



MAF INTERNATIONAL

A.B.N. 32 004 260 860

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

**MAF INTERNATIONAL
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FOR THE YEAR ENDED 31 DECEMBER 2023**

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MAF INTERNATIONAL
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DIRECTORS REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present this report on the company for the financial year ended 31 December 2023.

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 and an one in India (neither are 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 2023 MAF's operational flight statistics included:

Country	Hours Flown	Flight Legs	Unique Passengers	Distance (km)	Cargo (kg)	Fleet size	Destinations
Arnhem Land	3,000	6,484	13,282	549,020	39,545	8	50
Timor-Leste	545	1,341	3,412	87,161	1,098	2	11
Papua New Guinea	5,719	9,919	35,251	1,138,341	1,609,058	10	185
Mareeba (training and in transition)	1,100	861	n/a	n/a	n/a	11	n/a
TOTAL	10,364	18,605	51,945	1,774,522	1,649,701	31	246

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

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Our Strategic Priorities

During 2023, 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

Senior students at Laynhapuy Homelands School in Arnhem Land, Australia, are making inspirational progress in class thanks to an innovative approach to education. Laynhapuy Homelands School students have had remarkable academic success because the school is built according to the wishes of the Indigenous people it serves. This innovative model involves teachers being flown by MAF to the homelands, and students being flown for short spells, learning together in educational camps. MAF is essential to Laynhapuy's vision of helping young people remain close to their land, their culture and family.

Timor-Leste

In May, isolated communities on Atauro Island were able to take part in Timor-Leste's parliamentary elections after MAF flew voting papers, ballot boxes and staff to the island. Voters in the young democracy went to the polls to choose the lawmakers who will sit in the national parliament for the next five years. MAF helped the Technical Secretariat for Electoral Administration of Timor-Leste (STAE) by flying a team to Atauro Island to carry essential items for the election.

Eliapa da Costa, the Director of STAE in Atauro Municipality, explained what the flight meant for voters across the island. "We thank MAF for their availability in assisting us in this urgent situation and helping us transport the sensitive material for the election safely and securely in a very short time." Flying with MAF's planes from Dili to Atauro Island takes only 15 minutes, but the alternative option would have been one to three hours travelling by boats.

Papua New Guinea

For more than 50 years, MAF has been helping the community of Sengapi, Papua New Guinea, by transporting injured people. In January, MAF was called for three patients with broken legs. One was a child of about five years carried by his father. The second one, a young teenager, was carried on a make-shift stretcher and obviously in a lot of pain. The third patient, a middle-aged man, was carried to the plane in a wheelbarrow. The 25-minute flight to Mt. Hagen, where an ambulance was waiting, was the only option with the only other access to this community being several days of hiking.

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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.

DIRECTORS REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Directors

The names and particulars of all 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) Over 3 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
Samuel Okposin	PhD Economics Masters Degree, Economics	Aviation Healthcare management experience - Cairns Base Manager, Project Manager - Defence Maritime – BAE Systems, UK Project Manager, Healthcare provider Lecturer – Business Analytics and Economics

Meetings of Directors

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

Name	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Norman Baker	4	4
Stephen Charlesworth	4	4
William Harding	4	4
Samuel Okposin	2	2

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 28th day of June 2024

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

As lead auditor of MAF International for the year ended 31 December 2023, 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, 28 June 2024

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 2023, 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 material accounting policy information, and the responsible entities' 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 2023 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 Regulations 2022*.

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 Directors' 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 responsible entities for the Financial Report

The responsible entities 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 responsible entities' responsibility also includes such internal control as the responsible entities 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 responsible entities 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 responsible entities 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

This description forms part of our auditor's report.

BDO

BDO Audit (NTH QLD) Pty Ltd

Greg Mitchell

Director

Cairns, 28 June 2024

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 USD'000	2022 USD'000
Revenue			
Operating revenue	4(a)	3,349	2,599
Donations income	4(b)	11,316	7,852
Other income	4(c)	331	266
		<u>14,996</u>	<u>10,717</u>
Expenses			
Direct costs of operations	5(a)	6,028	5,488
Support costs	5(b)	4,744	3,641
		<u>10,772</u>	<u>9,129</u>
Net surplus/(deficit) before other recognised gains and losses and income tax			
		4,224	1,588
Net unrealised exchange (loss)		(52)	(309)
Surplus/(deficit) before tax			
		4,172	1,279
Income tax expense		-	-
Net surplus/(deficit) for the year			
		4,172	1,279
Other comprehensive income			
Revaluation of assets		477	687
Foreign exchange translation on retranslation of balance sheet		(120)	-
Total comprehensive income/(expense) for the year			
		<u>4,529</u>	<u>1,966</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 USD'000	2022 USD'000
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	6	4,332	4,427
Trade & other receivables	7	6,435	5,246
Inventories	8	683	541
TOTAL CURRENT ASSETS		<u>11,450</u>	<u>10,214</u>
NON-CURRENT ASSETS			
Trade & other receivables	9	14,298	13,869
Other financial assets (shares in subsidiaries)	10	-	-
Property, plant and equipment	11	20,392	17,041
TOTAL NON-CURRENT ASSETS		<u>34,690</u>	<u>30,910</u>
TOTAL ASSETS		<u>46,140</u>	<u>41,124</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	674	387
Loan Facilities		-	-
Provisions		952	819
Other (amounts owing to subsidiaries)		86	290
TOTAL CURRENT LIABILITIES		<u>1,712</u>	<u>1,496</u>
NON-CURRENT LIABILITIES		<u>271</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,984</u>	<u>1,496</u>
NET ASSETS		<u>44,157</u>	<u>39,628</u>
EQUITY			
General reserves	13(a)	1,856	3,539
Restricted reserves	13(a)	320	190
Retained earnings		41,981	35,899
TOTAL EQUITY		<u>44,157</u>	<u>39,628</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Projects Reserve (Restricted) USD'000	General Reserves USD'000	Retained Earnings USD'000	Total USD'000
USD				
Balance at 1 January 2022	1,303	2,886	33,473	37,662
Revaluation of assets	-	687	-	687
Write back revaluation on disposal	-	-	-	-
Transfers to/(from) other reserves	(1,827)	(34)	1,861	-
Net surplus for the period	714	-	565	1,279
Balance at 31 December 2022	<u>190</u>	<u>3,539</u>	<u>35,899</u>	<u>39,628</u>
Revaluation of assets	-	477	-	477
Write back revaluation on disposal	-	-	-	-
Transfers (from)/to other reserves	-	(2,160)	2,160	-
Translation adjustment	3	-	(123)	(120)
Net surplus for the period	127	-	4,045	4,172
Balance at 31 December 2023	<u>320</u>	<u>1,856</u>	<u>41,981</u>	<u>44,157</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Inflow/ (Outflow)	Inflow/ (Outflow)
	USD'000	USD'000
CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Receipts from customers and donors	10,282	11,941
Payments to suppliers and employees	(10,442)	(9,411)
Interest received	130	11
	<u> </u>	<u> </u>
Net cash provided by operating activities	(30)	2,541
	<u> </u>	<u> </u>
CASH FLOWS (USED IN)/PROVIDED BY INVESTING ACTIVITIES		
Payment for property, plant and equipment	(487)	(1,734)
Proceeds from sale of property, plant & equipment	422	157
	<u> </u>	<u> </u>
Net cash (used in) investing activities	(65)	(1,577)
	<u> </u>	<u> </u>
CASH FLOWS (USED IN)/ PROVIDED BY FINANCING ACTIVITIES		
Net (repayment)/receipt of loans	-	(1,024)
	<u> </u>	<u> </u>
Net cash (used in)/provided by financing activities	-	(1,024)
	<u> </u>	<u> </u>
Net (decrease)/increase in cash held	(95)	(60)
Cash at beginning of year	4,427	4,487
	<u> </u>	<u> </u>
Cash at end of year	4,332	4,427
	<u> </u>	<u> </u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 Regulations 2022 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,*
- *AASB 1054 Australian Additional Disclosures; and*
- *AASB 124 Related Party 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. Assets carried at frozen exchange rates are subject to impairment assessment as set out in note 9. The accounting treatment is a departure from the accounting standards and this disclosure is made in accordance with paragraph 57 of AASB 121 *The Effects of Changes in Foreign Exchange Rates*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.

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 2023

		2023 USD'000	2022 USD'000
3	OPERATING SURPLUS/(DEFICIT)		
	The net surplus for the year is after charging:		
	Staff costs		
	Salaries and wages	5,266	4,845
	Workers compensation	40	42
	Superannuation and life insurance	600	518
	Other staff costs, including education	682	617
		6,588	6,022
	 Total salaries and benefits paid to the Key Management Personnel during the year	 250	 256
	Auditor's remuneration:		
	Audit fees	15	26
	Other services	-	-
		15	26
	 Depreciation	 601	 468
	 Impairment of investment in subsidiary (MAF PNG Holding Ltd)	 -	 -
	 Impairment of balance with subsidiary (MAF Aviation Services Pty Ltd)	 (428)	 -
	 Net (gain)/loss on sale of fixed assets	 (15)	 (146)
	 Operating lease rentals	 137	 351
	 Directors' liability insurance	 2	 2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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:

	2023	2022
	USD'000	USD'000
(a) Operating Revenue		
Aviation services	2,531	2,330
Maintenance services	589	121
Other ministries	33	-
Housing contributions received	196	148
	<u>3,349</u>	<u>2,599</u>
(b) Donations Income - by type		
Unrestricted donations	9,988	5,629
Restricted donations	443	724
Staff support received	885	1,499
	<u>11,316</u>	<u>7,852</u>
Analysis of Donations income by donor		
Mission Aviation Fellowship International	9,588	5,238
MAF Australia	1,265	1,102
MAF Canada	-	9
MAF Germany	-	34
MAF Netherlands	390	625
MAF New Zealand	-	131
MAF Sweden	-	31
MAF Switzerland	40	148
MAF UK	12	466
MAF USA	-	46
Other donors	21	22
	<u>11,316</u>	<u>7,852</u>
(c) Other Income		
Other income	331	266
	<u>331</u>	<u>266</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	2023 USD,000	2022 USD,000
5. OPERATING SURPLUS/(DEFICIT) – EXPENSES FROM ORDINARY ACTIVITIES		
The following significant expense items are relevant in explaining the financial performance:		
(a) Direct Costs of Operations		
Aviation direct costs	1,750	1,390
Other direct costs (operations and maintenance)	443	87
Field Staff costs	2,797	3,207
Other local overhead expenditure	481	582
Depreciation, revaluation and net loss on disposal of operational assets	557	222
	6,028	5,488
(b) Support Costs		
Staff Costs	3,791	2,800
Accommodation	218	177
Communication & travel Costs	682	167
Training	182	66
Other costs including depreciation, impairment and net loss on disposal of assets	(129)	431
	4,744	3,641

6 CASH & CASH EQUIVALENTS

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

Cash on hand	21	39
Cash at bank	4,311	4,388
	4,332	4,427

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	663	520
Other debtors	(3)	394
Prepayments	213	223
Owing by subsidiaries	5,562	4,109
	6,435	5,246

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		2023 USD,000	2022 USD,000
8	CURRENT INVENTORIES		
	Inventories are measured at cost, adjusted when applicable for any loss of service potential.		
	Aircraft spares	572	522
	Fuel and other parts	8	16
	Work in progress	103	3
		683	541

9 NON-CURRENT TRADE & OTHER RECEIVABLES

Owing by MAF Aviation Services Pty Ltd	14,298	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 3.105m (2022 – USD 3.53m) of which a reversal of USD (428) has been charged to the profit and loss during the year (2022– USD 0). The loan is denominated in Australian dollars and is interest free with no fixed term. The loan is secured over the aircraft held by MAF PNG Holding Limited. Impairment is assessed with reference to the net assets of MAF PNG Holding Limited.

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 2023 there was no impairment on the shares (2022 – USD 0) 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 2023

11 PROPERTY, PLANT AND EQUIPMENT (continued)

Aircraft

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

Property

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

Plant and equipment

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

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

Disposals

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

USD

	Aircraft USD,000	Land & Property USD,000	Equipment & Vehicles USD,000	Total USD,000
COST OR VALUATION				
At 1 January 2023	9,292	9,562	1,239	20,093
Additions	3,784		98	3,883
Disposals	(410)	-	(4)	(414)
Revaluation Reserve	215	-	-	215
At 31 December 2023	12,882	9,562	1,333	23,777
DEPRECIATION				
At 1 January 2023	-	2,156	896	3,052
Charge in year	264	248	88	600
Impairment/(impairment reversal)	-	-	-	-
Depreciation on disposals	(2)	-	(4)	(6)
Revaluation Reserve write back	(262)	-	-	(262)
At 31 December 2023	-	2,405	980	3,384
NET BOOK VALUE				
At 31 December 2022	9,292	7,406	343	17,041
At 31 December 2023	12,882	7,158	353	20,393

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 2023

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.

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.

	2023	2022
	USD'000	USD'000
Trade and other creditors	557	266
Accrued expenses	117	89
Deferred revenue	-	32
<i>Trade and other payables (subtotal)</i>	<u>674</u>	<u>387</u>
Loan Facilities	-	-
Provisions for leave	952	819
Owing to subsidiaries	86	290
	<u>1,712</u>	<u>1,496</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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. Due to group-level policy changes the reserve is no longer required. The aircraft overhaul reserve was transferred back to retained earnings during the 2023 year.

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.

	2023	2022
	USD'000	USD'000
(a) Reserves comprise:		
<i>General reserves:</i>		
Asset revaluation reserve	1,856	1,379
Aircraft overhaul reserve	-	2,160
	1,856	3,539
<i>Restricted reserves:</i>		
Projects reserve	320	190
	320	190
 (b) Movement in reserves		
 Asset revaluation reserve		
Balance at the start of the financial year	1,379	692
Net revaluation during the year – aircraft	477	687
Write back revaluation	-	-
Balance at the end of the financial year	1,856	1,379
 Aircraft overhaul reserve		
Balance at the start of the financial year	2,160	2,194
Provisions used	(2,160)	(336)
Provisions set aside in year	-	197
Release of reserve on sale of aircraft	-	105
Balance at the end of the financial year	-	2,160
 Projects reserve (Restricted)		
Balance at the start of the financial year	190	1,303
Project funding received	-	724
Project revenue expenditure	-	(10)
Project capital expenditure	130	(1,827)
Balance at the end of the financial year	320	190

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		USD	
		2023	2022
		USD,000	USD,000
14	NOTES TO THE CASH FLOW STATEMENT		
	a) Cash on hand – as note 6	4,332	4,427
	For the purposes of the cash flow statement, cash includes cash on hand and in banks, net of any outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
	b) Reconciliation of net cash provided by operating activities to operating surplus/(deficit) from ordinary activities after income tax revenue		
	Operating (deficit)/surplus from ordinary activities after income tax revenue	4,172	1,279
	Non-cash items		
	Depreciation and impairment of plant and equipment	601	468
	Impairment of investment in, and loans to, subsidiary	(428)	-
	(Gain)/loss on sale of property, plant and equipment	(15)	(146)
	Asset transfer	(3,516)	
	Changes in net assets and liabilities		
	Decrease/(increase) in:		
	Current receivables	(1,188)	1,587
	Current inventories	(142)	(43)
	(Decrease)/increase in:		
	Current creditors and borrowings	373	(625)
	Current provisions	133	21
	Other non-current provisions	(20)	-
	Net cash used by operating activities	(30)	2,541

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15 RELATED PARTIES

Key management personnel

Disclosures relating to key management personnel are set out in note 4.

Transactions with related parties

The following transactions occurred with related parties during the year:

Donations

Disclosures relating to donations from related parties are set out in note 4.

Income from transfer of goods and services

MAF International	140
Other MAF entities	58

Purchases and transfers of goods and services

MAF International	81
Other MAF entities	25

Receivable from and payable to related parties:

The following balances are outstanding as at the reporting date in relation to transactions with related parties.

Current payables

Owing by MAF entities (Note 12)	86
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Current receivables

Owing by MAF Papua New Guinea Ltd (Note 7)	5,562
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Non-current receivables

Owing by MAF Aviation Services Pty Ltd (Note 9)	14,298
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Investment in subsidiaries

Investment in subsidiaries (Note 10)	8,470
Investment in subsidiaries - accumulated impairment (Note 10)	8,470

16 COMPANY DETAILS

The registered office of the company is:

1a Water Street,
Cairns QLD 4870

17 ULTIMATE CONTROLLING PARTY

The direct parent and ultimate controlling party of the company is Mission Aviation Fellowship International, a company and charity registered in the United Kingdom.

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DIRECTORS DECLARATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 Regulations 2022 requirements to prepare financial statements of MAF International;
- the attached financial statements and notes thereto comply with Australian Charities and Not-for-profits Commission Regulations 2022, the Accounting Standards as described in note 1 to the financial statements, 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 2023 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 28day of June 2024