



## 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 2013**

## Contents

Page	
1-2	Message from the Chairman and the Chief Executive
3	Report of the Trustees
	Public benefit
	Operational impact by:
	Facilitating safe travel
4	Flying in medics and medical supplies
	Assisting the church
5	Spreading God's Word
	Transporting people and essential supplies
6	Providing lifesaving flights
7-9	Objectives and activities for 2013
9	Conclusion for 2013
10	Future plans
	Our top five objectives for 2014
11	Strategic Report
	Business review
12	Principle risks and uncertainties
13	Reserves policy
	Principal funding sources
	Investment powers and policy
	Structure, governance and management
	Governing document
	Appointment of Trustees
	Trustee induction and training
14	Organisational structure
	Related parties
	Internal controls
15	Risk management
16	Trustees' responsibilities in relation to the financial statements
	Provision of information to auditors
17	Legal and administrative information
18-19	Independent Auditor's report
20	Statement of Financial Activities
21	Balance Sheet
22	Cash Flow Statement
23-28	Notes to the Financial Statements

## Message from the Chairman and Chief Executive

2013 was a year of amazing 'faith-stories', encouragement and blessing as we continued, with God's help, to cross physical and spiritual barriers to deliver transformational support to over one million of the world's most remote and isolated people - resulting in thousands of lives transformed and saved.

We accomplished this by enabling medical teams to bring healing, pastors to provide pastoral care and spiritual support, and by transporting equipment and resources to aid community development and ensure self-sufficiency. Emergency patients were airlifted, Bible translators flown to remote areas, and clean water, food and medical supplies delivered to areas affected by disaster or disease.

We thank God for the privilege of transporting people and supplies which brought help and hope to those who would otherwise have remained in poverty, darkness and despair, and rejoice at significant milestones such as 50 years of MAF service in Tanzania and 40 years in Arnhem Land.

### Faith at work

Another great blessing was our being able to use new or reopened airstrips such as Gawa (Arnhem Land), Marolambo (Madagascar), Aibai, Busilmin, Emdomen, Kanianj and Yiffiffiffiki (Papua New Guinea, PNG), Ajuong Thok (South Sudan), Katahe, Kiasi, Kitwai B, Lerumo and Lesirwai (Tanzania), and Kotido (Uganda).

Throughout 2013, our dynamic and passionate organisation enabled over 1,000 partner organisations to reach otherwise unreachable individuals, communities and areas afflicted by natural disaster, war, disease or civil unrest in over 1,800 destinations. Based where the needs are greatest in 25 countries, our aircraft made over 50,000 flights.

### Faithful staff

Thanks to the dedicated service of our staff who spread God's love in sometimes difficult and challenging situations, MAF's worldwide fleet of aircraft was able to reach those in need safely, quickly and efficiently.

### Faithful Supporters

We also praise God for the many thousands of faithful Supporters who generously supported our work through their prayers and practical support as Volunteers in 2013. Thanks to them, funds were raised and released to assist those relying on us in poor, inaccessible and inhospitable places.

The strength of the support received was seen in the encouraging level of income in 2013 (£12m), and the donated income provided through legacies (£2.4m). We give thanks for the gifts that enabled the purchase and refurbishment of the Cessna 182 SMA aircraft that toured the UK before setting off for service in South Sudan - along with pledges up to £639k to refurbish two Twin Otter aircraft in PNG. We are also thankful for

the £375k raised towards the purchase of a Cessna 208 Grand Caravan aircraft for Uganda, along with the £50k a year maintenance grant.

### **Stepping out in faith**

We are delighted that funds received from Jersey and Isle of Man overseas development funds will cover the start-up costs of our exciting new programme in Liberia for the next three years. We also give thanks that the refurbishment costs of our Cessna Grand Caravan aircraft based in Kenya were pledged in 2013, and that the staff homes in Juba, South Sudan, were completed and furnished - playing an essential part in enabling our team to continue serving the needs of this young, developing nation.

### **Faith in action**

Reflecting on all that we were able to achieve in 2013, we also give thanks for the 32 UK staff and their families serving overseas. Reports from Arnhem Land, Bangladesh, Chad, Kenya, Madagascar, Mongolia, PNG, South Africa, South Sudan, Tanzania, Timor-Leste and Uganda show how the commitment, skills and dedication of our overseas staff ensures help reaches those in desperate need. Through them, our life-transforming flights brought salvation, hope and healing - facilitating development in some of the world's poorest places. Some examples of these appear in the Trustees' Report.

### **Faith in God**

We praise God for His provision during 2013 of:

- £12 million of income
- £2.4 million received from legacies
- 7,000 new Supporters
- 500 churches taking part in our Day of Prayer
- Over 1,500 new regular givers
- Over 1,100 presentations by Volunteers at churches and events

We would like to thank everyone for continuing to support MAF's work which ensured that the right assistance reached the right people in some of the most remote and challenging places on earth. So many of the lives we touched were reached because of the gifts, prayers and time given by faithful Supporters. By doing so, they enabled us to continue 'Flying for life' - transforming lives in circumstances where flying is not a luxury but a lifeline.

Roger Mitty  
Chairman of Trustees

Ruth Whitaker  
Chief Executive

## Report of the Trustees for the year ended 31 December 2013

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 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2005) 'Accounting and Reporting by Charities' issued in March 2005 (as amended) and the Charities Act 2011 in preparing the Annual Report and financial statements of the charity.

### 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 demonstrate how the public benefit is delivered.

### Operational impact

Our mission is to reach the unreachable in some of the world's most remote, isolated and inaccessible areas - places where people are cut off due to geographical barriers, conflict, natural disasters, or the dangers incurred by overland travel. During 2013, our planes flew into some 1,800 remote locations, enabling over 1,000 partners to assist people in spiritual and physical need. With over 130 light aircraft and bases in over 25 countries, MAF was able to assist people through aviation and technology - responding to the needs of local people around the world quickly and effectively. We did so in a number of ways:

- **By facilitating safe travel**

In northern Kenya, our aircraft not only helped Christian organisations and NGOs to avoid dusty, bumpy, lengthy overland journeys, but also avoided stretches of road notorious for bandits. Alexander, an MAF passenger spearheading an initiative to join NGOs in co-ordinating better food security, education and medical services, remarked, 'One of my colleagues was shot at while travelling from Nairobi, and still has the bullet

holes in his car to prove it. It was very frightening, and reiterates why Caritas uses MAF to ensure the safety of employees.'

For James, Tearfund's Project Support Co-ordinator in **South Sudan**, MAF played an essential part in transporting personnel, food, mosquito nets, spare parts for boreholes and essential supplies so Tearfund could provide safe water, improve nutrition and promote health and sanitation in Jonglei State. He wrote, 'Although it's possible to drive from Juba to Yuai during the dry season, many of the areas were mined during the civil war, and rebel militia groups are still active. So travelling with MAF is quicker and safer.'

- **By flying in medics and medical supplies**

In Madundas, a small village in south-west **Tanzania**, we flew Dr Gala and a team of doctors. Every third Tuesday, the team, organised by the Lutheran Church, provided some 300 women and children with vaccinations, treatment and care. When a young pastor joined them, preached and counselled a number of villagers, she ended up with 16 women asking to be baptised. The Dean of Chimala Diocese said, 'The work of MAF is very good. Thank you for making this possible.'

MAF pilots also enabled Nurses Heart to Heart to maximise the impact of their short-term teaching and outreach trips in **Mongolia**. Travelling overland would have taken 12 hours along bumpy dirt roads, but MAF's flight took only 2 hours, saving vital time and enabling the team to arrive as fresh as possible. The nurses gave 180 medical staff in remote Choibalsan vital lifesaving training in CPR, met church leaders, distributed Bibles and befriended a nomadic community. On the way back, we flew a patient suffering from a heart attack to Ulaanbaatar Hospital.

- **By assisting the Church**

In **South Sudan**, Every Village's Country Director relied on MAF aircraft 'to get to hard-to-reach places faster and quicker', and remarked, 'MAF helps us get the Gospel to people by transporting mission teams and assisting us with our radio ministry. MAF flies technicians in to help fix things and sometimes pilots jump in and give us a hand. We would be hard pressed to do this work without them!'

Our pilots also flew Bible translators from **Arnhem Land** to West Timor to celebrate the dedication of the New Testament in the Dhao language and discuss issues facing both sets of translators. 'The visit,' said one of the attendees, 'encouraged me to continue with my work. When I came home to Galiwinku, Arnhem Land, I couldn't wait to get back to translating the New Testament into Golumala, my clan language.'

Another passenger, the Most Reverend Justin Welby, Archbishop of Canterbury, flew to Dodoma, **Tanzania** in an MAF aircraft with his wife Caroline, his Secretary for Anglican Communion Affairs, and the Archbishop of Kenya, for the installation of Tanzania's new archbishop. Archbishop Welby described his experience of MAF as 'an eye-opener' and

said he 'had no idea of the scale or effectiveness of what you do. I am very struck by the extremely clear spirituality of it'.

- **By spreading God's Word**

On the ground, MAF Technology Services helped reach local Yolŋu people in **Arnhem Land** through the Internet, mobile phone apps and social media. Our staff loaded Bible apps on to phones, fixed church computers, set up projectors for outreach, answered calls for technology support, and provided CDs, DVDs, SD cards and Bibles. Our SMS service enabled people to receive Scripture passages in Yolŋu Matha and English, and our personnel produced Christian material for a radio station that reaches 19 communities throughout Arnhem Land.

In Kotido, northern **Uganda**, an unexpected downpour resulted in three MAF staff and some Karamajong men taking shelter in our plane. Pilot Achim Appel used the opportunity to share the Gospel - resulting in several Karamajong giving their lives to the Lord.

In **PNG**, we sold print and audio Bibles in English and Tok Pisin at affordable prices to remote communities - our PNG Ministry Team preaching, giving personal testimonies, showing Christian DVDs and holding HIV/AIDs training in churches and at school gatherings, youth meetings and women's conferences. Our pilots, who carried a selection of print and audio Bibles to sell at affordable prices to isolated communities, were encouraged at the response. 'Everywhere we went,' said Pilot Michael Duncalfe, 'we are told, "Bring more, bring more! Next time you come, you must bring a whole box." The enthusiasm to buy the Bibles is absolutely amazing.'

- **By transporting people and essential supplies**

Our pilots provided aerial survey flights to assess the damage caused to houses, public buildings and infrastructure when cyclone *Haruna* struck the south-western coast of **Madagascar**, enabling international development agencies and government officials to bring in essential food supplies and aid.

In **Bangladesh**, we provided survey flights for UN OHCA, the World Food Programme, DFID, ECHO, Oxfam and Care, to help those affected by cyclone *Mahasen*. MP Abul Hassan Mahmood Ali, head of the Ministry of Disaster, and his cabinet were flown into the worst hit areas - the Minister remarking that, 'MAF is giving a good service to the country, and its service is very important, especially in times of disaster.'

When severe flooding caused extensive damage to infrastructure and communities in **South Africa's** Limpopo province, we delivered clothing and emergency supplies of food to provide 2,000 meals, 200 litres of drinking water and a portable filtration system to make river water safe to drink.

When 12,000 people were affected by flooding in south **Timor-Leste**, we flew The Leprosy Mission, CARE International and Trócaire to assess the damage and provide emergency food supplies.

- **By providing lifesaving flights**

When Lual and Ater were shot by cattle raiders in a remote area of **South Sudan**, we flew them to Juba Teaching Hospital. In Deed and Truth Ministries worker Suzy, who arranged the emergency airlift, commented, 'Without MAF, we couldn't complete our work. You fly in medical staff, medicines, missionaries, food and supplies, and respond to frequent emergencies.'

Tulkan, a missionary working in **Mongolia**, began having severe seizures, so doctors in remote Khovd decided she needed urgent medical treatment in Ulaanbaatar - 994 miles away. We flew her direct in a matter of hours. She eventually received the all clear from the hospital, and on the return flight was well enough to talk about her missionary work with the Christian and Missionary Alliance. Other flights carried a Mongolian suffering from a stroke, a woman with a dislocated hip, and a patient with internal bleeding.

Another medevac involved 23-year-old Elizita, who was looking forward to having twins but began exhibiting signs of pre-eclampsia - a life-threatening complication. The speedy delivery of both babies was vital, but neither was lying in the correct position for her to give birth. Instead of an arduous 9-hour journey on poor quality roads, our aircraft flew Elizita from her isolated village to Dili, **Timor-Leste's** capital, in just 90 minutes. A week later, Elizita returned home to Suai with two healthy babies - our aircraft making the difference between life and death.

### **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:

- Guernsey Overseas Aid Commission
- Isle of Man Government
- Jersey Overseas Aid Commission
- Lancaster Foundation
- Maurice and Hilda Laing Charitable Trust
- UK Aid from the Department for International Development

## **Objectives and activities for 2013**

MAF UK's aim is to support partner churches, missions, and humanitarian and relief and development agencies to reach remote communities with the love of Christ by providing practical help and real hope. The main purpose and activity of MAF continues to be the provision of subsidised, 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 with national churches, relief and development agencies, missions, hospitals and governments to meet the most pressing of human needs.

With charities in the UK and Europe conscious of the uncertain economic climate, one of the main objectives for 2013 was to meet the growing needs in Africa and Asia Pacific through prayerful support and to continue to recruit new Supporters and much-needed staff for our work overseas. A further objective was to recruit additional members for our UK team.

**Specifically, the objectives together with outcomes for 2013 were:**

- To recruit international staff to meet the needs expected by our overseas teams.

Three new staff families were recruited during the year, but the need is ever growing.

- To fund all planned programmes through wider fundraising activities.

All 2013 planned operational funding needs were met.

- To refresh UK communications in order to recruit new Supporters so even more people can be served.

The project to review and update MAF UK's digital presence was initiated and will be completed in 2014.

- To develop a revised MAF UK Strategic Plan reflecting the needs of a rapidly changing world.

A revised plan was completed and approved by the Trustees.

- To resource the development of our programmes in South Sudan to meet the many as yet unmet needs of this fledgling nation.

A much needed new housing project was completed and a new aircraft was procured.

## The MAF team in the UK

### MAF in the Community highlights

The work of the MAF in the Community (MiC) Volunteer team continued to challenge and inspire people throughout the UK and was further enhanced by a short DVD. Produced in 2013, it was made available to attendees after MAF presentations. Initial responses indicated the DVD was much appreciated.

Our Area Representatives made over 1,100 presentations, promoting MAF's work in churches and other Christian groups across the UK, as well as many non-Christian groups such as Rotary Clubs, who value the work MAF does.

In 2013, we were also encouraged to see an increased number of churches selecting us as their chosen charity - strengthening relationships and increasing prayer and financial support for MAF.

Our smaller MAF exhibition truck attended 20 events, including the BigChurchDayOut and the People Without Limits conference at Detling, Kent.

The large trailer, which is being refurbished internally to enhance our visitors' experience, will appear at several key events planned for 2014. We were delighted to receive an invitation from Spring Harvest Minehead to bring our roadshow free of charge, and have been asked by BigChurchDayOut to take the trailer there in 2014.

Events like these enable us to present MAF in an enjoyable and interactive way, using audio-visual media and the on-board flight simulators.

Volunteer numbers		2013	2012
Area Reps	England and Wales	87	94
	Scotland	45	47
	Ireland	15	15
Church Reps	England and Wales	290	306
	Scotland	139	170
	Ireland	94	109
Prayer Group Leaders	England and Wales	17	21
	Scotland	14	10
	Ireland	11	11

### Events in Scotland

During 2013, the MiC team continued to offer MAF presentations to churches and community groups throughout Scotland. One initiative, the photographic exhibition 'Every Picture Tells a Story', visited eight key churches. This successful weekend event introduced people to our work, encouraged existing Supporters, and enabled attendees to give financially.

In May and August, our two cycling sportive events proved equally effective in raising funds and reaching new audiences, while the June tour of our new Cessna 182 aircraft, which visited Cumbernauld Airport, was attended by many Supporters of all ages.

In October, our Legacy event Yesterday, Today and Forever enabled 50 Supporters to hear from key MAF personnel who encouraged them to support us in prayer and to remember us in their Wills. Many appreciated the opportunity to meet operational staff and get signed copies of the new *Hope Has Wings* book from MAF co-founder Stuart King.

The team also spent the latter part of the year planning for the MAF Big Picture 2014, taking place during the 2014 Glasgow Commonwealth Games.

### **International staff**

MAF UK currently has 32 staff, accompanied by their families, based overseas or preparing to join overseas programmes. Their support levels remained high throughout 2013 due to good communication with Supporters.

We are encouraged that we continue to have a high number of candidates in the latter stages of assessment for service in Africa and Asia Pacific, with eight candidates considering pilot, aircraft maintenance engineer and management roles.

Throughout 2013, overseas vacancies were advertised through a variety of online and offline sources, with an average of 30 initial enquiries coming in each month. From these initial approaches, we were encouraged by the 75 registered enquirers actively considering service overseas.

### **Conclusion for 2013:**

Despite ongoing economic difficulties in the UK, our loyal Supporters continued to support our work, with overall funding growing as a result. New aircraft have been funded and the major upgrading of older aircraft financed.

Initial funding was also received to open our exciting new programme in Liberia. We hope that potential personnel recently recruited will take up their roles in 2014, enabling this important work to become operational.

More people heard about MAF for the first time, and many joined our growing team of Supporters, which enables us to serve a greater number of isolated people overseas.

The MAF UK Strategic Plan was updated to reflect the changing challenges and opportunities we face. Robust projects have been planned to ensure that all areas are fit for purpose and that MAF UK is best placed to maximise opportunities as they arise and to minimise risks.

## Future plans

Our vision is to see an increasing number of communities across the developing world reached with the help and healing that our aircraft, pilots, partners and personnel deliver in times of emergency and peace.

Although opening the new programme in Liberia and getting it fully operational is a major undertaking, we will continue to look for further opportunities to share God's love in practical ways with the poorest and most isolated people.

We will continue to review all our processes and practices, hardware and software, to ensure that our internal systems enable the maximum resources to be used overseas.

Global communications are becoming increasingly digital and we have programmes in place to review the way we use all our communications to ensure that MAF UK remains relevant and that the vital work we do is known as widely as possible.

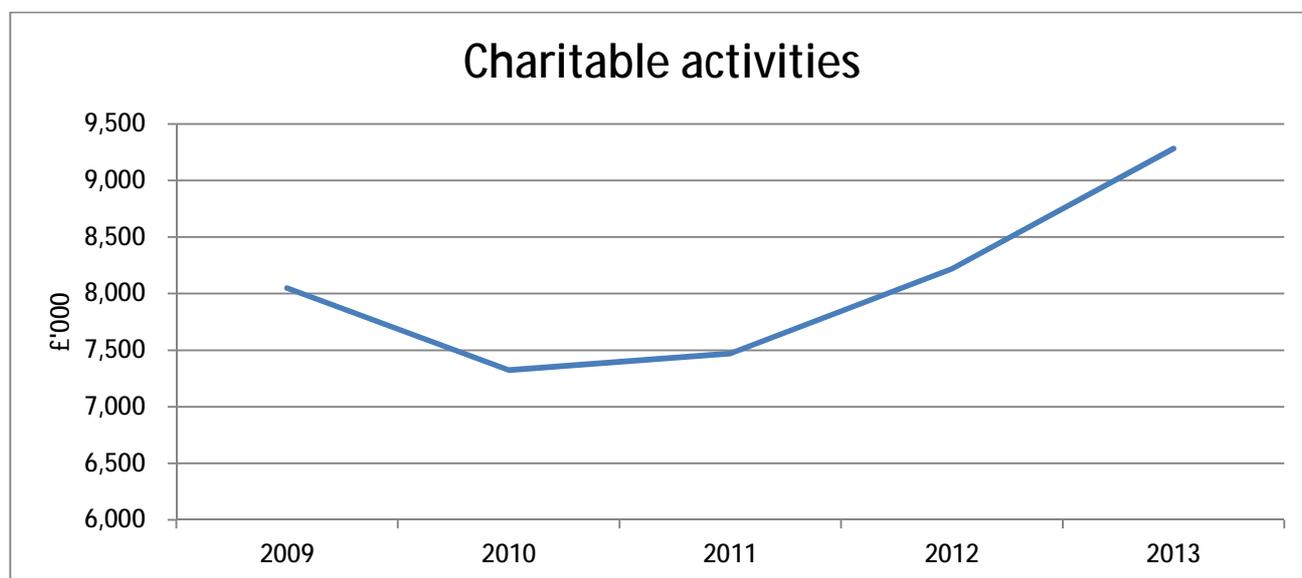
### Our top five objectives for 2014 are:

- To recruit more pilots and engineers to fill the current and expected vacancies in MAF programmes overseas.
- To fund all planned programme work as well as enabling new work to be supported.
- To specifically support the new Liberia programme.
- To develop and launch a new website with greater social media connections to enhance MAF's digital presence and communications with Supporters in the UK.
- To recruit currently vacant UK positions so that the strategic targets can be met.

**Strategic Report**

**Business review**

<b>Five-year history</b>					
Income and expenditure £000	2009	2010	2011	2012	2013
<b>Income</b>					
Unrestricted donations	5,971	6,591	6,142	6,397	6,620
Legacies	1,106	1,425	2,301	2,944	2,390
Investment income	19	15	17	102	130
International staff support	871	889	796	817	917
Other restricted income:					
Aircraft	1,137	51	4	237	562
Fuel	44	80	13	26	52
East Africa campaign	-	-	919	23	-
Other	917	1,265	1,191	1,218	1,377
<b>Total income</b>	<b>10,065</b>	<b>10,316</b>	<b>11,383</b>	<b>11,764</b>	<b>12,050</b>
<b>Expenditure</b>					
Cost of generating voluntary income	2,146	2,011	2,185	2,471	2,259
Charitable activities	8,050	7,323	7,471	8,219	9,283
Governance costs	24	27	25	30	28
<b>Total expenditure</b>	<b>10,220</b>	<b>9,361</b>	<b>9,681</b>	<b>10,720</b>	<b>11,570</b>
<b>Net incoming / (outgoing) resources</b>	<b>(155)</b>	<b>955</b>	<b>1,702</b>	<b>1,044</b>	<b>480</b>



Charitable activity expenditure grew by more than £1million (13%) in 2013, the third year of continued growth, only made possible by the generosity of our Supporters.

Page 20 sets out the Statement of Financial Activities for MAF UK for the year. The income for the year (Total Incoming Resources) was £12m, of which 99% was voluntary income including restricted gifts (2012: £11.8m; 99%).

The benefits of tax-efficient giving were again increased through the securing of a further 2,827 Gift Aid Declarations during 2013 (2012: 3,065), bringing the total number of on-going Declarations to 38,318 (2012: 37,549). Tax claimed on 2013 gifts amounted to £716,543 (2012: £757,817).

Investment income of £130k (2012: £102k) reflecting the increase in funds available for investing pending distribution.

During the year, the sum of £1,513,000 (note 4) was paid in staff support to 26 staff (note 5) (individuals/families) from the UK serving overseas (2012: £1,404,000 to 27 staff individuals/families).

In addition, unrestricted grants of £4,255,000 (note 4) and restricted income of £1,993,000 (note 12) totalling £6,248,000 (2012: £5,420,000\*) were passed to sister MAF groups worldwide, primarily to assist in the provision of mission aviation (\*2012: unrestricted grants of £3,912,000 and restricted income of £1,508,000).

The assets and liabilities of MAF UK are set out in the Balance Sheet (page 21). 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.

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

### **Principle risks and uncertainties**

The principle 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 (page 15).

The principle uncertainties relating to timing and volatility of various income streams are also addressed by the risk management process the Board have adopted.

## **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. 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 11.

At the year end, all the reserves were above the minimum policy-level. The Future Projects Reserve enabled previously-rented housing in Papua New Guinea to be purchased and the excellent unrestricted result for the year enabled the Reserve to be replenished.

The Base Reserve year-end balance was in excess of the 6-month (working capital) upper limit as a result of the exceptional legacy income received; the Senior Leadership Team will be reviewing opportunities to bring the balance back below that target limit in 2014.

## **Principal funding sources**

Voluntary donations remained the principal source of funding, providing some 99% (2012: 99%) of total incoming resources. Of this, legacy income amounted to 25% (2012: 25%).

## **Investment powers and policy**

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

## **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**

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. During the year, John Steel QC and John Quin OBE both retired with the grateful thanks of the board for their years of service.

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 MAF UK Governance Manual containing items such as the Memorandum and 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 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. 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 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 Leadership Team.

### **Related parties**

MAF UK is a member of MAF International, which is an association of operational and resourcing MAF groups around the world. The various resourcing groups formed MAF International Ltd, their operational arm, to which all operational assets are transferred. The central management of all the programmes enables better efficiency in terms of asset deployment and the standardisation of training and safety standards. MAF UK's overseas staff are seconded to MAF International Ltd and all funds raised for operational programmes are passed to MAF International Ltd. MAF 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* (CC8).

## 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 prioritise them in terms of potential impact and likelihood of occurrence, and identifying 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 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

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

## **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 regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity 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 UK accounting standards have been followed, subject to any material departures disclosed and 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

Roger Mitty MInstF MIPA Chairman	Phil Bland MBE MInstMC
Andrew Cunningham MSc BSc (Hons)	Linda Trew PgDip MInstF(Cert)
Rev Anthony Buckley MA (Oxon)	Diana White BA (Hons)
Dr Ian Harnett DPhil (Oxon)	John Steel QC (to 7 February 2013)
Gareth Mitchell BA (Dual Hons) MCIPR	John B Quin OBE FCMA (to 10 July 2013)
Stephen Lockley FCA BSc (Hons)	

### 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 LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

### Principal Bankers

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

### Solicitors

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

### Company information

Company number 3437446

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

Website: [www.maf-uk.org](http://www.maf-uk.org) Date of Incorporation 16 September 1997

### Auditors

A resolution proposing that BDO 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 2 April 2014.  
Roger Mitty (Chairman)

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

We have audited the financial statements of Mission Aviation Fellowship UK for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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 in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

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 2013 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Andrew Stickland  
Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom  
Date: 2 April 2014

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of Financial Activities**

*(incorporating an Income and Expenditure Account)*

**for the year ended 31 December 2013**

		2013			2012
	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total funds £ 000	Total funds £ 000
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income:					
Donations		6,620	1,991	8,611	7,901
International staff		-	917	917	817
Legacies		2,390	2	2,392	2,944
	<b>2</b>	<b>9,010</b>	<b>2,910</b>	<b>11,920</b>	<b>11,662</b>
Investment income	<b>3</b>	130	-	130	102
<b>Total incoming resources</b>		<b>9,140</b>	<b>2,910</b>	<b>12,050</b>	<b>11,764</b>
<b>Resources expended</b>					
Cost of generating funds		2,259	-	2,259	2,471
Charitable activities		6,404	2,879	9,283	8,219
Governance costs		28	-	28	30
<b>Total resources expended</b>	<b>4</b>	<b>8,691</b>	<b>2,879</b>	<b>11,570</b>	<b>10,720</b>
<b>Net resources</b>		<b>449</b>	<b>31</b>	<b>480</b>	<b>1,044</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward	<b>11</b>	7,545	59	7,604	6,560
Total funds carried forward	<b>11</b>	<b>7,994</b>	<b>90</b>	<b>8,084</b>	<b>7,604</b>

All of the above results are derived from continuing activities.

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

The notes on pages 23 to 28 form an integral part of these financial statements.

**Balance Sheet**  
as at 31 December 2013

	Note	2013			2012
		Unrestricted funds £ 000	Restricted funds £ 000	Total funds £ 000	Total funds £ 000
<b>Fixed assets</b>					
Tangible assets	6	60	-	60	93
		<u>60</u>	<u>-</u>	<u>60</u>	<u>93</u>
<b>Current assets</b>					
Debtors	7	1,160	-	1,160	939
Short term deposits		6,475	90	6,565	6,057
Cash at bank and in hand		1,077	-	1,077	1,243
<b>Total current assets</b>		<u>8,712</u>	<u>90</u>	<u>8,802</u>	<u>8,239</u>
<b>Liabilities</b>					
Creditors:					
Amounts falling due within one year	8	(778)	-	(778)	(728)
<b>Net current assets</b>		<u>7,934</u>	<u>90</u>	<u>8,024</u>	<u>7,511</u>
<b>Net assets less current liabilities</b>		<u><u>7,994</u></u>	<u><u>90</u></u>	<u><u>8,084</u></u>	<u><u>7,604</u></u>
<b>The funds of the charity:</b>					
Base reserve	11	6,982	-	6,982	6,553
Other Designated funds	11	1,012	-	1,012	992
<b>Total unrestricted income funds</b>		<u>7,994</u>	<u>-</u>	<u>7,994</u>	<u>7,545</u>
Restricted funds	12	-	90	90	59
<b>Total funds</b>		<u><u>7,994</u></u>	<u><u>90</u></u>	<u><u>8,084</u></u>	<u><u>7,604</u></u>

Approved by the Board on 2 April 2014 and signed on its behalf by:

Roger Mitty  
Chairman

Stephen Lockley  
Vice-Chairman

The notes on pages 23 to 28 form an integral part of these financial statements.

**Cash Flow Statement**  
for the year ended 31 December 2013

		2013	2012
		£ 000	£ 000
<b>Reconciliation of changes in resources to net cash inflow from operating activities</b>			
	Note		
Net incoming resources		480	1,044
Less: investment income	3	(130)	(102)
		<u>350</u>	<u>942</u>
Depreciation charges	6	53	63
Loss on disposal of fixed assets			3
Increase in debtors		(221)	(301)
Increase in creditors		50	76
Changes in resources		<u>(118)</u>	<u>(159)</u>
<b>Net cash inflow from operating activities</b>		<u><u>232</u></u>	<u><u>783</u></u>

**CASH FLOW STATEMENT**

Net cash inflow from operating activities		232	783
Returns on investments and servicing of finance	3	130	102
Capital expenditure and financial investment:			
Purchase of tangible fixed assets	6	(20)	(51)
Cash inflow before increase in liquid resources		<u>342</u>	<u>834</u>
Management of liquid resources:			
Increase in short term deposits		(508)	(4,057)
Decrease in cash		<u>(166)</u>	<u>(3,223)</u>

**Reconciliation of net cash inflow to movement in net funds**

Decrease in cash in the year		(166)	(3,223)
Cash outflow from increase in liquid resources		508	4,057
Change in net funds resulting from cash flows		<u>342</u>	<u>834</u>
Balance brought forward 01.01.2013		7,300	6,466
<b>Net funds as at 31.12.2013</b>		<u><u>7,642</u></u>	<u><u>7,300</u></u>
<b>Analysis of net funds</b>			
	Balance	Cash	Balance
	01.01.2013	flows	31.12.2013
	£ 000	£ 000	£ 000
Cash at bank and in hand	1,243	(166)	1,077
Short-term deposits	6,057	508	6,565
	<u>7,300</u>	<u>342</u>	<u>7,642</u>

The notes on pages 23 to 28 form an integral part of these financial statements.

**Notes to the Financial Statements  
for the year ended 2013**

**1. Accounting policies**

In preparing the financial statements, the charity has adopted the Statement of Recommended Practice (SORP 2005). As well as following applicable accounting standards and the Companies Act 2006, the financial statements are based on the following policies:

**(a) Basis of accounting**

The financial statements have been prepared on the historical cost convention.

**(b) Basis of consolidation**

The accounts incorporate the financial statements of the charity only as its subsidiary undertaking has immaterial assets and does not trade.

**(c) Funds**

- General funds (Base Reserve) 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.

**(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, in accordance with SORP para 127, entitlement is recognised when probate has been granted. Where valuation is possible, any such legacies receivable, but not yet received, are accrued in the financial statements. 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 includes a proportion of central overhead costs

**Notes to the Financial Statements  
for the year ended 2013**

- '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
- 'Governance costs' represent those costs which relate to the management of MAF UK'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) Tangible fixed assets and 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 11.

Notes to the Financial Statements  
for the year ended 31 December 2013

	2013		2012			
	£ 000	£ 000	£ 000	£ 000		
<b>2 Donations</b>						
Individuals (excluding legacies)		6,526		6,258		
Churches		915		869		
Trusts		1,309		961		
Companies		63		48		
<i>DFID</i>	223		250			
<i>Isle of Man</i>	68		45			
<i>Other Governments</i>	330		150			
Governments		621		445		
Other		94		137		
Legacies		2,392		2,944		
		<u>11,920</u>		<u>11,662</u>		
<b>3 Investment income</b>						
Interest receivable		130		102		
		<u>130</u>		<u>102</u>		
<b>4 Total resources expended</b>	Unrestricted	Restricted	Sub-total	Apportioned	2013	2012
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>Cost of generating funds:</b>						
Voluntary income	1,634	-	1,634	202	1,836	2,008
Donor acquisition	377	-	377	46	423	463
	<u>2,011</u>	<u>-</u>	<u>2,011</u>	<u>248</u>	<u>2,259</u>	<u>2,471</u>
<b>Charitable activities:</b>						
International Staff	627	886	1,513	187	1,700	1,564
Overseas operations *	4,381	1,993	6,374	786	7,160	6,192
Information and education	377	-	377	46	423	463
	<u>5,385</u>	<u>2,879</u>	<u>8,264</u>	<u>1,019</u>	<u>9,283</u>	<u>8,219</u>
** <b>Governance costs</b>	25	-	25	3	28	30
<b>Support departments</b>						
Management and Personnel	376	-	376	(376)	-	-
Finance and Administration	894	-	894	(894)	-	-
	<u>1,270</u>	<u>-</u>	<u>1,270</u>	<u>(1,270)</u>	<u>-</u>	<u>-</u>
	<u>8,691</u>	<u>2,879</u>	<u>11,570</u>	<u>-</u>	<u>11,570</u>	<u>10,720</u>
Overseas operations * grants	<u>4,255</u>					<u>3,912</u>

Direct costs are allocated to the expenditure categories on the estimate of actual usage.

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

	2013	2012
	£ 000	£ 000
<b>Net resources for the year is stated after charging:</b>		
Audit fees	19	16
Tax advice	-	2
Trustee expenses	2	1
Operating lease rentals:		
Land and buildings	114	114
Vehicles	10	12
	<u>145</u>	<u>145</u>

\* Institutional grants totalling £4,255,000 (2012: £3,912,000) were made during the year to MAF International Ltd.

\*\* Trustees are reimbursed for out-of-pocket travel and subsistence expenses.

The number of trustees who received reimbursement was 3 (2012: 3)

The trustees neither received nor waived any emoluments during the year (2012: £NIL)

Notes to the Financial Statements  
for the year ended 31 December 2013

	2013	2012
	£ 000	£ 000
<b>5 Staff costs</b>		
* Wages and salaries	2,377	2,290
Social security costs	166	166
Other pension costs	288	291
	<u>2,831</u>	<u>2,747</u>
<i>* Gross wages paid through the payroll including no expenses</i>		
	Number	Number
Average number of employees - UK	51	53
Average number of employees - Overseas	26	27
	<u>77</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	1
	<u>£ 000</u>	<u>£ 000</u>
Pension contributions in respect of these employees were	<u>12</u>	<u>7</u>

	Vehicles £ 000	Equipment £ 000	Total £ 000
<b>6 Tangible fixed assets</b>			
<b>Cost</b>			
As at 01.01.2013	5	237	242
Additions	-	20	20
As at 31.12.2013	<u>5</u>	<u>257</u>	<u>262</u>
<b>Depreciation</b>			
As at 01.01.2013	5	144	149
Charge for the year	-	53	53
As at 31.12.2013	<u>5</u>	<u>197</u>	<u>202</u>
<b>Net Book values</b>			
As at 31.12.2013	<u>-</u>	<u>60</u>	<u>60</u>
As at 31.12.2012	<u>-</u>	<u>93</u>	<u>93</u>

*MAF UK Annual Report & Accounts 2013*  
**Notes to the Financial Statements**  
for the year ended 31 December 2013

7 Debtors	2013	2012
	£ 000	£ 000
Amounts due within one year:		
Other debtors	19	62
Tax recoverable	92	318
Prepayments	151	142
Accrued income	898	417
	<u>1,160</u>	<u>939</u>

8 Creditors: amounts falling due within one year		
Trade creditors	648	222
Taxation and social security	41	48
Other creditors	44	412
Accruals and deferred income	45	46
	<u>778</u>	<u>728</u>

9 Financial commitments

At 31 December 2013 the charity had annual commitments under non-cancellable leases as follows:

	2013		2012	
	Land and buildings £ 000	Other £ 000	Land and buildings £ 000	Other £ 000
Expiry date:				
Within one year	12	-	12	5
Two to five years	8	10	8	5
Over five years	89	-	89	-
	<u>109</u>	<u>10</u>	<u>109</u>	<u>10</u>

10 Analysis of net assets between funds

Fund balances as at 31 December are represented by:

	Base Reserve £ 000	Designated funds £ 000	Total Unrestricted £ 000	Restricted funds £ 000	Total funds £ 000	Total funds £ 000
Tangible fixed assets	-	60	60	-	60	93
Current assets	7,760	952	8,712	90	8,802	8,239
Current liabilities	(778)	-	(778)	-	(778)	(728)
	<u>6,982</u>	<u>1,012</u>	<u>7,994</u>	<u>90</u>	<u>8,084</u>	<u>7,604</u>

**Notes to the Financial Statements**  
for the year ended 31 December 2013

11 Funds	As at 01.01.13	Income	Expenditure	Transfers in	Transfers out	As at 31.12.13
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Base Reserve	6,553	9,140	(8,391)	-	(320)	6,982
<b>Designated funds</b>						
Fixed Asset Fund	242	-	-	20	-	262
Future Projects Reserve	750	-	(300)	300	-	750
<i>sub-total</i>	<u>992</u>	<u>-</u>	<u>(300)</u>	<u>320</u>	<u>-</u>	<u>1,012</u>
<b>Total unrestricted income funds</b>	<u>7,545</u>	<u>9,140</u>	<u>(8,691)</u>	<u>320</u>	<u>(320)</u>	<u>7,994</u>
<b>Restricted funds</b> note 12	59	2,910	(2,879)	-	-	90
<b>Total funds</b>	<u>7,604</u>	<u>12,050</u>	<u>(11,570)</u>	<u>320</u>	<u>(320)</u>	<u>8,084</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 represents the cost of equipment and vehicles used by MAF UK, purchased from unrestricted funds.

The Future Projects Reserve comprises unrestricted income funds that 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 the light of the future international and economic and currency uncertainties. The minimum value is £750,000.

## 12 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 category:	As at 01.01.13	Income	Expenditure	Transfers in	Transfers out	As at 31.12.13
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
MAF International aircraft projects	-	562	(562)	-	-	-
MAF International non-aircraft projects	-	1,224	(1,224)	-	-	-
MAF International staff	-	107	(107)	-	-	-
	<u>-</u>	<u>1,893</u>	<u>(1,893)</u>	<u>-</u>	<u>-</u>	<u>-</u>
MAF Australia	-	38	(38)	-	-	-
MAF Canada	-	20	(20)	-	-	-
MAF Germany	-	1	(1)	-	-	-
MAF Netherlands	-	7	(7)	-	-	-
MAF New Zealand	-	-	-	-	-	-
MAF South Africa	-	2	(2)	-	-	-
MAF Sweden	-	-	-	-	-	-
MAF Switzerland	-	-	-	-	-	-
MAF USA	-	32	(32)	-	-	-
	<u>-</u>	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,993</u>	<u>(1,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>
MAF UK International Staff	59	917	(886)	-	-	90
	<u>59</u>	<u>2,910</u>	<u>(2,879)</u>	<u>-</u>	<u>-</u>	<u>90</u>