



**MAF INTERNATIONAL**

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**DIRECTORS REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The directors present this report on the company for the financial year ended 31 December 2022.

**Purpose and Principal Activities**

MAF International ('MAF') is a Christian charity whose mission is to bring help, hope and healing through aviation.

The principal activity has continued as providing a subsidised aviation service in parts of the world where surface travel is impossible or very difficult. Flight training, aircraft maintenance, logistics services and communication services are also provided. MAF's services are provided by dedicated staff (many of whom are seconded to MAF by national MAF groups) who use their skills in aviation, and other fields, to work *inter alia* with national churches, relief and development agencies, missions, hospitals and governments to meet the most pressing of human needs.

MAF has been funded primarily by its members, who are various MAF groups around the world, and by fares charged to those who use the aircraft.

**Objectives**

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

**Achievements and Performance**

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

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

**Key Performance Measures**

During 2022 MAF's operational flight statistics included:

Country	Hours Flown	Flight Legs	Unique Passengers	Distance (nm)	Cargo (kg)	Fleet size	Destinations
Arnhem Land	2,497	5,206	9,847	243,868	31,305	7	50
Timor-Leste	432	1,043	2,932	37,533	486	2	10
Papua New Guinea	5,755	10,277	35,242	616,471	1,995,555	10	190
Mareeba (training and in transition)	1,163	875	n/a	n/a	n/a	12	n/a
<b>TOTAL</b>	<b>9,847</b>	<b>17,401</b>	<b>48,021</b>	<b>897,872</b>	<b>2,027,346</b>	<b>31</b>	<b>250</b>

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

**DIRECTORS' REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**Our Strategic Priorities**

During 2022, work continued against the priorities of our strategic plan, under the three headings of Expanding our Horizons, Investing in People and Maximising Impact.

*Expanding our Horizons*

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

*Investing in People*

To retain staff longer as well as increase the numbers joining the organisation. This will be addressed through a wellbeing strategy, an engineering apprentice and intern scheme, increasing the number of instructor pilots, and a standardised management training plan, which will identify and grow management throughout the organisation.

*Maximising Impact*

To provide regular review and feedback for better evaluation of our work and improve the manner in which we perform that work. We will create and implement a ministry impact tool, modernise our software tools, standardise project management, and establish an innovation hub, that invites creative thought to better serve our clients and our end beneficiaries.

**Significant Aid and Development Activities**

Examples of MAF's development activities in the year include:

**Arnhem Land**

A local physiotherapist catches MAF's regular flight from Gove to Elcho Island on a weekly basis for a two-day visit. For the past seven months he's been working in Arnhem Land, Australia as a physiotherapist, primarily serving people with disabilities.

"A big one here is Machado-Joseph Disease. It's quite a unique neurodegenerative disorder primarily in this region, and only in the Aboriginal people. It's passed on generation by generation and is kind of like motor neurone disease. Patients will eventually pass away because of respiratory disorders; they'll get a chest infection and can't get better. The work is quite varied, but the mental health cases are probably 50 to 70% of my caseload."

The physiotherapist works together with occupational therapists and support workers to create culturally significant rehabilitation programmes. "The indigenous people are very connected to their land, and they love going fishing, they love making a fire on the beach. Because of the mental health conditions, they're not doing that, so if we get them out then it helps them feel a lot better and more connected to their culture and to their land again."

**Timor-Leste**

In Timor-Leste, where MAF planes are often used as air ambulances, a nurse advises: "Before MAF began operations in Timor-Leste, we faced a number of challenges, including lack of medical evacuation equipment, difficulty driving on rough roads, and a long distance to transport people from rural areas to the national hospital. However, MAF's presence in Timor-Leste helped us a lot in providing medical evacuation flights for our people in emergency situations."

**DIRECTORS REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**Papua New Guinea**

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.

An 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.

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.

**Mareeba**

Our Aircraft Maintenance Organisation based in Mareeba, North Queensland, continues to carry out aviation maintenance for our Flight Training Centre, Arnhem Land and Timor-Leste programmes as well as supporting other programmes in the wider MAF group.

**Currency**

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

**Members Guarantee**

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

**Company Secretary**

Janine Smythe held the position of Company Secretary throughout the year.

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**DIRECTORS REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**Directors**

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

Name	Qualifications	Experience
Norman E Baker III	Bachelor of Science Mechanical Engineering and Aviation Technology Master of Science Management Commercial Pilot Licence Instructor Pilot Licence Maintenance Engineer Licence	29 years in aviation industry 14 years engineering, programs, customer service, sales/marketing and flight operations/training at aircraft manufacturer level 12 years in airline operations systems and data/digital solutions, engine development/certification/services, new business dev, digital analytics and transformation 8 years CEO of Taleris, GE Aviation Czech, and Airbus Digital Solutions (Sr VP at Airbus) 2 years COO of MAF International
Stephen Charlesworth	Bachelor of Engineering (Aerospace) Bachelor of Ministry (Theology) Commercial Pilot's Licence	5 years mission aviation flying 19 years governance on the boards of charities and not-for-profit businesses 22 years senior management experience
William Harding	Master of International and Community Development Bachelor of Laws Certificate of Ministry Commercial Pilot's Licence (Aeroplane and Helicopter)	42 years in aviation industry 28 years in senior management of aviation operations 7 years CEO of MAF International Directorship of MAF International (Aviation Services) Pty Ltd and others

**Meetings of Directors**

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

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

**Auditor's Independence Declaration**

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

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



S Charlesworth  
Director

Dated this 7th day of June 2023

## DECLARATION OF INDEPENDENCE BY GREG MITCHELL TO THE DIRECTORS OF MAF INTERNATIONAL

As lead auditor of MAF International for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Greg Mitchell  
Director



BDO Audit (NTH QLD) Pty Ltd

Cairns ,23 June 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of MAF International

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of MAF International (the registered entity), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of MAF International, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the entity's director's report, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

#### Responsibilities of directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit (NTH QLD) Pty Ltd

A handwritten signature in blue ink that reads 'g mitchell'.

Greg Mitchell  
Director  
Cairns, 23 June 2023

**MAF INTERNATIONAL**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 USD'000	2021 USD'000
<b>Revenue</b>			
Operating revenue	4(a)	2,599	2,596
Donations income	4(b)	7,852	8,422
Other income	4(c)	266	283
		<u>10,717</u>	<u>11,301</u>
<b>Expenses</b>			
Direct costs of operations	5(a)	5,488	6,600
Support costs	5(b)	3,641	5,354
Grants made	5(c)	-	825
		<u>9,129</u>	<u>12,779</u>
<b>Net surplus/(deficit) before other recognised gains and losses and income tax</b>			
		1,588	(1,478)
Net unrealised exchange (loss)		(309)	(285)
		<u>1,279</u>	<u>(1,763)</u>
<b>Surplus/(deficit) before tax</b>			
Income tax expense		-	-
		<u>1,279</u>	<u>(1,763)</u>
<b>Net surplus/(deficit) for the year</b>			
		1,279	(1,763)
<b>Other comprehensive income</b>			
Revaluation of assets		687	345
		<u>687</u>	<u>345</u>
<b>Total comprehensive income/(expense) for the year</b>			
		<u>1,966</u>	<u>(1,418)</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 USD'000	2021 USD'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	6	4,427	4,486
Trade & other receivables	7	5,246	6,833
Inventories	8	541	498
<b>TOTAL CURRENT ASSETS</b>		<u>10,214</u>	<u>11,817</u>
<b>NON-CURRENT ASSETS</b>			
Trade & other receivables	9	13,869	13,869
Other financial assets (shares in subsidiaries)	10	-	-
Property, plant and equipment	11	17,041	15,101
<b>TOTAL NON-CURRENT ASSETS</b>		<u>30,910</u>	<u>28,970</u>
<b>TOTAL ASSETS</b>		<u>41,124</u>	<u>40,787</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	387	1,012
Loan Facilities		-	1,024
Provisions		819	798
Other (amounts owing to subsidiaries)		290	291
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,496</u>	<u>3,125</u>
<b>TOTAL LIABILITIES</b>		<u>1,496</u>	<u>3,125</u>
<b>NET ASSETS</b>		<u>39,628</u>	<u>37,662</u>
<b>EQUITY</b>			
General reserves	13(a)	3,539	2,886
Restricted reserves	13(a)	190	1,303
Retained earnings		35,899	33,473
<b>TOTAL EQUITY</b>		<u>39,628</u>	<u>37,662</u>

The accompanying notes form part of these financial statements.

**MAF INTERNATIONAL**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Projects Reserve (Restricted) USD'000	General Reserves USD'000	Retained Earnings USD'000	Total USD'000
<b>USD</b>				
<b>Balance at 1 January 2021</b>	75	2,326	36,679	39,080
Revaluation of assets	-	345	-	345
Write back revaluation on disposal	-	247	(247)	-
Transfers to/(from) other reserves	(1,381)	(32)	1,413	-
Net surplus/(deficit) for the period	2,609	-	(4,372)	(1,763)
<b>Balance at 31 December 2021</b>	<u>1,303</u>	<u>2,886</u>	<u>33,473</u>	<u>37,662</u>
Revaluation of assets	-	687	-	687
Write back revaluation on disposal	-	-	-	-
Transfers (from)/to other reserves	(1,827)	(34)	1,861	-
Net surplus for the period	714	-	565	1,279
<b>Balance at 31 December 2022</b>	<u>190</u>	<u>3,539</u>	<u>35,899</u>	<u>39,628</u>

The accompanying notes form part of these financial statements.

**MAF INTERNATIONAL**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>Inflow/ (Outflow)</b>	<b>Inflow/ (Outflow)</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers and donors	11,941	11,162
Payments to suppliers and employees	(9,411)	(10,219)
Interest received	11	9
	<u>2,541</u>	<u>952</u>
<b>CASH FLOWS (USED IN)/PROVIDED BY INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(1,734)	(2,325)
Proceeds from sale of property, plant & equipment	157	784
	<u>(1,577)</u>	<u>(1,541)</u>
<b>CASH FLOWS (USED IN)/ PROVIDED BY FINANCING ACTIVITIES</b>		
Net (repayment)/receipt of loans	(1,024)	1,024
Net cash (used in)/provided by financing activities	(1,024)	1,024
	<u>(60)</u>	<u>435</u>
<b>Net (decrease)/increase in cash held</b>	<b>(60)</b>	<b>435</b>
<b>Cash at beginning of year</b>	<b><u>4,487</u></b>	<b><u>4,052</u></b>
<b>Cash at end of year</b>	<b><u><u>4,427</u></u></b>	<b><u><u>4,487</u></u></b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**ACCOUNTING POLICIES**

**a) Income tax**

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

**b) Foreign currency**

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

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

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

**c) Critical Accounting Estimates**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**d) Goods and Services Tax (GST)**

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

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

**e) Comparative Figures**

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

**f) Economic Dependence**

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

**2 DETAILS OF CONTROLLED ENTITIES AND PRINCIPLES OF CONSOLIDATION**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

		2022 USD'000	2021 USD'000
<b>3</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>		
	The net surplus for the year is after charging:		
	Staff costs		
	Salaries and wages	4,845	5,165
	Workers compensation	42	34
	Superannuation and life insurance	518	548
	Other staff costs, including education	617	943
		6,022	6,690
	 Total salaries and benefits paid to the Key Management Personnel during the year	 256	 267
	Auditor's remuneration:		
	Audit fees	26	25
	Other services	-	-
		26	25
	Depreciation	468	412
	Impairment of investment in subsidiary (MAF PNG Holding Ltd)	-	16
	Impairment of balance with subsidiary (MAF Aviation Services Pty Ltd)	-	572
	Net (gain)/loss on sale of fixed assets	(146)	1,559
	Operating lease rentals	351	504
	Directors' liability insurance	2	2

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**4 OPERATING SURPLUS/(DEFICIT) – INCOME**

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

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

	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>(a) Operating Revenue</b>		
Aviation services	2,330	2,161
Maintenance services	121	246
Housing contributions received	148	189
	2,599	2,596
<b>(b) Donations Income - by type</b>		
Unrestricted donations	5,629	3,681
Restricted donations	724	2,712
Staff support received	1,499	2,030
	7,852	8,422
<b>Analysis of Donations income by donor</b>		
Mission Aviation Fellowship International	5,238	3,268
MAF Australia	1,102	2,031
MAF Canada	9	11
MAF Germany	34	-
MAF Netherlands	625	2,000
MAF New Zealand	131	160
MAF Singapore	-	1
MAF Sweden	31	65
MAF Switzerland	148	207
MAF UK	466	636
MAF USA	46	54
Other donors	22	(11)
	7,852	8,422
<b>(c) Other Income</b>		
Other income	266	283
	266	283

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	2022 USD,000	2021 USD,000
<b>5. OPERATING SURPLUS/(DEFICIT) – EXPENSES FROM ORDINARY ACTIVITIES</b>		
The following significant expense items are relevant in explaining the financial performance:		
<b>(a) Direct Costs of Operations</b>		
Aviation direct costs	1,390	1,451
Other direct costs (operations and maintenance)	87	270
Field Staff costs	3,207	4,089
Other local overhead expenditure	582	569
Depreciation, revaluation and net loss on disposal of operational assets	222	221
	5,488	6,600
<b>(b) Support Costs</b>		
Staff Costs	2,800	2,571
Accommodation	177	174
Communication & travel Costs	167	22
Training	66	27
Other costs including depreciation, impairment and net loss on disposal of assets	431	2,560
	3,641	5,354
<b>(c) Grants</b>		
Grants made	-	825

**6 CASH & CASH EQUIVALENTS**

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

Cash on hand	39	26
Cash at bank	4,388	4,460
	4,427	4,486

**7 CURRENT TRADE & OTHER RECEIVABLES**

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

Trade debtors	520	2,435
Other debtors	394	245
Prepayments	223	244
Owing by subsidiaries	4,109	3,909
	5,246	6,833

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

		2022 USD,000	2021 USD,000
<b>8</b>	<b>CURRENT INVENTORIES</b>		
	Inventories are measured at cost, adjusted when applicable for any loss of service potential.		
	Aircraft spares	522	429
	Fuel and other parts	16	23
	Work in progress	3	46
		541	498

**9 NON-CURRENT TRADE & OTHER RECEIVABLES**

Owing by MAF Aviation Services Pty Ltd	13,869	13,869
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The amount owing by MAF Aviation Services Pty Ltd is stated at cost net of an impairment of USD 3.53m (2021 – USD 3.53m) of which USD 0 has been charged to the profit and loss account during the year (2021 – USD 571,000).

**10 SHARES IN SUBSIDIARIES – at cost less accumulated impairment**

MAF Aviation Services Pty Ltd	-	-
MAF PNG Holding Pty Ltd	-	-
	-	-

The shares in MAF PNG Holding Pty Ltd, that originally cost USD 8.47m, are now fully impaired. During 2022 the shares were impaired by an additional USD nil (2021 – USD 16,000) which has been charged to the profit and loss account.

**11 PROPERTY, PLANT AND EQUIPMENT**

Individual fixed assets costing USD3,000 or more are capitalised at cost. The carrying amount of all fixed assets is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**11 PROPERTY, PLANT AND EQUIPMENT (continued)**

**Aircraft**

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

**Property**

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

**Plant and equipment**

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

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

**Disposals**

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

<u>USD</u>	<b>Aircraft USD,000</b>	<b>Land &amp; Property USD,000</b>	<b>Equipment &amp; Vehicles USD,000</b>	<b>Total USD,000</b>
<b>COST OR VALUATION</b>				
At 1 January 2022	7,117	9,514	1,316	17,947
Additions	1,664	48	22	1,734
Disposals	-	-	(99)	(99)
Revaluation Reserve	511	-	-	511
At 31 December 2022	9,292	9,562	1,239	20,093
<b>DEPRECIATION</b>				
At 1 January 2022	-	1,957	889	2,846
Charge in year	176	199	93	468
Impairment/(impairment reversal)	-	-	-	-
Depreciation on disposals	-	-	(86)	(86)
Revaluation Reserve write back	(176)	-	-	(176)
At 31 December 2022	-	2,156	896	3,052
<b>NET BOOK VALUE</b>				
At 31 December 2021	7,117	7,557	427	15,101
At 31 December 2022	9,292	7,406	343	17,041

The net book value of aircraft includes USD 320,000 (2021: USD 290,000) of aircraft held for sale.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**12 CURRENT LIABILITIES**

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

The loan due to MAF Australia was fully repaid in February 2022.

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

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

	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>
Trade and other creditors	266	276
Accrued expenses	89	629
Deferred revenue	32	107
<i>Trade and other payables (subtotal)</i>	<u>387</u>	<u>1,012</u>
Loan Facilities	-	1,024
Provisions for leave	819	798
Owing to subsidiaries	290	291
	<u>1,496</u>	<u>3,125</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**13 RESERVES**

**Aircraft Overhaul Reserve**

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

**Projects Reserve**

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

	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>(a) Reserves comprise:</b>		
<i>General reserves:</i>		
Asset revaluation reserve	1,379	692
Aircraft overhaul reserve	2,160	2,194
	3,539	2,886
<i>Restricted reserves:</i>		
Projects reserve	190	1,303
	190	1,303
<b>(b) Movement in reserves</b>		
<b>Asset revaluation reserve</b>		
Balance at the start of the financial year	692	100
Net revaluation during the year – aircraft	687	345
Write back revaluation	-	247
Balance at the end of the financial year	1,379	692
<b>Aircraft overhaul reserve</b>		
Balance at the start of the financial year	2,194	2,226
Provisions used	(336)	(224)
Provisions set aside in year	197	192
Release of reserve on sale of aircraft	105	-
Balance at the end of the financial year	2,160	2,194
<b>Projects reserve (Restricted)</b>		
Balance at the start of the financial year	1,303	75
Project funding received	724	2,712
Project revenue expenditure	(10)	(103)
Project capital expenditure	(1,827)	(1,381)
Balance at the end of the financial year	190	1,303

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

		USD	
		2022	2021
		USD,000	USD,000
<b>14</b>	<b>NOTES TO THE CASH FLOW STATEMENT</b>		
	<b>a) Cash on hand – as note 6</b>	4,427	4,486
	For the purposes of the cash flow statement, cash includes cash on hand and in banks, net of any outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
	<b>b) Reconciliation of net cash provided by operating activities to operating surplus/(deficit) from ordinary activities after income tax revenue</b>		
	Operating (deficit)/surplus from ordinary activities after income tax revenue	1,279	(1,763)
	<b>Non-cash items</b>		
	Depreciation and impairment of plant and equipment	468	423
	Impairment of investment in, and loans to, subsidiary	-	587
	(Gain)/loss on sale of property, plant and equipment	(146)	1,559
	<b>Changes in net assets and liabilities</b>		
	Decrease/(increase) in:		
	Current receivables	1,587	319
	Current inventories	(43)	178
	(Decrease)/increase in:		
	Current creditors and borrowings	(625)	(253)
	Current provisions	21	(43)
	Other non-current provisions		(55)
	Net cash used by operating activities	2,541	952

**15 COMPANY DETAILS**

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

**DIRECTORS DECLARATION**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

In the Directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare financial statements of MAF International;
- the attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 1 to the financial statements; the Australian Charities and Not-for-profits Commission Regulations 2013, and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



S Charlesworth  
Director

Dated this 7 June 2023