

Mines Advisory Group

(A company limited by guarantee and not having a share capital)

Charity number 1083008

Company number 4016409

Financial Statements for the year ended 30 June 2008



MINES ADVISORY GROUP
(A company limited by guarantee and not having a share capital)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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MINES ADVISORY GROUP
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees and Board of Directors:

Michael H Taylor (Chair)
John Fairhurst (Treasurer) (Audit and Finance Committee)
Colin Rowe (Legal Officer) (joined 29 May 2008)
Elizabeth Marsh
Steve Wright
John Greaves (Audit and Finance Committee) (joined 13 November 2007)
Sarah Manning (Audit and Finance Committee)
Bill Cooke
Terry Thomas (resigned 13 September 2007)

Directorate:

Lou McGrath – Chief Executive
Susan Ní Chríodáin – Director of Finance
Rob White – Director of Operations
Tim Carstairs – Director for Policy and Company Secretary (resigned January 2008)

Auditors:

Horwath Clark Whitehill LLP
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

Bankers:

The Co-Operative Bank plc
147 Church Street
Preston
PR1 3UD

Solicitors:

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Registered Office:

47 Newton Street
Manchester
M1 1FT

Company Number:

4016409

Registered Charity Number:

1083008

MINES ADVISORY GROUP STATEMENT FROM THE CHAIR

A LETTER FROM THE CHAIR

I am very pleased to present this report from the Mines Advisory Group (MAG) Board of Trustees for our financial year ending 30 June 2008. I believe the achievements of MAG this year are a great testament to the MAG team's capability, as well as a reminder of the huge challenges that still remain.

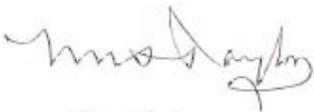
Needless to say most of the activities are carried out in some of the most difficult circumstances and certainly not always the easiest of environments. However, it is the expertise within the organisation and the dedication and commitment of our staff that ensures a professional job gets done. Due to the very nature of the work, and the inherent dangers of landmine clearance and explosive ordnance disposal, proper skills training is imperative. The safety and security of MAG staff and those we are seeking to assist, is paramount. In MAG we assess and analyse risk and all projects and programmes develop what we call Standard Operating Procedures. These procedures cover all aspects of the work to be undertaken and are designed with relevance to the different areas of operation.

I am particularly pleased about how we have moved forward in our strategy to extend assistance in areas, such as the destruction of small arms and other light weapons and the management and destruction of stockpiles. Following peace agreements and demobilisation of combatants, the movement of weapons and munitions from one conflict to another, have long been a recurring problem especially on the African continent. When you begin to see the numbers of UXO that MAG teams are destroying on a daily basis, you understand just how important it is for them to bring their expertise to what is a continuing threat to peace and stability of so many countries.

In the coming year MAG will continue its operations throughout the world. Without this so many people will lose their lives or limbs, be denied access to their land and livelihood and be prevented from achieving their economic potential.

Finally, I would like to thank all those who have financed and supported our work throughout the past year. None of the successes mentioned in this report could have been achieved without the commitment and trust you have shown us. We sincerely appreciate this and we hope this report can show the true value your support has been.

Yours sincerely



Michael Taylor
Chair of the Board of Trustees
MAG

MINES ADVISORY GROUP
STATEMENT FROM THE CHIEF EXECUTIVE
For the year ended 30 June 2008

LETTER FROM THE CHIEF EXECUTIVE

I would like to start by acknowledging the contribution the MAG team, both in our overseas projects and programmes and our Manchester UK Head Office have *all* made in all of the support to communities and people devastatingly affected by the remnants of conflict around the world.

There is an admirable culture that pervades throughout MAG, not just for the reason of getting things done, but a determination to do things right and more often than not, the willingness go that extra mile to achieve an objective. However, when things have gone wrong and something has not gone so well, we have always been willing to hold up our hands, look at what went wrong and deal with it. It is, I believe, that willingness to learn, which has allowed us to be continually innovative and a leader in our field.

There is no doubt in my mind that throughout its nineteen year history MAG has played a lead role in what is known as 'mine action'. From the concept of Mine Risk Education (MRE), first developed by our teams in northern Iraq in recognition that people have to live, work and play in heavily mined areas, to Mine Action Teams (MAT), an innovation from MAG Angola – a MAT is a compact multi-skilled team that is able to undertake the smaller tasks that, when required, can be brought together to complete larger ones and allows our projects to be both responsive and cost effective. To the first women deminers, as well as men and women who had lost limbs to landmines, who were first employed by MAG in Cambodia. To Community Liaison teams (CL) that arose from MAG's strategy of ensuring that we prioritised our clearance work based on the needs and desires of the community. To Prioritised Clearance – it could be an easier task to focus on just getting numbers of mines out of the ground, but prioritised clearance brings about an immediate safe environment for communities and allows economic and social change to take place at a faster pace, once again, a cost effective approach in both the short and long term. These developments of course are only a few of the innovations that have made MAG unique.

Working in partnership with other agencies is key to the long term success of our work. Those who specialise in providing assistance in food security or aid, medical or health care, water and sanitation, infrastructure or road building or agricultural projects can all play a critical role during and following MAG interventions. MAG values these partnerships whether they are national or international Non-Governmental Organisations, companies or United Nations agencies.

We are committed to developing quality management systems throughout the organisation. During this financial year we began work on this along with trialling new data management systems and software. As well as the obvious benefits this will bring in the way of efficiency, it should also allow us to be eligible for ISO accreditation by 2009.

To those of you who have financed and supported us to undertake the activities contained in this report, on behalf of all the MAG team I would also like to say 'thank you'. The actions we have taken over the past year has not only had an immediate impact on those living today in these conflict affected regions but also protected the next generation from the same threats and restrictions on their lives. We could not have achieved this without your support.



Lou McGrath OBE
Chief Executive
MAG

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TRUSTEES REPORT
For the year ended 30 June 2008**

Trustees Report

The Trustees of Mines Advisory Group (MAG) present their annual report and the audited financial statements for the year ended 30 June 2008.

Objects

The objects of the charity, as set out in the governing document, are:

- a) the relief of suffering and distress throughout the world, in particular in areas where conflict causes human fatality or injury, due to the presence of the debris of war such as land mines, unexploded ordnance and its residue, and other residual contamination, and by the provision of training and assistance in clearance and reconstruction, and by providing the necessary medical support and education needed in such hazardous areas.

- b) to carry out research into solving the problems faced by those whose lives have been affected by conflict and to disseminate any useful results of such research for the public benefit.

1. Activities

In achieving the objectives laid out in last year's Trustees' Report, the organisation has enjoyed a number of key successes. The planned development of our Conventional Weapons Management and Disposal (CWMD) activities, involving Small Arms and Light Weapons (SALW) work, was effectively accomplished in the Republic of Congo and Burundi where MAG supported national agencies in the destruction of excess and unsafe weapons and munitions, while providing advice in safer storage and management methods. Additionally, staff redeployed to Chad in late May, with operations commencing early in the 2008/2009 business year. This new project will clear landmines and unexploded and abandoned ordnance in central, eastern and southern parts of the country. Two mobile destruction teams will conduct technical surveys, identify clearance requirements and carry out clearance and demarcation activities.

The decision was taken to pursue a cautious approach with the intended expansion into Colombia, looking at Community Liaison (CL) and Mine Risk Education (MRE) initiatives initially, with the aim of working up to a clearance role when feasible and we continue to strive to identify the necessary donors to proceed with this plan. Discussions with Islamic Relief have been ongoing throughout the year around conducting a follow up assessment and carrying out further training in Kashmir, but progress has been limited. However, negotiations will continue with the intention of setting up a project next year. Finally, insecurity following demonstrations against the government in the latter part of 2007, along with the humanitarian crisis caused by Cyclone Nargis in May 2008 proved to be the main barriers to any implementation in Burma during the business year.

For the most part, external influences such as security concerns or lack of adequate funding were the main reasons why planned activities could not take place and all of the above objectives will continue to be explored throughout the forthcoming business year.

Looking ahead, plans are already in place for MAG to have a senior technical expert working directly with the Regional Centre on Small Arms and Light Weapons (RECSA) out of Nairobi early in the next business year. Their role will be to explore opportunities for MAG's CWMD activities and SALW remediation in other African countries, with Rwanda initially highlighted as a priority. An assessment, in cooperation with RECSA, is planned for August to review the status of SALW remediation, which will look to address stockpile management issues and examine plans to destroy surplus weapons, Unexploded Ordnance (UXO) and small arms ammunition.

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The situation in Colombia will continue to be monitored, with a number of proposals and concept papers already planned with the International Trust Fund (ITF), Foreign Affairs and International Trade (DFAIT) Canada and the US Department of State Office of Weapons Removal and Abatement (WRA) in partnership with the local Campana Colombiana Contra Minas (CCCM), to develop community-based MRE in the Departments of Antioquia, Putumayo and Northern Santander. Additionally, depending on the security situation, future developments in Burma will be helped through MAG's partnership with Geneva Call.

During the past 12 months the organisation has worked in a total of fifteen countries (Angola, Burundi, Cambodia, Central African Republic, Chad, Cyprus, Democratic Republic of the Congo, Iraq, Lao PDR, Lebanon, Republic of Congo, Somalia, Sri Lanka, Sudan and Vietnam), carrying out a combination of the following activities:

Landmine and Unexploded Ordnance (UXO) clearance: Manual clearance using hand-held detectors, mechanical preparation and clearance assets such as flails, scrub cutters and sifting machines and Mine Detection Dog (MDD) teams.

Community Liaison (CL): Working with local communities to gather, analyse and disseminate information in order to identify and implement the most effective solution to the obstacles caused by the Remnants of Conflict and prioritise clearance.

Mine Risk Education (MRE): Giving communities the knowledge to recognise the potential dangers posed by landmines, UXO and other Remnants of Conflict, while providing them with the skills to take appropriate action that will keep them and others safe.

Explosive Ordnance Disposal (EOD): The safe removal and controlled destruction of unexploded, abandoned and other ordnance.

Survey and demarcation: Surveying and marking known and suspected minefields and hazardous areas based on military mapping (where available) and information collected by CL teams.

Quality Assurance (QA): Checking previously cleared land to ensure that clearance has been carried out to international standards.

Conventional Weapons Management and Disposal (CWMD): MAG uses this term to refer to all lethal conventional munitions that can be carried by an individual or a light vehicle, and that do not require a substantial logistical and maintenance capability. This includes military-style automatic rifles, machine guns, man-portable anti-tank and anti-aircraft missiles, rocket-propelled grenade launchers, and light mortars and their associated ammunition. A key area of this work involves Small Arms and Light Weapons (SALW). Broadly, SALW are man-portable weapons made or modified to military specification for use as lethal instruments of war.

Looking ahead to the coming financial year, MAG will continue to implement activities based around our 2008–11 strategic plan. In order to achieve this we will maintain our existing landmine and explosive ordnance disposal clearance teams throughout Africa, South East Asia and Middle East. Exceptions will be where successful ongoing emergency operations require a reduction in technical emergency capacity.

We will maintain and build on our Small Arms and Light Weapons disposal projects by providing destruction facilities and working in conjunction with regional coordinating bodies (such as RECSA), government authorities, NGOs and UN agencies. MAG will also provide technical training and support in securing and safe storage of legitimately held stockpiles of weapons and munitions. The organisation will also continue focusing on the destruction of excess and unstable munitions held in stockpiles.

Through our Community Liaison capacity we will ensure through coordination and consultation with local authorities, community groups and all local stakeholders they are able to influence the priority areas for clearance. Through Mine Risk Education teams we will focus efforts on reducing casualties from landmines and unexploded ordnance by disseminating messages and literature to all sections of the community who are affected by the threat and assist them in minimising risk to themselves and their families.

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MAG will continue to undertake a 'toolbox' approach by providing and using the best equipment to successfully undertake detection and clearance tasks depending on the terrain and threats locally. We will also undertake research and trials on all types of equipment that can offer better safety for our staff or more advanced search, detection and destruction techniques.

Partnerships are an important aspect for MAG as they ensure maximum impact in all areas of our work. We will therefore continue to develop partnerships with national, regional and international agencies.

MAG has committed itself to putting in place quality management systems which in turn will assist good governance, accountability and ensure best practice. In the coming year we will develop our quality systems and processes and will seek ISO accreditation in order that standards are monitored and maintained.

ANGOLA

By considering the broader development and infrastructure needs of the country throughout the year 2007/2008, MAG Angola's work has focused on the long-term impact to communities. Although there were some issues around staffing, office location and a national strike that affected productivity in the middle of the year, these were resolved by the final three months allowing a period of consolidation. In May 2008, the closure of Luena airport for renovation resulted in a logistical impact on the programme causing travel restrictions as staff and vehicles had to go through an eight-hour road trip between Luena and Saurimo in order to travel to Luanda.

Significant achievements include the completion of the World Food Programme Road and Bridge Building project. The clearance of bridge sites and verification of roads meant that in August a stretch of 245 kilometres of Lumbala N'guimbo - Lucusse Road in Moxico was officially opened. This is a crucial road for the development of Moxico as it opens up remote areas that have been isolated for years. In 2008 MAG also worked on the roads Camanongue – Luculo and Camanongue – Lumeje.

Additionally MAG has continued to clear major minefields that threaten social and economic growth throughout the province. Clearance of one of the country's largest minefields was completed at Alto Campo around Luena airport, freeing up land for access and development, while operations started in the Chiwaia minefield around the town of Camanongue, classed as one of the forty most impacted sites in the country, and were completed in January 2008. Additionally, during 2008, clearance operations were undertaken in Luculo (January and February), Chifoio (March to May).

Finally, in the build-up to the country's first presidential and legislative elections since 1992, MAG has been working with relevant authorities to ensure that safe access to polling stations is as extensive as possible, contributing to future democratic processes.

Impact in Canjamba

In a significant move, MAG has pioneered an innovative methodology to measure the impact of its work in remote communities. The process involves a combination of both qualitative and quantitative data collection, which is then analysed to assess the long-term impact of clearance work. All conclusions are subsequently evaluated to determine how best to prioritise future clearance thus enabling the organisation to integrate activities most appropriately into the broader development context. Since MAG's clearance in Canjamba the community has constructed two new water boreholes, has extensive plans for the building of houses on formerly contaminated land and is renovating its colonial-era school to accommodate the increase in the number of children. As highlighted by Fernando Enoque Chissuale, the 45-year-old headmaster of the local

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school: *"There were huge problems here because people were not able to move freely. People were scared to even set foot in the village through fear of landmines and unexploded bombs." Following MAG's work, the community can now not only live in an environment free from fear and risk, but also develop grass-root socio-economic infrastructures in order to build sustainable livelihoods.*

BURUNDI

MAG carried out a Small Arms and Light Weapons (SALW) project, working in close coordination with both the Burundian Army and to a lesser extent the police, to destroy collected items of SALW at a central destruction facility in Bujumbura. MAG assisted the country's Logistics Brigade in improving its response to the threat from SALW, while supporting the construction of the destruction facility and providing training. In total, twenty soldiers were trained to carry out the destruction of 1,637 obsolete rifles and 29 mortar launchers using cutting techniques. Additionally 273 SAM 7 – Grail MANPADS were destroyed along with numerous items of small arms ammunition.

Work begins with MANPADS destruction

On October 11 2007, MAG assisted the Burundian army in destroying 104 Man Portable Air Defence Systems (MANPADS), marking the first phase of operations supporting the Government of Burundi in reducing the threat from SALW and unsecured stockpiles in the country. The SAM-7 missiles and other items of surplus ammunition – all previously at risk from theft, illegal trade or use – were destroyed during a controlled explosion at Mudubugu demolition range, 35km outside the capital Bujumbura. In attendance were General Brigadier Deo Kamoso, commander of the Logistics Brigade, and representatives of the US Embassy in Burundi.

CAMBODIA

Productivity in the programme saw an increase on the previous year, with clearance up by more than 10 per cent. Statistically 38 per cent of cleared land will be used for agricultural purposes, 32 per cent for resettlement, 17 per cent for roads, 4 per cent for schools, 2 per cent for sanitation and the remaining 7 per cent for other development purposes. MAG Cambodia has continued to maintain and develop successful relationships with local communities, authorities and developmental Non-Governmental Organisations (NGOs). This enables fast and effective responses that reduce the risk of further incidents, focusing efforts on clearing areas needed urgently by communities for development purposes and allowing partners to carry out their development projects. The programme's locality demining operations have continued to play an important part, increasing 'ownership' and community involvement in the process and reducing costs such as travel and accommodation. Most importantly, it increases cash-flow into that community. Successful evaluations of the Handheld Standoff Mine Detection System (HSTAMIDS) suggest that the technology has the potential to revolutionise the speed of manual clearance and hasten the handing back of safe land to communities.

Clearance helps hundreds in Malai district

Since beginning the clearance of landmine-contaminated land in the Malai district of Banteay Meanchey province in July 2006, MAG has located and destroyed 507 Anti-Personnel Mines, two Anti-Tank Mines and 30 other items of Unexploded Ordnance (UXO). This 282,782m² of cleared, safe land has been returned to communities for development purposes. Directly benefiting from this are 410 adults and children, who make up 74 families in the area.

One such family is that of 49-year-old Pen Kourm. In the aftermath of conflict economic necessities forced Kourm and many others to move to what were suspected minefields. "I am very afraid of mines around here, but we decided to live here with the daily risk of death or injury simply because we had no other choice," he

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explains. A MAG demining team was deployed to his village. For Kourm and the other villagers, this meant not just peace of mind, but also hope for a better future.

"Before the area was cleared we lived in fear for our lives and the lives of our children. We tried our best to keep them in the safe areas. MAG did a very dangerous job so well - to clear the mines to help make things better for us. Now we can build new houses on safe land. We can safely cultivate our land – we can grow rice and have a small market. There's now a health centre 15 kilometres from this village and also our children can go to school, so things are getting better...it's good to see my community changing."

CENTRAL AFRICAN REPUBLIC

MAG conducted a 2-week assessment mission in CAR in late February 2008 in order to gather additional knowledge and information about the landmine, UXO and SALW problem there and look at the feasibility of implementing a HMA / SALW project if there was an established need.

The assessment revealed SALW proliferation as a significant contributor to the country's ongoing instability and insecurity. The presence of landmines in CAR appears to be relatively limited; however the proliferation and misuse of SALW continues to undermine development and negatively affects the safety and security of individuals and the state. Following the outcome of the assessment MAG prepared a concept note to provide training and technical support to the CAR MoD and submitted this concept note to the US State Department (WRA) in April 2008. However due to budget year funding constraints and the lack of clear destruction outputs in the proposed concept, the US State Department did not provide funding to MAG to implement this concept.

CHAD

After MAG signed a new contract with UNOPS in May 2008, MAG staff deployed to N'Djamena on 28 May 2008 to restart operations in Chad after an absence of 16 months. Under the new UNOPS contract MAG will work to reduce the level of UXO/AO contamination in various regions of Central and Eastern Chad. MAG will carry out EOD/BAC operations for an initial period of 7 months. Between deployment and the end of June 2008 MAG Chad undertook the following preparations for starting EOD / BAC operations in Eastern Chad: updating SOPs to meet Chadian national standards, recruitment and training of national staff, inspection of loaned technical equipment to be used for the planned operations and setting-up an office in N'Djamena. The planned operations are scheduled to start around mid-July.

CYPRUS

MAG has continued to provide the Quality Assurance (QA) capacity for the UN Mine Action Coordination Centre (MACC) responsible for overseeing clearance of minefields between the Greek Cypriot and Turkish Cypriot controlled parts of the island. This project has been ongoing since late 2004, and ensures that the clearance work undertaken by other UN contractors is done according to international standards in a safe and efficient manner.

DR CONGO

Throughout the year MAG DR Congo Conventional Weapons Management and Disposal (CWMD) programme has continued to operate in collaboration with Congolese authorities, focusing on destroying surplus weapons. Operations at the Central Logistics Base in Kinshasa had to be suspended towards the end of business year due to security reasons and difficulty in transporting weapons. However, on the whole MAG was able to ensure the sustainability of the work carried out, through liaison with the Forces Armées de la République Democratique du Congo (FARDC) assisting them to develop their expertise in the destruction of weapons and

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render safe procedures. Many officers and personnel were trained and continue to be supervised on a weekly basis at the Central Logistics Base in Kinshasa, where weapons from all over the country are sent to be destroyed by two new hydraulic shears installed by MAG. By removing and destroying landmines and Unexploded Ordnance (UXO) and providing risk mitigation strategies, MAG is also supporting, through its Humanitarian Mine Action (HMA) programme, the renewal of economic activities and the return of refugees by making land safe for agriculture, transport and to rebuild social infrastructure. More than just improving the lives of the Congolese people, socio-economic development is also a key part of peace building as the conflicts in DR Congo were exacerbated by, and contributed to, dire poverty. Reducing poverty contributes to reducing the risk of future conflicts.

Diving for bombs

The end of April 2008 saw the programme in DR Congo complete a first for MAG in the clearance of the harbour in Mbandaka. Clearing the port means an improvement in transport and market infrastructure, which will help revive economic activity in Equateur, allowing rehabilitation work to recommence after it was halted a year ago following fears of explosive ordnance contamination.

The project began in February with the team clearing 1,500 m² of riverbed, removing 18 items of UXO and more than 17,000 items of small arms ammunition. These were destroyed in a bulk demolition at a landmark event, convened with a Congolese governmental delegation.

The diving itself was perilous in water with a strong current and visibility so limited that the divers could not see further than 45cm, even with a torch. The clearance had to be done manually, touching every square centimetre of the bottom, while holding on to a sunken rope for guidance. The pollution of the water and the presence of crocodiles nearby added to the dangers. A safety diver was present at all times to intervene if necessary.

Building on the experience from this project, MAG is planning to clear the port of Moba in the south-east of Katanga. Moba is a major port on Lake Tanganyika and is used by the United Nations High Commissioner for Refugees (UNHCR) for the repatriation of refugees from Zambia.

IRAQ

MAG Iraq continued to target displaced and returning populations as well as resident communities living in the heavily mined border region with Iran and along the former green line. Security issues in the region throughout the year required the programme to introduce monthly reviews and in response to the Turkish shelling on the border regions, MAG designed and introduced an emergency response plan to remove remaining unexploded Remnants of Conflict. Community Liaison (CL) has continued to play a crucial role in planning and prioritising clearance operations, improving the programme's ability to assess the impact of its work and monitor results. The integration of existing manual and mechanical assets (and the trialling of a range of new mechanical assets) has enabled operations to maximise clearance activities to increase productivity. August 2007 saw the establishment of a dedicated Small Arms and Light Weapons (SALW) destruction project comprising six emergency response teams, supported by three CL teams. Communities also reported suspected items of SALW by using a toll-free number that put them in direct contact with the response teams. By removing unguarded and unsecured stockpiles and caches of explosives the project helps to improve security and build on peace in Iraq and the wider region.

Ridding the community of a cruel enemy

MAG carried out the destruction of a cache of Unexploded Ordnance (UXO) weighing around 1.7 tons (1,542kg) near Sulaimaniyah. The munitions were found about five kilometres away in Tanagero, at a scrap yard

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through which children have to walk on their way to a school situated less than 100 metres away. The site, containing military and civilian scrap, is also located next to a government petrol store. Overseeing the demolition – one of the largest MAG has conducted in the region – were Deputy Team Leader of the Regional Reconstruction Team in Erbil, Jess Baily, and Director General of Mine Affairs in Sulaimaniyah, Haji Masifi.

The existence of the scrap yard had been reported to MAG CL staff 10 days earlier following an incident in which a child had thrown a mortar round onto a fire close to the school's football pitch. It had exploded, but fortunately there had been no casualties.

Haji Masifi said: "This is not the first time that MAG has carried out demolitions of unexploded ordnance and mines in the Kurdistan Region. When companies inform us that they have found explosives, we refer them to MAG's demolition teams and make sure that the relevant parties are aware of the demolitions. Destroying mines and explosives rids the community of a cruel enemy."

LAO PDR

Expansion of the programme allowed MAG to increase Unexploded Ordnance (UXO) clearance support provided to development partners assisting communities in getting the most from cleared land. Clearance teams introduced specific UXO, rather than mine clearance, methodologies and technologies, which has improved performance. Community Liaison (CL) teams became central to MAG Lao's approach. Using Participatory Rural Appraisal (PRA) techniques, teams worked with communities to facilitate the identification and prioritisation of clearance tasks. They also liaised between the clearance teams and local authorities to ensure that key stakeholders were consulted and kept informed. During the year the all-female team in Xieng Khouang carried out a gender assessment for the UXO sector, which formed the basis for a wider National Assessment supported by the United Nations Development Programme (UNDP). The objectives of this were to develop a better understanding of the impact of UXO on both men and women, to formulate recommendations for mainstreaming both men and women in the UXO clearance process, and to gain a better understanding of the effect of UXO accidents on male and female survivors.

Female team leader makes her mark

A MAG Lao staff member has become only the second woman in the country to pass a Team Leader training course run by UXO Lao, the national clearance agency. Vilaphanh Soukvilay, of MAG's all-female team in Khammouane Province, has become one of the most highly qualified women in the country's UXO sector. She passed the course with a score of 97 per cent.

Graduates of this course are authorised to conduct substantial demolitions of UXO without supervision. "Now I have completed the course, it will be quicker and easier for me to work than before," said Vilaphanh. "In the past, when I didn't recognise an item of UXO I would have to wait for my supervisor. This sometimes meant a delay of two or three days before an item could be demolished."

"Women should be given the opportunity to be involved in UXO clearance," said MAG Lao's Community Liaison Manager. A recent gender study conducted by MAG Lao PDR found that both men and women want to contribute to the development of their country. It also found that women do not see any barriers to their involvement in the sector. "Employing women raises their status because they often become the primary income earner in their family. This gives them decision-making power in their families. When you're talking about empowerment of women, that's a very positive thing."

Vilaphanh recently returned to work after giving birth to her first child. One third of MAG Lao's staff is female and all female employees are provided with paid maternity leave and support to return to work.

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LEBANON

With the emergency response clearance of roads, homes and gardens completed by the end of 2006, MAG Lebanon continued Battle Area Clearance (BAC) tasks, shifting the focus to clearance of agricultural and pastoral areas. By creating a safer environment, clearance supports the reconstruction of Lebanon's primary infrastructure, including schools and medical facilities. Community Liaison (CL) continued to play an integral part throughout the year. CL activities supported clearance work by providing control point locations and storage areas, securing land owners' approval for using their house or fields for clearance activities, liaising with local authorities and emphasising safety messages to communities undergoing clearance. Additionally, a Technical Survey team worked in central Lebanon, focused on identifying and surveying minefield contamination. In a new initiative in September, following the month-long conflict, which displaced the 30,000 residents of Nahr el-Bared refugee camp in Tripoli, north Lebanon, MAG was the first organisation allowed in the camp. MAG assisted the UN Palestinian relief body (United Nations Relief and Works Agency) to conduct damage assessment missions.

Building a future in Qoseybeh

MAG's BAC teams are a familiar presence in the town of Qoseybeh, 12 kilometres southwest of Nabatieh in southern Lebanon. MAG first arrived on site immediately after the 2006 war to undertake emergency clearance of roads and public areas. In 2007, MAG was tasked by the UN Mine Action Coordination Centre and returned to the town to work at a site called CBU-240, a large area within which were located a number of residences, as well as orange and lemon groves, and which contained at least six cluster bomb strikes.

The Ossayran family lived and farmed on the site. Rami Ossayran and his mother, Ilham, describe how they were sleeping in the family home one night in July of 2006 when they were startled from their sleep by the bombing. They turned on the radio and heard that South Lebanon was under fire. They fled to a nearby town, which also came under attack, and spent the remainder of the 34-day war in the city of Sidon. When they returned in the days following the ceasefire, they found that their house and their livelihood had been destroyed. Rami had been fixing the house, which had been in the family for almost 100 years, to be a home for himself and his fiancée, Khadija, once they were married. Now it, and his plans to grow oranges, pomegranates and lemons for income, lay in ruins. Rami and Ilham explain that MAG was on site immediately after the war, and cleared the road of unexploded cluster bombs so that they could visit their property. After dealing with emergency clearance of roads and public infrastructure, MAG prioritised clearance around living areas, before moving onto areas affecting livelihoods. This prioritisation allowed Rami to immediately begin reconstruction on his house, which was completed in December 2007. Meanwhile, the MAG team worked in the orange tree groves, which are thick with undergrowth hiding unexploded cluster bombs.

When the clearance is completed, Rami and his family expect to once again be able to sell their produce in the ancient souk in Sidon. He laughs, and says "We hope for the best and trust in the future – and hope there is no more war!"

REPUBLIC OF CONGO

MAG began a partnership agreement with the Ministry of Defence in the Republic of Congo, and was operational in the country from September 2007 to May 2008. During that time, the project provided technical support in the destruction of Small Arms and Light Weapons (SALW) stocks and Man Portable Air Defence Systems (MANPADS), while carrying out surveys of suspected contaminated areas.

In addition, training support has been provided to the Forces Armées Congolaises (FAC), reinforcing national

**MINES ADVISORY GROUP
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capacity and commitment to stockpile destruction, inventory and management, and promoting safety and security on a national and regional level.

SOMALIA

The six-month project saw a MAG member of staff providing refresher training and operational management for the Somaliland Police Explosive Ordnance Disposal (EOD) team as part of the reconstruction programme. Further training was also provided in the neighbouring region of Puntland.

SRI LANKA

In June 2007, MAG was informed by the Government that its operations could not resume. Staff worked hard to revoke this decision and, together with the support of donors and other agencies, the country programme agreement for MAG to operate was successfully renewed. The Government then passed 45 suspected hazardous area tasks on to teams in August and gave the approval for operations to fully recommence in Batticaloa. MAG deployed teams experienced in mine clearance (including mechanical resources), Battle Area Clearance (BAC) and minefield demarcation alongside Community Liaison (CL) activities. Tasks focused on the identification, prioritisation and clearance of the hazardous areas (although not all were accessible due to security restrictions) and helped reconstruction and regeneration of the district by allowing development agencies and local government departments safe access.

Clearance assists 30,000 internally displaced people

The areas cleared since MAG restarted operations in Sri Lanka in September 2007 will allow more than 30,000 internally displaced persons (IDPs) to return in safety to their communities. MAG remained committed to the continuation of operations last year, despite an escalation in fighting between government troops and the Liberation Tamil Tigers of Eelam (LTTE).

The renewed hostilities led to a more complex and volatile situation in the country that did little to augment the already fragile peace process agreement in place. It became difficult for international Non-Governmental Organisations (NGOs) to operate safely in the affected areas and as a result MAG Sri Lanka operations in Batticaloa were once again temporarily suspended.

Once operational again, between September–December 2007, 19 anti-personnel mines and two items of Unexploded Ordnance (UXO) were found, 146,080m² of land was demarcated, the Bozena mechanical teams verified 122,953m², the BAC capacity cleared 1,744,377m² and 7,040m² was manually cleared using the rake method.

SUDAN

MAG's response in both the north and south of the country has been integrated and involved Community Liaison (CL), Mine Risk Education (MRE), Battle Area Clearance (BAC), technical survey and minefield marking, manual demining, stockpile destruction and Explosive Ordnance Disposal (EOD). During the year the Landmine Impact Survey (LIS) was completed in seven states. Priorities for operations have been set based on key areas of return and areas identified as high and medium impact by the LIS. A key achievement during the year was the completion of two stages of manual clearance, removing mines from the barrier minefield that surrounds the town of Kapoeta. MAG trained and deployed three clearance teams to carry out the work, which will have a huge impact on the resident communities rebuilding their lives there. The operations in the states of Kassala and Blue Nile State increased from three to eight teams. On completion of the LIS in Kassala MAG set up a new operational base in the region and responded to information gathered from there and the surrounding states by deploying two mine clearance teams.

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Returning the land

"I am a man of dreams, and I now have an opportunity to do my best to see some of them come true." So said James Lokuda, local school principal attending the handover ceremony of land cleared by MAG surrounding Kapoeta in South Sudan. April 2008 saw the handover of a further section of the barrier minefield that once surrounded the capital of Eastern Equatoria. Located approximately one kilometre east of the town centre, the importance of this 51,000m² is highlighted by the local residents who will benefit from the cleared land. Most importantly, James Lokuda's bordering school will be able to expand safely and develop new classrooms, a playing field, as well as a garden that will provide food for students and teachers alike.

Furthermore, with an increasing number of returnees, land will be available for housing and will provide the large neighbouring population with a safe route to the adjacent river. Accepting a section of land from MAG for the second time, Mr Hillary Lokudo, Executive Director of Kapoeta South County said, "I look forward to accepting the remaining cleared land in the near future. Thank you MAG. We will work to support your operations, and use the land for the good of the community."

MAG has been active in Kapoeta since 2006, working to clear the barrier minefield in order to open centrally located land that local authorities can use for residential and commercial purposes for the returning population.

With support from local authorities and special guests from MAG's national partner, Operation Save Innocent Lives (OSIL) and the South Sudan Mine Action Authority (SSMAA), the handover ceremony gave local residents the opportunity to see the cleared land for themselves as well as sharing in the celebrations. Colonel Dutt, Director of Operations for SSMAA said, "It is an honour to be invited to this ceremony, and to witness, and learn from the work MAG is doing in Eastern Equatoria."

VIETNAM

With the shift in technical focus from site clearance to mobile operations (throughout the year, seven out of nine teams worked on mobile tasks) there was an increased impact on more marginalised communities previously not benefiting from MAG's work. The remoteness and terrain of the western upland areas proved challenging for teams as four-wheel-drive vehicles were not able to reach some of these isolated communities, but the introduction of quad bikes helped to resolve the issue of access and provided an innovative approach to the problem. The establishment of the programme's first Community Liaison (CL) teams in November and December helped improve the speed at which villages are cleared with these teams moving ahead of the technical teams to collect information and prioritise task lists. In an attempt to foster greater national ownership and to move ahead with national capacity building, the programme created three new national management positions; Technical Operations Coordinator, Technical Operations Officer and a Community Liaison Officer. Notably, these positions have devolved greater responsibility to national staff members as well as reducing the number of expatriate staff required in the provincial offices.

Aiding an escape from the poverty trap

MAG spent part of September in one of the more marginalised hamlets of Quang Binh province, conducting mobile operations. The majority of the inhabitants of Dong Tien Hamlet (in Quang Tien Commune, Quang Trach District) live under the US\$1-a-day poverty line and only started receiving electricity this year. The 141 people living in 32 households earn around VND400,000 (\$25) per month, predominantly by selling conical hats to farmers in the area – a trade that has gone on since well before the war, but one which brings in only VND2,000 (US12 cents) a hat. During the winter months, sales of hats drop. With soil very poor, exhausted from over-farming, and people afraid to open up new farming areas due to the Unexploded Ordnance (UXO)

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remaining in the area, families often have to sell livestock or borrow from relatives to buy rice and vegetables instead of growing their own crops.

By addressing the reported threats faced by small, rural communities, MAG has ensured that people, such as those living in Dong Tien Hamlet, do not remain trapped in poverty. House-to-house mobile operations are undertaken as a method of effectively responding to the needs of those threatened by UXO and quickly remove all known dangerous items within villages. While conducting mobile operations in the village during September the team performed 95 Explosive Ordnance Disposal (EOD) tasks, locating and destroying 34 cluster munitions, along with other assorted UXO, including high explosive projectiles and a mortar round.

With the area now clear, the villagers hope that the UXO-free land can be developed. There are plans to build a factory, which will provide much-needed jobs for many of the residents.

2. GOVERNANCE AND MANAGEMENT

The Mines Advisory Group (MAG) is a registered charity regulated by the Charity Commission of England and Wales; it became an incorporated charity (limited by guarantee) on 16 June 2000, and operates under a set of Articles and a Memorandum of Association. The organisation's goals and approaches are guided by its charitable objectives as laid out in these documents.

The Board of Trustees approves the organisation's strategic direction and annual plans and budgets, ensuring that these fall within MAG's charitable objects. The Chief Executive has overall responsibility for running the organisation on behalf of the Board. The Trustees hold four quarterly board meetings and an Annual General Meeting each year. These quarterly meetings monitor progress against plans and budgets that are formally approved each year, as well as reviewing policy. The Trustees hold sub-committee meetings as required, including the Audit and Finance sub-committee that meets six times per year. Trustees are voluntary and receive no remuneration or financial benefit.

MAG regularly recruits new members of the Board, all of whom act in a voluntary capacity and up to one third of the members of the Board must rotate annually (based on their length of service) – they can stand for re-election if they wish. In attracting and recruiting members of the Board, MAG seeks a range of expertise and knowledge that will assist and support the organisation in its development. New members are interviewed and appointed by the Board, inducted into the work of the different departments, and receive regular briefings on different aspects of the organisation. Board members also undertake familiarisation and review visits overseas to operational programs.

Led by the Chief Executive the Directorate is made up of the Director of Finance, Director of Operations and Director for Policy (until he left in January 2008). This group recommend strategy to the Board; provide the day-to-day management of the charity, including accountability and oversight for all legal, contractual and financial responsibilities relating to the charity's business. They are responsible for the stewardship of the organisation's human resources, assets and equipment. They also provide senior representation both at a national and international level.

The organisation has an internal monitoring and evaluation team (International Development and Evaluation Team, IDET), who work outside the country management structure, and report directly to the Chief Executive. The IDET monitor MAG's programmes and projects according to contractual obligations and planned activities as well as ensuring compliance to safety, technical standards and best practice. The IDET play a key role in the development of new programmes and projects and assist in the evaluation of new technologies with a mind to cost effectiveness, practicality and safety.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2008**

Day-to-day activities are structured around five core functions: Operations; Finance; International Partnerships; Human Resources and Administration; and Communications and Public Fundraising. The Operational Management Team (OMT) comprises senior managers who are the heads of each of these departments, bringing together all the key areas of the organisation. The OMT is responsible for day-to-day implementation of the organisation's approved plans within budgets. They ensure the coordination of MAG's activities and represent the organisation at key levels with other stakeholders. They play a role in the development of MAG's policy and procedures for approval and ensure compliance with these and the organisation's contractual obligations. They are responsible for the performance and management of all staff in the UK and overseas through appropriate operational line management. The OMT are responsible to the Directorate and report to, and meet with them, on a regular basis.

Overseas projects and programmes are normally managed by Country Programme Managers (CPMs) or Project Managers – depending on the scale of the operations. They are then supported by a Finance Manager (FM) and Technical Operations Manager (TOM). The CPM is responsible for the overall management of the programme and its implementation. They are responsible for all national and international staff within the programme, along with safety and welfare, standards and good practice, all disciplinary matters and adherence to the laws and customs of the country in which they are operating. The CPM represents the organisation at a country level with stakeholders. The CPMs report to the Head of Operations in the UK and are required to provide monthly management reports with key operational and financial data. The structure of MAG programmes differs according to the size and complexity of the country operations.

As at 30 June 2008, MAG employed 3,152 staff overseas: the majority were local national staff from the programme countries and 110 were international (expatriate). A total of 47 staff worked at MAG's headquarters in the UK. Staff figures rise and fall according to operational need. MAG drew its international staff this year from 25 different nations, bringing a wide and varied cultural and linguistic diversity to add to its skills and expertise.

Overseas staff are employed in a variety of technical, managerial, administrative and support positions. All received appropriate equipment, training and supervision to relevant international and local standards. MAG also seeks to employ mine survivors, supporting the provision of metal free prosthetic limbs. In the UK MAG also has a cultural mix of staff and operates an internship programme with successful candidates sharing 3-month stints each with the International Partnerships and Operations departments.

3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the result of the charity for that period. In preparing these financial statements, the trustees are required to:

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

**MINES ADVISORY GROUP
TRUSTEES REPORT
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The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

So far as each of the directors at the time the report is approved are aware:

- there is no relevant audit information of which the auditors are unaware and
- they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

4. RISK MANAGEMENT

The Board recognises and regularly reviews the major risks to which the organisation could be exposed. MAG considers risk not only in terms of safety and security of staff in field operations, but equally in terms of financial, managerial, reputational and other risks that might affect its ability to deliver a quality service for its beneficiaries. Policies and procedures are in place to support this, and are reviewed regularly by the Board.

Risk Assessments are conducted before any new operational project is undertaken and signed off at the OMT level within the UK once all necessary information has been established and if the project is in line with organisational strategy and is deemed deliverable. Risk Assessments are also incorporated in departmental plans and updated during the year. Internal risks are reduced through the application of appropriate controls and procedures to ensure that financial, HR, administrative and operational procedures are effective. The IDET monitoring and evaluation unit also strengthens MAG's learning process to reduce risk. Standard Operating Procedures are in place and continually under review in all MAG operations to ensure risk is assessed, monitored and managed at field level; and effectively managed in all operational activities. Appropriate insurance is also in place for MAG staff.

5. DECLARATION OF INTERESTS

All members of the Board and Directorate declare relevant interests on an annual basis. Lou McGrath, MAG's Chief Executive, and Tim Carstairs, MAG's Director for Policy, until he left in January 2008, also served as unpaid officers for MAG America; President and Secretary/Treasurer respectively. MAG America (www.maginternational.org/usa) is a not-for-profit charitable organisation registered in the USA and raises awareness of the impact of landmines and ordnance, and funds to support MAG's work. Funding decisions are made by MAG America's Board of Directors, which is independent from that of MAG, and are regulated by contract. As such the accounts of MAG America are not consolidated within these financial statements.

6. RESERVES

The majority of MAG's operational commitments are related to activities funded by restricted funds. The contractual agreements cover the completion of such tasks and related financial commitments. The Board recognises the importance of building and maintaining unrestricted reserves at an appropriate level. The Board has recommended a level equal to at least 120 days of the organisation's core costs. The Board considers that this level of reserves would provide sufficient funds for MAG to meet its obligations and would strengthen its ability to respond to international emergencies.

**MINES ADVISORY GROUP
TRUSTEES REPORT
For the year ended 30 June 2008**

7. INVESTMENT

To date the funding of the charity's activities and the resultant need to access cash flow have not required long term investments and MAG currently only invests funds in short-term deposits providing a market rate of interest.

8. FINANCIAL OVERVIEW

The majority of MAG's funds are received directly from institutional donors, including the British Government, US Government, Dutch Government and the United Nations, but MAG also receives funding from corporations, individual donors and trusts and foundations. Within the sector, projects funded by these donors generally relate to a specific country and are for periods of 12 months or less. However, MAG has made important progress in changing its portfolio of funding by securing a number of multi-annual, multi-country programme grant agreements. The Department of International Development (DFID) has provided a £9m grant for the period April 2007 to March 2010 for activities in Angola, Cambodia, Democratic Republic of the Congo, Laos, Lebanon and Sudan. The Humanitarian Aid Division of the Dutch Government has provided a €18m grant for the period January 2008 to December 2011 for activities in Angola, Democratic Republic of the Congo, Iraq and Sudan. These multi-year grants are a great support in enabling MAG to plan and deliver longer term programming with confidence.

MAG's success during the year is highlighted by a substantial increase in incoming resources from charitable activities: £28m this year, up from £24m last year. MAG's public and corporate fundraising had a reasonable year with £0.6m raised compared with a high £0.9m in the previous year. MAG is continually seeking new patrons and supporters, including well-known public figures, artists and media personalities, to help raise and maintain awareness and understanding about our work and develop further support. The scale of operations in the country programmes can also be seen in the increased funds expended during the year: £26m this year, up from £23m last year. This growth was driven by significant development in a number of country programmes during the year, including Democratic Republic of Congo, Iraq, and Sudan. The closing restricted funds balance of £14.8m relates to grant and contract balances on continuing projects which are to be carried forward to next year in line with the terms and conditions of these grants / contracts.

MAG has made significant strides in enhancing its financial management policies and procedures during the year to ensure that the organisation is in line with best practice and up to date with relevant developments in the sector, as well as improving its financial accountability to its donors. MAG has invested consciously in the finance function and a number of high calibre, professional and experienced staff have joined the department. As part of this, MAG has reviewed its income recognition accounting policy in order to adopt an approach that more clearly represents MAG's financial performance and in recognition of the change in its funding portfolio to more multi-annual grants. In prior years all income receivable was recognised on the date of formal notification of the funding, but going forward MAG will recognise multi-annual grants evenly over the period to which they relate. As a result of this the last year's reported income and trade debtors was reduced by £6.5m to be recognised in subsequent years as it becomes due. Then £3.5m of this has been recognised as income during this year and the remaining £3.0m will be recognised next year. MAG is committed to ensuring that all financial transactions are compliant with both our donor's and our statutory reporting requirements. Transparency and accountability are at the forefront of what we do.

MAG's newly appointed external auditors visited MAG's programmes in Iraq, Lebanon and Sudan as part of their audit field-work. All significant MAG country programmes will be visited by our external auditors on a rotational basis going forward.

In preparation for the coming year, MAG already has significant commitments and the Board has approved an

**MINES ADVISORY GROUP
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For the year ended 30 June 2008**

investment into new accounting software that will improve the efficiency of the finance function throughout the organisation. MAG has also planned to recruit a Roving Finance Manager who will visit MAG country programmes on a regular basis providing technical financial expertise and support to programme staff.

Thanks

We are very grateful to all of our donors for their continued and new support. The following organisations and supporters provided grants and/or contracts that contributed to MAG's success in the last year:

Adopt-A-Minefield®; Hind Alawani and family; Actiefonds Mijnen Ruimen (AMR); Australian Agency for International Development (AusAID); Austrian Aid for Mine Victims; Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation Belgium; Department of Foreign Affairs and International Trade Canada (DFAIT); CARE; Church World Service; Government of the UK/DFID and the FCO; Office of Weapons Removal and Abatement, Bureau of Political- Military Affairs, U.S. Department of State; Bureau of Population, Refugees and Migration, U.S. Department of State; Humanitarian Aid Department of the European Commission (ECHO); Europe Aid Co-operation Office; Government of Finland; Government of Germany; Guernsey Overseas Aid Commission; Humpty Dumpty Institute (HDI); Irish Aid; Isle of Man Government; Islamic Relief Worldwide; Embassy of Japan in Democratic Socialist Republic in Sri Lanka, Embassy of Japan in the Kingdom of Cambodia, Embassy of Japan in the Republic of the Sudan; Japan-ASEAN Integration Fund (JAIF); Jersey Overseas Aid Commission; The Kirby Laing Foundation; Landmine Survivors Network; The Lee and Gund Foundation; Lutheran World Federation; MAG America; Manx Landmine Action; Royal Government of the Netherlands; Norwegian Ministry of Foreign Affairs; NVESD; The Paragon Trust; The Portrack Charitable Trust; B E Rodmell Trust; Good Gifts; The Rufford Maurice Laing Foundation; The Fulmer Charitable Trust; The Rhododendron Trust; Highfield Trust; The Michael and Harriet Maunsell Charitable Trust; Government of Sweden/SIDA; Stichting Vluchteling; Survey Action Center (SAC); Terra Renaissance; Trocaire; Unicorn Grocery Limited; United Nations agencies including UNICEF, UNMAS, UNDP, UNHCR, World Food Programme, UNOPS and UNESCO, World Vision; and we would also like to thank our many private and corporate donors for their continued and generous support.

Auditors

Following the resignation of Mazars LLP as auditors to the charitable company on 22 July 2008 Horwath Clark Whitehill LLP were appointed auditors on 23 July 2008.

A resolution to re-appoint Horwath Clark Whitehill LLP as auditors will be proposed at the forthcoming Annual General Meeting.



Michael H Taylor

Chair of the Board of Trustees

Date 6 FEBRUARY 2009

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
MINES ADVISORY GROUP
For the year ended 30 June 2008**

We have audited the financial statements of Mines Advisory Group for the year ended 30 June 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Mines Advisory Group for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Statement from the Chair, Statement from the Chief Executive and the report of the trustees. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
MINES ADVISORY GROUP
For the year ended 30 June 2008**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of state of affairs of the charitable company as at 30 June 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

Date: *6 February 2009.*

MINES ADVISORY GROUP
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year ended 30 June 2008

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Restated Total Funds 2007 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	3	405,626	180,017	585,643	939,151
Investment income	2	66,049	66	66,115	39,111
Incoming resources from charitable activities	4	-	28,031,524	28,031,524	24,085,257
Other incoming resources		6,468	-	6,468	95,559
		<u>478,143</u>	<u>28,211,607</u>	<u>28,689,750</u>	<u>25,159,078</u>
Total incoming resources					
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating					
voluntary income	5	205,964	-	205,964	173,371
Charitable activities	5	2,224,834	24,030,122	26,254,956	23,019,524
Governance costs	5	186,358	-	186,358	188,254
		<u>2,617,156</u>	<u>24,030,122</u>	<u>26,647,278</u>	<u>23,381,149</u>
Total resources expended					
Net incoming resources before transfers					
		(2,139,013)	4,181,485	2,042,472	1,777,929
Transfer between funds	12	1,465,191	(1,465,191)	-	-
		<u>(673,822)</u>	<u>2,716,294</u>	<u>2,042,472</u>	<u>1,777,929</u>
Net incoming resources after transfers					
Total funds brought forward as previously reported					
	12	1,242,202	12,127,798	13,370,000	19,924,974
Prior year adjustment	12	-	-	-	(6,554,974)
Total funds brought forward as restated		<u>1,242,202</u>	<u>12,127,798</u>	<u>13,370,000</u>	<u>13,370,000</u>
Total funds carried forward					
	12	<u>568,380</u>	<u>14,844,092</u>	<u>15,412,472</u>	<u>13,370,000</u>

The statement of financial activities includes all gains and losses recognised in the period.
All incoming resources and resources expended derive from continuing activities.
The notes on pages 25 to 35 form part of these accounts.

**MINES ADVISORY GROUP
BALANCE SHEET
As at 30 June 2008**

	Note	2008		Restated 2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		-		41,518
CURRENT ASSETS					
Debtors due within one year	10	12,755,446		12,367,181	
Cash at bank and in hand		3,175,347		2,087,390	
		<u>15,930,793</u>		<u>14,454,571</u>	
CREDITORS					
Amounts falling due within one year	11	<u>(518,321)</u>		<u>(1,126,089)</u>	
NET CURRENT ASSETS			<u>15,412,472</u>		<u>13,328,482</u>
NET ASSETS			<u><u>15,412,472</u></u>		<u><u>13,370,000</u></u>
FUNDS					
Unrestricted funds	12		568,380		1,242,202
Restricted funds	12		14,844,092		12,127,798
TOTAL FUNDS	13		<u><u>15,412,472</u></u>		<u><u>13,370,000</u></u>

The notes on pages 25 to 35 form part of these accounts.

The accounts were approved and authorised for issue by the Board of Trustees on 6 FEBRUARY 2009

Signed on behalf of the Board of Trustees



Michael H. Taylor
Chair

MINES ADVISORY GROUP
CASH FLOW STATEMENT
For the year ended 30 June 2008

	2008		Restated 2007	
	£	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities				
Net incoming resources	2,042,472		1,777,929	
Depreciation	1,759,474		2,318,414	
Increase in debtors	(388,266)		(861,777)	
Decrease in creditors	(607,767)		(522,869)	
Bank interest received	(66,115)		(39,111)	
Net cash inflow from operating activities		2,739,798		2,672,586
Returns on investments and servicing of finance				
Interest received		66,115		39,111
Capital expenditure				
Payments to acquire tangible fixed assets	(1,717,956)		(2,259,449)	
		(1,717,956)		(2,259,449)
Increase in cash		1,087,957		452,248
Increase in liquid resources		1,087,957		452,248
Net cash resources at 30 June 2007		2,087,390		1,635,142
Net cash resources at 30 June 2008		3,175,347		2,087,390

The notes on pages 25 to 35 form part of these accounts.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (revised 2005) "Accounting and Reporting by Charities", applicable accounting standards and the Companies Act 1985.

1.2 Income recognition

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities, including income received under contract and grants where entitlement to funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement or the donor has specified the funds can only be utilised in future accounting periods.

In the absence of any stipulation from the funder multi annual grants where there is entitlement to income to cover more than one year, are recognised evenly over the period to which they relate. This is a change in accounting policy from previous years, as detailed in note 12.

Gifts in kind received are accounted for in the Statement of Financial Activities as soon as it is prudent and practicable to do so. They are valued as by the donor in the grant documentation.

Investment income is recognised on a receivable basis.

1.3 Resources expended

Expenditure is analysed between the activities in furtherance of the charity's objects, cost of generating voluntary income and governance costs. Expenditure is recorded in the financial statements in the period in which it is incurred, adjusted for creditors and accruals where material, and is inclusive of any VAT which cannot be reclaimed.

Charitable activities

These expenses include direct costs, salaries and overhead costs of assisting communities affected by conflict overseas.

Costs of generating voluntary income

Costs of generating voluntary income include the salaries and overhead costs of UK staff involved in fund-raising and increasing public awareness.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

Support costs

These comprise staff and head office costs. The majority of these costs support charitable activities and are so allocated. Support costs that are fully attributable to that activity are charged directly to that activity. Costs are apportioned to the activity based on the amount of staff time absorbed by each activity.

Governance costs

Governance costs comprise costs involving the public accountability of the charity and its compliance with regulation and good practice, as well as costs associated with the strategic direction of the organisation. These costs include costs related to statutory audit and legal fees.

1.4 Restricted and unrestricted funds

Restricted funds are those that are subject to specific conditions imposed by the donor, contractor or grant making institution.

Unrestricted funds are monies that have been received towards the general objectives of the charity as a whole to be spent at the discretion of the trustees.

Where contracts accounted for within restricted funds include contributions toward support costs, an appropriate transfer is made between restricted and unrestricted funds.

1.5 Leasing contracts

Instalments under operating lease rentals are charged to the income and expenditure account as incurred. The charity does not acquire assets under finance leases or hire purchase agreements.

1.6 Foreign currencies

Transactions in foreign currencies are translated into sterling at average monthly rates. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Any gain or loss arising on translation is included in the statement of financial activities.

1.7 Tangible fixed assets

Assets in the UK costing more than £2,500 are capitalised and written off in full in the year of acquisition. Any assets costing less than £2,500 have been written off in these accounts. UK assets are stated at cost less depreciation.

1.8 Pension costs

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Taxation

The charity has been granted exemption from tax under Section 505(1) (c) of the Income and Corporation Taxes Act 1988 on its charitable activities as a body established for charitable purposes only.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

2. INVESTMENT INCOME

	2008	2007
	£	£
Bank interest received		
Restricted	66	-
Unrestricted	66,049	39,111
	66,115	39,111

3. VOLUNTARY INCOME

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Regular Giving*	-	79,539	79,539	54,473
Legacies	-	694	694	211,903
Public Donations, Appeals and Fundraising Events*	-	278,452	278,452	513,984
Trusts, Foundations & Partnerships	180,017	46,941	226,958	158,791
	180,017	405,626	585,643	939,151

*Includes gift aid

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2008	<i>Restated</i> 2007
	£	£
MAG America (includes U.S. Government sub-grants)	8,283,547	5,748,849
Dutch Government / VL	4,509,468	1,323,890
Department for International Development (DFID)	3,392,146	4,396,496
UN Agencies	2,429,730	4,671,889
European Commission (European Commission Humanitarian Office & Europe Aid)	1,488,821	1,450,312
SIDA	1,163,874	20,424
Irish Aid	535,952	1,014,610
U.S. Government	238,861	1,502,242
Other Non-Governmental (including Trusts, Foundations & Partnerships)	3,529,621	2,350,231
Other Government	2,459,504	1,606,314
	<u>28,031,524</u>	<u>24,085,257</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

5. RESOURCES EXPENDED

	Generating Voluntary Income 2008 £	Charitable Activities 2008 £	Governance 2008 £	Total 2008 £	Total 2007 £
Direct costs					
Assisting communities affected by conflict	-	24,246,282	-	24,246,282	21,154,246
Support costs					
Staff Remuneration & other staff costs	77,685	1,505,210	110,436	1,693,331	1,264,842
Insurance	4,197	124,841	4,970	134,008	95,388
Travel	2,172	224,388	18,705	245,265	165,485
Premises, IT & Communication	4,766	235,907	-	240,673	304,268
Fundraising Events & Advertising	101,335	-	-	101,335	89,383
Professional fees & other costs	15,812	116,190	52,247	184,249	298,064
Exchange (gain) / loss	(3)	(197,862)	-	(197,865)	9,473
Total year ended 30 June 2008	205,964	26,254,956	186,358	26,647,278	23,381,149
Total year ended 30 June 2007	173,371	23,019,524	188,254	23,381,149	

Support costs that are fully attributable to that activity are charged directly to that activity. Costs are apportioned to the activity based on the amount of staff time absorbed by each activity.

6. NET INCOMING RESOURCES

	2008 £	2007 £
The net incoming resources for the year are stated after charging:		
Depreciation of tangible fixed assets owned by the company	1,759,474	2,318,414
Foreign exchange (gains)/losses	(544,174)	427,252
Operating lease rentals - Land and buildings	159,081	382,578
Auditors' remuneration - Audit	30,000	21,750
- Non-audit services	28,875	25,128

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

7. STAFF COSTS

	2008	2007
	£	£
Salaries and wages		
- UK employees (including those working overseas)	5,787,171	4,990,467
- National employees at overseas locations	6,939,332	5,506,635
Social security costs	141,665	111,802
Pension contribution	64,649	58,004
	12,932,817	10,666,908

UK employee costs above include payments to temporary staff of £121,772, these staff are not included in employee numbers outlined below

The average number of UK employees in the year was:

Overseas locations	107	96
Programme support and administration	39	30
Fund-raising information and education	3	3
	149	129

In addition to the UK employees stated above, the charity employs 2,874 (2007 – 2,656) national staff in the overseas locations.

Number of employees whose annual emoluments were between:

£60,000 and £70,000	5	4
£70,000 and £80,000	2	1
£100,000 and £110,000	1	-

Pension costs of £24,809 (2007: £12,202) were paid in respect of the higher paid employees noted above.

8. TRANSACTIONS WITH TRUSTEES

Expenses reimbursed to trustees during the year amounted to £331 (2007 - £283). No remuneration was paid to trustees during the year in their capacity as directors. The company had paid indemnity insurance on behalf of the trustees, amounting to £2,100 (2007 - £2,100).

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

9. TANGIBLE FIXED ASSETS

	Field Assets £	Vehicles £	Equipment Fixtures & Fittings £	Total £
Cost or valuation				
At 1 July 2007	15,907,312	18,284	510,371	16,435,967
Additions	1,711,934	-	6,022	1,717,956
Disposals	(7,711,895)	-	-	(7,711,895)
At 30 June 2008	<u>9,907,351</u>	<u>18,284</u>	<u>516,393</u>	<u>10,442,028</u>
Depreciation				
At 1 July 2007	15,907,312	18,284	468,853	16,394,449
Charge for the year	1,711,934	-	47,540	1,759,474
Disposals	(7,711,895)	-	-	(7,711,895)
At 30 June 2008	<u>9,907,351</u>	<u>18,284</u>	<u>516,393</u>	<u>10,442,028</u>
Net book value				
At 30 June 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 30 June 2007	<u>-</u>	<u>-</u>	<u>41,518</u>	<u>41,518</u>

All expenditure of a capital nature on relief work overseas is capitalised but then, in recognition of the lack of a material residual value or the recoverability of the assets by the charity, is depreciated fully in the year of purchase. From 1 July 2007 the value above which items are capitalised has been increased from £1,000 to £2,500, to better reflect the typical monetary values of items retained for long term use by the organisation. The impact of the change in accounting policy is that £322,273 of expenditure that would previously have been capitalised and depreciated was directly expensed in 2008. However, this change had no impact on the financial results for 2008.

10. DEBTORS

	2008 £	Restated 2007 £
Grant income (Restated as per note 12)	12,123,438	11,859,747
Prepayments and accrued income	418,236	327,622
Other debtors	213,772	179,812
	<u>12,755,446</u>	<u>12,367,181</u>

All of the above amounts fall due within one year.

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	241,977	586,718
Deferred income	48,948	23,756
Grants repayable	39,158	303,792
Other taxation and social security	42,819	38,345
Accruals	129,706	170,612
Other creditors	15,713	2,866
	518,321	1,126,089
Deferred income comprises grant income to be used in future accounting periods		
Balance as at 1 July 2007	23,756	25,076
Amount released to income resources	(23,756)	(40,107)
Amount deferred in year	48,948	38,787
	48,948	23,756

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

12. RESTRICTED/UNRESTRICTED FUNDS

	Balance at 1 July 2007 As previously stated £	Prior year adjustment £	Balance at 1 July 2007 Restated £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 30 June 2008 £
Restricted							
Angola	1,991,746	(1,166,772)	824,974	2,032,412	(1,750,830)	380,683	1,487,239
Burundi	-	-	-	551,458	(125,383)	(12,660)	413,415
Cambodia	1,629,627	(956,341)	673,286	2,115,949	(1,830,325)	(167,137)	791,773
Central African Republic	-	-	-	17,948	(14,705)	(3,243)	-
Chad	(14,255)	-	(14,255)	57,830	(88,606)	50,080	5,049
Cyprus	58,505	-	58,505	69,020	(94,165)	(27,627)	5,733
Democratic Republic of Congo	1,655,271	(994,575)	660,696	4,505,039	(2,263,150)	92,473	2,995,058
Iraq	3,256,914	(476,998)	2,779,916	7,127,922	(4,847,494)	(1,937,268)	3,123,076
Laos	2,235,833	(838,017)	1,397,816	1,604,416	(1,853,509)	291,842	1,440,565
Lebanon	1,891,551	(682,704)	1,208,847	3,283,989	(4,189,517)	287,683	591,002
Nepal	15,206	-	15,206	-	-	(15,206)	-
Republic of Congo	-	-	-	253,227	(219,096)	(23,626)	10,505
Somalia	54,320	-	54,320	384,462	(67,626)	(58,114)	313,042
Sri Lanka	97,247	-	97,247	424,457	(377,811)	(32,801)	111,092
Sudan	4,512,488	(1,439,567)	3,072,921	4,769,981	(5,002,635)	33,578	2,873,845
UK	606,713	-	606,713	98,155	13,845	(565,492)	153,221
Vietnam	691,606	-	691,606	915,342	(1,319,115)	241,644	529,477
	<u>18,682,772</u>	<u>(6,554,974)</u>	<u>12,127,798</u>	<u>28,211,607</u>	<u>(24,030,122)</u>	<u>(1,465,191)</u>	<u>14,844,092</u>
Unrestricted	<u>1,242,202</u>	<u>-</u>	<u>1,242,202</u>	<u>478,143</u>	<u>(2,617,156)</u>	<u>1,465,191</u>	<u>568,380</u>
	<u>19,924,974</u>	<u>(6,554,974)</u>	<u>13,370,000</u>	<u>28,689,750</u>	<u>(26,647,278)</u>	<u>-</u>	<u>15,412,472</u>

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

12. RESTRICTED/UNRESTRICTED FUNDS (continued)

The restricted funds balance is the consolidation of individual grant and contract balances in MAG's country programmes that are being carried forward to next year in line with the individual terms and conditions of these grants and contracts. These restricted fund balances are consolidated by country to provide an appreciation of the level of activity being undertaken in each country of operation.

During the year MAG conducted an extensive review and revised its approach to accounting for restricted funds to improve the transparency of the financial statements presentation.

This resulted in a change in accounting policy for income recognition. Previously all income receivable was recognised in the statement of financial activities on the date of formal notification of the funding. MAG receives a number of multi-annual grants and following this review and in the absence of any stipulation from the funder, has elected to recognise multi-annual grants evenly over the period to which they relate. This change in accounting policy has been recognised as a prior year adjustment resulting in the prior year's income and trade debtors being reduced by £6.5m. Of this adjustment £3.5m has then been recognised as income during this year and the remaining £3.0m will be recognised next year.

MAG also reviewed and has taken a more prudent approach to restricted fund balances on projects that are considered concluded whereby surpluses and deficits, including foreign exchange translation differences where contracts were reported to donors in currencies other than sterling, are transferred to unrestricted reserves. As a result £0.8m was transferred from unrestricted reserves.

Transfers from restricted to unrestricted reserves also include contributions by donors who have agreed that a fixed percentage of their restricted funds can be allocated towards the organisation's central support costs; these amounted to £2m. This also includes any surplus earned on fixed price contracts; these surpluses are transferred from restricted to unrestricted reserves to further the charity's objects, these amounted to £0.25m.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Totals 2008	Totals 2007
	£	£	£	£
Tangible fixed assets	-	-	-	41,518
Net current assets	568,380	14,844,094	15,412,472	13,328,482
Total net assets	568,380	14,844,094	15,412,472	13,370,000

MINES ADVISORY GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

14. OPERATING LEASE COMMITMENTS

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008			2007		
	Within 1 year £	2-5 years £	Over 5 years £	Within 1 year £	2-5 years £	Over 5 years £
Land and buildings	159,081	-	-	193,155	129,844	-
Other	-	-	-	1,008	720	-

15. PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions of up to 5% for staff, 10% for members of Directorate and 15% for the Chief Executive. Contributions paid by the company to the fund amounted to £64,649 (2007 - £58,004).

16. CONNECTED COMPANIES

MAG Response Ltd (Company Number 04030037) is a 100% subsidiary of Mines Advisory Group and has not traded since incorporation on 10 July 2000.

17. RELATED PARTIES

Mines Advisory Group (MAG) and MAG America work together to assist countries affected by armed conflict. MAG America seeks to raise awareness and funds in the USA for MAG's field activities around the world. MAG's Chief Executive serves as an unpaid member of the Board of Trustees of MAG America. Until he left in January 2008 MAG's Company Secretary also carried out unpaid duties as the Company Secretary for MAG America.

18. COMPANY STATUS

The company is a charitable company limited by guarantee and has no share capital.

In the event of winding up, the liability of four of the trustees drawn from the current board of trustees is limited to £1 each.

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2008

APPENDIX 1 - PRO FORMA US DOLLAR ACCOUNTS

The financial information presented within this appendix represents extracts from the financial statements presented in US Dollars and does not form part of the audited financial statements of the company. The following accounting policy has been applied in the preparation of the information in this appendix.

The assets and liabilities have been translated at the exchange rates prevailing at the balance sheet date. Income and expenditure items are translated at the average exchange rates for the period. Exchange differences arising are shown on the balance sheet as a currency reserve.

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2008

	Unrestricted Funds \$	Restricted Funds \$	Total Funds 2008 \$	Total Funds 2007 \$
INCOMING RESOURCES				
Incoming resources from generated funds:				
Voluntary income	815,795	362,050	1,177,845	1,815,379
Investment income	131,705	1,265	132,970	75,602
Incoming resources from charitable activities	-	56,377,002	56,377,002	46,556,802
Other income	13,010	-	13,010	184,715
	<u>960,510</u>	<u>56,740,317</u>	<u>57,700,827</u>	<u>48,632,498</u>
Total incoming resources				
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of generating voluntary income				
	<u>414,235</u>	-	<u>414,235</u>	335,126
Charitable activities	4,474,586	48,329,381	52,803,967	44,496,740
Governance Costs	<u>374,803</u>	-	<u>374,803</u>	363,895
Total resources expended	<u>5,263,624</u>	<u>48,329,381</u>	<u>53,593,005</u>	<u>45,195,761</u>
Net incoming/(outgoing) resources before transfers	(4,303,114)	8,410,936	4,107,822	3,436,737
Transfer between funds	<u>4,619,033</u>	<u>(4,619,033)</u>	<u>0</u>	-
Net movement in funds	315,919	3,791,903	4,107,822	3,436,737
Total funds brought forward	<u>2,465,523</u>	<u>24,071,254</u>	<u>26,536,777</u>	23,100,040
Total funds carried forward	<u><u>2,781,442</u></u>	<u><u>27,863,157</u></u>	<u><u>30,644,599</u></u>	<u><u>26,536,777</u></u>

The statement of financial activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2008

The following pages do not form part of the statutory accounts

	2008		2007
	\$	\$	\$
FIXED ASSETS			
Tangible assets		-	82,406
CURRENT ASSETS			
Debtors	25,452,217		24,546,381
Cash at bank and in hand	6,336,089		4,143,052
	<u>31,788,306</u>		<u>28,689,433</u>
CURRENT LIABILITIES			
Amounts falling due within one year	<u>1,034,258</u>		<u>2,235,062</u>
NET CURRENT ASSETS		<u>30,754,049</u>	<u>26,454,371</u>
NET ASSETS		<u><u>30,754,049</u></u>	<u><u>26,536,777</u></u>
FUNDS			
Unrestricted funds		2,781,442	2,311,254
Restricted funds		27,863,157	22,565,018
		<u>30,644,599</u>	<u>24,876,272</u>
Currency Reserve		109,450	1,660,505
TOTAL FUNDS		<u><u>30,754,049</u></u>	<u><u>26,536,777</u></u>

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2008

APPENDIX 2 - PRO FORMA EURO ACCOUNTS

The financial information presented within this appendix represents extracts from the financial statements presented in 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 the information in this appendix.

The assets and liabilities have been translated at the exchange rates prevailing at the balance sheet date. Income and expenditure items are translated at the average exchange rates for the period. Exchange differences arising are shown on the balance sheet as a currency reserve.

The following pages do not form part of the statutory accounts

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2008

	Unrestricted Funds €	Restricted Funds €	Total Funds 2008 €	Total Funds 2007 €
INCOMING RESOURCES				
Incoming resources from generated funds:				
Voluntary income	558,506	247,865	806,371	1,390,883
Investment income	90,167	866	91,033	57,924
Incoming resources from charitable activities				
	-	38,596,606	38,596,606	35,670,266
Other income	8,907	-	8,907	141,523
	<u>657,580</u>	<u>38,845,337</u>	<u>39,502,917</u>	<u>37,260,596</u>
Total incoming resources				
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of generating voluntary income				
	283,592	-	283,592	256,762
Charitable activities	3,063,374	33,087,075	36,150,449	34,091,915
Governance Costs	256,596	-	256,596	278,804
	<u>3,603,562</u>	<u>33,087,075</u>	<u>36,690,637</u>	<u>34,627,481</u>
Total resources expended				
Net incoming/(outgoing) resources before transfers				
	(2,945,982)	5,758,262	2,812,280	2,633,114
Transfer between funds	3,162,264	(3,162,264)	-	-
	<u>216,282</u>	<u>2,595,998</u>	<u>2,812,280</u>	<u>2,633,114</u>
Net movement in funds				
Total funds brought forward	<u>1,837,217</u>	<u>17,937,014</u>	<u>19,774,231</u>	<u>17,141,117</u>
Total funds carried forward	<u><u>2,053,499</u></u>	<u><u>20,533,012</u></u>	<u><u>22,586,511</u></u>	<u><u>19,774,231</u></u>

The statement of financial activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

MINES ADVISORY GROUP
EURO ACCOUNTS
For the year ended 30 June 2008

The following pages do not form part of the statutory accounts

	2008		2007	
	€	€	€	€
FIXED ASSETS				
Tangible assets		-		61,406
CURRENT ASSETS				
Debtors	16,122,884		18,291,061	
Cash at bank and in hand	4,013,640		3,087,250	
	20,136,524		21,378,311	
CURRENT LIABILITIES				
Amounts falling due within one year	655,158		1,665,486	
NET CURRENT ASSETS		19,481,366		19,712,825
NET ASSETS		19,481,366		19,774,231
FUNDS				
Unrestricted funds		2,053,499		1,812,675
Restricted funds		20,533,012		17,697,335
		22,586,511		19,510,010
Currency Reserve		(3,105,145)		264,221
TOTAL FUNDS		19,481,366		19,774,231

The following pages do not form part of the statutory accounts