, as has the UK Government through the auspices of the Department for International Development (DFID), which allows HALO more freedom to allocate clearance funds between countries in response to any emergency requirements.

Achievements and performance

It is often very difficult for HALO to set meaningful performance targets in relation to operational output, as to a large degree it is impossible to ascertain where the need for services will arise or the magnitude of the problem once identified. These difficulties are inherent in the nature of clearance operations, as all too often maps and records no longer exist, personnel involved in establishing minefields have subsequently been killed in the conflict and shifting front lines have led to the same ground being mined on more than one occasion. Furthermore, the strategic clearance and development plans of the countries in which we work, and their provincial and district plans, will take primacy and these plans are subject to quite frequent change.

Operational performance within the year was strongly ahead of expectations and is all the more remarkable given the nature and scale of the problems facing, sometimes remote, communities. HALO continues to ensure that all available resources are targeted to where they will do the most humanitarian good. The following paragraphs outline the detailed operational performance and benefits achieved from our work.

In the financial year 2010/11 the HALO teams destroyed a total of 71,325 mines and 362,087 UXO. In addition, over 2,800,000 rounds of small arms ammunition were destroyed.

During the year HALO's staff numbers exceeded 8,000 for the first time. They are supported by 155 “heavy” mechanical units and a further 89 mechanical ancillary systems - from vegetation cutters to roller attachments. HALO's total transport fleet has 1,328 vehicles.

Including our clearance figures from the 1990s, HALO UK and HALO USA clearance figures for mines and ordnance reached 12,462,920 by 31 March 2011, in addition to destroying a staggering 51,660,581 rounds of small arms ammunition and 136,197 weapons (from assault rifles to tanks).

Whilst achieving the clearance figures noted above, HALO was able, in accordance with our objectives, to achieve the following results within the year, freeing up land and access to local communities for agriculture, housing, water and other redevelopment projects necessary to help reconstruct their lives and livelihoods:

- mineclearance operations returned over 3,336 hectares (2,707 in 2009/10) of former minefields to local populations;
- over 25,775 people (28,050 in 2009/10) received Mine Risk Education;
- 4,458 Battlefield, Mineclearance and Explosive Ordnance Disposal tasks (2,808 in 2009/10) were completed; and
- Battlefield Area Clearance teams cleared over 6,225 hectares of land (14,577 in 2009/10) of unexploded and abandoned ammunition.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

HALO's priorities for 2010/11 were set out in the 2010 annual report; these are noted below together with progress made on each objective:

- Continue mineclearance across the south and centre of Mozambique, so that the poorest villages can be lifted out of extreme poverty – and start clearance on the Mozambique/Zimbabwe border minefields;
Progress – programme expanded to over 400 staff, with clearance undertaken in Maputo, Manica and Tete provinces, including minefields linked to the Mozambique/Zimbabwe border.
- Continue mine and clusterbomb clearance in Kosovo so that the rural communities can develop through forestry, agriculture or indeed income generating tourism;
Progress – clearance teams found some 79 mines and cluster bombs during the year, 12 years after the conflict.
- Continue to expand clearance operations in Afghanistan, particularly in and around those villages where agricultural development is most hampered by landmines;
Progress – while the number of ammunition clearance teams reduced slightly, we increased the number of mineclearance teams out in the villages, taking our staffing levels to over 3,800.
- Continue WAD operations in Angola to assist national disarmament, and when EC funding finally materialises then expand mineclearance to allow greater agricultural activity in the farmland and also better marketing of goods on the road network which is currently mined;
Progress – HALO's weapons disposal teams worked in every province in Angola, while the mineclearance teams (including those funded with the new EC funding) worked in Benguela, Huambo, Bie, Kuando Kubango and Huila provinces.
- Sustain and preferably expand or quicken mineclearance in Cambodia to reduce casualties and allow food production to increase – and complete the second phase of the baseline survey of NW Cambodia;
Progress – mineclearance was sustained at full capacity, even though donor funding became very tight. The first phase of the Baseline Survey was completed, while the second phase will start early in FY 2011/12.
- Endeavour to expand clearance in Sri Lanka in response to the movement of tens of thousands of IDPs;
Progress – HALO made particular progress in clearing ground ahead of IDP return to both the Vanni and Jaffna areas, using 900 re-employed deminers.
- Endeavour to continue clearance in Nagorno Karabakh's mineclearance and clusterbomb clearance – so that larger areas can be ploughed and cultivated, though funding looks tighter than ever;
Progress – Clearance was sustained, despite a drop of funding towards the end of the FY.
- Deploy new Dual Sensor detectors to quicken up mineclearance in Somaliland and Angola where minimal metal anti-tank mines impact on communities, and detector deployment was delayed in 2009/10;
Progress – deployment of Dual Sensor detectors to Somaliland was again delayed due to export licence control from the USA. Thorough trials were run with two systems in Angola on a variety of ground conditions – one of which, for finding minimal metal anti-tank mines, shows considerable promise.
- Review the need for clearance in Ethiopia, particularly those minefields straddling the Somaliland border;
Progress – meetings were held with the Ethiopian authorities in Addis Ababa, and they agreed that HALO could demine from Somaliland the "Ethiopian" minefields that straddle the border.
- Continue to clear the Georgia minefields remaining around old Soviet bases that are now impacting on local communities, and endeavour to commence clearance in South Ossetia;
Progress – demining continued uninterrupted, with such good progress that all bases will be cleared during FY 2011/12. No clearance was attempted in South Ossetia.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

- Complete clearance in the Upper Kodori Valley of Abkhazia;

Progress – completed

- Start full clearance operations in Colombia following the invitation from the government in Bogota;

Progress – The post election decree permitting civilian demining to start is expected to be signed in June 2011 following due legal process, though during FY 2010/11 HALO completed its formal registration and signing of an MOU for survey operations in preparation for mineclearance in Colombia. HALO surveyed four out of seven municipalities in SE Antioquia allocated to us, featuring 456 previously recorded suspect areas;

- Ensure that the threat imposed by landmines on so many impoverished villages around the world is still known to the public and governments in the more wealthy countries who may be able to contribute to humanitarian mineclearance.

Progress – achieved. In addition to HALO's Senior Management Team briefing government officials of all the major donors to Mine Action, we were assisted in raising global awareness by the minefield visit of HRH Prince Harry – that was widely reported in all the main UK media outlets and most of the larger international media.

- Aim to have a similar or greater number of trained and equipped deminers employed at the year end March 2011 as at October 2008 when the global credit crunch crunched – proving that HALO can ride out a global economic recession and continue to assist the most impoverished communities.

Progress – achieved. During the year HALO's staff numbers exceeded 8,000 for the first time.

In respect of its overall governance and direction HALO has continued to follow best practice and retained the focus on all strands of the operation. HALO therefore remains the largest and most efficient independent operator in the world.

The main achievements in 2010/11 have been our continued expansion in Sri Lanka to make safe numerous villages for the return of IDPs post-conflict, the extensive assessments of Zimbabwe and Laos, the continuation and even expansion in Afghanistan at a time when security issues are constraining most other development agencies, and the sustainment of our other global programmes despite a recession.

As with each year, trying to summarise programmes in just a few paragraphs is hard and gives little credit to the thousands of HALO staff who have plugged away on their hands and knees for little financial reward - they are not forgotten, on the contrary, we honour them. Many of our deminers in Afghanistan, Cambodia and Angola have now worked day-in, day-out on the minefields for more than 15 years, while deminers in Somaliland and elsewhere have worked for more than 10 years. There is an achievement surely unmatched in history – with our day-to-day clearance operations having exceeded the combined duration of both twentieth century World Wars.

The HALO Trust (USA), Inc.

Following the formation of The HALO Trust (USA), Inc. by The HALO Trust, HALO USA continues to grow through use of American funding (some \$21 million in 2010/11). The financial results of HALO USA are not included here. Both organisations complement each others activities and work together in the field in an effort to clear even more mines around the world. Co-ordination and continuity is provided by the Chief Executive also holding office as the President of the HALO USA Board of Trustees.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Afghanistan

Afghanistan continues to be our largest programme, with the number of Afghan staff reaching a record 3,810 during 2010. This expansion enabled 30% more mined area to be cleared than during 2009. HALO demining teams are clearing old front lines between the Northern Alliance and the Taliban – front lines that ran through the fertile and highly populated Shomali valley, through the intensive irrigated farming districts of Kunduz and Takhar, over the higher rain-fed wheat plains and along the ridges used by villagers for grazing their sheep. Clearance of the sector of front line closest to Bagram has been almost finished, which has allowed many teams to redeploy back to the highly impacting minefields laid in both the Najibullah period (1989-92) which included inter-Mujahideen fighting in the Ghorband Valley that links Parwan and Bamyan provinces, and minefields from the Soviet occupation (1979-89). Meanwhile we have spread HALO's geographical Area of Operations west into Herat Province with an additional 500 deminers. The disarmament (DDR) programme that HALO assists the UN's ANBP (Afghan New Beginnings Programme) changed emphasis from redundant bulk ammunition and aged stockpile disposal to more detailed surveys of smaller caches that could be used by anti-government elements for Improvised Explosive Devices (IEDs) – as the larger stockpiles have mostly been destroyed. On average HALO removed at the request of communities 70 tons of explosives each month from villages outside government control. The potentially precarious security situation across much of the country requires HALO to maintain a sensitive "feel" for events going on around our teams, and avoid "mistaken identity". Our relations with all factions, groups and different security organs - whether NATO or government, remain good. Towards the latter part of the year this was put to a new test as we recruited demobilised fighters who had joined the peace process known as the Afghan Peace and Reintegration Process – abbreviated to APRP. Furthermore, at the invitation of the Governor of Helmand, we made two detailed assessments of the landmine problem, and are now seeking funds for the recruitment of 200 deminers in Lashkar Gah.

Cambodia

Cambodia is still one of the most mine affected countries in the world, and HALO has managed to maintain 1,000 local staff, even though the collapse of European currencies against the US dollar has put considerable pressure on our local budgets. On the ground HALO continued mineclearance work in Battambang, Banteay Meanchey, Krong Pailin and Oddar Meanchey provinces, and HALO averaged a clearance of well over 1,000 anti-personnel mines a month. The majority of civilian mines casualties occur in the villages that lie in, or near to the K5 border mine belts, and this is where HALO concentrates effort. Work continued to be interrupted by a border dispute with Thailand, particularly in the Preah Vihear temple area – however HALO's teams were able to be diverted into equally high priority clearance in the communes set back a few kilometres from the border where long abandoned but mined Vietnamese bases are now being inhabited and farmed by families moving from other parts of Cambodia and desperate for land. A number of these farmers have also brought small "iron buffalo" tractors, and for the first time there has been a rise in the number of anti-tank mine victims as farmers venture down long abandoned mined roads. This has added an extra dimension to HALO's work, with us clearing 318 anti-tank mines in this last FY, compared with just over 200 the year before. Considerable management time and money was spent during the year on handling a new funding system where the UK Department for International Development (DFID) decided to put its continuation of funding of some £1m per annum out to competitive tender, despite the wishes of the Cambodian authorities to continue the funding status quo of different but complimentary agencies both being supported. On the resulting DFID fixed price fixed duration tender, HALO offered 445 staff, but lost to the bid that only fielded 150 staff. It still remains a mystery how this result came about, as the main losers are of course the mine impacted villagers who will see reduced clearance, unless HALO can find new donor support.

Mozambique

HALO's Baseline survey of southern and central Mozambique identified over 500 minefields requiring clearance, and also discovered extensive mining around pylon lines leading from South Africa into Maputo, and Rhodesian laid defensive mine belts beside and straddling the Mozambique/Zimbabwe border. During 2010/11 HALO teams cleared dense mined areas along the pylons, and also the extensive mine belts around the Cahora Bassa dam complex in Tete province. Mozambique has an Ottawa Mine Ban Treaty target for completion of mineclearance by 2014, and it will be a "near run thing" if this target can be achieved. Although the Irish Government's support for mineclearance reached the end of its three year programme, HALO did win the DFID tender, which has enabled us to increase our number of staff to over 440.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Angola

Angola, along with Afghanistan, Cambodia and Colombia, is one of the four most mined countries in the world. HALO had to shrink its numbers of deployed deminers from 900 to 700 during the year (and down from over 1,000 the year before), due to the loss of four key donors – the Swiss, Dutch, Japanese and latterly the British – though the much promised EC funding did finally materialise in January 2011, over two years late (the “contiguous funding should have followed on from the end of the last EC project in August 2008!). High priority clearance continued across the provinces of Kuando Kubango, Bie, Huambo, Huila and Benguela – but the reduction in deminer numbers directly impacted on the area cleared and mines destroyed – over 12,000 anti-personnel mines in the previous year, but 7,348 during this year. We continued the development of mechanical systems to clear minimal metal mines from roads, and this was augmented with testing of a new vehicle mounted Ground Penetrating Radar. While funding forecasts are unpredictable, it is still too soon to forecast a completion date for clearance province by province – and any further drop in demining team numbers will have a direct impact on future timeframes for achieving clearance out in the most mined rural communities. HALO senior management will be working hard to ensure that over the next year the number of HALO deminers will be back up to levels of around 1,200 – though this will require finding newly enthused donor support who understand that communities defined by some other donors as “too remote”, do badly need mineclearance. The most mined towns in Africa are in HALO’s Area Of Responsibility in Angola which, with populations of some 50,000, must be helped despite being a long way from the capital city.

Somaliland

HALO is still the only mineclearance organisation conducting humanitarian mineclearance and unexploded ordnance disposal in Somaliland. Rates of clearance increased again, as we imported replacement mechanical assets and additional MineLab detectors capable of working in the extreme laterite soils. HALO believes that with the increased capacity and sustained funding, it is possible to clear the majority of high and medium priority minefields in Somaliland in the next three years. HALO is under some political pressure to introduce demining assets through Puntland or down to Mogadishu, and during the year we conducted a detailed survey of minefields in Puntland, some of which we may tackle later in 2011. Security conditions in the Somali area known as “South Central” are still not conducive for projects that we thought would be a worthwhile use of donor funds.

Abkhazia

For much of the summer of 2010 the HALO teams cleared the remaining high altitude minefields identified during the 2008 survey in the Upper Kodori valley, and work was completed before the weather broke in late September. Teams also deployed on the final minefields behind Sukhumi at Lindava, and along the Gali canal. By the end of March 2011 our planning team believe the end of mineclearance is in sight, with a likelihood that the last known mined area will be clear by the end of August 2011, unless an “unknown unknown” area claims a mines casualty during the summer months when the shepherds and cow herders head back to the high pastures. The senior management team has been refining a UXO Response Team to work as the longer term national capacity once formal mineclearance is finished.

Georgia

Following the completion of all known cluster strike areas north of Gori, in early 2010 HALO re-located the mechanical and manual clearance teams to mined areas around a number of former Soviet bases. Clearance at Mtskheta, on the edge of Tbilisi and right beside the main Transcaucasus highway was finished during the year, and good progress was made clearing at Sagaredjo and Telavi – with survey at the mountain tourist village of Omalo that had been hit with air-delivered anti-personnel mines during the last Chechen war.

Nagorno Karabakh

The programme continued with a slightly reduced number of staff from 2009– down to around 200 staff - deployed with manual and mechanical mineclearance teams, and also battle area clearance (BAC) teams. Funding remains hard to find, which sadly means HALO will probably be working in Karabakh for another three or so years, rather than expanding in size and hence being able significantly to reduce the years that mines still impact on communities. From the map data base, we have now finished 88% of all mined areas, and 72% of all cluster strike areas.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Kosovo

During 2010/11 HALO worked every month, had teams deployed on a number of different sites, and although or despite the sites having been partially cleared by other agencies eight years previously, the HALO teams still cleared some 100 mines and cluster bombs – despite HALO only having 40 clearance lanes funded. However, none of these hazardous items were in “remote” forests – but were all in high priority village areas. Furthermore, the UN changed their policy and also started to use a similar figure to HALO’s for outstanding tasks in Kosovo. HALO’s programme was supported financially by key private foundations, though was joined by the Swiss Government as part of a global commitment to destroy cluster bombs and landmines.

Sri Lanka

The battlefield defeat of the LTTE in 2009 resulted in a surge of IDPs across the north of the country and a need for the government to decide where safe to let them settle. HALO was tasked to make safe the mined ground as fast as possible. During 2010 HALO recruited and trained additional deminers (taking the number of staff to 900) and imported extra mechanical clearance systems. Further teams (270 staff) and new workplans were also initiated with HALO winning the DFID tender at the end of the financial year, enabling us to clear yet more mined ground ahead of IDPs returned to the Vanni and Jaffna – with HALO also moving ahead of the mainstream development agencies (who of course also need safe ground for their projects). Clearance records for this last Financial Year show that HALO has averaged over 2,000 anti-personnel mines removed from farmland every month – an annual total of 24,762 mines, compared to some 21,000 the previous year.

Colombia

Colombia recorded the second highest mine casualty rate in the world next to Afghanistan in 2010. Despite continued military successes Colombia still has around 3 million IDPs waiting to return to rural regions, some of which are severely mine impacted. In addition to inviting HALO to establish a large scale mineclearance programme, Colombia’s recently approved Ottawa Mine Ban Treaty extension request is based upon the establishment of 49 civilian clearance units and 25 military units – currently 7 military units exist. Following presidential elections in June 2010 the law for civilian demining was passed in December. A further presidential decree, outlining how civilian demining will be implemented, is required before HALO can be accredited and deploy deminers. Of the 8 national and international mineclearance organisations now registered in Colombia, HALO is the only operator to have been issued an MOU with specific areas of operation permitting minefield survey, marking and recording in preparation for humanitarian mineclearance. HALO surveyed four out of seven municipalities in SE Antioquia allocated to us, featuring 456 previously recorded suspect areas.

Laos

The Lao PDR authorities wrote to HALO in mid-2010 inviting us to start a large programme, preferably in Savannakhet province. This province had the highest number of US bombing missions during the Vietnam war, has the highest number of civilian UXO accidents, and the highest incidence of poverty. The authorities had calculated that despite some 10 years of clearance by their own teams and some international assistance, the problem of unexploded ordnance had hardly been scratched at the surface, let alone dealt with in a scale that would clear up the ordnance in the lifetime of the current generation. Calculations put clearance as taking hundreds of years. Vientiane reviewed HALO achievements in Cambodia and Afghanistan, and our unique ability to field thousands of deminers, and invited HALO to seek substantial new funds to address the tragic legacy of war. During the latter part of the year HALO made a number of field trips to the province, and aims to start a large programme during 2011/12.

Zimbabwe

Just like the authorities in Vientiane, the Harare authorities approached HALO and asked us to review the extensive border minefields on the Zimbabwe side of their border with Mozambique. One of HALO’s most senior staff members spent the latter part of the financial year surveying the minebelts and meeting the many villagers impacted by them – suffering human and extensive livestock casualties. A private foundation provided “Seed funding”, and the larger donors are now discussing major support for this forgotten but exceptionally dangerous corner of Africa.

Trustees' annual report *(continued)*

Financial review

The financial statements of the charity can be found on pages 17 to 29. These financial statements have been prepared in accordance with current statutory requirements and the charity's governing document.

The application of the charity's funds are detailed in notes 3 and 4 on page 23.

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 HALO conducts humanitarian mineclearance for a given period, normally ranging from 6 to 30 months. End dates for these programmes rarely fit into the financial year, which results in large amounts of committed funds being carried forward from one year to the next.

The strong result for 2010/11 is reflected in income of £22.5m and expenditure of £22.6m for the year. All of our major donors have continued to support our work with 91 contracts running during the financial year, approximately half of which continue to the new financial year. Full details of our work in each programme are given in the Achievements and Performance section above.

All HALO's support from governments and other donors has been explained in the financial statements.

Funding and reserves

Total unrestricted funds at 31 March 2011 were £7,338,000 compared with £7,476,000 at 31 March 2010. The Trustees consider HALO's free reserves to be £4,785,000 (2010: £4,203,000) reflecting the resources readily available for charitable use; full details of HALO's reserves are shown in notes 14 and 15 of the financial statements.

The Trustees consider this level of reserves to be in line with HALO's strategy. This level of free reserves allows HALO to respond quickly to emergency humanitarian situations, start mineclearance in new areas while the donor base is established, continue mineclearance in areas where there are gaps in donor funding allowing continuity of teams and continuation of humanitarian aid, and to meet non-donor funded closure costs once areas are declared mine free. The increase in the level of free reserves held will enable continued support of programmes where required.

During the year ended 31 March 2011, HALO's reserves supported start up costs in Colombia, Laos and Zimbabwe, teams in Angola during the funding gap resulting from delays in the new EC contract and teams in Cambodia during the current funding gap arising following the cessation of certain donor funding.

On a programme by programme basis the Trustees confirm the charity has sufficient assets available to enable it to meet its obligations as they fall due.

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

Investments

The performance of the investments is continually monitored and reported on a quarterly basis. Total return performance is measured against the following indices: FTSE 100 and FTSE All-World (Excluding UK) and the FT A Gilts 5 – 15 Years.

The relative performance against the benchmarks above is provided below:

| | 2010/11 % Change |
|-----------------------|---------------------|
| Investment Portfolio | 6.2 |
| FTSE 100 | 8.4 |
| FTSE All-World (ExUK) | 8.2 |
| FT Gilts 5-15 Years | 5.2 |

Trustees' annual report *(continued)*

Financial review *(continued)*

Investments *(continued)*

Over the period under review, the portfolio gained 6.2% in total return terms. The FTSE 100 and the FTSE All World (ex UK) equity indices gained 8.4% and 8.2% respectively, whereas the FTSE A Government 5-15 index (fixed income) gained by 5.2%. The asset allocation as at 31 March 2011 was 29% exposed to fixed income; 14% to absolute return assets, 4% to cash and 53% to equities.

The Trustees have reviewed the investment policy during the year 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 then the Trustees may seek to augment investments where appropriate.

Plans for future periods

Looking ahead, HALO will continue to maintain its standards and strive for more efficient and effective operations. In line with our charitable objectives and to ensure maximum public benefit from our activities, the major projects that HALO will undertake in the immediate future will continue to aim at casualty reduction, and have added emphasis on enabling greater levels of food production from mine-impacted communities:

- Continue mineclearance across the south and centre of **Mozambique**, so that the poorest villages can be lifted out of extreme poverty – and continue clearance on the Mozambique/Zimbabwe border minefields;
- Continue mine and clusterbomb clearance in **Kosovo** so that the rural communities can develop through forestry, agriculture or indeed income generating tourism;
- Continue to expand clearance operations in **Afghanistan**, particularly in and around those villages where agricultural development is most hampered by landmines, and expand the number of clearance teams staffed with former combatants;
- Continue WAD operations in **Angola** to assist national disarmament, and expand mineclearance to allow greater agricultural activity in the farmland and also better marketing of goods on the road network which is currently mined;
- Sustain and preferably expand or quicken mineclearance in **Cambodia** to reduce casualties and allow food production to increase – and complete the second phase of the baseline survey of NW Cambodia;
- Endeavour further to expand clearance in **Sri Lanka** in response to the movement of tens of thousands of IDPs;
- Endeavour to continue **Nagorno Karabakh's** mineclearance and clusterbomb clearance – so that larger areas can be ploughed and cultivated, though funding looks tighter than ever;
- Deploy new Dual Sensor detectors to quicken up mineclearance in Afghanistan and Angola where minimal metal anti-tank mines impact on communities;
- Review the need for humanitarian assistance in the **Ivory Coast**;
- Continue to clear the **Georgia** minefields remaining around old Soviet bases that are now impacting on local communities, and review clearance of the Red Bridge border minefields. Review the need for cluster bomb clearance in South Ossetia;
- Continue to clear the landmines that impact on the poorest Somalis, and also to assist the authorities in **Somaliland** in the disposal of old degrading ammunition liable to auto-ignite, with dire consequences in built up areas. Review the request to HALO from the authorities in **Puntland** to develop a clearance capacity for their Explosive Remnants of War.
- Establish a full scale clearance programme in **Zimbabwe** and assist with the management of the national database of mined areas and casualties.
- Introduce a large scale clearance programme in **Laos** in response to the request from the government.
- Respond to the recent request from the **Palestinian** authorities to assist with survey and clearance of hazardous areas in Zones A, B and C of the occupied territories, as the peace process is taken forward during the year.
- Complete final clearance in **Abkhazia** making it mine free, and manage a longer term sustainable emergency UXO clearance capacity.

Trustees' annual report *(continued)*

Plans for future period *(continued)*

- Start full clearance operations in **Colombia** following the signing of the Presidential decree, and continue surveying mine impacted villages.
- Ensure that the threat imposed by landmines on so many impoverished villages around the world is still known to the public and governments in the more wealthy countries who may be able to contribute to humanitarian mineclearance, and to explain that the scourge of landmines will only be beaten within a generation if donors concentrate on high impact, large scale, value-for-money clearance programmes, and are not distracted by expensive periphery activity that does not save lives and improve livelihoods.
- Aim to have a greater number of trained and equipped deminers employed during 2011 than during 2010 and of course considerably more than at October 2008 when the global credit crunch crunched – proving that HALO can ride out a global economic recession and continue to assist the most impoverished communities.

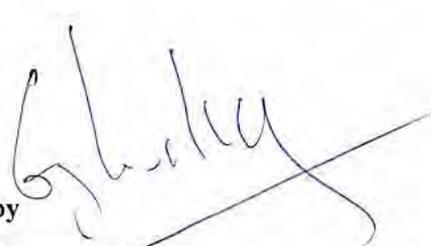
Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors 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:



MR Merton
Trustee



GNJ Willoughby
Chief Executive

125 Borough High Street
London SE1 1NP

15 June 2011

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 law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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



KPMG LLP

191 West George Street
Glasgow
G2 2LJ
United Kingdom

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

We have audited the financial statements of The HALO Trust for the year ended 31 March 2011 set out on pages 17 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the 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 14, 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, and express an opinion on, the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 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.

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.

Independent auditor's report to the trustees and members of The HALO Trust *(continued)*

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.



DJ Watt (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

29 June 2011

Statement of financial activities
(including an income and expenditure account)
for the year ended 31 March 2011

| | Notes | Unrestricted funds £000 | Restricted funds £000 | 2011 Total £000 | 2010 Total £000 |
|---|-------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Incoming resources | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| Voluntary income | | 207 | 22,114 | 22,321 | 20,782 |
| Investment income | 2 | 126 | 4 | 130 | 162 |
| Other incoming resources | | 7 | - | 7 | 133 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total incoming resources | | 340 | 22,118 | 22,458 | 21,077 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Resources expended | | | | | |
| Cost of generating funds: investment management costs | | | | | |
| | | 8 | - | 8 | 7 |
| Charitable activities | 3 | 1,563 | 21,036 | 22,599 | 20,342 |
| Governance costs | 5 | 24 | - | 24 | 25 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total resources expended | | 1,595 | 21,036 | 22,631 | 20,374 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (outgoing)/incoming resources before transfers | | | | | |
| Gross transfers between funds | 8 | (1,255) | 1,082 | (173) | 703 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (outgoing)/incoming resources before other recognised gains and losses | | | | | |
| | | (195) | 22 | (173) | 703 |
| Other recognised gains and losses | | | | | |
| Net realised investment gains | | 3 | - | 3 | 30 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (expenditure)/income for the year | | (192) | 22 | (170) | 733 |
| Net unrealised investment gains | | | | | |
| | | 54 | - | 54 | 234 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movements in funds | | (138) | 22 | (116) | 967 |
| Reconciliation of funds | | | | | |
| Balance brought forward at 1 April 2010 | | 7,476 | 96 | 7,572 | 6,605 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance carried forward at 31 March 2011 | | 7,338 | 118 | 7,456 | 7,572 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

All of the charity's activities are continuing.

The notes on pages 20 to 29 form part of these financial statements

Balance sheet
as at 31 March 2011

| | <i>Note</i> | 2011 | | 2010 | |
|--|------------------------|-------------|-------------|-------------|-------------|
| | | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Tangible assets | <i>9</i> | | 213 | | 190 |
| Investments | <i>10</i> | | 1,061 | | 1,085 |
| | | | <hr/> | | <hr/> |
| | | | 1,274 | | 1,275 |
| Current assets | | | | | |
| Stock | | 822 | | 591 | |
| Debtors | <i>11</i> | 2,021 | | 3,055 | |
| Cash at bank | | 9,771 | | 5,450 | |
| | | <hr/> | | <hr/> | |
| Creditors: amounts falling due within one year | <i>12</i> | 12,614 | | 9,096 | |
| | | (6,129) | | (2,560) | |
| | | <hr/> | | <hr/> | |
| Net current assets | | | 6,485 | | 6,536 |
| | | | <hr/> | | <hr/> |
| Total assets less current liabilities | | | 7,759 | | 7,811 |
| Provisions for liabilities | <i>13</i> | | (303) | | (239) |
| | | | <hr/> | | <hr/> |
| Net assets | | | 7,456 | | 7,572 |
| | | | <hr/> <hr/> | | <hr/> <hr/> |
| Funds | | | | | |
| <i>Unrestricted funds</i> | | | | | |
| General | | | 7,050 | | 7,242 |
| Revaluation reserve | | | 288 | | 234 |
| | | | <hr/> | | <hr/> |
| Restricted funds | <i>14</i> <i>15</i> | | 7,338 | | 7,476 |
| | | | 118 | | 96 |
| | | | <hr/> | | <hr/> |
| Total funds | <i>16</i> | | 7,456 | | 7,572 |
| | | | <hr/> <hr/> | | <hr/> <hr/> |

The notes on pages 20 to 29 form part of these financial statements

The financial statements were approved by the Board of Trustees on 15 June 2011 and were signed on its behalf by:


MR Merton
Trustee

GNJ Willoughby
Chief Executive



Cash flow statement

For the year ended 31 March 2011

| | 2011 £000 | 2010 £000 |
|--|--------------|----------------|
| Reconciliation of operating profit to net cash flow from operating activities | | |
| Net (outgoing)/incoming resources before other recognised gains and losses | (173) | 703 |
| Interest receivable | (25) | (48) |
| Investment income | (12) | (17) |
| Depreciation charges | 82 | 48 |
| (Increase)/decrease in stock | (231) | 210 |
| Decrease/(increase) in debtors | 1,034 | (382) |
| Increase/(decrease) in creditors due within one year | 3,569 | (2,385) |
| Increase/(decrease) in provisions for liabilities and charges | 64 | (125) |
| | <hr/> | <hr/> |
| Net cash outflow from operating activities | 4,308 | (1,996) |
| | <hr/> <hr/> | <hr/> <hr/> |

Cash flow statement

| | | |
|--|--------------|----------------|
| Net cash inflow/(outflow) from operating activities | 4,308 | (1,996) |
| Returns on investments and servicing of finance | | |
| Interest received | 25 | 48 |
| Investment income | 12 | 17 |
| | 37 | 65 |
| Capital expenditure and financial investments | | |
| Payments to acquire tangible fixed assets | (135) | (71) |
| Proceeds from sales of tangible fixed assets | 30 | 19 |
| Payments to acquire investments | (519) | (331) |
| Proceeds from sales of investments | 600 | 298 |
| | (24) | (85) |
| | <hr/> | <hr/> |
| Increase/(decrease) in cash | 4,321 | (2,016) |
| Cash from/(to) liquid resources | 1,674 | (129) |
| | <hr/> | <hr/> |
| Movement in cash in period | 5,995 | (2,145) |
| | <hr/> <hr/> | <hr/> <hr/> |

Reconciliation of net cash flow to movements in net funds

| | At 1 April 2010 £000 | Cash flow £000 | At 31 March 2011 £000 |
|--------------------------|----------------------------|-------------------|-----------------------------|
| Cash at bank and in hand | 2,457 | 5,995 | 8,452 |
| Liquid resources | 2,993 | (1,674) | 1,319 |
| | <hr/> | <hr/> | <hr/> |
| | 5,450 | 4,321 | 9,771 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified for the revaluation of certain fixed assets and in accordance with the Charities Act 1993, the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in February 2006, except for the non-recognition of donated assets (see *donations and gifts* below). Accordingly, the arrangements and headings have been adapted as provided for in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 1, Part 1.

Funds

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

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

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

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

Voluntary income

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

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

- For grants from various national governments, the United Nations and private donors income recognised is normally equivalent to the expenditure incurred at the end of the financial year as it is considered that this is when the charity becomes entitled to the income; income not yet received is included in accrued income and where income received is in excess of income recognised this is included in deferred income.
- For contracts which include milestone payments linked to outputs this is the milestones met plus the proportionate share of future milestones which will be earned during the contract period; 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. Expenditure in excess of income at the year end is included in accrued income to the extent that this expenditure will be recoverable under the contract. 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 used 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 also be included in resources expended on overseas projects.

Notes (continued)

1 Accounting policies (continued)

Resources expended

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

Support costs include all administration costs of the charity including the costs of the head office in the UK and are treated as unrestricted expenditure. A proportion of these costs, based on the ratio of the total income of The HALO Trust and The HALO Trust (USA), Inc. is recharged to The HALO Trust (USA), Inc. Those costs which meet the definition of Governance costs are included in that category; all other management and administration costs are included in support costs under charitable expenditure.

Assets acquired for specific projects are charged to that project in line with the terms of the project. These assets will normally be fully utilised within the period of the project (normally 6 to 12 months). At the end of a specific project any such assets may be transferred to other projects with the consent of the donor or may be reclaimed by the project donor. The charity retains a full list of all such assets.

Tangible fixed assets

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

Depreciation 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 |

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.

All stock is held at lower of cost and net realisable value; where stock is held outwith the UK provision is made until the item is charged to an individual project.

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 the 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.

Post-retirement benefits

The company contributes to personal pension plans on behalf of certain employees of the charity. 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.

Notes (continued)

1 Accounting policies (continued)

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 the market value at the start of the year or cost if purchased in the year.

Cash and liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable 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 2010 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 2010 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.

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.

2 Investment income

| | 2011 £000 | 2010 £000 |
|----------------------------------|--------------|--------------|
| Bank interest receivable | 25 | 48 |
| Income from investment portfolio | 12 | 17 |
| Foreign exchange gains | 93 | 97 |
| | 130 | 162 |
| | 130 | 162 |

Included within the £25,000 of bank interest receivable is £4,000 relating to restricted funds (2010:£15,000).

Notes (continued)

3 Charitable activities

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

| | Activities undertaken directly | | Support costs | Total |
|--|--------------------------------|----------------|----------------------------|---------------|
| | (restricted) | (unrestricted) | (note 4) (unrestricted) | |
| | £000 | £000 | £000 | £000 |
| Afghanistan | 10,367 | 14 | 283 | 10,664 |
| Angola | 1,351 | 294 | 45 | 1,690 |
| Cambodia | 2,416 | 327 | 74 | 2,818 |
| Colombia | - | 178 | 5 | 183 |
| Georgia | 439 | 1 | 12 | 452 |
| Kosovo | 261 | 24 | 8 | 293 |
| Mozambique | 1,103 | 30 | 31 | 1,164 |
| Nagorno Karabakh | 334 | - | 9 | 343 |
| Somaliland | 2,314 | 13 | 64 | 2,390 |
| Sri Lanka | 1,748 | 44 | 49 | 1,841 |
| Weapons and Ammunition Destruction (WAD) | 694 | 4 | 19 | 717 |
| Zimbabwe | 9 | 29 | 1 | 39 |
| Other | - | 5 | - | 5 |
| Total | 21,036 | 963 | 600 | 22,599 |

All costs which can be directly attributed to contracts have been allocated and are shown in restricted funds; other expenditure directly relating to international programmes is shown in unrestricted funds. Support costs which principally relate to headquarters costs cannot be allocated to contracts on a global basis due to specific contract terms and are allocated on the basis of activity in each country.

4 Support costs

| | 2011 | 2010 |
|--|--------------|-------|
| | £000 | £000 |
| Support staff remuneration | 495 | 481 |
| Adjustments relating to pension obligations | 25 | 31 |
| Vehicle and equipment costs | 62 | 47 |
| Communication costs | 18 | 37 |
| Property costs | 45 | 44 |
| Travel costs | 42 | 12 |
| Other support costs | 59 | 61 |
| Depreciation | 82 | 48 |
| Recharge to The HALO Trust (USA) Inc (note 17) | (228) | (200) |
| | 600 | 561 |

All support costs relate to charitable activities.

5 Governance costs

| | 2011 | 2010 |
|----------------------------|-----------|------|
| | £000 | £000 |
| Audit fee – external audit | 23 | 24 |
| Board expenses | 1 | 1 |
| | 24 | 25 |

Notes (*continued*)

6 Trustees and employees

| | 2011 | 2010 |
|---|---------------|--------|
| | £000 | £000 |
| <i>Staff costs</i> | | |
| Wages and salaries | 12,075 | 10,920 |
| Social security costs | 159 | 128 |
| Other costs and pension costs | 35 | 30 |
| | <hr/> | <hr/> |
| | 12,269 | 11,078 |
| Recharged to The HALO Trust (USA) Inc (note 17) | (401) | (474) |
| | <hr/> | <hr/> |
| | 11,868 | 10,604 |
| | <hr/> | <hr/> |

The figures include wages and salary costs of local staff incurred in the countries in which HALO operates. During the year ended 31 March 2011, approximately 5,660 (2010:4,850) local staff were employed by The HALO Trust.

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

| | 2011 | 2010 |
|--------------------------|---------------|--------|
| | Number | Number |
| Directors | - | - |
| Administration | 6 | 6 |
| Direct project personnel | 32 | 30 |
| | <hr/> | <hr/> |
| | 38 | 36 |
| | <hr/> | <hr/> |

No trustees received any remuneration in either the current or previous year. Expenses of £1,000 (2010:£1,000) were paid to three (2010:three) trustees for travel and accommodation.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2011 | 2010 |
|---------------------|---------------|--------|
| | Number | Number |
| £170,001 - £180,000 | 1 | - |
| £160,001 - £170,000 | - | 1 |
| £140,001 - £150,000 | 1 | - |
| £90,001 - £100,000 | 3 | 1 |
| £80,001 - £90,000 | 1 | 3 |
| £70,001 - £80,000 | 1 | 3 |
| £60,001 - £70,000 | 3 | 2 |
| | <hr/> | <hr/> |
| | 10 | 10 |
| | <hr/> | <hr/> |

The charity contributed £35,000 (2010: £30,000) to personal pension schemes on behalf of six (2010: six) employees.

Notes (*continued*)

7 Net incoming resources

Net incoming resources are stated after charging:

| | 2011 | 2010 |
|--|-------------|------|
| | £000 | £000 |
| Depreciation and other amounts written off tangible fixed assets | 82 | 48 |
| <i>Auditors' remuneration</i> | | |
| Audit of these financial statements | 23 | 24 |
| Amounts receivable by the auditors and their associates in respect of: | | |
| Taxation | - | 23 |
| All other services | 24 | 30 |

8 Transfer between funds

| | Unrestricted | Restricted | Total |
|---------------------|---------------------|-------------------|--------------|
| | £000 | £000 | £000 |
| Headquarters costs | 1,222 | (1,222) | - |
| Expenditure support | (162) | 162 | - |
| | <hr/> | <hr/> | <hr/> |
| | 1,060 | (1,060) | - |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

A transfer of £1,222,000 (2010: £1,402,000) was made from restricted to unrestricted funds for contributions from donors to the headquarters costs of the Trust. These contributions are specified in each of the contracts undertaken, at percentages between 3% and 7% of the total contract value. The contribution is charged as direct project expenditure to restricted funds, then transferred to unrestricted funds in the statement of financial activities. The transfer also includes foreign exchange translation differences where contracts are complete and reported to donors in currencies other than sterling.

A transfer of £162,000 (2010: £352,000) was made from unrestricted funds to restricted funds to support expenditure within the year.

Notes (continued)

9 Tangible fixed assets

| | Leasehold property £000 | Freehold property £000 | Fixtures, fittings & office equipment £000 | Motor vehicles £000 | Total £000 |
|-----------------------|-------------------------------|------------------------------|--|---------------------------|---------------|
| Cost | | | | | |
| At beginning of year | 5 | 136 | 83 | 199 | 423 |
| Additions | - | - | 1 | 134 | 135 |
| Disposals | - | - | (2) | (97) | (99) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At end of year | 5 | 136 | 82 | 236 | 459 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | |
| At beginning of year | 5 | 83 | 61 | 84 | 233 |
| Charge for year | - | 8 | 13 | 61 | 82 |
| Disposals | - | - | (2) | (67) | (69) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At end of year | 5 | 91 | 72 | 78 | 246 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | |
| At 31 March 2011 | - | 45 | 10 | 158 | 213 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2010 | - | 53 | 22 | 115 | 190 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

All of the above assets are used in the administration of the charity.

10 Investments

| | |
|-----------------------------------|-------------|
| | £000 |
| Market value at 31 March 2010 | 1,085 |
| Additions at cost | 519 |
| Disposals at opening market value | (597) |
| Gain on revaluation | 54 |
| | <hr/> |
| Market value at 31 March 2011 | 1,061 |
| | <hr/> <hr/> |

All of the investments are held on the UK stock exchanges.

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

| | |
|---|------|
| | £000 |
| Thornhill Capital Inc | 100 |
| Invesco Perpetual Corporate Bond | 80 |
| Findlay Park American Smaller Companies Sterling Class | 64 |
| Neptune Inv Mgmt Income B Acc NAV | 62 |
| Standard Life UK Equity High Income Inst'l Inc | 61 |
| Artemis UK Special Situations Fd Acc | 59 |
| Capital Financial Managers Trojan Fund 'O' Acc NAV | 58 |
| Ruffer LLP CF Ruffer Total Rtn O Acc | 58 |
| Thames River Traditional Sterling Global Bond GBP Acc | 58 |
| Blackrock AM UK - UK Absolute Alpha P Acc | 56 |
| Cazenove Strategic Bond X | 52 |
| First State Investment Global Emerging Market Leaders B GBP | 52 |
| GLG Partners LP UK Select Professional Acc | 52 |

Notes (*continued*)

11 Debtors

| | 2011 | 2010 |
|--|--------------|-------|
| | £000 | £000 |
| Amounts owed by the HALO Trust (USA) Inc | 255 | 271 |
| Other debtors | 12 | 117 |
| Prepayments | 236 | 175 |
| Accrued income | 1,518 | 2,492 |
| | 2,021 | 3,055 |
| | 2,021 | 3,055 |

12 Creditors: amounts falling due within one year

| | 2011 | 2010 |
|------------------------------|--------------|--------------|
| | £000 | £000 |
| Trade creditors | 100 | 73 |
| Taxation and social security | 55 | 93 |
| Other creditors | 13 | 15 |
| Accruals | 221 | 213 |
| Deferred income | 5,740 | 2,166 |
| | 6,129 | 2,560 |
| | 6,129 | 2,560 |
| <i>Deferred income</i> | | £000 |
| At 31 March 2010 | | 2,166 |
| Released during the year | | (2,166) |
| Arising during the year | | 5,740 |
| | | 5,740 |
| At 31 March 2011 | | 5,740 |

13 Provision for liabilities and charges

| | Pension obligations | Overseas severance liabilities | Total |
|-----------------------------|----------------------------|---------------------------------------|--------------|
| | £000 | £000 | £000 |
| At 31 March 2010 | 178 | 61 | 239 |
| Utilised in the year | (17) | (113) | (130) |
| Provided in the year | 25 | 174 | 199 |
| Foreign exchange adjustment | - | (5) | (5) |
| | 186 | 117 | 303 |
| At 31 March 2011 | 186 | 117 | 303 |

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

Overseas severance liabilities relate to provisions for severance to employees when they leave HALO in Sri Lanka and annual payments to staff in Angola and Somaliland.

Notes (continued)

14 Unrestricted funds

| | Balance at 31 March 2010 £000 | Income £000 | Expenditure £000 | Other recognised gains and losses £000 | Transfer from restricted funds (note 8) £000 | Balance at 31 March 2011 £000 |
|--------------------------|--|----------------|---------------------|--|--|--|
| <i>Designated funds</i> | | | | | | |
| Kosovo | 6 | - | (6) | - | - | - |
| | 6 | - | (6) | - | - | - |
| Revaluation reserve | 234 | - | - | 54 | - | 288 |
| Other unrestricted funds | 7,236 | 247 | (1,589) | 3 | 1,153 | 7,050 |
| | 7,476 | 247 | (1,595) | 57 | 1,153 | 7,338 |

15 Restricted funds

| | Balance at 31 March 2010 £000 | Income £000 | Expenditure # £000 | Transfers between funds £000 | Balance at 31 March 2011 £000 |
|------------------|-------------------------------------|----------------|-----------------------|------------------------------------|--|
| Afghanistan | - | 10,898 | (10,894) | (4) | - |
| Angola | - | 1,397 | (1,332) | (65) | - |
| Cambodia | - | 2,567 | (2,596) | 29 | - |
| Georgia | - | 451 | (439) | (12) | - |
| Kosovo | - | 263 | (264) | 1 | - |
| Mozambique | - | 1,135 | (1,112) | (23) | - |
| Nagorno Karabakh | - | 356 | (360) | 4 | - |
| Somaliland | - | 2,500 | (2,554) | 54 | - |
| Sri Lanka | 15 | 1,827 | (1,864) | 26 | 4 |
| WAD | - | 716 | (741) | 25 | - |
| Zimbabwe | - | 8 | (8) | - | - |
| Residual costs * | 81 | - | (94) | 127 | 114 |
| | 96 | 22,118 | (22,258) | 162 | 118 |

* : 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 £1,222,000 described in note 8.

Notes (continued)

16 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 |
|---------------------------|----------------------|-------------------------------|---------------------------------------|---|--|---------------|
| Restricted funds | | | | | | |
| Afghanistan | - | 971 | (1,847) | 876 | - | - |
| Angola | - | - | (1,284) | 1,284 | - | - |
| Cambodia | - | - | (792) | 792 | - | - |
| Mozambique | - | 198 | (404) | 206 | - | - |
| Georgia | - | - | (253) | 253 | - | - |
| Kosovo | - | 27 | - | (27) | - | - |
| Nagorno Karabakh | - | - | - | - | - | - |
| Somaliland | - | 59 | (347) | 288 | - | - |
| Sri Lanka | - | 217 | (735) | 522 | - | 4 |
| WAD | - | - | (70) | 70 | - | - |
| Zimbabwe | - | - | (8) | 8 | - | - |
| Residual costs | - | - | - | 114 | - | 114 |
| | | | | | | |
| | - | 1,472 | (5,740) | 4,386 | - | 118 |
| Unrestricted funds | 1,274 | 46 | - | 6,321 | (303) | 7,338 |
| | | | | | | |
| Total | 1,274 | 1,518 | (5,740) | 10,707 | (303) | 7,456 |

17 Related party transactions: transactions with The HALO Trust (USA), Inc.

| | Transactions in year £000 | Outstanding at year end £000 |
|---|------------------------------|---------------------------------|
| Costs recharged (note 4) | 228 | 274 |
| Salary costs recharged (note 6) | 401 | 64 |
| Other expenses paid on behalf of The HALO Trust (USA), Inc. | 1,253 | (83) |
| | | |
| | 1,882 | 255 |

18 Contingent liabilities

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

19 Commitments

Annual commitments under non-cancellable operating leases are as follows:

| | 2011 Land and Buildings £000 | 2010 Land and buildings £000 |
|--------------------------------|------------------------------------|------------------------------------|
| Operating leases which expire: | | |
| In more than five years | 21 | 21 |

Appendix

Pro forma US Dollar and Euro Accounts

The financial information presented within this appendix represents extracts from the financial statements presented in US dollars and Euros and does not form part of the audited financial statements of the company.

The following accounting policy has been applied in the preparation of information in this appendix.

Monetary assets and liabilities denominated in currencies other than US dollars / Euros are translated into US dollars / Euros at the rates of exchange prevailing at the balance sheet date. Income and expenditure items are translated at the average exchange rates for the period. Exchange differences arising from the retranslation of opening reserves and for the difference between average and closing rates on the net result for the year are shown on the balance sheet as retranslation differences in reserves.

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 2011

| | Unrestricted Funds \$000 | Restricted funds \$000 | 2011 Total \$000 | 2010 Total \$000 |
|---|---|---------------------------------------|---------------------------------|---------------------------------|
| Income and expenditure | | | | |
| <i>Incoming resources</i> | | | | |
| Voluntary income | 322 | 34,411 | 34,733 | 33,175 |
| Investment income | 196 | 6 | 202 | 259 |
| Other incoming resources | 11 | - | 11 | 212 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total incoming resources | 529 | 34,417 | 34,946 | 33,646 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Resources expended | | | | |
| <i>Cost of generating funds</i> | | | | |
| Investment management costs | 12 | - | 12 | 11 |
| Charitable activities | 2,433 | 32,734 | 35,167 | 32,473 |
| Governance costs | 37 | - | 37 | 40 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total resources expended | 2,482 | 32,734 | 35,216 | 32,524 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming/(outgoing) resources before transfers | (1,953) | 1,683 | (270) | 1,122 |
| Gross transfers between funds | 1,650 | (1,650) | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming/(outgoing) resources before other recognised gains and losses | (303) | 33 | (270) | 1,122 |
| Other recognised gains/losses | | | | |
| Net realised gains on investment assets | 5 | - | 5 | 48 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (expenditure)/income for the year | (298) | 33 | (265) | 1,170 |
| Net unrealised gains on investments assets | 84 | - | 84 | 374 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movements in funds | (214) | 33 | (181) | 1,544 |
| Reconciliation of funds | | | | |
| Balance brought forward at beginning of year | 11,268 | 144 | 11,412 | 9,379 |
| Retranslation differences | 710 | 11 | 721 | 489 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance carried forward at end of year | 11,764 | 188 | 11,952 | 11,412 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The HALO Trust
Pro forma US dollar accounts
Unaudited balance sheet
as at 31 March 2011

| | 2011 | 2010 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Fixed assets | | |
| Tangible assets | 342 | 287 |
| Investments | 1,701 | 1,634 |
| | <u>2,043</u> | <u>1,921</u> |
| Current assets | | |
| Stock | 1,317 | 891 |
| Debtors | 3,239 | 4,603 |
| Cash at bank and in hand | 15,663 | 8,214 |
| | <u>20,219</u> | <u>13,708</u> |
| Creditors: amounts falling due within one year | (9,825) | (3,858) |
| | <u>10,394</u> | <u>9,850</u> |
| Net current assets | | |
| | <u>10,394</u> | <u>9,850</u> |
| Total assets | <u>12,437</u> | <u>11,771</u> |
| Provisions for liabilities and charges | (485) | (359) |
| | <u>11,952</u> | <u>11,412</u> |
| Net assets | <u>11,952</u> | <u>11,412</u> |
| Funds | | |
| Unrestricted funds | 11,302 | 10,915 |
| Revaluation reserve | 462 | 353 |
| | <u>11,764</u> | <u>11,268</u> |
| Restricted funds | 188 | 144 |
| | <u>11,952</u> | <u>11,412</u> |
| Total funds | <u>11,952</u> | <u>11,412</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 2011

| | Unrestricted Funds €000 | Restricted funds €000 | 2011 Total €000 | 2010 Total €000 |
|---|--|--------------------------------------|--------------------------------|--------------------------------|
| Income and expenditure | | | | |
| <i>Incoming resources</i> | | | | |
| Voluntary income | 244 | 26,027 | 26,271 | 23,476 |
| Investment income | 148 | 5 | 153 | 183 |
| Other incoming resources | 8 | - | 8 | 150 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total incoming resources | 400 | 26,032 | 26,432 | 23,809 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Resources expended | | | | |
| <i>Cost of generating funds</i> | | | | |
| Investment management costs | 9 | - | 9 | 8 |
| Charitable activities | 1,839 | 24,759 | 26,598 | 22,978 |
| Governance costs | 28 | - | 28 | 28 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total resources expended | 1,876 | 24,759 | 26,635 | 23,014 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming/(outgoing) resources before transfers | (1,476) | 1,273 | (203) | 795 |
| Gross transfers between funds | 1,248 | (1,248) | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming/(outgoing) resources before other recognised gains and losses | (228) | 25 | (203) | 795 |
| Other recognised gains/losses | | | | |
| Net realised gains on investment assets | 4 | - | 4 | 34 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (expenditure)/income for the year | (224) | 25 | (199) | 829 |
| Net unrealised gains on investments assets | 64 | - | 64 | 264 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movements in funds | (160) | 25 | (135) | 1,093 |
| Reconciliation of funds | | | | |
| Balance brought forward | 8,377 | 108 | 8,485 | 7,109 |
| Retranslation differences | 74 | (1) | 73 | 283 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance carried forward | 8,291 | 132 | 8,423 | 8,485 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The HALO Trust
Pro forma Euro accounts
Unaudited balance sheet
as at 31 March 2011

| | €000 | 2011 €000 | €000 | 2010 €000 |
|--|--------|--------------|-------|--------------|
| Fixed assets | | | | |
| Tangible assets | | 241 | | 214 |
| Investments | | 1,199 | | 1,215 |
| | | <hr/> 1,440 | | <hr/> 1,429 |
| Current assets | | | | |
| Stock | 928 | | 662 | |
| Debtors | 2,283 | | 3,423 | |
| Cash at bank and in hand | 11,037 | | 6,106 | |
| | | <hr/> 14,248 | | <hr/> 10,191 |
| Creditors: amounts falling due within one year | | (6,923) | | (2,868) |
| | | <hr/> | | <hr/> |
| Net current assets | | 7,325 | | 7,323 |
| | | <hr/> | | <hr/> |
| Total assets | | 8,765 | | 8,752 |
| Provisions for liabilities and charges | | (342) | | (267) |
| | | <hr/> | | <hr/> |
| Net assets | | 8,423 | | 8,485 |
| | | <hr/> <hr/> | | <hr/> <hr/> |
| Funds | | | | |
| Unrestricted funds | | 7,966 | | 8,115 |
| Revaluation reserve | | 325 | | 262 |
| | | <hr/> | | <hr/> |
| Restricted funds | | 8,291 | | 8,377 |
| | | 132 | | 108 |
| | | <hr/> | | <hr/> |
| Total funds | | 8,423 | | 8,485 |
| | | <hr/> <hr/> | | <hr/> <hr/> |