

The HALO Trust

Annual report and financial statements

Company number 2228587

Charity registration numbers

1001813 and SC037870

31 March 2021

Contents

Trustees' annual report	2
Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements	29
Independent auditor's report to the Trustees and Members of The HALO Trust	30
Statement of financial activities	34
Balance sheet	35
Cash flow statement	36
Notes	37

Trustees' annual report

The Trustees, who are also Directors of The HALO Trust for the purposes of the Companies Act 2006, present their annual report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information

Charity name	The HALO Trust	
Charity registration numbers	1001813 and SC037870	
Company registration number	2228587	
Business address	Carronfoot, Thornhill, Dumfries DG3 5BF	
Directors and Trustees	Timothy Church FCA (Chairman) Mark Aedy José Pedro Agostinho (appointed 01 February 2021) Anthony Bird Paddy Beeley The Rt. Hon. Ruth Davidson MSP Colonel Jane Davis OBE QVRM TD DL RGN Gemma Mortensen Paddy Nicoll (retired 15 May 2021) John Raine CMG OBE The Rt. Hon. Lord Sedwill KCMG FRGS Emma Sky OBE (appointed 16 May 2021) Anastasia Staten Lieutenant General (Retired) Sir Barney White-Spunner KCB CBE (appointed 16 May 2021) Rupert Younger	
Chief Executive	Major General (Retired) James Cowan CBE DSO	
Secretary	Anthony Wigan FCA	
Registered office	One Bartholomew Close Barts Square London EC1A 7BL	
Auditor	KPMG LLP 319 St Vincent Street Glasgow G2 5AS	
Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB	
Legal advisors	BDB Pitmans LLP One Bartholomew Close Barts Square London EC1A 7BL	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

Statement from the Chairman

The year began at arguably the worst part of the pandemic with severe lockdowns implemented across the world and considerable financial uncertainty prevalent. To address this, The HALO Trust took swift but considered decisions to use the UK furlough scheme and a salary sacrifice mechanism for those not furloughed. Our relatively strong financial position going into the crisis allowed us to take a prudent and robust approach. As soon as we were able, we released furlough and made good to those affected.

At programme level, decisions were made according to local conditions, while always seeking to balance the safety of HALO's teams against the continuing urgent need for our humanitarian support and hence keeping programmes going.

While we have had to deal with COVID, the underlying reasons for HALO's existence continue unabated. The world continues to be challenged by instability and conflict, and HALO has continued to be a key actor on the frontline in addressing the consequences of these global events. In Myanmar, HALO continued to operate, despite the local challenges. In Nagorno Karabakh, despite a brutal and bloody conflict between Armenia and Azerbaijan, HALO remained at its station, providing an essential humanitarian service to the victims.

It is however in Afghanistan (HALO's largest and longest standing programme), that the changing situation is most acutely felt.

While it falls outside of the strict timeline of this report, it would be wrong to ignore the implications for HALO of the event that began with the 8th June attack in Baghlan Province, in which 12 HALO staff were murdered and a further 14 wounded. The incident highlighted a number of things: the acutely hazardous nature of our work, the professionalism of our response, the huge expression of public support, and the continuing need to take action on conflict in Afghanistan and around the world. Perhaps the most encouraging thing to have come out of this most dreadful event, and a ray of hope for the future of this wonderful country, was the manner in which so many of our HALO deminers refused to betray their colleagues who were clearly being targeted. Our thoughts and prayers are with the survivors and the bereaved.

Despite the severity of the attack, it is the subsequent military withdrawal that has the greater implications. HALO worked in Afghanistan long before the international intervention in 2001 and remains committed to meeting humanitarian need in that country. Only a few days after the last Western military aircraft left Kabul Airport, HALO redeployed 1,400 staff back onto the ground in five of the most affected provinces – a striking example of our willingness to remain loyal to Afghanistan and its people.

Prior to the pandemic, HALO had been planning to launch its new strategy. In the event, only a short delay was required and the strategy was launched based on three goals: Goal 1 - Protect Lives From The Explosive Threats And Hazards Resulting From Conflict; Goal 2 - Reduce Human Suffering From Armed Violence; Goal 3 - Create Resilient And Prosperous Communities.

As a part of Goal 3, HALO offered up its capabilities as a part of the COVID response, delivering medical supplies in countries as different as Zimbabwe, Myanmar and Afghanistan and conducting disease education work in Cambodia. Our COVID response work showed that in a time of global uncertainty we were capable of pivoting our capabilities to respond to the most important and immediate needs of the communities we serve. In doing so we served 60% more people in FY20/21 than in the previous

year, including our COVID beneficiaries. The total number of beneficiaries in FY20/21 was 3.5m (of which 2.2m were from mine action activities and 1.3m from COVID response).

Our core work in Goals 1 and 2 has also continued. While the frictions of international travel, quarantine and national lockdowns have had their effect, under Goal 1 HALO was able to release 12,500 hectares of previously contaminated land back to communities, up from 11,261 hectares the year before. However, because of COVID disruptions in some high-volume countries, we destroyed fewer mines in the year, totalling 39,964 versus 56,685 in 2020. Under Goal 2, 60,000 small arms were marked, registered and destroyed, a similar figure to last year despite the pandemic. We are pleased to report that that our income was up £5.916m (7%) over the prior year, reaching £89.884m

The pandemic has challenged us to think differently about what we do, seeing a greater requirement to respond to the whole needs of communities in conflict (from environment, to public health, to post-conflict reconstruction), rather than the narrower metric of getting mines out of the ground. It has also caused us to reconsider how we achieve a greater impact on the communities with which we work, with greater online training, digitalisation and stronger partnerships outside mine action.

Our donors, to whom we are extremely grateful, will see the future through a broader humanitarian lens: other factors such as the environment, prosperity, public health and opportunities for women will become more important. We are making good progress towards our goal to eliminate mines, but we believe HALO is uniquely positioned to address these new issues in some of the most demanding countries. HALO's programmes are capable of delivering the key initial support necessary that then allows others to work in these counties.

None of what HALO delivers would be possible without the resilience of all its staff, whether local or international. The loyalty, and determination to carry out their work in the greater interest of the communities they serve, often faced with extraordinary challenges, is admirable.

While the UK is, for now, our only donor country to have cut its overseas aid (but promising to return it to previous levels), HALO has watched the publication of the UK's Integrated Review with considerable interest. The HALO Trust, as an independent humanitarian organisation operating in some of the most challenging environments around the world, sits at the intersection of defence, diplomacy and development; there can be few other organisations better able to support the actions necessary to deliver the kind of integrated effect demanded by the Integrated Review for the greater good, and most especially for those faced with insurmountable challenges associated with conflict, poverty, climate change and disease.



Timothy Church
Chairman

Trustees' annual report

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

1. VISION, MISSION, OBJECTIVES, GOALS AND ACTIVITIES FOR THE PUBLIC BENEFIT

1.1 Vision

HALO's vision is a world where people can thrive in peace and dignity without fear from the impact of conflict.

1.2 Mission

HALO's mission is to protect lives and restore livelihoods of people affected by conflict.

1.3 Objectives

The objects of the charity, as set out in the Articles of Association, are:

- "The relief of poverty, sickness, suffering and distress throughout the world, in particular by the provision of hydrological, engineering and other works and medical aid with particular emphasis on the care and rehabilitation of non-combatant victims in areas where there is human conflict and the provision of assistance in the removal of debris of military hardware which may be a direct threat to non-combatants in hazardous areas where hostilities have ceased, and
- To carry out or conduct or to assist in carrying out or conducting any research into the special problems arising from injuries sustained by non-combatants in hazardous areas and into methods of alleviating suffering arising therefrom and to publish the useful results of any such research."

1.4 Goals and Activities

1.4.1 Protect lives from the explosive threats and hazards resulting from conflict

- Work with communities and authorities to understand the extent of the problem, and prioritise the response;
- Help people to act safely when living amidst explosive hazards, and assist victims to access support;
- Make land and urban areas safe for access, infrastructure and productive use;
- Support countries to achieve their clearance strategies, targets and international commitments.

1.4.2 Reduce human suffering from armed violence

- Identify and understand drivers of armed violence and design interventions to protect civilians;
- Promote responsible control of small arms, light weapons and ammunition to prevent diversion and unplanned explosions at storage sites;
- Promote responsible arms control to prevent diversion and illicit trafficking of weapons;
- Work with communities to reduce armed violence.

1.4.3 Build resilient and prosperous communities

- Work with local people to understand their broader needs and develop projects that magnify the impact of our clearance work;
- Work with partners to develop projects that improve livelihoods, economic growth, public health and resilience;

- Support peacebuilding efforts through conflict prevention and mitigation, as well as post-conflict stabilisation and reconstruction;
- Support environmental conservation and climate change mitigation.

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

2. THE STRATEGIC REPORT

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

2.1 HALO Outputs Worldwide

Description	FY20/21	FY19/20	% Change
Land released (hectares) ¹	12,501	11,261	+11%
Landmines destroyed	39,964	56,685	-29%
Unexploded Ordnance (UXO) destroyed	50,860	58,813	-14%
Cluster munitions destroyed	9,823	9,675	+2%
Small Arms Ammunition (SAA) destroyed	241,608	453,176	-47%
Small Arms Light Weapons (SALW) controlled ²	60,210	59,474	+1%
Explosive Ordnance Disposal (EOD) call-outs	10,652	6,864	+55%

Land release beneficiaries ³			
Direct beneficiaries (total)	297,378	268,440	+11%
Women	145,145	96,819	+50%
Men	52,759	61,602	-14%
Girls	58,301	66,194	-12%
Boys	41,173	43,825	-6%
Indirect beneficiaries (total)	1,444,795	1,006,166	+44%
Women	417,191	287,785	+45%
Men	386,379	252,777	+53%
Girls	342,601	251,646	+36%
Boys	298,624	213,958	+40%

Explosive Ordnance Risk Education (EORE) sessions	37,499	31,499	+19%
Beneficiaries of Explosive Ordnance Risk Education (total)⁴	480,073	749,231	-36%
Women	140,946	236,139	-40%
Men	62,765	85,254	-26%
Girls	144,830	252,446	-43%
Boys	131,532	175,392	-25%

¹ Land released includes minefield area cleared and reduced by technical survey, and battle area cleared. This figure excludes land cancelled.

² Including SALW destroyed, marked and recorded.

³ Recorded in line with Standard Beneficiary Definitions agreed among NGOs who conduct mine action.

⁴ In response to COVID restrictions on gatherings, HALO adjusted its delivery of EORE sessions, delivering more small or household sessions rather than larger gatherings such as school classes, resulting in a reduction in the number of EORE beneficiaries.

Major variances on outputs explained

Landmines destroyed. The overwhelming majority of the 29% drop in the number of landmines destroyed is due to a reduction in output in Zimbabwe (13,625 fewer landmines removed in Zimbabwe in FY20/21 when compared with FY19/20). This accounts for over 82% of the overall drop in this KPI for the whole of HALO. In April 2020, Zimbabwe operations were fully suspended due to national COVID restrictions, and only limited operations were possible in May 2020 when restrictions were eased slightly. In January and February 2021, again due to COVID restrictions, operational deployment was between 40-50% of normal, with one camp prematurely closed in February.

Small Arms Ammunition (SAA) destroyed. The drop in the number of items of SAA destroyed is largely attributable to a small number of programmes with high output against this KPI in FY19/20. In particular, El Salvador, which saw a drop of 120,949 SAA items (56% of the difference for HALO as a whole, and down 97% on the previous year for the programme), was suspended for most of FY20/21 due to lack of funding from the USA and to COVID. The second biggest contribution to the difference was from Afghanistan, which saw a drop of 75,681 items (almost 35% of the difference for the whole of HALO).

It is important to note on the SAA KPI that several programmes saw significant increases in output, notably Sri Lanka, Nagorno Karabakh and Guinea-Bissau, but these were from a relatively modest base and hence not enough to offset the loss of the El Salvador output.

2.2 Programmes

Afghanistan

The programme covers all aspects of mine and improvised explosive device clearance, ordnance disposal and weapons and ammunition management. Despite the impact of COVID across the country, HALO Afghanistan cleared 2,444 hectares, equivalent to twice the size of London Heathrow Airport, benefitting over 201,260 men, women and children and resulting in the destruction of 2,859 mines and 815 tonnes of ordnance and ammunition. Demining was concentrated in rural areas, supporting the restoration of livelihoods for the most vulnerable communities. HALO's impact survey shows that 95% of cleared land is used for agriculture, the main source of income for rural families. This land release contributes to relief in a country where 29% of the population is at crisis levels of food insecurity.

In response to the high civilian casualty rates caused by abandoned victim-operated improvised explosive devices (IEDs), which now account annually for 60% of all civilian casualties, the programme continued to expand. Twelve teams were deployed across three of Afghanistan's most contaminated provinces, removing several hundred IEDs and releasing 64.5 hectares of land. Innovation and improved detector use increased clearance rates by 400% to a high of 6.4 hectares in a month. HALO also led the capacity development of seven other national implementing organisations, along with the national authority, through a UN funded train-and-equip project enabling qualifications in IED survey, location and disposal.

More widely, HALO expanded its weapons and ammunition management (WAM) activities, with the construction of ten secure armouries and ammunition storage facilities, bringing the total to 50. Significantly, the programme signed a EUR5.8m grant with the European Union to support the safe storage and management of stockpiles of ammunition, thereby reducing the risk and impact of unplanned explosions and enhancing the safety and security of local communities. HALO also destroyed 14,500 small arms weapons handed over by the authorities.

The programme recruited Afghanistan's first ever woman to be trained and employed as a team leader in non-technical survey and explosive ordnance disposal (EOD). HALO also continued its expansion of solar power facilities, which resulted in an annual reduction in fuel consumption of over 104,000 litres.

The withdrawal of the US and NATO forces resulted in the Taliban successfully returning to power. Notwithstanding this change of control, HALO remains operational on the ground carrying out its humanitarian duties.

Angola

The focus of the programme is on mine clearance, weapons and ammunition management, and a growing link to conservation in the headwaters of the Okavango Delta. The Government of Angola (GOA) has adopted a cautious approach to COVID. FY20/21 started with a nation-wide lockdown, including a complete closure of Angolan borders and air space. As a result, HALO teams were unable to deploy for several months, which reduced planned outputs. Despite the impact of the pandemic, the programme almost doubled in size from 456 staff to 848 (including 208 women), with seventeen teams deployed by March 2021. Teams released 132.8 hectares of land, and destroyed 731 mines and 21,815 items of ordnance through standard demining projects and a US-funded Weapons and Ammunition Management (WAM) element.

By January 2022, there will be 440 GOA-funded staff. Aside from the GOA contract, the programme has a robust and diverse funding base including mainstream government donors (USA, UK and Japan), the private sector (BP, ENI and Sonangol), and private foundations (Oak Foundation, National Geographic Society and World Without Mines). An increasing number of donors, including the USA and Oak Foundation, have expressed interest in conservation related outcomes.

Bosnia and Herzegovina (BiH) and the Western Balkans

A weapons and ammunition programme. Funding in FY20/21 was from the German Federal Foreign Office (GFFO), the UK's Embassy in Sarajevo, the Norwegian MoD and the UN Facility Supporting Cooperation on Arms Regulation (UNSCAR). HALO marked and registered 21,905 small arms between April and November 2020, representing 34% of the armed forces stockpile.

The funding picture was stable until December 2020 when the project's main donor, GFFO, withdrew anticipated support, leading to an unplanned funding gap. HALO Bosnia is seeking further contributions from another donor to complete the armed forces weapons marking and registration programme, and to implement a WAM labelling project.

HALO is working with EUFOR to become a co-implementer for a NATO-led project to refurbish over 190 military armouries to make them fit for safekeeping of weapons, and is awaiting confirmation of involvement in this project. HALO Bosnia contributed to HALO's broader Western Balkans proposal for the UK FCDO, as part of an effort to support the Bosnian police.

HALO continued to strengthen relationships throughout the Western Balkans, in particular with UK Embassies through their FCDO and MoD staff. With strong support from regional UK staff, the strength of the resulting relationship enabled HALO to submit a proposal to the FCDO that seeks to secure multi-million pound funding for a four-year project in all six countries of the region.

Cambodia

A well established mine clearance programme. During FY20/21 HALO Cambodia expanded by 100 to over 1,150 staff, maintaining a broadly 50:50 gender balance amongst deminers. Funding from the UK, USA, Germany and Ireland was augmented by additional funding from the Government of Switzerland for a three-year project.

Access to the K5 mine belt was suspended in July 2020 due to demarcation disputes with Thailand, as well as COVID concerns along the northern and western borders. HALO's clearance, survey and EOD operations received full support from the national authorities to continue during COVID restrictions.

As such, HALO was able to redeploy teams on alternative tasks and cleared 993 hectares, destroying over 8,300 landmines and items of ordnance, benefiting 115,000 men, women and children during the year. As part of the response to COVID, HALO distributed educational materials across villages in the north and west of Cambodia and screened over 20,000 beneficiaries for diabetes, as well as providing education and advice on health matters.

Colombia

A mine clearance programme focussed on improvised landmines. The pandemic impacted HALO's work in Colombia, with operational outputs down one-third from last year. Colombia implemented a stringent national lockdown from March 2020, forcing the suspension of operations until June, when HALO's humanitarian mandate enabled a gradual restart of operations with extensive bio-security mitigations in place.

Conversely, security across Colombia improved during 2020, although this was reversed in January 2021, with a rise in incidents across the country. HALO was forced to suspend operations in Meta Department following threats from a dissident group, but operations restarted in February.

The Colombian National Mine Action Authority awarded HALO eight new municipalities within the Departments of Antioquia and Meta. HALO can now develop work plans until 2024 and will increase both staff and team numbers accordingly. HALO remained focussed on the delivery of cost-effective operations, clearing 15.1 hectares and destroying 99 improvised mines and 21 items of ordnance. Due to the pandemic, HALO's staff numbers reduced to 400, distributed between its Bogota headquarters and five regional bases. Women make up 35% of the workforce.

El Salvador

A weapons and ammunition management programme. El Salvador implemented stringent COVID restrictions from March 2020, causing delay to the start of HALO's US-funded WAM project. Liaison with the Salvadorean Government began in September 2020, following the lifting of COVID restrictions, and operations began in October. HALO provided capacity development support to the Salvadorean Ministry of Defence and National Police through EOD, Stockpile Management Training, the rehabilitation of explosive storehouses and armouries, and the disposal of munitions and small arms. During the year, HALO oversaw the disposal of 988 weapons and 3,383 items of ammunition. Thirty soldiers and police received training in safe stockpile management and EOD.

Georgia (including Abkhazia)

A programme focussed on explosive ordnance disposal. In FY20/21, HALO was unsuccessful in its bid to secure funding for two of the five minefields remaining in uncontested Georgia, which HALO has permission to clear. As a result, operations remained suspended, although the programme maintains a training base and one local officer to provide logistics and regional support. In FY21/22, the programme will work to engage new donors and maintain its active role in the regional initiative 'The Landmine Free South Caucasus Campaign'.

In Abkhazia, clearance operations continued at Primorsky, the site of a former ammunition store which exploded in August 2017. New, short-term funding was secured through SlovakAid in November 2020. European Union funding finished in December and the programme scaled back operations in January 2021. HALO received an additional US\$260,000 from the Swiss Federal Department of Foreign Affairs (FDFA) to complete full clearance at the site, and, having begun on 1 June, the programme anticipates completing clearance of the densest contamination at the Primorsky crater area by September 2021. Since beginning operations at Primorsky, HALO has safely removed and destroyed 98,543 items of explosive ordnance thrown out by the explosion. In addition, two UK-funded EOD teams were able to continue their operations despite COVID restrictions, serving the most conflict-affected communities across Abkhazia. Since June 2020, HALO has implemented a COVID ambulance

response project in Abkhazia, funded by the UK (CSSF) and by the European Rapid Reaction Force (EURRF) since March 2021, providing logistical support to local hospitals and laboratories in response to the pandemic.

The programme has received funding of US\$50,000 from the Norwegian Embassy for the clearance of four residual minefields in Abkhazia. Discussions are also in progress with the European Union, with the aim of resuming rural infrastructure rehabilitation projects in the territory.

Guatemala

A weapons and ammunition management programme. Except for anti-government protests in November 2020, Guatemala was stable during the year. The Guatemalan government enacted stringent national COVID restrictions, which delayed HALO's WAM project, affecting activities from March to September 2020. HALO continues to provide capacity development support to the Ministry of Defence and National Police through EOD, stockpile management training, the rehabilitation of explosive storehouses and armouries, and the disposal of munitions and small arms. 7.25 tonnes of explosive ordnance were disposed of in March 2021 and 20 members of the Guatemalan military received EOD training.

Guinea-Bissau

A weapons and ammunition management programme. Excellent progress was made in Guinea-Bissau, with HALO facilitating the delivery of two WAM training courses to the army, the destruction of 78 weapons, including over 50 man portable air defence system (MANPAD) components, and the incineration of 5,000 small arms ammunition. This progress has been the result of improved liaison with the national authority and the support of the US Embassy.

The Guinea-Bissau programme delivered its first armoury management training to female trainees, demonstrating the goodwill and support built up with the military. A female HALO instructor delivered the course and a representative from the US Embassy attended the opening.

Having needed to use thermite to destroy 57kg of munitions, the programme is optimistic that it will be easier to import explosives in the coming months.

Honduras

A mothballed weapons and ammunition management programme. Broader geopolitics have impacted US-funded projects in Honduras, and HALO's plans were thwarted by a lack of access to key stakeholders. In April 2020, in conjunction with the US Department of State, the decision was made to mothball the Honduras project and further HALO's WAM goals remotely from El Salvador. The office was closed in June 2020 and no outputs were recorded for the year.

Iraq

A programme focussed on the clearance of IEDs. The twin effects of a reduced oil price and COVID resulted in a contraction in Iraq's GDP by 19%. Government budget deficits and the resulting economic effects caused social unrest, particularly in the south. Conversely, the security situation improved. However, targeted attacks against key assets or groups continued, with local and foreign actors vying for influence and control. While HALO's own security was constantly reviewed, the greater concern was the effect of COVID on reducing operational activity, and visa restrictions which made it difficult for international staff to gain entry. Despite this, the programme had its most productive year, with 1,269 IEDs, three anti-vehicle mines and 718 items of ordnance safely destroyed, and 146 hectares of land released, of which 99% was through mechanical clearance.

With a dependence hitherto on UNMAS contracts, in 2020 the award of funding by the USA for Salah al Din governorate, combined with continuation funding from Belgium and more projects from UNMAS, ensured a broader commitment of donors.

To support local capacity building, an aim of the Iraq Government, HALO entered into a partnership with Al Ghad, a long-established Iraqi NGO. HALO is training Al Ghad staff in IED clearance (manual and mechanical demining), survey and medical support. HALO is also working with Al Ghad on a risk education project and the associated design and construction of a small recreational park as part of a behaviour-change intervention in old Mosul town.

There is growing interest from the national authority and some donors for HALO intervention in southern Iraq. In the south there is extensive contamination from legacy minefields and unexploded cluster munitions. A reconnaissance is planned to assess the situation.

Kosovo

A mine clearance programme. In FY20/21 HALO secured a 12 month, EUR173,000 grant from the Swiss Confederation for mine clearance. This funding, combined with multi-year grants from the USA and an anonymous US donor, kept eight clearance teams operating for most of the year. In addition, the programme used funding from its anonymous US donor to train and deploy two non-technical survey teams to assess the location and extent of remaining contamination in the country. This resurvey project will help identify the highest priority tasks towards the Government of Kosovo realising its strategic goal of being landmine and cluster munition free in 2024.

The programme secured additional funding for battle area clearance, allowing for the doubling of team numbers from five to eleven.

Laos

A programme largely focussed on clearing air delivered munitions from the Vietnam War. New funding from the US Department of State enabled further expansion of the programme from 528 to 750 staff, with women now accounting for 51% of programme employees. 150 additional personnel were trained, but await the import of new equipment before being deployed. The programme still has a young workforce, with an average age of 27.

With the new US funding and the continuation of FCDO funding, the number of UXO clearance teams increased from 20 to 31 (420 staff). The programme has continued to focus on the survey of Savannakhet Province, with 20 survey teams (230 staff) deployed through the US-funded Cluster Munitions Remnants Survey project (2018-2022).

Despite having to deal with the impact of COVID and severe flooding in October 2020, HALO destroyed 10,668 items of ordnance, including 7,934 cluster munitions, and cleared 322 hectares across Savannakhet Province. The survey teams added 1,668 hectares of cluster munition contaminated areas to the national database.

Libya

A programme focussed on clearing explosive ordnance from the recent war. HALO Libya expanded its operational presence in Tripoli after an escalation of fighting between forces aligned to the Libyan National Army (LNA) and the Government of National Accord (GNA). HALO's Tripoli activities included: an innovative explosive contamination mapping project and subsequent emergency survey prioritisation plan; training and deployment of non-technical survey teams; and a comprehensive socio-economic baseline survey. By March 2021, HALO had also trained two manual clearance teams and three mechanical clearance teams. When operationally accredited by the national mine action authority, these teams will clear explosives hazards in southern Tripoli.

Mechanical clearance in Sirte was suspended in June 2020 following the re-taking of Sirte by the LNA. No HALO staff were harmed during the fighting and most of HALO's assets were secured in safe locations inside the city. The programme is in the process of redeploying to Sirte following the reopening of the coastal road that links east and west Libya, with operations scheduled to start once LibMAC have reissued a task order.

HALO Libya also provided EOD training to national authorities and Libyan mine action NGOs, which resulted in the delivery of the first ever International Mine Action Standards EOD Level Three courses inside Libya. Further training courses will take place in both the west and eastern parts of Libya, which will include supervised assessments of insecure ammunition storage areas.

Myanmar

A programme focussed on mine risk education and minefield survey. HALO's Myanmar programme continued to be funded by the UK and the United Nations Office for the Coordination of Humanitarian Affairs, with five teams, each capable of survey and risk education, deployed in the states of Kayin and North Shan during FY20/21. In addition, HALO worked with two local partners in northern Shan. Reported casualties from mines and explosive remnants of war for 2020 were 69 killed and 185 injured, the third highest in the world after Afghanistan and Syria. Rakhine State now accounts for just over 50% of the casualties, with Shan and Kachin having the next highest levels at 25% and 10% respectively.

From March to July 2020, mine action activities were formally suspended due to the pandemic. HALO teams responded by switching to distribution of COVID education and hygiene materials and, from August onwards, reintroduced mine risk education. The programme conducted 803 community liaison visits and delivered COVID hygiene materials and MRE sessions to more than 53,000 people during FY20/21.

In September 2020, HALO signed a new three-year MoU with the Ministry of Social Welfare, Relief and Resettlement. This included permission to conduct technical survey in consultation with community, local authorities and relevant government agencies.

On 1 February 2021, the government was replaced by the Tatmadaw. Team deployments were initially suspended and refresher training conducted; deployment then resumed in March when the security situation was better understood.

Nagorno Karabakh

A programme focussed on mine clearance and other explosive ordnance disposal from the 1992 and 2020 wars. FY20/21 was a turbulent year for the Nagorno Karabakh programme. HALO had cleared 9.6 hectares of mined land before the outbreak of war between Armenia and Azerbaijan in September. Hostilities lasted 44 days before a ceasefire agreement, following which the scale of the humanitarian need and the change in operating context became apparent.

Due to the change in territorial control, HALO's area of operations reduced in size by 60% and the presence of Russian peacekeepers resulted in constraints surrounding access. While the area may be smaller, the density of contamination is much greater. Urban clearance of cluster munitions from homes and gardens is now prioritised over the remaining rural mine clearance. Since November 2020, HALO has cleared 125 hectares, destroying 1,533 cluster munitions, 351 other items of unexploded ordnance and 18,585 items of small arms ammunition.

Renewed donor interest followed the war, providing the funds required to continue HALO's humanitarian activities.

Somalia

A programme focussed on mine clearance and weapons and ammunition management. During the course of FY20/21 the programme expanded from six to twenty manual mine clearance teams, with over 400 staff deployed across the Somalia States of South West, Hirshabelle, Galmudug and Puntland. These teams and the Mogadishu HQ were supported by funding from the UK, Ireland, Norway, Finland, the Netherlands, and the EU (via an UNMAS contract).

Activities focussed on the Somalia/Ethiopia border where there is a high concentration of minefields and abandoned and stockpiled ordnance. In FY20/21 the programme cleared 48 hectares of minefields and 150 hectares of battle area, destroying seventeen anti-personnel mines, 25 anti-vehicle mines and 1,875 items of ordnance.

In parallel with clearance operations, HALO Somalia deployed three teams to rehabilitate and build armouries for the secure storage of weapons for the Somali police and army. Coupled with training and mentoring for the security services, these activities reduce the potential proliferation of weapons and ammunition, and lessen the likelihood of dangerous unplanned explosions.

Somaliland

A programme focussed on mine clearance and with a growing focus on livelihoods, conservation and climate. Demining operations were maintained at the previous year's level of 34 manual and three mechanical clearance teams, supported by two explosive ordnance and two community outreach teams.

Mine clearance operations focussed on the Somaliland/Ethiopia border area, where the need for clearance is greatest due to the number of mines and proximity of the minefields to villages. 142 hectares of land were declared clear of mines, of which 13 hectares were cleared mechanically. 110 anti-personnel and eleven anti-vehicle mines were destroyed. Throughout the year HALO maintained two roving teams, which completed 157 spot tasks, resulting in the destruction of 371 items of ordnance and 266 items of small arms ammunition.

In April 2021 HALO was registered as an NGO in Ethiopia, and is now authorised to operate in Ethiopia to conduct mine risk education and to survey and clear minefields. HALO expects the organisational and operational accreditation process to be completed at the end of September, which will enable the recruitment, training and deployment of Ethiopian survey and demining teams in October. The survey and clearance will initially be focussed on the Ethiopian side of the Ethiopia / Somaliland border. However, HALO has identified a clear requirement to scale up survey and demining activities across the Somali Region of Ethiopia as a whole, as evidenced by the number of mine accidents which continue to occur.

In early 2021, HALO piloted a new initiative to rehabilitate cleared land to mitigate the effects of vegetation cutting during mine clearance activities. In partnership with local environmental NGO Candlelight, local communities were provided with tools and training in the siting and digging of soil bunds to capture rainwater and encourage natural vegetation regrowth. Saplings have been provided and are being planted in strategic areas to minimise soil erosion.

Sri Lanka

A well established programme focussed on mine clearance. The programme expanded from 1,036 to 1,217 staff, 40% of whom are women, many being war widowed heads of household, and increased and extended operations in Mullaitivu district following reallocation of 62.2 hectares of minefields to HALO. This area is the former Liberation Tigers of Tamil Eelam (LTTE) stronghold and presents varying challenges, including dense jungle, IEDs and elephants.

Following the parliamentary elections in November 2020, mine action moved under the Ministry of Rural Housing & Construction & Building Material Industries. The sector is now developing a Completion Survey to map unidentified minefields and begin denoting administrative areas mine free, in addition to preparing for a National Strategy Review. These activities will provide the revised cost and timeline for mine free Sri Lanka.

In FY20/21 HALO cleared 190 hectares of land, safely removing and destroying over 10,830 mines and 51,406 items of ordnance, as well as small arms ammunition and weapons. This has benefitted over 7,400 people directly and over 28,800 indirectly, and enabled the resettlement of over 100 internally displaced persons (IDPs). Sri Lanka was comparatively fortunate in the first pandemic lockdown, with operations being suspended for only six weeks.

Syria

A programme focussed on risk education, survivor assistance, survey and some disposal. HALO Syria's work in FY20/21 was confined to the opposition and Turkish controlled enclave in the North West, which currently has double its original population packed into a small land area. Activities comprised survivor assistance, risk education, enhanced contamination impact survey, and disposal of explosive hazards. More than 50,000 people benefitted from the work of HALO and its partners.

Operations were conducted primarily through partner organisations, Shafak, Hand-in-Hand for Aid and Development, and iMFAD Humanitarian Mine Action Agency Turkey. HALO opened its first office inside Syria, in Kelli, Idleb governorate, from which risk education and survivor case management staff were managed directly by HALO.

Following careful negotiation with the Turkish authorities, disposal of ordnance began in the north of Aleppo governorate in October 2020. In December 2020, the results of the enhanced contamination survey were made public through a report and webinar. The survey assessed 974 communities and identified explosive threats in 41% of them. Hazards included 113 suspected minefields and it was found that at least 1.6 million people are living with explosives in their towns and villages.

All direct delivery of survivor assistance activities stopped at the end of February 2021 when funding from the European Union's ECHO ended. HALO is now ineligible for direct funding from ECHO due to the UK leaving the EU. ECHO has provided 31% of funding received by HALO Syria since the programme's inception in 2016.

Funding has been secured from the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and the United Nations Office for Project Services (UNOPS). The new US Administration has changed the position on funding activities in Syria and funds for fiscal year 2022 are being appropriated for mine action. Private funding from the USA is allowing HALO to expand operations to include ordnance disposal in Idleb governorate and to begin landmine clearance in northern Aleppo.

Ukraine

A programme focussed on mine clearance and survey. During FY20/21 HALO increased its capacity to 432 staff and released 248 hectares of land in the government-controlled areas of Donetsk and Luhansk regions. Clearance focussed on the 15km 'buffer zone' from the Line of Contact between government-controlled areas and non-government controlled areas in eastern Ukraine, where the majority of civilian casualties continue to occur. Teams removed 530 mines, cluster munitions and other items of ordnance. Survey teams continued to map the scale of the contamination, identifying 44 new minefields, bringing the total number surveyed since 2016 to 296, with a total area of 2,599 hectares. HALO Ukraine became the first HALO programme ever to receive UNICEF funding, and began an innovative project developing and delivering virtual reality Explosive Ordnance Risk Education

(EORE). The US Department of State project to build ammunition stores continued to progress with support from the Ukrainian Ministry of Defence.

Mine clearance rates improved through the introduction of mechanical support equipment and the introduction of new clearance drills. HALO handed over 21 cleared minefields to local communities, after passing external quality control by the Ukrainian Demining Centre. As well as training the Ukrainian humanitarian demining branch, HALO also began delivery of training and equipment for the State Emergency Service under an EU-funded project. Upon completion of training in November 2020, HALO supported the deployment of four State Emergency Services clearance teams in the Mariupol area of operations.

An amendment was made to the national mine action law, proposing a structure with two separate mine action centres. The amendment was adopted in mid-2021 with an ambition to implement by the end of 2021.

West Bank

A programme focussed on mine clearance. April 2020 saw the completion of work clearing landmines and explosives in and around the site of Christ's Baptism on the West Bank at Qasr al-Yahud. The final phase of work involved the clearance of 1.2 hectares of land and the disposal of 502 anti-vehicle mines.

Clearance work at the Baptism Site began in March 2018. Its completion will allow the eight churches owning land and places of worship there to begin rebuilding and thereby allow worship for the first time in more than 50 years. The project was funded by a range of churches, other private donors and by the State of Israel. It is a rare example in the region of a project supported by all communities and religions.

Between October and December 2020, 0.6 hectares of minefield were cleared at Nur A-Shams in Tul Kereem district of the West Bank. This was funded by the European Union's Instrument contributing to Stability and Peace (IcSP). Work at Nur A-Shams and all operations on the West Bank were suspended when funding ended in December.

There are three minefields in the West Bank which have been partially cleared and are in need of completion. HALO is seeking funds for this, although opportunities are limited. A new IcSP budget, beginning in 2021, has new criteria that makes HALO's project ineligible for funding by them.

The new US Administration has reversed the position of the previous Administration and is renewing funding for humanitarian activities in the West Bank. At the time of writing, HALO is working with the Department of State to finalise a grant which will allow resumption of mine clearance for ten months from September 2021. Follow-on funding is anticipated. This will allow completion of the clearance of the three remaining Jordanian-laid minefields and save the programme from premature closure.

Yemen

A programme focussed on mine clearance. As a response to the pandemic, international medevac services were curtailed in March 2021, leading to the suspension of HALO operations through the following quarter. As medevac services resumed, HALO Yemen began its first operations. HALO team members performed battle area clearance (BAC) of a site in central Aden from July, clearing 22.5 hectares of land previously contaminated by explosive remnants of war. These, the first INGO-led clearance teams in Yemen's history, removed over 97 tonnes of ammunition for disposal.

During the year, HALO maintained a team of 39 national staff, including 16 deminers seconded from the Yemen Executive Mine Action Centre (YEMAC). In November 2020, a community outreach team, directly recruited by HALO, deployed for the first time. Sessions were held at IDP sites across Aden,

reaching 2,458 people. HALO was also involved in capacity development of mechanical clearance and EORE national standards on behalf of the newly launched Yemen Mine Action Coordination Centre (YMACC).

Zimbabwe

A programme focussed on mine clearance. HALO's programme was impacted by two government-imposed COVID lockdowns during FY20/21. The first occurred at the very start of the year and the other in January 2021 when there was a full second wave and a complete national shortage of hospital beds. Several staff contracted COVID, but, through the implementation of strict protocols, there was virtually no spread.

At the start of the pandemic HALO approached Zimbabwe's Ministry of Health and offered logistical support. The offer was taken up immediately and the programme delivered personal protective equipment and other goods to eight of ten provincial capitals, as well as to a multitude of rural hospitals and clinics. In 2021 HALO has supported the provincial vaccination teams in its area of operational responsibility. The programme also won funding from Germany for the drilling and repair of boreholes in support of wider COVID response. Despite the two lockdowns, HALO Zimbabwe released 161.7 hectares of land, and cleared 19,676 mines and 15 items of unexploded ordnance (UXO).

2.3 Training

HALO provides comprehensive training to its people, in all aspects of programme management and delivery of operations, allowing it to recruit potential leaders from all walks of life and setting it apart from other humanitarian operators in the sector.

International Staff Training

Trainees from the February 2020 intake completed the three-month field-based phase in Cambodia and deployed to programmes for their second phase of training. They spent the rest of the year on-the-job learning, and attending distance learning sessions and regular progress meetings with the training team.

A new cohort completed the Cambodia field-based phase of training in August followed by on-programme training which started in January.

In January, two new field officer training courses began: one in Cambodia for the most diverse intake to date, with trainees from Hungary, Italy, Kenya, Uganda, the UK and Zimbabwe; the second, the first of its kind, in Somaliland for eight senior national operational staff from Afghanistan, the Middle East and North Africa region.

Research into an online learning management system has yielded positive results and further analysis of the providers is being conducted. This facility will give HALO staff the flexibility to learn at a time and pace to suit their workloads, and a more formalised system will make the management of training across the organisation easier.

Explosive Ordnance Disposal Training

In April 2020 and May 2021, HALO qualified 91 people to dispose of explosive ordnance to the International Mine Action Standards (IMAS). EOD Level 1 training was delivered to 15 HALO international staff, Level 2 to 10 Cambodian National Staff, and Level 3 to 19 HALO international staff. EOD 3 training was also delivered to the Guatemalan military and Libyan national mine action NGOs. In addition, four HALO Trust national staff qualified as EOD instructors on the EOD train-the-trainer course, thus developing a national capacity to deliver courses up to IMAS EOD Level 3 in Cambodia.

Weapons and Ammunition Management Training

The weapons and ammunition management team standardised activities and developed metrics for the global operations database. This is an essential basis for improvement in information management, allowing standardisation of reported activities across programmes. This will be the basis of an app-based data collection and storage mechanism, improving quality assurance, oversight, and compliance.

HALO has established a roster of instructors capable of delivering armoury training and conducting train-the-trainer for security force members. This includes several female instructors, including the Global Construction Manager, who has been instrumental in developing the weapons management capacity for Angola and Guinea-Bissau.

Ammunition training packages have been reviewed and updated in line with the International Ammunition Technical Guidelines. Small arms and light weapons management courses have been reviewed and the curriculum will be expanded to deliver new capabilities in 2021.

2.4 Research and Development

The Research and Development department has expanded to three full-time staff, providing extra capacity for supporting HALO programmes, as well as engaging with external partners and sources of funding.

Initial trials of a drone with thermal sensors were conducted for detecting buried anti-tank mines in Somaliland in August 2020. With new private funding, a remote sensing specialist was hired in March 2021 to lead a more comprehensive set of drone trials in Somaliland and Angola, using a range of sensors. It is hoped that this technology will help find and define minefields with more accuracy than current methods, and allow more efficient and targeted use of other clearance assets.

The successful trials of ground penetrating radar (GPR) detectors for clearance of improvised explosive devices have produced a doubling of clearance rates in Afghanistan, with further improvements anticipated. Iraq will shortly be implementing the same techniques. Additional GPR trials (supported by the US Humanitarian Demining Research and Development Program) are planned to address clearance challenges in Angola.

2.5 Mechanical & Fleet

Mechanical operations across the Middle East and North Africa have continued to expand, with armoured excavators and loaders added to the Afghanistan, Iraq, and Libya programmes. This reflects the regional development of IED and urban area clearance operations.

In Yemen, HALO has bolstered the national capacity for mechanical operations through the development of new national mine action standards for mechanical clearance. This was achieved through a series of workshops with the national authority. Training and machine-armouring projects are in progress.

In HALO's Africa programmes, mechanical assets have been redistributed from Mozambique to both Zimbabwe and Somaliland. Somaliland has added an orbital screener to their fleet to complement the equipment received from the closed Mozambique programme. Zimbabwe has made progress with the deployment of the donated Mining Machinery Developments sizer machine.

Mechanical operations in Sri Lanka continue to develop, with the programme having adjusted well to the significant asset additions made in the previous reporting period. HALO's Yemen, Afghanistan, and Abkhazia programmes all contributed to armouring trials that are expected to be finalised in the next reporting period, with global armouring standards to follow.

HALO has signed a contract with Ultimo, a global Fleet Management System (FMS) to unify fleet data across all programmes. The system will allow accurate reporting of fleet information, such as fuel/parts costs, asset utilisation, driver data, and stock levels.

HALO has been working to create a global vehicle tender for the purchasing of light fleet vehicles. This will be in the form of a three-year long term agreement with vehicle suppliers, ensuring that all major donor requirements are covered and allowing logistics, programmes, and donor teams to have fixed vehicle and parts costs for the contract period, including additional discounts when purchasing bulk items.

HALO has become the official development partner for INEOS Automotive ('IAL') for the new Grenadier 4x4 vehicle, using our experience and insight to support IAL in the development and testing of this exciting new vehicle.

2.6 Operational Compliance

Despite pandemic-related travel constraints, quality assurance visits were conducted in Yemen, Nagorno-Karabakh, and Somaliland. Remote support was provided to other programmes to assist with near-miss investigations. In the first part of the year, significant effort was devoted to working with HALO's Medical Board to develop new procedures and adapt existing processes to reduce risks of COVID transmission during operations.

During the reporting period, there were nine accidents involving explosive ordnance that resulted in injuries to HALO staff. Four accidents occurred in Zimbabwe, two of which resulted in minor injuries, and a further two resulted in hand injuries for which insurance claims were made. Four accidents in Sri Lanka, Angola and Cambodia resulted in slight injuries to four employees all of whom were able to return to work. An ammunition handling accident in Afghanistan in February 2021 tragically resulted in the deaths of three HALO employees. All accidents were investigated by HALO, as well as independently by national authorities and, in the case of Zimbabwe and Afghanistan, with the support of external consultants.

In FY20/21, HALO continued to contribute to the work of the International Mine Action Standards Review Board.

2.7 Programme Development

Despite the restrictions on movement created by the pandemic, HALO continued to develop new programme initiatives in accordance with the organisation's strategic goals, while also responding to specific requests for assistance.

In January 2021, HALO received a request from the US Department of State to provide support to the newly established maritime element of the Malawi Defence Force (MDF). This assistance relates to the management of weapons and ammunition, as part of increasing MDF capacity to conduct interdiction operations against illicit trafficking on Lake Malawi. In February, HALO was asked by the same donor to develop the capacity of inter-governmental organisation Regional Centre for Small Arms (RECSA) to coordinate and implement WAM activities across East Africa, beginning in Kenya,

Rwanda and Uganda. Assessment visits to Malawi and Kenya followed in March. Both projects are expected to begin in Autumn 2021.

In Nigeria, HALO has developed important relations with the Nigerian Police Force, specifically the newly appointed Inspector General of Police and the Police Commissioner for Armaments. Research commissioned by HALO in northwest Nigeria has highlighted the problem of banditry and the loss of weapons from security sector stockpiles, and reinforced the need for improved safety of weapons and ammunition in an area that is vulnerable to extremist incursion.

The US Navy has invited HALO to join a site survey of the former gun batteries on Caballo Island in Manila Bay that were used as a store for a very large quantity of US Second World War ammunition by the Philippines Navy. A comprehensive survey of the munitions, their locations within the underground stores and their safe-to-move status will be essential to plan the movement and disposal of the ammunition.

In Vietnam, HALO has been requested by the national authorities to provide assistance with both landmine clearance and the disposal of air dropped weapons in two provinces that have not previously received international support. HALO has employed a local individual experienced in the mine action sector to act as a liaison with the mine action centre and the provincial authorities. An assessment mission will be conducted in Autumn 2021, provided travel restrictions allow.

HALO continues to explore opportunities to establish armed violence reduction programmes in the Caribbean and Central America.

2.8 Strategic Plan 2021-2025

In November 2020, HALO launched its new five year Strategic Plan that will guide how HALO seeks to address new global challenges, building on expertise in mine action and WAM, addressing the increasing prevalence of armed violence and helping to build resilient and prosperous communities that are impacted by conflict, climate, disease and poverty.

This strategy focusses around three goals as set out in section 1.4 of this report. Due to COVID, the launch of the Strategic Plan was delayed and amendments made in response to this new global challenge. This new context highlights the need for an increasingly integrated response, which brings together humanitarian, development, security, climate and conservation approaches. Goal Three of the Strategic Plan was updated in the light of the pandemic explicitly to include public health responses and address the interconnected needs of communities affected by conflict and fragile health systems.

2.9 COVID Response Activities

Working in partnership with national health authorities and medical specialist organisations, HALO was able to mobilise resources quickly to respond to the challenges posed by the pandemic and support national responses in a variety of ways.

Across fifteen⁵ programmes HALO delivered support to national COVID response, such as driving medical staff and delivering equipment, delivering COVID prevention and sanitation materials,

⁵ HALO conducted COVID response activities in Abkhazia, Afghanistan, Cambodia, Colombia, Guinea-Bissau, Iraq, Kosovo, Laos, Libya, Myanmar, Nagorno Karabakh, Somaliland, Syria, Ukraine and Zimbabwe

installing water supplies, and supporting those most vulnerable to find safe shelter during national lockdowns. The following table shows the breakdown of all COVID response tasks conducted.

Task	Tasks completed
Ambulance provision/transport (patients, medical staff and contact tracing teams)	6,897
Distribution and logistics (medical supplies, C19 vaccine, food and non-food items, hygiene kits)	1,385
Health promotion	2,523
Infrastructure (medical facility construction and rehabilitation)	4
Management and coordination (needs assessments and monitoring)	25
Construction of Water, Sanitation and Hygiene (WASH) facilities	15
Total	10,849

These activities benefitted 1,330,436 people.

Women	Men	Girls	Boys	Total
395,006	402,457	261,431	271,542	1,330,436

In 2021 HALO will build on the lessons learned and partnerships formed during this year to continue support to public health in some countries, such as in vaccine delivery, or to establish longer-term assistance to public health systems.

2.10 Funding Opportunities

Despite the impact of COVID, HALO has seen most government donors maintain their support for mine action. HALO secured multi-year contracts from the Netherlands and Finland and annual continuation funding from all other government donors. Several government donors also supported HALO's COVID response work, either through flexibility in existing contracts or through specific emergency funding.

2.11 Policy and Advocacy

Action on Conflict: With a focus on the UK's international strategy, HALO has brought together an alliance of organisations to advocate for greater emphasis to be placed on conflict response, stabilisation and recovery, supporting the strands of prevention and resolution, which are promoted in the UK's integrated strategy.

Online advocacy and inclusion: Due to the pandemic, many of the planned conferences and multilateral fora were either cancelled, postponed or delivered online. HALO has embraced the opportunity for change and the need for innovative approaches to engaging international communities, institutions and policy makers. In partnership with organisations such as Big Tent Ideas Festival, Tortoise and RUSI, HALO organised and participated in a series of online panel discussions on issues such as the COVID response, defence and development, and demining, reintegration and intra-Afghan dialogue.

HALO's multilateral advocacy continued with online events throughout the year, with a particular focus on diversity and inclusion. The virtual event phenomenon allowed panellists from all over the world to participate, including members of HALO national staff who previously would not have been

able to engage. HALO seeks to maintain this focus on inclusion as in-person events return, advocating a hybrid approach whenever possible.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1 Structure

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

3.2 Governance

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

The Board holds formal scheduled meetings at least four times a year, as well as a number of ad hoc meetings. In addition, there is an annual cross briefing held in the UK, attended by Board members and all HQ and senior international and national staff, although pandemic restrictions affect the normal format. An Audit and Remuneration Committee, comprising four Trustees (Mark Aedy, Anthony Bird and Paddy Beeley, plus, ex officio as Chairman of the Board, Timothy Church), together with attendance by the Chief Executive, the Company Secretary and the Finance Director, assists the Board in discharging its obligations to ensure the adequacy of internal controls and the integrity of the financial statements. A Governance/Nominating Committee, made up of four Trustees (Rupert Younger, Jane Davis and John Raine, plus, ex officio as Chairman of the Board, Timothy Church), and attended by the Chief Executive, the Company Secretary and the Head of Governance and Safeguarding, ensures that the required governance policies are in place and that measures are taken to make certain that they are enacted. Both the Audit and Remuneration Committee and the Governance/Nominating Committee meet at least twice a year. A Medical Board, comprising around 30 volunteer health care professionals, ensures that the Board of Trustees is fulfilling its duties and obligations on medical care. Jane Davis, as the representative of the Board of Trustees, sits on the Medical Board.

The Trustees who were in office on 31 March 2021 and at the date of this report are shown on page 1.

The Articles of Association state that each Director shall be appointed for a period of three years, or such shorter period as the Directors shall think fit, at the end of which they shall retire, at which point they shall be eligible for re-election. No Director shall serve for a consecutive period of more than nine years, save with the approval of a two-thirds majority of the Directors. Anthony Bird has served since October 2010. The Board unanimously resolved to extend his period beyond nine years because of the valuable skills and experience that he brings.

The Articles of Association state that Directors can be appointed by a simple majority of the Directors.

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

Board Changes and Attendance (✓) / (Non-Attendance (x)) at Board Meetings FY 20/21

Name	Appointed		23.06.20	22.09.20	15.12.20	16.03.21
Timothy Church			✓	✓	✓	✓
Mark Aedy			✓	✓	✓	✓
José Pedro Agostinho	01.02.21		N/A	N/A	N/A	✓
Paddy Beeley			✓	✓	✓	✓
Anthony Bird			✓	✓	✓	✓
Ruth Davidson			✓	x	✓	✓
Jane Davis			✓	✓	x	✓
Gemma Mortensen			✓	✓	x	✓
Paddy Nicoll			✓	✓	✓	✓
John Raine			✓	✓	✓	✓
Mark Sedwill			✓	✓	✓	✓
Anastasia Staten			✓	✓	✓	✓
Rupert Younger			✓	✓	x	✓

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

3.3 Organisational Structure and Management

The Board is responsible for the strategic direction of the charity. Operational control is exercised by the Chief Executive Officer (CEO), who reports to the Board in person on a quarterly basis and in writing on all questions of Board level policy and where operational risk requires a Board level view. The CEO attends Board meetings, but is not a Trustee and does not vote. The senior executive level structure, in addition to the Chief of Staff, consists of seven directors: a director of Capability, responsible for growing the capability of HALO, in both functional and geographic senses; a director of Fundraising and Communications, responsible for private fundraising and communications; a director of Finance and Support Services which include Logistics; a director of Human Resources and Administration; an executive director HALO USA; a director of Strategy responsible for shaping HALO's strategy, partnerships and policy; and a director of Programmes responsible for five country regions. A programme manager, who reports to a head of region, controls one of HALO's countries and territories. Other staff in each country programme are responsible for Finance, Human Resources, Logistics, and Information Services. These roles are designed to give HALO the means to run a large and complex organisation.

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

3.4 Employees

HALO's success relies on the hard work and dedication of its staff. At 31 March 2021, HALO employed 8,732 staff globally, with 8,508 (97%) being national staff - locally employed and committed to ridding their own countries of mines and other explosive ordnance. The average staff number during FY20/21, as reported in note 8 to the financial statements, was 8,296. Currently, 159 international staff oversee and manage operations and support activities across HALO's global programmes, with a further 65 management and administrative staff based in the UK.

The emphasis on national staff recruited from conflict-affected communities means that the salaries and knowledge base remain in country and benefit those most in need. HALO's commitment to improving the gender balance of its national staff continues, with nine programmes having women making up more than a third of their staff. As at 31 March 2021, 25% of HALO's workforce were women, up from 22% at the start of the financial year. Excluding the Afghanistan programme, which is HALO's biggest and where cultural norms make it hard to employ women, the 31 March 2021 percentage of women rises to 30%. Overall, 39% of the 224 international and UK-based staff are women.

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

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

HALO treats the health and well-being of its staff seriously; paramedics, equipped with comprehensive medical packs, are built into the structure of every HALO team and are trained to deliver emergency trauma care for victims of landmines and other ordnance. HALO also calls upon a Medical Board of experienced international surgeons, doctors and nurses, who oversee its medical policy and ensure its correct implementation by visiting programmes on a regular basis.

4. PRINCIPAL RISKS AND UNCERTAINTIES

HALO's work often takes place in dangerous and volatile environments. HALO's risk management framework is designed to assess, mitigate, elevate and oversee risks at every level and institutionally. Directorate risk registers are updated every quarter; the impact, mitigation, treatment and contingencies are reviewed and the Board is formally updated at every Board Meeting. The Governance/Nominating Committee considers risk management policy annually. HALO's key prevailing risks are set out below.

4.1 Security and Operational Safety

Security is challenging for many of HALO's programmes. HALO's security policy, guidance and training seek to increase awareness, improve behaviour and reduce the likelihood of staff being affected by a security incident, or a change in conditions. Threat awareness and an agile approach to risk allow work to continue without compromising safety; contingency plans are practised and risk assessment (reviewed on a rolling basis) enables quick adjustments to programme posture.

Operational safety and compliance policy is designed by the Head of Operational Compliance and overseen at HQ and programme level. HALO's work is governed by a robust set of standing operating procedures (SOPs); incidents and accidents are thoroughly investigated and lessons learned are quickly implemented through SOP changes, which minimise the risks of a repeat.

4.2 Safeguarding

HALO takes safeguarding very seriously and approaches it from the perspective of personal as well as corporate responsibility. Individual countries face cultural, educational and legal challenges, which need to be considered in safeguarding delivery at the local level.

HALO's Safeguarding Policy is supported by the Charity's Code of Conduct and a robust directive to guide implementation; clear whistleblowing procedures enable and encourage reporting. Each programme has a staff handbook, which gives safeguarding direction to national staff and all staff (whether national, or international) receive annual training. HALO's due diligence processes deliver partner and contractor compliance, while rolling internal and external audit, as well as Board review, ensure that HALO safeguarding remains fit for purpose.

4.3 Government Funding Priorities

Funding priorities fluctuate over time, but the pandemic has increased donor focus on domestic needs at the expense of international aid; this will remain a challenge. HALO's smaller programmes are more vulnerable to changing donor priorities, which has the potential to make them more reliant on funding from HALO's reserves. Sustaining strong government and international partnerships will be central to HALO's long-term success. Meanwhile, HALO is looking to broaden its international funding base and concurrently developing its access to global philanthropy.

4.4 Information Security and Cyber-Crime

Data breaches have the potential to harm HALO's reputation and donor confidence. HALO has therefore developed National Cyber Security Centre (NCSC) approved information security policies, which, through their implementation and continuous improvement, aim to deny access to malicious actors. HALO's information security strategy was approved by the Board in October 2018; since then, technical controls have been implemented and are being adjusted to meet the evolving threat. All employees receive training on HALO's approach and the Charity seeks out best practice wherever possible, implementing lessons as they emerge to protect staff, beneficiaries and partners.

4.5 Financial Crime (against HALO, or perpetrated by a member of staff)

Financial crime has the potential to result in loss of funds, inflated costs and misappropriation of assets; it could also harm HALO's people and reputation. Appropriate policies and procedures have been designed to address this, which include robust financial SOPs and procurement procedures, oversight of financial and budgetary authority, cash controls, segregation of duties, whistleblowing and supplier due diligence. Training is provided annually and accounts are audited in line with policy; additional staff have been recruited to increase the Charity's financial assurance across the enterprise.

4.6 COVID

The secondary impacts of the pandemic include a move from physical to virtual management, with far fewer international flights but good exploitation of new video conferencing technology. There is, however, a human impact on staff in remote locations with leave uncertain and postings often held up for several months. The delivery of professional development and initial training have also been curtailed. HALO has established a coherent plan to monitor and mitigate the effects of COVID on organisational resilience.

4.7 Contractual and Regulatory Compliance

HALO manages a large number of contracts across a diverse range of operational territories and has set in place robust, user friendly policies and procedures to ensure that contracts are delivered in compliance with donor regulations. Where partners deliver activities on behalf of HALO, contracts are designed to ensure that back-donor regulations are met. There is a risk that HALO fails to ensure that it is in compliance with legislation in the territories in which it operates; a central database is utilised to hold details of all country regulatory compliance requirements, including company registration, operating permits, company taxation, insurance, labour law and reporting requirements.

5. ENVIRONMENTAL REPORTING

5.1 Quantification and Reporting Methodology

HALO has used the UK Government 2020 and 2021 conversion factors for the purposes of environmental reporting. The reporting methodology was based on that used to fulfil the requirements of the Energy Savings Opportunity Scheme.

- Ledger transaction detail reports were run from the financial accounting system, for the in scope energy sources, for the financial year.
- Supplier invoices were reviewed for all in scope transactions, from which energy units supplied data was collated.
- UK Government conversion factors produced by the Department for Business, Energy and Industrial Strategy were used to convert units of energy supplied into tonnes CO₂e (CO₂e) and kWh.

5.2 Organisational Boundary

HALO has used the financial control approach to report on all sources of environmental impact over which it has financial control within the UK and offshore.

5.3 Intensity Measurement

HALO has chosen the financial metric of emissions in tonnes of CO₂e per £ million revenue as this is the most appropriate for our organisation.

5.4 Environmental Data

Figures include UK and offshore	2021	2020
Aggregate kWh from all in scope energy sources	283,484	243,296
Emissions from combustion of oil for heating, tonnes CO ₂ e (Scope 1)	33.79	31.00
Emissions from combustion of fuel for transport, tonnes CO ₂ e (Scope 1)	6.82	15.95
Emissions from purchased electricity (Scope 2, location based, including transmission and distribution), tonnes CO ₂ e	27.22	13.00
Total gross tonnes Co ₂ e based on the above	67.83	59.94
Intensity ratio: tonnes CO ₂ e gross figure based from mandatory fields above/£m Total Income	0.7546	0.7139

5.5 Energy Efficiency Action

During the reporting period, HALO continued to follow its environmental policy to:

- Measure and improve its environmental impact across its operations.
- Minimise and mitigate harmful impacts to the natural environment and prevent pollution, through a series of clearly documented environmental controls and processes.
- Ensure compliance with all relevant environmental regulations in the countries of operation.
- Understand and respect the environmental concerns of the communities in the places we work.
- Promote environmental responsibility both within HALO and in its external engagement, including through delivery partners.
- Engage in environmental performance monitoring, evaluation and knowledge sharing processes.
- Measure and promote energy efficiency, reducing carbon emissions across operations wherever feasible.
- Minimise waste wherever possible.
- Minimise negative environmental impacts within operational supply chains.
- Minimise environmental contamination related to the disposal of explosive items.

The principal measures taken for the purpose of increasing energy efficiency during the financial year included:

- The creation of an environmental impact working group for sharing ideas and best practice on mitigating HALO's environmental impact.
- Procurement of a green energy supplier which provides 100% renewable electricity and carbon neutral gas, at our Salisbury office.
- Increased use of video conferencing technology to limit travel for face-to-face meetings.
- Installation of new mechanical ventilation with a heat recovery system at our Salisbury office.
- Installation of energy efficient lighting at our offices in Dumfriesshire.
- Installation of new energy efficient radiators at our Salisbury office.
- Engagement of an environmental assessor to review the energy efficiency of the heating and cooling system at our Salisbury office.
- Installation of energy-efficient servers, HP laptops endorsed by the Scottish government and switching to cloud computing that utilises data centres powered with renewable energy.
- Reduced use of paper and printers, utilising electronic storage where practical.
- Installation of signage encouraging staff to save energy.
- Remote working to avoid unnecessary road, rail and air travel to meetings.

6. FINANCIAL REVIEW

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

6.1 Financial Overview

The financial statements of the company can be found on pages 34 to 48. The application of the company's funds is detailed in notes 4 to 7 on pages 41 and 42.

Income from charitable activities was £89.286m, with growth of £5.865m over the prior year. Of particular note is increased funding from the US Department of State, Political Military Affairs Bureau

/Office of Weapons Removal and Abatement (PM/WRA), via The HALO Trust (USA), Inc. (£1.575m), Federal Republic of Germany (£2.662m), Government of Angola (£5.664m), partially offset by reductions in funding from the UK Foreign, Commonwealth and Development Office (£3.071m) and UK Conflict Stability and Security Fund (£1.285m).

Operations in a number of geographical regions have grown in the year, particularly in Angola where expenditure of £9.967m is reported, compared with £5.830m in the previous year, and in Cambodia, with an increase of £2.062m, to £7.622m, whilst expenditure in Afghanistan decreased in the year by £1.437m, to £14.201m and in Colombia expenditure decreased from £6.468m, to £4.944m.

Cash balances stand at £23.756m (£16.905m at 31 March 2020) including payments received from donors in advance of expenditure, with a commensurate increase in the level of deferred income.

Deferred income represents donor funding received during the year, for which the respective expenditure will occur in future accounting periods. At 31 March 2021, deferred income amounted to £20.545m, compared with £15.287m at 31 March 2020.

6.2 Funding and Reserves

Total unrestricted funds at 31 March 2021 were £8.313m, compared with £8.010m at 31 March 2020. The Trustees consider HALO's free reserves to be £6.986m, calculated as total unrestricted funds (£8.313m) less fixed assets (£1.241m) and stock (£86k), and reflecting the resources readily available for unrestricted charitable use. Full details of HALO's reserves are shown in notes 16 and 17 of the financial statements.

The Trustees regularly review unrestricted reserves in accordance with the reserves policy, which takes into account any short-term gaps in donor funding, managing the closure of programmes, providing emergency response funding, conducting reconnoitres in new countries, programme start-up costs, developing organisational capacity, managing foreign exchange exposure, and maintaining a contingency in the event of a material reduction or cessation of major donor funding. The Trustees consider the current free reserves balance of £6.986m to be sufficient to cover the risks and opportunities identified in the reserves policy.

6.3 Going Concern

The Trustees consider HALO to be a going concern; HALO has commitments from donors in the form of grants and contracts to maintain activities in countries where it operates and has taken into consideration scenarios in the event that operations are suspended, or donor funding is shifted to alternative priorities due to the pandemic. The financial statements reflect the investment that has been made to ensure that HALO is best placed to deliver its humanitarian goals efficiently and cost effectively. On a programme-by-programme basis the Trustees confirm that the charity has sufficient assets available to enable it to meet its obligations as they fall due.

6.4 Related Parties

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

7. MAJOR PARTNERS

During the year, HALO projects were generously supported by the US Department of State, Bureau of Political-Military Affairs/Office of Weapons Removal and Abatement, via The HALO Trust (USA), Inc., the Governments of Angola, Belgium, Canada, Czech Republic, Finland, Germany, Ireland, Israel, Japan, the Netherlands, New Zealand, Norway, Slovakia, Switzerland, the United Kingdom (Foreign, Commonwealth and Development Office, formerly Department of International Development, and the Conflict Stability and Security Fund, Foreign & Commonwealth Office), the European Commission, European Civil Protection and Humanitarian Aid Operations (ECHO), United Nations Mine Action Service (UNMAS), United Nations Development Programme (UNDP), United Nations, Office for the Coordination of Human Affairs (UNOCHA), United Nations Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR), The HALO Trust (USA), Inc., Fibertek Inc., World Without Mines Switzerland, BP plc, Eni S.p.A., INEOS Automotive Limited, The Oak Foundation, and numerous other generous private donors.

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

The Trustees' annual report, including The Strategic Report, was approved by the Board on 21 September 2021.

A handwritten signature in black ink, appearing to read 'Timothy Church', with a stylized, flowing script.

Timothy Church

21 September 2021

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Opinion

We have audited the financial statements of The HALO Trust ("the charitable company") for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance Sheet, Cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Charitable Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and the judgement required by management in respect of revenue recognition, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that restricted income is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Charitable Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those made with descriptions containing key words, and those made to unusual or seldom-used accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and employment law, recognising the nature of the Charitable Company’s activities. Auditing standards

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

limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of

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

the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members, as a body, and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



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

Chartered Accountants

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

319 St Vincent Street

Glasgow

G2 5AS

22 September 2021

Statement of financial activities
(including income and expenditure account)
for the year ended 31 March 2021

	Notes	Unrestricted funds £000	Restricted funds £000	2021 Total £000	2020 Total £000
Income from					
Donations and legacies		170	-	170	280
Charitable activities	2	-	89,286	89,286	83,421
Income from bank interest		10	13	23	75
Other income	3	405	-	405	192
Total income		585	89,299	89,884	83,968
Expenditure on					
Charitable activities	4	6,613	76,995	83,608	75,321
Charitable activities: sub-granted	5	-	5,729	5,729	7,109
Raising funds	7	271	-	271	470
Total expenditure		6,884	82,724	89,608	82,900
Net (expenditure)/income on operating activities		(6,299)	6,575	276	1,068
Transfers between funds	10	6,602	(6,602)	-	-
Net movements in funds		303	(27)	276	1,068
Reconciliation of funds					
Total funds brought forward at 1 April 2020		8,010	31	8,041	6,973
Total funds carried forward at 31 March 2021		8,313	4	8,317	8,041

The notes on pages 37 to 48 form part of these financial statements.

Balance sheet as at 31 March 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	11	1,241	762
		<u>1,241</u>	<u>762</u>
Current assets			
Stock		86	85
Debtors	12	12,017	12,049
Cash at bank	13	23,756	16,905
		<u>35,859</u>	<u>29,039</u>
Creditors: amounts falling due within one year	14	(24,919)	(18,612)
		<u>10,940</u>	<u>10,427</u>
Net current assets			
		<u>10,940</u>	<u>10,427</u>
Total assets less current liabilities		<u>12,181</u>	<u>11,189</u>
Provisions for liabilities	15	(3,864)	(3,148)
		<u>8,317</u>	<u>8,041</u>
Net assets		<u>8,317</u>	<u>8,041</u>
Unrestricted funds: general		8,313	8,010
Restricted funds	16	4	31
		<u>8,317</u>	<u>8,041</u>
Total funds	17	<u>8,317</u>	<u>8,041</u>

The notes on pages 37 to 48 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 21 September 2021 and were signed on its behalf by:



Timothy Church
Chairman



Mark Aedy
Director

Cash flow statement

For the year ended 31 March 2021

	2021 £000	2020 £000
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	276	1,068
Adjustments for:		
Interest receivable	(10)	(75)
Depreciation charges	372	340
Disposals of fixed assets	-	14
Impairment of land	-	109
(Increase)/decrease in stock	(1)	11
Decrease in debtors	32	819
Increase in creditors due within one year	6,307	3,868
Increase in provisions for liabilities and charges	716	708
Net cash provided by operating activities	7,692	6,892
Cash flows from financing activities:		
Interest received	10	75
Net cash provided by financing activities	10	75
Cash flows from investing activities:		
Payments to acquire tangible fixed assets	(851)	(72)
Net cash used in investing activities	(851)	(72)
Change in cash and cash equivalents in the reporting period	6,851	6,865
Cash and cash equivalents at 1 April 2019	16,905	10,040
Cash and cash equivalents at 31 March 2020	23,756	16,905
Analysis of cash and cash equivalents		
Cash at bank	23,756	16,905
Total cash and cash equivalents	23,756	16,905

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006. The HALO Trust (“HALO”) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern Basis

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Trustees consider HALO to be operating on a going concern basis due to the value of contracts secured through to March 2023 in addition to informed estimations on the level of business and positive cash flow position throughout this period. HALO has sufficient financial and operational resources to continue in existence for the foreseeable future. HALO has also considered the potential impact of a short, medium and long term suspension of activities in Afghanistan and is satisfied that the balance of the income portfolio is sufficient for the organisation to meet its liabilities as they fall due and to remain viable as a going concern.

Consequently, the Trustees are confident that the Trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Funds

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

Restricted funds are funds subject to specific conditions, which may be declared by the donors or with their authority or created through legal processes, but still within the wider objects of the charity. Where contracts accounted for within restricted funds include contributions towards headquarters costs an appropriate transfer is made of these contributions between restricted and unrestricted funds. Any unspent funds at the end of a contract are either returned to the donor or transferred to unrestricted funds in accordance with the terms of the contract.

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If part of the unrestricted funds is earmarked at the discretion of the Trustees for a particular purpose, it is designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees’ discretion to apply the fund.

Income Recognition

Income received from charitable activities where entitlement to funding is subject to specific performance conditions, is recognised as earned (normally equivalent to the expenditure incurred at the end of the financial year as it is considered that this is when the charity becomes entitled to the income, after having provided the related services). 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. Donations, legacies and income from other trading activities are recognised where there is entitlement, probability of receipt and the amount can be measured reliably. Gifts in kind received are accounted for in the Statement of Financial Activities as soon as it is prudent and practicable to do so. Investment income is recognised on a receivable basis. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes (continued)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

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

Assets acquired for specific projects, where ownership vests in the donor, are charged in full to that project on the date of acquisition and are not capitalised. At the end of a specific project any such assets may be transferred to other projects with the consent of the donor or may be transferred back to the donor. The charity retains a full list of all such assets.

Tangible fixed assets

Tangible fixed assets, acquired by HALO's own funds, or donated where title vests in The HALO Trust, with a value greater than £1,000 and being of use to the business for more than one year are capitalised.

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

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

Stock

Stock represents items purchased by the charity for use in overseas projects where at the time of purchase the individual project has not been identified. Until the respective item is charged to an individual project, all stock is held at lower of cost or net realisable value.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are re-translated monthly into sterling at the rates of exchange prevailing at the start of each month. Transactions in foreign currencies are recorded at the date of the transactions and translated to sterling at their monthly rate. At the year end, monetary assets and liabilities are translated to the actual rate at the balance sheet date. Any gain or loss arising on translation is included in the statement of financial activities.

Notes (continued)

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised at fair value, unless that value is immaterial. The gain or loss on initial recognition and remeasurement to fair value is recognised in the Statement of Financial Activities.

Post-retirement benefits

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

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

Investments

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

Cash and liquid resources

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

Taxation

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

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

Overseas severance provisions

In certain programmes, when staff leave HALO either through redundancy or of their own volition, payments may be due to those staff. Provision for these payments, commensurate with local labour law, is charged to donor contracts on a monthly basis and included in provisions for liabilities and charges.

2 Income from charitable activities

Restricted:	2021	2020
	£000	£000
US Department of State, Bureau of Political-Military Affairs, Office of Weapons Removal and Abatement, via The HALO Trust (USA), Inc.	22,171	20,596
Federal Republic of Germany	10,730	8,068
Foreign, Commonwealth and Development Office: formally Department for International Development (UK)	9,021	12,092
Government of Angola	6,372	708
United Nations, Office of Project Services	5,849	4,605
European Commission	4,010	2,491
UK Conflict Stability and Security Fund	3,643	4,928
Royal Netherlands Government	2,764	3,175
The HALO Trust (USA), Inc. other sub-granted	2,422	2,519
Norwegian Government	2,391	3,080
Private non-governmental income	2,013	1,527
Irish Aid	1,738	1,712
Government of Finland	1,564	1,027
European Civil Protection and Humanitarian Aid Operations	1,425	1,492
Government of Switzerland	1,302	600
United Nations, Office for the Coordination of Humanitarian Affairs	1,542	520
Government of Canada	1,153	1,335
Embassy of Japan (in regional offices)	1,037	1,328
The New Zealand Ministry of Foreign Affairs and Trade	585	200
United Nations Development Programme	562	60
Fibertek Inc.	520	621
Israeli MOD	431	1,052
Foundation World Without Mines	135	169
United Nations Mine Action Service	100	1,761
The Ministry of Defence on behalf of the United Kingdom	49	-
Federal Government of Belgium	15	606
Government of Slovakia	13	-
Ministry of Foreign Affairs of the Czech Republic	-	40
	<hr/>	<hr/>
	83,557	76,312
	<hr/>	<hr/>
Restricted Income sub-granted to other agencies:		
Foreign, Commonwealth and Development Office (FCDO) formerly UK Department for International Development (DfID)	5,027	5,978
UK Conflict Stability and Security Fund (CSSF)	434	788
Irish Aid	268	343
	<hr/>	<hr/>
	5,729	7,109
	<hr/>	<hr/>
	89,286	83,421
	<hr/>	<hr/>

3 Other income

	2021 £000	2020 £000
Donations in kind	214	156
Coronavirus Job Retention Scheme (UK Government)	71	-
Sale of land	61	-
Other	59	36
	<u>405</u>	<u>192</u>

4 Charitable activities

The charity's Trustees consider that there is one core activity (clearance of debris of war) which is carried out in various worldwide locations, although HALO will lend its resources to assist with other emergency work, including opening up trade routes through crucial road clearance and snow clearance, and assisting with emergency resettlement of internally displaced persons.

	Unrestricted field costs (note 6) £000	Support costs (note 6) £000	Subtotal £000	Restricted £000	Total 2021 £000	Total 2020 £000
Abkhazia	1	78	79	952	1,031	779
Afghanistan	7	1,022	1,029	13,172	14,201	15,638
Angola	16	733	749	9,218	9,967	5,830
Bosnia	4	27	31	330	361	552
Cambodia	1	556	557	7,065	7,622	5,560
Colombia	6	331	337	4,607	4,944	6,468
El Salvador	2	15	17	230	247	148
Georgia	13	-	13	-	13	94
Guatemala	9	17	26	260	286	210
Guinea-Bissau	-	21	21	327	348	414
Honduras	3	3	6	53	59	139
Iraq	74	308	382	3,921	4,303	4,381
Kosovo	1	78	79	1,038	1,117	1,073
Laos	1	346	347	5,009	5,356	4,333
Libya	-	167	167	2,076	2,243	1,135
Malawi	-	-	-	-	-	82
Mozambique	36	-	36	-	36	41
Myanmar	4	39	43	478	521	462
Nagorno Karabakh	6	135	141	1,635	1,776	1,159
Somalia & Somaliland	1	548	549	6,902	7,451	6,616
Sri Lanka	2	419	421	5,272	5,693	5,031
Syria	6	198	204	2,404	2,608	3,160
Ukraine	-	458	458	5,806	6,264	5,109
West Bank	339	51	390	622	1,012	1,588
Yemen	12	63	75	845	920	514
Zimbabwe	5	336	341	4,270	4,611	3,966
Global	77	38	115	503	618	839
Total	<u>626</u>	<u>5,987</u>	<u>6,613</u>	<u>76,995</u>	<u>83,608</u>	<u>75,321</u>

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

5 Charitable activities: sub-granted

The HALO Trust was the lead consortium partner in grants funded by the Department for International Development, Irish Aid and UK Conflict Stability and Security Fund. Under these grants, The HALO Trust awarded sub-grants to the following agencies:

	2021 £000	2020 £000
Mines Advisory Group	3,493	4,214
Norwegian People's Aid	2,236	2,511
DanChurchAid	-	384
	<u>5,729</u>	<u>7,109</u>

6 Support costs

All support costs relate to charitable activities.

	Field costs £000	Support costs £000	Total 2021 £000	Total 2020 £000
Staff related costs incl. travel and recruitment	346	4,856	5,202	4,891
Property, IT and Office costs	29	570	599	691
Equipment costs	47	26	73	217
Legal and professional	153	377	530	272
Cost of hosting events	-	28	28	302
Impairment - land	-	-	-	109
Operating Costs	51	130	181	32
	<u>626</u>	<u>5,987</u>	<u>6,613</u>	<u>6,405</u>

7 Cost of raising funds

	Total 2021 £000	Total 2020 £000
Staff related costs incl. travel and recruitment	245	261
Property, IT and Office costs	26	108
Legal and professional	-	22
Cost of hosting events	-	79
	<u>271</u>	<u>470</u>

Due to the coronavirus pandemic, all fundraising events and supporting activities in the year were deferred into FY21/22.

8 Employee costs & numbers

	2021 £000	2020 £000
Staff costs		
Locally contracted staff	33,724	33,528
UK contracted staff	9,712	8,578
Social security costs	505	463
Pension contributions*	204	177
	<hr/>	<hr/>
	44,145	42,746
Re-charged to The HALO Trust (USA), Inc.	-	(94)
	<hr/>	<hr/>
	44,145	42,652
	<hr/>	<hr/>

*A defined contribution plan is a post-employment benefit plan under which the charity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

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

	2021 Number	2020 Number
Administration	58	45
Direct project personnel; UK based and international	141	132
Direct project personnel; Locally contracted staff	8,097	8,085
	<hr/>	<hr/>
	8,296	8,262
	<hr/>	<hr/>

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

	2021 Number	2020 Number
£180,000 - £190,000	1	1
£110,001 - £120,000	2	3
£100,001 - £110,000	3	2
£90,001 - £100,000	5	6
£80,001 - £90,000	13	13
£70,001 - £80,000	10	5
£60,001 - £70,000	7	7
	<hr/>	<hr/>
	41	37
	<hr/>	<hr/>

Of the numbers listed above, Key Management Personnel, defined as the Chief Executive Officer, Company Secretary, Director of Capability, Director of Strategy, Director of Finance, Director of Human Resources, Director of Programmes, and Director of Development, form 8 employees in 2020-21 (2019-20: 8); the total benefits paid to these individuals was £864,861 (2019-20: £843,630).

None of the trustees received any emoluments in the year (2019-20: Nil). Trustee expenses, relating to travel and subsistence costs in 2020-21 were £176 (2019-20: £3,773). These expenses were fully paid for by The HALO Trust and were incurred in respect of their roles as Trustees.

9 Net incoming/(outgoing) resources

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

	2021 £000	2020 £000
Depreciation and other amounts written off tangible fixed assets (note 11)	372	354
Auditor's remuneration:		
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	38	36
All other services; including but not limited to Accountant's reports for donor grants and contracts	51	36
	<u> </u>	<u> </u>

10 Transfer between funds

A transfer of £6,602,000 (2019-20: £7,397,000) was made from restricted to unrestricted funds predominantly for contributions from donors to the support costs of the Trust. These contributions are specified in each of the contracts undertaken, at percentages of the total contract value. The contribution is charged as direct project expenditure to restricted funds, and then transferred to unrestricted funds in the statement of financial activities.

11 Tangible fixed assets

	Leasehold Property Improvements	Freehold property	Fixtures & fittings	Equipment	Motor vehicles	Field vehicles & equipment	Intangible Asset	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost								
At beginning of year	-	150	61	209	134	2,764	-	3,318
Additions	84	-	18	-	-	665	84	851
At end of year	<u>84</u>	<u>150</u>	<u>79</u>	<u>209</u>	<u>134</u>	<u>3,429</u>	<u>84</u>	<u>4,169</u>
Depreciation								
At beginning of year	-	150	55	172	113	2,066	-	2,556
Charge for year	9	-	3	16	6	329	9	372
At end of year	<u>9</u>	<u>150</u>	<u>58</u>	<u>188</u>	<u>119</u>	<u>2,395</u>	<u>9</u>	<u>2,928</u>
Net book value								
At 31 March 2021	<u>75</u>	<u>-</u>	<u>21</u>	<u>21</u>	<u>15</u>	<u>1,034</u>	<u>75</u>	<u>1,241</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>6</u>	<u>37</u>	<u>21</u>	<u>698</u>	<u>-</u>	<u>762</u>

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

12 Debtors

	2021	2020
	£000	£000
Amounts owed by The HALO Trust (USA), Inc.	-	21
Other debtors	237	254
Prepayments	1,519	1,282
Financial Instruments	-	59
Accrued income	10,261	10,433
	<u>12,017</u>	<u>12,049</u>

13 Cash at bank

Cash at bank includes £1.745m, which is held as a performance bond by Royal Bank of Scotland plc, for a landmine clearance contract with the Government of Angola. The performance bond conditions release the value of the bond by one quarter annually, therefore all funds will be available by June 2023.

14 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	1,609	1,111
Taxation and social security	171	169
Financial Instruments	240	-
Accruals	2,354	2,045
Deferred income	20,545	15,287
	<u>24,919</u>	<u>18,612</u>

	2021	2020
	£000	£000
Deferred income:		
Balance at start of period	15,287	10,093
Released during the year	(15,287)	(10,093)
Arising during the year	20,545	15,287
	<u>20,545</u>	<u>15,287</u>

15 Provision for liabilities and charges

	Pension obligations	Overseas severance liabilities	2021	2020
	£000	£000	£000	£000
At 31 March 2020	87	3,061	3,148	2,440
Utilised in the year	(22)	(1,105)	(1,127)	(856)
Provided in the year	26	1,817	1,843	1,564
At 31 March 2021	<u>91</u>	<u>3,773</u>	<u>3,864</u>	<u>3,148</u>

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

Overseas severance and other employment liabilities relate to provisions for severance to employees under their contracts of employment and in accordance with the local labour law.

16 Restricted funds

	Balance at 31 March 20	Income	Expenditure	Transfers between funds	Balance at 31 March 2021
	£000	£000	£000	£000	£000
Abkhazia	-	1,010	(952)	58	-
Afghanistan	-	14,263	(13,172)	1,091	-
Angola	-	10,770	(9,218)	1,552	-
Bosnia	-	346	(330)	16	-
Cambodia	-	7,561	(7,065)	496	-
Colombia	-	4,924	(4,607)	317	-
El Salvador	-	246	(230)	16	-
Guatemala	-	276	(260)	16	-
Guinea-Bissau	-	350	(327)	23	-
Honduras	-	48	(53)	(5)	-
Iraq	-	4,401	(3,921)	480	-
Kosovo	-	1,169	(1,038)	131	-
Laos	-	5,556	(5,010)	546	-
Libya	-	2,230	(2,076)	154	-
Myanmar	-	525	(478)	47	-
Nagorno Karabakh	-	1,804	(1,635)	169	-
Somaliland	-	7,342	(6,902)	440	-
Sri Lanka	-	5,549	(5,271)	278	-
Syria	-	2,450	(2,404)	46	-
Ukraine	-	6,143	(5,806)	337	-
West Bank	-	694	(622)	72	-
Yemen	-	907	(845)	62	-
Zimbabwe	-	4,586	(4,270)	316	-
Global	-	407	(503)	(96)	-
Residual costs	31	13	-	40	4
Sub contracted (see note 5)	-	5,729	(5,729)	-	-
	<u>31</u>	<u>89,299</u>	<u>(82,724)</u>	<u>6,602</u>	<u>4</u>

17 Analysis of assets and liabilities between funds

	Unrestricted Funds £000	Restricted Funds £000	Totals 2021 £000	Unrestricted Funds £000	Restricted Funds £000	Totals 2020 £000
Tangible Fixed	1,241	-	1,241	762	-	762
Net current assets	7,072	4	7,076	7,248	31	7,279
As at 31 March	8,313	4	8,317	8,010	31	8,041

18 Related party transactions

The HALO Trust is related to The HALO Trust (USA), Inc. through the delivery of common charitable activities. The CEO of The HALO Trust is also the President of The HALO Trust (USA), Inc. Transactions with The HALO Trust (USA), Inc. are set out below:

	Transactions in year £000	Outstanding at year end £000
Other expenses paid on behalf of The HALO Trust (USA), Inc.	2	-
Expenses relating to The HALO Trust paid by The HALO Trust (USA), Inc.	(65)	-
Management Support Services to The HALO Trust (USA) Inc.	354	-
	<u>291</u>	<u>-</u>

In addition to these transactions The HALO Trust (USA), Inc. sub-granted funding to The HALO Trust as per the schedule below:

	2021 £000	2020 £000
Funds transferred to The HALO Trust	27,647	28,406
Accrued Income at 31 March	573	68
Deferred Income at 31 March	(3,627)	(5,359)
Total income sub-granted by The HALO Trust (USA), Inc.	<u>24,593</u>	<u>23,115</u>

During the year 2020-21 none of the Trustees donated to The HALO Trust (2019-20 £17K).

19 Commitments

At 31 March there were the following future minimum lease payments under non-cancellable operating leases

	2021 £000	2020 £000
Land and Buildings		
Operating leases due:		
Within one year	91	133
In the second to fifth year inclusive	179	179
	<hr/>	<hr/>
	270	312
	<hr/>	<hr/>
Vehicles		
Operating leases due:		
Within one year	-	32
	<hr/>	<hr/>
	-	32
	<hr/>	<hr/>

20 Derivative financial instruments

The charity places foreign exchange forward contracts to manage exposure to foreign currency exchange risk. At 31 March 2021 the charity held £4,876,125 in foreign currency exchange forward contracts.

21 Connected Companies

The HALO Trust has a £1 shareholding in HALO TRADING 2021 Limited (company number 13332573). The registered address of HALO TRADING 2021 Limited is:

One Bartholomew Close
Barts Square
London
EC1A 7BL

This company was incorporated on 14 April 2021. No transactions took place between the companies in the reporting period.