



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 2022

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees, who are also the directors, of Mission Aviation Fellowship International (“MAF International”) and its subsidiaries, have pleasure in presenting their Annual Report, Strategic Report and Financial Statements for the year ended 31 December 2022.

MESSAGE FROM OUR CHAIR

2022 saw the relaxation of Covid restrictions, enabling our staff to travel again and operations return to resembling close to pre-Covid times. This also allowed the board to meet in person after two and a half years of virtual meetings.

The support from our dedicated resourcing groups, donors and supporters allowed us to navigate a challenging financial environment by providing the financial and physical resources needed to deliver our mission. Furthermore, the fundraising efforts of our resourcing groups allowed the purchase of a Cessna 208 aircraft for each of the Liberia and Arnhem Land programmes.

In June the board joined in the celebrations for the official opening of the two new hangars in Mareeba. The hangars provide a significant improvement in the facilities that we use to support the maintenance of aircraft in the Asia Pacific region. We also saw the first operational flight in Guinea in April.

It was with a mixture of sadness and celebration that the decision was made to close the Bangladesh programme after considering the needs of our partners and the changing state of transport in Bangladesh. Our two amphibious aircraft were ferried to Mareeba, Australia for maintenance with plans to re-deploy them to other locations in the future.

The dedication and commitment of our team continues to inspire, and we are grateful for their continued commitment to our mission. During 2022 the team created the Future Footprint Plan for the Papua New Guinea programme. The plan sets out the phased development of infrastructure including bases and aircraft to support the ministry in Papua New Guinea through to 2050. It is expected that construction of new housing in Mount Hagan will commence in 2023.

With the continued support of our resourcing groups, donors and supporters we remain ready to respond to the needs of isolated people in the years to come.

Peter Curtis

Chair of the Board of Trustees, MAF International

REFLECTION BY THE CEO

The heart of any organisation is its people. I am so thankful for our staff who work around the globe to accomplish our mission and vision. Because of their willingness to faithfully serve in often difficult settings, our aviation services brought help, hope and healing to remote and isolated communities providing a lifeline to the outside world.

It was very good for our senior leadership to, once again, meet in person. We have been blessed with quality leaders, many who joined our organisation during Covid. The ability to meet in person allowed us to strengthen our organisational culture while also seeking transformational change that will position us for the growth and impact we desire.

Our ministry impact team worked diligently to create a robust survey which will guide conversations with our customers allowing us to better understand the current impacts of our work, but also learn how we can have greater impact by appropriately shaping our operations to reach areas which are currently underserved.

In April 2022 we celebrated our first operational flight in Guinea. However, the remainder of 2022 was filled with challenges that hindered our ability to provide regular air service. We are hopeful that in 2023 we will be able to build our flight operations and serve the many needs we see in this country.

This year we have embraced and embedded five marks of mission into our strategic thought. As Christians we are motivated by God’s great love for us, so we desire to share and teach that good news while we show compassion, seek justice and care for his creation.

The work we undertake to reach isolated communities only happens because of numerous people who give financially, pray faithfully and work tirelessly to provide the resources we need to accomplish our mission. In these pages you will see some of the impact that together we have had in 2022.

Dave Fyock

CEO, MAF International

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

WHO WE ARE

We are a Christian charity who provides subsidised aviation services in parts of the world where surface travel is impossible or very difficult. We reach 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. 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.

Our **VISION** is to see isolated people changed by the love of Christ.

Our **MISSION** is to bring help, hope and healing through aviation.

Our **VALUES** are Witness, Impact, Partnership, Excellence, Stewardship and Care.

In 2022, we officially created and adopted our **Mission Mandate**, designed to bring definition to our mission and purpose. Our mission mandate starts with God's heart for mission - God's unconditional love for mankind, the church, society and all of creation. In 1984, the Anglican Consultative Council produced what is now known as the '**Five Marks of Mission**':

- To proclaim the good news of the Kingdom
- To teach, baptise and nurture new believers
- To respond to human needs by loving service
- To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation
- To strive to safeguard the integrity of creation and to sustain the life of the earth.

MAF International's mission mandate is to bring help, hope and healing by proclaiming the gospel, teaching and discipling, showing compassion, seeking justice, and by caring for creation. To do this, all five elements of mission must be demonstrated in an integrated way.

We are privileged to have dedicated staff who use their skills in aviation and other fields to work with national churches, relief and development agencies, missions, hospitals and governments to meet the most pressing of human needs.

The MAF International Family

The MAF International Family is made up of MAF International operations, its 13 members and two provisional members, based in 15 countries around the world. We could not operate without the funding raised, and staff seconded, by MAF members (also known as resourcing groups). We also work closely with Mission Aviation Fellowship in the USA and MAF Canada, who are associate members. The MAF International family members are detailed on page 15 under administrative information.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

OUR IMPACT

ACHIEVEMENTS AND PERFORMANCE

During 2022 we operated in 12 countries, namely Northern Australia (Arnhem Land), Bangladesh, Chad, Guinea, 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 provided technology services in Papua New Guinea (under the statutory name of Christian Radio Missionary Fellowship). We continued to support the work of the Mission Aviation Training Centre (MATC) in the Netherlands and keep a watching brief on developments in part of South East Asia in the hope to develop operations in country when the time is right.

Following 25 years of service, our programme in **Bangladesh** closed. Significant infrastructure development including the opening of the Padma Bridge has revolutionised transport links leading to less reliance on MAF. We celebrate with the people of Bangladesh the progress that has been made and are glad for the dramatic difference that the Padma Bridge will make to the southern region. We value the wise use of resources and seek to balance the benefits of investment with the costs involved. Following a review of the Bangladesh programme in late 2021, we concluded that, in conjunction with the improved transport infrastructure, there was insufficient demand for MAF in the country. Our priorities are shaped by the greatest impact on isolated communities. We are grateful for the impact that MAF has had in Bangladesh and look forward to new opportunities to reach other isolated communities.

With our expansion into West Africa and the opening of our new programme in **Guinea** came an exciting increase in collaboration with our associate organisation, MAF-US. The decision was made to operate Guinea’s aircraft under MAF-US’s Federal Aviation Administration Part 135 Air Operator Certificate (AOC), bringing aviation operations for Guinea under MAF-US. Nearby, our **Liberia** programme also transitioned to operate under the MAF-US AOC which will allow our Liberia programme to operate as a maintenance hub for all our West African aircraft.

Our operations and ministry vary within each programme reflects the needs of the country, churches, missions and NGOs that we serve. Our operational activities are summarised in the table below:

	2022	2021⁽¹⁾
Total hours flown	17,362	14,537
Number of flight legs	24,935	20,609
Unique⁽²⁾ passengers	73,516	49,032
Distance (km)	3,410,511	2,818,629
Unique⁽²⁾ cargo (kg)	2,283,033	1,738,529
Fleet size⁽³⁾	59	58
Destinations	536	506

⁽¹⁾ Reduced activity due to the COVID-19 pandemic

⁽²⁾ Unique is defined as passengers or cargo per flight (not per flight leg)

⁽³⁾ Does not include the three aircraft leased to MATC in the Netherlands

SUPPORTING THE LOCAL CHURCH

MAF flights are vital for the strengthening of local churches in isolated communities and the spread of the gospel. In November, we flew a delegation from the Church of Nazarene to Dusingi, **Papua New Guinea**, to celebrate with the community and to ordain six new pastors into the church. The church was crowded, with every window full of people looking in and many others outside listening. David Graves, General Superintendent for the Church of the Nazarene, shares, “I had the privilege of being here, coming to a very remote mountain assembly - that would not have been possible without Mission Aviation Fellowship. We are so thankful for all that they are doing to help us to reach these wonderful people for Jesus Christ.”

In **Chad**, we flew a group of missionaries who work through radio, TV and social media to spread the message about Jesus. In recent years they have been working in collaboration with FM 91, a Christian radio station in N’Djamena. They were seeking better insight into the needs and how they could strengthen the outreach efforts in this remote area. “Travelling with MAF made our trip possible. We were flown by a very competent, pleasant and Jesus-loving pilot, Becki. We are thankful for her attitude and her servant heart.”

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
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In **South Sudan**, an indigenous team from Fruits Ministry flew with MAF to Darjo, a remote village where they are building a ministry. Nothing about this outreach is easy. The logistics are complicated, the communication is difficult and the area is insecure. Passenger and missionary, William Peter, first met people from Darjo when he was working as a missionary in Doro Maban. In June 2021, he made a trip there by foot, compared to two hours on a MAF flight. "I walked into Darjo from Doro. It was a long journey, four days of focused walking from 7am until 7pm. Sometimes we would find that a lion had been moving ahead and was just nearby." William is looking forward to returning, "I am excited to go back. I love them. I have a heart for them."

ENABLING HEALTH SERVICES

When facing isolation, communities often don't have reliable access to medical care. We fly medical professionals and equipment to the people who need it. In remote **Tanzania**, where there is no power to run a fridge for vaccine storage and the nearest hospital may be a gruelling two-and-a-half-hour drive in the dry season or impassable during other seasons in the year, mobile clinics allow local women to bring their children for vaccinations. In partnership with the Same district hospital, the short 10-minute MAF flight to Lesirwai enables the nurses to deliver the vaccination doses from their insulated packaging that would otherwise be spoiled from a long road trip in 35-38°C heat.

Our team in **Kenya** provides essential transport to eye specialists from the Fred Hollows Foundation (FHF) to access isolated communities in northern Kenya and treat people suffering from eye diseases and visual impairment. Catherine Jakaiti, the Programme Manager of FHF, noted that the community and patients in Marsabit County have been undergoing great challenges in health and especially accessing eye health services. "At the Foundation, we feel blessed to have an organisation like MAF that enables us to bring eye health services closer to the people. This was believed to be an inaccessible county due to long distances," she said. Over 2,350 patients with different eye conditions received treatment, and over 300 underwent sight-restoring cataract surgeries.

87% of the population of **Papua New Guinea** live off the grid without electricity. Our technologies' project, Mama Waiting Huts, have provided healthcare workers and mothers with a reliable solar powered light source to better assist and monitor pregnant mothers in 15 locations. During the installation, a letter of gratitude was written from the Nupuru Health Centre, "Thank you for the Solar Light kit we received today under the Mama's Waiting Hut lighting project. You have met our difficulty with light during the night when we have labour patients. We just lost a mother last month partially due to the difficulty with lighting. Once again, thank you very much."

DELIVERING EDUCATION

For many, education provides a route out of poverty, but if you live somewhere so isolated that teachers can't travel to you and schools can't receive equipment, then the obstacles are that much greater. MAF provides a way. In March this year, we flew staff from Evangelical Soul Rescue Mission (ESORM) from Tapeta to Zwedru in **Liberia** to visit one of their schools. "It's a day and a half drive on rollercoaster roads!" Executive Director, Terri Enright says. "I've never been up to my school because we couldn't make it up here. We're so appreciative of MAF because we would not otherwise have been able to come."

In **Arnhem Land**, Northern Australia, Tamara Burrell works for the Arnhem Education Office. She describes driving from Nhulunbuy to Ramingini: "They call that road the Goat Track because you've got to be like a mountain goat. It is like driving along a riverbed - literally driving over rocks. We had no internet reception, no phone reception, and no one passed us - not another human being for four hours, right out in the middle of remote, remote Arnhem Land!"

From Ramingini, Tamara had to take a short boat trip to Milingimbi but in April, Tamara was able to fly with MAF from Nhulunbuy direct to Milingimbi – a comfortable journey that takes a mere one hour and ten minutes. Tamara proactively immerses herself in the community during her visits to help re-engage the community and students with school. "There are different ways of being in this world, and I want to see it in Yolngu style. We don't need to make a difference to everybody, just one person, because Yolngu people are better placed to make a difference in their own community. So, empower that Yolngu person to then empower their own people."

Sheila Kengingo has been working for We See Hope (WSH) in **Uganda** since 2016. WSH has designed interventions, in collaboration with partners across Africa, to gather children who have dropped out of school. Sheila explains, "We're working with seven schools with 40 kids in each club. We work alongside the schools for three years helping the kids become sustainable. Once the clubs are established, we then move on to another community. "I fly with MAF every quarter, as well as flying international supporters" she says. "MAF is very supportive. Once, I found MAF was overbooked and experienced first-hand how much harder it is to have to drive eight hours instead of one!"

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EMERGENCY SUPPORT

In isolated places, there are no emergency services. MAF plays a crucial role for isolated people – providing medical evacuations when people need them most. Dengue fever was declared a serious public health issue in **Timor-Leste** by the Ministry of Health in January 2022. In February, we medevac'd a two-year-old boy from Atauro Island to Dili with dengue fever. The patient was in a critical condition. "He was in severe fever when we brought him to the referral clinic in Atauro. After a medical check-up, the nurses decided to transfer him to the national hospital (HNGV) for special treatment by the doctors. Fortunately, after we waited for just a few minutes, a MAF plane had arrived and picked us up and flew us to Dili," says Broslin dos Santos, the patient's father. "He was in the hospital for almost a week before he recovered and was discharged from the hospital."

In **Chad**, Fanfina had suffered a heart attack at her home and specialist care was required, but the hospital was more than 600km away. "The road from Moundou to N'Djamena is very bad in places," pilot Becki says. "You can even see some of the potholes from the air they are that big!" It would take a whole day to drive in a good vehicle. The doctors were clear - Fanfina did not have that time available. A MAF flight meant that in under two hours she was receiving the vital care she needed in a hospital in N'Djamena. Three weeks later, Fanfina's husband, Memadji happily reported that his wife had been discharged from hospital. He said, "She is alive today thanks to this rapid evacuation and effective care. Thank you."

In **Papua New Guinea** it's normal for kids to walk around with a knife. Knives are just a practical tool, but if someone stumbles and falls it can end in disaster. In Mougulu, a knife punctured a boy's abdomen right through to the back, puncturing his bowel and liver. He was saved by the staff at the Mougulu clinic with plastic protective wrapping around his bowel to prevent infection. A MAF flight was already in the area delivering supplies to a local school which meant a medevac could be arranged for the following morning. Unfortunately, the flight couldn't go as far as Tabubil due to bad weather and so they landed in Kuinga and had to travel by road for the remainder of the journey. Bad weather preventing flights is a harsh reality that can cause problems when operating in isolated areas; sometimes land travel is still required. Thankfully, we received good news two days later that the boy had undergone surgery and was recovering well.

BRINGING DEVELOPMENT

For many communities, MAF provides vital access that facilitates community development and the delivery of aid programmes.

In **South Sudan**, development specialist, Alana Sebit Owot, is developing a business model that empowers local farmers to create a sustainable future. Alana explains that there is a great need for such initiatives as an alternative to the emergency aid programmes in the region. "Introducing opportunities for private partnership is very challenging. Yambio has extra challenges because it's so far west. The roads are sometimes very bad. I travel often and always with MAF. MAF is not like other commercial services. The pilot prays before every flight, so whatever we do, we first consider God."

In **Timor-Leste**, we have realised the importance of transport infrastructure in community and economic development. In 2022, we teamed up with Atauro Tourism Association to provide a shuttle service to Atauro Island. "MAF's new flight services are not only for medevacs, but also for transportation connectivity to bring local and international visitors to explore Atauro Island," says Nick Hitchins, Country Director. Egidio da Purificação Soares, tourism officer at USAID's Tourism for All Project, said MAF's work was important because it led to earnings that benefited the community.

The FLM (Fiangonana Loterana Malagasy) church in **Madagascar** runs training programmes for those living in poverty. The programmes are aimed at promoting income generating activities such as agriculture, livestock farming or development. we flew FLM representatives Antoine and Alfred to Maintirano for a workshop about self-reliance and development. "We would like to thank everyone at MAF for their work as we save a lot of travel time by flying. We will see you soon for our next flights," says Alfred.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
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FOR THE YEAR ENDED 31 DECEMBER 2022**

OUR STRATEGIC PRIORITIES

During 2022, we continued to focus our work based on our three strategic pathways of our 2021-25 strategic plan:

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 our work through a wellbeing strategy, an engineering apprentice and intern scheme, an increase in the number of instructor pilots, and a standardised management training plan to identify and grow management throughout the organisation.

Maximising Impact - to better evaluate and improve the way we perform our work, through the creation and implementation of a ministry impact tool, modernisation of our software tools, standardisation of our project management, and establish an innovation hub that invites creative thought to better serve our customers.

PROGRESS IN 2022 AND FUTURE DEVELOPMENTS

Understanding our impact - In 2022 we took steps towards measuring our impact, beginning with a comprehensive study of our programme in Liberia. The resulting Impact Report was the first of its kind to help the organisation better understand what our flights achieve and how to develop strategies for future ministry activities.

Among the key findings:

- 68% of the survey participants indicated that MAF flights had a major impact on their organisation's ability to conduct their activities throughout Liberia
- 54% said MAF has a major impact in determining where their organisation is able to work
- 32% (extremely important) and 41% (very important) state that MAF flights are important for future programming of their activities.

The report revealed that, based on customer input, we could further grow and expand the operation in Liberia as the only operator conducting this type of service. In 2023 we plan to conduct research in eight further programmes, whilst incorporating lessons learnt from this initial study. We are excited about what we can learn from these reports and how it can influence the organisation's next steps.

We also have 19 known agreements for our services with current users and training entities in place. The production of a standardised agreement for new users is planned for 2023. As we further hone the understanding of our impact, this will enable us to maximise our impact through the prioritisation of our ministry with specific users.

Investment in engineering - In 2022, we made strides towards ensuring our engineering and maintenance departments are fit for purpose for decades to come. In June, our new Mareeba hangar was officially opened. The purpose-built facility is the base for MAF's aircraft maintenance operations in the Asia Pacific region. Alongside new facilities, we have begun to introduce new training pathways for engineering candidates across the organisation to ensure a steady flow of new recruits with 14 apprentices in training by the end of 2022.

People and culture - 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. Our new learning management system, elevate, was deployed to provide all staff with access to learning pathways and training courses. The Growing Leaders course, including sessions on conflict resolution, was implemented to grow existing and future leaders.

In 2023, we plan to appoint a People Care Manager to invest in the well-being and spiritual development of our staff. We will also carry out our 5-yearly in-depth staff engagement survey to enable us to hear feedback from our staff and use their feedback to shape our core strategies.

Moving towards a digital future – We appointed a Digital Transformation Director to help bring more agile processes and better project management to the organisation. In 2023, this will be built on with the appointment of a CIO to lead all aspects of our IT function and further progress the IT initiatives within the strategic plan.

In 2022, we created an operations dashboard and interactive impact report to digitise the Liberia study mentioned above. In 2023, we will roll-out new finance software to all locations to enable improved financial reporting and insight for leadership at all levels to support decision making.

Raising the bar in communications – We appointed a new Head of Communications and a Deputy Head of Communications to give clear leadership for our external messaging as well as providing support and mentoring to our host country communications officers. There will be further investment in 2023 through the development of an internal communications newsletter and review of our global branding.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
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PRINCIPAL RISKS AND UNCERTAINTIES

We believe that an effective risk management strategy is key to carrying out our mission. MAF International has a formal risk management process to assess risks and implement risk management strategies. We have 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 our intranet and available for all staff in every location with review and training scheduled via our learning management system.

The trustees review identified risks and uncertainties regularly to ensure risks are well managed through mitigation activities. The risks are classified into the following groups: Strategic & Enterprise; Governance & Management; Operational; Finance; Environmental & External; and Legal & Compliance. At the end of the financial year, the principal risks, together with the mitigation strategies, being taken to manage these risks were:

Risks	Mitigation strategies
Safeguarding children and adults	We consider safeguarding to be of critical importance in all areas of operations and life. Our HR team is responsible for awareness, training, monitoring and care and all managers have safeguarding as part of their key responsibilities. We require biennial training as well as review and signing of our safeguarding policy for all staff. This is hosted on the learning management system, to ensure compliance.
Technology and digital	Our IT team reduces security and system risks through monitoring and increased controls. We continue to strengthen our IT systems through standardised equipment and processes, working with MAF US and MAF Canada wherever possible to provide optimal and cost-effective solutions. Our strategic development team monitors the development of drones, electric and hydrogen aircraft as well as sustainable aviation fuel (SAF).
Mission drift	Our Board of Trustees, CEO and Executive Leadership Team (ELT) own our mission and are tasked with protecting the organisation from experiencing mission drift. Our strong vision and mission statements allow significant discussion across the organisation affirming many of the core elements of our organisation, alongside our Mission Mandate which supports how we express that mission. The impact measurement tools we have developed allow us new ways to monitor and evaluate our work.
Long-term funding	Our CEO and ELT engage regularly with senior management and trustee boards across the MAF family to focus on the medium and long-term funding needs for the organisation. The cross-member 'development team' also works with member groups to support their growth. The Annual Global Forum for all MAF members, provisional and associate members, enables us to cast vision and build momentum to achieve our funding aims. We have developed the ministry impact tool to better understand and communicate the impact of our work. We have strengthened our communications team to assist the MAF family in raising funds. The recently formed strategic development team aims to raise income from institutional and corporate donors to 10% of our total income.
Staff safety	We seek to balance the protection of our staff with our calling to work in places that are unsafe and even hostile. All international staff require hostile environment awareness training prior to service, excluding those serving in Arnhem Land. Our Quality, Safety and Security team train our host country staff in more challenging places and review contingency plans and advise on security awareness in our countries of operation.
Aviation safety	Our safety and quality management systems provide a sound foundation for safe operations. Our Operations Leadership Team has safety as one of their top responsibilities. We focus on continuous improvement, with visible actions taken; as well as the growth and deepening of our safety culture.
Brand reputation	We are a family of organisations, each with their own board and cultural viewpoints, and therefore we must work diligently to maintain our brand. The CEO, ELT and Head of Communications engages regularly across the MAF family to support the MAF family with local issues in their jurisdictions and ensure there is a one consistent view of MAF around the globe.
Infrastructure	We regularly review, assess and invest in our facilities across all our locations to ensure they are fit for purpose. This includes upgrading facilities in some locations to bring added efficiencies and greater security and investing in new infrastructure to improve and grow our operations. We also improve our facilities, where appropriate, with sustainable measures such as solar. Our fleet lifecycle plan ensures sufficient ongoing investment in the renewal and replacement of our aircraft.

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<p>Attract talented and committed people</p>	<p>We have implemented an engineering apprentice scheme, a management intern scheme, and are coordinating recruitment efforts across the MAF family using our Career Portal. We continue to encourage growth and movement within our current staff, as well as increasing the global reach of our recruitment activities.</p> <p>Our <i>Growing Leaders</i> programme is helping us teach and train those in management or leadership roles. We have revamped our performance management process, to include growth and succession planning as part of each review.</p> <p>Our HR team is investing in a wellbeing, spiritual life and pastoral strategy to support and retain our staff.</p>
<p>Christian distinctiveness</p>	<p>The Board of Trustees, CEO and ELT are responsible for ensuring the organisation stays true to our vision.</p> <p>We have a statement of faith and encourage daily prayer and worship practices across the organisation.</p> <p>Challenges to our Christian distinctiveness are discussed regularly by the Board and ELT and guidance is given across the organisation, and wider MAF family, as needed.</p>

OUR ENVIRONMENTAL IMPACT

MAF 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 people 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 represented a normal period of activity pre-Covid. In 2019, our estimated carbon footprint was 12,109 tons of carbon dioxide. To put this into context, it is the equivalent to the annual average household output of around 1,500 homes in the United Kingdom. 69% of the emissions arose from our own flying, with 21% arising from commercial international travel and the remaining 10% from freight, other travel and energy consumption.

We have now developed an environmental statement and strategy including an action plan and monitoring programme against the 2019 baseline carbon footprint. As an organisation bringing help, hope and healing to the world’s most remote communities, we seek to ensure that the benefits of our life-changing work is accomplished with the least possible impact on the environment.

The environmental strategy 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 tools; and
- Meeting or exceeding regulatory compliance in every location.

Under The Companies (Director’s Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, 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 2022 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.

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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 & Audit, Governance & Risk, and Safety & Security Committees, and also to the CEO, as laid out in the Board 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 is reviewed by the Trustees and 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 given to management to care for our staff. A comprehensive staff engagement survey is carried out every five years, trends monitored, and actions taken to improve staff well-being and engagement.

- 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 whom we fly, suppliers and our ultimate beneficiaries in the most isolated communities. We regularly carry out surveys with customers as well as ministry effectiveness reviews to ensure we understand the needs of our customers and the isolated communities we serve. This will be further enhanced with our new impact surveys and strategic agreements that intentionally strengthen key programme relationships.

- 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 sustainable aviation and the environmental impact of the support services needed for our operations.

- 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 establish 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 family. The Board of Trustees engages directly with the boards of the MAF member groups. The ELT engages with members of the senior leadership teams in each MAF member group.

FINANCIAL REVIEW

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).

The Consolidated Statement of Financial Activities for MAF International for the year is set out on page 19. Total income for the year was USD 44,957,000 (2021 - USD 38,280,000), 32% (2021 - 29%) was generated by services provided, 67% (2021 - 69%) was voluntary income including restricted gifts and intangible income (the value attributed to international staff seconded from members) and the remaining 1% (2021 - 2%) from other sources.

The net movement in resources for the year before other gains and losses was a surplus of USD 8,044,000 (2021 - a surplus of USD 564,000). The net surplus in revaluation reserve was USD 2,111,000 (2021 - surplus of USD 236,000), and, as with 2021, 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 USD 8,233,000 (2021 - surplus of USD 451,000). This comprises a deficit of USD 285,000 on unrestricted general funds, a surplus on designated funds of USD 2,983,000 and a surplus on restricted funds of USD 5,535,000. This includes a transfer of USD 1,605,000 from restricted funds to designated funds following a review of previously restricted assets in accordance with the accounting policy 1p on page 24. 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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 and other short-term assets and liabilities.

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 17 "deferred" members who will receive their pension, based on service up until that date, at their normal retirement date, together with 13 pensioner members. The actuarial review as at 1 January 2022 disclosed a funding surplus of GBP 125,000 (USD 151,000 at the December 2022 exchange rate) on assets of GBP 5,241,000 at that date. In June 2022, the trustees agreed to pursue a buy-out of the scheme. A buy-in was purchased on 31 May 2023 and the buy-out is expected to be completed in 2024.

Note 27 shows that, as at 31 December 2022, comparing the present value of the scheme's future liabilities with the current value of the investments, there was a net asset of USD 2,031,000 (2021 – USD 1,649,000). This has not been recognised in the financial statements because the directors believe it is unlikely this asset will be fully recovered. The scheme's assets and liabilities are recorded in GBP and have been translated into USD for these statements. The net pensions asset before translation is GBP 1,678,000 (2021 – GBP 1,219,000).

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.

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 USD 63,073,000 (2021 – USD 60,375,000); being USD 2,350,000 of general funds (2021- USD 2,635,000) and USD 60,723,000 of designated funds (2021 – USD 57,740,000). The general funds form the charity's base reserve.

It is the Board's policy to reserve sufficient funds to ensure our ongoing operations. 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 MAF International'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 2022 the base reserve balance was within the range of 30 to 90 days of overhead expenditure.

Fundraising

MAF International does not raise funds directly from the public. We receive most donations from the MAF members that diligently work to support our activities. During the year USD 23,550,000 (2021 – USD 19,585,000) was received from MAF groups and in addition USD 238,000 (2021 – USD 697,000) was received from Institutional and corporate funders. A breakdown of the source of all the donations received is shown in note 3.

Grants

Significant grants made in the year include grants totalling USD 139,000 (2021 - USD 139,000) made to MAF Canada to support their international staff, USD 251,000 (2021 – USD 289,000) to MAF Norway to support their development and USD 208,000 (2021 – USD nil) to MAF Sweden to support their development and staff. Other grants made are shown in note 6.

Related parties

In December 2021, MAF International entered into an unsecured loan agreement with MAF Netherlands, for EUR 1,000,000 to assist in the building of hangar facilities in Mareeba, Queensland, Australia, followed by a further EUR 1,000,000 in January 2022 to purchase a C208 for Arnhem land, Australia.

EUR 443,800 was repaid against the second loan in 2022, leaving EUR 1,556,200 outstanding in aggregate at 31 December 2022.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

GOVERNANCE AND STRUCTURE

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, combined articles of association were adopted. These articles were further revised by some amendments at subsequent meetings.

Details of MAF International's subsidiaries are set out in note 29 to the Financial Statements respectively.

Trustees

The trustees are appointed by the members. In 2022 the Board met five times, three times in person and twice virtually. Details of the trustees, committee members, principal officers and advisors are set out at the end of this report.

The Board is assisted by four subcommittees: a Safety & Security Committee, a Finance & Audit Committee, a People Committee (which had its last meeting in June 2022), and a Governance & Risk Committee, which was formed and had its first meeting in September 2022. The members of these subcommittees comprise board members and outside experts, where appropriate. Following the restructure of the subcommittees, the nominated safeguarding trustee now reports to the Board rather than through the People Committee.

The trustees govern the organisation and delegate the day-to-day running of the charity to the Chief Executive Officer and the ELT, who are responsible for specific areas of the charity and are listed on page 15. The Board maintains a Governance Manual which, sets financial and operational parameters within which the CEO and ELT must manage the operations of MAF.

Trustee Induction and Training

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

The trustees invest in ongoing training, through the invitation of specialists to train the Board on matters of interest, such as good governance, to ensure that the trustees invest in their own development and are kept abreast of best practice.

Public benefit

The trustees 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.

OUR PEOPLE

The CEO, together with the ELT, is responsible for the day-to-day management of MAF International's affairs and for implementing the policies and strategies set by the Board.

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 ELT members receive the same cost of living rises as the organisation's other staff in their respective countries of service.

Volunteers

We have 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 International'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.

Safeguarding

We are committed to providing a safe and trusted environment for our staff, volunteers and beneficiaries. We require the highest ethical and moral standards from all our staff and take 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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

We have 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 include 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 2022, 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

Our 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. We also work toward the retention and retraining of employees who have become disabled.

OUR SYSTEMS

Internal Control

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

Standards, Quality and Flight Safety

We operate 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, we also operate a central audit system where each programme's operations and maintenance compliance is monitored annually. Further, we use the 'Just Culture' methodology to ensure 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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 ongoing 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. MAF International has a close relationship with the independent MAF member groups in various countries.

Approved by the Board on 23 June 2023.



Peter Curtis
Chairman

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

TRUSTEES

Peter Curtis (Chair)
Søren Filbert (from Nov 2022)
Alastair Ralph Gunn
Ndabaethethwa Mazabani
Stephen Osei-Mensah
Dennis van der Sar
Carey Vanlalmuana
William Watson (until Apr 2022)

COMMITTEE MEMBERS

Finance and Audit Committee:

Alastair Ralph Gunn (Chair from Apr 2022)
Peter Curtis (until Jun 2022)
Carey Vanlalmuana (from Sep 2022)
William Watson (Chair until Apr 2022)

Governance and Risk Committee (from Jun 2022):

Stephen Osei-Mensah (Chair)
Peter Curtis
Søren Filbert (from Dec 2022)
Ndabaethethwa Mazabani

HR Committee (until Jun 2022):

Carey Vanlalmuana (Chair)
Ndabaethethwa Mazabani
William Watson (until Apr 2022)

Safety and Security Committee:

Dennis van der Sar (Chair from Jun 2022)
Stephen Osei-Mensah (Chair until Jun 2022)
Leighton Pittendrigh-Smith

EXECUTIVE LEADERSHIP TEAM

David Fyock
Chief Executive

Norman Baker III
Chief Operating Officer

Annie Bailey (until 31 Jan 2022)
HR Director

Anna Beck
Chief Finance Officer and Company Secretary

Abraham Carel Bothma (from 1 Apr 2022)
Chief HR Officer

William Harding
International Development Director

On 1 Apr 2022, the following individuals stepped from the Executive Leadership Team to the Operations Leadership Team:
Stephen Charlesworth
Stuart Fitch
Henk-Jan Muusse

MEMBERS

MAF Australia
MAF Denmark
MAF Finland
MAF France
MAF Germany
MAF Italy
MAF Netherlands
MAF New Zealand
MAF Norway
MAF South Africa
MAF Sweden
MAF Switzerland
MAF UK

PROVISIONAL MEMBERS

MAF Philippines
MAF Singapore

ASSOCIATE MEMBERS

MAF Canada
MAF USA

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

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022 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 2022 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 page 14, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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 sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as The Charities Statement of Recommended Practice and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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: 12 August 2023

MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022				2021				
		Unrestricted funds		Restricted	Total	Unrestricted funds		Restricted	Total	
		General	Designated	funds		General	Designated	funds		
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	
Income										
Donations	3	9,105	-	20,796	29,901	9,164	-	17,206	26,370	
Charitable activities	4	13,480	876	-	14,356	10,476	791	-	11,267	
Other		689	-	11	700	629	11	3	643	
Total income		23,274	876	20,807	44,957	20,269	802	17,209	38,280	
Expenditure										
Raising funds	5	449	-	-	449	406	-	-	406	
Grants	6	883	76	161	1,120	789	194	486	1,469	
Charitable activities	7	18,202	3,561	13,581	35,344	19,279	4,032	12,530	35,841	
Total expenditure		19,534	3,637	13,742	36,913	20,474	4,226	13,016	37,716	
Net income/(expenditure) before transfers	9	3,740	(2,761)	7,065	8,044	(205)	(3,424)	4,193	564	
Transfers between funds	24,25	(2,108)	4,150	(2,042)	-	(258)	2,225	(1,967)	-	
Net income/(expenditure) before other recognised gains and losses		1,632	1,389	5,023	8,044	(463)	(1,199)	2,226	564	
Net movement in revaluation reserves	24,25	-	1,599	512	2,111	-	157	79	236	
Other gains/(losses)		(1,917)	(5)	-	(1,922)	(349)	-	-	(349)	
Net movement in funds		(285)	2,983	5,535	8,233	(812)	(1,042)	2,305	451	
Balances brought forward		2,635	57,740	24,752	85,127	3,447	58,782	22,447	84,676	
Balances carried forward		2,350	60,723	30,287	93,360	2,635	57,740	24,752	85,127	

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 22 to 41 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2022**

	Note	Consolidated 2022 USD'000	Consolidated 2021 USD'000	Charity 2022 USD'000	Charity 2021 USD'000
Intangible fixed assets	11	156	35	156	35
Tangible fixed assets	12	72,603	66,578	35,222	9,387
Current assets					
Stocks	13	2,792	2,413	782	318
Debtors	14	5,251	6,065	2,718	2,498
Short-term deposits	15	3,066	2,906	-	-
Cash and cash equivalents	16	20,450	17,661	17,327	11,793
		<u>31,559</u>	<u>29,045</u>	<u>20,827</u>	<u>14,609</u>
Current liabilities					
Creditors	17	(8,269)	(8,591)	(4,372)	(1,773)
Net current assets		<u>23,290</u>	<u>20,454</u>	<u>16,455</u>	<u>12,836</u>
Debtors due after more than one year	14	82	98	82	98
Total assets less current liabilities		<u>96,131</u>	<u>87,165</u>	<u>51,915</u>	<u>22,356</u>
Creditors due after more than one year	18	(1,516)	(1,283)	(1,516)	(1,283)
Net assets excluding pension and deferred tax liabilities		<u>94,615</u>	<u>85,882</u>	<u>50,399</u>	<u>21,073</u>
Deferred tax liability	20	(1,255)	(755)	-	-
Net Assets including pension liability		<u><u>93,360</u></u>	<u><u>85,127</u></u>	<u><u>50,399</u></u>	<u><u>21,073</u></u>
Accumulated funds					
Unrestricted funds					
General		<u>2,350</u>	<u>2,635</u>	<u>1,789</u>	<u>633</u>
Designated revaluations reserves		3,456	1,940	1,328	103
Other designated funds		<u>57,267</u>	<u>55,800</u>	<u>28,657</u>	<u>14,282</u>
	24	<u>60,723</u>	<u>57,740</u>	<u>29,985</u>	<u>14,385</u>
Total unrestricted funds		<u>63,073</u>	<u>60,375</u>	<u>31,774</u>	<u>15,018</u>
Restricted funds					
Restricted revaluations reserves		985	473	438	44
Other restricted funds		<u>29,302</u>	<u>24,279</u>	<u>18,187</u>	<u>6,011</u>
Total restricted funds	25	<u>30,287</u>	<u>24,752</u>	<u>18,625</u>	<u>6,055</u>
Total funds	26	<u><u>93,360</u></u>	<u><u>85,127</u></u>	<u><u>50,399</u></u>	<u><u>21,073</u></u>

Approved by the directors on 23 June 2023 and signed on their behalf by



Peter Curtis, Chairman

The notes on pages 22 to 41 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 USD'000	2021 USD'000
Net cash from operating activities	31	10,364	5,053
Cash flow from investing activities			
Purchase of tangible assets		(6,197)	(4,204)
Purchase of intangible assets		(140)	(25)
Proceeds from disposals of tangible assets		320	2,661
Interest received		20	10
Net cash used in investing activities		<u>(5,997)</u>	<u>(1,558)</u>
Effect of exchange rates on cash and cash equivalents		<u>(1,418)</u>	<u>329</u>
Net increase in cash and cash equivalents		2,949	3,824
Cash and cash equivalents at start of year		20,567	16,743
Cash and cash equivalents at the end of the year		<u><u>23,516</u></u>	<u><u>20,567</u></u>

The notes on pages 22 to 41 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 USD 23,516,000 (2021 - USD 20,567,000) held in immediately accessible cash or short-term investments at 31 December 2022. Of this USD 5,751,000 (2021 - USD 4,721,000) 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, see note 29. 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 USD 5,187,000 (2021 – USD 2,027,000).

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 2022
Other amounts - rate at date of transaction

The key exchange rates used to translate to USD were:

	31 December 2022	2022 Average	31 December 2021	2021 Average
GBP Sterling	1.2102	1.2400	1.3528	1.3757
Australian Dollar	0.6813	0.6965	0.7264	0.7520
Papua New Guinean Kina	0.2841	0.2838	0.2850	0.2849

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.
- (v) 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 2022 is USD Nil (2021 – USD 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 USD 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 2022**

1. ACCOUNTING POLICIES (CONTINUED)

k Tangible fixed assets

Individual fixed assets costing USD 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 2022**

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 is 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 in 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, approved by the directors. Annually, every aircraft is revalued and reviewed for impairment.

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 2022**

3. INCOME FROM DONATIONS

Voluntary income comprises the amounts transferred mainly from the MAF members, 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.

	2022			2021		
	Unrestricted USD'000	Restricted USD'000	Total USD'000	Unrestricted USD'000	Restricted USD'000	Total USD'000
Donated services	-	4,518	4,518	-	4,698	4,698
Income for housing	852	-	852	889	-	889
Institutional donors	-	238	238	-	697	697
MAF Australia	5	1,623	1,628	3	2,400	2,403
MAF Canada	-	15	15	-	18	18
MAF Denmark	159	197	356	175	252	427
MAF Finland	18	34	52	84	61	145
MAF France	-	40	40	-	14	14
MAF Germany	-	72	72	-	87	87
MAF Italy	-	5	5	-	7	7
MAF Netherlands	-	4,453	4,453	300	3,494	3,794
MAF New Zealand	-	541	541	-	513	513
MAF Norway	536	369	905	761	289	1,050
MAF Sweden	-	225	225	24	92	116
MAF Switzerland	-	648	648	113	571	684
MAF UK	7,488	6,964	14,452	6,767	3,410	10,177
MAF USA	29	129	158	24	126	150
Other donors	18	725	743	24	477	501
	<u>9,105</u>	<u>20,796</u>	<u>29,901</u>	<u>9,164</u>	<u>17,206</u>	<u>26,370</u>

Many International Staff are paid by the MAF member or another mission agency which then seconds them to the charity. The costs 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:

	2022 USD'000	2021 USD'000
MAF Australia	1,100	1,447
MAF Canada	10	11
MAF Germany	18	44
MAF Netherlands	214	156
MAF Norway	2	2
MAF Sweden	31	65
MAF Switzerland	128	184
MAF UK	558	716
MAF USA	105	111
Other donors	36	29
	<u>2,202</u>	<u>2,765</u>

MAF International additionally collected USD 93,000 (2021 – USD 360,000) donations income and USD 330,000 (2021 – USD 472,000) 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 2022**

4. INCOME FROM CHARITABLE ACTIVITIES

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

	2022			2021		
	General	Designated	Total	General	Designated	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Contributions for						
Aviation services	13,030	-	13,030	9,755	-	9,755
Maintenance services	188	-	188	491	-	491
Other technologies	-	876	876	-	791	791
Other services	262	-	262	230	-	230
	<u>13,480</u>	<u>876</u>	<u>14,356</u>	<u>10,476</u>	<u>791</u>	<u>11,267</u>

MAF International acts as an agent for flights operated by MAF Canada and MAF US. During the year, the group collected and passed on USD 10,000 (2021- USD 53,000) which has not been recognised in these financial statements.

5. EXPENDITURE ON RAISING FUNDS

	2022	2021
	USD'000	USD'000
Allocation of support staff and other costs	<u>449</u>	<u>406</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 2022 as follows:

	For	For ongoing operations and development			Sub-total	Allocation	Total
	international	of their activities				of support	
	staff support	General	Designated	Restricted		costs	
	General	General	Designated	Restricted	General		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	
MAF Canada	139	-	-	-	139	11	150
MAF France	40	-	-	39	79	14	93
MAF Italy	-	-	-	57	57	16	73
MAF Netherlands	8	-	-	-	8	1	9
MAF Norway	-	251	-	-	251	20	271
MAF Philippines	-	-	-	15	15	4	19
MAF Singapore	-	-	-	15	15	4	19
MAF South Africa	21	-	32	7	60	6	66
MAF Sweden	8	200	-	-	208	17	225
MAF Switzerland	31	-	-	-	31	3	34
MAF USA	71	-	-	-	71	6	77
MATC	-	-	44	28	72	12	84
	<u>318</u>	<u>451</u>	<u>76</u>	<u>161</u>	<u>1,006</u>	<u>114</u>	<u>1,120</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. EXPENDITURE ON GRANTS MADE (CONTINUED)

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

	For	For ongoing operations and development			Sub-total	Allocation	Total
	international	of their activities				of support	
	staff support	General	Designated	Restricted		costs	
	General	General	Designated	Restricted	General		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'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 Singapore							
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
	316	290	194	486	1,286	183	1,469

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 2022 were as follows:

	Programme costs			Sub-total	Allocation	Total
	General	Designated	Restricted		of support	
	General				costs	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Direct costs of services	2,188	1,396	6,060	9,644	2,563	12,207
Cost of donated services	-	-	4,518	4,518	650	5,168
Staff costs	6,353	197	2,224	8,774	817	9,591
Other local overhead expenditure	3,120	793	207	4,120	2,279	6,399
Depreciation, amortisation and impairment	-	1,176	572	1,748	387	2,135
(Profit) on sale of assets	(155)	(1)	-	(156)	-	(156)
	11,506	3,561	13,581	28,648	6,696	35,344

Charitable activities for 2021 were as follows:

	Programme costs			Sub-total	Allocation	Total
	General	Designated	Restricted		of support	
	General				costs	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022 were as follows:

	Raising funds	Grants	Direct costs of operations	Total
	USD'000	USD'000	USD'000	USD'000
Chief Executive and Regional Directors offices	203	26	957	1,186
Aviation Services including quality and safety	-	-	1,974	1,974
Finance	100	50	852	1,002
Human Resources	-	38	713	751
Information technology and communications	146	-	1,438	1,584
Support office costs	-	-	353	353
Depreciation of fixed assets used for support	-	-	387	387
Strategic development	-	-	22	22
	<u>449</u>	<u>114</u>	<u>6,696</u>	<u>7,259</u>

Unrestricted general support costs for 2021 were as follows:

	Raising funds	Grants	Direct costs of operations	Total
	USD'000	USD'000	USD'000	USD'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>

9. NET INCOME BEFORE TRANSFERS

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

	2022	2021
	USD'000	USD'000
Auditors' remuneration		
Audit fees	<u>167</u>	<u>152</u>
Realised net (gain) on currency exchange	<u>(187)</u>	<u>(57)</u>
Amortisation of intangible assets (note 11)	19	10
Depreciation of tangible assets (note 12)	2,420	2,540
Reversal of impairment of tangible assets (note 12)	(304)	(228)
Net (gain)/loss on disposal of fixed assets	<u>(157)</u>	<u>1,702</u>
Charges under operating leases	<u>1,015</u>	<u>1,162</u>
Inventory expensed in the year	<u>1,520</u>	<u>1,539</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. STAFF EXPENDITURE AND STAFF NUMBERS

	2022	2021
	USD'000	USD'000
Staff Costs		
Wages and salaries, including intangible expenditure	15,484	14,324
Social security costs	411	1,577
Retirement and death-in-service benefits costs	1,094	1,316
	<u>16,989</u>	<u>17,217</u>
Total salaries and benefits paid to Executive Leadership Team during the year	<u>494</u>	<u>753</u>

	2022	2021
	Number	Number
Employees that received remuneration of:		
£60,000 to £69,999	2	3
£70,000 to £79,999	-	1
£80,000 to £89,999	-	-
£90,000 to £99,999	1	1
Average number of employees - support offices	89	81
Average number of employees - field	386	398
Average number of seconded staff	62	69
	<u>537</u>	<u>548</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.

	2022	2021
	USD'000	USD'000
Travel expenses reimbursed to 6 directors (2021- 0).	20	-

11. INTANGIBLE ASSETS

Analysis for the group and charity:

	USD'000
COST	
At 1 January 2022	169
Additions	<u>140</u>
At 31 December 2022	<u>309</u>
AMORTISATION	
At 1 January 2022	134
Charge in the year	<u>19</u>
At 31 December 2022	<u>153</u>
NET BOOK VALUE	
At 31 December 2021	<u>35</u>
At 31 December 2022	<u>156</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. TANGIBLE FIXED ASSETS

Analysis for the Group:

	Aircraft USD'000	Land & Property USD'000	Equipment & Vehicles USD'000	Total USD'000
COST OR VALUATION				
At 1 January 2022	44,370	28,606	5,960	78,936
Additions	3,719	2,053	425	6,197
Disposals	(151)	(34)	(256)	(441)
Revaluation reserve	1,310	-	-	1,310
Foreign exchange adjustment	-	(9)	(3)	(12)
At 31 December 2022	<u>49,248</u>	<u>30,616</u>	<u>6,126</u>	<u>85,990</u>
DEPRECIATION				
At 1 January 2022	-	7,924	4,434	12,358
Charge in year	1,106	853	461	2,420
Net Impairment	(304)	-	-	(304)
Depreciation on disposals	(1)	(34)	(242)	(277)
Revaluation Reserve write back	(801)	-	-	(801)
Foreign Exchange adjustment	-	(7)	(2)	(9)
At 31 December 2022	<u>-</u>	<u>8,736</u>	<u>4,651</u>	<u>13,387</u>
NET BOOK VALUE				
At 31 December 2021	<u>44,370</u>	<u>20,682</u>	<u>1,526</u>	<u>66,578</u>
At 31 December 2022	<u>49,248</u>	<u>21,880</u>	<u>1,475</u>	<u>72,603</u>
Analysis of value between:				
Used for direct charitable purposes	<u>49,248</u>	<u>15,928</u>	<u>1,229</u>	<u>66,405</u>
Used for support of field programmes, management and administration		<u>5,952</u>	<u>246</u>	<u>6,198</u>

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

Included within the cost of 'Land & Property' is USD 122,000 relating to a hangar in South Sudan and USD 344,000 relating to the building of some houses in Liberia.

Of the net value of 'Land & Property' USD 5,981,000 (2021 - USD 6,286,000) relates to freehold or the local equivalent and USD 3,344,000 (2021 - USD 3,286,000) 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 USD 58,285,000 (2021 - USD 54,836,000).

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. TANGIBLE FIXED ASSETS (CONTINUED)

Analysis of the charity only:

	Aircraft USD'000	Land & Property USD'000	Equipment & Vehicles USD'000	Total USD'000
COST OR VALUATION				
At 1 January 2022	6,541	3,612	1,504	11,657
Additions and transfers	14,855	13,536	2,293	30,684
Disposals	-	-	(85)	(85)
Revaluation	459	-	-	459
At 31 December 2022	<u>21,855</u>	<u>17,148</u>	<u>3,712</u>	<u>42,715</u>
DEPRECIATION				
At 1 January 2022	-	1,120	1,150	2,270
Charge in year and transfers	483	3,440	1,868	5,791
Impairment	2	-	-	2
Disposals	-	-	(85)	(85)
Revaluation write back	(485)	-	-	(485)
At 31 December 2022	<u>-</u>	<u>4,560</u>	<u>2,933</u>	<u>7,493</u>
NET BOOK VALUE				
At 31 December 2021	<u>6,541</u>	<u>2,492</u>	<u>354</u>	<u>9,387</u>
At 31 December 2022	<u>21,855</u>	<u>12,588</u>	<u>779</u>	<u>35,222</u>

13. STOCKS

	Group		Charity	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Aircraft spare parts	1,630	1,537	716	298
Fuel and other stocks	1,119	830	66	20
Work in progress	43	46	-	-
	<u>2,792</u>	<u>2,413</u>	<u>782</u>	<u>318</u>

14. DEBTORS

	Group		Charity	
	2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000
<u>Current Debtors</u>				
Trade and sundry debtors	3,362	3,851	1,626	1,065
Amount recoverable from subsidiary undertakings	-	-	371	927
Other debtors	1,151	1,255	239	124
Prepayments	738	959	482	382
	<u>5,251</u>	<u>6,065</u>	<u>2,718</u>	<u>2,498</u>
<u>Debtors due after more than one year</u>				
MAF Suriname	<u>82</u>	<u>98</u>	<u>82</u>	<u>98</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. SHORT TERM DEPOSITS

	Group		Charity	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Bank deposits	3,066	2,906	-	-

16. CASH AND CASH EQUIVALENTS

	Group		Charity	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Cash and cash equivalents – Support offices	17,422	13,715	16,297	11,360
Cash and cash equivalents - Programmes	3,028	3,946	1,030	433
	<u>20,450</u>	<u>17,661</u>	<u>17,327</u>	<u>11,793</u>

17. CREDITORS

	Group		Charity	
	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000
Trade and other creditors	5,170	4,387	2,864	1,327
Taxation and social security	272	465	135	56
Amounts due to subsidiary undertakings	-	-	-	34
Loans	279	1,024	279	-
Accrued expenses	2,548	2,715	1,094	356
	<u>8,269</u>	<u>8,591</u>	<u>4,372</u>	<u>1,773</u>

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

18. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000
Loans	1,391	1,137	1,391	1,137
Staff resettlement allowances	125	146	125	146
	<u>1,516</u>	<u>1,283</u>	<u>1,516</u>	<u>1,283</u>

The loans above were received from MAF Netherlands in December 2021 and January 2022. They are unsecured loans to be repaid in 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 2022**

19. PROVISIONS

Included in creditors are the following provisions:

	Charity and Group			Balances 31
	Balances 1	Provided in	Utilised in the	December
	January 2022	the year	year	2022
	USD'000	USD'000	USD'000	USD'000
For overhaul of aircraft owned by 3 rd parties	488	140	-	628
For taxation issues in overseas programmes	301	501	(501)	301
	<u>789</u>	<u>641</u>	<u>(501)</u>	<u>929</u>

20. DEFERRED TAX LIABILITY

	Group		Charity	
	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000
Provision at 1 January	755	77	-	-
Movement in the year	<u>500</u>	<u>678</u>	<u>-</u>	<u>-</u>
Provision at 31 December	<u>1,255</u>	<u>755</u>	<u>-</u>	<u>-</u>

21. FINANCIAL COMMITMENTS

At 31 December 2022 the group was committed to making the following payments under non-cancellable operating leases:

	Property		Other	
	2022	2022	2021	2021
	USD'000	USD'000	USD'000	USD'000
Payable in 1 year	255	11	282	31
Payable in 2-5 years	60	2	73	10
Payable in over 5 years	<u>116</u>	<u>-</u>	<u>130</u>	<u>-</u>
	<u>431</u>	<u>13</u>	<u>485</u>	<u>41</u>

At 31 December 2022, the organisation was also committed to pay USD 3,500,000 in non-cancellable foreign exchange contracts to purchase USD and AUD using GBP and EUR. These commitments are stated at fair value and the USD 33,000 loss arising from the difference between the fair value and notional value has been recognised in the Statement of Financial Activities.

22. CAPITAL COMMITMENTS

At 31 December 2022, the organisation was committed to pay USD 236,000 under a contract to build housing in Liberia. In addition, the organisation is committed to pay a USD 110,000 retention payment for the building of a hangar in Mareeba, Queensland Australia, subject to final inspections.

As 31 December 2022, the organisation was also committed to completion payments under construction contracts for housing and a hangar in South Sudan, totalling USD 55,000..

23. POST BALANCE SHEET EVENTS

On 24 April 2023, the organisation has entered into three contracts with Textron Aviation to purchase four caravans in 2024 and 2025 for a total of USD 12,125,000.

On 31 May 2023, the MAF Europe Pension Scheme trustees purchased a buy-in with JUST Group plc for GBP 3,115,000 to secure the pensions on behalf of the scheme's members.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. UNRESTRICTED DESIGNATED FUNDS

	Balances 1 January 2022	Income	Expenditure	Transfers	Net tangible asset	Revaluation	Unrealised exchange (loss)/gain	Balances 31 December 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Aircraft overhauls fund	2,949	-	(401)	1,384	-	-	-	3,932
Assets fund	44,640	-	(1,562)	1,526	168	-	(4)	44,768
Revaluation reserves	1,940	-	-	(83)	-	1,599	-	3,456
Development fund	3,223	-	(267)	277	-	-	-	3,233
Future assets fund	1,142	-	(82)	160	(118)	-	-	1,102
MAF Technologies (PNG)	388	876	(930)	19	-	-	(1)	352
Self-insurance fund	3,272	-	(300)	707	-	-	-	3,679
Tactical investment fund	186	-	(95)	160	(50)	-	-	201
	<u>57,740</u>	<u>876</u>	<u>(3,637)</u>	<u>4,150</u>	<u>-</u>	<u>1,599</u>	<u>(5)</u>	<u>60,723</u>
Designated funds – Charity only	<u>14,385</u>	<u>-</u>	<u>(1,150)</u>	<u>16,101</u>	<u>-</u>	<u>649</u>	<u>-</u>	<u>29,985</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 Technologies (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 2022

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 2022	Income	Expenditure	Transfers	Net tangible asset	Revaluation	Unrealised exchange (loss)	Balances 31 December 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Additional and replacement aircraft	482	17	-	(179)	-	-	-	320
Arnhem Land, Northern Territories	1,228	496	(15)	(15)	(1,664)	-	-	30
Bangladesh	20	238	(238)	(1)	-	-	-	19
Central Asia	5	-	(5)	-	-	-	-	-
Chad	15	186	(187)	-	-	-	-	14
Disaster relief	207	5	(4)	-	-	-	-	208
Fuel	-	1,340	(1,340)	-	-	-	-	-
Guinea	14	218	(271)	75	(36)	-	-	-
Kenya	29	453	(450)	(2)	(10)	-	-	20
Liberia	317	762	(137)	1	(506)	-	-	437
Madagascar	52	256	(256)	(7)	-	-	-	45
Mareeba	-	20	-	(20)	-	-	-	-
MAF Technologies (PNG)	26	180	(109)	(82)	-	-	-	15
Mongolia	2	-	-	(2)	-	-	-	-
Papua New Guinea	354	2,837	(560)	3	(1,221)	-	-	1,413
South East Asia	18	2	(3)	(5)	-	-	-	12
South Sudan	666	2,396	(1,428)	165	(533)	-	-	1,266
Staff costs	1,035	7,339	(6,789)	(266)	-	-	-	1,319
Tanzania	-	162	(161)	2	-	-	-	3
Timor-Leste	23	500	(403)	4	(22)	-	-	102
Uganda	25	353	(296)	(2)	(8)	-	-	72
Other aviation projects	2	2,546	(76)	(95)	(2,055)	-	-	322
Other locations and sundry projects	201	501	(443)	(10)	(115)	-	-	134
	<u>4,721</u>	<u>20,807</u>	<u>(13,171)</u>	<u>(436)</u>	<u>(6,170)</u>	<u>-</u>	<u>-</u>	<u>5,751</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. RESTRICTED FUNDS (CONTINUED)

	Balances 1 January 2022 USD'000	Income USD'000	Expenditure USD'000	Transfers USD'000	Net tangible assets USD'000	Revaluation USD'000	Unrealised exchange (loss) USD'000	Balances 31 December 2022 USD'000
Brought forward (page 36)	4,721	20,807	(13,171)	(436)	(6,170)	-	-	5,751
Net value of tangible assets:								
Aircraft	17,529	-	(408)	-	3,719	512	-	21,352
Land and buildings	2,349	-	(103)	(1,595)	1,994	-	-	2,645
Equipment and vehicles	153	-	(57)	(11)	342	-	-	427
	<u>20,031</u>	<u>-</u>	<u>(568)</u>	<u>(1,606)</u>	<u>6,055</u>	<u>512</u>	<u>-</u>	<u>24,424</u>
Net value of intangible assets	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>-</u>	<u>112</u>
Total Restricted Funds	<u>24,752</u>	<u>20,807</u>	<u>(13,742)</u>	<u>(2,042)</u>	<u>-</u>	<u>512</u>	<u>-</u>	<u>30,287</u>
Restricted Funds - Charity only	<u>6,055</u>	<u>12,583</u>	<u>(8,868)</u>	<u>8,560</u>	<u>-</u>	<u>295</u>	<u>-</u>	<u>18,625</u>

Following a review of previously restricted assets and in accordance with the accounting policy 1p on page 24, assets with a net book value of USD 1,605,000 (2021: USD 543,000) 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 2022

26. NET ASSETS

Consolidated Group	Unrestricted funds		Restricted Funds	Total 2022	Total 2021
	General	Designated			
	USD'000	USD'000	USD'000	USD'000	USD'000
Intangible fixed assets	-	44	112	156	35
Tangible fixed assets	-	48,179	24,424	72,603	66,578
Current assets	13,308	12,500	5,751	31,559	29,045
Long-term assets	82	-	-	82	98
Current liabilities	(8,269)	-	-	(8,269)	(8,591)
Long-term liabilities	(1,516)	-	-	(1,516)	(1,283)
Deferred tax liability	(1,255)	-	-	(1,255)	(755)
	<u>2,350</u>	<u>60,723</u>	<u>30,287</u>	<u>93,360</u>	<u>85,127</u>

Charity only	Unrestricted funds		Restricted Funds	Total 2022	Total 2021
	General	Designated			
	USD'000	USD'000	USD'000	USD'000	USD'000
Intangible fixed assets	-	44	112	156	35
Tangible fixed assets	-	21,254	13,968	35,222	9,387
Current assets	7,595	8,687	4,545	20,827	14,609
Long-term assets	82	-	-	82	98
Current liabilities	(4,372)	-	-	(4,372)	(1,773)
Long-term liabilities	(1,516)	-	-	(1,516)	(1,283)
	<u>1,789</u>	<u>29,985</u>	<u>18,625</u>	<u>50,399</u>	<u>21,073</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 Investment Management. 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 scheme was closed to new members in December 2007 and closed for future accrual with effect from 29 February 2008.

The last (triennial) actuarial report was prepared as at 1 January 2022. It indicated that the scheme was fully funded and so in June 2022, the scheme trustees agreed to pursue a buy-out.

A comprehensive actuarial valuation of the scheme was carried out at 31 December 2022 by the scheme's actuary. Adjustments to the valuation have been made based on the following assumptions:

	2022	2021
Discount rate	4.7%	1.8%
Retail price inflation before 2030	3.2%	2.9%
Retail price inflation after 2030	3.2%	2.9%
Limited price indexation	3.1%	2.9%
Deferred pension revaluation	<u>3.2%</u>	<u>2.9%</u>

The mortality assumptions used were:

	2022	2021
For a male aged 65 now	22.0	21.3
At 65 for a male member aged 45 now	23.3	22.6
For a female aged 65 now	24.4	23.7
At 65 for a female member aged 45 now	<u>25.8</u>	<u>25.2</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Reconciliation of scheme assets and liabilities:

	2022	2022	2022	2021	2021	2021
	Assets	Liabilities	Total	Assets	Liabilities	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January	7,090	(5,441)	1,649	6,540	(5,686)	854
Interest income/(expense)	87	(87)	-	74	(74)	-
Assets gains	-	(1,088)	(1,088)	424	-	424
Actuarial gains/ (losses)	1,477	-	1,477	-	235	235
Contributions/(expenses)	50	(57)	(7)	136	-	136
Benefits paid	(80)	80	-	(84)	84	-
At 31 December	<u>8,624</u>	<u>(6,593)</u>	<u>2,031</u>	<u>7,090</u>	<u>(5,441)</u>	<u>1,649</u>

The scheme net asset of USD 2,031,000 (£1,219,000) was not recognised in the financial statements in accordance with FRS102, as the directors believe it unlikely that the asset be fully recovered.

The fair value of the plan assets is as follows:

	2022	2021
	USD'000	USD'000
Equities	-	4,219
Bonds	-	1,020
Gilts	3,058	1,042
Sterling liquid fund	1,597	-
Insured pensions	568	804
Cash	<u>33</u>	<u>5</u>
Total	<u>5,256</u>	<u>7,090</u>

Under advice, the scheme trustees disinvested the scheme from equities and bonds into gilts and a sterling liquid fund in preparation for the buy-out.

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 USD 231,000 (2021 - USD 238,000).

MAF International in Asia Pacific made contributions of 10% of annual salary for superannuation for all Australia-based employees totalling USD 485,000 (2021 - USD 509,000).

Pension and superannuation contributions for staff in other fields overseas totalled USD 201,000 (2021 - USD 289,000).

28. TRUSTEES LIABILITY INSURANCE

MAF International has arranged liability insurance for its trustees and staff at a cost for the year of USD 7,398 (2021 - USD 7,217) 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 USD 2,182 (2021 - USD 2,147). 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 2022**

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 operated under this subsidiary Kenya, South Sudan, Tanzania, Uganda until 30 June 2022, when the trade and assets for these programmes were transferred back to the charity.

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. It was liquidated in July 2022.

Aviation Communication and Logistics Services Limited is a company registered in Uganda, whose shares are owned by the charity 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 Technologies) 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 (in the Netherlands)	MAF International (in Australia) (*)	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd	MAF Technologies	2022 Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Income	27,276	3,015	5,447	8,310	44,957
Expenditure	(16,074)	(3,764)	(8,892)	(7,211)	(36,913)
Other	24	(1)	(1,590)	1,758	189
Net movement in funds	11,226	(750)	(5,035)	2,857	8,233
Net assets/ (liabilities)	50,399	377	39,133	2,726	93,360

(*) MAF International includes Blue Sky Aviation Company Ltd until July 2022 when it was liquidated 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 2022**

29. SUBSIDIARY UNDERTAKINGS (CONTINUED)

The comparative results for 2021 are:

	MAF International (*) USD'000	MAF International (in the Netherlands) USD'000	MAF International (in Australia) (*) USD'000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd USD'000	MAF Technologies USD'000	2021 Total USD'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	<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 Rapid Relief Wing, and MAF International (in Australia) includes MAF Aviation Services Pty Ltd.

30. NOTES TO THE CASH FLOW STATEMENT

	2022 USD'000	2021 USD'000
Net income/(expenditure) before other recognised gains and losses	8,044	564
Net interest income	(20)	(10)
Operating surplus	<u>8,024</u>	<u>554</u>
Amortisation of intangible assets	19	10
Depreciation of tangible assets	2,420	2,540
Impairment of tangible assets	(304)	(228)
(Profit)/loss on disposal of tangible assets	(157)	1,702
Working capital movements		
(Increase)/decrease in stocks	(379)	92
Decrease/(increase) in current and long-term debtors	830	(2,572)
Increase/(decrease) in current and long-term creditors	(89)	2,955
Cash flow from operating activities	<u>10,364</u>	<u>5,053</u>