



MISSION AVIATION FELLOWSHIP INTERNATIONAL

(Company limited by guarantee and not having a share capital)

Company Number 3144199

Registered Charity Number 1058226

Financial Statements for the year ended 31 December 2021

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

TRUSTEES, OFFICERS AND ADVISORS OF THE CHARITY	1
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT	2
INDEPENDENT AUDITOR'S REPORT	14
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	17
CONSOLIDATED AND CHARITY ONLY BALANCE SHEETS	18
CONSOLIDATED STATEMENT OF CASH FLOWS	19
NOTES TO THE FINANCIAL STATEMENTS	20

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
TRUSTEES, OFFICERS AND ADVISORS OF THE CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees

Peter Curtis (Chairman)		Australia
A. Ralph Gunn		South Africa
Ndaba Mazabane		South Africa
Stephen Osei-Mensah		UK
Dennis van der Sar	Appointed 25 September 2021	The Netherlands
Elizabeth Ann Saunders	Resigned 25 January 2021	UK
Carey Vanlalmuana		India
William Watson	Resigned 8 April 2022	Canada

Company Secretary

Anna C Beck, BSc FCA

Executive Leadership Team

Norman E Baker III, BSMTAT, MSM	Appointed 1 January 2021	Chief Operating Officer
Annie M Bailey, FCIPD	Resigned 31 January 2022	HR Director
Anna C Beck, BSc, FCA		Chief Finance Officer
A. Carel Bothma, BCOM, MHRM	Appointed 1 April 2022	HR Director
David L Fyock, BSAT		Chief Executive
William A Harding, LLB MICD		International Development Director
William B Nicol, BMin	Resigned 31 July 2021	Aviation Director

The following individuals stepped from the Executive Leadership Team to the Operations Leadership Team on 1 April 2022:

Stephen L Charlesworth, BEng, BMin	Regional Director, Asia Pacific
Stuart A Fitch, MSc	Director of Flight Operations
Henk-Jan Muusse, MSc	Regional Director, Africa

Registered office, and principal place of business in UK

Operations Centre, Henwood, Ashford, Kent, TN24 8DH

Independent Auditor

Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Principal Bankers

National Westminster Bank plc, Europa House, 49 Sandgate Road, Folkestone, Kent CT20 1RU

Solicitors

Stone King LLP, 16 St John's Lane, London EC1M 4BS

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees, who are also the directors of Mission Aviation Fellowship International (“MAF International”) for the purposes of the Companies Act, have pleasure in presenting their Report and Financial Statements for the year ended 31 December 2021. The financial statements comply with the requirements of the governing documents, current statutory requirements and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

MAF International is a Christian charity whose mission is to bring help, hope and healing through aviation, under our vision to see isolated people changed by the love of Christ.

The principal activity continues to be the provision of subsidised aviation services in parts of the world where surface travel is impossible or very difficult. MAF International reaches the unreached in some of the world’s most remote and isolated areas, where people are cut off due to geographical barriers, conflict or the dangers of overland travel. During 2021, our flights continued to enable hundreds of organisations to overcome these challenges and bring help and hope to people in spiritual and physical need.

Ancillary services of flight training, aircraft maintenance, logistics services and other communication services are also provided. MAF International’s services are provided by dedicated staff (many of whom are seconded to MAF International by MAF resourcing groups and related agencies) who use their skills in aviation, and other fields, to work *inter alia* with national churches, relief and development agencies, missions, hospitals and governments to meet the most pressing of human needs.

MAF International could not operate without the funding of MAF resourcing groups around the world, most of whom are its members, grants from government funding agencies and by fares charged to those who use the aircraft.

Public Benefit

The trustees of MAF International confirm that they have complied with their duty laid out in the Charities Act 2011 to have due regard to the public benefit guidance published by the UK Charity Commission. MAF International aims to benefit those living in some of the most isolated parts of the world. Our fleet of light aircraft can take emergency teams, healthcare professionals, Christian workers and supplies into these remote areas more quickly and efficiently than by any other means. As a result, our activities benefit two major groups: firstly, the charities, churches, and other organisations whose mission it is to reach these isolated communities, and secondly the communities themselves.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

During 2021 MAF International and its subsidiaries operated in 11 countries, namely North Australia, Bangladesh, Chad, Kenya, Liberia, Madagascar, Papua New Guinea, South Sudan, Tanzania, Timor-Leste and Uganda. Additionally, we operate a Maintenance and Flight Training Centre in Queensland, Australia and MAF Technologies (under the statutory name of Christian Radio Missionary Fellowship) in Papua New Guinea also continued to operate throughout the year.

In the year, we continued the registration process to commence operations in Guinea. We almost completed the building of a tarmac airstrip in the Chin State in Myanmar, until the work was halted following the coup in February 2021. We continued to support the work of the Mission Aviation Training Centre (MATC) in the Netherlands.

Our operations and ministry within each programme varies to reflect the needs of the country, churches, missions and NGOs that we serve. To review effectiveness, MAF International undertakes a regular survey, by country, of the needs of its customers and how we are helping them accomplish their ministries and work. The survey is based on savings in time, finances, and increase in security and safety for those whom we serve. We also consider the Christian influence of our staff in the country.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

During the 2021 year, MAF International's operational activities are summarised in the table below:

	2021	2020
Total hours flown	14,537	11,555
Number of flight legs	20,609	16,711
Unique* passengers	49,032	37,800
Distance (km)	2,818,629	2,216,945
Unique* cargo (kg)	1,738,529	1,096,785
Fleet size**	58	60
Destinations	506	539

* Unique is defined as passengers or cargo per flight (not per flight leg)

** Does not include the three aircraft are leased to MATC in the Netherlands

Our activity was impacted severely by COVID-19 during 2020. In 2021, there was a slow increase in activity however local country lockdowns and COVID-19 variants hampered progress in some locations. By December 2021, flight hours were 85% of the same period in 2019 (before the pandemic).

OUR IMPACT

In isolated **Arnhem Land**, where the roads are generally unusable and the internet connection poor, the Australian Bureau of Statistics asked us to help its 18th census reaching isolated Aboriginal communities. According to a member of the Bureau of Statistics, 'It is particularly important that the census gathers information about small and remote communities around Australia. Sometimes the only way to get the right data is to fly in and ensure their information is captured.'

After 25 years of work in **Chad**, the whole Bible translation and publication was completed in Chadian Arabic by a Christian organisation. We were privileged to fly two consignments of these Bibles to destinations in the north and east of Chad.

Where overland travel can be particularly dangerous, MAF in **Kenya** enabled CURE International to carry out mobile medical clinics – our aircraft taking only two hours to fly orthopaedic specialists from Nairobi to Lamu Island, saving eight hours by road and sea. The medics then went on to hard-to-reach Bura. Our aircraft enabled a total of 83 patients to be treated for conditions including cerebral palsy and club foot.

In **Liberia**, a country which, since 1989, has experienced two devastating civil wars and the ravages of Ebola, our staff member and volunteer nurse flew to Harper to teach a week-long Emergency Triage Assessment and Treatment course, saving 48-hours travel on very difficult roads. Twenty-five clinicians spent four days learning new skills and putting them into practice, enabling nurses and physicians' assistants, who work in isolated areas, learn to save severely malnourished children's lives.

In **Madagascar**, we delivered 500 COVID-19 vaccines to a health clinic in Marolambo. The 40-minute flight saved a 2-week overland journey on poor quality roads. Our pilots flew a further 6,500 vaccines for UNICEF to Ambanja, Ambilobe, Antsirananana and Nosy Be – the 6½-hour flight saving multiple days of overland and sea travel. Another MAF plane enabled 14,400 doses to reach 12 isolated areas along Madagascar's north-eastern coast – MAF's cold chain expertise not only saved time but also prevented the vaccines from being spoiled.

In mid-December we flew a small team to the south of Madagascar where they administered and supervised the distribution of food donated by an overseas mission to about 2,500 people. The area has been struggling with drought for many years.

In **South Sudan**, where civil war has been raging since 2013, we transported teams from the Peacebuilding Opportunities Fund to encourage key community leaders from warring tribes to resolve problems without resorting to violence. Despite the groups having been involved in cattle raiding, revenge killing and child abduction, MAF aircraft enabled them to reach Rumbek for a three-day conference where armed youths from the Dinka Bor, Lual Nuer and Murle tribes agreed 'to peacefully co-exist'.

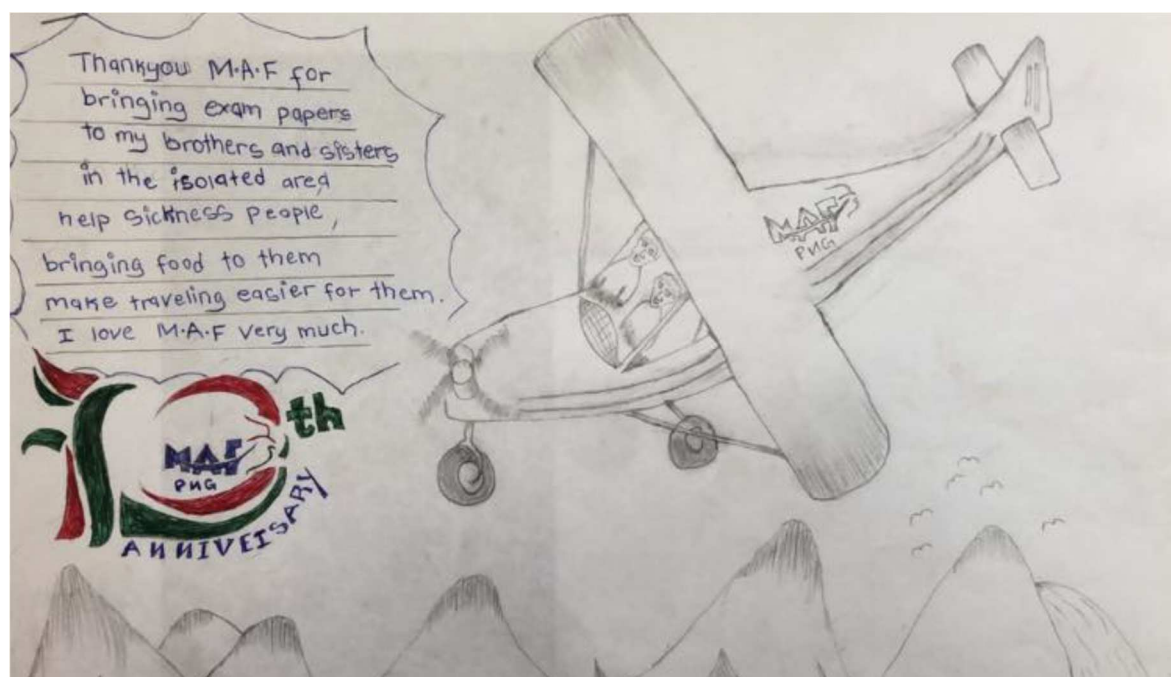
In **Tanzania**, where there's a dangerously inadequate network of dirt-track roads, we helped Elisha, lead evangelist at Malambo Bible College, travel safely, so he could tell other Maasai about Jesus. Our flights reduced overland journeys that would usually take him days on foot to under an hour. Many years ago, before he had even heard about MAF, Elisha was chased by a herd of elephants and a badly injured buffalo. 'I remember another time that I walked barefoot, got sunstroke and couldn't walk. I stopped under a tree and started to cry because of the pain. But MAF was the answer to my cries.' In 2021, thanks to MAF flights, Elisha and his team baptised more than 130 adults, showing them the importance of trusting God in good times and bad.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

In April 2021, following **Timor Leste**'s worst flood in 40 years, our aerial surveys enabled government authorities and the UN World Food Programme to obtain data that played a major role in the government's relief strategy. With roads in Dili cut off, medical centres flooded, bridges damaged, electricity supplies disrupted and crops submerged under 15 feet of water, our aerial assessments were, according to Timor-Leste's Secretary of State for Civil Protection, 'critical in helping us understand the true extent of damage, enabling us to distribute life-saving relief to families affected by the floods.'

In **Uganda**, which has the largest number of refugees in Africa, we delivered resources including felt boards, peg people and clay, enabling Christian NGO Tutapona to provide a mental health programme for 50 young people living in Adjumani, home to one of the world's most conflict-affected communities. The Christ-centred programme helps children recover from traumatic experiences caused by armed conflict. According to the leader of the project, those who respond successfully, end up with 'hope, are courageous, able to forgive, and thankful. They also have faith in a divine Creator.'

In **Papua New Guinea**, we celebrated 70 years of operations. With lockdown restrictions in place, we innovated ways to celebrate including engaging young people in a drawing competition to mark the occasion:



OUR STRATEGIC PRIORITIES

During 2021, work commenced against the priorities of our new strategic plan, under the three headings of Expanding our Horizons, Investing in People and Maximising Impact.

Expanding our Horizons

This priority aims to create opportunity for growth through strategic partnerships, institutional and corporate funding, new programmes, worldwide recruitment, capacity-building in our programme countries and new technology that stewards the environment and provides more economical transportation.

Examples of Expanding our Horizons during the year are described below.

We have been developing a strategic relationship with ASFA in **Madagascar**, a Christian organisation involved in prison ministry. We received a certificate of recognition signed by the Malagasy government in appreciation of us enabling ASFA to minister in remote prisons.

In **Chad**, where decades of civil war have left the country impoverished, our aircraft enabled government officials to witness Mines Advisory Group (MAG) clearing the land of explosives. 'Our partnership with MAF,' said MAG's Operations Director, 'provides a key element of the system we must have in place in case of injury. Transporting an injured person to the nearest hospital takes a day's drive on very bad roads. They would probably die from the sheer shock of being bounced around on the journey. Having an aircraft means we can get the person to a good hospital in N'Djaména, and they've got a high chance of living.'

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

After many months of preparation and visits to government offices in **Guinea**, we received the signed 'Convention d'établissement' in December. This gives approval for MAF to operate as an International NGO within the country. We are working in partnership with MAF-US to establish a flight operation.

In **Papua New Guinea**, two of our national engineers successfully completed the first ever hybrid PT6 training course of its kind by Flight Safety International. We also continued to develop synergistic partnerships with three like-minded missions. We subcontracted mission helicopters to provide service to the airstrips which were closed as a precautionary measure in 2020/21. This meant that we were able to continue to transport medical services through the Aerial Health Patrols initiative. We are also working towards licences to provide remote maintenance support for two aviation missions, encouraging them to reciprocate, so that we can more effectively support like-minded mission aviation organisations and they can support us.

In partnership with the Rural Airstrip Agency, **MAF Technologies** in Papua New Guinea, installed four HF radios in remote areas. While much of the world is going digital, HF remains a lifeline for people who have little or no connectivity.

The coup in **Myanmar** had a significant effect on our plans for flight operations in that country. In early March, we were asked to halt construction of the Lailenpi airstrip. When it became clear that we would not quickly restart construction, we decided to pause the work. We remain committed to providing air service to the many remote communities in this country, in God's timing.

In **Timor-Leste**, we work with the Ministry of Health to provide priority medevac services. We have also trained medevac nurses in the handling of patients with scoop stretchers both inside and outside the aircraft.

Investing in People

This strategic priority seeks ways to retain staff longer as well as increase the numbers entering our ranks. This will be addressed through a wellbeing strategy, an engineering apprentice and intern scheme, increasing the number of instructor pilots, and a standardised management training plan, which will identify and grow management throughout the organisation.

Examples of Investing in People are described below.

In Far-North Queensland, Australia, we signed an agreement with Central Queensland University for the provision of **flight training** to aviation students. This will enable us to offer comprehensive training packages for local and overseas students. Aviation Australia informed us that we were the only provider to achieve 100% student satisfaction in a government aviation student loan survey, a testimony to our team at the Mareeba training base.

In addition, we completed the construction of a **maintenance** hangar at our Mareeba base, with engineering and maintenance training services transferred into the new hangar in January 2022. Furthermore, the construction of the adjoining paint hangar was completed post year-end. We will continue to develop facilities to provide comprehensive training for pilots and engineers from across the world.

In **Uganda**, two international and one national engineer apprentices joined the team. An engineering training syllabus has been created which can be used across MAF to train engineers.

Potential **apprentice training** providers are being investigated in the UK and Europe, while training pathways for engineer trainees are being developed in India, with the training of two engineers commencing during the year. A pilot training pathway concept paper was developed for the Sustainable Development Program, whom we partner with in the aerial health patrol services in Papua New Guinea.

Further housing was built on our compound in **South Sudan**, to provide quality secure housing for our missionary staff based in Juba. The compound also provides a reliable water supply to the local community.

An **inclusion survey** has been completed. Overall results were very positive with staff having good engagement with their line managers. This provides a solid foundation to build on.

Approximately 40 managers attended training to improve and embed more deeply **Just Culture** into the organisation. Professor James Reason describes Just Culture as 'an atmosphere of trust in which people are encouraged (even rewarded) for providing essential safety-related information, but in which they are also clear about where the line must be drawn between acceptable and unacceptable behaviour'. This is a culture that we want to encourage and engender within the organisation.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

We spent the year implementing our new **learning and development management system** which will enable all staff to access training programmes, provide standard induction for all new staff regardless of role and for staff and managers to hold and maintain training records.

Maximising Impact

This strategic priority aims to provide regular review and feedback for better evaluation of our work and improve the way we perform that work. We will create and implement a ministry impact tool, modernise our software tools, standardise project management, and establish an innovation hub that invites creative thought to better serve our customers and our end beneficiaries.

Examples of Maximising Impact are described below.

We have implemented a **new IT strategy** to guide us as we seek to modernise our IT systems and create a fit-for-purpose IT environment. Areas of focus include, data management, security, efficiency, service and support, and training and communications. Additionally, the strategy speaks to proper management of upgrades and changes, investing in staff and properly understanding the needs of the organisation.

A tool to help us effectively measure and assess our **ministry impact** was designed and tested during the year. This will enable our donors to understand the impact of our work, assist with designing and prioritising ministry on a national and organisational level, and assist the organisation with effective resource management and prioritisation.

An **enterprise resource planning system** was selected to replace our current accounting package. This package will be implemented during 2022, with a focus on standardising business processes while improving quality and timeliness of financial information.

In **Papua New Guinea**, we initiated a new Customer Relations Management platform to provide a common platform across our operations centre, planning, flight and ground operations, and administration teams. In the **MAF Technologies** team in Papua New Guinea, in-house customer care training was carried out and we have appointed a staff member to focus on caring for our key customers.

In **Arnhem Land**, modifications were made to an aircraft to improve its usability in medevacs. New equipment was purchased which will allow patients to be moved into the aircraft more comfortably and offers more options in terms of how they can be positioned during the flight.

In **South Sudan**, we commenced the build of a hangar at the airport. This will enable ongoing maintenance of our aircraft to be performed locally rather than the aircraft flying several hours to Kenya or Uganda for maintenance, and therefore improve availability of our aircraft to serve our customers.

We made the difficult decision to cease operations in **Bangladesh**. Although the country remains in great need, the last couple of decades have seen significant development in road infrastructure. In June 2022 the long-awaited Padma Bridge (an aesthetic 6 km two-story rail and road vehicle bridge) is planned to be opened to traffic. This will significantly reduce road travel time to 21 southern districts, many of which MAF currently serves. The team undertook a full review of the programme in late 2021 and the closure is planned for July 2022.

The **communications** team was expanded with regional communications managers appointed for both regions as well as communications officers for several programmes to provide more comprehensive and timely communications for donors. In addition, a new website was developed, combining and standardising multiple MAF sites. The website was launched in Q1 2022.

DEVELOPMENTS DURING THE YEAR

The mission and vision statements were refreshed and adopted across the MAF International family:

- Vision statement is to see isolated people changed by the love of Christ.
- Mission statement is serving together to bring help, hope and healing through aviation.

During the year, an Operations Leadership Team was created to provide leadership and focus on operational strategic priorities. The aviation department was restructured with directors of flight operations and technical operations appointed to improve engagement and accountability between our flight and technical teams and operational programmes. The appointment of a strategic development director was made in Q1 2022.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

COVID-19

The organisation was significantly impacted by COVID-19 in 2020. This continued in 2021 with government enforced lockdowns and other preventative measures restricting flight activities as different variants moved around the globe. Our operational programmes have continued to fulfil the organisation's mission wherever and whenever possible. The 21-month financial response plan enacted in 2020 enabled the organisation to successfully navigate the challenges presented. By the end of 2021, the financial situation was stable, and the trustees are confident the organisation has reserves to operate well into the future.

FUTURE DEVELOPMENTS

Following the refreshment of the vision and mission statements, MAF International's organisational values will be reviewed and refreshed in 2022 to ensure they are fit-for-purpose and embody what we desire to be as an organisation.

Expanding our horizons

In Q2 2022, flight operations began in Guinea. With the appointment of the strategic development director in Q1, 2022, our institutional development specialists, partnership development managers and ministry impact team will come together as a team. This will provide further focus on the areas of ministry expansion and give opportunities to maximise institutional funding. Two "MEAL" (measurement, evaluation, accountability, and learning) specialists will start collating data and bringing analysis of our impact in the two regions.

Investing in People

In Q1 2022, we appointed an Organisational Development Manager, to take the lead in the areas of learning and development, well-being, and supporting a one-team culture across the organisation. Ongoing focus will be made in the areas of flight-instructor and engineering training. We will also continue to increase the opportunities for all staff to move into positions across the organisation, in their home countries and abroad.

Maximising our Impact

A digital business partner will be appointed to focus on positioning our IT infrastructure to operate in a digital world. Roll-out of the enterprise resource planning system will commence in Q3 and the implementation of the learning and development management system will be completed.

Following a review of communications across the organisation, recommendations will be considered by a project team and implemented as appropriate.

ENVIRONMENTAL IMPACT

MAF International is committed to care for creation to ensure long-term sustainability for the current generations and the generations to come. Our ultimate beneficiaries are some of the most affected by the impacts of climate change. Many live from the land, reliant on natural elements to provide reliable food and water. Their environment is being impacted by rising temperatures, increasing fires, floods and extreme weather.

In 2021, we conducted an exercise to establish a comprehensive understanding of our carbon footprint for the year ended 31 December 2019 as this period represents a normal period of activity. In 2019, our estimated carbon footprint was 12,109 tons of carbon dioxide. To put this into context, it was the equivalent to the annual average household output of around 1,500 homes in the UK. 69% of the emissions arose from our own flying, with 21% arising from other international flying and the remaining 10% from freight, other travel costs and energy.

Following this, we developed an environmental statement and strategy including an action plan and monitoring programme against the baseline carbon footprint established. This will ensure that, as an organisation who is bringing help, hope and healing to the world's most remote communities, we do not also contribute further to their challenges.

The strategy will be overseen by the incoming strategic development director and includes:

- Minimising waste, reducing consumption and increasing the use of sustainable goods. This will include carbon-efficient methodologies such as solar panels, evaluating our supply chain, monitoring the development of sustainable aviation fuels and carefully managing travel;
- Advocacy through engagement across all stakeholder groups, including staff and donors, and intentional work with customers focussed on creation care;
- Research and invest in future technologies including drones, electric aircraft and other carbon-friendly tool; and
- Meeting regulatory compliance as needed.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Under the Companies Act 2018 Regulations for Large and Medium-sized Companies and Groups, MAF International is required to report our UK energy use, associated greenhouse gas emissions and information relating to energy efficient action.

The requirements for carbon and energy reporting have not been completed for the year ended 31 December 2021 because, as a global aviation organisation, only providing this information on UK non-aviation activities would seriously prejudice the readers' understanding of the actual energy used and greenhouse emissions produced by the organisation. We are working towards producing this information for the whole organisation on an annual basis to meet our internal commitment and Companies Act requirements.

STAKEHOLDER ENGAGEMENT

The trustees have taken due notice of the requirements laid out in section 172(1) of the Companies Act 2006. The trustees confirm their compliance with section 172(1) through appropriate delegation of authority to the finance and audit, -people and safety committees, and also to the CEO, as laid out in the governance manual.

The six areas of section 172(1) are addressed as follows:

- a) *the likely consequences of any decision in the long term,*

The trustees approved the five-year strategic plan. In approving the plan, the trustees have considered the long-term issues facing the organisation, both internally and externally, the opportunities presented to further our mission and the consequences of not fulfilling the plan. The strategic plan is a living document and will be adjusted as time progresses.

- b) *the interests of the company's employees,*

The trustees recognise that our staff are our most important asset. Concerns on staff welfare are regularly discussed and challenges laid to management to care for our staff. A comprehensive staff survey is carried out every five years, trends monitored, and actions taken to improve staff well-being and engagement.

The appointment of an organisational development manager will specifically focus on engaging with staff to improve well-being and retention.

- c) *the need to foster the company's business relationships with suppliers, customers and others,*

Our key business relationships are with our member groups (see more detail under (f)), donors, customers who we fly, suppliers and our ultimate beneficiaries in the remote communities. Surveys with customers are regularly carried out as well as ministry reviews to ensure we understand the needs of our customers and the remote communities we serve. This will be further enhanced in the future under the guidance of the strategic development team to intentionally build relationships which will best serve remote people.

- d) *the impact of the company's operations on the community and the environment,*

As an aviation organisation, we are deeply aware of the impact on the environment of our work and services. We actively monitor developments in green aviation and the environmental impact in the support services needed for our operations. An environmental statement and strategy has been developed and adopted in the year.

- e) *the desirability of the company maintaining a reputation for high standards of business conduct, and*

We always engage with the highest level of integrity with all parties. All staff are trained on, and required to sign, our Code of Conduct and Safeguarding Agreement, which establishes the requirement for integrity in all our operations. We also have a whistleblowing policy, including an independent hotline, to ensure staff and other external parties such as beneficiaries and suppliers can raise any concerns and that they are properly addressed.

- f) *the need to act fairly, as between members of the company.*

We continue to be grateful for the ongoing relationship with the members of MAF International, whose main function is to resource the operations, in the provision of staff, funds and underpinning all our activities with prayer. We are aware of our interdependence on one another and seek to work for the mutual benefit and partnership of all parties within the MAF group. The Board of Trustees engages directly with the Boards of the MAF member groups. The Executive Leadership Team engages with members of the senior leadership teams in each MAF member group.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

GRANTS

Significant grants made in the year include:

- A restricted grant of \$456,000 (2020- \$1,070,000) was made for the work carried out in Central Asia by a subsidiary of MAF USA. Many people in that part of Central Asia live in remote communities, with little or no access to basic humanitarian services. Whilst assistance is available from several NGOs working there, the delivery of the aid is severely restricted by security issues and inadequate transport and infrastructure. In addition, many roads and mountain passes are closed by snow blockages during the winter months, which is when the aid is most urgently needed. This grant is funded by the Directorate General for European Civil Protection and Humanitarian Aid Operations (DG-ECHO).
- Grants totalling \$118,000 (2020 - \$85,000) were made to Mission Aviation Training Centre in the Netherlands, partially funded by restricted donations from MAF UK and MAF Netherlands.

Other grants made are shown in note 6.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for MAF International for the year is set out on page 17. Total income for the year was \$38,280,000 (2020 - total income was \$37,943,000), 29% (2020 - 23%) was generated by services provided, 69% (2020 - 69%) was voluntary income including restricted gifts and intangible income (the value attributed to international staff seconded from resourcing groups) and the remaining 2% (2020 – 8%) from other sources.

The net movement in resources for the year before other gains and losses was a surplus of \$564,000 (2020 – a surplus of \$3,119,000). The net surplus in revaluation reserve was \$236,000 (2020 - deficit of \$88,000), and, as with 2020, there was no movement on the defined benefits pension scheme. These movements together with other gains and losses, predominantly on foreign exchange transactions, resulted in a net movement in funds for the year of a surplus of \$451,000 (2020 - surplus of \$3,163,000). This comprises a deficit of \$812,000 on unrestricted General Funds, a deficit on Designated Funds of \$1,042,000 and a surplus on Restricted Funds of \$2,305,000. This includes a transfer of \$543,000 from Restricted Funds to Designated Funds following a review of previously restricted assets in accordance with the accounting policy 1p on page 22. Details of the Designated Funds are set out in the Notes to the Financial Statements (note 24), which includes a note of how the funds are expected to be used.

MAF International keeps its financial records in, and reports in, US dollars. As a result, there are unrealised gains and losses on currency translation which arise on the translation of the Papua New Guinea financial statements, as well as on our GBP, AUD and EUR deposits.

Analyses of income and expenditure are given in the Notes to the Financial Statements (notes 3 to 10).

Reporting of pension provision

From 1999 to 2008, MAF International provided for pensions for UK-based employees through "The MAF Europe UK Pension Scheme". The trustees have included pension information on this scheme in the format required by the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2016).

The scheme was closed to future service accrual at 29 February 2008. The scheme has 18 "deferred" members who will receive their pension, based on service up until that date, at their normal retirement date, together with 12 pensioner members.

The actuarial review as at 1 January 2019, disclosed a shortfall in the funding due of £434,000 (\$587,000 at the December 2021 exchange rate) on assets of £3,846,000 at that date. The trustees agreed a recovery plan of additional transfers at a rate of £99,000 per annum until November 2023. A second charge on the office premises in Ashford remains in place. The next actuarial review for the scheme is due in 2022.

Note 27 shows that, as at 31 December 2021, comparing the present value of the scheme's future liabilities with the current value of the investments, there was a net asset of \$1,649,000 (2020 - \$854,000), however this has not been recognised in the financial statements under the provisions of FRS102 because the directors believe it is unlikely this asset will be recovered. The scheme's assets and liabilities are recorded in pounds sterling and have been translated into US\$ for these statements. The net pensions asset before translation is £1,219,000 (2020 - £633,000). The value of the scheme's future liabilities depends on the retirement dates of the members and on the assumptions made, which are quoted in the note. The method of calculation used by the Scheme Actuary is as laid down in FRS102.

In addition to the defined benefit scheme, MAF International makes contributions to defined contributions schemes or government schemes on behalf of its employees in accordance with normal practice or legal requirements in each country.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial position and reserves policy

The assets and liabilities of MAF International are set out in the Balance Sheet. All the assets were used to further the objects of the charity.

The balance carried forward on unrestricted funds totals \$60,375,000 (2020 - \$62,229,000); being \$2,635,000 of general funds (2020- \$3,447,000) and \$57,740,000 of designated funds (2020 - \$58,782,000). These general funds form the charity's base reserve.

It is the Board's policy to reserve sufficient funds to ensure the ongoing operations of MAF International. These include a base reserve of 30 to 90 days overhead expenditure to withstand peaks and troughs in cash flows. Additionally, other designated funds may be created by the Board to help ensure MAFI's effectiveness. As a regular part of the Board's work all risks and reserves were reviewed, and any recommended changes have been implemented. Details of all the designated funds are set out in note 24.

At 31 December 2021 the base reserve balance was within the range of 30 to 90 days of overhead expenditure.

GOVERNANCE AND STRUCTURE

Principal Risks and Uncertainties

The organisation has a formal risk management process to assess risks and implement risk management strategies. The trustees review identified risks and uncertainties to ensure risks and mitigations are well managed. The risks are classified into the following groupings:

- Governance & Management Risks
- Operational Risks
- Finance Risks
- Environmental & External Risks
- Legal & Compliance Risks

At the end of the financial year, the principal risks, together with the control measures being taken to manage these risks were:

Risks	Control Measures
Unable to fill key vacancies with suitable staff	<ul style="list-style-type: none"> • Accelerated recruitment strategy. • Appointment of short-term staff. • Ongoing discussion with sending MAF groups. • Organisational standards and internal controls in place. • Oversight and support from regional support office.
COVID-19 pandemic (finance/business continuity)	<ul style="list-style-type: none"> • Reducing overhead spend to a minimum. • Reallocating reserves and reissuing budgets. • Local contingency plans in place. • Financial worst case contingency measures in place.
COVID-19 pandemic (staff health)	<ul style="list-style-type: none"> • High risk staff relocated. • Medical insurance and evacuation provision in place.

The principal uncertainties relating to overseas activities are also addressed by the risk management process the Board has adopted. Since the year end, we have also been closely monitoring the impact of the conflict in Ukraine, rising fuel prices and currency uncertainties. In addition, the Board continues to review the Strategic and Enterprise risks the organisation is exposed to.

MAF International has also adopted a range of risk management policies including Safety Management, Financial Crime, Code of Conduct, Safeguarding, and Whistleblowing policies. These policies are available on the charity's intranet and available for all staff in every location.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Articles of Association

MAF International's initial memorandum and articles of association were dated 23 December 1995. In September 2011, the memorandum and articles of association were replaced, and at a General Meeting of members revised articles of association were adopted. These were revised by some further amendments on each of the Annual General Meetings held in September 2014, September 2016 and September 2019.

Subsidiaries and connected charities

Details of MAF International's subsidiaries and connected charities are set out in Notes 29 and 30 to the Financial Statements respectively.

Members

The members, associate members and provisional members are the various MAF groups that provide resources to MAF International. Members are based in thirteen countries, associate members in two countries and provisional members in two.

Related parties

As mentioned above there are MAF groups in various nations that are members, associate members and provisional members. In February 2021, the organisation entered into an unsecured loan agreement with MAF Australia for AUD1,400,000 to assist in the building of hangar facilities in Mareeba, Queensland, Australia. This was fully repaid in February 2022. In December 2021, a similar loan from MAF Netherlands for EUR 1,000,000 was granted to the organisation to support the build of the facilities in Mareeba, followed by a further EUR 1,000,000 in January 2022 to purchase a C208 for Arnhem land.

Trustees

The trustees are appointed by the members. The name of the trustees and of MAF International's principal officers and advisors are set out at the beginning of this report. The Board met as a group seven times during 2021, all meetings being held virtually. In 2020 the Board met 10 times of which one was in person and the remaining were virtual. The Board was assisted by three subcommittees: a Safety Committee, a Finance and Audit Committee and a People Committee. The members of these subcommittees are made up of board members and outside experts, where appropriate.

Since the end of the financial year, the Board decided to restructure the subcommittees to a Safety and Security Committee, a Finance and Audit Committee and a Governance and Risk Committee, commencing in September 2022. In future, the nominated Safeguarding trustee would report directly to the Board rather than through the People Committee.

Management

The Chief Executive ("CEO"), together with the Executive Leadership Team ("ELT"), is responsible for the day-to-day management of MAF International's affairs and for implementing the policies set by the Board. The Board maintains a Governance Manual which, *inter alia*, sets financial and operational parameters within which the CEO and ELT must manage the operations of MAF International.

Remuneration of Executive Leadership

The trustees set the CEO's salary having considered his role and responsibilities, the size and nature of the charity, and comparisons with the salaries of others in the same sector in the UK. The salaries of the other members of the ELT are set by the CEO considering the country of residence of each. All the ELT receive the same cost of living rises as the organisation's other staff in their respective countries of service.

Volunteers

MAF International has a small number of volunteers who assist in charitable activities overseas. The trustees and ELT are grateful for the time and effort these individuals contribute to MAF's ministry. The time spent by such volunteers is not considered to be material in comparison to the total staff time and therefore no additional disclosure has been made.

Trustee Induction and Training

In the trustee induction programme, new trustees are provided with a copy of the Governance Manual as well as a copy of CC3 *The Essential Trustee*. They are required to attend a series of meetings and discussions with the CEO and other executives to learn more about the work and how MAF International operates.

From time to time, the Board invites specialists such as the auditors to make a presentation to the Board on matters of interest, such as good governance, to ensure that the trustees are kept abreast of best practice.

Internal Control and Risk Management

The trustees have overall responsibility for ensuring that the charity has an appropriate system of internal controls, financial and otherwise.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other financial crime, and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable; and
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by the trustees;
- regular consideration by the trustees of financial results, variances from budgets and non-financial performance indicators;
- delegation of authority and segregation of duties;
- identification and management of risks; and
- minimum financial internal controls required are documented in a finance manual.

In addition, there is a financial internal audit function. It includes a schedule of audit visits to programmes on a rotational basis and two programmes were visited for internal audit purposes during the year.

Standards, Quality and Flight Safety

MAF International operates an Aviation Safety Programme and a Quality Assurance Programme. The aviation standards in the aviation manuals, for all our operations are International Civil Aviation Organisation (ICAO) and/or local national authority (NAA) compliant.

The purpose of the quality assurance programme in relation to aviation is to monitor achievement and continued compliance with the requirements of the local aviation authority and of MAF International and to ensure adequate procedures for the safe operation of aircraft. In addition to local quality managers, MAF International also operates a central audit system where each programme's operations and maintenance compliance is monitored annually. Further, we use the 'Just Culture' methodology to ensure there is the right levels of accountability in the organisation.

The trustees have a sub-committee to regularly review safety standards throughout the organisation and to give oversight to the Aviation Safety Programme.

Safeguarding

MAF International is committed to providing a safe and trusted environment for our staff, volunteers, and beneficiaries. The organisation requires the highest ethical and moral standards from all our staff and takes misconduct seriously. We have written policies with which all staff must comply, including a code of conduct, non-harassment, anti-bullying, data protection and privacy, equal opportunity and just culture policies.

MAF International has a robust safeguarding policy in place, together with safeguarding standards for the protection of children and vulnerable adults, which require agreement from each member of staff every two years along with refresher training. Safeguarding risks are regularly reviewed by management and the trustees. Recruitment processes have been updated including additional questions for applicants and referees related to safeguarding; along with enhanced training for recruiters. Safeguarding officers have been appointed and trained for each MAF International location and all new staff for overseas roles must undergo a police check before acceptance is confirmed.

During 2021, there were two minor safeguarding issues reported to and investigated by MAF International; neither of these required reporting to the Charity Commission.

Employment of Disabled People

MAF International's policy and practice is to ensure equal opportunities in the recruitment, training and career development of disabled people on the basis of their aptitude and abilities required in their job role. The organisation also works toward the retention and retraining of employees who have become disabled.

Fundraising

MAF International does not raise funds directly from the public. We receive most donations from the independent MAF groups that diligently work to support our activities. During the year \$19,585,000 (2020 - \$16,686,000) was received from MAF groups and in addition \$697,000 (2020 - \$3,474,000) was received from Institutional and corporate funders. A breakdown of the source of all the donations received is shown in note 3.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Accountability, Accreditation and Memberships

MAF International is a member of a number of organisations including EU-CORD, ACCORD, Global Connections, the UN Global Logistics Cluster, the DFID Rapid Response Facility, the Common Humanitarian Standards (CHS) Alliance and the Global Network of Civil Society Organisations for Disaster Reduction (GNDR). In addition, MAF International is an observer member of Active Learning Network for Accountability Performance in humanitarian action (ALNAP) and recognises and upholds the Sphere standards.

Statement of Trustees' Responsibilities

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the surplus or deficit of the group and charity 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 accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and ensuring that the assets are properly applied in accordance with charity law hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the trustees. The trustees' responsibility also extends to the on-going integrity of the financial statements contained therein.

Statements as to Disclosure of Information to Auditors

So far as the trustees are aware at the time the report is approved:

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

Co-operation with Other Groups

MAF International works closely with other organisations involved with aviation support for church, mission and relief and development groups. In particular, MAF International has a close relationship with the independent MAF groups in various countries.

Approved by the Board on 23 June 2022.



Peter Curtis
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2021**

Opinion

We have audited the financial statements of Mission Aviation Fellowship International ('the parent charity') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, 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.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 - 13, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date:

13th July 2022

MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021				2020			
		Unrestricted funds		Restricted	Total	Unrestricted funds		Restricted	Total
		General	Designated	funds		General	Designated	funds	
		US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Income									
Donations	3	9,164	-	17,206	26,370	9,730	0	16,579	26,309
Charitable activities	4	10,476	791	-	11,267	8,098	724	-	8,822
Other		629	11	3	643	2,791	10	11	2,812
Total income		20,269	802	17,209	38,280	20,619	734	16,590	37,943
Expenditure									
Raising funds	5	406	-	-	406	341	-	-	341
Grants	6	789	194	486	1,469	677	113	1,285	2,075
Charitable activities	7	19,279	4,032	12,530	35,841	13,392	6,127	12,889	32,408
Total expenditure		20,474	4,226	13,016	37,716	14,410	6,240	14,174	34,824
Net income/(expenditure) before transfers	9	(205)	(3,424)	4,193	564	6,209	(5,506)	2,416	3,119
Transfers between funds	24,25	(258)	2,225	(1,967)	-	(5,452)	6,158	(706)	-
Net income/(expenditure) before other recognised gains and losses		(463)	(1,199)	2,226	564	757	652	1,710	3,119
Net movement in revaluation reserves	24,25	-	157	79	236	-	(189)	101	(88)
Other gains/(losses)		(349)	-	-	(349)	188	(49)	(7)	132
Net movement in funds		(812)	(1,042)	2,305	451	945	414	1,804	3,163
Balances brought forward		3,447	58,782	22,447	84,676	2,502	58,368	20,643	81,513
Balances carried forward		2,635	57,740	24,752	85,127	3,447	58,782	22,447	84,676

There were no recognised gains or losses in either year other than those included in the Statement of Financial Activities.

All income and expenditure derive from continuing activities in both years.

The notes on pages 20 to 39 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2021**

	Note	Consolidated 2021 US\$,000	Consolidated 2020 US\$,000	Charity 2021 US\$,000	Charity 2020 US\$,000
Intangible fixed assets	11	35	20	35	20
Tangible fixed assets	12	66,578	68,812	9,387	9,873
Current assets					
Stocks	13	2,413	2,505	318	278
Debtors	14	6,065	3,464	2,498	2,033
Short-term deposits	15	2,906	2,631	-	-
Cash and cash equivalents	16	17,661	14,112	11,793	8,860
		<u>29,045</u>	<u>22,712</u>	<u>14,609</u>	<u>11,171</u>
Current liabilities					
Creditors	17	(8,591)	(6,765)	(1,773)	(2,047)
Net current assets		<u>20,454</u>	<u>15,947</u>	<u>12,836</u>	<u>9,124</u>
Debtors due after more than one year	14	98	128	98	128
Total assets less current liabilities		<u>87,165</u>	<u>84,907</u>	<u>22,356</u>	<u>19,145</u>
Creditors due after more than one year	18	(1,283)	(154)	(1,283)	(99)
Net assets excluding pension and deferred tax liabilities		<u>85,882</u>	<u>84,753</u>	<u>21,073</u>	<u>19,046</u>
Deferred tax liability	20	(755)	(77)	-	-
Net Assets including pension liability		<u><u>85,127</u></u>	<u><u>84,676</u></u>	<u><u>21,073</u></u>	<u><u>19,046</u></u>
Accumulated funds					
Unrestricted funds					
General		<u>2,635</u>	<u>3,447</u>	<u>633</u>	<u>77</u>
Designated revaluations reserves		1,940	5,347	103	74
Other designated funds		<u>55,800</u>	<u>53,435</u>	<u>14,282</u>	<u>13,861</u>
	24	<u>57,740</u>	<u>58,782</u>	<u>14,385</u>	<u>13,935</u>
Total unrestricted funds		<u>60,375</u>	<u>62,229</u>	<u>15,018</u>	<u>14,012</u>
Restricted funds					
Restricted revaluations reserves		473	394	44	14
Other restricted funds		<u>24,279</u>	<u>22,053</u>	<u>6,011</u>	<u>5,020</u>
Total restricted funds	25	<u>24,752</u>	<u>22,447</u>	<u>6,055</u>	<u>5,034</u>
Total funds	26	<u><u>85,127</u></u>	<u><u>84,676</u></u>	<u><u>21,073</u></u>	<u><u>19,046</u></u>

Approved by the directors on 23 June 2022 and signed on their behalf by



Peter Curtis, Chairman

The notes on pages 20 to 39 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 US\$,000	2020 US\$,000
Net cash from operating activities	31	5,053	7,992
Cash flow from investing activities			
Purchase of tangible assets		(4,204)	(5,705)
Purchase of intangible assets		(25)	(18)
Proceeds from disposals of tangible assets		2,661	1,006
Interest received		10	49
Net cash used in investing activities		<u>(1,558)</u>	<u>(4,668)</u>
Effect of exchange rates on cash and cash equivalents		<u>329</u>	<u>120</u>
Net increase in cash and cash equivalents		3,824	3,444
Cash and cash equivalents at start of year		16,743	13,299
Cash and cash equivalents at the end of the year		<u><u>20,567</u></u>	<u><u>16,743</u></u>

The notes on pages 20 to 39 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

Mission Aviation Fellowship International is a charitable company limited by guarantee and registered in England and Wales, registration number 3144199, and a registered charity number 1058226. The registered office is Operations Centre, Henwood, Ashford, Kent TN24 8DH.

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 2020), Charities SORP (FRS 102) and the Companies Act 2006.

MAF International meets the definition of a public benefit entity under FRS102.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

a Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of aircraft which are measured at fair value in accordance with the policy k below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

b Going concern

MAF International has \$20,567,000 (2020 - \$16,743,000) held in immediately accessible cash or short term investments at 31 December 2021. Of this \$4,721,000 (2020 - \$2,859,000) is held for restricted purposes and the remaining cash is for use at the directors' discretion which is sufficient to cover the group's liabilities as they fall due for the foreseeable future. In light of this, these financial statements have been prepared on the basis that the charity is a going concern.

c Consolidation

The Consolidated Statement of Financial Activities and the Consolidated Balance Sheet have been prepared by combining the data of MAF International, all of its subsidiary undertakings (note 29), together with Rapid Relief Wing (note 30). The charity has taken exemption from presenting its unconsolidated profit and loss account under Section 408 of the Companies Act 2006. The result for the charity only for the year was a surplus of \$2,027,000 (2020 – deficit of \$6,216,000).

d Foreign currencies

The functional and presentation currency of MAF International is US dollars as the primary currency used in the aircraft industry. However, income and costs also arise in other currencies due to operating jurisdictions. Other currencies have been translated to US dollars as follows:

Current assets and liabilities – closing rate at 31 December 2021
Other amounts - rate at date of transaction

The key exchange rates used to translate to US\$ were:

	31 December 2021	2021 Average	31 December 2020	2020 Average
£ Sterling	1.3528	1.3757	1.3493	1.2832
Australian Dollar	0.7264	0.7520	0.7671	0.6852
Papua New Guinean Kina	0.2850	0.2849	0.2850	0.2892

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

e Income

- (i) Donations are recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.
- (ii) Donated services income comprises the estimated value to MAF International of the staff seconded for international service. The costs are borne by the seconding groups. An equal and opposite charge is recognised in charitable expenditure. In accordance with the Charities SORP (FRS 102), the time donated to MAF International by volunteers is not recognised.
- (iii) Income arising from charitable activities is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of credits and discounts allowed and value added taxes.
- (iv) Interest on funds held on deposit is included when receivable and can be measured reliably.

f Expenditure

- (i) Raising funds comprises a proportion of central overhead costs arising from staff and other costs attributable to this activity.
- (ii) Grants made comprises payments made to other MAF groups and similar organisations either in accordance with donor restrictions placed on the funds, or to support their development, or to enable them to fully finance the seconding of individual staff to our operations.
- (iii) Charitable activities comprise actual costs relating to the aircraft and other services together with local (overseas) overheads.
- (iv) Support costs include functions that directly support the operations such as flight training, engineering, operations support and quality, safety and security. Support costs also include back office costs, finance, personnel, payroll and governance costs which support the charitable activities. These costs have been allocated between cost of raising funds, grants made and charitable expenditure. The basis on which support costs have been allocated is set out in note 8.

g Employee benefits

- (i) Leave benefits, including holiday pay are recognised as an expense in the period in which the service is rendered.
- (ii) Pension payments to defined contribution pension schemes are recognised as an expense when they fall due.
- (iii) MAF international holds a defined benefit pension scheme which is closed to new members and further accrual since 2008. The amount recognised in the balance sheet at 31 December 2021 is \$Nil (2020 –\$Nil).
- (iv) Annually, an independent actuary is engaged to calculate the obligation arising under the scheme. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss.

h Operating leases

Operating lease rentals are charged to the Statement of Financial Activities in accordance with the term of the lease.

i Deferred tax

Local legislation requires MAF to be registered as a commercial company in Papua New Guinea, which potentially gives rise to taxation on operating activities. Any taxation liabilities arising from these activities are provided at rates ruling in the relevant accounting period and deferred taxation is provided where it is predicted that a liability may arise in the foreseeable future.

j Intangible fixed assets

Purchased and internally developed computer software which costs \$3,000 or more is capitalised at cost and amortised over its estimated useful life, 5 to 10 years.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

k Tangible fixed assets

Individual fixed assets costing \$3,000 or more are capitalised at cost.

Depreciation is calculated as follows:

(i) Aircraft

Aircraft, where externally insured, are included at their insurance values. Other aircraft are valued at directors' valuation. Depreciation is charged to write off expenditure over an estimated useful life of 40 years.

Any increases in the net value are credited to expenditure to the extent that the aircraft has been previously impaired; the remaining gain is credited to the revaluation reserve within other comprehensive income. Any decreases are debited to the portion of the revaluation reserve associated to that aircraft until it is fully depleted and the remaining decrease is charged to expenditure.

When an aircraft has been purchased, and until it is brought into operational use, it is valued at the costs incurred to date. When it is planned that an aircraft will be sold the net value of that aircraft is reduced to the expected sale proceeds.

(ii) Property

Depreciation is charged to write off expenditure on leasehold property equally over the length of the lease. Depreciation on other buildings is charged to write off the cost to their residual values over their expected economic lives. This is assessed country by country and ranges from 3 to 50 years. Depreciation on leasehold land is charged to write off the expenditure over the life of the lease. For assets in the course of construction depreciation is charged from the date which that facility becomes operational.

(iii) Equipment and vehicles

Depreciation is charged to write off the expenditure over an estimated useful life of 5 to 10 years.

l Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

m Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments.

n Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount value.

o Financial instruments

Financial assets and liabilities are initially measured at transaction value, except for specific financial instruments which are initially measured at fair value.

Trade and other debtors are subsequently measured at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions are subsequently measured at the amount due to settle the obligation where it can be measured or estimated reliably.

The organisation uses non-speculative foreign exchange contracts to reduce its exposure to foreign exchange risk, in line with the organisation's investment policy. Foreign exchange contracts are initially recognised at fair value at the date the contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Financial Activities.

p Funds

Unrestricted Funds – General comprise net accumulated surpluses. They are available for use to further the charitable objectives of the charity.

Unrestricted Funds – Designated are amounts that have been set aside by the trustees for specific objectives.

Restricted Funds are funds and assets subject to specific conditions imposed by donors. When assets are purchased with restricted funds the restriction is deemed to be satisfied after reporting to the donor on the use of those assets ceases. Such assets are then transferred to unrestricted designated funds.

q Related parties

In the opinion of the trustees the group has no related parties.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The directors evaluate estimates and judgements incorporated into the financial statements. Estimates are based on historical information, assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group:

a Donated services

The value of donated services are determined by applying the average cost of a member of seconded staff to all those staff whose services have been donated to the group during the year. The average cost is calculated from the actual staff cost data of three member groups who supplied the highest number of seconded staff during the year.

b Overhaul

Funds are set aside into a designated fund for each hour flown for future overhaul of aircraft engines, propellers and the aircraft themselves. Actual expenditure is charged to the designated fund. For aircraft leased from third parties, these funds are included as a liability on the balance sheet.

c Aircraft valuations

The group values aircraft by reference to the "Blue Book value" (the aviation industry's standard indication of the expected recoverable amount on the open market). Adjustments are made for enhancements to the aircraft not accounted for in the Blue Book value. Annually, every aircraft is revalued and reviewed for impairment. The valuations are approved by the directors.

d Estimation of useful lives of assets

The group determines the estimated useful lives and related amortisation and depreciation charges for intangible and tangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation or depreciation charge will increase where the useful lives are less than previously estimated lives. Technically obsolete assets that have been abandoned or sold are written off or written down.

e Impairment

MAF International assesses impairment of intangible and tangible assets at the end of each reporting period by evaluating conditions and events specific to the organisation that may be indicative of impairment trigger.

f Tax accruals

The group has a number of outstanding tax issues at the end of the financial year. The expected liabilities are accrued in the financial statements. Each accrual is calculated in accordance with communication from the tax authorities, local legislation and other external factors such as exchange rates. These accruals are reviewed annually and recalculated as necessary.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. INCOME FROM DONATIONS

Voluntary income comprises the amounts transferred mainly from the MAF groups, who are members of MAF International, together with other gift income. Restricted gifts may have been transferred directly to MAF International by a donor agency, under the direction of the national group.

	2021			2020		
	Unrestricted US\$,000	Restricted US\$,000	Total US\$,000	Unrestricted US\$,000	Restricted US\$,000	Total US\$,000
Donated services	-	4,698	4,698	-	4,443	4,443
Income for housing	889	-	889	790	-	790
Institutional donors	-	697	697	-	3,474	3,474
MAF Australia	3	2,400	2,403	-	1,701	1,701
MAF Canada	-	18	18	-	6	6
MAF Denmark	175	252	427	94	76	170
MAF Finland	84	61	145	49	71	120
MAF France	-	14	14	-	8	8
MAF Germany	-	87	87	-	41	41
MAF Italy	-	7	7	-	6	6
MAF Netherlands	300	3,494	3,794	1,127	2,124	3,251
MAF New Zealand	-	513	513	-	444	444
MAF Norway	761	289	1,050	263	570	833
MAF Singapore	-	-	-	-	46	46
MAF Sweden	24	92	116	122	106	228
MAF Switzerland	113	571	684	-	467	467
MAF UK	6,767	3,410	10,177	7,012	2,178	9,190
MAF USA	24	126	150	27	148	175
Other donors	24	477	501	246	670	916
	<u>9,164</u>	<u>17,206</u>	<u>26,370</u>	<u>9,730</u>	<u>16,579</u>	<u>26,309</u>

Many International Staff are paid by the MAF group or another mission agency which then seconds them to the charity. The cost of these staff are therefore borne by those groups and as a result the staff support received is generally not passed to the charity. Other International Staff are paid by the charity. As a partial contribution towards this cost, restricted income is received by the charity from their relevant sending MAF groups. The total of such amounts received by the charity and included in restricted income above was as follows:

	2021 US\$,000	2020 US\$,000
MAF Australia	1,447	1,227
MAF Canada	11	6
MAF Germany	44	8
MAF Netherlands	156	154
MAF Norway	2	2
MAF Sweden	65	49
MAF Switzerland	184	212
MAF UK	716	638
MAF USA	111	111
Other donors	<u>29</u>	<u>94</u>
	<u>2,765</u>	<u>2,501</u>

MAF International additionally collected \$360,000 (2020 - \$152,000) donations income and \$472,000 (2020 - \$454,000) staff support income on behalf of other MAF member groups or associated members. In these situations, MAF International forwards the income onto the relevant group directly and consequently the income has not been recognised in the financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. INCOME FROM CHARITABLE ACTIVITIES

The users of MAF International aircraft make a contribution to the costs of MAF. Similarly, MAF International seeks contributions towards its costs when providing other services, such as the logistics. In Australia, we additionally have an aircraft engineering base which serves both our programmes in the regions as well as 3rd party customers. MAF Technology Services in PNG provides radio and other communication technology services. Some programmes are also able to help 3rd party organisations with aircraft or vehicle maintenance.

	2021			2020		
	General	Designated	Total	General	Designated	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Contributions for						
Aviation services	9,755	-	9,755	7,218	-	7,218
Maintenance services	491	-	491	788	-	788
Other technologies	-	791	791	-	724	724
Other services	230	-	230	92	-	92
	<u>10,476</u>	<u>791</u>	<u>11,267</u>	<u>8,098</u>	<u>724</u>	<u>8,822</u>

MAF International acts as an agent for flights operated by MAF Canada and MAF USA. During the year, the group collected and passed on \$53,000 (2020- \$70,000) which has not been recognised in these financial statements.

5. EXPENDITURE ON RAISING FUNDS

	2021	2020
	US\$,000	US\$,000
Allocation of support staff and other costs	<u>406</u>	<u>341</u>

All amounts relate to unrestricted funds in both the current and prior year.

6. EXPENDITURE ON GRANTS MADE

Grants were made from restricted and unrestricted funds in 2021 as follows:

	For international staff support	For ongoing operations and development of their activities			Grants made	Allocation of support costs	Total
		General	Designated	Restricted			
		US\$,000	US\$,000	US\$,000			
MAF Canada	138	-	-	-	138	13	151
MAF Finland	-	-	58	-	58	5	63
MAF Italy	-	-	26	-	26	2	28
MAF Norway	-	289	-	-	289	27	316
MAF Philippines	-	-	15	-	15	1	16
MAF South Africa	32	1	7	-	40	4	44
MAF Sweden	18	-	-	-	18	2	20
MAF Switzerland	31	-	-	-	31	3	34
MAF USA – Central Asia	-	-	-	456	456	102	558
MAF USA	97	-	-	-	97	9	106
MATC	-	-	88	30	118	15	133
	<u>316</u>	<u>290</u>	<u>194</u>	<u>486</u>	<u>1,286</u>	<u>183</u>	<u>1,469</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. EXPENDITURE ON GRANTS MADE (CONTINUED)

Grants were made from restricted and unrestricted funds in 2020 as follows:

	For	For ongoing operations and development			Grants made	Allocation	Total
	international	of their activities				of support	
	staff support	General	Designated	Restricted		costs	
	General	General	Designated	Restricted	General		
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Juba Christian Academy	-	-	-	4	4	-	4
MAF Canada	77	-	-	-	77	8	85
MAF Finland	-	-	-	55	55	4	59
MAF Germany	-	-	-	114	114	8	122
MAF Norway	-	264	-	-	264	24	288
MAF Philippines	-	-	6	12	18	1	19
MAF Singapore	-	-	51	-	51	5	56
MAF South Africa	28	-	1	-	29	3	32
MAF Sweden	18	22	-	-	40	4	44
MAF Switzerland	31	-	-	-	31	3	34
MAF USA	89	-	-	1,070	1,159	81	1,240
MATC	-	-	55	30	85	7	92
	243	286	113	1,285	1,927	148	2,075

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Direct costs of services comprise the direct costs of aviation (such as fuel, maintenance and insurance) as well as those of other technologies and of running the aviation operations and maintenance departments, excluding staff costs. The direct costs of providing other services are within other local overhead expenditure, and are not material. The method of allocation of support costs is shown in note 8.

Charitable activities for 2021 were as follows:

	Programme costs			Sub-total	Allocation of	Total
	General	Designated	Restricted		support costs	
	US\$,000	US\$,000	US\$,000		Unrestricted	
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Direct costs of services	2,960	1,558	4,366	8,884	2,208	11,092
Cost of donated services	-	-	4,698	4,698	631	5,329
Staff costs	6,082	139	2,816	9,037	814	9,851
Other local overhead expenditure	2,735	706	186	3,627	1,918	5,545
Depreciation, amortisation and impairment	-	1,629	464	2,093	228	2,321
Loss on sale of assets	1,703	-	-	1,703	-	1,703
	13,480	4,032	12,530	30,042	5,799	35,841

Charitable activities for 2020 were as follows:

	Programme costs			Sub-total	Allocation of	Total
	General	Designated	Restricted		support costs	
	US\$,000	US\$,000	US\$,000		Unrestricted	
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Direct costs of services	1,468	2,253	5,279	9,000	1,946	10,946
Cost of donated services	-	-	4,443	4,443	545	4,988
Staff costs	5,819	123	2,550	8,492	712	9,204
Other local overhead expenditure	1,211	1,399	112	2,722	1,636	4,358
Depreciation, amortisation and impairment	-	2,352	505	2,857	55	2,912
	8,498	6,127	12,889	27,514	4,894	32,408

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. SUPPORT COSTS

Support costs have been collated according to function, which includes all staff directly attributed to that department and other associated costs. These functions are allocated to the main expenditure functions in accordance with time spent supporting that aspect of MAF International's operations.

Unrestricted general support costs for 2021 were as follows:

	Raising funds	Grants	Direct costs of operations	Total
	US\$,000	US\$,000	US\$,000	US\$,000
Chief Executive and Regional Directors offices	151	85	606	842
Aviation Services including quality and safety	-	-	1,721	1,721
Finance	112	56	951	1,119
Human Resources	-	42	791	833
Information technology and communications	143	-	1,192	1,335
Support office costs	-	-	310	310
Depreciation of fixed assets used for support	-	-	228	228
	<u>406</u>	<u>183</u>	<u>5,799</u>	<u>6,388</u>

Unrestricted general support costs for 2020 were as follows:

	Raising funds	Grants	Direct costs of operations	Total
	US\$,000	US\$,000	US\$,000	US\$,000
Chief Executive and Regional Directors Offices	126	70	481	677
Aviation Services including quality and safety	-	-	1,589	1,589
Finance	82	41	697	820
Human Resources	-	37	708	745
Information technology and communications	133	-	1,027	1,160
Support office costs	-	-	336	336
Depreciation of fixed assets used for support	-	-	56	56
	<u>341</u>	<u>148</u>	<u>4,894</u>	<u>5,383</u>

9. NET INCOME BEFORE TRANSFERS

The net income before transfers between funds is stated after charging:

	2021	2020
	US\$,000	US\$,000
Auditors remuneration		
Audit fees	<u>152</u>	<u>142</u>
Realised net (gain) on currency exchange	<u>(57)</u>	<u>(269)</u>
Amortisation of intangible assets	10	4
Depreciation, of both Restricted and Assets Fund assets (note 12)	2,540	2,560
Impairment of both Restricted and Assets Fund assets (note 12)	(228)	379
Net (gain)/loss on disposal of fixed assets	<u>1,702</u>	<u>(201)</u>
Charges under operating leases	<u>1,162</u>	<u>1,222</u>
Inventory expensed in the year	<u>1,539</u>	<u>1,268</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. STAFF EXPENDITURE AND STAFF NUMBERS

	2021	2020
	US\$,000	US\$,000
Staff Costs		
Wages and salaries, including intangible expenditure	14,324	13,254
Social security costs	1,577	1,730
Retirement and death-in-service benefits costs	1,316	1,180
	<u>17,217</u>	<u>16,164</u>
Total salaries and benefits paid to Executive Leadership team during the year	<u>753</u>	<u>599</u>

All members of the executive leadership team voluntarily donated a portion of their salary to the organisation in 2020. These deductions are not shown above as under FRS102 the salary cost is required to be shown in total and the reduction is shown as donations.

	2021	2020
	Number	Number
Employees that received remuneration of:		
£60,000 to £69,999	<u>3</u>	<u>2</u>
£70,000 to £79,999	<u>1</u>	<u>-</u>
£80,000 to £89,999	<u>-</u>	<u>1</u>
£90,000 to £99,999	<u>1</u>	<u>-</u>
Average number of employees - support offices	81	79
Average number of employees - field	398	397
Average number of seconded staff	<u>69</u>	<u>68</u>
	<u>548</u>	<u>544</u>

No remuneration is paid to the directors for their services as trustees of the Group, although expenses incurred personally in the course of their duties are reimbursed. Expenses waived by the directors for their services as trustees are negligible.

	2021	2020
	US\$,000	US\$,000
Travel expenses reimbursed to Nil directors (2020-3).	<u>Nil</u>	<u>5</u>

11. INTANGIBLE ASSETS

	Group and Charity Software US\$,000
COST	
At 1 January 2021	144
Additions	<u>25</u>
At 31 December 2021	<u>169</u>
AMORTISATION	
At 1 January 2021	124
Charge in the year	<u>10</u>
At 31 December 2021	<u>134</u>
NET BOOK VALUE	
At 31 December 2020	<u>20</u>
At 31 December 2021	<u>35</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TANGIBLE FIXED ASSETS

Analysis for the Group:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
COST OR VALUATION				
At 1 January 2021	49,180	25,185	5,911	80,276
Additions	50	3,825	329	4,204
Disposals	(4,193)	(404)	(280)	(4,877)
Revaluation Reserve	(667)	-	-	(667)
Foreign Exchange adjustment	-	-	-	-
At 31 December 2021	<u>44,370</u>	<u>28,606</u>	<u>5,960</u>	<u>78,936</u>
DEPRECIATION				
At 1 January 2021	-	7,264	4,200	11,464
Charge in year	1,231	796	513	2,540
Net Impairment	(228)	-	-	(228)
Depreciation on disposals	(98)	(136)	(279)	(513)
Revaluation Reserve write back	(905)	-	-	(905)
Foreign Exchange adjustment	-	-	-	-
At 31 December 2021	<u>-</u>	<u>7,924</u>	<u>4,434</u>	<u>12,358</u>
NET BOOK VALUE				
At 31 December 2020	<u>49,180</u>	<u>17,921</u>	<u>1,711</u>	<u>68,812</u>
At 31 December 2021	<u>44,370</u>	<u>20,682</u>	<u>1,526</u>	<u>66,578</u>
Analysis of value between:				
Used for direct charitable purposes	<u>44,370</u>	<u>17,918</u>	<u>1,450</u>	<u>63,738</u>
Used for support of field programmes, management and administration		<u>2,764</u>	<u>76</u>	<u>2,840</u>

The titles of land and buildings in Kenya is held by a corporate body, Missionary Aviation Fellowship (Kenya) Registered Trustees, on behalf of MAF International.

Included within the cost of 'Land & Property' is \$549,000 (2020- \$49,000) relating to the building of housing in South Sudan, \$103,000 relating to a hangar in South Sudan and \$1,987,000 relating to the building of a hangar in Mareeba

Of the net value of 'Land & Property' \$6,286,000 (2020 - \$6,461,000) relates to freehold or the local equivalent and \$3,286,000 (2020 - \$2,803,000) relates to leases in excess of 50 years.

The land and building at Ashford, UK are secured by a first legal charge with National Westminster Bank plc and with a second legal charge in favour of the trustees of "The MAF Europe UK Pension Scheme".

The land and building at Cairns, Australia are secured by a first legal charge with Commonwealth Bank of Australia.

The historical cost of purchasing the aircraft was \$54,836,000 (2020 - \$58,000,000).

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TANGIBLE FIXED ASSETS (CONTINUED)

Analysis of the Charity only:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
COST OR VALUATION				
At 1 January 2021	6,622	4,001	1,507	12,130
Additions	-	15	87	102
Disposals and transfers	-	(404)	(90)	(494)
Revaluation	(81)	-	-	(81)
At 31 December 2021	6,541	3,612	1,504	11,657
DEPRECIATION				
At 1 January 2021	-	1,157	1,100	2,257
Charge in year	166	99	140	405
Impairment	(26)	-	-	(26)
Disposals and transfers	-	(136)	(90)	(226)
Revaluation write back	(140)	-	-	(140)
At 31 December 2021	-	1,120	1,150	2,270
NET BOOK VALUE				
At 31 December 2020	6,622	2,844	407	9,873
At 31 December 2021	6,541	2,492	354	9,387

13. STOCKS

	Group		Charity	
	2021 US\$,000	2020 US\$,000	2021 US\$,000	2020 US\$,000
Aircraft spare parts	1,537	1,848	298	267
Fuel and other stocks	830	655	20	11
Work in progress	46	2	-	-
	2,413	2,505	318	278

14. DEBTORS

	Group		Charity	
	2021 US\$,000	2020 US\$,000	2021 US\$,000	2020 US\$,000
<u>Current Debtors</u>				
Trade and sundry debtors	3,851	1,511	1,065	743
Amount recoverable from subsidiary undertakings	-	-	927	870
Other debtors	1,255	1,149	124	89
Prepayments	959	804	382	331
	6,065	3,464	2,498	2,033
<u>Debtors due after more than one year</u>				
MAF Suriname	98	128	98	128

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. SHORT TERM DEPOSITS

	Group		Charity	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Bank deposits	2,906	2,631	-	-

16. CASH AND CASH EQUIVALENTS

	Group		Charity	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents – Support offices	13,715	11,127	11,360	8,485
Cash and cash equivalents - Programmes	3,946	2,985	433	375
	17,661	14,112	11,793	8,860

17. CREDITORS

	Group		Charity	
	2021	2020	2021	2020
	US\$,000	US\$,000	US\$,000	US\$,000
Trade and other creditors	4,387	3,744	1,327	1,411
Taxation and social security	465	814	56	176
Amounts due to subsidiary undertakings	-	-	34	22
Loans	1,024	-	-	-
Accrued expenses	2,715	2,207	356	438
	8,591	6,765	1,773	2,047

The loans above includes a loan received from MAF Australia under an agreement dated February 2021 for \$1,074,000 (AUD1,400,000). The loan was completely repaid in February 2022.

18. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	US\$,000	US\$,000	US\$,000	US\$,000
Loans	1,137	-	1,137	-
Staff resettlement allowances	146	154	146	99
	1,283	154	1,283	99

The loan above was received from MAF Netherlands. It is an unsecured loan to be repaid by 1 January 2027 with annual interest payable at a rate of 2% in arrears.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. PROVISIONS

Included in creditors are the following provisions:

	Charity and Group			Balances 31 December 2021 US\$,000
	Balances 1 January 2021 US\$,000	Provided in the year US\$,000	Utilised in the year US\$,000	
	For overhaul of aircraft owned by 3 rd parties	403	98	
For taxation issues in overseas programmes	766	36	(501)	301
	<u>1,169</u>	<u>134</u>	<u>(514)</u>	<u>789</u>

20. DEFERRED TAX LIABILITY

	Group		Charity	
	2021 US\$,000	2020 US\$,000	2021 US\$,000	2020 US\$,000
	Provision at 1 January	77	134	-
Movement in the year	<u>678</u>	<u>(57)</u>	<u>-</u>	<u>-</u>
Provision at 31 December	<u>755</u>	<u>77</u>	<u>-</u>	<u>-</u>

21. FINANCIAL COMMITMENTS

At 31 December 2021 the group was committed to making the following payments under non-cancellable operating leases:

	Property		Other	
	2021 US\$,000	2021 US\$,000	2020 US\$,000	2020 US\$,000
	Payable in 1 year	282	31	401
Payable in 2-5 years	73	10	128	41
Payable in over 5 years	<u>130</u>	<u>-</u>	<u>156</u>	<u>-</u>
	<u>485</u>	<u>41</u>	<u>685</u>	<u>81</u>

At 31 December 2021, the organisation was also committed to pay \$1,117,000 (AUD\$1,561,000) in non-cancellable foreign exchange contracts to purchase AUD using GBP and EURO in July 2022. These commitments are stated at fair value and the \$28,000 gain arising from the difference between the fair value and notional value has been recognised in the Statement of Financial Activities.

22. CAPITAL COMMITMENTS

At the 31 December 2021, the organisation had total capital commitments in South Sudan of \$440k. which consisted of two housing projects and the Hangar. These are to be completed within 12 months and will be paid for with money raised specifically for their purpose.

Since the end of the financial year two further contracts have been entered into by the organisation. On 31st January 2022 a contract was signed with Flory's Homes Pty Ltd (trading as Superior Steel Homes NQ) for US\$1.22m for the supply and construction of a 2nd hangar in Mareeba. On 23rd March 2022 a contract in the sum of US\$1.45m for the purchase of a further Cessna Caravan for Arnhem Land was signed. At the year-end donated funds held towards this purchase were US\$1.21m.

23. POST BALANCE SHEET EVENTS

In May 2022 it was agreed to transfer assets and activities of the four East Africa programmes from Stichting MAF International to MAF International from 1st July to continue their operations within that entity. This will enable the legal ownership to more easily reflect the managerial position, and their administrative duties.

On 4 January 2022 a loan agreement with MAF Netherlands was signed for US\$1.14m to purchase a new aircraft. The loan is unsecured and expected to be repaid by 31 January 2027.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. UNRESTRICTED DESIGNATED FUNDS

	Balances 1 January 2021 US\$,000	Income US\$,000	Expenditure US\$,000	Transfers US\$,000	Net tangible asset US\$,000	Revaluation US\$,000	Unrealised exchange (loss)/gain US\$,000	Balances 31 December 2021 US\$,000
Aircraft overhauls fund	2,692	-	(816)	1,073	-	-	-	2,949
Assets fund	43,896	-	(1,857)	(257)	2,858	-	-	44,640
Revaluation Reserves	5,347	-	-	(3,564)	-	157	-	1,940
Development fund	3,367	-	(249)	105	-	-	-	3,223
Future assets fund	-	-	(35)	4,005	(2,828)	-	-	1,142
MAF Technology Services (PNG)	356	802	(791)	21	-	-	-	388
Self-insurance fund	2,932	-	(339)	683	(4)	-	-	3,272
Tactical investment fund	192	-	(139)	159	(26)	-	-	186
	<u>58,782</u>	<u>802</u>	<u>(4,226)</u>	<u>2,225</u>	<u>-</u>	<u>157</u>	<u>-</u>	<u>57,740</u>
Designated funds – Charity only	<u>13,935</u>	<u>-</u>	<u>(1,494)</u>	<u>1,915</u>	<u>-</u>	<u>29</u>	<u>0</u>	<u>14,385</u>

The Aircraft overhauls fund is used to overhaul the engines, propellers and airframes of the aircraft. Engines and propellers must be overhauled after set numbers of hours – most commonly 1,700 hours for a piston engine and up to 5,000 hours for a turbine engine. Funds are transferred from general funds to this designated fund for each hour flown by every aircraft.

The Assets fund represents amounts set aside equivalent to the value of the aircraft, properties, equipment and vehicles used by MAF International (less relevant loans) and provision for the future replacement of some assets, both of which have been financed with transfers from unrestricted general funds.

The Revaluation Reserves represent the increase in value of aircraft over their original cost to carrying values where appropriate.

The Development fund is used for the development of MAF Groups to enhance their fund raising and recruitment activities as well as to cover the cost of agreed new ventures, such as setting up operations or organisations to assist in resourcing the charity in new countries.

The Future assets fund was created to cover the cost of specific capital assets, including aircraft, that are essential to the operations and for which no other funding has been received, or is expected.

MAF Technology Services (PNG) represents the net assets of that entity (formerly “CRMF”), which will be used solely for the activities of that ministry in Papua New Guinea.

The Self-insurance fund is available for the repair or replacement of damaged or stolen vehicles and aircraft, other than those which are externally insured. It is also used to cover other items that have not been able to be insured in some countries or where the premiums have been prohibitive.

The Tactical investment fund is used to cover the cost of essential capital or revenue expenditure, for which project funding is unlikely to be available within operational time limits.

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

25. RESTRICTED FUNDS

Restricted Funds comprise the following unexpended balances of gifts and grants made for specific purposes and the net value of tangible assets bought from Restricted Funds. Movement and unexpended balances for projects are shown below.

	Balances 1 January 2021 US\$,000	Income US\$,000	Expenditure US\$,000	Transfers US\$,000	Net tangible asset US\$,000	Revaluation US\$,000	Unrealised exchange (loss) US\$,000	Balances 31 December 2021 US\$,000
Additional and replacement aircraft	267	176	(57)	96	-	-	-	482
Arnhem Land, Northern Territories	21	1,288	(64)	(17)	-	-	-	1,228
Bangladesh	24	213	(216)	(1)	-	-	-	20
Central Asia	-	485	(480)	-	-	-	-	5
Chad	32	269	(235)	-	(51)	-	-	15
Disaster relief	222	10	(8)	(17)	-	-	-	207
Fuel	-	265	(265)	-	-	-	-	-
Guinea	-	221	(258)	56	(5)	-	-	14
Kenya	18	200	(171)	(18)	-	-	-	29
Liberia	306	162	(140)	4	(15)	-	-	317
Madagascar	58	130	(163)	27	-	-	-	52
Mareeba	-	1,316	(2)	(1,314)	-	-	-	-
MAF Technology services PNG	31	60	(31)	(4)	(30)	-	-	26
Mongolia	3	-	(1)	-	-	-	-	2
Myanmar	6	65	(181)	130	(2)	-	-	18
Papua New Guinea	214	860	(488)	(109)	(123)	-	-	354
South Sudan	1,164	1,510	(1,058)	29	(979)	-	-	666
Staff costs	318	8,609	(7,628)	(264)	-	-	-	1,035
Tanzania	11	138	(149)	-	-	-	-	-
Timor-Leste	-	299	(276)	-	-	-	-	23
Uganda	74	376	(258)	(1)	(166)	-	-	25
Other aviation projects	14	222	(215)	(19)	-	-	-	2
Other locations and sundry projects	76	335	(208)	(2)	-	-	-	201
	<u>2,859</u>	<u>17,209</u>	<u>(12,552)</u>	<u>(1,424)</u>	<u>(1,371)</u>	<u>-</u>	<u>-</u>	<u>4,721</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. RESTRICTED FUNDS (CONTINUED)

	Balances 1 January 2021 US\$,000	Income US\$,000	Expenditure US\$,000	Transfers US\$,000	Net tangible assets US\$,000	Revaluation US\$,000	Unrealised exchange (loss) US\$,000	Balances 31 December 2021 US\$,000
Brought forward (page 34)	2,859	17,209	(12,552)	(1,424)	(1,371)	-	-	4,721
Net value of tangible assets:								
Aircraft	17,788	-	(389)	-	51	79	-	17,529
Land and buildings	1,625	-	(40)	(292)	1,056	-	-	2,349
Equipment and vehicles	175	-	(35)	(251)	264	-	-	153
	19,588	-	(464)	(543)	1,371	79	-	20,031
Total Restricted Funds	22,447	17,209	(13,016)	(1,967)	-	79	-	24,752
Restricted Funds - Charity only	5,034	7,308	(6,170)	(148)	-	31	-	6,055

Following a review of previously restricted assets and in accordance with the accounting policy 1p on page 22, assets with a net book value of \$543,000 (2020: \$576,000) have been transferred from Restricted Funds to unrestricted Designated Funds.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. NET ASSETS

Consolidated Group	Unrestricted funds		Restricted Funds	Total 2021	Total 2020
	General	Designated			
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Intangible fixed assets	-	35	-	35	20
Tangible fixed assets	-	46,547	20,031	66,578	68,812
Current assets	13,166	11,158	4,721	29,045	22,712
Long term assets	98	-	-	98	128
Current liabilities	(8,591)	-	-	(8,591)	(6,765)
Long term liabilities	(1,283)	-	-	(1,283)	(154)
Deferred tax liability	(755)	-	-	(755)	(77)
	<u>2,635</u>	<u>57,740</u>	<u>24,752</u>	<u>85,127</u>	<u>84,676</u>

Charity only	Unrestricted funds		Restricted Funds	Total 2021	Total 2020
	General	Designated			
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Intangible fixed assets	-	35	-	35	20
Tangible fixed assets	-	5,800	3,587	9,387	9,873
Current assets	3,591	8,550	2,468	14,609	11,171
Long term assets	98	-	-	98	128
Current liabilities	(1,773)	-	-	(1,773)	(2,047)
Long term liabilities	(1,283)	-	-	(1,283)	(99)
	<u>633</u>	<u>14,385</u>	<u>6,055</u>	<u>21,073</u>	<u>19,046</u>

27. DEATH-IN-SERVICE AND RETIREMENT BENEFITS

Defined benefit pension scheme

MAF International provided for pensions for UK based employees through "The MAF Europe UK Pension Scheme". This is an insured scheme, which is invested with "Legal and General". It is a defined benefit scheme based on 1/60 of final salary for each year of service and was open to all employees. The scheme commenced on 1 January 2000. The last (triennial) actuarial report was prepared as at 1 January 2019. The scheme was closed to new members in December 2007 and closed for future accrual with effect from 29 February 2008.

A comprehensive actuarial valuation of the scheme was carried out at 31 December 2021 by the scheme's actuary. Adjustments to the valuation have been made based on the following assumptions:

	2021	2020
Discount rate	1.8%	1.3%
Retail price inflation before 2030	2.9%	2.5%
Retail price inflation after 2030	2.9%	2.5%
Limited Price Indexation	2.9%	2.5%
Deferred pension revaluation	<u>2.9%</u>	<u>2.5%</u>

The mortality assumptions used were:

	2021	2020
For a male aged 65 now	21.3	21.3
At 65 for a male member aged 45 now	22.6	22.6
For a female aged 65 now	23.7	23.6
At 65 for a female member aged 45 now	<u>25.2</u>	<u>25.2</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. DEATH-IN-SERVICE AND RETIREMENT BENEFITS (CONTINUED)

Reconciliation of scheme assets and liabilities:

	2021	2021	2021	2020	2020	2020
	Assets	Liabilities	Total	Assets	Liabilities	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
At 1 January	6,540	(5,686)	854	5,836	(5,135)	701
Interest income/(expense)	74	(74)	-	99	(99)	-
Assets gains	424	-	424	536	-	536
Actuarial gains/ (losses)	-	235	235	-	(510)	(510)
Contributions	136	-	136	127	-	127
Benefits paid	(84)	84	-	(58)	58	-
At 31 December	<u>7,090</u>	<u>(5,441)</u>	<u>1,649</u>	<u>6,540</u>	<u>(5,686)</u>	<u>854</u>

The scheme net asset of \$1,649,000 (£1,219,000) was not recognised in the financial statements in accordance with FRS102, as the directors believe it unlikely that the asset be recovered either through repayments to the Charity or reduced future contributions to the Scheme.

The fair value of the plan assets is as follows:

	2021	2020
	US\$,000	US\$,000
Equities	4,219	3,656
Bonds	1,020	843
Gilts	1,042	1,162
Insured pensions	804	876
Cash	<u>5</u>	<u>3</u>
Total	<u>7,090</u>	<u>6,540</u>

Non-contributory money purchase arrangements

MAF International makes contributions of 10% of annual salary to pension providers of choice for all UK based employees. During the year these pension contributions to individual non-contributory pension arrangements totalled \$238,000 (2020 - \$197,000).

MAF International in Asia Pacific made contributions of 10% of annual salary for superannuation for all Australia-based employees totalling \$509,000 (2020 - \$452,000).

Pension and superannuation contributions for staff in other fields overseas totalled \$289,000 (2020 - \$279,000).

28. TRUSTEES LIABILITY INSURANCE

MAF International has arranged liability insurance for its trustees and staff at a cost for the year of \$7,217 (2020 - \$3,617) excluding responsibilities regarding Asia Pacific region.

MAF International Asia Pacific has arranged liability insurance for its trustees and staff at a cost for the year of \$2,147 (2020 - \$1,784). Both are authorised in the respective Memorandum and Articles of Association.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

29. SUBSIDIARY UNDERTAKINGS

The charity has a number of subsidiaries as follows:

Stichting MAF International is a foundation registered in the Netherlands, Chamber of Commerce number 74256157. The following programmes operate under this subsidiary Kenya, South Sudan, Tanzania, Uganda

Blue Sky Aviation Company Limited (BSA), is a company registered in Mongolia, number 9019010030. 95% of the shares are held by MAF International and the remainder by Exodus Way Company Limited. Following the decision to close the operations in Mongolia, most assets in BSA have been sold or transferred to other MAF International programmes.

Aviation Communication and Logistics Services Limited is a company registered in Uganda, whose shares are held by Stichting MAF International and two nominees. It holds the titles to parcels of land in Uganda which it has leased to MAF International for 99 years. These parcels of land constitute the airfield at Kajjansi, near Kampala. The cost of the leases is included within land & property in tangible fixed assets (note 12).

Although Mission Aviation Fellowship International is referred to as MAF International in these accounts, there is an Australian charitable company, MAF International, with registration number A.B.N. 32 004 260 860, referred to below as MAF International (in Australia). This company is 100% controlled by virtue that Mission Aviation Fellowship International is the sole member of MAF International. Its principal activity is the provision of air services to the Church and remote communities. This company has two subsidiaries, MAF Aviation Services Pty Ltd and MAF PNG Holding Ltd. MAF PNG Holding Ltd also has one subsidiary, MAF Papua New Guinea Ltd.

- MAF Aviation Services Pty Ltd is an Australian company, A.C.N. 004 545 108. The company's shares are wholly owned by MAF International. MAF Aviation Services Pty Ltd has made a long term loan to MAF PNG Holding Ltd, secured on the latter's assets. It has no other activities.
- MAF PNG Holding Ltd is a company registered in Papua New Guinea (PNG), registration number 1-22887. The company is wholly owned by MAF International. MAF PNG Holding Ltd acts as the holding company for MAF Papua New Guinea Ltd, a wholly owned subsidiary, and as such it owns and manages all the aircraft, land and buildings and other fixed assets for operations in PNG.
- MAF Papua New Guinea Ltd is also a company registered in PNG, registration number 1-17085, and is wholly owned by MAF PNG Holding Ltd. This entity carries out the charity's objectives in that country through aviation.

Christian Radio Missionary Fellowship Inc (known as MAF Technology Services), is a not-for-profit association incorporated in Papua New Guinea, association number 5-903. It is controlled by virtue of a Memorandum of Understanding that grants responsibility for control and governance to Mission Aviation Fellowship International. Its ministry focus is in communications technology and services.

The following is a summary of the results and of the net assets of the main entities within the group.

	MAF International (*) US\$,000	MAF International (in the Netherlands) US\$,000	MAF International (in Australia) (*) US\$,000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd US\$,000	CRMF Inc US\$,000	2021 Total US\$,000
Income	20,670	4,299	7,692	4,731	885	38,277
Expenditure	(13,100)	(6,749)	(10,832)	(6,184)	(849)	(37,714)
Other	(88)	3	(638)	611	-	(112)
Net movement in funds	<u>7,482</u>	<u>(2,447)</u>	<u>(3,778)</u>	<u>(842)</u>	<u>36</u>	<u>451</u>
Net Assets/ (liabilities)	<u>21,078</u>	<u>24,213</u>	<u>39,170</u>	<u>(11)</u>	<u>677</u>	<u>85,127</u>

(*) MAF International includes Blue Sky Aviation Company Ltd, and MAF International (in Australia) includes MAF Aviation Services Pty Ltd.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

29. SUBSIDIARY UNDERTAKINGS (CONTINUED)

The comparative results for 2020 are:

	MAF International (*) US\$,000	MAF International (in the Netherlands) US\$,000	MAF International (in Australia) (*) US\$,000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd US\$,000	CRMF Inc. US\$,000	2020 Total US\$,000
Income	20,806	4,145	8,645	3,561	786	37,943
Expenditure	(14,413)	(6,223)	(8,839)	(4,576)	(773)	(34,824)
Other	61	100	1,261	(1,359)	(19)	44
Net movement in funds	6,454	(1,978)	1,067	(2,374)	(6)	3,163
Net Assets	19,070	24,277	40,682	16	631	84,676

(*) MAF International includes Blue Sky Aviation Company Ltd and Rapid Relief Wing, and MAF International (in Australia) includes MAF Aviation Services Pty Ltd.

30. CONNECTED CHARITIES

Rapid Relief Wing was a company limited by guarantee and a registered charity. It acted as an agent for MAF International in leasing an aircraft for Mongolia until March 2020. The company was subsequently dissolved on 17 August 2021.

31. NOTES TO THE CASH FLOW STATEMENT

	2021 US\$,000	2020 US\$,000
Net income/(expenditure) before other recognised gains and losses	564	3,119
Net interest income	(10)	(49)
Operating surplus/(deficit)	554	3,070
Amortisation of intangible assets	10	4
Depreciation of tangible assets	2,540	2,560
Impairment of tangible assets	(228)	347
(Profit)/loss on disposal of tangible assets	1,702	(201)
Working capital movements		
Decrease in stocks	92	79
(Increase)/decrease in current and long term debtors	(2,572)	2,880
Increase/(decrease) in current and long term creditors	2,955	(747)
Cash flow from operating activities	5,053	7,992