



Mission Aviation Fellowship UK (MAF 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 2018



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Message from the Chair and Chief Executive

The inspiration behind MAF was simple; to provide vital support to those living in remote, isolated and difficult-to-reach locations. As our 2018 Trustees' Report shows, the central aim of our pioneering, life-saving missionary organisation, which took flight more than 70 years ago with a life-changing trip to East Africa, not only transformed a post-war vision of peace to a glorious reality but has also seen tremendous growth.

From that first overseas landing in just one African country to our work today in 27 developing nations across the world, and from God's original provision of a Miles Gemini aircraft, to today's fleet of 128 planes, countless stories – just some of them in this Report - bear witness that God kept His promise to the adventurous young men and women He called to mission.

Colleagues and partners

Our 2018 Report shows that, from playing our part in the mighty effort to feed, clothe and shelter the growing refugee population in countries like Uganda to spreading the Good News by flying pastors, evangelists and Bible translators in places such as Kenya, Liberia, Madagascar and Tanzania, our aircraft enabled a wide variety of partners to help people living in some of the world's most dangerous and hard-to-access areas.

Our planes brought education to Arnhem Land, healthcare to Bangladesh, emergency medical flights to the people of Timor-Leste, support for those suffering from various forms of disability in South Sudan and provided a timely response to natural disasters occurring in countries such as Papua New Guinea (PNG) and Indonesia.

Thanks to your companionship and commitment to championing our life-enhancing, life-affirming work, 2018 saw us serving some 2,000 partners by enabling them to access 1,400 of the poorest and most inaccessible areas on earth.

Co-workers and providers

Thanks to our wonderful supporters, we were able to purchase an additional Cessna Grand Caravan aircraft for our busy programme in South Sudan. The new plane will provide more help to even more people in this bruised and battered nation. We are grateful too for the growing number of pilots now serving there, and the way this helps us meet the growing needs of the South Sudanese.

2018 was also the year that saw our supporters making a very significant contribution towards the cost of renewing MAF's aircraft fleet in PNG. Overall, this exciting project will see five brand-new Cessna Caravan aircraft entering service during 2019, helping us to serve remote communities more efficiently.

We are grateful for our colleagues and fellow workers – including the 27 UK missionary staff and their families whose commitment to Christ's cause enabled us to bring help, hope and healing to thousands throughout 2018.

The past year provided us with a great opportunity to engage with our supporters, thanks to the flying visit of our new Cessna 208 floatplane. The amphibious aircraft, purchased for our programme in Bangladesh, arrived in the UK in March and was seen by supporters at Calshot and the Imperial War Museum, Duxford.

Collaborators and participators

Because prayer and partnership are essential to our ministry, on 3 November we collaborated with five other ministries to organise *For the Sake of the World* – a mission focused prayer conference held at Bethel Convention Centre,

Birmingham. This was followed by MAF's global week of prayer, a new initiative which aims to establish new prayer groups and assist existing ones.

God's goodness to us through our supporters and friends

We praise God for His provision during 2018 of:

- Over £15 million of income
- Over £5.5 million received in legacy gifts
- 2 new staff/families who went overseas
- Over 9,000 new contacts and supporters
- Over 870 MAF Week of Prayer packs requested
- Over 560 new regular givers
- Over 1,000 presentations given by volunteers at churches and events.

It is with great joy that we take this opportunity to thank you for the countless prayers and gifts that have benefitted thousands of isolated and vulnerable people across the globe. Gifts that enable people living in physical and spiritual poverty to receive God's love in a practical way. Thank you for taking up the challenge to help take God's message to the ends of the earth.

Gareth Mitchell
Chair of Trustees

Ruth Whitaker
Chief Executive

Report of the Trustees for the year ended 31 December 2018

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 2018. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, 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).

Public benefit

The Trustees 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 reach people living in some of the most isolated parts of the world.

In many countries, insecurity can render road travel highly dangerous. MAF's fleet of light aircraft enables access to remote communities, connecting those in need with those that can help. Even in places where it is safe to travel, there may be no roads or, if roads exist, they can become impassable for months at a time due to adverse weather conditions such as heavy flooding.

The following examples of our work reflect our main charitable activities and demonstrate how the public benefit is delivered.

Operational impact

Our mission is to reach communities where people are isolated due to geographical barriers, natural disasters, war, conflict or economic crisis. During 2018, our pilots flew to some 1,400 remote locations – enabling our partners to provide practical help, spiritual hope and physical healing to thousands of vulnerable people who would otherwise remain unreached. With 128 light aircraft and programmes in 27 developing countries, MAF was able to respond swiftly and efficiently to the urgent needs of isolated people.

Reports from Arnhem Land, Bangladesh, Chad, Kenya, Liberia, Madagascar, Papua New Guinea, the Philippines, South Sudan, Tanzania, Timor-Leste and Uganda show how MAF:

- Made a difference by flying patients and saving lives

In Papua New Guinea (PNG), a country of dense jungle, mountain highlands and hazardous roads, we flew a woman to hospital who was suffering from blood loss due to birth complications. A local man thanked MAF, saying, 'Thank you for hearing our cry for help. We know when we call MAF they will come.' Another flight took a young boy named Anuel to hospital after he fell in a landslide and broke his leg. Thanks to MAF's swift response, the doctor says Anuel will run again!

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

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

- Made a difference by transporting dentists and medical personnel

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

In Chad, we enabled Christians to bring regular dental safaris to one of the world's poorest nations. 'We simply wouldn't be able to do this without MAF,' explained safari member Pastor Brian. Thanks to our aircraft, dentist Kevin extracted teeth and gave fillings to 130 patients during an 8-day clinic in remote Bardai.

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

- Made a difference by delivering vital supplies and medicine

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

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

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

- Made a difference by responding speedily in times of natural disaster

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

When tropical Typhoon Mangkhut struck the Philippines in September 2018, our Disaster Response Team accompanied Ethnos360 staff to survey the damage caused to communities, fishing villages, roads and bridges. The surveys enabled medical aid and medical organisations, along with the Provincial Governor and the Officer in Charge of provincial disaster management, to decide how best to respond. Following this, we helped deliver rice, tarpaulins, roofing materials, shelter kits and essential supplies to the hardest hit areas.

- Made a difference by enabling and encouraging education

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

In Liberia, where people are still suffering from the effects of two devastating civil wars and the ravages of Ebola, we enabled Waves for Change to help traumatised youngsters by transporting their staff to Harper from Monrovia – the 1½-hour flight saving up to 5 days of arduous overland travel. By teaching swimming and surfing to young people, the NGO helps them gain confidence and recover from past trauma.

Our aircraft were also busy in Uganda, where refugee camps such as Bidi Bidi are so large that driving from one end to another can take up to 90 minutes. MAF flights helped refugees and made it possible for organisations like Sacred Heart Sisters to run a vocational school that provides women brutalised by the Lord's Resistance Army with the practical skills and basic education necessary to support themselves.

- Made a difference by providing safe and time-saving travel

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

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

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

- Made a difference by helping to spread the Gospel and encourage the Church

On one spiritually fruitful trip to Meuniembere and Manazi in Tanzania, an evangelist who travels with MAF preached to 325 people and saw 20 villagers come to faith. Other MAF Tanzania flights enabled medical teams and evangelists to screen patients and share Christ with the Maasai. Another evangelistic outreach, this time in Kambu, Kenya, led by an MAF team member, also resulted in a number of conversions.

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

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

Projects made possible by the support received

All these and many other projects were made possible by our individual supporters and with grants from governments and institutions, including:

- Jersey Overseas Aid
- ISTAT Foundation
- Souter Charitable Trust
- Scottish Government
- The Stobart Newlands Charitable Trust
- The Lancaster Foundation

Objectives and activities for 2018

MAF UK's aim is to reach remote communities with the love of Christ by providing practical help and real hope. This is achieved in partnership with churches, missions, humanitarian, relief and development agencies through the subsidy of safe and secure aviation services in parts of the world where travel by road is impossible, unsafe or too slow to reach isolated places. Christians with a commitment to our aim use their skills in aviation and other fields to work in partnership to meet the most pressing of human needs.

MAF UK (CC:1064598) is a member of Mission Aviation Fellowship International (CC:1058226), which manages the overseas operations for all members of MAF International, an association of operational and resourcing MAF groups around the world. MAF UK charitable activities are achieved through the provision of funds and staff. Funds raised in the UK for MAF work are passed to Mission Aviation Fellowship International, with the overseas staff recruited and employed by MAF UK seconded to Mission Aviation Fellowship International. Restricted funds are passed to Mission Aviation Fellowship International when they are received, and each year MAF UK makes an unrestricted grant to Mission Aviation Fellowship International which is paid monthly. The grant is based on Mission Aviation Fellowship International's budgeted need and MAF UK's expected income.

Specifically, the objectives together with outcomes for 2018 were:

- Reviewing our infrastructure so we can inform and inspire new and existing supporters with relevant and targeted communications.

During 2018 we have been working towards implementing a new CRM/database. We have made much progress and are due to go live in March 2019. We have also produced a new product this year for all those signing up to receive our communications. The 'Discovery Air Pass' is a year-long journey introducing new supporters to the work of MAF UK around the world. The journey ends with the individual being able to then decide to receive future communications from us if they wish.

- Reviewing the processes by which we interact with our supporters to ensure they receive information which meets their needs and that their personal information is protected.

We praise God for the many thousands of people who generously supported our work in 2018. Throughout the first part of 2018 we worked towards communicating with all of our supporters in line with the implementation of the new General Data Protection Regulation. This included writing to everyone to explain how they could continue or change the communications they receive from us and providing access to our updated Privacy Notice. We have also made a number of changes to our sign-up forms, both online and offline, making consent choices more informed and product specific.

- Attracting, preparing and training new staff to serve overseas.

During 2018 we sent two new post holders and their families to undertake key operational and support roles overseas in Papua New Guinea and Arnhem Land. We also ran a number of recruitment initiatives throughout the year, including taking steps towards creating an engineering training scheme, a refresh of our website, the creation of an enquirers

online journey and a series of recruitment roadshows across the UK. We are hopeful that these will bear fruit in the future.

- Using a wide range of media, including an increased focus on digital platforms and the opportunities they present, to inspire and attract new supporters and donors.

We inspired existing and potential new supporters with a variety of attractive, informative and compelling communications both digitally and in print. This resulted in a growth in both income and supporters. We raised awareness of the scope of the work we do through a wide variety of broadcast, print and digital media outlets including BBC Radio 2, *The Church Times*, UCB and Premier Christian Radio.

- Inspiring new prayer supporters through the facilitation of a national mission-focused prayer conference, to be presented in partnership with other like-minded organisations.

In November 2018, we held a mission focused prayer conference in Birmingham entitled *For the Sake of the World*. Delegates came from across the UK to hear about and pray for the work of MAF and our partners. The conference also saw us signing up delegates to become part of *For the Sake of the World* regional mission focused prayer groups.

The MAF team in the UK

Throughout 2018, MAF in the Community's dedicated team of volunteers continued to inspire and challenge people about our work through hundreds of presentations in churches and groups in England, Wales and Northern Ireland.

The year saw many people being inspired to find out more about MAF's work through our new Supporter Journey campaign. Although some volunteer speakers retired because of ill health or disability, we were delighted to welcome new speakers to the team.

We attended various events to promote MAF's work, including The Big Church Day Out, The Methodist Church Conference, the Elim Leaders Summit, Commission Churches' annual event and the Christian Resources Exhibition, and took our display aircraft to a number of supporting churches, schools and events. This proved particularly popular with all those who had a chance to sit in a small aircraft for the first time.

We were delighted to continue working with churches taking part in our Church Partnership programme; enabling us to develop closer relationships and allowing us to speak about MAF's work at a variety of church activities.

With churches and individuals continuing to request 'Bake Off to Take Off' and 'Frying for Life' packs which provide resources for running coffee mornings and breakfast meetings, we began to develop additional community fundraising resources for use in 2019.

Our team in Northern Ireland continued to develop well and saw an encouraging growth both in activity and supporter contact. We are delighted to now have a Regional Co-ordinator in Northern Ireland to oversee the work of the volunteer team.

Volunteer numbers		2018	2017
Area Reps	England and Wales	87	85
	Scotland	31	32
	Northern Ireland	13	14
Church Reps	England and Wales	253	267
	Scotland	35	117
	Northern Ireland	64	71
Prayer Group Leaders	England and Wales	16	17
	Scotland	14	13
	Northern Ireland	7	6

The above table shows the numbers of volunteers at the year end, without whom none of MAF in the Community's activities would be possible. Our volunteers give their time generously.

Events in Scotland

2018 has been a year of growth and increase for MAF in Scotland. We started the year by adding Nathan Hartley to our staff team as our new Events and Volunteer Co-ordinator, working alongside MAF in the Community Manager Andy Martin.

We also added a display plane and the MAF Rescue Challenge to our resources for events, along with a revamped exhibition trailer, a new flight simulator and new MAF Youth resources. These have all proved hugely popular at our many events throughout the year, and we've seen an increase in engagement with MAF both in person and on social media.

To coincide with the Change the Ending international campaign, we launched a new Change the Ending speakers pack, designed to provide our volunteer speakers with high quality, relevant and effective presentations. Used together with the new Discovery Air Pass, we've seen an encouraging increase in new sign-ups in 2018; more than doubling 2017's figure.

We received £16,000 from the Scottish Government towards the Indonesian disaster response – an award that comes as part of our participation in the Humanitarian Emergency Fund Panel. We also held the first Scottish event for the MAF Business Club.

On a slightly less encouraging note, having asked all the Scottish church representatives who regularly received information and resources if they wanted to continue doing so, about 80 asked to be removed from our database. We have however developed a proactive strategy to assist the remaining representatives and to help increase their number in future.

MAF Youth

2018 saw many new initiatives being developed by the MAF Youth team to inspire and challenge young people across the UK.

Our busy MAF Youth team had a productive time at Soul Survivor – the largest youth event in the UK – where they told more than 1,000 young people about MAF and saw 600 attendees sign up for MAF Youth communications. With the help of our volunteer team, we continued to visit youth groups in churches and various organisations.

MAF Youth commenced working with schools, providing lesson plans, assemblies and classroom activities to be used by MAF volunteers and schoolteachers. We also worked closely with the UK's leading RE teaching specialists to develop further lesson plans in line with the RE curriculum.

The Youth team also collaborated with MAF UK's Communications team to develop the 2018 MAF Advent Calendar initiative; equipping, inspiring and encouraging schools and individuals about MAF's work in the run-up to Christmas.

Other initiatives that further developed relationships with young people included the use of Snapchat and other social media outlets.

International staff

In 2018, we had 27 UK international mission staff, accompanied by their families, serving in MAF programmes worldwide. We also continued to provide support raising and administrative help to several 'linked staff' belonging to other MAF groups.

One family returned to the UK for a year to carry out projects for MAF UK and Mission Aviation Fellowship International before returning to an overseas programme in 2019, and two families returned to the UK following their assignments overseas.

We are pleased to support two new staff members and their families as they prepare for service in Papua New Guinea (PNG) in 2019 and are encouraged by several promising candidates who are at various stages of formal assessment.

We continued to seek new ways of interacting with potential candidates by organising several regional recruitment events, creating an online 'enquirers journey' and boosting our online media presence and opportunities for networking.

The training of indigenous national staff remains a strategic priority for MAF and we were pleased to partner with Mission Aviation Fellowship International to enable a young pilot from PNG to receive advanced pilot training in Australia. He will continue training within the country programme for a further six months.

We have also launched a Mission Experience Programme which enables people enrolled in tertiary education to experience life in an MAF mission context during a voluntary placement. Our first candidate will join MAF PNG in the summer of 2019.

Conclusion for 2018

2018 saw us produce strong communications digitally, in print, and at church presentations and events – all sharing our passion for reaching remote and marginalised people in great need. An increasing number of people heard about MAF for the first time, with many joining our growing team of supporters – enabling us to serve a greater number of remote and isolated people overseas.

In 2018 God blessed us with over £15m of ministry income, including £5m of legacies, and we give thanks for every gift, prayer, enquiry and hour of time given by our volunteers and teams throughout the year.

Future plans

Across the world, many people live in isolation and in need; in countries with little sign of development or tragically war torn and unable to recover quickly from strife and severe civil unrest.

We are privileged to be enabling many other organisations who share the 'great commission' and understand the importance of the UN sustainable development goals – and the mission to ensure that no one should be left behind.

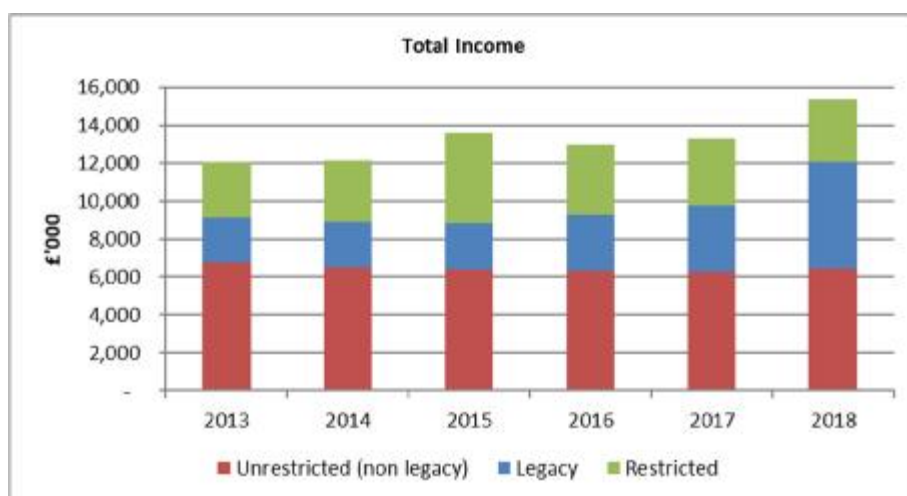
So that MAF can provide vital services and support to reach and help people living in isolation we aim to:

- Maximise opportunities to present the ministry of MAF to a UK audience with a view to increase giving and better resource our operations arm.
- Fully utilise our networks to engage with individuals and families with a view to them joining us for overseas service.
- Invigorate existing prayer networks and activate new networks to pray for the Lord's blessing on MAF's endeavours
- Explore opportunities to employ new technologies to engage and inspire current and potential supporters.

Strategic Report

Financial review

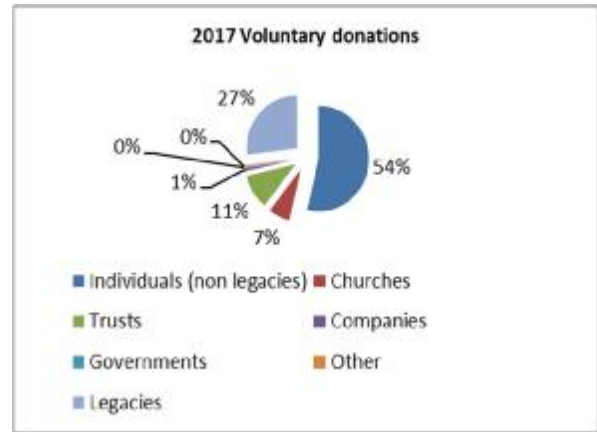
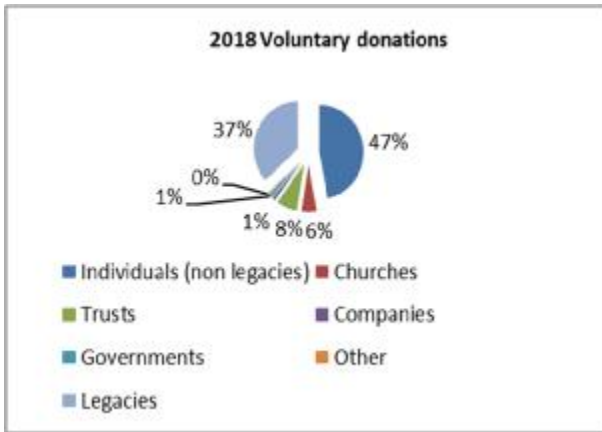
Five-year history	2014	2015	2016	2017	2018
Income and expenditure £000					
Income					
Unrestricted donations	6,389	6,322	6,257	6,212	6,340
Legacies	2,476	2,480	3,012	3,507	5,650
Investment income	63	51	74	52	52
International staff support	949	949	891	860	855
Other restricted income:					
Aircraft	59	139	229	1,434	1,127
Nepal	-	1,417	484	-	-
PNG Otter repair	472	346	41	-	-
South Sudan	519	528	767	239	269
Uganda Kajjansi office	119	38	-	-	-
Other	1,155	1,368	1,247	1,010	1,096
Total income	12,201	13,638	13,002	13,314	15,389
Expenditure					
Cost of generating voluntary income	2,310	2,176	2,080	2,218	2,320
Charitable activities	10,270	11,492	11,405	10,717	11,336
Total expenditure	12,580	13,668	13,485	12,935	13,656
Net incoming / (outgoing) resources	(379)	(30)	(483)	379	1,733



As can be seen, the main area of change relates to legacy income. Most of the increases relates to a single estate. Page 21 sets out the Statement of Financial Activities for MAF UK for the year. The total income for the year was £15.4m (2017: £13.3m).

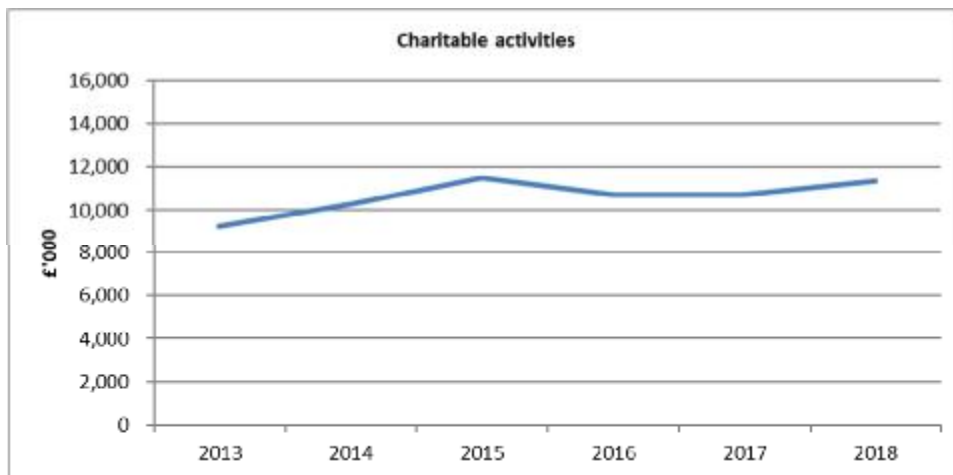
The principal source of funding was through voluntary donations providing some 99% (2017: 99%) of total income. Of this, legacy income amounted to 37% (2017: 27%).

As shown in note 2, donation income from the various donor groupings was by and large comparable. The response to the aircraft appeal from individual donors can be easily seen.



The benefits of tax-efficient giving were again increased through the securing of a further 1,150 Gift Aid Declarations during 2018 (2017: 1,550). Tax claimed on 2018 gifts amounted to £857,423 (2017: £941,979).

Charitable activities include the costs of our overseas staff, unrestricted grants made and restricted funds for flying operations.



During the year, the sum of £1,558,000 (note 4) was paid in staff support to 27 staff (note 6) (individuals/families) from the UK serving overseas (2017: £1,684,000 to 27 staff individuals/families).

In addition, unrestricted grants of £5,663,000 (note 4) and restricted income of £2,494,000 (note 14a) totalling £8,157,000 (2017: £7,419,000*) were passed to sister MAF groups worldwide, primarily to assist in the provision of mission aviation (*2017: unrestricted grants of £4,736,000 and restricted income of £2,683,000).

The assets and liabilities of MAF UK are set out in the Balance Sheet (page 22). 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 (e.g. 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.

Investment income was £52k (2017: £52k), with interest rates remaining very low. All available cash is placed on deposit.

Investment powers and policy

The investment powers of the Trustees are as set out in the Articles. Any sums not immediately needed are invested in interest earning accounts. It is the Trustees aim to ensure that funds are applied as quickly as possible, whilst also maintaining a suitable risk-based cash reserve to address the risks identified in the risk management process (see Risk Management section). Given the nature of the funds held, they are invested so that the capital is not put at risk.

Reserves policy

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

It is the Board's policy to reserve sufficient funds to ensure the ongoing operations of MAF UK. The reserves include a Base Reserve of 4 to 8 months, or £3.2m to £6.5m, of working capital (free reserves¹) 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. 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 14a.

At the year end, all the reserves were at or above the minimum policy-level (see note 14a).

The Base Reserve year-end balance of £6.7m was marginally above the 8-month (working capital) upper limit (£6.5m).

The Fixed Asset Cost fund year-end balance was £376k representing the original cost of all fixed assets. When fixed assets reach the end of their useful life, they can be replaced using the cash element of this fund.

The Training Fund was established in 2016 to help accelerate the time taken for pilots and engineers to become operational, and to begin service earlier; reflecting the increasing difficulty in recruiting staff for overseas service. The year-end balance was £290k.

The 2019 Projects fund was established by the Board to fund projects identified for 2019 above the expected 2019 income revenues. The year-end balance was £1,227k.

The 2020 Projects fund was established by the Board to fund projects identified for 2020 above the expected 2020 income revenues. The year-end balance was £670k.

The restricted funds represent unspent donations that support our staff families overseas. It is expected that the funds will be utilised during the staff service period. At the year end, such funds amounted to £30k.

Principal risks and uncertainties

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

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

The steps taken to manage these risks are set out in the Risk management section (below).

The principle uncertainties relating to timing and volatility of various income streams are also addressed by the risk management process the Board have adopted, principally by the holding of sufficient liquid reserves (see Reserves Policy above).

¹ Free reserves are those unrestricted funds not otherwise designated for specific purposes
Charity Commission CC19 Charity Reserves: building resilience (September 2018).

Risk management

The Trustees are responsible for setting the tone and influencing the culture of risk management within MAF UK. As part of discharging their responsibilities the Trustees have:

- established a risk register and risk management strategies that identify the types of risk faced and prioritised them in terms of potential impact and likelihood of occurrence and the means of managing them. The risks and the risk management strategies are periodically reviewed by both the Senior Leadership Team and the Board of Trustees. The risks are classified into the following groupings:
 - Reputation
 - Strategic
 - Governance
 - Operational
 - Health and safety
 - Financial
 - Legal
- established a regular review of the adequacy of the charity's current internal controls. The Trustees are pleased to report that the charity's internal financial controls conform to the guidelines issued by the Charity Commission.
- adopted a range of risk management policies including:
 - Recruitment
 - Anti-fraud
 - Whistleblowing
 - Conflicts of interest (Declaration of interest)
 - Anti-bribery
 - Safeguarding

All MAF UK policies are published on the MAF UK intranet for staff understanding.

Fundraising methods and processes

Approach to fundraising

MAF UK supports the work of MAF worldwide and is committed to its charitable aims and fundraises in order to see the lives of isolated people spiritually and physically transformed in the name of Jesus. We are signed up to the Fundraising Regulators Fundraising Promise, being open, honest, fair and legal in our approach to and delivery of, our fundraising practices.

Work with, and oversight of, any commercial participators/professional fundraisers

We do occasionally enter into third party contracts for fundraising promotion (not fundraising itself). We have contracts in place and full control and signing off for any communications that are used for these particular campaigns.

Fundraising conforming to recognised standards

We are a member of the Fundraising Regulator, adhere to the Fundraising Standards and have signed up to the Fundraising Preference Service. It also means our supporters have a simple and transparent process that can help us deal with any complaints quickly and easily.

Monitoring of fundraising carried out on its behalf

We have a member of staff who is responsible for overseeing community fundraising and supporting/monitoring the people that are raising money for us. We also have a team of volunteers that are involved in fundraising for us, they go

through an interview programme, have a role description, sign up to a code of conduct, receive training, have annual update conferences, have organisational emails and are managed and supported through a management structure.

Fundraising complaints

We have a section on our website about our Fundraising Promise and complaints process <https://www.maf-uk.org/about-us/fundraising-standards>

This is linked to the Fundraising Regulator and gives our supporters an easy, clear and transparent way of dealing with any complaints.

Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate

We take our communications and fundraising responsibilities seriously, these include being registered with the Fundraising Preference Service, having the appropriate policies that covers data protection, ethical fundraising and our approach to fundraising and calls to action. We also make sure the relevant staff are confident and equipped for speaking to and dealing with vulnerable people. All our communications are clear and transparent, we always give the option of changing what any person receives from us at any time.

The complaints received have been summarised below:

Type	2018	2017
Incorrect salutation	1	1
Too much mail received	7	5
Too many financial "asks"	3	1
Clarity/font size used	4	-
Content presentation	-	39
Total	15	46
Total mailings	466,000	703,000

Structure, governance and management

Governing document

MAF UK is a charitable company limited by guarantee and a registered charity. It is governed by the Articles dated 15 September 1997 and revised in April 2015. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Appointment of Trustees

The Trustees are elected by the Board. The number of Trustees may not be less than three but is not subject to any maximum. Trustees are elected for three-year terms, up to a maximum of nine consecutive years.

Board decisions are made by majority vote.

The number of Members may not be less than two. The Trustees are also the Members.

Trustee induction and training

In the Trustee induction programme, new Trustees are provided with the Articles and recent annual and management accounts as well as a copy of CC3 *The Essential Trustee*. They are required to attend a series of meetings and discussions with the Chair, Chief Executive and others to learn more about the work and how MAF UK operates.

Organisational structure

The Trustees meet three or four times a year and are responsible for the strategic direction and good governance of the charity. To ensure good governance and to maximise Board skills, the following subcommittees have been established:

- Finance and Risk Subcommittee
- Fundraising and Communications Subcommittee
- People and Prayer Subcommittee

The Board approve an annual operational budget which sets out income targets and expenditure limits. Within the budget, the day-to-day responsibility for the charity's operations is delegated to the Chief Executive and the Senior Leadership Team (listed as Key Management Personnel on page 17).

Governance

As reported last year, the trustees undertook a thorough review of the Charity Governance Code at the Board awayday in February, ably helped by Dan Francis from NCVO. Using the NCVO Governance Wheel, the trustees scored MAF UK's performance in the eight governance areas (Foundation, Organisational Purpose, Leadership, Integrity, Decision making and risk control, Board effectiveness, Diversity and Openness and accountability).

Reflecting the "moving from good to great" message in the Governance Code, the review revealed many strengths and some areas for improvement. A Board Effectiveness Action Plan was created, and the Board are regularly monitoring progress against the recommendations. Many of the actions have been satisfactorily completed, with greater Board-diversity and stakeholder mapping projects still under way.

Remuneration policy

MAF UK is a charitable Christian mission organisation and seeks to show responsible stewardship of its resources. The objective is to attract and retain the right calibre staff along with the requirements for fairness, non-discrimination, and contractual arrangements.

Each UK job is evaluated by a job evaluation panel made up of senior management, HR and staff representation. A salary is then calculated based on the comparison of jobs in the same grade and the points awarded for those jobs.

All salaries are periodically benchmarked using a commercial provider of salary data and measured against:

- Comparable jobs and organisations in our region
- Market matching basic salaries between the lower quartile and median
- Organisations with an annual turnover of between £10M to £50M

The General Pay Award is considered each year and is primarily dependent on the income of the organisation and ensuring that funding to MAF International operations is not adversely impacted. The General Pay Award is based on a range of indices such as the Retail Price Index, Consumer Price Index, and a comparison to what others are doing in regard to salary rises in the third sector. The MAF UK board are responsible for approving the budget for the year to come and this includes the recommendation for the General Pay Award.

MAF UK's Senior Leadership Team sits within the framework of the UK salary structure as set out as above. The MAF UK Board agrees the salary for the chief executive. No bonuses are paid to any member of staff. The pension provision for the Chief Executive and Senior Leadership Team are on the same terms as other employees.

Related parties

Mission Aviation Fellowship UK is a member of MAF International, which is an association of operational and resourcing MAF groups around the world (excluding north America). Mission Aviation Fellowship International is the operational arm of MAF International, to which all operational assets were transferred by the resourcing groups. The central management of all the programmes enables better efficiency in terms of asset deployment and the standardisation of training and safety standards. Mission Aviation Fellowship UK's overseas staff are seconded to Mission Aviation Fellowship International and all funds raised for operational programmes are passed to Mission Aviation Fellowship International. Mission Aviation Fellowship UK has one subsidiary which is dormant. Apart from the natural transactions with other MAFs, there were no related party transactions.

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 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
- annual completion of the Charity Commission's *Internal Financial Controls for Charities Checklist*

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible 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).

Company law requires the Trustees to prepare financial statements for each financial year which give true and fair view of the state of the affairs of the charitable company and of its income and expenditure for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, 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 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 and dissemination of financial statements, which may 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.

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.

Legal and administrative information

Trustees and Members (the trustees are also Members)

<u>Name</u>	<u>Dates</u>	<u>Subcommittee Membership</u>
Gareth Mitchell MIOD BA (Dual Hons)	Chair	Fundraising and Communications
Ian Bromilow MSc PhD	(to 23/09/18)	Fundraising and Communications
Diana White BA (Hons)		Prayer and People
David West FCIPD		Prayer and People
Richard Jones FCMA BSc (Hons)		Finance and Risk
Matthew Burton FCCA CTA MRICS		Finance and Risk
Maeve Marnell LLB		Fundraising and Communications
Max Gove MA		Prayer and People
Steve Osei-Mensah ACIB FloD CDir		Finance and Risk
Steve Bentley CBE MBA MA BEng		Fundraising and Communications

Company information

Company number 3437446	Website: www.maf-uk.org
Date of Incorporation 16 September 1997	
Registered charity in England and Wales (1064598) and in Scotland (SC039107)	
Registered Office and Principal Address	1 st Floor, Castle House, Castle Hill Avenue, Folkestone CT20 2TQ

Key management personnel

Chief Executive	Ruth Whitaker BEng (Hons) FRAeSoc
Finance Director	Alex Finlow FCA MSc
Head of Personnel	David Leek Chartered MCIPD
Head of Marketing and Fundraising	Mike Fagg
Head of Communications	Vivienne Pattison BA (Hons)
Head of Partnership Development	(vacancy)

Our advisers

Auditors	Kingston Smith LLP	Devonshire House, 60 Goswell Road, London, EC1M 7AD
Bankers	National Westminster Bank Plc	Europa House, 49 Sandgate Road, Folkestone CT20 1RU
Solicitors	Anthony Collins Solicitors LLP	134 Edmund Street, Birmingham, B3 2ES

The Trustees Report and the Strategic Report were approved by the Board and authorised for issue on 2 May 2019.

Gareth Mitchell (Chair)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
MISSION AVIATION FELLOWSHIP UK

Opinion

We have audited the financial statements of Mission Aviation Fellowship UK for the year ended 31 December 2018 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 Ireland' (United Kingdom Generally Accepted the UK and Ireland).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 financial statements section of our report. We are independent of the charitable company 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.

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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified 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 16, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date:

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of Financial Activities

(incorporating an Income and Expenditure Account)

for the year ended 31 December 2018

		2018			2017		
	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total funds £ 000	Unrestricted funds £ 000	Restricted funds £ 000	Total funds £ 000
Income from:							
Donations and legacies	2a/b	11,988	3,349	15,337	9,719	3,543	13,262
Investments	3	52	-	52	52	-	52
Total		12,040	3,349	15,389	9,771	3,543	13,314
Expenditure on:							
Raising funds		2,320	-	2,320	2,218	-	2,218
Charitable activities		7,972	3,364	11,336	7,145	3,572	10,717
Total	4a/b	10,292	3,364	13,656	9,363	3,572	12,935
Net income / (expenditure)	5	1,748	(15)	1,733	408	(29)	379
Reconciliation of Funds							
Total funds brought forward	14a/b	7,526	45	7,571	7,118	74	7,192
Total funds carried forward	14a/b	<u>9,274</u>	<u>30</u>	<u>9,304</u>	<u>7,526</u>	<u>45</u>	<u>7,571</u>

All of the above results are derived from continuing activities.

All gains and losses recognised in the year are included above.

Balance Sheet
(Statement of Financial Position)
as at 31 December 2018

	Note	2018			2017		
		Unrestricted funds £ 000	Restricted funds £ 000	Total funds £ 000	Unrestricted funds £ 000	Restricted funds £ 000	Total funds £ 000
Fixed assets							
Tangible assets	7	106	-	106	130	-	130
Total fixed assets		106	-	106	130	-	130
Current assets							
Debtors	8	1,155	-	1,155	1,044	-	1,044
Investments	9	-	-	-	2,955	45	3,000
Short term deposits		4,503	-	4,503	2,000	-	2,000
Cash at bank and in hand		3,912	30	3,942	1,961	-	1,961
Total current assets		9,570	30	9,600	7,960	45	8,005
Liabilities							
Creditors:							
Amounts falling due within one year	10	(402)	-	(402)	(531)	-	(531)
Net current assets		9,168	30	9,198	7,429	45	7,474
Total assets less current liabilities		9,274	30	9,304	7,559	45	7,604
Creditors:							
Amounts falling due after one year	11	-	-	-	(33)	-	(33)
Total net assets		9,274	30	9,304	7,526	45	7,571
The funds of the charity:							
Base reserve	14a/b	6,711	-	6,711	6,829	-	6,829
Other Designated funds	14a/b	2,563	-	2,563	697	-	697
Total unrestricted income funds		9,274	-	9,274	7,526	-	7,526
Restricted income funds	15a/b	-	30	30	-	45	45
Total funds		9,274	30	9,304	7,526	45	7,571

Approved by the Board on 2 May 2019 and signed on its behalf by:

Gareth Mitchell
Chair

The notes on pages 24 to 32 form an integral part of these financial statements.

Cash Flow Statement
for the year ended 31 December 2018

		2018 £ 000	2017 £ 000
Reconciliation of net income / (expenditure) to net cash flow from operating activities			
	Note		
Net income for the year		1,733	379
Adjustments for:			
Depreciation charges	7	81	41
Interest	3	(52)	(52)
(Increase) / decrease in debtors		(111)	1
(Decrease) in creditors		(162)	(242)
Net cash provided by operating activities		<u>1,489</u>	<u>127</u>
Statement of cash flows			
Cash flows from operating activities:			
Net cash provided by operating activities		1,489	127
Cash flows from investing activities:			
Interest	3	52	52
Transfer from investments		3,000	1,000
Purchase of fixed assets	7	(57)	(120)
Net cash provided by / (used in) investing activities		<u>2,995</u>	<u>932</u>
Change in cash and cash equivalents in the year		4,484	1,059
Cash and cash equivalents at the beginning of the year		<u>3,961</u>	<u>2,902</u>
Cash and cash equivalents at the end of the year		<u>8,445</u>	<u>3,961</u>
Analysis of changes in net funds			
	1 January 2018 £ 000	cash flows £ 000	31 December 2018 £ 000
Short term deposits	2,000	2,503	4,503
Cash at bank and in hand	1,961	1,981	3,942
	<u>3,961</u>	<u>4,484</u>	<u>8,445</u>

The notes on pages 24 to 32 form an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 December 2018

1 Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. They are prepared in sterling which is the functional currency of the Charity. Monetary amounts in the accounts are rounded to the nearest thousand.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No 2) Regulations 2014.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

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

Fund accounting

The charity maintains three types of fund. General unrestricted funds (Base Reserve) are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors.

Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Government grants

Income from government or other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants has been met, it is probable that the income will be received, the amount can be measured reliably and is not deferred.

Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all related costs to the category.

The following specific policies apply to categories of expenditure:

Raising funds

Raising funds comprises all services supplied centrally identifiable as wholly or mainly in the support of generating income for this and future periods, and includes a proportion of central overhead, support and governance costs.

Charitable activities

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, and includes a proportion of central overhead, support and governance costs.

Support Costs

Support Costs include functions such as general management, information technology and human resources. Together with governance costs they are allocated between the cost of raising funds and charitable activities, as shown in note 4a/b.

Critical accounting estimates and areas of judgement

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Notes to the Financial Statements
for the year ended 31 December 2018

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 - 2018:£4k, (2017:£11k).

Tangible fixed assets and depreciation

Assets with a useful economic life of more than one year and a value in excess of £750 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.

There is generally expected to be no material residual value when the assets are replaced.

Cash

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Deposits with maturity greater than three months from the year end are classified within investments.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 8 and 10 for the debtor and creditor notes.

Operating leases

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

Pensions

MAF UK operates a 10% non-contributory defined MAF contribution scheme for its employees. The contributions are paid monthly as they fall due. The expense to activity allocation matches the wage to activity allocation. Pensions costs are treated as unrestricted unless a specific restricted gift was received for that purpose.

Transfers between funds

Transfers between the Base Reserve and other designated funds are in line with the policies as set out in note 14a.

Notes to the Financial Statements
for the year ended 31 December 2018

	Unrestricted		Restricted		2018
	£ 000	£ 000	£ 000	£ 000	£ 000
2a Donations					
Individuals (non legacies)		5,296		1,908	7,204
Churches		551		302	853
Trusts		364		796	1,160
Companies		95		97	192
<i>DFID</i>	-		-		
<i>Isle of Man</i>	-		-		
<i>Other Governments</i>	-		216		
Governments		-		216	216
Other		34		28	62
Legacies		5,648		2	5,650
		<u>11,988</u>		<u>3,349</u>	<u>15,337</u>
2b					
	£ 000	£ 000	£ 000	£ 000	£ 000
Individuals (non legacies)		5,304		1,818	7,122
Churches		557		360	917
Trusts		227		1,209	1,436
Companies		71		67	138
<i>DFID</i>	-		-		
<i>Isle of Man</i>	-		-		
<i>Other Governments</i>	-		16		
Governments		-		16	16
Other		53		11	64
Legacies		3,507		62	3,569
		<u>9,719</u>		<u>3,543</u>	<u>13,262</u>
3 Investment income					
Interest receivable				2018	<u>52</u>
				2017	<u>52</u>

Notes to the Financial Statements
for the year ended 31 December 2018

	Unrestricted	Restricted	Sub-total	Apportioned	2018
	£ 000	£ 000	£ 000	£ 000	£ 000
4a Expenditure					
Raising funds					
Voluntary income	1,702	-	1,702	183	1,885
Donor acquisition	393	-	393	42	435
	<u>2,095</u>	<u>-</u>	<u>2,095</u>	<u>225</u>	<u>2,320</u>
Charitable activities:					
International Staff	688	870	1,558	167	1,725
grants: regular	4,781	-	4,781	512	5,293
grants: one-off	1,013	-	1,013	109	1,122
restricted funding	-	2,494	2,494	267	2,761
Overseas operations *	5,794	2,494	8,288	888	9,176
Information and education	393	-	393	42	435
	<u>6,875</u>	<u>3,364</u>	<u>10,239</u>	<u>1,097</u>	<u>11,336</u>
Support costs	1,297	-	1,297	(1,297)	-
Trustee travel and meetings	10				
Audit	11				
Audit disbursements and vat	2				
Non-audit fees and vat	2				
Governance	25	-	25	(25)	-
	<u>1,322</u>	<u>-</u>	<u>1,322</u>	<u>(1,322)</u>	<u>-</u>
	<u>10,292</u>	<u>3,364</u>	<u>13,656</u>	<u>-</u>	<u>13,656</u>
Overseas operations * grants	<u>5,663</u>				

* Institutional grants totalling £5,663,000 (2017: £4,736,000) were made during the year to MAF International Ltd.

	General management	Financial management	Human Resources	Information technology	Premises	Total
Support costs include:						
General management	<u>142</u>	<u>373</u>	<u>183</u>	<u>208</u>	<u>391</u>	<u>1,297</u>

Basis of allocation: Apportioned proportionately across cost headings reflecting cost effort (as above)

	Unrestricted	Restricted	Sub-total	Apportioned	2017
	£ 000	£ 000	£ 000	£ 000	£ 000
4b					
Raising funds					
Voluntary income	1,614	-	1,614	189	1,803
Donor acquisition	372	-	372	43	415
	<u>1,986</u>	<u>-</u>	<u>1,986</u>	<u>232</u>	<u>2,218</u>
Charitable activities:					
International Staff	795	889	1,684	196	1,880
grants: regular	4,711	-	4,711	549	5,260
grants: one-off	149	-	149	17	166
restricted funding	-	2,683	2,683	313	2,996
Overseas operations	4,860	2,683	7,543	879	8,422
Information and education	372	-	372	43	415
	<u>6,027</u>	<u>3,572</u>	<u>9,599</u>	<u>1,118</u>	<u>10,717</u>
Support costs	1,323	-	1,323	(1,323)	-
Trustee travel and meetings	12				
Audit	11				
Audit disbursements and vat	2				
Non-audit fees and vat	2				
Governance	27	-	27	(27)	-
	<u>1,350</u>	<u>-</u>	<u>1,350</u>	<u>(1,350)</u>	<u>-</u>
	<u>9,363</u>	<u>3,572</u>	<u>12,935</u>	<u>-</u>	<u>12,935</u>
Overseas operations * grants	<u>4,736</u>				
Support costs include:					
General management	<u>136</u>	<u>323</u>	<u>172</u>	<u>237</u>	<u>455</u>
Financial management					
Human Resources					
Information technology					
Premises					
Total					<u>1,323</u>

Notes to the Financial Statements
for the year ended 31 December 2018

		2018	2017
5	Net income /(Expenditure)		
	This is stated after charging:		
	Depreciation	7	81
	Foreign exchange loss	1	4
	Payments under Operating Leases	12	128
	Auditor's remuneration		
	Audit fee	4a	11
	Audit disbursements (and vat)	4a	2
	Other fees paid to auditors (and vat)	4a	2
		<u>2</u>	<u>2</u>
6	Trustee and staff remuneration, related party and other transactions		
	Staff costs	£ 000	£ 000
	Wages and salaries	2,729	2,623
	Social security costs	183	177
	Other pension costs	290	285
		<u>3,202</u>	<u>3,085</u>
		Number	Number
	Average number of employees - UK	64	61
	Average number of employees - Overseas	27	27
		<u>91</u>	<u>88</u>
	Average number of employees - UK (FTE)	56	53
	Average number of employees - Overseas (FTE)	27	27
		<u>83</u>	<u>80</u>
	Employees with total remuneration and benefits in excess of £60,000:	Number	Number
	£60,000 - £70,000	1	-
	£70,000 - £80,000	-	1
	£80,000 - £90,000	1	-
		<u>1</u>	<u>-</u>
		£ 000	£ 000
	Pension contributions in respect of these employees were	14	7
		<u>14</u>	<u>7</u>
		£ 000	£ 000
	Total remuneration/benefits of key management personnel	375	387
		<u>375</u>	<u>387</u>
	Trustee reimbursed expenditure		
	Trustees are reimbursed for out-of-pocket travel and subsistence expenses.	£ 000	£ 000
	The number of trustees who received reimbursement was 3 (2017):4	3	4
		<u>3</u>	<u>4</u>
	The trustees neither received nor waived any emoluments during the year (2017: £NIL)		
	Related party transactions		
	Apart from the trustee expenses identified above, there were no other related party transactions.		

Notes to the Financial Statements
for the year ended 31 December 2018

			2018	2017
	Vehicles	Equipment	Total	Total
	£ 000	£ 000	£ 000	£ 000
7	Tangible fixed assets			
	Cost			
	As at 01.01.2018	33	360	393
	Additions	13	44	57
	Disposals	-	(74)	(74)
	As at 31.12.2018	<u>46</u>	<u>330</u>	<u>376</u>
	Depreciation			
	As at 01.01.2018	3	260	263
	Charge for the year	14	67	81
	Eliminated on disposal	-	(74)	(74)
	As at 31.12.2018	<u>17</u>	<u>253</u>	<u>270</u>
	Net Book values			
	As at 31.12.2018	<u>29</u>	<u>77</u>	<u>106</u>
	As at 31.12.2017	<u>30</u>	<u>100</u>	<u>130</u>
8	Debtors		2018	2017
	Amounts due within one year:		£ 000	£ 000
	Other debtors		1	-
	Gift Aid recoverable		83	81
	Prepayments		118	183
	Accrued income		953	780
			<u>1,155</u>	<u>1,044</u>
	All debtors are considered financial instruments with the exception of prepayments.			
	The carrying value of financial assets (in debtors) is:		<u>1,037</u>	<u>861</u>
9	Investments		2018	2017
			£ 000	£ 000
	Investments represent short and longer term cash deposits.		-	3,000
10	Creditors: amounts falling due within one year			
	Trade creditors		234	387
	Taxation and social security		48	46
	* Other creditors		81	82
	Accruals and deferred income		39	16
			<u>402</u>	<u>531</u>
	All creditors are considered financial instruments with the exception of deferred income.			
	The carrying value of financial liabilities (in creditors) is:		<u>402</u>	<u>531</u>
	* Other creditors includes: in respect of pension scheme contributions		33	31
11	Creditors: amounts falling due after one year			
	Other creditors		-	33

Notes to the Financial Statements
for the year ended 31 December 2018

12 Operating leases

	2018	2017
	£ 000	£ 000
Operating lease rental payments during the year:		
Land and buildings	115	115
Vehicles	13	8
	<u>128</u>	<u>123</u>

At 31 December 2018, the total future minimum lease payments under non-cancellable leases was as follows:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£ 000	£ 000	£ 000	£ 000
Period:				
Within one year	49	22	97	10
Two to five years	-	52	77	14
Over five years	-	-	-	-
	<u>49</u>	<u>74</u>	<u>174</u>	<u>24</u>

13a Analysis of net assets between funds

Fund balances as at 31 December 2018 were represented by:

	Base Reserve	Designated funds	Total Unrestricted	Restricted funds	Total funds
	£ 000	£ 000	£ 000	£ 000	£ 000
Tangible fixed assets	-	106	106	-	106
Current assets	7,113	2,457	9,570	30	9,600
Current liabilities	(402)	-	(402)	-	(402)
Long term liabilities	-	-	-	-	-
	<u>6,711</u>	<u>2,563</u>	<u>9,274</u>	<u>30</u>	<u>9,304</u>

13b Fund balances as at 31 December 2017 were represented by:

	Base Reserve	Designated funds	Total Unrestricted	Restricted funds	Total funds
	£ 000	£ 000	£ 000	£ 000	£ 000
Tangible fixed assets	-	130	130	-	130
Current assets	7,393	567	7,960	45	8,005
Current liabilities	(531)	-	(531)	-	(531)
Long term liabilities	(33)	-	(33)	-	(33)
	<u>6,829</u>	<u>697</u>	<u>7,526</u>	<u>45</u>	<u>7,571</u>

Notes to the Financial Statements
for the year ended 31 December 2018

14a Funds		As at 01.01.18 £ 000	Income £ 000	Expenditure £ 000	Transfers in £ 000	Transfers out £ 000	As at 31.12.18 £ 000
Base Reserve		6,829	12,040	(10,278)	74	(1,954)	6,711
Designated funds							
Fixed Asset Cost Fund		393	-	-	57	(74)	376
Training Fund		304	-	(14)	-	-	290
2019 Projects		-	-	-	1,227	-	1,227
2020 Projects		-	-	-	670	-	670
	<i>sub-total</i>	<u>697</u>	<u>-</u>	<u>(14)</u>	<u>1,954</u>	<u>(74)</u>	<u>2,563</u>
Total unrestricted income funds		<u>7,526</u>	<u>12,040</u>	<u>(10,292)</u>	<u>2,028</u>	<u>(2,028)</u>	<u>9,274</u>
Restricted funds	note 15a	45	3,349	(3,364)	-	-	30
Total funds		<u><u>7,571</u></u>	<u><u>15,389</u></u>	<u><u>(13,656)</u></u>	<u><u>2,028</u></u>	<u><u>(2,028)</u></u>	<u><u>9,304</u></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. Four to eight months' working capital expenditure (based on next year's budget) is considered appropriate.

The Fixed Asset Cost Fund represents the cost of equipment and vehicles used by MAF UK, purchased from unrestricted funds (the net book value of the charity's existing fixed assets along with the amount designated by the Board, for future spending, to replace these assets.) The transfers reflect purchases and disposals.

The 2019 Projects Fund represents 2019 projects identified by the Board requiring funding above the expected 2019 income revenues.

The 2020 Projects Fund represents 2020 projects identified by the Board requiring funding above the expected 2020 income revenues.

The Training Fund was established by the Board to help potential MAF pilots and engineers gain their qualifications more quickly and therefore get to the field more quickly.

14b Funds		As at 01.01.17 £ 000	Income £ 000	Expenditure £ 000	Transfers in £ 000	Transfers out £ 000	As at 31.12.17 £ 000
Base Reserve		6,261	9,771	(9,228)	145	(120)	6,829
Designated funds							
Fixed Asset Cost Fund		298	-	-	120	(25)	393
Training Fund		350	-	(46)	-	-	304
Database Fund		155	-	(89)	-	(66)	-
MAF Canada Engine Fund		54	-	-	-	(54)	-
	<i>sub-total</i>	<u>857</u>	<u>-</u>	<u>(135)</u>	<u>120</u>	<u>(145)</u>	<u>697</u>
Total unrestricted income funds		<u>7,118</u>	<u>9,771</u>	<u>(9,363)</u>	<u>265</u>	<u>(265)</u>	<u>7,526</u>
Restricted funds	note 15b	74	3,543	(3,572)	-	-	45
Total funds		<u><u>7,192</u></u>	<u><u>13,314</u></u>	<u><u>(12,935)</u></u>	<u><u>265</u></u>	<u><u>(265)</u></u>	<u><u>7,571</u></u>

Notes to the Financial Statements
for the year ended 31 December 2018

15a Restricted funds

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

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

Fund restriction:	As at 01.01.18 £ 000	Income £ 000	Expenditure £ 000	Transfers in £ 000	Transfers out £ 000	As at 31.12.18 £ 000
MAF International aircraft projects	-	1,127	(1,127)	-	-	-
MAF International South Sudan	-	269	(269)	-	-	-
MAF International non-aircraft projects	-	823	(823)	-	-	-
MAF International staff	-	100	(100)	-	-	-
	-	2,319	(2,319)	-	-	-
MAF Australia	-	63	(63)	-	-	-
MAF Canada	-	48	(48)	-	-	-
MAF Germany	-	1	(1)	-	-	-
MAF Netherlands	-	18	(18)	-	-	-
MAF New Zealand	-	-	-	-	-	-
MAF South Africa	-	7	(7)	-	-	-
MAF USA	-	38	(38)	-	-	-
	-	175	(175)	-	-	-
	-	2,494	(2,494)	-	-	-
MAF UK International Staff	45	855	(870)	-	-	30
	45	3,349	(3,364)	-	-	30

15b

Fund restriction:	As at 01.01.17 £ 000	Income £ 000	Expenditure £ 000	Transfers in £ 000	Transfers out £ 000	As at 31.12.17 £ 000
MAF International aircraft projects	-	1,434	(1,434)	-	-	-
MAF International South Sudan	-	239	(239)	-	-	-
MAF International non-aircraft projects	-	745	(745)	-	-	-
MAF International staff	-	85	(85)	-	-	-
	-	2,503	(2,503)	-	-	-
MAF Australia	-	72	(72)	-	-	-
MAF Canada	-	47	(47)	-	-	-
MAF Germany	-	1	(1)	-	-	-
MAF Netherlands	-	18	(18)	-	-	-
MAF New Zealand	-	5	(5)	-	-	-
MAF South Africa	-	9	(9)	-	-	-
MAF USA	-	28	(28)	-	-	-
	-	180	(180)	-	-	-
	-	2,683	(2,683)	-	-	-
MAF UK International Staff	74	860	(889)	-	-	45
	74	3,543	(3,572)	-	-	45