



**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 2017**

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
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**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
TRUSTEES, OFFICERS AND ADVISORS OF THE CHARITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Trustees**

Jan Ivar Andresen		Norway
Peter Curtis	Resigned 23 September 2017	Australia
Alastair Ralph Gunn		South Africa
Ndaba Mazabane		South Africa
Leighton Pittendrigh-Smith, BTMan		Australia
John Quin, OBE, FCMA (Chairman)		UK
Ann Saunders, BA Hons Oxon, FCIPD		UK
William Watson		Canada

**Company Secretary**

Anna C Beck, ACA	Appointed 30 January 2017
C Janet Busk, ACA	Resigned 30 January 2017

**Executive Leadership Team**

Annie M Bailey, FCIPD		International HR Manager
Anna C Beck, ACA	Appointed 1 January 2017	Chief Finance Officer
Stephen L Charlesworth, BEng, BMin		Regional Director, Asia Pacific
Dave L Fyock, BSAT	Appointed 2 September 2017	Chief Executive
Bill A Harding, LLB MICD		International Development Director
Chris T Lukkien, MSc	Resigned 30 April 2017	Chief Executive
Henk-Jan Muusse, MSc		Regional Director, Africa
William B Nicol, BMin		Aviation Director

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

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

**Independent Auditor**

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

**Principal Bankers**

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

**Solicitors**

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 2017. The financial statements comply with the requirements of the governing documents, with current statutory requirements and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **OBJECTIVES AND ACTIVITIES**

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

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

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

MAF International reaches the unreached in some of the world's most remote and isolated areas, where people are cut off due to geographical barriers, conflict or the dangers of overland travel. During 2017, our flights continued to enable our partners to overcome these challenges, and bring help and hope to people in spiritual and physical need.

### **Public Benefit**

The trustees of MAF International confirm that they have complied with their duty laid out in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. MAF International aims to benefit those living in some of the most isolated parts of the world. In many places there are no roads at all, or they are impassable or slow going, for example due to flooding or security issues. Our fleet of light aircraft is able to take emergency teams, healthcare professionals, Christian workers and supplies into these remote areas more quickly and efficiently than by any other means. As a result our activities benefit two major groups: firstly the charities, churches and other organisations whose mission it is to reach these isolated communities, and secondly the communities themselves.

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

During 2017 MAF International and its subsidiaries continued to operate in Arnhem Land in North Australia, Bangladesh, Chad, Kenya, Liberia, Madagascar, Mongolia, Papua New Guinea, South Sudan, Tanzania, Timor-Leste and Uganda. In addition, we have been continuing to develop opportunities in Myanmar, a Flight Training Centre in Queensland, Australia and Christian Radio Missionary Fellowship in Papua New Guinea (known as MAF Technology Services) have continued to operate within the MAF International group.

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

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

During the 2017 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	5,385	10,456	19,514	940,179	24,316	10	48
Bangladesh	285	393	898	58,779	0	1	41
Chad	429	231	605	102,230	4,759	2	26
Kenya	1,200	849	3,114	293,659	24,080	3	61
Liberia	661	609	3,001	164,008	23,659	1	15
Madagascar	875	712	2,349	197,723	20,076	3	54
Mareeba (Training)	1,116	897	n/a	17,670	n/a	9	n/a
Mongolia	334	190	716	91,324	0	1	35
Papua New Guinea	4,521	9,335	31,951	869,538	1,884,784	12	217
South Sudan	1,759	1,878	5,134	411,476	118,781	6	56
Tanzania	324	735	787	59,970	785	3	33
Timor-Leste	513	1,002	2,227	87,897	220	2	9
Uganda	2,724	2,854	7,361	636,334	47,888	6	44
<b>TOTAL</b>	<b>20,126</b>	<b>30,141</b>	<b>77,657</b>	<b>3,930,787</b>	<b>2,149,348</b>	<b>59</b>	<b>639</b>

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

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

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

#### **Arnhem Land**

In Arnhem Land, where many of the indigenous inhabitants suffer from poverty, poor health, high unemployment and substance abuse, MAF planes made a large number of life-enhancing flights – transporting teachers, students and essential supplies to various communities.

We distributed more than 180 solar powered MP3 players containing audio Bibles and music, gave out MicroSD cards containing Gospel resources during outreach events at Easter and Christmas, and flew Pioneers and God's Dreaming to Bremer Island for an evangelistic outreach that saw three indigenous Yolju men become Christians.

We also spent time making it possible for more than 110 students and teachers to attend an important annual sports carnival by flying them to Yirrkala.

#### **Bangladesh**

In Bangladesh, a country prone to severe flooding, floods in the north destroyed 700,000 homes. Our floatplane provided senior Bangladesh Government officials and humanitarian partners such as CARE International with a rapid aerial assessment of the needs in areas where communication had been hampered by flooding.

MAF flights for Women for Women enabled female plastic surgeons to access Friendship's floating hospital ship so patients could receive life-enhancing surgery. When a 23-year-old woman's badly burned hand was painstakingly repaired, it gave her the chance to get a job and work her way out of poverty. Another patient, whose dress caught fire, had the burnt side of her body restored and her lip reconstructed. Recalling traumatic memories of uncomfortable and dangerous journeys to the hospital by road, one of the surgeons said: 'we are really happy and grateful when we can use the plane.'

#### **Chad**

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

In 2017 MAF regularly flew Marius Posthumus from La Coopération Service Internationale (CSI) from N'Djamena to Ati. The CSI medical clinic in Ati sees 1,500 patients every month, as well as sending staff out to more than 25 villages on weekly mobile health clinics. Education is a key part of the work; health workers discuss the need to boil water, wash hands and dispose of rubbish correctly with the communities. They also work with mothers to prevent childhood illnesses

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

through improved nutrition. The clinic is currently without a director and oversight of the work in Ati is made easier for Marius because he can fly with MAF.

There are no dentists in Bardai, a village in northwestern Chad in the heart of the Sahara. In November MAF flew a team of dentists to Bardai, a five hour flight from the capital N'Djamena. The team worked on around 25 people per day for a week but with too many patients and too little time, Dr. Kevin and Erika must simplify the work down to 'choose the tooth that hurts the most.' Mostly they extract teeth, but if there are several teeth in one area of the mouth that is already numbed, the patient might get lucky and receive a filling as well. At least half the patients would take half a day to address the majority of their dental problems if they walked into Dr. Kevin's clinic in California.

**Kenya**

In Kenya, where overland travel can be dangerous by day and treacherous by night, 2017 saw the 10<sup>th</sup> anniversary of our partnership with SERV International, which shares the Gospel and distributes food to those living with extreme hunger. MAF flights also supported Gethsemane Garden Christian Centre (GGCC) – a boarding school for HIV/AIDS orphans. One of our flights enabled the Executive Director of GGCC's US Advisory Board to visit the orphanage on remote Mfangano Island. 'I cannot overstate the impact of being able to use MAF,' he exclaimed. 'The pilot was so accommodating. I can't wait to fly again with MAF!'

We also provided flights that helped long-term partner RedTribe change attitudes about female circumcision, and enabled Jackson Ole Sapit, the Anglican Archbishop of Kenya, to attend the opening of a new building in Olorte where RedTribe's beadwork project provides a livelihood for more than 20 originally outcast and vulnerable Maasai women.

**Liberia**

Liberia is a country that has experienced two devastating civil wars and the ravages of Ebola in the space of just three decades. There we saved lives by transporting vaccines for the Ministry of Health to help combat an outbreak of meningitis and enabled Po River Medical Clinic to bring basic healthcare to 6,400 people in an area with the least developed road network in the country.

We also helped Bible Society to take God's Word to the poorest and most marginalised people and enabled Waves for Change to reduce the stress of traumatised children by teaching them the skills necessary to surf. The founder of Waves for Change was grateful that a short MAF flight had saved him 'a 17-hour car drive, which we didn't have time for.'

**Madagascar**

In Madagascar, where the people are battered by tropical cyclones, limited by poverty, and have little access to healthcare, MAF aircraft helped partners to respond to the damage caused by Cyclone Enawo by flying clothes, water purification chemicals and other relief material to those affected.

MAF's medevac flights were similarly welcome. When Marcia (not her real name) had a stroke, we flew her to hospital. 'As it happened,' reported MAF Pilot Josh Plett, 'we were flying a large group to Marolambo, and would have an empty plane in which we could fly Marcia back to Antananarivo. In the end, we brought two other patients who also needed medical attention.' Josh's 35-minute flight saved all three patients a 4-day drive.

We also provided ill and injured patients with professional healthcare through flights that saved medics and evangelists from Madagascar Medical Safaris days of arduous overland travel, worked with Helimission to help Christian organisations visit areas that hadn't received the Gospel, and enabled national pastors to reach out to remote communities.

**Mongolia**

In vast and geographically inhospitable Mongolia, where the Church has grown from roughly 4 known Christians in the early 1990s to an estimated 35,000 believers, our flights to and from remote Baruun-urt saved patients a 15-hour ordeal on bumpy dirt roads.

Flights for partner Reaching the Light (RTL) enabled youngsters like four-year-old Badam (not his real name) to walk, run and reach their full potential. Before being treated successfully by RTL's therapists, Badam couldn't crawl, walk or talk. Another flight enabled a 13-year-old boy to go to hospital after he'd sustained serious head injuries in a fall during a horse race that was part of the annual Mongolian festival of Naadam. A 466-mile road trip would have proved fatal, so our life-saving airlift flew the youngster safely from the remote airstrip at mountainous Tosontosengel to Ulaanbaatar.

**Papua New Guinea (PNG)**

In PNG, communities remain isolated due to impenetrable jungles, mountains, swamps and tribal clashes that make travel dangerous and reduce the ability of remote villagers to benefit from healthcare and education. Thankfully, our partnership with PNG's Department of Health enabled us to fly malaria medication to four health centres and carry out hundreds of life-saving medevacs.

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REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

One medevac prevented a 20-year-old man who was wounded by a wild pig from having to make a precarious 18-mile journey through dense jungle, steep mountain passes and across countless streams and rivers to reach the nearest hospital.

Many villagers in PNG are held back by a fear of witchcraft and sorcery. MAF flew missionaries from Rumgine Rural Hospital to run workshops throughout Western Province that challenged this harmful belief in magic. Do Not Fear's founder explains: 'MAF took us to the training events, and are a key partner. Nine of our health clinics are only accessible by plane, so MAF helps us take the Gospel to these remote areas.'

**South Sudan**

In South Sudan decades of civil war and oppression have left vast regions of the country impoverished. Intertribal clashes continue to leave innocent civilians vulnerable to famine and attack – resulting in many refugees fleeing the country. We flew life-saving vaccines for the charity Don Bosco, enabled Far Reaching Ministries to provide meals that prevented 6,000 schoolchildren from going hungry, helped World Relief to assist communities in growing the food needed to survive. Our planes also enabled the distribution of more than 8,000 copies of the Bible in the Baka language.

MAF flights for Every Village enabled thousands of people to receive Gospel radio. The NGOs reported: 'Another 548 South Sudanese turned to Christ. They had no evangelist among them... just the Gospel by radio, and they were saved.'

**Tanzania**

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

During the first quarter of 2017, we enabled more than 4,700 people in Haydom, South Masai and Kilimatinde to gain access to healthcare – our planes bringing in medical supplies and personnel.

We provided Maasai evangelists with Wifi Bibles to strengthen their ministry, ferried more than 60 Malambo church planters to 10 Masai villages so they could take part in an evangelistic safari, and flew an evangelist to South-Masai land so he could preach at a conference attended by 3,000 people. The event resulted in 127 people being baptised.

**Timor-Leste**

In Timor-Leste, more than two-thirds of people are isolated by mountainous terrain and poorly maintained roads and an estimated 50% of children suffer from malnutrition. In 2017 MAF reached the landmark of flying more than 1,400 patients from hard-to-reach places to the capital for life-saving surgery and essential healthcare since we began flying 10 years ago.

MAF personnel also enabled staff from UCB Christian Radio to install aerials and transmitters so people could hear the Good News, and had the joy of seeing ten people receive Jesus when we flew members of Agape Baptist Bible Church and the Agape School for the Deaf to remote Atauro Island.

**Uganda**

According to the UNHCR, Uganda has the largest number of refugees in Africa and approximately 20% of the population is without access to safe drinking water. MAF planes transported medicines, food and missionary personnel to help refugees up and down South Sudan's borders.

MAF flights enabled Ugandan farmers to access expert help to adjust their farming techniques to alleviate food shortages, flew a team from African Revival to Adjumani refugee camp to encourage workers at a primary school there, and transported 2,200 solar powered radios to Mvolo so people could hear the Gospel.

We flew eight-week-old Alex from Kisoro to Kampala for a heart operation, and also took the Archbishop of Canterbury Justin Welby, Ugandan Archbishop Stanley Ntagali, Bishop Anthony Poggo, Britain's High Commissioner Peter West and two BBC journalists to Moyo, Uganda, to highlight the plight of South Sudanese refugees.

**MAF Technology Services**

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

**Other Activities**

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**DEVELOPMENTS DURING THE YEAR**

In 2017, we celebrated some significant milestones including 30 years of MAF service in Uganda, 20 years in Bangladesh and 10 years in Timor-Leste. Our aircraft and personnel continue to bring restoration after conflict, 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.

Towards the end of 2017, we were excited to enhance our fleet with the purchase of a new amphibious Cessna 208 for Bangladesh, which we expect will arrive in country in the first half of 2018.

In South Sudan, the security situation remained manageable, and the year saw the finalisation of the new compound on which there are seven residential houses and related infrastructure. The potential for the programme to grow remains significant. We still need to establish the further support resources, such as a maintenance facility, increased office space, airport facilities, and the ongoing recruitment and retention of sufficiently qualified staff members, as well as ensuring that our residential accommodation is sufficient for the staffing required.

We reported last year that we had temporarily suspended flight operations in Chad in October 2016 as a result of ongoing complex negotiations with the Chadian tax authorities regarding MAF's tax status and liabilities. Flight operations were resumed in April 2017 and much progress has been made with the authorities.

In June 2017, we agreed the sale of our residential compound in Nairobi for \$12.6m and purchased a plot of land to redevelop in a suburban location. This will enable us to release funding to support other MAF projects as well as bring the Kenyan team together onto a single compound.

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.

At the end of April 2017, we said farewell to our Chief Executive, Chris Lukkien, who had served in MAF for almost 20 years. We would like to repeat our thanks to Chris for his huge commitment and contribution to the organisation. A subsequent recruitment process was successful and in September 2017, we welcomed Dave Fyock as our new Chief Executive. Dave comes with a wealth of experience and knowledge having formerly served overseas and in a series of leadership positions for Mission Aviation Fellowship in the USA. We are also very grateful to Bill Harding, International Development Director, who assumed the responsibility in the intervening months.

**PROGRESS AGAINST STRATEGIC PLAN AND FUTURE DEVELOPMENTS**

In 2016, a strategic plan introduced three new key themes, which tie together the significant initiatives to take the organisation forward. Examples of progress against the plan are described below.

**From doing to enabling**

In Myanmar, the Vice President, Henry Van Thio, and six Union Ministers, arrived in Lailenpi town in Southern Chin state in March 2017 to view and approve the airport project that was proposed by a MAF team in 2016. By July, the Union Parliament of Myanmar gave permission to MAF to construct an airport in Lailenpi. We trust that this project will enable MAF to bring transformation in a very isolated and remote location within the country and 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 are renewing and enhancing our partnership with the local church. As a result, we were delighted to buy a new Cessna 182 during the year, which will be added to the fleet in 2018. Last year we reported that we had bought a second Cessna 182 for Madagascar and work has been continuing to get it in operational condition, which we expect to achieve in 2018.

In the past three years we have supported high impact flying in South Africa, via a grant "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 84 passengers in 18 flights during the year. A further grant will be given in 2018.

**Becoming more international**

Asian resourcing group development continued in 2017, although at a reduced pace with regard to both governance structures and in-country promotions. The reduction in pace in those areas was attributable to reduced management capacity, partly because the International Development Director and the Asia Development Executive both fulfilled interim roles in other departments in 2017, and partly because more time was required to support the Asian staff already employed.



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REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

During 2017, nine Asian staff were accepted for service through the recruitment efforts of Asian resourcing groups of which four entered service during the year. In addition a social media strategy was designed and its implementation begun by a part-time Asia Development Media Officer, enhancing the promotional work of MAF India, MAF Philippines and MAF Singapore. Incoming Indian staff held supporter meetings and fund-raising dinners were held in Philippines and Singapore. The MAF Philippines board was enhanced by the inclusion of capable new directors and there were also changes to the MAF Singapore board. We look forward to further development in the Asian resourcing groups in 2018.

**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. Further progress has been made, with overall international staff recruitment increasing to 30 (2016 - 23), whilst 19 staff have left (2016 - 25). In addition, 15 staff transferred to places of greater need. It will continue to be a major focus in 2018 as critical staff vacancies continue to exist in several programmes.

We also purchased two simulators for pilot training. One is based at the Mission Aviation Training Centre ("MATC") in the Netherlands and one at MAF's Africa-region training hub at Kajjansi Airfield in Uganda. The cockpits enable us to enhance our flying standards through tailored, cost-effective training and harmonise our approaches to pilot training. 'We can rehearse emergencies in the simulator "for real" that we can't do in the aircraft,' said MAF's Single Engine Fleet Training Captain, Hansjoerg Schlatter, 'and create scenarios that last longer and test how well pilots prioritise and sequence various tasks.'

MATC in the Netherlands is set up as an international flying school to train pilots and specifically future MAF pilots. Training is given by former MAF pilots who understand from first-hand experience the high quality, specialised training required to operate in some of the most challenging places in the world. Towards the end of 2017, a C172 was purchased, using restricted donations and leased to MATC to continue to support their work. We look forward to the contribution this aircraft will make in training future staff.

During the year a review of the fleet in Papua New Guinea was finalised. Currently 12 aircraft are based there, including three twin otters and five GA8 airvans. It was agreed to phase these two types out during 2018-19, and replace them with Cessna 208 caravans to be the sole type of operating aircraft. This will greatly enhance ministry efficiency and impact through a single training plan for pilots and engineers, and the ability to deploy any aircraft when required, therefore more effectively serving the communities and our partners in PNG.

**GRANTS**

Significant grants made in the year include:

- A restricted grant of \$836,000 (2016- \$708,000) was made for the work carried out in Central Asia by a subsidiary of MAF USA. Many people in that part of Central Asia live in remote communities, with little or no access to basic humanitarian services. Whilst assistance is available from a number of NGOs working there, the delivery of the aid is in reality severely restricted by security issues and inadequate transport and infrastructure. In addition, many roads and mountain passes are closed by snow blockages during the winter months, which is when the aid is most urgently needed. This grant is funded by the European Commission's Humanitarian aid and Civil protection department (ECHO).
- A grant was made to MATC for \$54,000 (2016 \$55,000) to assist with their development, supported by restricted donations from MAF UK.
- MAF Germany received grants of \$265,000 (2016 \$Nil) for development purposes. MAF Germany have grown their team from two staff to nine over the course of the year, supported by a number of volunteers. These grants were partially funded by restricted donations from MAF UK.
- MAF Australia also received grants of \$360,000 (2016 \$361,000) to further enhance their recruitment of international staff and support the costs associated with preparing those staff for service. These grants were also partially funded by MAF UK.
- Funds were received from MAF Netherlands to enable a grant of \$30,000 (2016 \$Nil) to be given to Juba Christian Academy, a school in Juba, South Sudan that provides the education for the primary age children of our staff based there. Without this school, it would be very difficult for some of our families to be based there.

Other grants made are shown in note 6.

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REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
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**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 \$38,179,000 (2016 \$36,952,000) of which 37% (2016 35%) was generated by services provided and 61% (2016 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 surplus of \$2,856,000 (2016 \$741,000). The net loss in revaluation reserve was \$1,393,000 (2016 gain \$426,000), and the movement on the defined benefits pension scheme was a gain of \$606,000 (2016 loss of \$595,000). These movements together with other gains and losses, predominantly on foreign exchange transactions, resulted in a net movement in funds for the year of a gain of \$2,997,000 (2016 deficit \$735,000). This comprises a surplus of \$2,280,000 on unrestricted General Funds, a deficit on Designated Funds of \$2,250,000 and a surplus on Restricted Funds of \$2,967,000. There was also a transfer of \$830,000 from Restricted Funds to Designated Funds following a review of previously restricted assets in accordance with the accounting policy 1n on page 20. Details of the Designated Funds are set out in the Notes to the Financial Statements (note 24), which includes a note of how the funds are expected to be used.

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

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

**Reporting of pension provision**

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

Note 27 shows that, comparing the present value of the scheme future liabilities with the current value of the investments, there was a net asset of \$126,000 (2016 liability - \$591,000), 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 £93,000 (2016 liability - £479,000). 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.

The actuarial review as at 1 January 2016, disclosed a shortfall in the funding due of £557,000 (\$752,000 at the December 2017 exchange rate) on assets of £3,501,000 at that date. The trustees agreed a recovery plan of additional transfers at a rate of £99,000 per annum until December 2021. A second charge on the office premises in Ashford remains in place.

The scheme was closed to future service accrual at 29 February 2008. The scheme has 22 "deferred" members who will receive their pension, based on service up until that date, at their normal retirement date, together with 8 pensioner members. The next actuarial review for the scheme is due in 2019.

In addition to the defined benefit scheme MAF International makes contributions to defined contributions schemes on behalf of its employees in the UK. For those employed elsewhere, contributions are made in accordance with normal practice or legal requirements in each country.

**Financial position and reserves policy**

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

The balance carried forward on unrestricted funds totals \$46,234,000 being \$2,953,000 of general funds and \$43,281,000 of designated funds. These general funds form the charity's base reserve.

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

At 31 December 2017 the base reserve balance was within the range of 30 to 90 days of overhead expenditure.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**GOVERNANCE AND STRUCTURE**

**Principal Risks and Uncertainties**

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

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

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

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

<b>Risks</b>	<b>Control Measures</b>
Unable to fill key positions in programmes	<ul style="list-style-type: none"> <li>• Accelerated recruitment strategy</li> <li>• Appointing short-term staff if necessary</li> <li>• Special requests made with MAF resourcing groups</li> <li>• Having organisational standards and internal controls in place</li> <li>• Providing oversight and support from regional support offices</li> </ul>
Attacks on expat communities and potential attacks on major hotels in Bangladesh	<ul style="list-style-type: none"> <li>• No non-essential visitors to the programme</li> <li>• Staff movement restricted, with local drivers at all times</li> <li>• Measures taken to improve office security</li> </ul>

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

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

MAF International's initial memorandum and articles of association were dated 23 December 1995 following which the memorandum of association was revised on each of 30 March 2001, and 27 June 2009 and the articles of association were revised on 5 June 2004. After receiving recommendations and close consultation with members, the memorandum and articles of association were replaced, and at a General Meeting of members on 10 September 2011 revised articles of association were adopted. This was revised by some further amendments on each of the Annual General meetings held on 27 September 2014, 17 September 2016 and 23 September 2017.

**Subsidiaries and connected charities**

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

**Members**

The members and associate members are the various MAF groups that provide resources to MAF International. Members are based in 13 countries and associate members are based in 2 countries.

**Related parties**

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017 (2016 – 3 times), was assisted by three subcommittees: a Safety Committee, a Finance and Audit Committee and a People Committee. The members of these subcommittees are made up from board members and outside experts where appropriate.

**Management**

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

**Remuneration of Executive Leadership**

The trustees set the Chief Executive's salary having taken into account his role and responsibilities, the size and nature of the charity, and comparisons with the salaries of others in the same sector in the UK. The salaries of the other members of the Executive Leadership Team are set by the Chief Executive taking into account the country of residence of each. All the Executive Leadership Team receive the cost of living rises as the organisation's other staff in their respective countries of service.

**Volunteers**

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

**Trustee Induction and Training**

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

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

**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 four programmes were visited for internal audit purposes during the year.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Standards, Quality and Flight Safety**

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

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

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

We are sorry to report that there was one flight accident during the year in Uganda where one of our aircraft was involved in a collision with a police officer undertaking a training exercise on the runway. Sadly, the officer suffered fatal injuries.

**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 child safety policy, non-harassment policy, data protection and privacy, equal opportunity and just culture.

In response to the recent events of sexual exploitation that have been highlighted within the humanitarian sector, MAF International has introduced a new code of conduct requiring agreement from all staff. The whistleblowing policy has also been updated to provide for independent reporting by beneficiaries and third parties.

During the year, a single safeguarding issue has been under investigation within MAF International. Since the year-end, the staff member involved has resigned and this incident has been reported to the Charities Commission.

**Employment of Disabled People**

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

**Fundraising**

MAF International does not raise funds directly from the public. We receive most donations from the independent MAF groups that diligently work to support our activities. A small amount is received from Institutional funders. A breakdown of the source of 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; People in Aid 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). recognise and uphold 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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
REPORT OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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

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

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

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

**Co-operation with Other Groups**

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

Approved by the board on

8 June 2018.



John Quin  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MISSION AVIATION FELLOWSHIP INTERNATIONAL  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Only Balance Sheet, 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 2017 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.

**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.

**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, including the Strategic Report, 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 2017**

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

Signed:



Nicola Wakefield (Senior Statutory Auditor)  
**for and on behalf of Mazars LLP**  
Chartered Accountants and Statutory Auditor  
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: 28th June 2018



**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017				2016			
		Unrestricted funds		Restricted	Total	Unrestricted funds		Restricted	Total
		General	Designated	funds		General	Designated	funds	
		US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
<b>Income</b>									
Donations	3	6,595	-	16,569	23,164	7,288	-	15,990	23,278
Charitable activities	4	13,823	431	-	14,254	12,626	412	-	13,038
Other		711	28	22	761	586	31	19	636
<b>Total income</b>		<b>21,129</b>	<b>459</b>	<b>16,591</b>	<b>38,179</b>	<b>20,500</b>	<b>443</b>	<b>16,009</b>	<b>36,952</b>
<b>Expenditure</b>									
Raising funds	5	334	-	-	334	339	-	-	339
Grants	6	927	365	1,091	2,383	742	309	1,414	2,465
Charitable activities	7	16,143	3,434	13,029	32,606	16,160	4,167	13,080	33,407
<b>Total expenditure</b>		<b>17,404</b>	<b>3,799</b>	<b>14,120</b>	<b>35,323</b>	<b>17,241</b>	<b>4,476</b>	<b>14,494</b>	<b>36,211</b>
<b>Net income/(expenditure) before transfers</b>	9	3,725	(3,340)	2,471	2,856	3,259	(4,033)	1,515	741
Transfers between funds	24,25	(3,002)	2,318	684	-	(3,034)	3,256	(222)	-
<b>Net income before other recognised gains and losses</b>		723	(1,022)	3,155	2,856	225	(777)	1,293	741
Increase/(decrease) in revaluation on defined benefits pension scheme	27	606	-	-	606	(595)	-	-	(595)
Net movement in revaluation reserves	24,25	0	(1,207)	(186)	(1,393)	-	446	(20)	426
Other gains/( losses)		951	(21)	(2)	928	(1,210)	(93)	(4)	(1,307)
<b>Net movement in funds</b>		<b>2,280</b>	<b>(2,250)</b>	<b>2,967</b>	<b>2,997</b>	<b>(1,580)</b>	<b>(424)</b>	<b>1,269</b>	<b>(735)</b>
Balances brought forward		673	45,531	16,854	63,058	2,253	45,955	15,585	63,793
<b>Balances carried forward</b>		<b>2,953</b>	<b>43,281</b>	<b>19,821</b>	<b>66,055</b>	<b>673</b>	<b>45,531</b>	<b>16,854</b>	<b>63,058</b>

There were no recognised gains or losses in either year other than those included in the Statement of Financial Activities.

All income and expenditure derive from continuing activities in both years.

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
CONSOLIDATED AND CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2017**

	Note	Consolidated 2017 US\$,000	Consolidated 2016 US\$,000	Charity 2017 US\$,000	Charity 2016 US\$,000
<b>Intangible fixed assets</b>	11	-	-	-	-
<b>Tangible fixed assets</b>	12	51,787	48,414	29,198	24,545
<b>Current assets</b>					
Stocks	13	2,903	2,919	1,046	1,075
Debtors	14	4,371	3,874	3,235	2,880
Short-term deposits	15	5,185	2,853	3,205	1,200
Cash and cash equivalents	16	8,783	13,295	6,261	11,073
		21,242	22,941	13,747	16,228
<b>Current liabilities</b>					
Creditors	17	(6,416)	(6,882)	(3,574)	(4,005)
<b>Net current assets</b>		14,826	16,059	10,173	12,223
Debtors due after more than one year	14	55	99	55	99
<b>Total assets less current liabilities</b>		66,668	64,572	39,426	36,867
Creditors due after more than one year	18	(196)	(159)	-	-
<b>Net assets excluding pension and deferred tax liabilities</b>		66,472	64,413	39,426	36,867
Defined benefit pension scheme liability	27	-	(591)	-	(591)
Deferred tax liability	20	(417)	(764)	-	-
<b>Net Assets including pension liability</b>		66,055	63,058	39,426	36,276
<b>Accumulated funds</b>					
<b>Unrestricted funds</b>					
General		2,953	1,264	1,505	323
Less Pension liability	27	-	(591)	-	(591)
		2,953	673	1,505	(268)
Designated revaluations reserves		6,449	7,656	381	1,035
Other designated funds	24	36,832	37,875	21,266	22,223
		43,281	45,531	21,647	23,258
<b>Total unrestricted funds</b>		46,234	46,204	23,152	22,990
<b>Restricted funds</b>					
Restricted revaluations reserves		662	847	87	255
Other restricted funds		19,159	16,007	16,187	13,031
<b>Total restricted funds</b>	25	19,821	16,854	16,274	13,286
<b>Total funds</b>	26	66,055	63,058	39,426	36,276

Approved by the directors on **8-JUNE** 2018 and signed on their behalf by



John Quin, Chairman

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017	2016
	Note	US\$,000	US\$,000
<b>Net cash generated from operating activities</b>	31	4,181	3,978
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(7,206)	(4,462)
Proceeds from disposals of tangible assets		133	28
Interest received		115	110
<b>Net cash used in investing activities</b>		(6,958)	(4,324)
Effect of exchange rates on cash and cash equivalents		597	(1,248)
<b>Net (decrease) in cash and cash equivalents</b>		(2,180)	(1,594)
Cash and cash equivalents at start of year		16,148	17,742
<b>Cash and cash equivalents at the end of the year</b>		13,968	16,148

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 2017**

**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 2016), Charities SORP (FRS 102) and the Companies Act 2006.

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

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

**a Basis of accounting**

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

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

**b Going concern**

MAF International has \$13,968,000 (2016 - \$16,148,000) held in immediately accessible cash or short term investments at 31 December 2017. Of this \$4,406,000 (2016 - \$3,919,000) is held for restricted purposes and the remaining cash is for use at the directors' discretion which is sufficient to cover the group's liabilities as they fall due for the foreseeable future. In light of this, these financial statements have been prepared on the basis that the charity is a going concern.

**c Consolidation**

The Consolidated Statement of Financial Activities and the Consolidated Balance Sheet have been prepared by combining the data of MAF International, all of its subsidiary undertakings (note 29), together with Rapid Relief Wing (note 30). The charity has taken exemption from presenting its unconsolidated profit and loss account under Section 408 of the Companies Act 2006. The result for the charity only for the year was a surplus of \$3,150,000 (2016 – deficit \$3,032,000).

**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 2017  
Other amounts - rate at date of transaction

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

	31 December 2017	2017 Average	31 December 2016	2016 Average
£ Sterling	1.3495	1.2862	1.2340	1.3615
Australian Dollar	0.7808	0.7631	0.7204	0.7429
Papua New Guinean Kina	0.3108	0.3134	0.3148	0.3181

**c Income**

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

**d 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.

**e 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 2017 is \$ nil (2016 – liability of \$591,000). This represents the present value of the defined benefit obligation less the fair value of the plan assets at the reporting date.

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.

**f Operating leases**

Operating lease rentals are charged to the Statement of Financial Activities in accordance with the term of the lease.

**g 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.

**h Intangible fixed assets**

Purchased and internally developed computer software which costs \$2,000 or more is capitalised at cost and amortised over its estimated useful life, 5 to 10 years.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

**i Tangible fixed assets**

Individual fixed assets costing \$2,000 or more are capitalised at cost.

Depreciation is calculated as follows:

*(i) Aircraft*

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

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

When 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.

**j Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value.

**k Cash**

Cash at bank and cash in hand includes cash and short term highly liquid investments.

**l 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.

**m 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.

**n 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.

**o 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 2017**

**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 2017**

**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.

	2017			2016		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Donated services	-	4,133	4,133	-	4,298	4,298
European Commission	-	858	858	-	733	733
Income for housing	506	-	506	586	-	586
MAF Australia	1	2,334	2,335	-	1,745	1,745
MAF Canada	-	37	37	-	115	115
MAF Denmark	148	32	180	117	72	189
MAF Finland	52	115	167	115	37	152
MAF France	-	4	4	-	3	3
MAF Germany	-	92	92	-	69	69
MAF Italy	-	13	13	-	11	11
MAF Netherlands	-	2,197	2,197	-	1,925	1,925
MAF New Zealand	-	550	550	-	473	473
MAF Norway	-	1,039	1,039	442	228	670
MAF Sweden	-	195	195	-	173	173
MAF Switzerland	-	595	595	51	495	546
MAF UK	5,874	4,074	9,948	5,957	4,957	10,914
MAF USA	-	116	116	20	124	144
Other donors	14	185	199	-	532	532
	<u>6,595</u>	<u>16,569</u>	<u>23,164</u>	<u>7,288</u>	<u>15,990</u>	<u>23,278</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:

	2017	2016
	US\$,000	US\$,000
MAF Australia	1,605	1,311
MAF Canada	36	30
MAF Finland	2	-
MAF Germany	49	50
MAF Netherlands	135	95
MAF New Zealand	92	397
MAF Sweden	6	-
MAF Switzerland	347	266
MAF UK	683	602
MAF USA	60	105
Other donors	<u>124</u>	<u>129</u>
	<u>3,139</u>	<u>2,985</u>

MAF International additionally collected \$59,000 (2016 - \$281,000) donations income and \$305,000 (2016 - \$263,000) staff support income on behalf of other MAF member groups or associated members. In these situations, MAF International forwards the income onto the relevant group directly and consequently the income has not been recognised in the financial statements.



**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 provide management services to a 3<sup>rd</sup> party airline and have an aircraft engineering base which serves both our programmes in the regions as well as 3<sup>rd</sup> party customers. MAF Technology Services in PNG provides radio and other communication technology services. Some programmes are also able to help 3<sup>rd</sup> party organisations with aircraft or vehicle maintenance.

	2017			2016		
	General	Designated	Total	General	Designated	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Contributions for						
Aviation services	11,955	-	11,955	11,450	-	11,450
Maintenance services	1,048	-	1,048	461	-	461
Other technologies	-	431	431	-	412	412
Other services	820	-	820	715	-	715
	<u>13,823</u>	<u>431</u>	<u>14,254</u>	<u>12,626</u>	<u>412</u>	<u>13,038</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 \$80,000 (2016- \$203,000) which has not been recognised in these financial statements.

**5. EXPENDITURE ON RAISING FUNDS**

	2017	2016
	US\$,000	US\$,000
Allocation of support staff and other costs	<u>334</u>	<u>339</u>

**6. EXPENDITURE ON GRANTS MADE**

Grants were made from restricted and unrestricted funds in 2017 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
ELWA, Liberia	-	-	8	-	8	1	9
Juba Christian Academy	-	-	-	30	30	3	33
MAF Australia	-	171	95	94	360	25	385
MAF Canada	206	-	-	-	206	13	219
MAF Denmark	8	-	-	-	8	1	9
MAF Finland	-	-	56	-	56	3	59
MAF Germany	-	-	171	94	265	20	285
MAF Norway	-	190	-	-	190	12	202
MAF Singapore	-	-	18	-	18	1	19
MAF South Africa	15	30	-	-	45	3	48
MAF Sweden	55	-	-	-	55	3	58
MAF Switzerland	51	-	-	-	51	3	54
MAF USA for work in Central Asia	-	-	-	836	836	82	918
MAF USA	25	-	-	-	25	1	26
Mission Aviation Training Centre	-	-	17	37	54	5	59
	<u>360</u>	<u>391</u>	<u>365</u>	<u>1,091</u>	<u>2,207</u>	<u>176</u>	<u>2,383</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Grants were made from restricted and unrestricted funds in 2016 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
Grace School, Bangladesh	-	-	10	-	10	1	11
MAF Australia	-	211	150	-	361	27	388
MAF Canada	184	-	-	-	184	14	198
MAF Finland	-	-	53	-	53	4	57
MAF Philippines	-	-	14	16	30	2	32
MAF Singapore	-	-	27	-	27	2	29
MAF South Africa	20	44	-	-	64	5	69
MAF Sweden	60	-	-	-	60	5	65
MAF Switzerland	52	-	-	-	52	4	56
MAF USA for work in Central Asia	-	-	-	708	708	52	760
MAF USA for work in Nepal	-	-	-	690	690	51	741
Mission Aviation Training Centre	-	-	55	-	55	4	59
	316	255	309	1,414	2,294	171	2,465

**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 2017 were as follows:

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

Charitable activities for 2016 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	4,284	2,095	4,952	11,331	1,998	13,329
Cost of donated services	-	-	4,298	4,298	554	4,852
Staff costs	5,216	139	3,123	8,478	720	9,198
Other local overhead expenditure	1,638	656	350	2,644	1,719	4,363
Depreciation, amortisation and impairment	-	1,277	357	1,634	31	1,665
	11,138	4,167	13,080	28,385	5,022	33,407

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017 were as follows:

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

Unrestricted general support costs for 2016 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	164	87	562	813
Aviation Services including quality and safety	-	-	1,805	1,805
Finance	98	49	837	984
Human Resources	-	35	669	704
Information technology and communications	77	-	602	679
Support office costs	-	-	516	516
Depreciation of fixed assets used for support	-	-	31	31
	<u>339</u>	<u>171</u>	<u>5,022</u>	<u>5,532</u>

**9. NET INCOME BEFORE TRANSFERS**

The net incoming resources before transfers between funds is stated after charging:

	2017	2016
	US\$,000	US\$,000
Auditors remuneration		
Audit fees	<u>128</u>	<u>123</u>
Realised net loss/(gain) on currency exchange	<u>(27)</u>	<u>(15)</u>
Bank Interest paid	<u>-</u>	<u>1</u>
Depreciation, of both Restricted and Assets Fund assets (note 12)	1,928	1,705
Impairment of both Restricted and Assets Fund assets (note 12)	379	(40)
Net (gain) on disposal of fixed assets	<u>(6)</u>	<u>(7)</u>
Charges under operating leases	<u>1,018</u>	<u>905</u>
Inventory expensed in the year	<u>1,259</u>	<u>1,301</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**10. STAFF EXPENDITURE AND STAFF NUMBERS**

	2017 US\$,000	2016 US\$,000
Staff Costs		
Wages and salaries, including intangible expenditure	14,733	14,198
Social security costs	248	263
Retirement and death-in-service benefits costs	1,158	1,108
	<u>16,139</u>	<u>15,569</u>
 Total salaries and benefits paid to Executive Leadership team during the year	 <u>554</u>	 <u>665</u>
	Number	Number
Employees that received remuneration of:		
£60,000 to £69,999	2	-
£70,000 to £79,999	-	1
 Average number of employees - support offices	 69	 62
Average number of employees - field	421	409
Average number of seconded staff	62	62
	<u>552</u>	<u>533</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.

	2017 US\$,000	2016 US\$,000
Travel and communications expenses reimbursed to 5 directors (2016-5).	<u>30</u>	<u>14</u>

**11. INTANGIBLE ASSETS**

	Group and Charity Software US\$,000
<b>COST</b> as at 1 January 2017 and 31 December 2017	<u>119</u>
<b>AMORTISATION</b> as at 1 January 2017 and 31 December 2017	<u>119</u>
<b>NET BOOK VALUE</b> as at 31 December 2016 and 31 December 2017	<u>-</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12. TANGIBLE FIXED ASSETS**

Analysis for the Group:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
<b>COST OR VALUATION</b>				
At 1 January 2017	36,933	15,512	4,892	57,337
Additions	2,754	3,723	729	7,206
Disposals	(100)	(9)	(264)	(373)
Revaluation Reserve	(2,682)	-	-	(2,682)
Foreign Exchange adjustment	-	(33)	(9)	(42)
At 31 December 2017	36,905	19,193	5,348	61,446
<b>DEPRECIATION</b>				
At 1 January 2017	-	5,539	3,384	8,923
Charge in year	921	540	467	1,928
Net Impairment credit	379	-	-	379
Depreciation on disposals	-	(5)	(241)	(246)
Revaluation Reserve write back	(1,300)	-	-	(1,300)
Foreign Exchange adjustment	-	(19)	(6)	(25)
At 31 December 2017	-	6,055	3,604	9,659
<b>NET BOOK VALUE</b>				
At 31 December 2016	36,933	9,973	1,508	48,414
At 31 December 2017	36,905	13,138	1,744	51,787
Analysis of value between:				
Used for direct charitable purposes	36,905	12,331	1,704	50,940
Used for support of field programmes, management and administration		807	40	847

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 \$201,000 relating to housing under construction in Liberia and an office in South Sudan. (2016 - \$1,880,000 relating to a housing compound under construction in South Sudan, which is now completed).

Of the net value of 'Land & Property' \$2,764,000 (2016 - \$2,770,000) relates to freehold or the local equivalent and \$2,147,000 (2016 - \$2,489,000) 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 \$41,881,000 (2016 - \$39,260,000).

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Analysis of the Charity only:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
<b>COST OR VALUATION</b>				
At 1 January 2017	16,816	9,523	3,021	29,360
Additions	2,754	3,413	651	6,818
Disposals	-	(9)	(164)	(173)
Revaluation	(1,468)	-	-	(1,468)
At 31 December 2017	18,102	12,927	3,508	34,537
<b>DEPRECIATION</b>				
At 1 January 2017	-	2,673	2,142	4,815
Charge in year	420	356	336	1,112
Impairment	225	-	-	225
Disposals	-	(5)	(163)	(168)
Revaluation write back	(645)	-	-	(645)
At 31 December 2017	-	3,024	2,315	5,339
<b>NET BOOK VALUE</b>				
At 31 December 2016	16,816	6,850	879	24,545
At 31 December 2017	18,102	9,903	1,193	29,198

**13. STOCKS**

	Group		Charity	
	2017	2016	2017	2016
	US\$,000	US\$,000	US\$,000	US\$,000
Aircraft spare parts	1,989	1,833	990	1,024
Fuel and other stocks	655	758	56	51
Work in progress	259	328	-	-
	2,903	2,919	1,046	1,075

**14. DEBTORS**

	Group		Charity	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Current Debtors</u>				
Trade and sundry debtors	2,959	2,806	2,164	2,075
Amount recoverable from subsidiary undertakings	-	-	291	268
Other debtors	715	449	343	142
Prepayments	697	619	437	395
	4,371	3,874	3,235	2,880
<u>Debtors due after more than one year</u>				
Central Aviation Services, Tanzania	55	99	55	99

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. SHORT TERM DEPOSITS**

	Group		Charity	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Bank deposits	5,185	2,853	3,205	1,200

**16. CASH AND CASH EQUIVALENTS**

	Group		Charity	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents – Support offices	6,580	11,024	5,541	10,190
Cash and cash equivalents - Programmes	2,203	2,271	720	883
	8,783	13,295	6,261	11,073

**17. CREDITORS**

	Group		Charity	
	2017	2016	2017	2016
	US\$,000	US\$,000	US\$,000	US\$,000
Trade and other creditors	3,265	3,386	2,340	2,700
Taxation and social security	885	872	754	741
Amounts due to subsidiary undertakings	-	-	17	212
Accrued expenses	2,266	2,624	463	352
	6,416	6,882	3,574	4,005

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

	Group		Charity	
	2017	2016	2017	2016
	US\$,000	US\$,000	US\$,000	US\$,000
Staff resettlement allowances	196	159	-	-

**19. PROVISIONS**

Included in creditors are the following provisions:

	Charity and Group			Balances 31
	Balances 1	Provided in	Utilised in the	December
	January 2017	the year	year	2017
	US\$,000	US\$,000	US\$,000	US\$,000
For overhaul of aircraft owned by 3 <sup>rd</sup> parties	848	145	(577)	416
For taxation issues in overseas programmes	393	169	(326)	236
	1,241	314	(903)	651

**MISSION AVIATION FELLOWSHIP INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**20. DEFERRED TAX LIABILITY**

	Group		Charity	
	2017	2016	2017	2016
	US\$,000	US\$,000	US\$,000	US\$,000
Provision at 1 January	764	768	-	-
Movement in the year	(347)	(4)	-	-
Provision at 31 December	<u>417</u>	<u>764</u>	<u>-</u>	<u>-</u>

**21. FINANCIAL COMMITMENTS**

At 31 December 2017 the organisation was committed to making the following payments under non-cancellable operating leases:

	Property	Other	Property	Other
	2017	2017	2016	2016
	US\$,000	US\$,000	US\$,000	US\$,000
Payable in 1 year	318	4	290	4
Payable in 2-5 years	193	2	352	6
Payable in over 5 years	51	-	65	-
	<u>562</u>	<u>6</u>	<u>707</u>	<u>10</u>

**22. CAPITAL COMMITMENTS**

At 31 December 2017, the organisation had a capital commitment in Liberia, where a retention payment of \$15,000, was payable to the builders of two houses that were almost complete.

**23. POST BALANCE SHEET EVENTS**

On 16<sup>th</sup> March 2018 the charity completed the sale of the residential compound on Argwings Kodhek Road, Nairobi, Kenya for \$12.6m. At the same time a commitment was made to purchase 5 new Cessna caravans at a total of \$10.5m. It is intended that these will be deployed in Papua New Guinea towards the end of 2018 and early 2019 in accordance with their fleet plan.



**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**24. UNRESTRICTED DESIGNATED FUNDS**

	Balances 1 January 2017 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 2017 US\$,000
Aircraft overhauls fund	3,336	-	(597)	1,529	(187)	-	-	4,081
Assets fund	27,823	6	(1,730)	802	3,035	-	(14)	29,922
Revaluation Reserves	7,656	-	-	-	-	(1,207)	-	6,449
Development fund	661	-	(609)	450	-	-	-	502
Future assets fund	2,034	-	(219)	958	(2,773)	-	-	-
MAF Technology Services (PNG)	537	453	(491)	(24)	-	-	(7)	468
Self-insurance fund	3,403	-	(47)	(1,566)	(29)	-	-	1,761
Tactical investment fund	81	-	(106)	169	(46)	-	-	98
	<u>45,531</u>	<u>459</u>	<u>(3,799)</u>	<u>2,318</u>	<u>-</u>	<u>(1,207)</u>	<u>(21)</u>	<u>43,281</u>
Designated funds – Charity only	<u>23,258</u>	<u>(4)</u>	<u>(1,715)</u>	<u>762</u>	<u>-</u>	<u>(654)</u>	<u>-</u>	<u>21,647</u>

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 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 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 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.

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.

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017 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 2017 US\$,000
Additional and replacement aircraft	1,167	2,261	(37)	1,189	(2,600)	-	-	1,980
Arnhem Land, Northern Territories	71	30	(55)	-	-	-	-	46
Bangladesh	-	119	(111)	(1)	-	-	-	7
Central Asia	-	858	(858)	-	-	-	-	-
Chad	7	72	(40)	55	(67)	-	-	27
Disaster relief	171	13	(22)	-	-	-	-	162
Fuel	-	1,011	(1,011)	-	-	-	-	-
Kenya	4	31	(39)	4	-	-	-	-
Liberia	156	126	(238)	230	(53)	-	-	221
Madagascar	3	223	(221)	-	-	-	-	5
MAF Technology services PNG	227	140	(149)	41	-	-	-	259
Mongolia	-	68	(65)	-	-	-	-	3
Myanmar	-	59	(41)	-	-	-	-	18
Nepal	49	16	(40)	-	-	-	-	25
Papua New Guinea	640	529	(466)	(20)	(248)	-	-	435
South Sudan	537	1,173	(1,103)	51	(538)	-	-	120
Staff costs	139	7,397	(7,404)	(38)	-	-	-	94
Tanzania	40	247	(239)	(8)	-	-	-	40
Timor-Leste	2	252	(242)	16	-	-	-	28
Uganda	23	456	(435)	(13)	(25)	-	-	6
Other aviation projects	495	1,253	(417)	8	(544)	-	-	795
Other locations and sundry projects	188	257	(310)	-	-	-	-	135
	<u>3,919</u>	<u>16,591</u>	<u>(13,543)</u>	<u>1,514</u>	<u>(4,075)</u>	<u>-</u>	<u>-</u>	<u>4,406</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**25. RESTRICTED FUNDS (CONTINUED)**

	Balances 1 January 2017 US\$,000	Incoming resources US\$,000	Expenditure US\$,000	Transfers US\$,000	Net tangible assets US\$,000	Revaluation US\$,000	Unrealised exchange (loss)/gain US\$,000	Balances 31 December 2017 US\$,000
Brought forward (page 32)	3,919	16,591	(13,543)	1,514	(4,075)	-	-	4,406
Net value of tangible assets:								
Aircraft	10,173	-	(363)	-	2,754	(186)	-	12,378
Land and buildings	2,390	-	(95)	(278)	737	-	-	2,754
Equipment and vehicles	372	-	(119)	(552)	584	-	(2)	283
	12,935	-	(577)	(830)	4,075	(186)	(2)	15,415
Total Restricted Funds	16,854	16,591	(14,120)	684	-	(186)	(2)	19,821
Restricted Funds - Charity only	13,286	12,143	(9,930)	944	-	(168)	-	16,274

Following a review of previously restricted assets and in accordance with the accounting policy 1n on page 20, assets with a net book value of \$830,000 (2016: \$703,000) 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 2017**

**26. NET ASSETS**

	Unrestricted funds		Restricted	Total	Total
	General	Designated	Funds	2017	2016
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets		36,372	15,415	51,787	48,414
Current assets	9,927	6,909	4,406	21,242	22,941
Long term assets	55	-	-	55	99
Current liabilities	(6,416)	-	-	(6,416)	(6,882)
Long term liabilities	(196)	-	-	(196)	(159)
Pension scheme liability	-	-	-	-	(591)
Deferred tax liability	(417)	-	-	(417)	(764)
	<u>2,953</u>	<u>43,281</u>	<u>19,821</u>	<u>66,055</u>	<u>63,058</u>

**27. DEATH-IN-SERVICE AND RETIREMENT BENEFITS**

**Defined benefit pension scheme**

MAF International provided for pensions for UK based employees through "The MAF Europe UK Pension Scheme". This is an insured scheme, which is invested with "Scottish Widows". It is a defined benefit scheme based on 1/60 of final salary for each year of service and was open to all employees. The scheme commenced on 1 January 2000. The last (triennial) actuarial report was prepared as at 1 January 2016. The scheme was closed to new members in December 2007 and closed for future accrual with effect from 29 February 2008.

A comprehensive actuarial valuation of the scheme was carried out at 31 December 2017 by the scheme's actuary. Adjustments to the valuation have been made based on the following assumptions:

	2017	2016
Discount rate	2.5%	2.6%
Retail price inflation	3.4%	3.7%
Salary increase rate	n/a	n/a
Limited Price Indexation	3.3%	3.5%
Deferred pension revaluation	<u>3.4%</u>	<u>3.7%</u>

The mortality assumptions used were:

	2017	2016
For a male aged 65 now	22.1	22.8
At 65 for a male member aged 45 now	23.5	24.6
For a female aged 65 now	23.9	25.1
At 65 for a female member aged 45 now	<u>25.4</u>	<u>27.0</u>

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Reconciliation of scheme assets and liabilities:

	2017	2017	2017	2016	2016	2016
	Assets	Liabilities	Total	Assets	Liabilities	Total
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
At 1 January	4,320	(4,911)	(591)	4,683	(4,443)	240
Interest income/(expense)	117	(132)	(15)	171	(158)	13
Assets (losses)/gains	688	-	688	(348)	-	(348)
Actuarial gains/(losses)	-	(83)	(83)	-	(667)	(667)
Contributions	127	-	127	171	-	171
Benefits paid	(53)	53	-	(357)	357	-
At 31 December	5,199	(5,073)	126	4,320	(4,911)	(591)

The scheme net asset of \$126,000 (£93,000) was not recognised in the financial statements in accordance with FRS102, as the directors believe it unlikely that the asset be recovered either through repayments to the Charity or reduced future contributions to the Scheme.

Total recognised in the Statement of Financial Activities:

	2017	2016
	US\$,000	US\$,000
Net interest (income)	(15)	(4)

The fair value of the plan assets is as follows:

	2017	2016
	US\$,000	US\$,000
Equities	2,823	2,200
Bonds	697	523
Gilts	784	684
Insured pensions	891	903
Cash	4	10
Total	5,199	4,320

**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 \$176,000 (2016- \$194,000).

MAF International in Asia Pacific makes contributions of 10% of annual salary for superannuation for all Australia-based employees totalling \$468,000 (2016 - \$419,000).

Pension and superannuation contributions for staff in other fields overseas totalled \$324,000 (2016 - \$266,000).

**28. TRUSTEES LIABILITY INSURANCE**

MAF International has arranged liability insurance for its Trustees and staff at a cost for the year of \$4,969 (2016 - \$6,020) 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 \$2,505 (2016 - \$2,913). 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 2017**

**29. SUBSIDIARY UNDERTAKINGS**

The charity has a number of subsidiaries as follows:

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

Blue Sky Aviation Company Limited (BSA), is a company registered in Mongolia, number 9019010030. 95% of the shares are held by MAF International and the remainder by Exodus Way Company Limited.

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

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

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

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

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

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

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

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

**MISSION AVIATION FELLOWSHIP INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**29. SUBSIDIARY UNDERTAKINGS (CONTINUED)**

The comparative results for 2016 are:

	MAF International (*) US\$,000	MAF International (in Australia) (*) US\$,000	MAF PNG Holding Ltd and MAF Papua New Guinea Ltd US\$,000	CRMF Inc. US\$,000	2017 Total US\$,000
Income	26,026	4,844	5,543	540	36,953
Expenditure	(19,581)	(8,807)	(7,276)	(547)	(36,211)
Other	(1,594)	(168)	321	(36)	(1,477)
Net movement in funds	4,851	(4,131)	(1,412)	(43)	(735)
Net Assets/ (Liabilities)	36,070	20,826	5,532	630	63,058

(\*) 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**

	2017 US\$,000	2016 US\$,000
Net income before other recognised gains and losses	2,856	741
Net interest income	(115)	(110)
Non-cash pension interest	15	(4)
Operating surplus	2,756	627
Depreciation of tangible assets	1,928	1,705
Impairment of tangible assets	379	(40)
Revaluation reserve transfer on disposal	(10)	-
Profit on disposal of tangible assets	(6)	(7)
Working capital movements		
Decrease in stocks	16	110
(Increase)/decrease in current and long term debtors	(453)	1,735
(Decrease) in current and long term creditors	(429)	(152)
Cash flow from operating activities	4,181	3,978