



**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 2018**

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

TRUSTEES, OFFICERS AND ADVISORS	1
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT	2
INDEPENDENT AUDITOR'S REPORT	13
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	15
CONSOLIDATED AND CHARITY ONLY BALANCE SHEETS	16
STATEMENT OF CASH FLOWS	17
NOTES TO THE FINANCIAL STATEMENTS	18

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
TRUSTEES, OFFICERS AND ADVISORS OF THE CHARITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Trustees**

Jan Ivar Andresen	Resigned 22 September 2018	Norway
Peter Curtis	Appointed 22 September 2018	Australia
Alastair Ralph Gunn	Resigned 22 September 2018	South Africa
Ndaba Mazabane		South Africa
Stephen Osei-Mensah	Appointed 14 December 2018	UK
Leighton Pittendrigh-Smith, BTMan		Australia
John Quin, OBE, FCMA (Chairman)		UK
Ann Saunders, BA Hons Oxon, FCIPD		UK
Carey Vanlalmuana	Appointed 14 December 2018	India
William Watson		Canada

**Company Secretary**

Anna C Beck, ACA

**Executive Leadership Team**

Annie M Bailey, FCIPD	International HR Manager
Anna C Beck, ACA	Chief Finance Officer
Stephen L Charlesworth, BEng, BMin	Regional Director, Asia Pacific
Dave L Fyock, BSAT	Chief Executive
Bill A Harding, LLB MICD	International Development Director
Henk-Jan Muusse, MSc	Regional Director, Africa
William B Nicol, BMin	Aviation Director

**Registered office, and principal place of business in UK**

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

**Independent Auditor**

Mazars LLP, Throwley Way, Sutton, Surrey, SM1 4JQ

**Principal Bankers**

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

**Solicitors**

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees, who are also the directors of Mission Aviation Fellowship International (MAF International) for the purposes of the Companies Act, have pleasure in presenting their Report and Financial Statements for the year ended 31 December 2018. The financial statements comply with the requirements of the governing documents, with 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) (effective 1 January 2015).

## **OBJECTIVES AND ACTIVITIES**

MAF International is a Christian mission whose purpose is sharing God's love through aviation and technology. This develops into MAF's vision - "Isolated people physically and spiritually transformed in Christ's name".

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

MAF International has been funded by MAF groups around the world, most of whom are its members, grants from government funding agencies and by fares charged to those who use the aircraft.

MAF International reaches the unreached in some of the world's most remote and isolated areas, where people are cut off due to geographical barriers, conflict or the dangers of overland travel. During 2018, our flights continued to enable our partners to overcome these challenges, and bring help and hope to people in spiritual and physical need.

### **Public Benefit**

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

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

During 2018 MAF International and its subsidiaries continued to operate in Arnhem Land in North Australia, Bangladesh, Chad, Kenya, Liberia, Madagascar, Mongolia, Papua New Guinea, South Sudan, Tanzania, Timor-Leste and Uganda. In addition, we have been continuing to develop opportunities in , and to operate a Maintenance and Flight Training Centre in Queensland, Australia and Christian Radio Missionary Fellowship in Papua New Guinea (known as MAF Technology Services) within the MAF International group. Further, we support the work of Mission Aviation Training Centre (MATC) in the Netherlands, principally by owning two aircraft leased to them, having been bought from funds donated for the purpose.

The work undertaken by each programme varies to reflect the needs of the country and the surrounding countries as well as the mix of churches, missions and NGOs.

In order to review effectiveness, MAF International undertakes a regular survey by country of the needs of its customers and how we are helping them in their ministries and work. The survey is based on savings in time, finances, the increase in security and safety for those whom we serve, and the Christian influence of our staff.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

During the 2018 year MAF International's operational flight statistics were:

Country	Total hours flown	Number of flight legs	Unique* passengers	Distance (km)	Unique* cargo (kg)	Fleet size	Destinations
Arnhem Land	4,915	8,751	16,914	845,316	15,451	11	56
Bangladesh	212	286	640	44,874	0	1	30
Chad	757	402	1,040	181,365	5,993	2	29
Kenya	1,304	981	3,414	312,919	23,761	3	67
Liberia	662	619	3,397	163,080	20,075	1	12
Madagascar	786	621	1,989	170,782	18,950	3	55
Mareeba (Training)	1,084	1,093	n/a	n/a	n/a	17	n/a
Mongolia	340	176	690	89,381	200	1	32
Papua New Guinea	5,404	11,384	36,728	1,045,802	2,253,810	10	211
South Sudan	1,926	2,205	6,057	451,882	136,528	5	57
Tanzania	349	831	943	64,833	1,152	3	36
Timor-Leste	513	986	2,063	86,751	0	2	15
Uganda	3,181	3,355	9,112	746,093	44,920	6	50
MATC (Training)	n/a	n/a	n/a	n/a	n/a	2	n/a
<b>TOTAL</b>	<b>21,433</b>	<b>31,690</b>	<b>82,987</b>	<b>4,203,078</b>	<b>2,520,840</b>	<b>67</b>	<b>650</b>

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

Our mission is to reach remote people who are cut off from the resources they need because of geographical barriers, conflict, natural disasters or dangerous overland travel. Our planes fly to numerous locations enabling our many partners to reach people in spiritual and physical need.

Worldwide, with bases in each of the above countries, MAF was able to respond to the needs of hard-to-reach communities quickly and effectively. The following gives a brief snapshot of some of the things our flights accomplished in a variety of remote and isolated areas.

#### **Arnhem Land**

In hot, humid and physically demanding Arnhem Land, in the Northern Territory we are able to provide medevac flights from time to time. When the call came through to airlift a boy who'd been stung by a box jellyfish, a MAF aircraft was flying directly overhead at the time, and so we were able to fly the youth to hospital immediately. A separate flight, this time for a four-year-old who was thought to have life-threatening injuries after falling from a tree, enabled the boy to reach hospital safely.

We also transported teachers to difficult-to-reach Yolngu aboriginal communities, enabling Yirrkala Homelands School to encourage the students in six remote Homelands. The teachers, who flew in every week, stayed with the communities for several nights and were then flown back to Gove by MAF. 'If it wasn't for MAF,' the school's principal said, 'Yirrkala Homelands School would not have been established in those early years.'

#### **Bangladesh**

In Bangladesh, where millions of people live in one of the most densely populated and geographically unstable regions on the planet, MAF's floatplane gave medical teams more time with their patients by transferring international and national medical teams from Dhaka to wherever Friendship's floating hospital ships were located. The NGO, which transforms people's lives by restoring their sight, performs thousands of cataract operations a year.

Operation Cleft Australia is a Foundation supporting a project in Bangladesh which provides free cleft palate operations to people living in the most remote areas who have little access to healthcare provision. These operations transform the lives of the patients and give them a better future. Travel from the capital Dhaka to the surgical camp in Barguna takes around 11 hours by road or an overnight ferry. In contrast the flight with MAF is under two hours. The Foundation's Secretary commented, "There is no way we would have been able to visit this remote and poor area without the very special float plane services provided by MAF. Not only was the flight quick and comfortable, but the pilots made us feel so welcome and safe."

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Chad**

Chad is a large, hot country, much of which is in the Sahara desert as well as one of the world's poorest nations. Road travel is particularly difficult with only 7.5% of routes being paved and some only accessible during the dry season. As a result, healthcare and education are very limited, and are mostly concentrated in the capital.

There are no dentists in Bardai, a village in northwestern Chad in the heart of the Sahara. We enable Christians to bring regular dental safaris to this isolated area. 'We simply wouldn't be able to do this without MAF,' explained safari member Pastor Brian. Thanks to our aircraft, dentist Kevin extracted teeth and gave fillings to 130 patients during an 8-day clinic in remote Bardai.

**Kenya**

In Kenya, where the wealth of the nation's capital is in stark contrast to the poverty experienced by most of the country's 47 million inhabitants, we delivered a rainwater harvesting system to the Jubilee Boarding School in Log-Logo in the remote Eastern Province. Thanks to MAF, teachers and students at the school for visually impaired children can now use clean water for washing and drinking.

RedTribe work with the Maasai community in the south of Kenya, near the border with Tanzania. Their holistic ministry encompasses health and water projects, a school, helping people create business, and growing leaders. MAF supports RedTribe by flying in visiting teams, saving them ten hours of travel on rough roads. This support multiplies the effectiveness of visitors as they are able to spend more time in the communities supporting the work of the projects. One flight in 2018 included a Maasai Archbishop who is a trustee of RedTribe. Without the MAF flight the Archbishop would not have been able to attend the meeting where exciting plans for further ministry areas were made.

We are privileged to also make a difference by helping to spread the Gospel. An evangelistic outreach in Kambu, Kenya, led by an MAF team member, resulted in a number of conversions.

**Liberia**

In Liberia, where people are still suffering from the effects of two devastating civil wars and the ravages of Ebola, we enabled Waves for Change to help traumatised youngsters by transporting their staff to Harper from Monrovia – the 90 minute flight saving up to 5 days of arduous overland travel. By teaching swimming and surfing to young people, the NGO helps them gain confidence and recover from past trauma.

Here, thousands of rural villages have limited Gospel access, so flights for Wordsower Liberia provided the NGO's personnel with safe travel. The organisation prints and distributes Scripture, sends missionaries to unreached people groups, runs a Bible school, prevents malaria and provides villagers with clean water. 'When I first came,' its founder recalled, 'MAF wasn't here, so we had to go by road. On one occasion, I carried a new computer on my lap and the case cracked. That's how bad the roads are! MAF has helped us many times, and we appreciate it.'

**Madagascar**

In beautiful but cyclone-battered Madagascar, a dedicated surgeon took his 100th MAF medical flight. The doctor, who is part of our yearly Madagascar Medical Safaris, set up a bush clinic in Anjabetrongo. The team, which included local medics, spent a week treating people who had walked for hours from surrounding villages. Pilot Patrick Keller said that, 'Due to deteriorating roads, many places are difficult to reach. Skilled personnel are scarce, and very few are willing to live in such isolated places. So the flights continue to bring medical help to the most needy.'

Thanks to MAF, Bible translation teams reached isolated areas in Madagascar. One flight, for a member of The Seed Company, had an unexpected outcome. 'As we were testing and reading Exodus in Masikoro,' the translation consultant recalled, 'one of the ladies who had been absolutely against Christianity, said, "If this is what it's about, I'm becoming Christian!" And she did! MAF has been an absolute blessing.'

**Mongolia**

Mongolia is one of the least densely populated countries in the world. With summer temperatures reaching 40 degrees celsius and winter temperatures dropping to minus 40 degrees, reaching the remote communities across the vast distances of the Gobi desert is a challenge.

In 2018 Nurses Heart to Heart Mongolia flew with MAF (known locally as Blue Sky Aviation) to provide child delivery emergency complications training to local healthcare professionals, and to train them in lifesaving CPR. The team spend a week in Mongolia each year carrying out the training in different counties. 2018 marked a milestone as their last stop in Sainshand completed the training in all 21 counties. In 2019 they will start the cycle again.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Papua New Guinea (PNG)**

PNG is a country where communities remain isolated due to impenetrable jungles, mountains and swamps. In February 2018, we helped meet the devastating need resulting from the 7.5 magnitude earthquake that struck PNG. We transported food, tarpaulins and water, and airlifted survivors injured by landslides. 'The people were grateful for the help that enabled them to rebuild their shattered lives and communities,' explained MAF Pilot Michael Duncalfe. One of our planes flew building supplies for a school in Bank. The plywood, roofing iron, cladding, house posts and a 160kg drum of fuel were all carried from the airstrip to its remote destination.'

Our aircraft has also carried passengers working for the Anglican Church. 'When we returned to Simbai in January 2017,' one traveller recalled, 'the airstrip had been closed. There was no school, no teachers, and nothing in the local stores. It was a hard time for us, trying to stay healthy. Thanks to some hard work from the community, the airstrip was opened again. The stores are now full and we've been able to get all the building materials for the new church flown in. MAF has been a great friend to us and we are very grateful!'

On one medevac we flew a woman to hospital who was suffering from blood loss due to birth complications. A local man thanked MAF, saying, 'Thank you for hearing our cry for help. We know when we call MAF they will come.' Another flight took a young boy named Anuel to hospital after he fell in a landslide and broke his leg. Thanks to MAF's swift response, the doctor says Anuel will run again!

**South Sudan**

In South Sudan decades of civil war and oppression have left vast regions of the country impoverished. Intertribal clashes continue to leave innocent civilians vulnerable to famine and attack – resulting in many refugees fleeing the country.

MAF flights also aided war-torn South Sudan by transporting tricycles for Sudan Evangelical Mission in Mundri. The organisation's rehabilitation workers assist children with physical disabilities, enabling them to attend school and develop properly. 'In the middle of the rainy season,' one supervisor explained, 'the roads are ruined by rain and robbers can easily hide, ready to ambush. Although items are only ordered when reports of insecurity are low, staff members avoid travelling long distances on the roads. Instead they fly with MAF.' Another plane, this time loaded with medicine, replenished the Yubu Development Agency, which runs a health clinic in Tambura that treats more than 1,000 patients monthly.

We also flew a church planter working with Partners in Compassionate Care. On his fourth visit to South Sudan, he bought two new motorbikes in Juba. The only way to get the bikes to Kapoeta safely meant our pilots removing two rows of seats from one of our aircraft and flying the bikes there. At Kapoeta, the missionary gave a group of Toposa 230 solar powered audio Bibles. 'It was a joy to see the Toposa going on their way, listening to God's Word,' he said. 'Thank you, MAF, for getting people safely to places like this.'

**Tanzania**

In Tanzania, where isolation and poverty left 100,000 infants under the age of five malnourished, and where rural communities are cut off as a result of a dangerously inadequate network of dirt-track roads, MAF flights brought help, hope and healing.

With two thirds of the population living outside the urban areas, flight services to the remote communities are vital for healthcare. Each month MAF flies doctors and nurses from Haydom hospital to six remote clinics in northern Tanzania where they provide check-ups including vaccinations for mothers and infants. The patients who come to the clinics walk for several hours, often leaving their homes in the early hours of the morning. The five or six hour walk is more manageable than a walk of several days to reach the hospital. Each clinic become a community gathering as businessmen arrive with items to sell and a local evangelist prays and tells bible stories. The medical team also runs training sessions on health topics such as family planning for the patients.

On one spiritually fruitful trip to Meuniembere and Manazi in Tanzania, an evangelist who travels with MAF preached to 325 people and saw 20 villagers come to faith. Other MAF Tanzania flights enabled medical teams and evangelists to screen patients and share Christ with the Maasai.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Timor-Leste**

In Timor-Leste, where surface transport is slow and dangerous and people suffer from the highest level of malnutrition in south-eastern Asia, MAF medevacs continued to be a regular occurrence – with one busy 2-week period seeing 14 medical emergency flights take place. The patients suffered from a range of conditions, including pregnancy complications, a cerebral haemorrhage and septic shock. On another occasion, a particularly eventful day necessitated four medevacs.

In 2018, MAF were privileged to fly the country's Prime Minister and his staff to Same for some meetings. The smooth flight also provided a good opportunity for our personnel to raise their awareness of MAF's work.

**Uganda**

According to the UNHCR, Uganda has the largest number of refugees in Africa and refugee camps such as Bidi Bidi are so large that driving from one end to another can take up to 90 minutes. MAF planes transported medicines, food and missionary personnel to help refugees up and down South Sudan's borders.

Our aircraft were also busy within Uganda, where MAF flights helped refugees and made it possible for organisations like Sacred Heart Sisters to run a vocational school that provides women brutalised by the Lord's Resistance Army with the practical skills and basic education necessary to support themselves.

Another MAF flight, transported a horticulturist who had spent a week with CRESS UK. The organisation provides healthcare through a purpose-built clinic and supports 7 agricultural groups growing food for 1,000 refugees. The passenger, who trained some of the leaders in Moyo in vegetable production, explained that, 'if you go by road, you need to pay for a driver, a car, fuel and overnight accommodation. (It's not safe to drive after dark.) There's a good chance the car will break down, so flying is a much better use of time.'

**MAF Technology Services**

Christian Radio Missionary Fellowship, operating as MAF Technology Services, provides a reliable means of HF radio communication and IT and technical expertise in Papua New Guinea. This enables national Churches, Mission organisations, hospitals, schools and remote communities to have access to the outside world. The work also includes the provision of Scripture in audio format for oral societies and access to theological training and discipleship material for remote communities.

**Other Activities**

Other activities include the provision of light aircraft maintenance from many of our bases. Where appropriate MAF International also has provided e-mail services, vehicle maintenance and logistics services helping others serving in the more remote areas with their connectivity, purchasing visas etc.

**DEVELOPMENTS DURING THE YEAR**

Our aircraft and personnel continue to bring, healing to the broken and food for the hungry. We are grateful that after so many years we remain able to provide physical and spiritual transformation to remote and isolated people.

Last year we reported that we had agreed the sale of our residential compound in Nairobi for \$12.6m and purchased a plot of land to redevelop in a suburban location. The sale was completed during 2018 and the profit from that has enabled us to release funding for other MAF projects. This includes the building of new houses on our new compound, and this work is now well underway and should be completed during 2019.

Funds were also released from the sale to substantially assist with the purchase of five new Cessna 208s to enable a fleet reorganisation in Papua New Guinea. A plan is being implemented to move from three aircraft types to a single type over the course of 2019. Further funds have become available from donations, and the balance will be met as some of the former aircraft are put up for sale. In addition, the Sustainable Development Program has funded the purchase of a sixth Cessna 208 to serve in the Western provinces of PNG.

Last year we reported that we were excited to enhance our fleet with the purchase of a new amphibious Cessna 208 for Bangladesh, which we expected would arrive in country in the first half of 2018. We are disappointed to report that it was delayed in obtaining the necessary permissions and although much progress has been made it is now only expected to arrive later in 2019.

In South Sudan, we reported last year that there is potential for the programme to grow. In 2018 we were pleased to purchase a further Cessna 208 to facilitate more work. We still need to establish some of the further support resources, such as a maintenance facility and airport facilities, and the ongoing recruitment and retention of sufficiently qualified staff members.



**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Further aircraft were invested in to provide training for our potential new pilots for MAF's ministry. In particular we purchased a Cessna 182 for our training centre in Mareeba, Australia as well as two Cessna 172s for Mission Aviation Training Centre in the Netherlands.

We continued working closely with the other MAF groups whose main function is to resource the operations and are delighted to report that we had sufficient funds to carry out all the planned activities for the year. We are very grateful for all the funds received and people working with us. Mission Aviation Fellowship UK continued to be the largest contributor of funds and Mission Aviation Fellowship in Australia the largest provider of field staff during the year.

**PROGRESS AGAINST STRATEGIC PLAN AND FUTURE DEVELOPMENTS**

In 2016, a strategic plan introduced three new key themes, which tie together the significant initiatives to take the organisation forward. A new strategic plan is being developed in 2019 to take us forward the next five years. Examples of progress against the existing plan are described below.

**From doing to enabling**

In various locations in Africa, we continue to renew and enhance our partnership with the local church. Additional Cessna 182s are being prepared for service in each of South Sudan and Madagascar. These four-seater aircraft are more efficient for taking smaller numbers of passengers to their destinations and more cost effective for the local church community.

In the past four years we have supported high impact flying in South Africa, via a grant to "Flying For Life", a subsidiary of MAF South Africa. Under this arrangement, through chartering third party aircraft, MAF South Africa have continued to serve the isolated Venda people in the Limpopo province by flying 15 partners in nine flights during the year.

**Becoming more international**

MAF Philippines became a Provisional Member of MAF International, held promotional meetings, engaged a part-time administrator and appointed new board members.

Work in India is still overseen by MAF International. In 2018, some progress has been made towards a local registration and bank account with further in-country structure to follow. At the end of 2018, there were 12 members of serving staff from MAF India. Promoting greater diversity continues to be a theme in MAF, with three further staff members serving internationally from non-Western countries. National staff promotion remains important with new managers being trained in the year to take on key roles in 2019.

**Increasing agility**

In recent years, we have reported that we had identified recruitment as a key strategic initiative, together with being more agile in transferring existing staff to the places of greatest need. We have focussed on establishing training pathways for pilots who join MAF with fewer hours than required to serve in some locations. A Cessna 208 standardisation course has been written to commence in Uganda in 2019. Other routes for low hour pilots are being pursued.

MATC in the Netherlands is set up as an international flying school to train pilots and specifically future MAF pilots. Training is given by former MAF pilots who understand from first-hand experience the high quality, specialised training required to operate in some of the most challenging places in the world. Last year we reported that towards the end of 2017, a Cessna 172 was purchased, and a further one has been purchased during 2018 using restricted donations and leased to MATC to continue to support their work. We look forward to the contribution these aircraft will make in training future staff.

A ministry effectiveness taskforce has been established to review and update our ministry effectiveness tool used to help us establish ministry impact. Key efficiency metrics have also been created to help us monitor and increase our operational effectiveness. The IT team has worked hard to develop an operational app for use in our programmes; they have also started mapping business processes on MAF's stock management system, and have updated MAF's websites so that a number of programmes are able to receive bookings and/or online payments from customers.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**GRANTS**

Significant grants made in the year include:

- A restricted grant of \$850,000 (2017- \$836,000) was made for the work carried out in Central Asia by a subsidiary of MAF USA. Many people in that part of Central Asia live in remote communities, with little or no access to basic humanitarian services. Whilst assistance is available from a number of NGOs working there, the delivery of the aid is in reality severely restricted by security issues and inadequate transport and infrastructure. In addition, many roads and mountain passes are closed by snow blockages during the winter months, which is when the aid is most urgently needed. This grant is funded by the European Commission's Humanitarian aid and Civil protection department (ECHO).
- Grants totalling \$61,000 (2017 - \$54,000) were made to MATC to assist with their development. These grants were partially funded by restricted donations from MAF UK.
- MAF Germany received grants of \$238,000 (2017 \$265,000) for development purposes. MAF Germany continue to grow in size and effectiveness. These grants were also partially funded by restricted donations from MAF UK.

Other grants made are shown in note 6.

**FINANCIAL REVIEW**

The Consolidated Statement of Financial Activities for MAF International for the year is set out on page 15. Total income for the year was \$55,349,000 of which \$11,539,000 was for profit on sale of the compound in Kenya. Of the balance of \$43,810,000 (2017 total income \$38,179,000), 35% (2017 37%) was generated by services provided and 63% (2017 61%) was voluntary income including restricted gifts and intangible income (the value attributed to international staff seconded from resourcing groups).

The net movement in resources for the year before other gains and losses was a surplus of \$16,221,000 (2017 \$2,856,000). The net gain in revaluation reserve was \$680,000 (2017 loss \$1,393,000), and there was no movement on the defined benefits pension scheme (2017 gain \$606,000). 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 gain of \$16,626,000 (2017 \$2,997,000). This comprises a deficit of \$289,000 on unrestricted General Funds, a surplus on Designated Funds of \$18,012,000 and a deficit on Restricted Funds of \$1,097,000. There was also a transfer of \$7,757,000 from Restricted Funds to Designated Funds following a review of previously restricted assets in accordance with the accounting policy 1p on page 20. Details of the Designated Funds are set out in the Notes to the Financial Statements (note 24), which includes a note of how the funds are expected to be used.

MAF International keeps its financial records in, and reports in, US dollars. As a result, there are unrealised gains and losses on currency translation which arise primarily on the translation of the Papua New Guinean accounts, as well as some on our £ sterling, Australian \$ and Euro deposits.

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

**Reporting of pension provision**

MAF International provided for pensions for UK based employees through "The MAF Europe UK Pension Scheme". The trustees have included pensions 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 21 "deferred" members who will receive their pension, based on service up until that date, at their normal retirement date, together with nine pensioner members.

The actuarial review as at 1 January 2016, disclosed a shortfall in the funding due of £557,000 (\$707,000 at the December 2018 exchange rate) on assets of £3,501,000 at that date. The trustees agreed a recovery plan of additional transfers at a rate of £99,000 per annum until December 2021. A second charge on the office premises in Ashford remains in place. The next actuarial review for the scheme is due in 2019.

Note 27 shows that, as at 31 December 2018, comparing the present value of the scheme future liabilities with the current value of the investments, there was a net asset of \$202,000 (2017 \$126,000), however this has not been recognised in the financial statements under the provisions of FRS102 because the directors believe it is unlikely this asset will be recovered. The scheme's assets and liabilities are recorded in pounds sterling and have been translated into US\$ for these statements. The net pensions asset before translation is £159,000 (2017 £93,000). The value of the scheme's future liabilities depends on the retirement dates of the members and on the assumptions made, which are quoted in the note. The method of calculation used by the Scheme Actuary is as laid down in FRS102.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

In addition to the defined benefit scheme, MAF International makes contributions to defined contributions schemes on behalf of its employees in the UK. For those employed elsewhere, contributions are made 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 of the assets were used to further the objects of the charity.

The balance carried forward on unrestricted funds totals \$63,957,000 being \$2,664,000 of general funds and \$61,293,000 of designated funds. These general funds form the charity's base reserve.

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

At 31 December 2018 the base reserve balance was within the range of 30 to 90 days of overhead expenditure.

**GOVERNANCE AND STRUCTURE**

**Principal Risks and Uncertainties**

The Trustees have a formal risk management process to assess risks and implement risk management strategies. This involves each programme and support department quarterly reporting on the risks that they have identified affecting their area of responsibility. A risk status is identified for each hazard by charting the probability of the event against the severity of its outcomes. The results of the risk assessment determine the level of action or mitigating measures that must be taken. The risks are classified into the following groupings:

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

Further, a complete review of risk and uncertainty to which MAF International is exposed together with the protective action being planned and implemented is compiled. This is discussed annually by the Trustees.

The principal risks identified through the process outlined above, together with the control measures being taken to manage these risks were:

<b>Risks</b>	<b>Control Measures</b>
Unable to fill key vacancies with suitable staff	<ul style="list-style-type: none"> <li>• Internal/external recruitment and planning.</li> <li>• Appointment of short-term staff.</li> <li>• Ongoing discussion with sending MAF groups.</li> <li>• Organisational standards and internal controls in place.</li> <li>• Oversight and support from regional support office.</li> </ul>
Insecurity within country of operation (e.g. coup, widespread anarchy, terrorism, extremism)	<ul style="list-style-type: none"> <li>• Continuous monitoring of security situation in countries most affected.</li> <li>• Ongoing review of Immediate Response Plans.</li> <li>• Immediate Response Team and Crisis Management Team trained and established when necessary.</li> <li>• Security measures on MAF compounds</li> </ul>

The principal uncertainties relating to overseas activities are also addressed by the risk management process the Board has adopted. In addition to the above, MAF International's operational activities are exposed to inflation of global fuel prices, which is mitigated through continual monitoring of prices, inclusion of inflation factors in the annual budgets and advance purchasing of fuel where practicable.

MAF International has also adopted a range of risk management policies including Anti-bribery and Fraud and Whistleblowing policies. These policies are available on the charity's intranet and available for all staff in every location.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Brexit**

MAF International has been considering the possible implications of Brexit on the Charity. Although the outcomes of Brexit are largely unknown, there are three new risks that have been identified:

- The possible impact of loss of VAT on cross border transactions with European MAF resourcing groups and other suppliers, until new trade agreements are in place.
- The possible impact of leasing aircraft to MATC in the Netherlands, (two aircraft at 31 December 2018).
- The probable inability for a British organisation to be eligible to receive an EU humanitarian grant.

As a result of these considerations, steps have been taken in early 2019 to set up a Dutch subsidiary and the Charity is watching developments closely to take any other actions necessary.

**Articles of Association**

MAF International's initial memorandum and articles of association were dated 23 December 1995. In September 2011, the memorandum and articles of association were replaced, and at a General Meeting of members revised articles of association were adopted. These were revised by some further amendments on each of the Annual General meetings held in September 2014, September 2016 and September 2017.

**Subsidiaries and connected charities**

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

**Members**

The members, associate members and provisional members are the various MAF groups that provide resources to MAF International. Members are based in 13 countries, associate members in two countries and a provisional member in one.

**Related parties**

As mentioned above there are a number of MAF groups in various nations that are members, associate members and provisional members. Apart from the natural transactions with these other MAF groups, there were no related party transactions.

**Trustees**

The trustees are appointed by the members. The name of the trustees and of MAF International's principal officers and advisors are set out at the beginning of this report. The board, which met as a group three times during 2018 (2017 – three times), was assisted by three subcommittees: a Safety Committee, a Finance and Audit Committee and a People Committee. The members of these subcommittees are made up from board members and outside experts where appropriate.

**Management**

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

**Remuneration of Executive Leadership**

The trustees set the Chief Executive's salary having taken into account 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 Executive Leadership Team are set by the Chief Executive taking into account the country of residence of each. All the Executive Leadership Team receive the same cost of living rises as the organisation's other staff in their respective countries of service.

**Volunteers**

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

**Trustee Induction and Training**

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

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Internal Control and Risk Management**

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

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 irregularities, 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
- 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
- minimum financial internal controls required are documented in a finance manual that is regularly reviewed and updated

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

**Standards, Quality and Flight Safety**

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

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

The Trustees have a sub-committee to regularly review safety issues throughout the organization and to give oversight to the Aviation Safety Programme.

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

**Safeguarding**

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

During the year MAF introduced a guide to safeguarding within the organisation, together with a revised safeguarding standards for the protection of children and vulnerable adults, requiring agreement from each member of staff.

During the year, a single safeguarding issue has been under investigation within MAF International. This incident has been reported to the Charities Commission.

**Employment of Disabled People**

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

**Fundraising**

MAF International does not raise funds directly from the public. We receive most donations from the independent MAF groups that diligently work to support our activities. During the year \$18,704,000 (2017- \$17,468,000) was received from MAF groups and in addition \$3,061,000 (2017- \$877,000) was received from Institutional funders. A breakdown of the source of donations received is shown in note 3.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Accountability, Accreditation and Memberships**

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

**Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the group and charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

**Statements as to Disclosure of Information to Auditors**

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

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

**Co-operation with Other Groups**

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

Approved by the board on 15 June 2019.



John Quin  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MISSION AVIATION FELLOWSHIP INTERNATIONAL (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2018 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 of the parent charity's affairs as at 31 December 2018 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.

**The impact of uncertainties due to Britain exiting the European Union on our audit**

The Trustees' view on the impact of Brexit is disclosed on page 10.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the group's and charity's activities, suppliers and the wider economy.

We considered the impact of Brexit on the group and charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the group's and charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the charity and this is particularly the case in relation to Brexit.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the 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. 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MISSION AVIATION FELLOWSHIP INTERNATIONAL (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific 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 12 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 these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the auditor report**

This report is made solely to the company'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 company'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 company and the company'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  
Times House, Throwley Way, Sutton, Surrey SM1 24JQ

Date: 11th May 2019



**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018				2017			
		Unrestricted funds		Restricted funds	Total	Unrestricted funds		Restricted funds	Total
Note		General US\$,000	Designated US\$,000	US\$,000	US\$,000	General US\$,000	Designated US\$,000	US\$,000	US\$,000
<b>Income</b>									
3	Donations	7,863	-	19,595	27,458	6,595	-	16,569	23,164
4	Charitable activities	15,027	478	-	15,505	13,823	431	-	14,254
	Other	793	11,563	30	12,386	711	28	22	761
	<b>Total income</b>	<b>23,683</b>	<b>12,041</b>	<b>19,625</b>	<b>55,349</b>	<b>21,129</b>	<b>459</b>	<b>16,591</b>	<b>38,179</b>
<b>Expenditure</b>									
5	Raising funds	364	-	-	364	334	-	-	334
6	Grants	895	250	1,027	2,172	927	365	1,091	2,383
7	Charitable activities	19,380	4,361	12,851	36,592	16,143	3,434	13,029	32,606
	<b>Total expenditure</b>	<b>20,639</b>	<b>4,611</b>	<b>13,878</b>	<b>39,128</b>	<b>17,404</b>	<b>3,799</b>	<b>14,120</b>	<b>35,323</b>
9	<b>Net income/(expenditure) before transfers</b>	<b>3,044</b>	<b>7,430</b>	<b>5,747</b>	<b>16,221</b>	<b>3,725</b>	<b>(3,340)</b>	<b>2,471</b>	<b>2,856</b>
24,25	Transfers between funds	(3,083)	10,107	(7,024)	-	(3,002)	2,318	684	-
	<b>Net (expenditure)/income before other recognised gains and losses</b>	<b>(39)</b>	<b>17,537</b>	<b>(1,277)</b>	<b>16,221</b>	<b>723</b>	<b>(1,022)</b>	<b>3,155</b>	<b>2,856</b>
27	Increase in revaluation on defined benefits pension scheme	-	-	-	-	606	-	-	606
24,25	Net movement in revaluation reserves	-	493	187	680	-	(1,207)	(186)	(1,393)
	Other (losses)/gains	(250)	(18)	(7)	(275)	951	(21)	(2)	928
	<b>Net movement in funds</b>	<b>(289)</b>	<b>18,012</b>	<b>(1,097)</b>	<b>16,626</b>	<b>2,280</b>	<b>(2,250)</b>	<b>2,967</b>	<b>2,997</b>
	Balances brought forward	2,953	43,281	19,821	66,055	673	45,531	16,854	63,058
	<b>Balances carried forward</b>	<b>2,664</b>	<b>61,293</b>	<b>18,724</b>	<b>82,681</b>	<b>2,953</b>	<b>43,281</b>	<b>19,821</b>	<b>66,055</b>

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 18 to 37 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
CONSOLIDATED AND CHARITY BALANCE SHEETS  
AS AT 31 DECEMBER 2018**

	Note	Consolidated 2018 US\$,000	Consolidated 2017 US\$,000	Charity 2018 US\$,000	Charity 2017 US\$,000
<b>Intangible fixed assets</b>	11	-	-	-	-
<b>Tangible fixed assets</b>	12	66,531	51,787	31,004	29,198
<b>Current assets</b>					
Stocks	13	2,570	2,903	983	1,046
Debtors	14	3,545	4,371	2,340	3,235
Short-term deposits	15	2,587	5,185	2,461	3,205
Cash and cash equivalents	16	14,252	8,783	11,807	6,261
		22,954	21,242	17,591	13,747
<b>Current liabilities</b>					
Creditors	17	(6,603)	(6,416)	(3,377)	(3,574)
<b>Net current assets</b>		16,351	14,826	14,214	10,173
Debtors due after more than one year	14	11	55	11	55
<b>Total assets less current liabilities</b>		82,893	66,668	45,229	39,426
Creditors due after more than one year	18	(156)	(196)	(18)	-
<b>Net assets excluding pension and deferred tax liabilities</b>		82,737	66,472	45,211	39,426
Defined benefit pension scheme liability	27	-	-	-	-
Deferred tax liability	20	(56)	(417)	-	-
<b>Net Assets including pension liability</b>		82,681	66,055	45,211	39,426
<b>Accumulated funds</b>					
<b>Unrestricted funds</b>					
General		2,664	2,953	2,180	1,505
Designated revaluations reserves		6,801	6,449	531	381
Other designated funds		54,492	36,832	28,441	21,266
	24	61,293	43,281	28,972	21,647
<b>Total unrestricted funds</b>		63,957	46,234	31,152	23,152
<b>Restricted funds</b>					
Restricted revaluations reserves		158	662	146	87
Other restricted funds		18,566	19,159	13,913	16,187
<b>Total restricted funds</b>	25	18,724	19,821	14,059	16,274
<b>Total funds</b>	26	82,681	66,055	45,211	39,426

Approved by the directors on 15 June 2019 and signed on their behalf by



John Quin, Chairman

The notes on pages 18 to 37 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018	2017
	Note	US\$,000	US\$,000
<b>Net cash generated from operating activities</b>	31	7,579	4,181
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(16,179)	(7,206)
Proceeds from disposals of tangible assets		11,978	133
Interest received		110	115
<b>Net cash used in investing activities</b>		(4,091)	(6,958)
Effect of exchange rates on cash and cash equivalents		(617)	597
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,871	(2,180)
Cash and cash equivalents at start of year		13,968	16,148
<b>Cash and cash equivalents at the end of the year</b>		<u>16,839</u>	<u>13,968</u>

The notes on pages 18 to 37 form an integral part of these financial statements.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2015), 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 i 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 \$16,839,000 (2017 - \$13,968,000) held in immediately accessible cash or short term investments at 31 December 2018. Of this \$4,288,000 (2017 - \$4,406,000) is held for restricted purposes and the remaining cash is for use at the directors' discretion which is sufficient to cover the group's liabilities as they fall due for the foreseeable future. In light of this, these financial statements have been prepared on the basis that the charity is a going concern.

**c Consolidation**

The Consolidated Statement of Financial Activities and the Consolidated Balance Sheet have been prepared by combining the data of MAF International, all of its subsidiary undertakings (note 29), together with Rapid Relief Wing (note 30). The charity has taken exemption from presenting its unconsolidated profit and loss account under Section 408 of the Companies Act 2006. The result for the charity only for the year was a surplus of \$5,785,000 (2017 \$3,150,000).

**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 2018  
Other amounts - rate at date of transaction

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

	31 December 2018	2018 Average	31 December 2017	2017 Average
£ Sterling	1.2697	1.3364	1.3495	1.2862
Australian Dollar	0.7033	0.7505	0.7808	0.7631
Papua New Guinean Kina	0.3067	0.3078	0.3108	0.3134

**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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. ACCOUNTING POLICIES (CONTINUED)**

**f Expenditure**

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

**g Employee benefits**

- (i) Leave benefits, including holiday pay are recognised as an expense in the period in which the service is rendered.
- (ii) Pension payments to defined contribution pension schemes are recognised as an expense when they fall due.
- (iii) MAF International holds a defined benefit pension scheme which is closed to new members and further accrual since 2008. The amount recognised in the balance sheet at 31 December 2018 is \$Nil (2017 –\$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 \$2,000 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 2018**

**1. ACCOUNTING POLICIES (CONTINUED)**

**k Tangible fixed assets**

Individual fixed assets costing \$2,000 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 so as 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**

MAF International only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**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 2018**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

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

**a Donated services**

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

**b Overhaul**

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

**c Aircraft valuations**

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

**d Estimation of useful lives of assets**

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

**e Impairment**

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

**f Tax accruals**

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**3. INCOME FROM DONATIONS**

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

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Donated services	-	4,508	4,508	-	4,133	4,133
Income for housing	696	-	696	506	-	506
Institutional donors	-	3,061	3,061	-	877	877
MAF Australia	-	2,135	2,135	1	2,334	2,335
MAF Canada	-	38	38	-	37	37
MAF Denmark	130	99	229	148	32	180
MAF Finland	56	92	148	52	115	167
MAF France	-	16	16	-	4	4
MAF Germany	-	93	93	-	92	92
MAF India	-	3	3	-	-	-
MAF Italy	-	4	4	-	13	13
MAF Netherlands	-	2,565	2,565	-	2,197	2,197
MAF New Zealand	2	496	498	-	550	550
MAF Norway	785	68	853	-	1,039	1,039
MAF Singapore	-	1	1	-	-	-
MAF South Africa	-	9	9	-	-	-
MAF Sweden	-	297	297	-	195	195
MAF Switzerland	-	495	495	-	595	595
MAF UK	6,174	5,052	11,226	5,874	4,074	9,948
MAF USA	15	79	94	-	116	116
Other donors	5	484	489	14	166	180
	<u>7,863</u>	<u>19,595</u>	<u>27,458</u>	<u>6,595</u>	<u>16,569</u>	<u>23,164</u>

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

	2018	2017
	US\$,000	US\$,000
MAF Australia	1,373	1,605
MAF Canada	24	36
MAF Finland	-	2
MAF Germany	64	49
MAF Netherlands	204	135
MAF New Zealand	-	92
MAF Sweden	55	6
MAF Switzerland	332	347
MAF UK	735	683
MAF USA	70	60
Other donors	<u>90</u>	<u>124</u>
	<u>2,947</u>	<u>3,139</u>



**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

MAF International additionally collected \$326,000 (2017 - \$59,000) donations income and \$436,000 (2017 - \$305,000) 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.

**4. INCOME FROM CHARITABLE ACTIVITIES**

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

	2018			2017		
	General	Designated	Total	General	Designated	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Contributions for						
Aviation services	13,922	-	13,922	11,955	-	11,955
Maintenance services	860	-	860	1,048	-	1,048
Other technologies	-	478	478	-	431	431
Other services	245	-	245	820	-	820
	<u>15,027</u>	<u>478</u>	<u>15,505</u>	<u>13,823</u>	<u>431</u>	<u>14,254</u>

MAF International acts as an agent for flights operated by MAF Canada and MAF USA. During the year, the group collected and passed on \$51,000 (2017- \$203,000) which has not been recognised in these financial statements.

**5. EXPENDITURE ON RAISING FUNDS**

	2018	2017
	US\$,000	US\$,000
Allocation of support staff and other costs	<u>364</u>	<u>334</u>

**6. EXPENDITURE ON GRANTS MADE**

Grants were made from restricted and unrestricted funds in 2018 as follows:

	For international staff support	For ongoing operations and development of their activities			Grants made	Allocation of support costs	Total
	General	General	Designated	Restricted		General	
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
MAF Australia	-	94	65	-	159	11	170
MAF Canada	193	-	-	-	193	14	207
MAF Denmark	22	-	-	-	22	2	24
MAF Finland	-	-	58	-	58	4	62
MAF Germany	-	-	103	135	238	18	256
MAF Norway	-	267	-	-	267	19	286
MAF Philippines	-	-	1	-	1	-	1
MAF Singapore	-	-	4	-	4	1	5
MAF South Africa	29	12	-	-	41	3	44
MAF Sweden	18	-	-	-	18	1	19
MAF Switzerland	36	-	-	-	36	2	38
MAF USA	69	-	-	850	919	75	994
MATC	-	-	19	42	61	5	66
	<u>367</u>	<u>373</u>	<u>250</u>	<u>1,027</u>	<u>2,017</u>	<u>155</u>	<u>2,172</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. EXPENDITURE ON GRANTS MADE (CONTINUED)**

Grants were made from restricted and unrestricted funds in 2017 as follows:

	For international staff support	For development of their activities		For programme costs	Grants made	Allocation of support costs	Total
	General	General	Designated	Restricted		General	
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
ELWA, Liberia	-	-	8	-	8	1	9
Juba Christian Academy	-	-	-	30	30	3	33
MAF Australia	-	171	95	94	360	25	385
MAF Canada	206	-	-	-	206	13	219
MAF Denmark	8	-	-	-	8	1	9
MAF Finland	-	-	56	-	56	3	59
MAF Germany	-	-	171	94	265	20	285
MAF Norway	-	190	-	-	190	12	202
MAF Singapore	-	-	18	-	18	1	19
MAF South Africa	15	30	-	-	45	3	48
MAF Sweden	55	-	-	-	55	3	58
MAF Switzerland	51	-	-	-	51	3	54
MAF USA	25	-	-	836	861	83	944
MATC	-	-	17	37	54	5	59
	360	391	365	1,091	2,207	176	2,383

**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 2018 were as follows:

	Programme costs			Sub-total	Allocation of support costs	Total
	General	Designated	Restricted		Unrestricted	
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Direct costs of services	5,531	1,855	4,441	11,827	2,135	13,962
Cost of donated services	-	-	4,508	4,508	621	5,129
Staff costs	7,258	134	3,026	10,418	818	11,236
Other local overhead expenditure	1,287	1,120	165	2,572	1,695	4,267
Depreciation, amortisation and impairment	-	1,252	711	1,963	35	1,998
	14,076	4,361	12,851	31,288	5,304	36,592

Charitable activities for 2017 were as follows:

	Programme costs			Sub-total	Allocation of support costs	Total
	General	Designated	Restricted		Unrestricted	
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Direct costs of services	3,521	926	4,758	9,205	2,046	11,251
Cost of donated services	-	-	4,133	4,133	574	4,707
Staff costs	5,789	152	3,284	9,225	745	9,970
Other local overhead expenditure	1,808	662	277	2,747	1,624	4,371
Depreciation, amortisation and impairment	-	1,694	577	2,271	36	2,307
	11,118	3,434	13,029	27,581	5,025	32,606

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2018 were as follows:

	Raising funds	Grants	Direct costs of operations	Total
	US\$,000	US\$,000	US\$,000	US\$,000
Chief Executive and Regional Directors offices	136	68	558	762
Aviation Services including quality and safety	-	-	1,811	1,811
Finance	84	42	714	840
Human Resources	-	45	852	897
Information technology and communications	144	-	996	1,140
Support office costs	-	-	338	338
Depreciation of fixed assets used for support	-	-	35	35
	<u>364</u>	<u>155</u>	<u>5,304</u>	<u>5,823</u>

Unrestricted general support costs for 2017 were as follows:

	Raising funds	Grants	Direct costs of operations	Total
	US\$,000	US\$,000	US\$,000	US\$,000
Chief Executive and Regional Directors Offices	191	95	676	962
Aviation Services including quality and safety	-	-	1,766	1,766
Finance	86	43	730	859
Human Resources	-	38	730	768
Information technology and communications	57	-	764	821
Support office costs	-	-	324	324
Depreciation of fixed assets used for support	-	-	35	35
	<u>334</u>	<u>176</u>	<u>5,025</u>	<u>5,535</u>

**9. NET INCOME BEFORE TRANSFERS**

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

	2018	2017
	US\$,000	US\$,000
Auditors remuneration		
Audit fees	<u>115</u>	<u>128</u>
Realised net (gain) on currency exchange	<u>(78)</u>	<u>(27)</u>
Depreciation, of both Restricted and Assets Fund assets (note 12)	2,048	1,928
(Reversal of )/impairment of both Restricted and Assets Fund assets (note 12)	(50)	379
Net (gain) on disposal of fixed assets	<u>(11,539)</u>	<u>(6)</u>
Charges under operating leases	<u>1,302</u>	<u>1,018</u>
Inventory expensed in the year	<u>1,060</u>	<u>1,259</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. STAFF EXPENDITURE AND STAFF NUMBERS**

	2018 US\$,000	2017 US\$,000
Staff Costs		
Wages and salaries, including intangible expenditure	16,012	14,733
Social security costs	327	248
Retirement and death-in-service benefits costs	1,177	1,158
	<u>17,516</u>	<u>16,139</u>
Total salaries and benefits paid to Executive Leadership team during the year	<u>610</u>	<u>665</u>
	Number	Number
Employees that received remuneration of:		
£60,000 to £69,999	<u>1</u>	<u>2</u>
£80,000 to £89,999	<u>1</u>	<u>-</u>
Average number of employees - support offices	80	69
Average number of employees - field	434	421
Average number of seconded staff	<u>70</u>	<u>62</u>
	<u>584</u>	<u>552</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.

	2018 US\$,000	2017 US\$,000
Travel and communications expenses reimbursed to 5 directors (2017-5).	<u>24</u>	<u>30</u>

**11. INTANGIBLE ASSETS**

	Group and Charity Software US\$,000
<b>COST</b> as at 1 January 2018 and 31 December 2018	<u>119</u>
<b>AMORTISATION</b> as at 1 January 2018 and 31 December 2018	<u>119</u>
<b>NET BOOK VALUE</b> as at 31 December 2017 and 31 December 2018	<u>-</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. TANGIBLE FIXED ASSETS**

Analysis for the Group:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
<b>COST OR VALUATION</b>				
At 1 January 2018	36,905	19,193	5,348	61,446
Additions	14,571	1,238	370	16,179
Disposals	(300)	(402)	(164)	(866)
Revaluation Reserve	144	-	-	144
Foreign Exchange adjustment	-	(37)	(9)	(46)
At 31 December 2018	51,320	19,992	5,545	76,857
<b>DEPRECIATION</b>				
At 1 January 2018	-	6,055	3,604	9,659
Charge in year	927	661	460	2,048
Net Impairment credit	(50)	-	-	(50)
Depreciation on disposals	-	(263)	(164)	(427)
Revaluation Reserve write back	(877)	-	-	(877)
Foreign Exchange adjustment	-	(20)	(7)	(27)
At 31 December 2018	-	6,433	3,893	10,326
<b>NET BOOK VALUE</b>				
At 31 December 2017	36,905	13,138	1,744	51,787
At 31 December 2018	51,320	13,559	1,652	66,531
Analysis of value between:				
Used for direct charitable purposes	51,320	12,775	1,624	65,719
Used for support of field programmes, management and administration		784	28	812

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

Included within the cost of 'Land & Property' is \$735,000 relating to the building of housing on a compound in Kenya. (2017 - \$201,000 relating to housing under construction in Liberia and an office in South Sudan, both now completed).

Of the net value of 'Land & Property' \$3,201,000 (2017 - \$2,764,000) relates to freehold or the local equivalent and \$1,888,000 (2017 - \$2,147,000) relates to leases in excess of 50 years.

The land and building at Ashford, Kent 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 historical cost of purchasing the aircraft was \$55,910,000 (2017 - \$41,881,000).

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. TANGIBLE FIXED ASSETS (CONTINUED)**

Analysis of the Charity only:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
<b>COST OR VALUATION</b>				
At 1 January 2018	18,102	12,927	3,508	34,537
Additions	2,193	793	185	3,171
Disposals	(120)	(402)	(108)	(630)
Revaluation	(314)	-	-	(314)
At 31 December 2018	19,861	13,318	3,585	37,764
<b>DEPRECIATION</b>				
At 1 January 2018	-	3,024	2,315	5,339
Charge in year	454	460	333	1,247
Impairment	88	-	-	88
Disposals	-	(263)	(109)	(372)
Revaluation write back	(542)	-	-	(542)
At 31 December 2018	-	3,221	2,539	5,760
<b>NET BOOK VALUE</b>				
At 31 December 2017	18,102	9,903	1,193	29,198
At 31 December 2018	19,861	10,097	1,046	31,004

**13. STOCKS**

	Group		Charity	
	2018	2017	2018	2017
	US\$,000	US\$,000	US\$,000	US\$,000
Aircraft spare parts	1,891	1,989	924	990
Fuel and other stocks	585	655	59	56
Work in progress	94	259	-	-
	2,570	2,903	983	1,046

**14. DEBTORS**

	Group		Charity	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Current Debtors</u>				
Trade and sundry debtors	1,747	2,959	973	2,164
Amount recoverable from subsidiary undertakings	-	-	466	291
Other debtors	946	715	330	343
Prepayments	852	697	571	437
	3,545	4,371	2,340	3,235
<u>Debtors due after more than one year</u>				
Central Aviation Services, Tanzania	11	55	11	55

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. SHORT TERM DEPOSITS**

	Group		Charity	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
Bank deposits	2,587	5,185	2,461	3,205

**16. CASH AND CASH EQUIVALENTS**

	Group		Charity	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents – Support offices	11,593	6,580	11,021	5,541
Cash and cash equivalents - Programmes	2,659	2,203	786	720
	14,252	8,783	11,807	6,261

**17. CREDITORS**

	Group		Charity	
	2018	2017	2018	2017
	US\$,000	US\$,000	US\$,000	US\$,000
Trade and other creditors	3,311	3,265	2,373	2,340
Taxation and social security	742	885	603	754
Amounts due to subsidiary undertakings	-	-	17	17
Accrued expenses	2,550	2,266	384	463
	6,603	6,416	3,377	3,574

**18. CREDITORS DUE AFTER MORE THAN ONE YEAR**

	Group		Charity	
	2018	2017	2018	2017
	US\$,000	US\$,000	US\$,000	US\$,000
Staff resettlement allowances	156	196	18	-

**19. PROVISIONS**

Included in creditors are the following provisions:

	Charity and Group			Balances 31
	Balances 1	Provided in	Utilised in the	December
	January 2018	the year	year	2018
	US\$,000	US\$,000	US\$,000	US\$,000
For overhaul of aircraft owned by 3 <sup>rd</sup> parties	416	177	(106)	487
For taxation issues in overseas programmes	235	291	(88)	438
	651	468	(194)	925

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**20. DEFERRED TAX LIABILITY**

	Group		Charity	
	2018	2017	2018	2017
	US\$,000	US\$,000	US\$,000	US\$,000
Provision at 1 January	417	764	-	-
Movement in the year	(361)	(347)	-	-
Provision at 31 December	<u>56</u>	<u>417</u>	<u>-</u>	<u>-</u>

**21. FINANCIAL COMMITMENTS**

At 31 December 2018 the organisation was committed to making the following payments under non-cancellable operating leases:

	Property	Other	Property	Other
	2018	2017	2018	2017
	US\$,000	US\$,000	US\$,000	US\$,000
Payable in 1 year	495	2	318	4
Payable in 2-5 years	229	-	193	2
Payable in over 5 years	170	-	51	-
	<u>894</u>	<u>2</u>	<u>562</u>	<u>6</u>

**22. CAPITAL COMMITMENTS**

At 31 December 2018, the organisation had a capital commitment to building contractors in Kenya, to complete the construction of the housing on the new compound for \$1,446,000.

**23. POST BALANCE SHEET EVENTS**

A further Cessna 208 was purchased in March 2019. It is intended that this aircraft will add to the fleet that serves the people of South Sudan later in the year.



**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**24. UNRESTRICTED DESIGNATED FUNDS**

	Balances 1 January 2018 US\$,000	Income US\$,000	Expenditure US\$,000	Transfers US\$,000	Net tangible asset US\$,000	Revaluation US\$,000	Unrealised exchange (loss)/gain US\$,000	Balances 31 December 2018 US\$,000
Aircraft overhauls fund	4,081	-	(1,519)	1,920	(47)	-	-	4,435
Assets fund	29,922	11,539	(1,287)	(4,706)	9,843	-	(17)	45,294
Revaluation Reserves	6,449	-	-	(141)	-	493	-	6,801
Development fund	502	-	(561)	431	-	-	-	372
Future assets fund	-	-	(425)	10,174	(9,749)	-	-	-
MAF Technology Services (PNG)	468	502	(602)	35	-	-	(1)	402
Self-insurance fund	1,761	-	(94)	2,256	-	-	-	3,923
Tactical investment fund	98	-	(123)	138	(47)	-	-	66
	<u>43,281</u>	<u>12,041</u>	<u>(4,611)</u>	<u>10,107</u>	<u>-</u>	<u>493</u>	<u>(18)</u>	<u>61,293</u>
Designated funds – Charity only	<u>21,647</u>	<u>-</u>	<u>(1,891)</u>	<u>9,047</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>28,972</u>

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

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

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

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

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

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

The Self-insurance fund is available for the repair or replacement of damaged or stolen vehicles and aircraft, other than those which are externally insured. It is also used to cover other items that have not been able to be insured in some countries or where the premiums have been prohibitive. It is intended that the fund continue to be built up to be able to meet losses arising by transferring in the premiums that would have been paid to external insurers.

The Tactical investment fund is used to cover the cost 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 2018**

**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 2018 US\$,000	Income US\$,000	Expenditure US\$,000	Transfers US\$,000	Net tangible asset US\$,000	Revaluation US\$,000	Unrealised exchange (loss) US\$,000	Balances 31 December 2018 US\$,000
Additional and replacement aircraft	2,350	5,840	(215)	986	(6,507)	-	-	2,454
Arnhem Land, Northern Territories	46	106	(63)	1	(47)	-	-	43
Bangladesh	7	118	(125)	-	-	-	-	-
Central Asia	-	895	(895)	-	-	-	-	-
Chad	27	92	(73)	(35)	-	-	-	11
Disaster relief	162	523	(517)	87	-	-	-	255
Fuel	-	436	(436)	-	-	-	-	-
Kenya	-	78	(60)	2	-	-	-	20
Liberia	221	772	(40)	3	(159)	-	-	797
Madagascar	5	88	(91)	1	-	-	-	3
MAF Technology services PNG	259	260	(159)	(18)	(163)	-	(5)	174
Mongolia	3	40	(18)	24	-	-	-	49
Myanmar	18	40	(58)	-	-	-	-	-
Nepal	25	18	(43)	-	-	-	-	-
Papua New Guinea	435	632	(488)	(39)	(306)	-	-	234
South Sudan	120	856	(880)	(50)	(14)	-	-	32
Staff costs	94	7,485	(7,539)	(11)	-	-	-	29
Tanzania	40	101	(104)	(4)	-	-	-	33
Timor-Leste	32	192	(193)	(18)	-	-	-	13
Uganda	6	755	(592)	(90)	(46)	-	-	33
Other aviation projects	421	214	(389)	(106)	(61)	-	-	79
Other locations and sundry projects	135	84	(190)	-	-	-	-	29
	4,406	19,625	(13,168)	733	(7,303)	-	(5)	4,288

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**25. RESTRICTED FUNDS (CONTINUED)**

	Balances 1 January 2018 US\$, 000	Incoming resources US\$, 000	Expenditure US\$, 000	Transfers US\$, 000	Net tangible assets US\$, 000	Revaluation US\$, 000	Unrealised exchange (loss) US\$, 000	Balances 31 December 2018 US\$, 000
Brought forward (page 32)	4,406	19,625	(13,168)	733	(7,303)	-	(5)	4,288
Net value of tangible assets:								
Aircraft	12,378	-	(520)	(4,323)	6,543	187	-	14,265
Land and buildings	2,754	-	(104)	(3,113)	505	-	(2)	40
Equipment and vehicles	283	-	(86)	(321)	255	-	-	131
	15,415	-	(710)	(7,757)	7,303	187	(2)	14,436
Total Restricted Funds	19,821	19,625	(13,878)	(7,024)	-	187	(7)	18,724
Restricted Funds - Charity only	16,274	11,407	(8,987)	(4,694)	-	59	-	14,059

Following a review of previously restricted assets and in accordance with the accounting policy 1p on page 20, assets with a net book value of \$7,757,000 (2017: \$830,000) 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 2018**

**26. NET ASSETS**

	Unrestricted funds		Restricted	Total	Total
	General	Designated	Funds	2018	2017
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets	-	52,095	14,436	66,531	51,787
Current assets	9,468	9,198	4,288	22,954	21,242
Long term assets	11	-	-	11	55
Current liabilities	(6,603)	-	-	(6,603)	(6,416)
Long term liabilities	(156)	-	-	(156)	(196)
Pension scheme liability	-	-	-	-	-
Deferred tax liability	(56)	-	-	(56)	(417)
	<u>2,664</u>	<u>61,293</u>	<u>18,724</u>	<u>82,681</u>	<u>66,055</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 "Scottish Widows". It is a defined benefit scheme based on 1/60 of final salary for each year of service and was open to all employees. The scheme commenced on 1 January 2000. The last (triennial) actuarial report was prepared as at 1 January 2016. The scheme was closed to new members in December 2007 and closed for future accrual with effect from 29 February 2008.

A comprehensive actuarial valuation of the scheme was carried out at 31 December 2016 by the scheme's actuary. Adjustments to the valuation have been made based on the following assumptions:

	2018	2017
Discount rate	2.8%	2.5%
Retail price inflation	3.4%	3.4%
Salary increase rate	n/a	n/a
Limited Price Indexation	3.3%	3.3%
Deferred pension revaluation	<u>3.4%</u>	<u>3.4%</u>

The mortality assumptions used were:

	2018	2017
For a male aged 65 now	21.9	22.1
At 65 for a male member aged 45 now	23.2	23.5
For a female aged 65 now	23.8	23.9
At 65 for a female member aged 45 now	<u>25.4</u>	<u>25.4</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Reconciliation of scheme assets and liabilities:

	2018	2018	2018	2017	2017	2017
	Assets	Liabilities	Total	Assets	Liabilities	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
At 1 January	5,199	(5,073)	126	4,320	(4,911)	(591)
Interest income/(expense)	126	(126)	-	117	(132)	(15)
Assets (losses)/gains	(641)	-	(641)	688	-	688
Actuarial gains/(losses)	-	584	584	-	(83)	(83)
Contributions	133	-	133	127	-	127
Benefits paid	(51)	51	-	(53)	53	-
At 31 December	<u>4,766</u>	<u>(4,564)</u>	<u>202</u>	<u>5,199</u>	<u>(5,073)</u>	<u>126</u>

The scheme net asset of \$202,000 (£159,000) was not recognised in the financial statements in accordance with FRS102, as the directors believe it unlikely that the asset be recovered either through repayments to the Charity or reduced future contributions to the Scheme.

Total recognised in the Statement of Financial Activities:

	2018	2017
	US\$,000	US\$,000
Net interest (income)	<u>-</u>	<u>(15)</u>

The fair value of the plan assets is as follows:

	2018	2017
	US\$,000	US\$,000
Equities	2,588	2,823
Bonds	630	697
Gilts	733	784
Insured pensions	811	891
Cash	<u>5</u>	<u>4</u>
Total	<u>4,766</u>	<u>5,199</u>

**Non-contributory money purchase arrangements**

MAF International makes contributions of 10% of annual salary to pension providers of choice for all UK based employees. During the year these pension contributions to individual non-contributory pension arrangements totalled \$197,000 (2017- \$176,000).

MAF International in Asia Pacific makes contributions of 10% of annual salary for superannuation for all Australia-based employees totalling \$486,000 (2017 - \$468,000).

Pension and superannuation contributions for staff in other fields overseas totalled \$349,000 (2017 - \$324,000).

**28. TRUSTEES LIABILITY INSURANCE**

MAF International has arranged liability insurance for its Trustees and staff at a cost for the year of \$4,246 (2017 - \$4,969) 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 \$1,902 (2017 - \$2,505). 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 2018**

**29. SUBSIDIARY UNDERTAKINGS**

The charity has a number of subsidiaries as follows:

Mission Aviation Fellowship Limited is a company registered in England and Wales, company number 02474571, whose shares are owned by MAF International. It held the title to land in Tanzania, which was sold during 2016 and has now been dissolved.

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.

MAF International has invested in BSA with the construction of an aircraft hangar in Mongolia and has provided various items of equipment and vehicles. These assets have been registered with the Foreign Investment Board in Mongolia and form MAF International's investment in BSA. The cost of these items is included in Tangible Fixed Assets (note 12).

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

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

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

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

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

	MAF International (*) US\$,000	MAF International (in Australia) (*) US\$,000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd US\$,000	CRMF Inc. US\$,000	2018 Total US\$,000
Income	29,795	18,122	6,739	693	55,349
Expenditure	(21,440)	(9,842)	(7,304)	(542)	(39,128)
Other	(183)	(721)	1,318	(9)	405
Net movement in funds	8,172	7,559	753	142	16,626
Net Assets/	45,288	32,415	4,231	747	82,681

(\*) MAF International includes Blue Sky Aviation Company Ltd and Rapid Relief Wing, 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 2018**

**29. SUBSIDIARY UNDERTAKINGS (CONTINUED)**

The comparative results for 2017 are:

	MAF International (*) US\$,000	MAF International (in Australia) (*) US\$,000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd US\$,000	CRMF Inc. US\$,000	2017 Total US\$,000
Income	26,037	6,205	5,411	526	38,179
Expenditure	(19,309)	(10,117)	(5,347)	(550)	(35,323)
Other	226	816	(893)	(8)	141
Net movement in funds	6,954	(3,096)	(829)	(32)	2,997
Net Assets	39,452	21,980	4,018	605	66,055

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

**30. CONNECTED CHARITIES**

Rapid Relief Wing is a company limited by guarantee and a registered charity. It acts as an agent for MAF International in leasing equipment. All material transactions which affected MAF International, are included within these financial statements.

MAF-Sweden Air Support is a Swedish foundation, whose purposes are complimentary to the charitable objects of MAF International. Since 1 January 2002 MAF International has been operating the flying programme in Bangladesh on behalf of MAF-Sweden Air Support.

**31. NOTES TO THE CASH FLOW STATEMENT**

	2018 US\$,000	2017 US\$,000
Net income before other recognised gains and losses	16,221	2,856
Net interest income	(110)	(115)
Non-cash pension interest	-	15
Operating surplus	16,111	2,756
Depreciation of tangible assets	2,048	1,928
Impairment of tangible assets	(50)	379
Revaluation reserve transfer on disposal	(341)	(10)
Profit on disposal of tangible assets	(11,539)	(6)
Working capital movements		
Decrease in stocks	333	16
Decrease/(increase) in current and long term debtors	870	(453)
Increase/(decrease) in current and long term creditors	147	(429)
Cash flow from operating activities	7,579	4,181