



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 2019

MISSION AVIATION FELLOWSHIP INTERNATIONAL
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FOR THE YEAR ENDED 31 DECEMBER 2019

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**MISSION AVIATION FELLOWSHIP INTERNATIONAL
TRUSTEES, OFFICERS AND ADVISORS OF THE CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees

Peter Curtis (Chairman)		Australia
Alastair Ralph Gunn	Appointed 21 September 2019	South Africa
Ndaba Mazabane		South Africa
Stephen Osei-Mensah		UK
Leighton Pittendrigh-Smith, BTMan	Resigned 21 September 2019	Australia
John Quin, OBE, FCMA	Resigned 18 June 2019	UK
Ann Saunders, BA Hons Oxon, FCIPD		UK
Carey Vanlalmuana		India
William Watson		Canada

Company Secretary

Anna C Beck, BSc FCA

Executive Leadership Team

Annie M Bailey, FCIPD	HR Director
Anna C Beck, BSc, FCA	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, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Principal Bankers

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

Solicitors

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019. The financial statements comply with the requirements of the governing documents, current statutory requirements and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

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

The principal activity continues to be the provision of a subsidised aviation service in parts of the world where surface travel is impossible or very difficult. Ancillary services of 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 could not operate without the funding of 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 2019, 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 where we operate 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 2019 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. The Maintenance and Flight Training Centre in Queensland, Australia and Christian Radio Missionary Fellowship in Papua New Guinea (known as MAF Technology Services) continued to operate throughout the year. In addition, the construction of an airstrip in Myanmar began and the first steps were taken to commence operations in Guinea. We continued to support the work of Mission Aviation Training Centre (MATC) in the Netherlands, principally by owning three aircraft leased to them, having been bought from funds that were donated for that 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.

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REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
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During the 2019 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	3,860	7,587	14,103	662,060	9,490	10	54
Bangladesh	304	397	812	64,470	0	1	37
Chad	462	270	608	106,264	4,881	2	28
Kenya	1,225	925	2,951	299,542	21,436	3	64
Liberia	740	658	3,730	182,481	25,394	1	17
Madagascar	920	734	2,476	206,589	24,731	3	52
Mareeba (Training)	1,060	1,096	n/a	n/a	n/a	17	n/a
Mongolia	268	136	513	61,542	2,701	1	36
Papua New Guinea	4,735	9,720	35,988	929,615	1,996,821	9	213
South Sudan	2,298	2,752	8,484	537,152	148,260	6	74
Tanzania	317	775	881	59,720	1,065	2	31
Timor-Leste	527	964	1,961	87,526	0	2	11
Uganda	2,809	2,736	7,735	660,610	33,802	5	43
MATC (Training)	n/a	n/a	n/a	n/a	n/a	3	n/a
TOTAL	19,525	28,750	80,242	3,857,571	2,268,581	65	660

* 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.

With bases in each of the above countries, MAF International 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 impact our flights accomplished in a variety of remote and isolated areas.

Arnhem Land

In Arnhem Land, where many of the indigenous people suffer from poverty, poor health, high unemployment and substance abuse, MAF International planes provided Homeland communities with access to healthcare, development opportunities and educational resources. MAF international also provided the indigenous Yolŋu with Bibles, DVDs, books and literature in English and the Yolŋu Matha language.

Bangladesh

Bhola is a remote island in Bangladesh that has practically no medical facilities or state social care but has a disproportionate number of orphaned and disabled children. To reach the island from Dhaka typically means a long journey involving cars and river crossings, but a swift flight on board MAF International's floatplane saved precious time for the co-founder of Bhola's Children on a recent visit. Bhola's Children runs a home and school where children with every kind of disability are cared for and equipped to live in the community with dignity.

Chad

In Chad, one of the poorest nations on earth, we received a call from a surgeon at Bardai Hospital requesting as much IV fluid as we could get on our plane. The doctor was treating a gunshot victim and had already used half a box of IV fluid. Four boxes reached MAF International the next morning and, after removing a couple of unnecessary seats, the Ground Operations team managed to get the IV fluid on board the plane. The next day, the surgeon explained that the injured man was now much better. 'The IV fluids were used straight away,' the doctor said, 'but without them, the patient would not have survived.'

We flew pastors to various locations so they could attend church services, encourage the leaders and support the growth of the local churches. We also collected members of Bibles International who had translated the New Testament into the Dagba language and were returning from Sarh after the long-awaited Bible's dedication. Our aircraft also flew some missionaries from TEAM back to Tchaguine, transported friends who had come to visit them, and delivered the parts needed to fix a broken water pump.

Kenya

In Kenya, where overland travel can be dangerous by day and treacherous at night, we flew a group of 18 missionaries from Nairobi to Lokori, enabling the team from One Child Matters to help improve the villagers' spiritual, physical and emotional development. The team screened children at risk and provided vitamins and medicine to those suffering from

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poor nutrition. One team member said, 'I was aware how isolated we'd be and was comforted that MAF International would be returning for us. They did an excellent job transporting us to minister to a people we couldn't have reached without them.'

Liberia

Liberia has experienced two devastating civil wars and the ravages of Ebola in the last 30 years, and only 47.5% of its adults are literate. Thankfully, MAF International flights enabled Innovative Education Liberia to provide strong educational support to the country's children as they provide schools with access to technology and run other programmes that aid learning.

Madagascar

In Madagascar, where the people face tropical cyclones, extreme poverty and limited access to healthcare, MAF International aircraft delivered more than 375,000 doses of measles vaccine to 12 remote destinations. This life-saving immunisation programme helped tackle a severe outbreak of the life-threatening disease. As our aircraft landed at remote Morafenobe, the local doctor exclaimed, 'I read about MAF. These MAF flights are very helpful for the health of the people of Madagascar.'

AIM staff lead a multi-agency missionary team based at the Good News Hospital in Mandritsara and thanks to MAF International the team were able to disciple and teach the leaders of 70 church groups from surrounding villages. Our aircraft also transported about 100 visitors and short-termers to the hospital. According to the leader of the missionary team, 'If we didn't have MAF, we'd have some very long road journeys. On a good day, it's about 24 hours constant driving between Mandritsara and Antananarivo. By plane, it takes about 75 minutes. It's obviously far safer as well. Travelling around Madagascar by road is not without risk, so we're very grateful to MAF.'

Mongolia

In Mongolia, where distances are vast, MAF International serves the remote communities through frequent aero-medical evacuation work, including those suffering from heart attacks, broken limbs and children in need of special care. This included transporting a patient who had suffered a stroke 450 km; this flight lasted just over an hour compared to over eight hours by road.

Myanmar

The Myanmar government recognises 135 distinct ethnic groups, with significant numbers located in remote regions of Myanmar, along the borders of India, Bangladesh and Thailand. MAF International have a God-given opportunity to build an airfield in the Southern Chin State, which it is unreachable for over three months a year due to rain. MAF International's expertise in aviation is being used to speak into the Myanmar government and encourage the development of non-military aviation, as well as directly connect the remote Chin people to help and hope.

Papua New Guinea

In Papua New Guinea, many communities are isolated due to tribal clashes, impenetrable jungles, mountains and swamps which reduce the ability of remote villagers to benefit from healthcare and education.

MAF International airlifted a man who had been badly injured during a family argument, and whose wounds had become infected, to Nungwaia for hospital treatment. MAF International Pilot Michael Dupuis reported that 'Something big is happening in Nungwaia! Each time I land there, I sell out of Bibles – and I'm selling hundreds!' Many of the recipients became Christians as a result. With more than 850 languages spoken, the main request was for solar-powered audio Bibles in Tok Pisin. A local woman said, 'The mothers of Nungwaia community are so excited. Many do not know how to read, and some have bad eyesight, but the Bible radio is our chance to hear God's Word when we are busy cooking, or when we work in the garden. We can carry it around, wherever we go. Thank you so much for this great resource!'

One year on from the devastating earthquakes that battered the people of Papua New Guinea, we flew food supplements and other essential items to Mougolu and Huy, where earthquake survivors were still recovering. We also provided local medical centres with fridges to store life-saving vaccines.

South Sudan

In South Sudan, where decades of civil war and oppression have left vast regions of the country impoverished, our planes flew more than 90 infants to Juba Hospital so that staff from Samaritan's Purse could operate on their cleft lips. The difference the surgery made to the once marginalised children proved life-changing! 'What really stood out for me,' explained MAF International Pilot Alistair Youren, 'was how happy the kids were going home. They didn't stop smiling! Their parents were clearly grateful for what had been done.'

Thanks to our planes, the Christian NGO In Deed and Truth Ministries provided healthcare services in Tonj and carried out weekly medical outreaches to surrounding communities. Its CEO said that 'The north-western weekly shuttle that MAF started last year is a huge blessing. Before that, we had to risk driving for hours on insecure roads.'

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Tanzania

With MAF international's help, the Haydom Medical Safari visited six remote villages in rural Tanzania every month, providing preventative healthcare to nearly 2,000 children and pregnant women. In rural Tanzania, there is only a dangerously inadequate network of dirt-track roads, and so MAF International's aircraft are an essential part of providing medical care.

Timor-Leste

In Timor-Leste, more than two-thirds of the population are isolated by mountainous terrain and poorly maintained roads, and an estimated 50% of children suffer from malnutrition. Thankfully, Pilot Jason Job carried out a variety of medical emergency flights, including one for a badly injured man who fell out of a tree on Atauro Island and another for a child suffering from renal failure in Oecusse. Jason also picked up a patient from Los Palos, transported staff from the Asia Foundation to Same, and took ambulance engineers from the Health Transport Team to Maliana.

Uganda

In Uganda, a country that has the largest number of refugees in Africa, we provided regular flights from Kajjansi for Nguvu Dairy. The organisation helps address the trauma suffered by refugees who fled the conflict in South Sudan by offering a Christian trauma counselling course to its employees, many of whom were refugees. According to one of its directors, 'We've found MAF to be super convenient. We've sometimes driven and it's just terrible, so MAF makes our job so much easier. It enables us to reach our destination faster, helping us manage our operation more effectively.'

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.

In collaboration with the operational programme, the MAF International team distributed solar-powered film kits in PNG that enabled the Jesus film and other educational Christian videos to be shown to up to 200 people at a time. The team also provided basic computer training courses to Bible schools and communities, enabling pastors and church leaders to use computers, mobile phones and tablets. This ability then helped them to produce biblical materials for their churches and create resources to extend their ministry and outreach. During one course, the participants were so eager that an additional class was needed.

Other Activities

Other activities include the provision of some light aircraft maintenance, vehicle maintenance and logistics services, helping others to serve in the more remote areas.

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 and purchased a plot of land to redevelop in a suburban location. The sale was completed during 2018 and the profit from that enabled us to release funding for other MAF International projects. This included the building of houses on our new compound in Nairobi. The building work continued throughout 2019 and our staff moved into their new residences in early 2020.

We also reported that funds were released from the sale in Kenya to substantially assist with the fleet reorganisation in Papua New Guinea to move to a single aircraft type. This was achieved in 2019 and the aircraft in Papua New Guinea are now all Cessna 208's. Aircraft that have transferred out of the Papua New Guinea fleet, are either being sold or redeployed.

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 originally expected would arrive in country in the first half of 2018. Having been delayed in obtaining the necessary permissions we are delighted to report that it reached Bangladesh in the first week of 2020.

In South Sudan, we reported last year that there is potential for the programme to grow. In 2019 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 the ongoing recruitment and retention of sufficiently qualified staff members.

During the year we were delighted to receive restricted funds for the purpose of investing in a further Cessna 172 aircraft to provide training for our potential new pilots at the Mission Aviation Training Centre (MATC) in the Netherlands.

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REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Last year we reported that MAF International has been considering the possible implications of Brexit on the Charity. Although the outcomes of Brexit are still not fully known, there were three particular risks that were 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; and.
- The probable inability for a British organisation to be eligible to receive an EU humanitarian grant.

As a result of these considerations, steps were taken in early 2019 to set up a Dutch subsidiary, Stichting MAF International registered in the Netherlands. The activities of the Kenya and South Sudan operations were transferred to the new entity from 1 July 2019, the three aircraft leased to MATC were transferred on 30 September 2019 and the aircraft and other assets deployed in Kenya and South Sudan were transferred on 31 December 2019. The total net assets transferred into the new subsidiary totalled \$17,731,000.

Towards the end of 2019 the difficult decision was made to close our operations in Mongolia. The closure was implemented early in 2020. Looking back, we are very grateful for the opportunity we have had to serve numerous churches and mission organisations for almost two decades in Mongolia. From only a handful of Christian believers and churches in 1990, Mongolia grew quickly to having some 600 churches and more than 50,000 Christians today. Infrastructure has improved and many locations we have served with the aircraft are now reachable via ground transport and with other air operators. Whilst we valued our high impact flying in Mongolia we could not justify the need to invest more resources to make it a viable programme in light of the needs we experience elsewhere. This decision was also influenced by the on-going struggle to recruit suitable staff for Mongolia and the recently introduced air law requiring us to replace the aircraft with a younger model before January 1, 2020.

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

2019 was the final year of the current strategy guided by the three key themes: from doing to enabling, becoming more international and increasing agility. Examples of the progress against the existing plan are described below.

From doing to enabling

In Myanmar work commenced on building the airfield in Lailenpi in Chin State and it is expected that this will be completed in 2020. Having an airstrip at this particularly isolated and remote location will provide infrastructure to our partner Health and Hope, and others, to enable flights to support community development and medical assistance throughout the area.

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 62 passengers and 132kg of cargo on 44 flight legs during the year.

Becoming more international

We were delighted to welcome MAF Singapore as a Provisional Member of MAF International in 2019 and recognise their substantial donations towards the Lailenpi airfield project in Myanmar. A mobile simulator has been deployed in promotional activity in Singapore and board members have also provided helpful contacts and input in assisting operational developments in Myanmar.

A new board member was added in MAF Malaysia and a number of new contacts established in churches and agencies. Social media presence for MAF Hong Kong was established and an experienced operations manager recruited for international service. A MAF company was registered in India and recruitment and care processes for the 11 Indian staff serving overseas were developed. The MAF Philippines board began implementation of a strategic plan focussed on promotions in public places using a static display aircraft donated by a local flight academy.

Promotion of increased diversity continued in MAF International as all programmes sought to provide training and increased responsibility for local staff. Further, the flight training centre in Mareeba was certified as a training establishment for Papua New Guinean pilots.

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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. Our Cessna 208 standardisation course commenced in Uganda in 2019.

We continue to support MATC in the Netherlands, set up as an international flying school to train pilots and specifically future MAF International pilots. Training is given by former MAF International 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. We lease three aircraft and a simulator to MATC and look forward to the contribution these assets 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 development of an operational app for use on electronic flights bags in our programmes is ongoing and most programme websites have been updated to receive bookings and/or online payments from customers.

Future developments

During 2019, a new strategic plan was drawn up and launched for 2020 to take us forward over the next five years which focuses on the three areas of Expanding our Horizons, Investing in People and Maximising Impact.

GRANTS

Significant grants made in the year include:

- A restricted grant of \$812,000 (2018- \$850,000) 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 Directorate General for European Civil Protection and Humanitarian Aid Operations (DG-ECHO).
- A restricted grant of \$125,000 was made to MAF-US for the disaster response work in Mozambique following cyclones Idai and Kenneth that hit the country hard in the first half of the year. A further grant of \$25,000 to support team preparedness for future disaster responses.
- Grants totalling \$68,000 (2018 - \$61,000) were made to MATC, funded by restricted donations from MAF UK and MAF Netherlands.
- MAF Germany received grants of \$144,000 (2018 - \$238,000) 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 \$40,755,000 (2018 - total income was \$55,349,000 of which \$11,539,000 was for the profit on sale of a compound in Kenya), 36% (2018 - 35%) was generated by services provided and 63% (2018 - 63%) 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 deficit of \$963,000 (2018 - a surplus of \$16,221,000). The net loss in revaluation reserve was \$803,000 (2018 - gain of \$680,000), and, as with 2018, there was no movement on the defined benefits pension scheme. These movements together with other gains and losses, predominantly on foreign exchange transactions, resulted in a net movement in funds for the year of a loss of \$1,168,000 (2018 - gain of \$16,626,000). This comprises a deficit of \$162,000 on unrestricted General Funds, a deficit on Designated Funds of \$2,952,000 and a surplus on Restricted Funds of \$1,919,000. This includes a transfer of \$372,000 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 on the translation of the Papua New Guinean financial statements, 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).

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Reporting of pension provision

From 1999 to 2008, MAF International provided for pensions for UK-based employees through "The MAF Europe UK Pension Scheme". The trustees have included pension information on this scheme in the format required by the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2016).

The scheme was closed to future service accrual at 29 February 2008. The scheme has 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 2019, disclosed a shortfall in the funding due of £434,000 (\$576,000 at the December 2019 exchange rate) on assets of £3,846,000 at that date. The trustees agreed a recovery plan of additional transfers at a rate of £99,000 per annum until November 2023. A second charge on the office premises in Ashford remains in place. The next actuarial review for the scheme is due in 2022.

Note 27 shows that, as at 31 December 2019, comparing the present value of the scheme future liabilities with the current value of the investments, there was a net asset of \$701,000 (2018 - \$202,000), 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 £529,000 (2018 - £159,000). 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.

In addition to the defined benefit scheme, MAF International makes contributions to defined contributions schemes or government schemes on behalf of its employees in accordance with normal practice or legal requirements in each country.

Financial position and reserves policy

The assets and liabilities of MAF International are set out in the Balance Sheet. All of the assets were used to further the objects of the charity.

The balance carried forward on unrestricted funds totals \$60,870,000 (2018 - \$63,957,000); being \$2,502,000 of general funds (2018- \$2,664,000) and \$58,368,000 of designated funds (2018 - \$61,293,000). 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 2019 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:

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Risks	Control Measures
COVID-19	<ul style="list-style-type: none"> • High risk international staff relocated; medical evacuation policies in place for remaining staff • Short, medium and long term scenario planning with sensitivity analysis. • Reduced overhead spend to a minimum and pay reductions across the organisation. • Reissued 2020 budget. Regular meetings with Executive Leadership Team and Board to review and revise as necessary.
Unable to fill key vacancies with suitable staff	<ul style="list-style-type: none"> • Internal/external recruitment and planning. • Appointment of short-term staff. • Use of head hunters for senior hard-to-recruit positions. • Ongoing discussion with sending MAF groups. • Organisational standards and internal controls in place. • Oversight and support from regional support office.

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.

COVID-19

Since the end of the financial year, COVID-19 has impacted the world. It is not possible to fully consider all risks arising from COVID-19, however the trustees have considered a number of scenarios depending on the extent of the impact to MAF International's operations and the depth of the expected recession to follow. The trustees have put in place measures to rebalance the organisation and enable it to respond to the future uncertainties and the risks presented. Steps taken include a reduction in all overhead spend, pay reductions for staff across the organisation and a reallocation of designated funds by the board of trustees.

Further steps have also been identified that could be carried out later in 2020 and 2021 if it becomes necessary. The position will be kept under constant review and the trustees will, as required, take necessary steps to ensure the group continues as a going concern.

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 2018.

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 members in two.

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 2019 (2018 – 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 of board members and outside experts where appropriate.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Management

The Chief Executive ("CEO"), together with the Executive Leadership Team ("ELT") 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 CEO and ELT must manage the operations of MAF International.

Remuneration of Executive Leadership

The trustees set the CEO'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 ELT are set by the CEO taking into account the country of residence of each. All the ELT 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 ELT 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 CEO 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.

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 standards throughout the organisation and to give oversight to the Aviation Safety Programme.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

There was one flight accident during the year in the programme in Arnhem Land. The Gippsland GA8 aircraft, with a pilot and three passengers on board, overran the runway. There were no injuries to the pilot and passengers. The accident has been investigated and reported to the safety committee.

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 International 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, one safeguarding issue was investigated and reported to the Charity Commission and a further seven minor issues have been investigated within MAF International.

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 \$18,837,000 (2018 - \$18,704,000) was received from MAF groups and in addition \$899,000 (2018 - \$3,061,000) was received from Institutional funders. A breakdown of the source of all the donations received is shown in note 3.

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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 19 June 2020.

A handwritten signature in blue ink, appearing to read 'Peter Curtis', is positioned above the printed name and title.

Peter Curtis
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MISSION AVIATION FELLOWSHIP INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019 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 2019 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the charity and the group's financial statements, which is not modified, we draw your attention to the trustees' view on the impact of COVID-19 as disclosed on page 9, the consideration given in the going concern basis of preparation on page 18 and non-adjusting post balance sheet events on page 30.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the impact of which became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the charity's operations, beneficiaries and the wider economy.

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 2019**

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 11 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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 24JQ

Date: 2 July 2020

MISSION AVIATION FELLOWSHIP INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019				2018			
		Unrestricted funds		Restricted funds	Total	Unrestricted funds		Restricted funds	Total
		General US\$,000	Designated US\$,000	US\$,000	US\$,000	General US\$,000	Designated US\$,000	US\$,000	US\$,000
Income									
Donations	3	8,447	-	17,125	25,572	7,863	-	19,595	27,458
Charitable activities	4	13,928	582	-	14,510	15,027	478	-	15,505
Other		614	23	36	673	793	11,563	30	12,386
Total income		22,989	605	17,161	40,755	23,683	12,041	19,625	55,349
Expenditure									
Raising funds	5	383	-	-	383	364	-	-	364
Grants	6	851	45	1,279	2,175	895	250	1,027	2,172
Charitable activities	7	19,231	6,420	13,509	39,160	19,380	4,361	12,851	36,592
Total expenditure		20,465	6,465	14,788	41,718	20,639	4,611	13,878	39,128
Net income/(expenditure) before transfers	9	2,524	(5,860)	2,373	(963)	3,044	7,430	5,747	16,221
Transfers between funds	24,25	(3,373)	3,937	(564)	-	(3,083)	10,107	(7,024)	-
Net (expenditure)/income before other recognised gains and losses		(849)	(1,923)	1,809	(963)	(39)	17,537	(1,277)	16,221
Net movement in revaluation reserves	24,25	-	(919)	116	(803)	-	493	187	680
Other gains/(losses)		687	(83)	(6)	598	(250)	(18)	(7)	(275)
Net movement in funds		(162)	(2,925)	1,919	(1,168)	(289)	18,012	(1,097)	16,626
Balances brought forward		2,664	61,293	18,724	82,681	2,953	43,281	19,821	66,055
Balances carried forward		2,502	58,368	20,643	81,513	2,664	61,293	18,724	82,681

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 2019**

	Note	Consolidated 2019 US\$,000	Consolidated 2018 US\$,000	Charity 2019 US\$,000	Charity 2018 US\$,000
Intangible fixed assets	11	6	-	6	-
Tangible fixed assets	12	66,952	66,531	15,287	31,004
Current assets					
Stocks	13	2,584	2,570	618	983
Debtors	14	6,472	3,545	1,734	2,340
Short-term deposits	15	89	2,587	-	2,461
Cash and cash equivalents	16	13,210	14,252	9,871	11,807
		22,355	22,954	12,223	17,591
Current liabilities					
Creditors	17	(7,491)	(6,603)	(2,195)	(3,377)
Net current assets		14,864	16,351	10,028	14,214
Debtors due after more than one year	14	-	11	-	11
Total assets less current liabilities		81,822	82,893	25,321	45,229
Creditors due after more than one year	18	(175)	(156)	(58)	(18)
Net assets excluding pension and deferred tax liabilities		81,647	82,737	25,263	45,211
Deferred tax liability	20	(134)	(56)	-	-
Net Assets including pension liability		81,513	82,681	25,263	45,211
Accumulated funds					
Unrestricted funds					
General		2,502	2,664	(1,318)	2,180
Designated revaluations reserves		5,767	6,801	461	531
Other designated funds		52,601	54,492	18,215	28,441
	24	58,368	61,293	18,676	28,972
Total unrestricted funds		60,870	63,957	17,358	31,152
Restricted funds					
Restricted revaluations reserves		325	158	9	146
Other restricted funds		20,318	18,566	7,896	13,913
Total restricted funds	25	20,643	18,724	7,905	14,059
Total funds	26	81,513	82,681	25,263	45,211

Approved by the directors on 19 June 2020 and signed on their behalf by

Peter Curtis, 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 2019

		2019	2018
	Note	US\$,000	US\$,000
Net cash (from)/to operating activities	31	(905)	7,579
Cash flow from investing activities			
Purchase of tangible assets		(6,436)	(16,179)
Purchase of intangible assets		(7)	-
Proceeds from disposals of tangible assets		2,939	11,978
Interest received		122	110
Net cash used in investing activities		(3,382)	(4,091)
Effect of exchange rates on cash and cash equivalents		747	(617)
Net (decrease)/increase in cash and cash equivalents		(3,540)	2,871
Cash and cash equivalents at start of year		16,839	13,968
Cash and cash equivalents at the end of the year		<u>13,299</u>	<u>16,839</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 2019

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 2019), Charities SORP (FRS 102) and the Companies Act 2006.

MAF International meets the definition of a public benefit entity under FRS102.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

a Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of aircraft which are measured at fair value in accordance with the policy k below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

b Going concern

MAF International has \$13,299,000 (2018 - \$16,839,000) held in immediately accessible cash or short term investments at 31 December 2019. Of this \$3,207,000 (2018 - \$4,288,000) is held for restricted purposes. In response to COVID-19, the trustees have reviewed detailed cash flow projections to 31 December 2021 and have agreed detailed budgets for the year ended 31 December 2020. Both sources of income and types of expenditure have been reviewed. Whilst the main charitable purposes is to provide flights to beneficiaries living in remote areas of the world with minimal access to other transport, the level of this expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the organisation's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

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 deficit of \$19,949,000, including the transfer of assets totalling \$17,731,000 to MAF International in the Netherlands (2018 surplus of \$5,785,000).

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 2019
Other amounts - rate at date of transaction

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

	31 December 2019	2019 Average	31 December 2018	2018 Average
£ Sterling	1.3264	1.2731	1.2697	1.3364
Australian Dollar	0.7020	0.6959	0.7033	0.7505
Papua New Guinean Kina	0.2935	0.2970	0.3067	0.3078

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

e Income

- (i) Donations are recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.
- (ii) Donated services income comprises the estimated value to MAF International of the staff seconded for international service. The costs are borne by the seconding groups. An equal and opposite charge is recognised in charitable expenditure. In accordance with the Charities SORP (FRS 102), the time donated to MAF International by volunteers is not recognised.
- (iii) Income arising from charitable activities is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of credits and discounts allowed and value added taxes.
- (iv) Interest on funds held on deposit is included when receivable and can be measured reliably.

f Expenditure

- (i) Raising funds comprises a proportion of central overhead costs arising from staff and other costs attributable to this activity.
- (ii) Grants made comprises payments made to other MAF groups and similar organisations either in accordance with donor restrictions placed on the funds, or to support their development, or to enable them to fully finance the seconding of individual staff to our operations.
- (iii) Charitable activities comprise actual costs relating to the aircraft and other services together with local (overseas) overheads.
- (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 2019 is \$Nil (2018 –\$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 \$3,000 or more is capitalised at cost and amortised over its estimated useful life, 5 to 10 years.

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

k Tangible fixed assets

Individual fixed assets costing \$3,000 or more are capitalised at cost.

Depreciation is calculated as follows:

(i) Aircraft

Aircraft, where externally insured, are included at their insurance values. Other aircraft are valued at directors' valuation. Depreciation is charged to write off expenditure over an estimated useful life of 40 years.

Any increases in the net value are credited to expenditure to the extent that the aircraft has been previously impaired; the remaining gain is credited to the revaluation reserve within other comprehensive income. Any decreases are debited to the portion of the revaluation reserve associated to that aircraft until it is fully depleted and the remaining decrease is charged to expenditure.

When an aircraft has been purchased, and until it is brought into operational use, it is valued at the costs incurred to date. When it is planned that an aircraft will be sold the net value of that aircraft is reduced to the expected sale proceeds.

(ii) Property

Depreciation is charged to write off expenditure on leasehold property equally over the length of the lease. Depreciation on other buildings is charged 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 2019

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 2019

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.

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Donated services	-	4,910	4,910	-	4,508	4,508
Income for housing	797	-	797	696	-	696
Institutional donors	-	899	899	-	3,061	3,061
MAF Australia	-	2,405	2,405	-	2,135	2,135
MAF Canada	-	72	72	-	38	38
MAF Denmark	113	70	183	130	99	229
MAF Finland	69	38	107	56	92	148
MAF France	-	7	7	-	16	16
MAF Germany	-	45	45	-	93	93
MAF India	-	-	-	-	3	3
MAF Italy	-	4	4	-	4	4
MAF Netherlands	-	3,197	3,197	-	2,565	2,565
MAF New Zealand	-	412	412	2	496	498
MAF Norway	565	189	754	785	68	853
MAF Singapore	-	152	152	-	1	1
MAF South Africa	-	7	7	-	9	9
MAF Sweden	30	242	272	-	297	297
MAF Switzerland	-	728	728	-	495	495
MAF UK	6,821	3,307	10,128	6,174	5,052	11,226
MAF USA	40	323	363	15	79	94
Other donors	12	118	130	5	484	489
	<u>8,447</u>	<u>17,125</u>	<u>25,572</u>	<u>7,863</u>	<u>19,595</u>	<u>27,458</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:

	2019	2018
	US\$,000	US\$,000
MAF Australia	1,523	1,373
MAF Canada	3	24
MAF Germany	32	64
MAF Netherlands	152	204
MAF New Zealand	5	-
MAF Norway	1	-
MAF Sweden	54	55
MAF Switzerland	303	332
MAF UK	687	735
MAF USA	67	70
Other donors	<u>58</u>	<u>90</u>
	<u>2,885</u>	<u>2,947</u>

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

MAF International additionally collected \$117,000 (2018 - \$326,000) donations income and \$350,000 (2018 - \$436,000) 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 3rd party customers. MAF Technology Services in PNG provides radio and other communication technology services. Some programmes are also able to help 3rd party organisations with aircraft or vehicle maintenance.

	2019			2018		
	General	Designated	Total	General	Designated	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Contributions for						
Aviation services	12,870	-	12,870	13,922	-	13,922
Maintenance services	761	-	761	860	-	860
Other technologies	-	582	582	-	478	478
Other services	297	-	297	245	-	245
	<u>13,928</u>	<u>582</u>	<u>14,510</u>	<u>15,027</u>	<u>478</u>	<u>15,505</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 \$4,000 (2018- \$51,000) which has not been recognised in these financial statements.

5. EXPENDITURE ON RAISING FUNDS

	2019	2018
	US\$,000	US\$,000
Allocation of support staff and other costs	<u>383</u>	<u>364</u>

All amounts relate to unrestricted funds in both the current and prior year.

6. EXPENDITURE ON GRANTS MADE

Grants were made from restricted and unrestricted funds in 2019 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
Juba Christian Academy	-	-	-	1	1	-	1
MAF Canada	166	-	-	-	166	15	181
MAF Denmark	11	-	-	-	11	1	12
MAF Finland	-	-	-	54	54	4	58
MAF Germany	-	-	-	144	144	11	155
MAF Norway	-	277	-	-	277	26	303
MAF Philippines	-	-	-	4	4	-	4
MAF Singapore	-	-	-	19	19	1	20
MAF South Africa	29	-	-	28	57	5	62
MAF Sweden	18	23	-	-	41	3	44
MAF Switzerland	31	-	-	-	31	3	34
MAF USA	134	-	-	961	1,095	84	1,179
MATC	-	-	45	68	113	9	122
	<u>389</u>	<u>300</u>	<u>45</u>	<u>1,279</u>	<u>2,013</u>	<u>162</u>	<u>2,175</u>

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

6. EXPENDITURE ON GRANTS MADE (CONTINUED)

Grants were made from restricted and unrestricted funds in 2018 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
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
	367	373	250	1,027	2,017	155	2,172

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 2019 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	5,477	2,167	4,467	12,111	2,047	14,158
Cost of donated services	-	-	4,910	4,910	615	5,525
Staff costs	7,490	141	2,986	10,617	803	11,420
Other local overhead expenditure	1,027	2,004	96	3,127	1,738	4,865
Depreciation, amortisation and impairment	-	2,108	1,050	3,158	34	3,192
	13,994	6,420	13,509	33,923	5,237	39,160

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

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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	157	79	669	905
Aviation Services including quality and safety	-	-	1,680	1,680
Finance	83	41	704	828
Human Resources	-	42	803	845
Information technology and communications	143	-	1,022	1,165
Support office costs	-	-	324	324
Depreciation of fixed assets used for support	-	-	35	35
	<u>383</u>	<u>162</u>	<u>5,237</u>	<u>5,782</u>

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>

9. NET INCOME BEFORE TRANSFERS

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

	2019	2018
	US\$,000	US\$,000
Auditors remuneration		
Audit fees	<u>164</u>	<u>115</u>
Realised net (gain) on currency exchange	<u>(214)</u>	<u>(78)</u>
Amortisation of intangible assets	1	-
Depreciation, of both Restricted and Assets Fund assets (note 12)	2,315	2,048
Impairment/(reversal) of both Restricted and Assets Fund assets (note 12)	876	379
Net loss/(gain) on disposal of fixed assets	<u>8</u>	<u>(11,539)</u>
Charges under operating leases	<u>1,266</u>	<u>1,302</u>
Inventory expensed in the year	<u>1,619</u>	<u>1,768</u>

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

10. STAFF EXPENDITURE AND STAFF NUMBERS

	2019 US\$,000	2018 US\$,000
Staff Costs		
Wages and salaries, including intangible expenditure	16,347	16,012
Social security costs	334	327
Retirement and death-in-service benefits costs	1,236	1,177
	<u>17,917</u>	<u>17,516</u>
Total salaries and benefits paid to Executive Leadership team during the year	<u>592</u>	<u>610</u>
	Number	Number
Employees that received remuneration of:		
£60,000 to £69,999	<u>2</u>	<u>1</u>
£80,000 to £89,999	<u>1</u>	<u>1</u>
Average number of employees - support offices	81	80
Average number of employees - field	438	434
Average number of seconded staff	<u>67</u>	<u>70</u>
	<u>586</u>	<u>584</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.

	2019 US\$,000	2018 US\$,000
Travel and communications expenses reimbursed to 5 directors (2018-5).	<u>30</u>	<u>24</u>

11. INTANGIBLE ASSETS

	Group and Charity Software US\$,000
COST	
At 1 January 2019	119
Additions	<u>7</u>
At 31 December 2019	<u>126</u>
AMORTISATION	
At 1 January 2019	119
Charge in the year	<u>1</u>
At 31 December 2019	<u>120</u>
NET BOOK VALUE	
At 31 December 2018	<u>-</u>
At 31 December 2019	<u>6</u>

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

12. TANGIBLE FIXED ASSETS

Analysis for the Group:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
COST OR VALUATION				
At 1 January 2019	51,320	19,992	5,545	76,857
Additions	2,837	2,857	742	6,436
Disposals	(2,925)	(152)	(349)	(3,426)
Revaluation Reserve	(1,815)	-	-	(1,815)
Foreign Exchange adjustment	-	(129)	(35)	(164)
At 31 December 2019	49,417	22,568	5,903	77,888
DEPRECIATION				
At 1 January 2019	-	6,433	3,893	10,326
Charge in year	1,132	706	477	2,315
Net Impairment	876	-	-	876
Depreciation on disposals	-	(130)	(349)	(479)
Revaluation Reserve write back	(2,008)	-	-	(2,008)
Foreign Exchange adjustment	-	(70)	(24)	(94)
At 31 December 2019	-	6,939	3,997	10,936
NET BOOK VALUE				
At 31 December 2018	51,320	13,559	1,652	66,531
At 31 December 2019	49,417	15,629	1,906	66,952
Analysis of value between:				
Used for direct charitable purposes	49,417	14,862	1,885	66,164
Used for support of field programmes, management and administration		767	21	788

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 \$2,217,000 (2018 - \$735,000) relating to the building of housing on a compound in Kenya and \$407,000 (2018 - \$nil) relating to the building of a hangar in Liberia.

Of the net value of 'Land & Property' \$4,933,000 (2018 - \$3,201,000) relates to freehold or the local equivalent and \$2,227,000 (2018 - \$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 \$56,676,000 (2018 - \$55,910,000).

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

12. TANGIBLE FIXED ASSETS (CONTINUED)

Analysis of the Charity only:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
COST OR VALUATION				
At 1 January 2019	19,861	13,318	3,585	36,764
Additions	2,573	1,968	231	4,772
Disposals and transfers	(10,924)	(9,809)	(1,405)	(22,138)
Revaluation	(583)	-	-	(583)
At 31 December 2019	10,927	5,477	2,411	18,815
DEPRECIATION				
At 1 January 2019	-	3,221	2,539	5,760
Charge in year	442	460	343	1,245
Impairment	347	-	-	347
Disposals and transfers	-	(1,871)	(1,164)	(3,035)
Revaluation write back	(789)	-	-	(789)
At 31 December 2019	-	1,810	1,718	3,528
NET BOOK VALUE				
At 31 December 2018	19,861	10,097	1,046	31,004
At 31 December 2019	10,927	3,667	693	15,287

13. STOCKS

	Group		Charity	
	2019	2018	2019	2018
	US\$,000	US\$,000	US\$,000	US\$,000
Aircraft spare parts	1,763	1,891	579	924
Fuel and other stocks	785	585	39	59
Work in progress	36	94	-	-
	2,584	2,570	618	983

14. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Current Debtors</u>				
Trade and sundry debtors	1,767	1,747	856	973
Amount recoverable from subsidiary undertakings	-	-	351	466
Other debtors	3,718	946	135	330
Prepayments	987	852	392	571
	6,472	3,545	1,734	2,340
<u>Debtors due after more than one year</u>				
Central Aviation Services, Tanzania	-	11	-	11

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

15. SHORT TERM DEPOSITS

	Group		Charity	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Bank deposits	89	2,587	-	2,461

16. CASH AND CASH EQUIVALENTS

	Group		Charity	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents – Support offices	11,350	11,593	9,489	11,021
Cash and cash equivalents - Programmes	1,860	2,659	382	786
	13,210	14,252	9,871	11,807

17. CREDITORS

	Group		Charity	
	2019	2018	2019	2018
	US\$,000	US\$,000	US\$,000	US\$,000
Trade and other creditors	4,185	3,311	1,626	2,373
Taxation and social security	1,198	742	97	603
Amounts due to subsidiary undertakings	-	-	17	17
Accrued expenses	2,108	2,550	455	384
	7,491	6,603	2,195	3,377

18. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	US\$,000	US\$,000	US\$,000	US\$,000
Staff resettlement allowances	175	156	58	18

19. PROVISIONS

Included in creditors are the following provisions:

	Charity and Group			Balances 31
	Balances 1	Provided in	Utilised in the	December
	January 2019	the year	year	2019
	US\$,000	US\$,000	US\$,000	US\$,000
For overhaul of aircraft owned by 3 rd parties	487	123	(69)	541
For taxation issues in overseas programmes	438	699	(293)	844
	925	822	(362)	1,385

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

20. DEFERRED TAX LIABILITY

	Group		Charity	
	2019	2018	2019	2018
	US\$,000	US\$,000	US\$,000	US\$,000
Provision at 1 January	56	417	-	-
Movement in the year	78	(361)	-	-
Provision at 31 December	134	56	-	-

21. FINANCIAL COMMITMENTS

At 31 December 2019 the group was committed to making the following payments under non-cancellable operating leases:

	Property	Other	Property	Other
	2019	2019	2018	2018
	US\$,000	US\$,000	US\$,000	US\$,000
Payable in 1 year	448	22	495	2
Payable in 2-5 years	137	28	229	-
Payable in over 5 years	166	-	170	-
	751	50	894	2

22. CAPITAL COMMITMENTS

At 31 December 2019, the organisation had the following capital commitments:

- to building contractors in Kenya, to complete the construction of the housing on the new compound for \$297,000
- to building contractors in Liberia, to complete the construction of the hangar for \$628,000
- for the purchase of a further Cessna C208 for Papua New Guinea for \$1,901,000
- for the purchase of an office in Cairns for \$2,071,000 (A\$ 2,945,000)
- for the building of an airstrip in Chin State, Myanmar for \$609,000

23. POST BALANCE SHEET EVENTS

MAF International made the difficult decision towards the end of 2019 to close operations in Mongolia during 2020. An estimate of \$97,000 has been included in expenditure and in accruals in these accounts for the one-off costs that are expected to occur as a result of this decision. The single aircraft that has been operating in Mongolia has been ferried to the Netherlands for some maintenance work and is expected to be redeployed in West Africa in due course.

With the outbreak of COVID-19 and preventive measures taken by governments, impact on operational flying was immediate with a reduction of 85% budget flying for April 2020. Operations are expected to increase slowly however there remains high economic uncertainty in the short-term and most likely the organisation will experience further impact if the likely global recession ensues. MAF International is most heavily impacted due to a loss of operational income, followed by uncertainty over donations income towards the end of 2020 and through 2021. Management considered the short, medium and long term impact on the organisation and put together a plan to mitigate the financial risks presented, including reduction in all overhead spend, pay reductions for staff across the organisation and a reallocation of designated funds by the Board. The plan is under constant review and can be adjusted according to the circumstances presented. As COVID-19 could not have been foreseen at the end of the reporting period, the respective implications have not been reflected in the financial statements as at 31 December 2019.

In March 2020, the Papua New Guinea operations were temporarily suspended due to two accidents and one serious incident in the period from November 2019 to March 2020. No staff or passengers were injured in the accidents and serious incident, however the frequency of occurrence meant that an in-depth investigation into operations and culture was required to address the situation, including a review of pilots, airstrips, aircraft, maintenance, safety and quality and management culture. Limited operations recommenced two weeks following the suspension. The suspension could not have been foreseen and therefore the loss of income is not reflected in the financial statements.

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

24. UNRESTRICTED DESIGNATED FUNDS

	Balances 1 January 2019 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 2019 US\$,000
Aircraft overhauls fund	4,435	-	(1,718)	1,852	(305)	-	-	4,264
Assets fund	45,294	-	(2,143)	(1,330)	2,001	-	(67)	43,755
Revaluation Reserves	6,801	-	-	(115)	-	(919)	-	5,767
Development fund	372	-	(332)	237	-	-	-	277
Future assets fund	-	-	(1,319)	2,995	(1,676)	-	-	-
MAF Technology Services (PNG)	402	605	(679)	14	-	-	(16)	326
Self-insurance fund	3,923	-	(214)	112	-	-	-	3,821
Tactical investment fund	66	-	(60)	172	(20)	-	-	158
	<u>61,293</u>	<u>605</u>	<u>(6,465)</u>	<u>3,937</u>	<u>-</u>	<u>(919)</u>	<u>(83)</u>	<u>58,368</u>
Designated funds – Charity only	<u>28,972</u>	<u>-</u>	<u>(3,038)</u>	<u>(7,395)</u>	<u>-</u>	<u>137</u>	<u>-</u>	<u>18,676</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 2019

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 2019 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 2019 US\$,000
Additional and replacement aircraft	2,454	1,690	(69)	(82)	(3,066)	-	-	927
Arnhem Land, Northern Territories	43	109	(48)	3	(24)	-	-	83
Bangladesh	-	277	(277)	-	-	-	-	-
Central Asia	-	839	(839)	-	-	-	-	-
Chad	11	305	(233)	(9)	(73)	-	-	1
Disaster relief	255	365	(201)	(140)	-	-	-	279
Fuel	-	165	(165)	-	-	-	-	-
Kenya	20	453	(417)	-	(18)	-	-	38
Liberia	797	616	(75)	(3)	(398)	-	-	937
Madagascar	3	262	(236)	(3)	-	-	-	26
MAF Technology services PNG	174	66	(160)	6	(32)	-	(2)	52
Mongolia	49	38	(23)	2	(51)	-	-	15
Myanmar	-	738	(455)	-	-	-	-	283
Papua New Guinea	234	722	(439)	(25)	(339)	-	-	153
South Sudan	32	1,288	(1,058)	4	(40)	-	-	226
Staff costs	29	7,804	(7,828)	(5)	-	-	-	-
Tanzania	33	104	(97)	-	-	-	-	40
Timor-Leste	13	197	(169)	(1)	(38)	-	-	2
Uganda	33	572	(465)	3	(74)	-	-	69
Other aviation projects	79	150	(94)	58	(156)	-	-	37
Other locations and sundry projects	29	401	(391)	-	-	-	-	39
	<u>4,288</u>	<u>17,161</u>	<u>(13,739)</u>	<u>(192)</u>	<u>(4,309)</u>	<u>-</u>	<u>(2)</u>	<u>3,207</u>

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

25. RESTRICTED FUNDS (CONTINUED)

	Balances 1 January 2019 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 2019 US\$,000
Brought forward (page 32)	4,288	17,161	(13,739)	(192)	(4,309)	-	(2)	3,207
Net value of tangible assets:								
Aircraft	14,265	-	(986)	(58)	2,581	116	-	15,918
Land and buildings	40	-	(3)	(35)	1,003	-	-	1,005
Equipment and vehicles	131	-	(60)	(279)	725	-	(4)	513
	14,436	-	(1,049)	(372)	4,309	116	(4)	17,436
Total Restricted Funds	18,724	17,161	(14,788)	(564)	-	116	(6)	20,643
Restricted Funds - Charity only	14,059	12,139	(10,434)	(7,927)	-	68	-	7,905

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 \$372,000 (2018: \$7,757,000) 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 2019

26. NET ASSETS

Consolidated Group	Unrestricted funds		Restricted Funds	Total	Total
	General	Designated		2019	2018
	US\$,000	US\$,000		US\$,000	US\$,000
Intangible fixed assets	-	6	-	6	-
Tangible fixed assets	-	49,516	17,436	66,952	66,531
Current assets	10,302	8,846	3,207	22,355	22,954
Long term assets	-	-	-	-	11
Current liabilities	(7,491)	-	-	(7,491)	(6,603)
Long term liabilities	(175)	-	-	(175)	(156)
Pension scheme liability	-	-	-	-	-
Deferred tax liability	(134)	-	-	(134)	(56)
	2,502	58,368	20,643	81,513	82,681

Company only	Unrestricted funds		Restricted Funds	Total	Total
	General	Designated		2019	2018
	US\$,000	US\$,000		US\$,000	US\$,000
Intangible fixed assets	-	6	-	6	-
Tangible fixed assets	-	10,243	5,044	15,287	31,005
Current assets	935	8,247	2,861	12,223	17,591
Long term assets	-	-	-	-	11
Current liabilities	(2,195)	-	-	(2,195)	(3,377)
Long term liabilities	(58)	-	-	(58)	(18)
Pension scheme liability	-	-	-	-	-
	(1,318)	18,676	7,905	25,263	45,211

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:

	2019	2018
Discount rate	2.0%	2.8%
Retail price inflation before 2030	3.2%	3.4%
Retail price inflation after 2030	2.7%	3.4%
Salary increase rate	n/a	n/a
Limited Price Indexation	2.9%	3.3%
Deferred pension revaluation	2.95%	3.4%

The mortality assumptions used were:

	2019	2018
For a male aged 65 now	21.6	22.0
At 65 for a male member aged 45 now	22.9	23.4
For a female aged 65 now	23.3	23.9
At 65 for a female member aged 45 now	24.8	25.4

MISSION AVIATION FELLOWSHIP INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Reconciliation of scheme assets and liabilities:

	2019	2019	2019	2018	2018	2018
	Assets	Liabilities	Total	Assets	Liabilities	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
At 1 January	4,766	(4,564)	202	5,199	(5,073)	126
Interest income/(expense)	128	(128)	-	126	(126)	-
Assets (losses)/gains	868	-	868	(641)	-	(641)
Actuarial gains/(losses)	-	(495)	(495)	-	584	584
Contributions	126	-	126	133	-	133
Benefits paid	(52)	52	-	(51)	51	-
At 31 December	<u>5,836</u>	<u>(5,135)</u>	<u>701</u>	<u>4,766</u>	<u>(4,564)</u>	<u>202</u>

The scheme net asset of \$702,000 (£529,000) 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.

The fair value of the plan assets is as follows:

	2019	2018
	US\$,000	US\$,000
Equities	3,245	2,588
Bonds	777	630
Gilts	964	733
Insured pensions	849	811
Cash	<u>1</u>	<u>5</u>
Total	<u>5,836</u>	<u>4,766</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 \$203,000 (2018- \$197,000).

MAF International in Asia Pacific made contributions of 10% of annual salary for superannuation for all Australia-based employees totalling \$509,000 (2018 - \$486,000).

Pension and superannuation contributions for staff in other fields overseas totalled \$351,000 (2018 - \$349,000).

28. TRUSTEES LIABILITY INSURANCE

MAF International has arranged liability insurance for its trustees and staff at a cost for the year of \$2,084 (2018 - \$4,246) 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 \$1,734 (2018 - \$1,902). 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 2019

29. SUBSIDIARY UNDERTAKINGS

The charity has a number of subsidiaries as follows:

Stichting MAF International is a foundation registered in the Netherlands, Chamber of Commerce number 74256157. On 1st July 2019 the activities of the Kenya and South Sudan programmes were transferred to it and on 31st December 2019 the fixed assets employed in those programmes were also transferred.

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 the Netherlands) US\$,000	MAF International (in Australia) (*) US\$,000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd US\$,000	CRMF Inc US\$,000	2019 Total US\$,000
Income	26,959	1,517	5,855	5,776	648	40,755
Expenditure	(21,020)	(2,604)	(10,871)	(6,490)	(733)	(41,718)
Other	220	-	72	(466)	(31)	(205)
Net movement in funds	6,159	(1,087)	(4,944)	(1,180)	(116)	(1,168)
Net Assets/ (liabilities)	25,259	16,830	37,311	1,482	631	81,513

(*) 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 2019

29. SUBSIDIARY UNDERTAKINGS (CONTINUED)

The comparative results for 2018 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	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, 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

	2019 US\$,000	2018 US\$,000
Net (expenditure)/income before other recognised gains and losses	(963)	16,221
Net interest income	(122)	(110)
Operating (deficit)/surplus	(1,085)	16,111
Amortisation of intangible assets	1	-
Depreciation of tangible assets	2,315	2,048
Impairment of tangible assets	876	(50)
Revaluation reserve transfer on disposal	(997)	(341)
Loss/(profit) on disposal of tangible assets	8	(11,539)
Working capital movements		
(Increase)/decrease in stocks	(14)	333
(Increase)/decrease in current and long term debtors	(2,916)	870
(Decrease)/increase in current and long term creditors	907	147
Cash flow from operating activities	(905)	7,579