



Mission Aviation Fellowship UK
A company limited by guarantee, not having share capital
Company number: 3437446

Registered Charity Number 1064598 in England and Wales
Scottish Charity Number SC039107

Report and financial statements

for the year ended

31 December 2008

Contents

1-2	Message from the Chairman and Chief Executive
3	Report of the Trustees
	Public benefit
	Operational impacts –
	Responding to conflict
	Medical safaris
4	Relief and development
	Saving lives – now!
5	Carrying the Gospel
6	Airstrip development
7	Strengthening service in Sudan
	Objectives and activities
8-9	Strategies and significant activities
10	Future plans
11	Financial review
12	Reserves policy, investment powers and policy
	Structure, governance and management
	Appointment and training of Trustees
13	Trustee induction and training
	Related parties
	Internal controls and risk management
14	Risk management
15	Trustees' responsibilities in relation to the financial statements and provision of information to auditors
16	Legal and administrative information
17-18	Audit report
	Statement of financial activities
20	Balance sheet
21	Cash flow statement
22-28	Notes to the financial statements

Message from the Chairman and the Chief Executive

MAF has been greatly blessed by God in 2008 and it is only right that we should acknowledge His greatness. In a year that has seen many challenges, the whole team at MAF has looked to God for His help and found Him to be faithful.

Meeting the global fuel crisis

Perhaps the greatest single pressure in 2008 came from the extraordinary rise in the cost of fuel for our aircraft. The oil price rose from \$80 per barrel in January to \$150 per barrel in July. Although it has now fallen back from these levels, the cost of aviation fuel has remained stubbornly high in the areas of the world in which we operate.

After much prayer and seeking God's wisdom, MAF UK launched an appeal to our Supporters asking them to help meet the additional costs that we faced as a consequence of these rising fuel prices. We were overwhelmed by the response as our Supporters donated £1,430,000 to this appeal. On behalf of the whole MAF family, we extend our heartfelt thanks to all who contributed so generously.

Standing with people afflicted by conflict

MAF worldwide also faced the difficulties of civil unrest and war in several countries in which we operate, including Kenya, Chad and Sudan. We are thankful to God for the safety of our staff and our aircraft in these turbulent times, and that MAF flights brought relief and help to many people whose lives had been threatened and blighted by conflict.

Responding to disasters

MAF has often been one of the first organisations to arrive in affected areas, flying in teams to assess the damage and commence the huge task of rebuilding communities. As Bangladesh has begun to rebuild from the effects of cyclone *Sidr*, our work was multiplied through a grant from DfID for which we are very grateful. We have also been able to respond to natural disasters in other countries.

Multiplying ministry

MAF works in partnership with over 1,000 relief, aid and mission organisations in more than 35 developing countries, enabling them to reach and help more people, more quickly than could be achieved without the use of aircraft. In this way, we live out our vision to see isolated people physically and spiritually transformed in Christ's Name. Our ability to serve even more communities has been enhanced during 2008 by the opening of 20 new airstrips around the world.

Providing resources

During 2008 we give thanks to God for:-

- An increase of 15% in the income of MAF UK to £10.5 million (2007: 4.9% £9.2million)
- An additional 9,900 in our UK Supporter base (2007: 9,700)
- Two new families joined MAF UK (commencing or preparing for service with MAF overseas)
- Our second annual Day of Prayer under the banner *Your Kingdom Come*

These achievements also reflect the dedication and hard work of all of our Staff, Volunteers and Supporters, to whom we extend our warmest thanks.

Facing challenges with prayer

The dangers faced daily by MAF's pilots were brought home to us all by the recent tragic loss of pilot Hadleigh Smith in an accident in Australia. Our thoughts and prayers are with his family, but this serves as a reminder that we need your constant prayer support.

The economic difficulties facing the whole world may present many people with further challenges in the year ahead. But we have confidence in our great God. We pray that His work, through MAF, will continue to bring blessing in 2009.

Yours in Christ

John Quin
Chairman

Ruth Whitaker
Chief Executive

Report of the Trustees for the year ended 31 December 2008

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Trustees, who are also Directors of Mission Aviation Fellowship UK (MAF UK) for the purposes of the Companies Act, have pleasure in presenting the Report and Accounts for the year ended 31 December 2008. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2005) 'Accounting and Reporting by Charities' issued in March 2005 in preparing the Annual Report and financial statements of the charity.

Public benefit

The trustees of MAF UK confirm that they have had regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. As illustrated in this Trustees' Report, MAF UK supports the worldwide work of MAF, which aims to benefit people 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 due, for example, to flooding or security issues. The fleet of light aircraft take Christian workers, emergency teams, healthcare professionals and supplies into these remote areas more quickly and efficiently than by any other means. As a result, MAF's 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.

Operational impact

The purpose of MAF UK is to support the worldwide work of Mission Aviation Fellowship in providing a flying service supporting partner organisations serving people in remote areas of the developing world.

The following brief reports provide examples of MAF's work in the Africa and Asia/Pacific regions:

Responding to conflict

In Kenya, following the eruption of post-election violence, MAF received an endless stream of emergency calls. In the first 2 days, MAF evacuated 75 Kenyans from Eldoret, Kisumu, Kitale and Homa Bay. With fresh flare-ups at the end of January, flights continued all day to and from the Rift Valley, rescuing 50 Kenyans from serious danger. In total, we flew 508 passengers on emergency flights in Kenya in the first 40 days of 2008.

Medical safaris

In May, our services in Chad restarted, following the return of staff evacuated in February. Part of that service is the provision of medical safaris.

The extra impact of MAF flying medical teams to remote communities such as Gama, Bembare, Kimre and Koblague is that more valuable time can be devoted to delivering medical care to patients, and to training local nurses. Dr Ann Fursdon is one such medical team leader in Chad. The extra time spent training clinic nurses leads to higher levels of care and clinic management, resulting in significantly improved community health.

On each medical safari, villagers warmly welcome the team. Dr Fursdon sees patients without delay and works well into the night using her head torch for examinations and writing prescriptions.

In Tanzania, Kilimatinde medical safaris are conducted on a monthly basis. In Chidudu, a long queue of mothers waiting in the midday sun with their young children to be weighed, vaccinated or seen by the doctor is a sobering sight. How many of them will make it to their first or fifth birthdays? Their chances are higher as a result of the monthly flights bringing in medical teams.

Relief and development

MAF continued assisting partners in Bangladesh working to rebuild homes, where 1½ million people were left homeless by cyclone *Sidr*. With our ongoing flight support, Habitat for Humanity and Christian Aid Ministries were able to work in the remote village of Mirzaganj where 3,000 houses had been totally destroyed.

Sue McIntyre, USAID/OFDA Regional Advisor in South Asia, expressed her gratitude for our service from Dhaka:

‘I wish to thank you for the superb support. Your role in delivering not only aid materials but more importantly transporting critical staff during the difficult first weeks and months following the cyclone resulted in the development of informed and appropriate relief programmes.’

The relief work that is required following natural or man-made disasters often takes years. In Uganda, our planes continue to support front-line teams who in turn provide support and hope to people internally displaced since 2005. Medair works in the areas of Patongo (where 87,000 people had sought refuge), Adilang, Laponi, Lukole and sometimes in Omot. Their work ranges from establishing clean water supplies and sanitation to tackling psychosocial problems and organising counselling sessions with orphans, former child soldiers and children who are themselves heads of families.

With the fighting now over, people are beginning to disperse from the camps. In response, Medair’s emphasis has involved greater community participation. They use community action to encourage hygiene, and target families headed by a child. Although camps are becoming less crowded, Medair still relies heavily on our aircraft for support. Until life returns to normal for the thousands who remain, MAF continues to be a lifeline for them.

Saving lives – now!

Whereas all MAF’s flights are under the banner *Flying for Life*, medical emergency flights save lives – now! With most emergencies, the individual concerned is likely to die within days, if not hours, and getting the person promptly to a location where they

can get the medical care they need becomes an overriding priority. Across the globe, our planes are frequently called upon for medical emergency flights.

Two young boys in Madagascar, Todisoa and Rakotozafimimahaleo, had exposed hernias. Without surgery both would die. MAF flew them to the capital Antananarivo. National and expatriate mission staff bore the hospital costs themselves. Twenty days later, the boys were flown home, both having recovered.

‘Saving these young lives alone made it worth building the new airstrip in Sahakevo.’
Jakob Adolf, MAF Country Director in Madagascar

In Kenya, pilot Derek Reeh was called upon at 9pm to fly to Uganda and evacuate a critically-ill patient with kidney failure. Derek writes:

‘By the time I arrived in the MAF hangar at Wilson Airport some 40 minutes later, the ICAA aircraft preparation team had arrived and, together with our operations staff, were configuring the passenger cabin of one of our Caravans to turn it into an air ambulance and mobile intensive care unit.

While some of our team carried out the refuel, Douglas Kimanathi, our operations manager, and I drove out on the airfield to inspect the runway and place the lamps at suitable points at the edge.’

Out-of-hours teamwork and commitment resulted in an MAF service throughout the night to collect the patient and transport him safely and swiftly to Nairobi, where an ambulance met the plane and rushed the patient to hospital. The patient was discharged a few weeks later and returned to Kampala – this time in a seat, not a stretcher, and on Kenya Airways, not an MAF air ambulance.

In Bangladesh, MAF flew five-year-old Salamaye from an orphanage on Bhola Island to Dhaka. Two years earlier, Salamaye had broken a leg but, when it was reset, the bone became infected and later rotted. At the hospital in Dhaka, surgeons removed bad segments of the bone and implanted pins to knit the bone sections together correctly.

On a separate occasion in Bangladesh, we flew to assist a partially paralysed woman who had delivered twins prematurely at only 29 weeks. All three were in a very serious condition. Our plane was nearby and sped to Barisal Airport to rush the family to Dhaka, where it received priority clearance to land. Only by the grace of God was a MAF plane so close that day and available to respond immediately.

Carrying the Gospel

MAF flights provided essential support to Aid Sudan, whose main focus is church work – training Sudanese and Ugandan pastors and helping them to help the people. Their approach includes ‘chronological Bible story’, which fits well with the Sudanese oral tradition. Aid Sudan meets physical needs alongside spiritual needs, including establishing wells, training teachers and teaching hygiene. Four times a year, teams go into three different locations to progress projects in remote areas.

‘MAF flies the teams in, wherever they need to go, no matter what it takes.’
Kerry Henderson, Aid Sudan

In Tanzania, we continued to fly evangelistic teams, working together from a number of churches in Dodoma, now able to meet people far from the towns in several destinations. These teams often accompany medical safaris which generate a lot of interest, drawing people from across the surrounding area so there is a natural gathering of people to speak and witness to. Ruth Kambenga is heavily involved with the evangelistic work. One destination is Mahaka.

'With the plane, I can spend a whole day each month at Mahaka without neglecting my family. I know God has called me to tell the Good News in Mahaka. It has made a huge difference in the community there.'

Ruth Kambenga, evangelist

When Ruth first visited Mahaka, 3 very small churches totalled 30 members. Now there are more than 200 Christians in the community.

In Mongolia, Laura Westley flew trainers to Ulaangom for a leadership course. The 100 delegates assumed their training would endorse 'being in charge'. They were amazed at the 'servant leader' concept. In Mongolia, Christianity is seen as autocratic and domineering, but these delegates have seen Christianity in action.

'I remember well when UK Christians were asked to pray for and fund an aircraft for MAF in Mongolia. Some 12,000 responded enthusiastically, enabling the *Millennium Messenger* to go into action. Now I can tell you that countless lives have been reached and touched by this aircraft and the people we fly.'

Laura Westley, MAF pilot

Our team in Madagascar provides flights for school Bible study leaders to travel to Mananara, where secondary school students receive Bible teaching. Four groups meet in three different schools, providing up to two hours of Bible study, as well as some special training and follow-up for those who make a commitment to Christ. In the last year, an average of 72 students have attended these Bible studies, with 14 becoming Christians. As there is no leader based in Mananara, leaders have to travel from other parts of Madagascar, some of whom are students at the University of Toamasina.

In Papua New Guinea, 2008 saw the completion of an 18-year project by Wycliffe Bible Translators to translate the New Testament into the Bimin language. Having provided air support to the Wycliffe team over the years, MAF staff were invited to attend the dedication and celebrations in November, flying in other guests as well. Towards the end of the celebrations, people who had assisted with the translation came forward to receive their copy of the New Testament.

Airstrip development

Jakob Adolf, our Country Director in Madagascar, regards airstrips as an 'open door' into areas that are otherwise inaccessible. Many new 'doors' are opening through runway development.

Partnering HoverAid, our team in Madagascar is helping to establish medical outreach to the remote village of Ankavandra. The community has given land for HoverAid to build a base to serve people right along the Manambolo River. Our team will build an airstrip closer to the village, as the current strip is unusable when the

river is high. After an initial visit to survey land for a new airstrip, Jakob reported, 'I have seldom seen a village welcome us with open arms like the people from Ankavandra.' Joining the survey trip was an agricultural expert, a doctor, a nurse practitioner and the highest ranking Malagasy general, visiting to control an escalating cattle raiding problem. We pray that work can soon begin on building the airstrip to enable regular healthcare provision for the villagers of Ankavandra.

At Marolambo, a team worked on completing the bitumen sealing coat to the existing runway.

The landing strip at Derre, central Mozambique, was cleared for the first time for MAF to land there in October. Trees were chopped down, grass cut and the surface compacted for future use. This is particularly good news for Boa Nova Para Africa ("Good News for Africa"), who are based in Derre and use our shuttle service from South Africa to run their church leadership training and evangelism.

Our team in Uganda began the planning and surveying for an airstrip on Buvu, one of the Ssesse Islands in Lake Victoria. The island community is very excited about the venture. MAF representatives met with local councillors, the Chief of Police and members of the local community before surveying the potential landing strip.

Strengthening service in Sudan

Significant human effort in oppressively hot temperatures has enabled substantial development of the MAF compound and sub-base in Sudan so that we can more effectively serve the NGOs including World Vision, Food for the Hungry, Medair and ADRA who have a big presence in Juba. With the stationing of one of our aircraft there, a pilot has now permanently joined the Juba-based team.

'The word is quickly spreading among the churches, and the busy schedule of NGO flights has been regularly interrupted by the increasing number of flights for Sudanese pastors.'

Stefan Hageneier, MAF pilot

A flight returned ten pastor students of the Africa Inland Church from Juba to their home area around Lekongole, where the village community and immediate and extended families were waiting for them. Having been gone for more than eight months, the joy about their return was expressed in dancing, singing, hugging and tears. The area in which they live is inaccessible by road for six to eight months every year.

Other flights to hospitals in Juba have also transported several people with gunshot wounds, a young child with severe pneumonia, and a young mother with late pregnancy complications.

Objectives and activities

Charity aims

MAF UK has the objective of supporting the work of mission aviation, churches, missions and relief and development agencies so that the love of Christ is shared by word and practical means. The principal operational activity of MAF continues to be the provision of a subsidised aviation service in parts of the world where surface

travel is impossible or very difficult, by flying people safely, by linking people with information quickly and easily, and by supplying goods and services economically and efficiently. MAF's services are given by Christians who use their skills in aviation and other fields to work with national churches, relief and development agencies, missions, hospitals and governments to meet the most pressing of human needs.

Objectives for the year

Our objectives for 2008 were focused on increasing the awareness of MAF's work among the UK Christian public in order to recruit new Supporters, encourage prayer support and increase fundraising income and the number of pilots, engineers and other professionals serving overseas.

Specifically the objectives included:

Objectives 2008	Target	Achieved
Total income	£9.4m	£10.5m
Papua New Guinea aircraft appeal	Launch '08	Deferred*
Website development	Launch '08	Launch early '09
MAF Worldwide Day of Prayer	October	October
Recruit overseas staff (new)	5	1
Recruit overseas staff – for pre-field training	1	1

* Given the need to make a special appeal for fuel, the plane project was put on hold.

Strategies and significant activities to achieve objectives

To meet the ever-growing needs of MAF's overseas operations, it is vital that we continue to expand our Supporter base here in the UK.

Initiatives to encourage new Supporters during 2008 included:

- Volunteers visiting churches and other groups in their local area
- Staff and Volunteers attending Christian events and airshows.

Volunteers raise the profile of MAF by speaking at churches and other groups, as well as seeking ways to engage local people to support the work through prayer. 2008 saw an increase in the Volunteer team across all regions.

Volunteer Numbers		2008	2007
Area Reps	England and Wales	100	80
	Scotland	51	35
	Northern Ireland	13	9
Church Reps	England and Wales	300	180
	Scotland	159	146
	Northern Ireland	124	70
Prayer Group Leaders	England and Wales	51	47
	Scotland	25	23
	Northern Ireland	8	6

The number of meetings taken at churches and other groups also showed an increase. Northern Ireland showed an increase of over 60%.

Also in 2008, new Prayer Groups were started in all regions across the UK.

The MAF Roadshow, in its second year with the MAF trailer, was very active in 2008 attending more than a dozen events including the Farnborough International Airshow. This event enabled us to promote the work of MAF to a much larger audience. In one day, over 800 people visited the trailer. We are delighted to have been invited back to Farnborough in 2010.

- in Scotland

In Scotland, the continued emphasis for 2008 was the *Scotland's Operation Sudan* (SOS) project. In the first two years of the three-year project, through the efforts of the Volunteer team, we have exceeded our agreed financial support of £40,000. Thus we are on target to facilitate flights in excess of 360,000 miles, taking life-saving aid to many remote parts of Sudan.

It was indeed an encouraging year and we saw 1,521 more people (2007: 1,462) in Scotland agreeing to pray for MAF, and to receive our *Prayer Diary* and *MAF News*.

As the demands for MAF flights increase, we need to recruit more Volunteers who would take our message to the Christian community. By the end of 2008, we saw an increase in our number of Area Representatives in Scotland.

The Trustees would like to thank all the Volunteers for the much appreciated time and effort they continue to devote to God's work through MAF UK.

- across the UK

While we were experiencing dramatic increases in the price of fuel at filling stations in the UK, there was one of even more rapid escalation in the isolated locations in which we serve. The cost of aviation fuel reached over £8 per gallon in places, with some fuel costing 50% more than anticipated.

Our fuel appeals to Supporters in September and October prompted the most wonderful response. Letters of prayer support and encouragement as well as gifts of £1,430,000 were received.

Additionally, our regular communications (now received by over 66,000 [2007: 64,000] individuals and churches) continued to encourage our Supporters and Volunteers by demonstrating the impact our ministry has on those we serve. We praise the Lord that these activities generated over £2,200,000 (2007: £2,250,000) of income for use where the need is greatest.

Focus groups with Supporters and Volunteers have given us a greater understanding of people's motivations and attitudes towards legacy giving and have led to the development of a number of new initiatives. We acknowledge with gratitude the vision of the 141 Supporters whose prayerful consideration of MAF in their Will meant that our legacy income in 2008 was £1,579,000 (2007: £1,707,000).

On 5 October, Supporters in churches around the UK joined together with members of their own church in praying for MAF's ministry as part of our second annual Day of Prayer. A total of 425 churches requested a pack of materials for use on the day to motivate and facilitate prayer from 16,270 people in their fellowships. More than 600 individuals also requested a personal prayer pack.

- youth

During 2008, MAF UK recruited a Youth Manager to develop a strategy to inspire young people with MAF's work and to develop a life-long relationship between them and MAF.

- international staff

During 2008, MAF UK expanded advertising for our overseas recruitment. We sent out 300 recruitment packs to interested enquirers. Three Enquirers Days were held at various locations, and we have seen several enquirers move through to the application stage from these events. Hopefully, these applicants will become staff in 2009.

We give thanks for all the overseas staff families, some of them very long-serving, who moved on to other areas of ministry in 2008 having completed their service with MAF.

Future plans

Millions of people live in poverty; 2.5 billion survive on less than £1 per day. It is estimated that over 880 million have no access to safe water, 77 million children are growing up without basic education. Every year, 1.3 million people die of malaria. Many live in isolated and remote regions of the world.

Aid and development agencies, Christian missions and churches continue to strive to bring relief, to educate and to improve the quality of life for whole communities. MAF helps make this possible in some of the most inaccessible places. Our goals include being positioned and equipped to meet these needs in current countries of operation and in some new locations.

The objectives of MAF UK for 2009 reflect the need to continue and further support these overseas operations:

- developing plans to raise the profile further in the UK, telling people about the life-changing work of MAF – to aid recruitment of skilled staff for overseas as well as Supporters in the UK
- launching *Above and Beyond* – a programme that appeals to younger Supporters who will then develop a life-long allegiance to MAF
- raising income to support the growing overseas operations, particularly to complete certain major capital projects and to contribute to aircraft fleet renewal
- working together across MAF worldwide to improve efficiency and enhance effectiveness for the furthering of our joint vision.

Financial review

Five-year history					
Income and expenditure £000	2004	2005	2006	2007	2008
Income					
Unrestricted donations	4,416	4,656	5,269	5,441	5,606
Legacies	841	1,085	1,676	1,707	1,579
Investment income	112	117	157	209	135
International staff support	602	803	782	892	900
Other restricted income:					
Aircraft	592	1,300	311	242	25
Fuel	2	16	3	1	1,430
Other	409	671	532	663	857
Total income	6,974	8,648	8,730	9,155	10,532
Expenditure					
Cost of generating voluntary income	1,367	1,619	1,658	1,797	2,028
Charitable activities – <i>from income</i>	5,589	6,130	6,017	6,232	7,721
Charitable activities – <i>from restricted reserves</i>	11	-	-	342	-
Charitable activities – <i>from designated reserves</i>	-	769	-	*2,089	-
Charitable activities – total	5,600	6,899	6,017	8,663	7,721
Governance costs	90	33	48	21	23
Total expenditure	7,057	8,551	7,723	10,481	9,772
Net incoming/(outgoing) resources	(83)	97	1,007	(1,326)	760
<i>Net incoming/(outgoing) resources excluding charitable activities funded from designated reserves</i>	<i>(83)</i>	<i>866</i>	<i>1,007</i>	<i>763</i>	<i>760</i>

The costs for 2004 are based on the figures presented in the accounts for those years. No attempt has been made to re-analyse them according to SORP 2005 as the Charity considers that the costs would outweigh the benefits of redoing the calculations.

* This substantial sum was used to fund projects in addition to the budget.

We give thanks that total income grew by more than 15% (2007: 4.9%).

Page 19 sets out the Statement of Financial Activities for MAF UK for the year. The income for the year (Total Incoming Resources) was £10.5m, of which 99% was voluntary income including restricted gifts (2007: £9,155,000; 98%).

The benefits of tax-efficient giving were again increased through the securing of a further 3,181 Gift Aid Declarations during 2008 (2007: 3,942), bringing the total number of ongoing Declarations to 32,608 (2007: 29,427). Tax claimed on 2008 gifts amounted to £824,723 (2007: £750,154).

Investment income fell from £209k to £135k mainly as a result of the lower cash holdings following the extra grants made out of reserves in 2007, but also as a result of the lower rates of interest that are affecting everybody.

To redress the growing operational deficit that was the result of the ever increasing aircraft fuel prices, a special appeal was launched in September. Together with a follow-up appeal, more than £1.4 million was raised, in spite of the economic circumstances facing us all. We continue to be blessed by the loyalty and generosity of our Supporters.

During the year, the sum of £1,391,000 (note 4) was paid in staff support to 36 staff (note 5) (individuals/families) from the UK serving overseas (2007: £1,643,000 to 40 staff individuals/families).

In addition, unrestricted grants of £2,758,000 (note 4) and restricted income of £2,325,000 (note 13) totalling £5,083,000 were passed to sister MAF groups worldwide, primarily to assist in the provision of mission aviation (2007: £5,930,000 [unrestricted grants of £5,012,000 which included £2,410,000 from reserves and restricted income of £918,000]).

The assets and liabilities of MAF UK are set out in the Balance Sheet (page 20). All of the assets were used directly in the charitable purpose or in a support capacity.

'Financial Instruments' are those assets and liabilities of a charity that can be impacted by a third party (eg bank deposits, investments, overdrafts, loans, trade creditors etc). At the Balance Sheet date, financial instruments included bank deposits and trade creditors. Trade creditors are paid within 30 days, unless the supplier's payment-terms are less favourable.

The Trustees have put in place designated reserves (see below) to provide adequate assurance in respect of liquidity and operational cash flows.

Reserves policy

It is the Board's policy to reserve sufficient funds to ensure the ongoing operations of MAF UK. These include a Base Reserve to withstand peaks and troughs in cash flows. Additionally, other designated funds may be created by the Board to help ensure MAF UK's effectiveness. During the year, a review of risks and reserves was undertaken and the recommended changes have been implemented. The main change was to enlarge the Base Reserve further in these times of extreme economic uncertainty. Details of all the designated funds are set out in note 12.

At the year end, all the reserves were in line with the policy.

Principal funding sources

Voluntary donations remained the principal source of funding, providing some 99% (2007: 98%) of total incoming resources. Of this, legacy income amounted to 15% (2007: 19%).

Investment powers and policy

The investment powers of the Trustees are as set out in the Memorandum of Association.

The main additions to fixed assets in the year are detailed in note 7.

Structure, governance and management

Governing document

MAF UK is a charitable company limited by guarantee and a registered charity. It is governed by a Memorandum and Articles of Association dated 15 September 1997 and revised in October 2007. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Appointment of Trustees

During the year, the Board welcomed John Steel QC as new Trustee and Member. The Revd Anthony Buckley left the Board in July and Roger Mitty in December. The Board was very grateful for their wisdom, skill and considerable contribution over the years. The Board is delighted that Roger Mitty will continue his involvement with MAF UK in the role of Special Adviser.

The Trustees are elected by the Board.

The number of Trustees may not be less than three, but is not subject to any maximum.

One third of Trustees retire at each AGM whether by retirement or rotation. Board decisions are made by majority vote.

The number of Members may not be less than two. The Trustees approve membership.

Trustee induction and training

In the Trustee induction programme, new Trustees are provided with the Governance Manual containing items such as the Memorandum and Articles and recent annual and management accounts as well as a copy of The Good Trustee Guide. 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 UK operates.

From time to time, the Board will invite 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.

Organisational structure

The Trustees meet four times a year and are responsible for the strategic direction and good governance of the charity. During the year, the Board governance was further reviewed and now includes the following subcommittees:

- Finance and Fundraising Subcommittee
- HR Subcommittee

The Board has put in place a Governance Manual which brings all the relevant laws and regulations into one place, which will help to enable the Board to comply fully with the Code of Good Governance.

Day-to-day responsibility for the charity's operations is delegated to the Chief Executive and the Senior Management Team.

Related parties

MAF UK has two subsidiaries, both of which are dormant.

MAF UK is a member of MAF International, which is an association of operational and resourcing MAF groups around the world.

Internal controls

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

They are also responsible for keeping proper accounting records which 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 1985.

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.

Risk management

The Trustees have, with advice from their auditors, introduced a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing them. As part of this process, the Trustees have reviewed the adequacy of the charity's current internal controls. The Trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

In addition, the Trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although this is not mandatory for the charity it should, as a public interest body, adopt these guidelines as best practice. Accordingly they have:

- set policies on internal controls which cover the following:
 - § consideration of the type of risks the charity faces
 - § the level of risks which they regard as acceptable
 - § the likelihood of the risks concerned materialising
 - § the charity's ability to reduce the incidence and impact on the business of risks that do materialise
 - § the costs of operating particular controls relative to the benefit obtained.
- clarified the responsibility of management to implement the Trustees' policies and to identify and evaluate risks for their consideration
- communicated to employees that they have responsibility for internal control as part of their accountability for achieving objectives
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment
- included procedures for reporting exceptions immediately to appropriate levels of management and the Trustees together with details of the corrective action to be undertaken.

The major risks are assessed as those most impacting on our fundraising capabilities:

- interruption to postal gift income stream through industrial action
- interruption to gift processing through potential catastrophe
- reputation risk.

Trustees' responsibilities in relation to the financial statements

Company law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make sound judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will not continue in business.

Provision of information to auditors

In the case of each of the persons who are Trustees at the time when the Trustees' report is approved, the following applies:

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Legal and administrative information

Trustees

John B Quin FCMA	Chairman
Roger Mitty MIPA MInstF (01.01.08 - 18.12.08)	Vice-chairman
Alan R Devereux CBE DL	
Andrew Cunningham MSc BSc (Hons)	
Elizabeth Ann Saunders FCIPD BA (Hons) Oxon	
Revd Canon Anthony Buckley MA (Oxon) (01.01.08 - 01.07.08)	
Dr Ian Harnett DPhil (Oxon)	
Stephen Lockley FCA BSc (Hons)	
John Steel QC (from 01.07.08)	

Members

All Trustees are also Members.

Chief Executive

Ruth Whitaker BEng (Hons)

Company Secretary

Alex Finlow FCA MSc

Registered Office and principal address

1st Floor, Castle House, Castle Hill Avenue, Folkestone CT20 2TN

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom KT17 1HS

Principal Bankers

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

Solicitors

Girtings, Europa House, 49 Sandgate Road, Folkestone CT20 1TD

Company information

Company number 3437446

Registered charity number in England and Wales 1064598 and in Scotland (SC039107)

Website: www.maf-uk.org

Date of Incorporation 16 September 1997

Auditors

A resolution proposing that BDO Stoy Hayward LLP be re-appointed as auditors of the charity will be put to the Annual General Meeting.

Approved by the Board and authorised for issue on 10 March 2009.

John Quin (Chairman)

Report of the Independent Auditors to the members of Mission Aviation Fellowship UK

We have audited the financial statements of Mission Aviation Fellowship UK for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the Directors of the company for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 1985 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper and sufficient accounting records, if the charity's statement of account is not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and the Charities and Trustee Investment (Scotland) Act 2005 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or the Charities and Trustee Investment (Scotland) Act 2005 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and

judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

BDO Stoy Hayward

Chartered Accountants and Registered Auditors

Eligible to act as an auditor in terms of section 25 of the Companies Act 1989

Epsom

Date: 10 March 2009

Statement of Financial Activities

(incorporating an Income and Expenditure Account)

for the year ended 31 December 2008

		2008			2007			
		Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000	
Incoming resources		Note						
Incoming resources from generated funds:								
Voluntary income								
	Donations	5,606	2,312	7,918	5,441	906	6,347	
	International staff	-	900	900	-	892	892	
	Legacies	1,566	13	1,579	1,695	12	1,707	
		2	7,172	3,225	10,397	7,136	1,810	8,946
	Investment income	3	135	-	135	209	-	209
Total incoming resources		7,307	3,225	10,532	7,345	1,810	9,155	
Resources expended								
	Cost of generating funds	2,028	-	2,028	1,797	-	1,797	
	Charitable activities	4,505	3,216	7,721	6,505	2,158	8,663	
	Governance costs	23	-	23	21	-	21	
	Total resources expended	4	6,556	3,216	9,772	8,323	2,158	10,481
Net incoming / (outgoing) resources		751	9	760	(978)	(348)	(1,326)	
Net movement of funds		751	9	760	(978)	(348)	(1,326)	
Reconciliation of funds								
	Total funds brought forward	12	3,170	128	3,298	4,148	476	4,624
	Total funds carried forward	3,921	137	4,058	3,170	128	3,298	

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The result for the year for Companies Act purposes was a surplus of £760,000 (2007 loss: £1,326,000) comprising the net incoming resources for the year plus realised gains on investments.

The notes on pages 22 to 28 form an integral part of these financial statements

Balance Sheet

as at 31 December 2008

	Note	2008			2007		
		Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Fixed Assets							
Tangible assets	7	43	-	43	32	-	32
		<u>43</u>	<u>-</u>	<u>43</u>	<u>32</u>	<u>-</u>	<u>32</u>
Current Assets							
Debtors	8	1,110	-	1,110	1,262	-	1,262
Short term deposits		1,748	137	1,885	2,571	128	2,699
Cash and bank		1,660	-	1,660	107	-	107
Total current assets		<u>4,518</u>	<u>137</u>	<u>4,655</u>	<u>3,940</u>	<u>128</u>	<u>4,068</u>
Current liabilities							
Creditors	9	640	-	640	802	-	802
Net current assets		<u>3,878</u>	<u>137</u>	<u>4,015</u>	<u>3,138</u>	<u>128</u>	<u>3,266</u>
Total assets less current liabilities		<u>3,921</u>	<u>137</u>	<u>4,058</u>	<u>3,170</u>	<u>128</u>	<u>3,298</u>
The funds of the charity:							
Base Reserve	12	2,979	-	2,979	1,470	-	1,470
Other Designated	12	942	-	942	1,700	-	1,700
Total unrestricted income funds		<u>3,921</u>	<u>-</u>	<u>3,921</u>	<u>3,170</u>	<u>-</u>	<u>3,170</u>
Restricted funds	12/13	-	137	137	-	128	128
Total funds		<u>3,921</u>	<u>137</u>	<u>4,058</u>	<u>3,170</u>	<u>128</u>	<u>3,298</u>

Approved by the Board on 10 March 2009

Chairman:

The notes on pages 22 to 28 form an integral part of these financial statements

Cash Flow Statement

for the year ended 31 December 2008

		2008	2007
		£000	£000
Reconciliation of changes in resources to net cash inflow from operating activities	Page / note		
Net incoming / (outgoing) resources	page 19	760	(1,326)
Less: Investment income	note 3	(135)	(209)
		625	(1,535)
Depreciation charges	note 7	32	41
Decrease / (increase) in debtors		152	(3)
(Decrease) / increase in creditors		(162)	498
Changes in resources		22	536
Net cash inflow / (outflow) from operating activities		647	(999)
CASH FLOW STATEMENT			
Net cash inflow / (outflow) from operating activities		647	(999)
Returns on investments and servicing of finance:	note 3	135	209
Capital expenditure and financial investment:			
Purchase of tangible fixed assets	note 7	(43)	(16)
Cash inflow / (outflow) before increase in liquid resources		739	(806)
Management of liquid resources			
Decrease in short term deposits		814	821
Increase in cash		1,553	15
Reconciliation of net cash inflow to movement in net funds			
Increase in cash in the year		1,553	15
Cash (inflow) from (decrease) in liquid resources		(814)	(821)
Change in net funds resulting from cash flows		739	(806)
Balance brought forward 01.01.08		2,806	3,612
Net funds as at 31.12.08		3,545	2,806
Analysis of net funds	Balance	Cash	Balance
	01.01.2008	Flows	31.12.2008
Cash in hand, at bank	107	1,553	1,660
Short-term deposits	2,699	(814)	1,885
	2,806	739	3,545

The notes on pages 22 to 28 form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 December 2008

1. Accounting policies

In preparing the financial statements, the charity has adopted Statement of Recommended Practice (SORP 2005). As well as following applicable accounting standards, the financial statements are based on the following policies:

(a) Basis of accounting

The financial statements have been prepared on the historical cost convention, with the exception of investments which are included at market value.

(b) Basis of consolidation

The accounts incorporate the financial statements of the charity only as its subsidiary undertakings have immaterial assets and do not trade.

(c) Funds

- General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes
- Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund where material.

(d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Incoming resources arise solely within the UK.

(e) Resources expended

- 'Cost of generating funds' comprises all services supplied centrally identifiable as wholly or mainly in the support of generating income for this and future periods and include a proportion of central overhead costs
- 'Charitable activities' includes all costs associated with our international staff (based overseas), direct (grants) and indirect costs of our overseas operations, and the costs associated with informing and educating our Supporters here in the UK about our work

Notes to the Financial Statements for the year ended 31 December 2008

- 'Governance costs' represent those costs which relate to the management of the fellowship's assets, organisational administration and compliance with statutory and constitutional requirements
- As shown in note 4, support department costs are allocated to the above headings on the basis of pre-apportioned cost allocations.

(f) Foreign currencies

Foreign currencies have been translated to sterling as follows:

Current assets and liabilities	- rate as at 31 December
Other amounts	- rate at time of transaction

All differences are charged to the SOFA.

(g) Depreciation

Assets with a useful economic life of more than one year and a value in excess of £500 are capitalised.

Depreciation on assets is calculated as follows:

Equipment and vehicles: charged to write off the expenditure over its expected useful life at 33.33% of the cost per annum.

(h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

(i) Pensions

MAF UK operates a 10% non-contributory defined contribution scheme for its employees. The contributions are paid monthly as they fall due.

(j) Transfers between funds

Transfers between the Base Reserve and other designated funds are in line with the policies as set out in note 12.

Notes to the Financial Statements
for the year ended 31 December 2008

	2008	2007
2 Donations	£000	£000
Individuals (excluding legacies)	7,356	5,872
Churches	1,046	789
Trusts	322	258
Other	94	320
Legacies	1,579	1,707
	<u>10,397</u>	<u>8,946</u>

3 Investment income

Interest receivable	135	209
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	2008	2007				
4 Total resources expended	Unrestricted £000	Restricted £000	sub - total £000	Apportioned £000	Total £000	Total £000
Cost of generating funds:						
Voluntary income	1,478	-	1,478	170	1,648	1,460
Donor acquisition	341	-	341	39	380	337
Investment management	-	-	-	-	-	-
	<u>1,819</u>	<u>-</u>	<u>1,819</u>	<u>209</u>	<u>2,028</u>	<u>1,797</u>
Charitable Activities:						
International staff	500	891	1,391	159	1,550	1,782
Overseas operations *	2,872	2,325	5,197	594	5,791	6,543
Information and education	341	-	341	39	380	338
	<u>3,713</u>	<u>3,216</u>	<u>6,929</u>	<u>792</u>	<u>7,721</u>	<u>8,663</u>
Governance costs	21	-	21	2	23	21
Support departments						
Management and Personnel	435	-	435	(435)	-	-
Finance and Administration	568	-	568	(568)	-	-
	<u>1,003</u>	<u>-</u>	<u>1,003</u>	<u>(1,003)</u>	<u>-</u>	<u>-</u>
	<u>6,556</u>	<u>3,216</u>	<u>9,772</u>	<u>-</u>	<u>9,772</u>	<u>10,481</u>

Overseas operations * grants	2,758	5,012
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Direct costs are allocated to the expenditure categories on the basis of estimated useage.

Support department costs are apportioned on the basis of pre-apportioned cost allocations.

Other costs include:

Audit fees	16	16
Operating lease rentals:		
Land and buildings	104	86
Vehicles	10	17

Grants totalling £2,758,000 (2007: £5,012,000, including £2,410,000 from reserves) were made during the year to institutions, MAF UK's sister charities; MAF Europe £2,758,000 (2007: £3,491,000, £1,210,000 from reserves) and MAF Australia £0 (2007: £1,200,000, £1,200,000 from reserves).

**Notes to the Financial Statements
for the year ended 31 December 2008**

	2008	2007
	£000	£000
5 Staff costs		
Wages and salaries	2,182	2,141
Social security costs	152	146
Other pension costs	271	263
Other benefits	-	1
	<u>2,605</u>	<u>2,551</u>
	Number	Number
Average number of employees - UK	48	44
Average number of employees - Overseas	36	40
	<u>84</u>	<u>84</u>
Employees with total remuneration and benefits in excess of £60,000:		
£60,000 - £70,000	Number 1	Number 2
Pension contributions were	£000 <u>6</u>	£000 <u>18</u>

6 Trustees' emoluments / transactions

The Trustees neither received nor waived any emoluments during the year (2007: £NIL)

Out of pocket expenses were reimbursed to Trustees as follows:	2008 Number	2007 Number	2008 £000	2007 £000
Travel and communications	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>

As permitted by the Memorandum and Articles, the following payments were made:

R Mitty (Fundraising Research & Consultancy Ltd Director), subscriptions and research	<u>£32,462</u>	<u>£495</u>
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	2008	2007
	£000	£000
Trustee liability insurance	£000	£000
The total premium paid by MAF UK for its Trustees	<u>2</u>	<u>1</u>

Notes to the Financial Statements

for the year ended 31 December 2008

7 Tangible fixed assets

	Vehicles £000	Equipment £000	Total £000
Cost			
As at 01.01.2008	-	185	185
Additions	5	38	43
Disposals	-	(36)	(36)
As at 31.12.2008	<u>5</u>	<u>187</u>	<u>192</u>
Depreciation			
As at 01.01.2008	-	153	153
Charge for year	1	31	32
Eliminated on disposal	-	(36)	(36)
As at 31.12.2008	<u>1</u>	<u>148</u>	<u>149</u>
Net Book Values			
As at 31.12.2008	<u>4</u>	<u>39</u>	<u>43</u>
As at 31.12.2007	<u>-</u>	<u>32</u>	<u>32</u>

8 Debtors

Amounts due within one year:

	2008 £000	2007 £000
Other debtors	156	645
Tax recoverable	240	191
Prepayments	153	110
Accrued income	561	316
	<u>1,110</u>	<u>1,262</u>

9 Creditors: amounts falling due within one year

Trade creditors	147	120
Taxation and social security	41	41
Other creditors	429	615
Accruals and deferred income	23	26
	<u>640</u>	<u>802</u>

10 Financial commitments

At 31 December 2008 the charity had annual commitments under non-cancellable leases as follows:

	2008		2007	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Expiry date:				
Within one year	12	-	2	-
Two to five years	9	6	9	17
Over five years	89	-	89	-
	<u>110</u>	<u>6</u>	<u>100</u>	<u>17</u>

Notes to the Financial Statements**for the year ended 31 December 2008****11 Analysis of net assets between funds**

					2008	2007
	General funds	Designated funds	Total Unrestricted	Restricted funds	Total funds	Total funds
	£000	£000	£000	£000	£000	£000
Fund balances as at 31 December are represented by:						
Tangible fixed assets	-	43	43	-	43	32
Current assets	3,768	750	4,518	137	4,655	4,068
Current liabilities	(640)	-	(640)	-	(640)	(802)
Total net assets	<u>3,128</u>	<u>793</u>	<u>3,921</u>	<u>137</u>	<u>4,058</u>	<u>3,298</u>

12 Funds

	As at 01.01.08	Income	Expenditure	Transfers in	Transfers out	As at 31.12.08
	£000	£000	£000	£000	£000	£000
General funds						
Base Reserve	1,470	7,307	6,556	766	(8)	2,979
<i>sub-total</i>	<u>1,470</u>	<u>7,307</u>	<u>6,556</u>	<u>766</u>	<u>(8)</u>	<u>2,979</u>
Designated funds						
Fixed Asset Fund	32	-	-	192	(32)	192
Asset Replacement Fund	154	-	-	32	(186)	-
Future Projects Reserve	1,514	-	-	2	(766)	750
<i>sub-total</i>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>226</u>	<u>(984)</u>	<u>942</u>
Total unrestricted income funds	<u>3,170</u>	<u>7,307</u>	<u>6,556</u>	<u>992</u>	<u>(992)</u>	<u>3,921</u>
Restricted funds						
note 13	128	3,225	3,216	-	-	137
Total funds	<u>3,298</u>	<u>10,532</u>	<u>9,772</u>	<u>992</u>	<u>(992)</u>	<u>4,058</u>

The Base Reserve comprises risk-assessed income-stream elements to ensure that the charity can continue operations in the event of adverse or unforeseen situations. Three to six months' working capital expenditure (based on next year's budget) is considered appropriate.

The Fixed Asset Fund now represents the cost of equipment and vehicles used by MAF UK, purchased from unrestricted funds. During the year, the funds from the Asset Replacement Fund were added to it.

The Asset Replacement Fund is merged with the Fixed Asset Fund and is no longer in use.

The Future Projects Reserve comprises unrestricted income funds not otherwise designated and can be drawn upon at the discretion of the Trustees to enable projects to be undertaken either more quickly than otherwise would be possible, or that might not have been supported by the normal revenue income stream. The trustees have taken a conservative view in light of the future international economic and currency exchange uncertainties.

Notes to the Financial Statements for the year ended 31 December 2008

13 Restricted funds

‘Restricted’ income arises where a donor has imposed a restriction as to the use of the gift.

This table summarises, by major category of restriction, the opening balance, income, expenditure and closing balance for each restricted fund.

Fund Category	As at	Income	Expenditure	As at
	01.01.2008			31.12.2008
	£000	£000	£000	£000
MAF International plane projects	-	-	-	-
MAF International non-plane projects	-	2,000	2,000	-
MAF International staff	-	45	45	-
	<u>-</u>	<u>2,045</u>	<u>2,045</u>	<u>-</u>
MAF Australia	-	172	172	-
MAF Canada	-	19	19	-
MAF Germany	-	1	1	-
MAF Netherlands	-	-	-	-
MAF New Zealand	-	-	-	-
MAF South Africa	-	-	-	-
MAF Sweden	-	-	-	-
MAF Switzerland	-	22	22	-
MAF USA	-	66	66	-
	<u>-</u>	<u>280</u>	<u>280</u>	<u>-</u>
	<u>-</u>	<u>2,325</u>	<u>2,325</u>	<u>-</u>
MAF UK International Staff	128	900	891	137
	<u>128</u>	<u>3,225</u>	<u>3,216</u>	<u>137</u>