



MAF INTERNATIONAL

A.B.N. 32 004 260 860

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

**MAF INTERNATIONAL
A.B.N. 32 004 260 860**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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MAF INTERNATIONAL
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DIRECTORS REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The directors present this report on the company for the financial year ended 31 December 2021.

Purpose and Principal Activities

MAF International ('MAF') is a Christian mission whose purpose is sharing God's love through aviation and technology.

The principal activity has continued as providing a subsidised aviation service in parts of the world where surface travel is impossible or very difficult. Flight training, aircraft maintenance, logistics services and communication services are also provided. MAF's services are provided by dedicated staff (many of whom are seconded to MAF by national MAF groups) 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 has been funded primarily by its members, who are various MAF groups around the world, and by fares charged to those who use the aircraft.

Objectives

MAF's short term and long terms aims are to benefit those living in some of the most isolated parts of the world. In many places there are no roads at all, or they are impassable or slow going, for example due to flooding or security issues. Our fleet of light aircraft is able to take relief, development and mission workers, emergency teams, education and healthcare professionals and supplies into these remote areas more quickly and efficiently than by any other means. As a result, our activities benefit two major groups: the relief and development agencies and other organisations whose mission it is to reach these isolated communities, and secondly the communities themselves.

Achievements and Performance

MAF operates flying programmes in Arnhem Land in the Northern Territories, Mareeba in Queensland and in Timor-Leste. As explained in Note 2, MAF also owns a subsidiary operating in Papua New Guinea (which is not consolidated into these accounts). Some staff have oversight and managerial roles in the support of additional programmes in Bangladesh, Mongolia and seven African countries. The work undertaken by each programme varies to reflect the needs in remote regions as well as the mix of community development, health, education, church, mission and relief work.

In addition to its aviation services to remote communities, MAF trains indigenous staff in technical and non-technical roles in each programme.

Key Performance Measures

During 2021 MAF's operational flight statistics included:

Country	Hours Flown	Flight Legs	Unique Passengers	Distance (nm)	Cargo (kg)	Fleet size	Destinations
Arnhem Land	2,478	4,957	8,521	440,411	18,264	8	55
Timor-Leste	377	617	1,124	59,353	1,297	2	10
Papua New Guinea	4,295	7,616	20,041	840,512	1,500,647	10	168
Mareeba (training)	1,050	839	n/a	n/a	n/a	8	n/a
TOTAL	8,200	14,029	29,686	1,340,276	1,520,208	28	233

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.

We are pleased to report that there were no flight accidents in the year.

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DIRECTORS REPORT
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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

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.

Investing in People

To retain staff longer as well as increase the numbers joining the organisation. 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.

Maximising Impact

To provide regular review and feedback for better evaluation of our work and improve the manner in which 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 clients and our end beneficiaries.

Significant Aid and Development Activities

Arnhem Land

Following the restructure in 2020, the Arnhem Land programme experienced a stable period during 2021 and the new direction for the programme was implemented.

Significant achievements included modifications made to the aircraft to improve its usability for 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. Operations to meet needs and enable development in indigenous homeland communities included many flights in support of educational services.

In addition, due to the unusable road network and poor internet connections, the Australian Bureau of Statistics asked MAF to help its 18th census reached isolated Aboriginal communities. Having pinpointed some of the indigenous people living there, MAF pilots Phil Techand and Anton Zhang delivered the forms to Howard Island and Milingimbi Island. Then, as soon as they'd been completed, they flew them back to our base. 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.'

Timor-Leste

In Timor-Leste, where MAF planes are often used as air ambulances, we were asked to airlift a man who'd broken his leg, hurt his back and suffered a serious head injury during a bike accident. MAF pilots Ping Domtta and Jonathan Lowe flew to Los Palos and brought the patient back to Dili, where he received emergency treatment. They then received a call to airlift a boy who'd swallowed a coin and was having trouble breathing.

MAF pilots also medevaced a woman struggling with pregnancy complications who'd been in labour for more than 24 hours and, on the way back, received a request to airlift a woman who, having giving birth to triplets, needed post-natal help.

In April 2021, following the country's worst flood in 40 years, MAF's 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.'

DIRECTORS REPORT
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Papua New Guinea

Hundreds of communities in Papua New Guinea gained access to education and other developmental opportunities through our flight services in 2021. For example, we enabled an extremely isolated primary school in Bak, to receive 1,000 library books in time for the new school year. An MAF flight was the only way to avoid having to carry the 24 boxes through rugged, roadless jungle terrain.

Where many communities are difficult to reach because of impenetrable jungles, mountains, swamps and fast flowing rivers, MAF conducted hundreds of medical evacuations and flights to enable healthcare to reach isolated people. Pilot Mathias Glass flew a young woman from mountainous Pyarulama to Kompam Hospital to receive treatment for wounds caused by domestic violence. A local villager who witnessed the emergency airlift said, 'MAF is our lifeline, we don't have another means of travel.'

We continued to develop collaboration with various agencies including Sustainable Development Corporation (PNG) and NZ AID as well as with other operators to enable mutual support through shared engineering and coordinated deployment of aircraft to fulfil the needs of communities more effectively.

Mareeba

Our engineering services and training based in Mareeba, North Queensland, carries out critical aviation maintenance for our local operations as well as supporting other programmes in the wider MAF group. During 2021, a new double-headed hangar was built to enable our team to have fit-for-purpose facilities in the Mareeba airport and provide long-term investment to the local community. The transfer into the first hangar was completed in the first week of 2022. Our Flight Training Centre in Mareeba provides training for external students along with checks and training for potential and existing staff using aircraft and a simulator.

COVID-19

During 2021, the organisation continued to be impacted by COVID-19. In April 2020 a comprehensive 21-month financial plan was put in place to rebalance the organisation and enable it to respond to the future uncertainties and the risks presented.

The plan has proved successful and allowed the organisation to continue to complete its mission, albeit in a lesser way due to lockdowns from local governments. We continue to have been blessed by generous support from our faithful donor base.

Currency

The financial statements are prepared in US dollars to be consistent with the entity's parent company, Mission Aviation Fellowship International. US dollars are the primary currency used within the global Aviation industry and the directors believe this provides further comparability and understanding for the users of the financial statements.

Members Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 each towards meeting any outstanding obligations of the company. At the date of this report the number of members is one, being Mission Aviation Fellowship International, a charitable company registered in the UK.

Company Secretary

William A Harding LLB held the position of Company Secretary throughout the year until the directors' meeting of 17 November 2021 when he resigned in light of ceasing to be an Australian resident. At that meeting Janine E Smythe, a longstanding executive secretary with the company, was appointed Company Secretary.

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DIRECTORS REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Directors

The names and particulars of the directors of the company in office during the year and up to the day of this report are:

Name	Qualifications	Experience
Norman E Baker III (Appointed 10/09/2021)	Bachelor of Science Mechanical Engineering and Aviation Technology Master of Science Management Commercial Pilot License Instructor Pilot License Maintenance Engineer License	28 years in aviation industry 14 years engineering, programs, customer service, sales/marketing and flight operations/training at aircraft manufacturer level 12 years in airline operations systems and data/digital solutions, engine development/certification/services, new business dev, digital analytics and transformation 8 years CEO of Taleris, GE Aviation Czech, and Airbus Digital Solutions (Sr VP at Airbus) 1 year COO of MAF International
Stephen Charlesworth	Bachelor of Engineering (Aerospace) Bachelor of Ministry (Theology) Commercial Pilot's Licence	5 years mission aviation flying 18 years governance on the boards of charities and not for profit businesses 21 years senior management experience
William Harding	Master's of International and Community Development Bachelor of Laws Certificate of Christian Ministry Commercial Pilot's Licence (Aeroplane and Helicopter)	41 years in aviation industry 27 years in senior management of aviation operations 7 years CEO of MAF International Directorship of MAF International (Aviation Services) Pty Ltd and others
William Nicol (Resigned 10/09/2021)	Bachelor of Ministries Commercial Pilot Flight Instructor MAFI Check and Training Pilot CASA Australia Check Pilot	36 years as Commercial Pilot 3 years Chief Flying Instructor 6 years MAF Operational Pilot 4 years MAF Chief Training Captain 6 years Head of Training for CTC Aviation 9 years as Aviation Director for MAFI

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

Name	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Norman Baker	1	1
Stephen Charlesworth	6	6
William Harding	6	6
William Nicol	5	5

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under division 60 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on the following page.

This statement is made in accordance with a resolution of the directors.



S Charlesworth
Director

Dated this day of May 2022

BDO to prepare

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	USD	
		2021 \$,000	2020 \$,000
Revenue			
Operating revenue	4(a)	2,596	2,566
Donations income	4(b)	8,422	8,323
Other income	4(c)	283	2,169
		11,301	13,058
Expenses			
Direct costs of operations	5(a)	6,600	6,190
Support costs	5(b)	5,354	4,644
Grants made	5(c)	825	1,025
		12,779	11,859
Net (Deficit)/Surplus before other recognised gains and losses and income tax		(1,478)	1,199
Net unrealised exchange (loss)/gain		(285)	81
(Deficit)/Surplus before tax		(1,763)	1,280
Income tax expense		0	0
Net (Deficit)/Surplus for the year		(1,763)	1,280
Other Comprehensive Income			
Revaluation of assets		345	(796)
Total comprehensive (expenditure)/income for the year		(1,418)	484

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	USD	
		2021 \$,000	2020 \$,000
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	6	4,486	4,052
Trade & other receivables	7	6,833	4,919
Inventories	8	498	676
TOTAL CURRENT ASSETS		11,817	9,647
NON-CURRENT ASSETS			
Trade & other receivables	9	13,869	12,288
Other financial assets (shares in subsidiaries)	10	-	15
Property, plant and equipment	11	15,101	18,668
TOTAL NON-CURRENT ASSETS		28,970	30,971
TOTAL ASSETS		40,787	40,618
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,012	462
Loan Facilities		1,024	0
Provisions		798	841
Other (amounts owing to subsidiaries)		291	179
TOTAL CURRENT LIABILITIES		3,125	1,482
NON-CURRENT LIABILITIES			
Long-term provisions	13	0	55
TOTAL NON-CURRENT LIABILITIES		0	55
TOTAL LIABILITIES		3,125	1,537
NET ASSETS		37,662	39,081
EQUITY			
General reserves	15(a)	2,886	2,326
Restricted reserves	15(a)	1,303	75
Retained earnings		33,473	36,680
TOTAL EQUITY		37,662	39,081

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Asset Revaluation Reserve \$,000	Other Reserves \$,000	Retained Earnings \$,000	Total \$,000
USD				
Balance at 1 January 2020	1,289	2,455	34,853	38,597
Valuations decreases previously accounted for in profit and loss*	(340)	0	340	0
Revaluation of assets	(796)	0	0	(796)
Write back revaluation on disposal	(53)	0	53	0
Transfers to/(from) other reserves	0	(154)	154	0
Net surplus for the period	0	0	1,280	1,280
Balance at 31 December 2020	<u>100</u>	<u>2,301</u>	<u>36,680</u>	<u>39,081</u>
Revaluation of assets	345	0	0	345
Write back revaluation on disposal	247	0	(247)	0
Transfers to/(from) other reserves	0	1,196	(1,196)	0
Net surplus for the period	0	0	(1,763)	(1,763)
Balance at 31 December 2021	<u>692</u>	<u>3,497</u>	<u>33,473</u>	<u>37,662</u>

* In years prior to 2020 certain revaluation decrements with a cumulative total of US\$340K were processed through profit and loss in 2020 rather than the asset revaluation reserve. These were adjusted through retained earnings in the 2020 year to correct the asset revaluation reserve balance.

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	USD	
	2021 Inflow/ (Outflow) \$,000	2020 Inflow/ (Outflow) \$,000
CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Receipts from customers and donors	11,162	16,090
Payments to suppliers and employees	(10,219)	(9,746)
Interest received	9	29
Net cash provided by/(used in) operating activities)	952	6,373
CASH FLOWS (USED IN)/PROVIDED BY INVESTING ACTIVITIES		
Payment for property, plant and equipment	(2,325)	(4,484)
Proceeds from sale of property, plant & equipment	784	748
Net cash provided by/(used in) investing activities	(1,541)	(3,736)
CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES		
Net receipt of loans/(additional loans made)	1,024	(568)
Net cash (used in)/provided by financing activities	1,024	(568)
Net increase/(decrease) in cash held	435	2,069
Cash at beginning of year	4,052	1,983
Cash at end of year	4,487	4,052

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general-purpose financial statements. These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare financial statements to the members of MAF International. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of MAF International.

The financial report covers the economic entity of MAF International. MAF International is a company limited by guarantee, incorporated and domiciled in Australia and a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities that qualify for and apply differential reporting concessions.

The financial statements have been prepared under the historical cost convention, and the amounts presented in the financial statements have been rounded to the nearest thousand dollars.

MAF International has elected not to adopt AASB16 'Leases' in accordance with group reporting policies.

ACCOUNTING POLICIES

a) Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

b) Foreign currency

The company's functional currency is Australian dollars. The financial statements have been translated into the presentation currency, US dollars, in accordance with paragraph 39 of AASB121 as follows:

- current assets, current liabilities and long-term liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at the exchange rates prevailing at the date of the transaction.

The costs of non-current assets were translated into US dollars as at 1 January 2013 at the exchange rate prevailing at that date. Transactions subsequent to 1 January 2013 have been translated at the exchange rate in force at the date of the transaction. For fixed assets, depreciation is charged on the US dollar cost equivalent of the assets translated at that date. The accounting treatment is a departure from the accounting standards and this disclosure is made in accordance with paragraph 57 of AASB121.

c) Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a net basis.

e) Comparative Figures

Where required by Accounting Standards, or a change to the accounting policy, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

f) Economic Dependence

MAF International is dependent on Mission Aviation Fellowship International, a UK charity, for the majority of its funding. At the date of this report the Board of Directors has no reason to believe that Mission Aviation Fellowship International will not continue to support MAF International.

2 DETAILS OF CONTROLLED ENTITIES AND PRINCIPLES OF CONSOLIDATION

A controlled entity is any entity where MAF International has the power to control the financial and operating policies. All controlled entities have a December financial year-end. The results and balances of these entities have not been consolidated in these financial statements.

The company has two wholly owned subsidiaries, MAF Aviation Services Pty Ltd and MAF PNG Holding Ltd. MAF PNG Holding Ltd also has one wholly owned subsidiary, MAF Papua New Guinea Ltd. MAF Aviation Services Pty Ltd is an Australian company that has made a long-term loan to MAF PNG Holding Ltd, secured on the latter's aircraft. It has no other activities. MAF PNG Holding Ltd is a company registered in Papua New Guinea. It acts as the holding company for MAF Papua New Guinea Ltd, a wholly owned subsidiary, and as such it owns all the aircraft, land and buildings and other fixed assets for operation by MAF Papua New Guinea Ltd.

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NOTES TO THE FINANCIAL STATEMENTS
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		USD	
		2021	2020
		\$,000	\$,000
3	OPERATING SURPLUS/(DEFICIT)		
The net surplus for the year is after charging:			
Staff costs			
	Salaries and wages	5,165	4,715
	Workers compensation	34	32
	Superannuation and life insurance	548	489
	Other staff costs, including education	943	734
		6,690	5,970
Auditor's remuneration:			
	Audit fees	25	21
	Other services	0	4
		25	25
	Depreciation	412	581
	Impairment of investment in subsidiary (MAF PNG Holding Ltd)	16	1,467
	Impairment of balance with subsidiary (MAF Aviation Services Pty Ltd)	572	266
	Net loss on sale of fixed assets	1,559	8
	Operating lease rentals	504	608
	Directors' liability insurance	2	2

NOTES TO THE FINANCIAL STATEMENTS
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4 OPERATING SURPLUS/(DEFICIT) – INCOME

Revenue is recognised when performance obligations in relation to the revenue have been met. Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenue from the sale of goods is recognised at the date of invoice. Donations and bequests are recognised when the entitlement to the income is confirmed and can be reliably measured. Where they are restricted for a specific purpose and have not been spent during the year, they are carried forward in the Projects Reserve. Interest revenue is recognised when received.

The following significant revenue items are relevant in explaining the financial performance:

	USD	
	2021	2020
	\$,000	\$,000
(a) Operating Revenue		
Aviation services	2,161	2,078
Maintenance services	246	254
Management fees received	0	49
Housing contributions received	189	185
	2,596	2,566
(b) Donations Income - by type		
Unrestricted donations	3,681	4,416
Restricted donations	2,712	2,186
Staff support received	2,030	1,721
	8,422	8,323
Analysis of Donations income by donor		
Mission Aviation Fellowship International	3,268	4,150
MAF Australia	2,031	1,037
MAF Canada	11	1
MAF Netherlands	2,000	122
MAF New Zealand	160	149
MAF Singapore	1	0
MAF Sweden	65	49
MAF Switzerland	207	183
MAF UK	636	505
MAF USA	54	62
Other donors	(11)	1,945
Staff (time donated)	0	120
	8,422	8,323
(c) Other Income		
Federal Government COVID-19 support	0	1,880
Other income	283	289
	283	2,169

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NOTES TO THE FINANCIAL STATEMENTS
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	USD	
	2021	2020
	\$,000	\$,000
5. OPERATING SURPLUS/(DEFICIT) – EXPENSES FROM ORDINARY ACTIVITIES		
The following significant expense items are relevant in explaining the financial performance:		
(a) Direct Costs of Operations		
Aviation direct costs	1,451	1,472
Other direct costs (operations and maintenance)	270	166
Field Staff costs	4,089	3,530
Other local overhead expenditure	569	522
Depreciation, revaluation and net loss on disposal of operational assets	221	500
	6,600	6,190
(b) Support Costs		
Staff Costs	2,571	2,416
Accommodation	174	294
Communication & travel Costs	22	42
Training	27	46
Other costs including depreciation, impairment and net loss on disposal of assets	2,560	1,846
	5,354	4,644
(c) Grants		
Grants made	825	1,025

6 CASH & CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

Cash on hand	26	23
Cash at bank	4,460	4,029
	4,486	4,052

7 CURRENT TRADE & OTHER RECEIVABLES

Debtors and other receivables include amounts due from students and customers. Receivables expected to be collected within twelve months of the end of the reporting period are classified as current assets.

Trade debtors	2,435	550
Other debtors	245	338
Prepayments	244	192
Owing by subsidiaries	3,909	3,839
	6,833	4,919

Amounts owing by subsidiaries is the trading balance due from MAF Papua New Guinea Ltd. It is payable on demand, is stated at cost and is expected to be fully recoverable.

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	USD	
	2021	2020
	\$,000	\$,000
8 CURRENT INVENTORIES		
Inventories are measured at cost, adjusted when applicable for any loss of service potential.		
Aircraft spares	429	652
Fuel and other parts	23	21
Work in progress	46	3
	498	676

9 NON-CURRENT TRADE & OTHER RECEIVABLES

Owing by MAF Aviation Services Pty Ltd	13,869	12,288
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The amount owing by MAF Aviation Services Pty Ltd is stated at cost net of an impairment of US\$3.53m (2020 – US\$2.96m) of which US\$571,000 has been charged to the profit and loss account during the year (2020 – US\$266,000).

10 SHARES IN SUBSIDIARIES – at cost less accumulated impairment

MAF Aviation Services Pty Ltd	0	0
MAF PNG Holding Pty Ltd	0	15
	0	15

The shares in MAF PNG Holding Pty Ltd, that originally cost US\$8.47m, are now fully impaired as the subsidiary group has net liabilities of \$15,000 at the balance sheet date. During 2021 the shares were impaired by an additional US\$16,000 (2020 – US\$1.467m) which has been charged to the profit and loss account.

11 PROPERTY, PLANT AND EQUIPMENT

Individual fixed assets costing \$3,000 or more are capitalised at cost. The carrying amount of all fixed assets is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment trigger.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11 PROPERTY, PLANT AND EQUIPMENT (continued)

Aircraft

Aircraft are included at the valuation approved by the Board of Directors annually by reference to the "Blue Book value" (the aviation industry's standard indication of the recoverable amount on the open market value). Adjustments are made for enhancements to the aircraft not accounted for in the Blue Book value and any impairment identified. Aircraft held for sale are valued at expected net sales proceeds. Depreciation is charged to write off the aircraft over an estimated useful life of 40 years. Increases in the carrying amount arising on revaluation of aircraft are credited to the asset revaluation reserve. Decreases that offset previous increases of the same class of asset are charged against the asset revaluation reserves directly in equity; all other decreases are charged to the income statement.

Property

Depreciation is charged to write off expenditure on leasehold property equally over the shorter of the unexpired period of the lease, or the estimated useful life of the improvements. For new developments depreciation is charged from the date on which the facility becomes operational.

Plant and equipment

Depreciation is charged on a straight-line basis to write off the expenditure over an estimated useful life to the entity commencing from the time the asset is held ready for use as follows:

Class of asset	Life (Rate)	Class of asset	Life (Rate)
Computer hardware	5yrs (20%)	Office equipment	7-10yrs (10%-15%)
Furniture & Fittings	10yrs (10%)	Plant and equipment	5-10yrs (10%-20%)
Motor Vehicles	5-8yrs (12.5%-20%)		

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognized immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

USD

	Aircraft \$,000	Land & Property \$,000	Equipment & Vehicles \$,000	Total \$,000
COST OR VALUATION				
At 1 January 2021	13,241	6,745	1,300	21,286
Additions	0	2,769	38	2,807
Disposals	(6,295)	0	(22)	(6,317)
Revaluation Reserve	171	0	0	171
At 31 December 2021	7,117	9,514	1,316	17,947
DEPRECIATION				
At 1 January 2021	0	1,819	799	2,618
Charge in year	174	138	112	424
Impairment/(impairment reversal)	0	0	0	0
Depreciation on disposals	0	0	(22)	(22)
Revaluation Reserve write back	(174)	0	0	(174)
At 31 December 2021	0	1,957	889	2,846
NET BOOK VALUE				
At 31 December 2020	13,241	4,926	501	18,668
At 31 December 2021	7,117	7,557	427	15,101

The net book value of aircraft includes US\$290,000 (2020: US\$3.903m) of aircraft held for sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12 CURRENT LIABILITIES

Trade creditors represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Revenue on tickets purchased by customers is not recognised in the statement of comprehensive income as revenue until the flight is undertaken. As a result, the tickets sold but not yet used are carried in other creditors.

Loan facilities represents an amount owed to MAF Australia which was repaid in full in February 2022.

Deferred revenue relates to payments on account for flight training not yet undertaken.

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the balance sheet date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

	USD	
	2021	2020
	\$,000	\$,000
Trade and other creditors	276	328
Accrued expenses	629	73
Deferred revenue	107	61
<i>Trade and other payables (subtotal)</i>	1,012	462
Loan Facilities	1,024	0
Provisions for leave	798	841
Owing to subsidiaries	291	179
	3,125	1,482

13 LONG-TERM PROVISIONS

Provision for staff resettlement	0	55
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14 COMMITMENTS

On 31st January 2022 a contract was signed with Flory's Homes Pty Ltd (trading as Superior Steel Homes NQ) for A\$ 1,679,400 (US\$ 1.219m) for the supply and construction of a 2nd hangar in Mareeba.

The contract signed in January 2021 for the first hangar was completed during the year, with no remaining commitment at the year end.

A loan was received from MAF Australia under an agreement dated February 2021 for A\$ 1.4m (US\$ 1.017m at the year end). This was fully repaid in February 2022.

A loan facility with the Commonwealth Bank of Australia was signed in February 2021 for a maximum drawdown of A\$1.5m. During the year A\$0.5m was drawn, however by the 31st December 2021 the balance was reduced to A\$10,000 (US\$7,000).

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15 RESERVES

Aircraft Overhaul Reserve

The cost of major inspections (including the costs of engine overhaul, propeller overhaul and heavy airframe maintenance) is provided for in advance based on the estimated cost of future overhauls. The directors review the reserve at the end of each financial year to ensure there is sufficient funds to overhaul the aircraft as they fall due. Any movement in the provision for major inspection costs arising during the year is recognised in the statement of comprehensive income as an operating expense.

Projects Reserve

Where donations or bequests are restricted for a specific purpose and have not been spent during the year, they are carried forward in the Projects Reserve.

	USD	
	2021	2020
	\$,000	\$,000
(a) Reserves comprise:		
<i>General reserves:</i>		
Asset revaluation reserve	692	100
Aircraft overhaul reserve	2,194	2,226
<i>Restricted reserves:</i>		
Projects reserve	1,303	75
	4,189	2,401
(b) Movement in reserves		
Asset revaluation reserve		
Balance at the start of the financial year	100	1,288
Valuations decreases previously accounted for in profit and loss	0	(340)
Net revaluation during the year – aircraft	345	(796)
Write back revaluation	247	(53)
Balance at the end of the financial year	692	100
Aircraft overhaul reserve		
Balance at the start of the financial year	2,226	2,303
Provisions used	(224)	(126)
Provisions set aside in year	192	196
Release of reserve on sale of aircraft	0	(147)
Balance at the end of the financial year	2,194	2,226
Projects reserve (Restricted)		
Balance at the start of the financial year	75	152
Project funding received	2,712	2,186
Project revenue expenditure	(103)	(112)
Project capital expenditure	(1,381)	(2,151)
Balance at the end of the financial year	1,303	75

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		USD	
		2021	2020
		\$,000	\$,000
16	NOTES TO THE CASH FLOW STATEMENT		
	a) Cash on hand – as note 6	4,486	4,052

For the purposes of the cash flow statement, cash includes cash on hand and in banks, net of any outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

b) Reconciliation of net cash provided by operating activities to operating surplus/(deficit) from ordinary activities after income tax revenue

		USD	
		2021	2020
		\$,000	\$,000
	Operating (deficit)/surplus from ordinary activities after income tax revenue	(1,763)	1,280
	Non-cash items		
	Depreciation and impairment of plant and equipment	423	581
	Impairment of investment in, and loans to, subsidiary	587	1,733
	Loss/(profit) on sale of property, plant and equipment	1,559	8
	Changes in net assets and liabilities		
	(Increase)/decrease in:		
	Current receivables	319	2,959
	Current inventories	178	(140)
	(Decrease)/increase in:		
	Current creditors and borrowings	(253)	(113)
	Current provisions	(43)	127
	Other non-current provisions	(55)	(62)
	Net cash used by operating activities	<u>952</u>	<u>6,373</u>

17 COMPANY DETAILS

The registered office of the company is:
1a Water Street,
Cairns QLD 4870

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DIRECTORS DECLARATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

In the Directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare financial statements of MAF International;
- the attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 1 to the financial statements; the Australian Charities and Not-for-profits Commission Regulations 2013, and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the directors.



S Charlesworth
Director

Dated this day of May 2022