



**STICHTING MAF INTERNATIONAL**

**ANNUAL REPORT**

**for the year ended 31 December 2022**

**STICHTING MAF INTERNATIONAL  
CONTENTS OF THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Page
BOARD REPORT	1
FINANCIAL STATEMENTS	
• Balance Sheet	7
• Income and Expenditure Statement	8
• Notes to the Financial Statements	9
OTHER INFORMATION	
• Independent Auditor's Report	18

**STICHTING MAF INTERNATIONAL  
BOARD REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**FOREWORD**

We have great pleasure in presenting the Board Report and Financial Statements for the year to 31 December 2022 which were adopted in a meeting on 23<sup>rd</sup> May 2023. These are presented in English in accordance with a resolution of the Board.

On 1 July 2022, the activities and assets of the flight operations carried out by MAF International in Kenya, South Sudan, Uganda and Tanzania were transferred to MAFI-UK, to enable legal ownership to more easily reflect the managerial position, and their administrative duties.

During the year, MAF International has carried out its activities in line with the mission, policies and plans of the organisation and that it has dealt efficiently with the resources at its disposal.

**SUPERVISORY BOARD**

The following were Supervisory Board members during the year:

Anna Beck	UK	CFO, MAFI-UK
David Fyock	UK	CEO, MAFI-UK
Willem Westra	The Netherlands	Business Consultant

The Supervisory Board met twice in 2022.

None of the above were employed by the foundation and therefore no remuneration for the board has been included in these accounts.

**EXECUTIVE BOARD**

The following was the Executive Board member during the year:

Henk-Jan Muusse	The Netherlands	Executive Director
-----------------	-----------------	--------------------

**STATUTORY PROVISIONS ON THE ACCOUNTS**

Article 14 of the Articles of Association defines the procedures regarding the annual accounts as follows:

- i. The financial year of the Foundation shall coincide with the calendar year.
- ii. As at the end of each financial year the Executive Board shall draw up a balance sheet and a statement of income and expenditure for the previous financial year, such annual accounts to be submitted to the Supervisory Board within six months from the end of the previous financial year. The Supervisory Board may extend this period by a maximum of four months on the grounds of special circumstances.
- iii. If the Executive Board so desires, the annual accounts shall be audited by an expert, to be designated by the Executive Board, who may inspect the books of the Foundation. The designated expert shall inform the Executive Board in writing on his findings. The annual accounts shall be confirmed by the Supervisory Board no later than one month from the expiry of the period referred to in ii above.
- iv. The Executive Board shall draw up an up-to-date policy plan or long-term policy plan. This policy plan, or long-term policy plan, must be consistent with the Foundation's object under the Articles of Association and shall among other things provide an insight into the activities to be carried out by the Foundation, the manner of raising funds, the way in which the capital is managed and the way it is spent.

**OBJECTIVES AND ACTIVITIES**

MAF International is a Christian mission whose purpose is serving together to bring help, hope and healing through aviation. This develops into MAF's vision - "To see isolated people changed by the love of Christ".

The principal activity has been providing a subsidised aviation service in East Africa. Flight training, and aircraft maintenance services are also provided. MAF International's services are provided by dedicated staff (many of whom are seconded to MAF International by agencies) who use their skills in aviation, and other fields, to work inter alia with national churches, relief and development agencies, missions, hospitals and governments to meet the most pressing of human needs.

**STICHTING MAF INTERNATIONAL  
BOARD REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

MAF International reaches the unreached in some of the world’s most remote and isolated areas, where people are cut off due to geographical barriers, conflict or the dangers of overland travel. During 2022, our flights enabled our partners to overcome these challenges, and bring help and hope to people in spiritual and physical need.

**ACHIEVEMENTS AND PERFORMANCE**

During the year MAF International operated in Kenya and South Sudan, Tanzania and Uganda. In addition, we support the work of Mission Aviation Training Centre (MATC) in the Netherlands, principally by owning three aircraft, under a lease agreement between the two entities. MATC remain responsible for the ongoing operating costs for the aircraft,

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

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

On 1 July 2022, the trade and assets for the operational programmes in Kenya, South Sudan, Tanzania and Uganda were transferred to MAFI(UK), the parent entity to enable greater streamlining of operations.

The work of MATC and some support staff for the operations remain based in the Netherlands.

**Key Performance Measures**

From 1 January to 30 June 2022, MAF International’s operational flight statistics were:

Country	Total hours flown	Number of flight legs	Unique* passengers	Distance (km)	Unique* cargo (kg)	Fleet size	Destinations
Kenya	396	283	943	96,293	6,042	2	36
South Sudan	1,103	1,334	4,764	257,967	71,519	7	50
Tanzania	176	386	499	30,602	836	2	27
Uganda	921	894	2,406	205,666	8,636	5	30
<b>TOTAL</b>	<b>2,596</b>	<b>2,897</b>	<b>8,612</b>	<b>590,529</b>	<b>87,033</b>	<b>16</b>	<b>143</b>

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

**OUR STRATEGIC PRIORITIES**

During 2022, work continued against the priorities of our strategic plan, under the three headings of Expanding our Horizons, Investing in People and Maximising Impact.

**Expanding our Horizons**

To create opportunity for growth through strategic partnerships, institutional and corporate funding, new programmes, worldwide recruitment, capacity-building in our programme countries and new technology that stewards the environment and provides more economical transportation.

**Investing in People**

To retain staff longer as well as increase the numbers joining the organisation. This will be addressed through a wellbeing strategy, an engineering apprentice and intern scheme, increasing the number of instructor pilots, and a standardised management training plan, which will identify and grow management throughout the organisation.

**Maximising Impact**

To provide regular review and feedback for better evaluation of our work and improve the manner in which we perform that work. We will create and implement a ministry impact tool, modernise our software tools, standardise project management, and establish an innovation hub, that invites creative thought to better serve our clients and our end beneficiaries.

**STICHTING MAF INTERNATIONAL  
BOARD REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**SIGNIFICANT AID AND DEVELOPMENT ACTIVITIES**

Examples of the impact of the foundation's work is shown below.

**Kenya**

MAF Kenya has for many years facilitated flights for partner organisations and donors to Marsabit, northern Kenya, where donors support community-based partners such as Raising Education and Training Organisation-Among Pastoralists (RETO-AP). RETO-AP focus on building resilience of pastoralist communities with a target on female-headed households and vulnerable girls. Without a MAF flight, the journey to Marsabit is long, taking ten hours by road.

Martha, a community development worker with RETO-AP explains, "We are providing resources, training and developing skills to vulnerable people, transforming their lives since dependence on single livelihoods and negative cultural practices have negatively impacted their lives."

**South Sudan**

A South Sudanese development specialist is developing a business model that empowers local farmers to create a sustainable future. She is passionate about unlocking the potential hidden in his country's soil. "Yambio, is very productive for agriculture. We have the same rain, the same soil even as other places. There is no point in importing things that we should be making!"

She also explains that there is a great need for such initiatives as an alternative to the emergency aid programmes in the region. "Introducing opportunities for private partnership is very challenging. Yambio has extra challenges because it's so far west. The roads are sometimes very bad. I travel often and always with MAF. MAF is not like other commercial services. The pilot prays before every flight, so whatever we do, we first consider God."

**Tanzania**

Childhood vaccinations provide an effective way to protect children from a range of infectious diseases. However, in remote Tanzanian villages, where there is no power to run a fridge for vaccine storage and the nearest hospital may be a gruelling two-and-a-half-hour drive in the dry season or impassable during other seasons in the year, providing protection to local children is extremely challenging.

Mobile clinics allow local women to bring their children for vaccinations. In partnership with the Same district hospital, the short 10-minute MAF flight to Lesirwai enables the nurses to deliver the vaccination doses from their insulated packaging that would otherwise be spoiled from a long road trip in 35-38°C heat.

**Uganda**

We See Hope in Uganda designs interventions, in collaboration with partners across Africa, to gather children who have dropped out of school. They are given help to set up small income generated projects which they use to buy school uniforms and equipment to enable them to return to school.

A support worker explains, "We're working with seven schools with 40 kids in each club. We work alongside the schools for three years helping the kids become sustainable. Once the clubs are established, we then move on to another community."

**Mission Aviation Training Centre**

This entity is set up as an international flying school to train pilots and specifically future MAF pilots. Training is given by former MAF pilots who understand from first-hand experience the high quality, specialised training required to operate in some of the most challenging places in the world. Three aircraft are leased to them and we look forward to the contribution these aircraft will make in training future staff for MAF worldwide.

**FINANCIAL REVIEW**

The income and expenditure statement for MAF International is set out on page 8. The final result was that the income raised from the charitable activities in the year was \$1,744,000 (2021 - \$2,999,000), compared to a budget of \$3,668,000. The reduction in donations was due to the transfer of activities back to MAFI-UK on 1 July 2022.

Donation income reached \$2,963,000 (2021 - \$4,602,000). Included in donation income is \$2,736,000 (2021 - \$4,138,000) for working capital from MAFI-UK.

Expenditure was carefully managed throughout the year. Overall, expenditure on charitable activities was \$3,343,000 (2021 - \$6,414,000) compared to \$7,314,000 budget due to six months of activity rather than 12.

There is a resulting net surplus for the year of \$435,000 (2021 – deficit of \$54,000) against a breakeven budget. At the year-end there was a solvency ratio of 70% and a current ratio of 1.7.

**STICHTING MAF INTERNATIONAL  
BOARD REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The breakdown of the reserves is shown in note 10. The accumulated unrestricted general reserves, excluding the value of the tangible fixed assets, are \$51,000 at the year-end (2021 - \$210,000). Funds are earmarked to cover the value of the tangible fixed assets, currently \$326,000 (2021 - \$23,283,000). It is the policy of MAF International to maintain positive unrestricted, unearmarked reserves.

MAFI-UK have confirmed they will support the ongoing financial needs of the foundation’s operations for the coming year to adhere to this policy.

The assets and liabilities of MAF International are set out in the balance sheet. All of the assets were used to further the objects of the foundation.

**RISKS**

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

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

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

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

Risks	Control Measures
Unable to fill key vacancies with suitable staff	<ul style="list-style-type: none"> <li>• Internal/external recruitment and planning</li> <li>• Appointment of short-term staff.</li> <li>• Ongoing discussion with sending MAF groups.</li> <li>• Organisational standards and internal controls in place.</li> <li>• Oversight and support from regional support office.</li> </ul>

In addition to the above, MAF International’s operational activities are exposed to the fluctuations of global fuel prices, which is mitigated through continual monitoring of prices, inclusion of inflation factors in the annual budgets and advance purchasing of fuel where practicable.

MAF International has also adopted a range of risk management policies. These policies are available for all staff in every location.

**INTEGRITY**

The Board takes integrity extremely seriously. The foundation has a series of policies with which all staff must comply, including a code of conduct, safeguarding, child safety, financial crime, non-harassment, data protection, privacy, equal opportunity and just culture policies. In addition, there is an independent method of reporting through a whistleblowing hotline.

The financial crime policy requires all staff and other representatives of the foundation to ensure that all relevant laws and regulations are complied with, and organisational standards and reputation are maintained by the provision of fair, effective and transparent processes. The policy defines bribery, corruption, extortion, fraud, money-laundering, terrorism financing and theft. It explains the responsibility of staff and advises staff how to support any suspicions. The policy is supported by an investigation policy which states the actions expected if a financial crime is suspected.

**STICHTING MAF INTERNATIONAL  
BOARD REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**INTERNAL CONTROLS**

The Board has overall responsibility for ensuring that the foundation has an appropriate system of internal controls, financial and otherwise.

They are also responsible for safeguarding the assets of the foundation and hence for taking reasonable steps for the prevention and detection of fraud and other financial crimes, and to provide reasonable assurance that:

- the foundation is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained, and financial information used within the foundation or for publication is reliable
- the foundation 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 Board
- regular consideration by the Board of financial results, variances from budgets and non-financial performance indicators
- delegation of authority and segregation of duties
- identification and management of risks
- minimum financial internal controls required are documented in a finance manual that is regularly reviewed and updated

In addition, MAFI-UK has a financial internal audit function, which also covers its subsidiaries. This includes a schedule of audit visits to programmes on a rotational basis. South Sudan was visited for internal audit purposes during the year. This audit concluded that there was a very good control system in the programme in the vast majority of areas, with MAF policies being applied. There were two matters of which one was considered minor and the other of negligible risk.

**STANDARDS, SAFETY AND QUALITY**

MAF operates an aviation safety programme and a quality assurance programme. The aviation standards in the aviation manuals for all our operations are International Civil Aviation Organisation (ICAO) and/or local national aviation authority (NAA) compliant.

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

We are pleased to report that there were no flight accidents during the period.

**SAFEGUARDING**

MAF International is committed to providing a safe and trusted environment for our staff, volunteers and beneficiaries. The organisation requires the highest ethical and moral standards from all our staff and takes misconduct seriously.

MAF has a guide to safeguarding within the organisation, together with revised safeguarding standards for the protection of children and vulnerable adults, requiring agreement from each member of staff.

During the year, no safeguarding issues have been under investigation within MAF International.

**STICHTING MAF INTERNATIONAL  
BOARD REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**OUTLOOK AND BUDGET 2023**

Budgets for the year 2023 were prepared in the last quarter of 2022. This shows reduced activity on the basis of the support services provided to MAFI-UK by way of staff working in the Netherlands and ownership of three aircraft used for to train future pilots for MAF service.

Budget Year 2023	US\$,000
Income for services	609
Overhead costs	(604)
Depreciation	<u>(5)</u>
Net Result	<u>-</u>

In any event, MAFI-UK has confirmed its support of the Stichting.

Approved and adopted by the Board 23<sup>rd</sup> May 2023.

Executive Board: Henk-Jan Muusse

Supervisory Board: Anna Beck  
David Fyock  
Willem Westra



**STICHTING MAF INTERNATIONAL**  
**BALANCE SHEET**  
**(after appropriation of income and expenditure)**  
**AS AT 31 DECEMBER 2022**

	Note	2022 US\$,000	2021 US\$,000
<b>ASSETS</b>			
Tangible fixed assets	6	326	23,283
Stocks	7	-	502
Debtors	8	3	629
Cash and cash equivalents	9	120	1,917
<b>Total assets</b>		<u>449</u>	<u>26,331</u>
<b>LIABILITIES</b>			
<b>Reserves</b>			
General unrestricted		51	210
Restricted		-	730
<b>Earmarked Funds</b>			
Restricted assets fund		326	8,703
Unrestricted assets fund		-	14,580
<b>Reserves and Funds</b>	10	377	24,223
<b>Provisions</b>	11	-	301
<b>Current liabilities</b>	12	72	1,807
<b>Total liabilities</b>		<u>449</u>	<u>26,331</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

**STICHTING MAF INTERNATIONAL  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Actual	Budget	Actual
		Year	Year	Year
		2022	2022	2021
	Note	US\$,000	US\$,000	US\$,000
<b>INCOME</b>				
Donations	13	2,963	4,358	4,602
Charitable activities	14	1,774	3,668	2,999
Other		60	265	93
<b>Total income</b>		<u>4,797</u>	<u>8,291</u>	<u>7,694</u>
<b>EXPENDITURE</b>				
Charitable activities	15	3,343	7,314	6,414
Support costs	16	1,013	977	1,321
<b>Total expenditure</b>		<u>4,355</u>	<u>8,291</u>	<u>7,735</u>
<b>Surplus/(Deficit) before unrealised gains</b>		442	-	(41)
Unrealised foreign exchange gain		(7)	-	(13)
<b>Surplus/(Deficit)</b>		<u>435</u>	<u>-</u>	<u>(54)</u>
<b>Allocation of Surplus/(Deficit):</b>				
(From)/To General Reserves	10	(138)		114
To Restricted Reserves	17	911		(497)
From Restricted Asset Funds		(8)		579
From Unrestricted Asset Funds		(330)		(250)
		<u>435</u>		<u>(54)</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. FOUNDING AND OBJECTIVES OF THE STICHTING**

Stichting MAF International was founded on 13 March 2020. It is a foundation registered under KvK number 74256157. (RSIN 859827112). The official seat is in the municipality of Harderwijk, at de Zanden 57 A, 7395PA Teuge with postal address Postbus 7, 7390AA Twello. These financial statements cover year to 31 December 2022.

The objectives of the foundation are to advance the Christian faith by such means as the foundation shall determine from time to time by supporting and encouraging the work of national churches, missions and relief and development agencies in developing countries so that the love of Christ is shared in word and by practical means, and to perform all such further acts and activities as are in the widest sense connected therewith, incidental thereto and/or which may be conducive thereto.

The foundation shall make every effort inter alia to attain and accomplish its objectives by:

- a) the provision of air and other appropriate transport;
- b) linking people with information quickly and easily;
- c) supplying goods and services economically and efficiently; and
- d) such other means being charitable as the foundation shall determine.

The objective of the foundation is not to gain profits.

**2. GROUP STRUCTURE & RELATED PARTIES**

Stichting MAF International is a subsidiary of Mission Aviation Fellowship International a charitable company registered in the UK (MAFI-UK) under Company number 3144199 and Charity number 1058226.

The Stichting has no other related parties.

**3. GOING CONCERN**

On 1 July 2022, the trade and assets for the operational programmes in Kenya, South Sudan, Tanzania and Uganda were transferred to MAFI(UK), the parent entity to enable greater streamlining of operations.

During 2023, the Stichting will have reduced activity providing the support services provided to MAFI-UK by way of staff working in the Netherlands and ownership of three aircraft used for to train future pilots for MAF service. The assets at the year-end comprise those three aircraft, some cash and short-term liabilities to support this ministry.

The foundation is reliant on donations from the parent charity, MAFI-UK. MAFI-UK has committed to support MAF International for the foreseeable future. The Board is of the opinion that the foundation remains a going concern.

**4. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Guideline no 640 for Annual Reporting in the Netherlands regarding not-for-profit organisations as issued by the Dutch Accounting Standards Board.

Amounts are included to the nearest \$1,000.

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

If not specifically stated otherwise, assets and liabilities are recognised at the amounts at which they were acquired or incurred.

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

**a Foreign currencies**

The functional and presentation currency of Stichting MAF International is US dollars as the primary currency used in the aircraft industry and in Mission Aviation Fellowship International. However, income and costs also arise in other currencies due to operating jurisdictions. Other currencies have been translated to US dollars as follows:

Current assets and liabilities – closing rate at 31 December 2022  
Other amounts - rate at date of transaction

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income and expenditure statement.

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

	30 June 2022	31 December 2022	01/01-30/06 Average	2022 Average
Euro	0.9590	0.9318	0.9074	0.9474
Kenyan Shillings	117.83	N/A	114.67	N/A
South Sudanese £	550.00	N/A	437.50	N/A
Tanzanian Shillings	2,335	N/A	2,318	N/A
Ugandan Shillings	3,751	N/A	3,557	N/A

**b Estimates**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

**c Tangible fixed assets**

Assets used in all the East Africa programmes were transferred at the net book values at which they were previously held in MAFI-UK. Their depreciation is calculated as follows:

*(i) Aircraft*

Aircraft are valued at the Board's valuation. This is determined by reference to the "Blue Book value" (the aviation industry's standard indication of the expected recoverable amount on the open market). Adjustments are made for enhancements to the aircraft not accounted for in the Blue Book value. Annually, every aircraft is revalued and reviewed for impairment.

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

*(ii) Property*

Depreciation is charged to write off expenditure on leasehold property equally over the length of the lease. Depreciation on other buildings is charged so as to write off the cost to their residual values over their expected economic lives. This is assessed country by country and ranges from 3 to 50 years. Depreciation on leasehold land is charged to write off the expenditure over the life of the lease. For assets in the course of construction depreciation is charged from the date that the facility becomes operational.

*(iii) Equipment and vehicles*

Depreciation is charged to write off the expenditure over an estimated useful life of 5 to 10 years.

Individual fixed assets costing \$3,000 have been capitalised at cost.

**d Stocks**

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

**e Cash**

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

**f Funds**

*Unrestricted Funds* comprise net accumulated surpluses that are not subject to any legal or third-party restriction and are available for use to further the charitable objectives of the Stichting.

*Restricted Funds* are funds and assets subject to specific conditions imposed by donors. When assets are purchased with restricted funds the restriction is deemed to be satisfied after reporting to the donor on the use of those assets ceases. Such assets are then transferred to unrestricted designated funds.

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

- g Asset Funds**  
These represent amounts set aside equivalent to the value of the aircraft, properties, equipment and vehicles used by MAF International
- h Liabilities**  
Creditors and provisions are recognised where the foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount value.
- i Income**
- (i) Donations are recognised when the foundation has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.
  - (ii) Income arising from charitable activities is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of credits and discounts allowed and value added taxes.
- j Expenditure**
- (i) Charitable activities comprise actual costs relating to the aircraft and other services together with overseas overheads.
  - (ii) Support costs include functions that directly support the operations such as flight training, engineering, operations support and quality, safety and security. Support costs also include back-office costs, finance, personnel, payroll and governance costs which support the charitable activities.
- k Staff costs**
- (i) Salaries, social security contributions and pension costs are recognised in the income and expenditure statement based on terms of employment.
  - (ii) Leave benefits, including holiday pay are recognised as an expense in the period in which the service is rendered.
  - (iii) Pension payments are to defined contribution pension schemes and are recognised as an expense in the period in which the service is rendered.
- l Operating leases**  
Operating lease rentals are charged to income and expenditure statement in accordance with the term of the lease.

**5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTIES**

The Board evaluates estimates and judgements incorporated into the financial statements. Estimates are based on historical information, assume a reasonable expectation of future events, and are based on current trends and economic data, obtained both externally and within the group:

- a Aircraft valuations**  
As mentioned above aircraft are valued by the Board.
- b Estimation of useful lives of assets**  
MAF International determines the estimated useful lives and related amortisation and depreciation charges for intangible and tangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation or depreciation charge will increase where the useful lives are less than previously estimated lives. Technically obsolete assets that have been abandoned or sold are written off or written down.
- c Impairment**  
MAF International assesses impairment of intangible and tangible assets at the end of each reporting period by evaluating conditions and events specific to the organisation that may be indicative of impairment trigger.

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. TANGIBLE FIXED ASSETS**

All assets are held for the operations:

	Aircraft US\$,000	Land & Property US\$,000	Equipment & Vehicles US\$,000	Total US\$,000
Balance 1 January 2022	13,186	9,727	370	23,283
Additions	-	467	29	496
Transfers	(12,640)	(9,979)	(347)	(22,966)
Disposals	(149)	-	-	(149)
Depreciation	(71)	(215)	(52)	(338)
Net book value	<u>326</u>	<u>-</u>	<u>-</u>	<u>326</u>
Valuation, or Cost	<u>326</u>	<u>-</u>	<u>-</u>	<u>326</u>
	<u>326</u>	<u>-</u>	<u>-</u>	<u>326</u>

**7. STOCKS**

	2022 US\$,000	2021 US\$,000
Aircraft spare parts	-	728
Stock provision on spare parts	-	(251)
Fuel and other stocks	-	25
	<u>-</u>	<u>502</u>

**8. DEBTORS**

	2022 US\$'000	2021 US\$'000
Trade debtors	1	213
Other debtors	-	139
Prepayments	2	277
	<u>3</u>	<u>629</u>

All debtors are due within one year.

**9. CASH AND CASH EQUIVALENTS**

	2022 US\$'000	2021 US\$'000
Cash	-	91
Bank accounts	120	1,826
	<u>120</u>	<u>1,917</u>

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. RESERVES AND FUNDS**

	General Reserve	Unrestricted Asset Fund	Restricted Asset Fund	Restricted Projects Reserve (note 17)	Total Reserves and Funds
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Brought forward at 1 <sup>st</sup> January 2022	210	14,580	8,703	730	24,223
Transfers	(21)	(14,250)	(8,369)	(1,641)	(24,281)
	189	330	334	(911)	(58)
<u>Surplus for the year</u>					
Income	3,844	-	-	953	4,797
Expenditure	(3,976)	(330)	(8)	(41)	(4,355)
Unrealised foreign exchange	(7)	-	-	-	(7)
	(138)	(330)	326	911	435
Carried forward at 31 <sup>st</sup> December 2022	51	-	326	-	377

The restricted asset funds represent amounts set aside equivalent to the value of the aircraft, properties, equipment and vehicles used by MAF International.

The transfers represent tangible asset movements as follows:

	General Reserve	Unrestricted Asset Fund	Restricted Asset Fund	Restricted Projects Reserve	Total Reserves
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
De-restrictions	-	-	-	-	-
Purchases	-	-	497	(497)	-
Disposals	149	(149)	-	-	-
Transfers to MAFI-UK	(170)	(14,101)	(8,866)	(1,144)	(24,281)
Total Transfers	(21)	(14,250)	(8,369)	(1,641)	(24,281)

**11. PROVISIONS**

	Balances 1 January 2022	Provided in the year	Transferred to MAFI-UK in the year	Balances 31 December 2022
	US\$,000	US\$,000	US\$,000	US\$,000
International staff taxes	301	-	(301)	-
	301	-	(301)	-

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. CURRENT LIABILITIES**

	2022	2021
	US\$,000	US\$,000
Creditors	-	893
Customer deposits and balances	-	352
Accruals	63	113
Social security creditors	9	98
VAT Payable	-	16
Excise taxes	-	126
Other creditors	-	209
	<u>72</u>	<u>1,807</u>

All creditors are payable within one year.

**13. DONATION INCOME**

	2022	2021
	US\$,000	US\$,000
Contributions for		
Working capital from MAFI - UK	502	962
Income for housing international staff	227	464
Restricted donations	953	762
Unrestricted donations	1,281	2,414
	<u>2,963</u>	<u>4,602</u>

MAFI-UK supported the services in East Africa and have gifted to the Stichting the value of the working capital required during the period. Restricted donations are amounts given specifically for projects in East Africa as shown in note 17.

**14. INCOME FROM CHARITABLE ACTIVITIES**

The users of MAF International flight services make a contribution towards the costs. In Kenya, we additionally have an aircraft engineering base which serves both the programmes in Kenya and South Sudan as well as third-party customers. In 2021 it was decided to reduce these services to a few charitable third-party customers only. In Kenya we rent out office space in the hangar and in Uganda we provided other services such as logistics and renting out parts of our airfield premises.

	2022	2021
	US\$,000	US\$,000
Contributions for		
Aviation services	1,595	2,627
Maintenance services	60	182
Other services	119	190
	<u>1,774</u>	<u>2,999</u>



**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. EXPENDITURE ON CHARITABLE ACTIVITIES**

Direct costs of services comprise the direct costs of aviation (such as fuel, maintenance and insurance) as well as those of running the aviation operations and maintenance departments, excluding staff costs. The direct costs of providing other services are within other local overhead expenditure and are not material.

Charitable activities were as follows:

	2022	2021
	US\$,000	US\$,000
Aviation direct costs	1,495	2,597
Overseas Staff costs	821	1,555
Housing and tax for international staff	226	566
Other overhead expenditure	463	872
Depreciation	338	824
	<u>3,343</u>	<u>6,414</u>

**16. MANAGEMENT AND SUPPORT COSTS**

Unrestricted general support costs were as follows:

	2022	2021
	US\$,000	US\$,000
Management fees	502	957
Support staff	458	307
Audit fee	33	38
Legal fees	3	3
Other costs	17	16
	<u>1,013</u>	<u>1,321</u>

Management fees have been calculated at 15% on all the charitable activities in Note 15. Support staff working in the Netherlands were employed by the foundation during the year.

**17. RESTRICTED PROJECTS RESERVE**

The restricted projects reserve comprises the following unexpended balances of gifts made for specific purposes as shown by country below:

	Balances 1 January 2022	Income	Revenue Expenditure	Capital Expenditure	Transfers to UK entity	Balances 31 December 2022
	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000	US\$,000
Kenya	29	3	(2)	(6)	(24)	-
South Sudan	679	950	(39)	(490)	(1,100)	-
Uganda	22	-	-	(2)	(20)	-
	<u>730</u>	<u>953</u>	<u>(41)</u>	<u>(497)</u>	<u>(1,144)</u>	<u>-</u>

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**18. STAFF EXPENDITURE AND STAFF NUMBERS**

	East Africa		Netherlands	
	2022	2021	2022	2021
	US\$,000	US\$,000	US\$,000	US\$,000
Staff Costs				
Wages and salaries	698	1,311	377	250
Social security costs	64	120	52	36
Pension costs	59	124	28	16
	<u>821</u>	<u>1,555</u>	<u>457</u>	<u>302</u>

The pensions of local staff in East Africa can vary per country as they are based on government and sector regulations. In the Netherlands there is a defined contribution scheme defined by Nationale Nederlanden. In each location the foundation has no obligation to make additional contributions and are recognised as an expense in the period in which the service is rendered.

The average number of staff employed were as follows:

	2022	2021
East Africa (January to June 2022)	108	111
Netherlands	<u>7</u>	<u>4</u>
	<u>115</u>	<u>115</u>

The executive director was paid by the foundation. Two of the supervisory directors were employed and paid by MAFI-UK during the period. A proportion of their costs is deemed to be covered by the management fee shown in note 16.

In addition to the national staff employed in their own countries are further staff paid by the MAF Group or other mission agency which then seconds them to East Africa. The costs of these staff are therefore borne by those groups. These agencies also contribute towards their housing costs. The average number of international staff serving in these countries was 37.5 (2021 - 40.5) during the period to 30<sup>th</sup> June 2022

The estimated costs of these staff, not included in these accounts is \$1,321,000 for the period to 30<sup>th</sup> June 2022 (2021 -\$2,722,000).

**19. FINANCIAL COMMITMENTS**

At 31 December 2022 the organisation was committed to making the following payments under non-cancellable operating leases on properties:

	2022	2021
	US\$,000	US\$,000
Payable in 1 year	1	86
Payable in 2 to 5 years	<u>-</u>	<u>14</u>
	<u>1</u>	<u>100</u>

**20. CAPITAL COMMITMENTS**

At the 31 December 2022 the organisation had total capital commitments of \$1,151 (2021 - \$440,471).

**STICHTING MAF INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

Approved and adopted by the Board on 23<sup>rd</sup> May 2023.

Executive Board: Henk-Jan Muusse

Supervisory Board: Anna Beck  
David Fyock  
Willem Westra

**STICHTING MAF INTERNATIONAL  
OTHER INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**INDEPENDENT AUDITOR'S REPORT**

## Independent auditor's report

To the Supervisory Board of Stichting MAF International

### Report on the audit of the financial statements 2022 included in the annual report

#### Our opinion

We have audited the financial statements 2022 of Stichting MAF International based in Harderwijk

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting MAF International as at 31 December 2022 and of its result for 2022 in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board (hereinafter: RJ 640).

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting MAF International in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon. Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the board's report and the other information as required by RJ 640.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of RJ 640 and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the board's report in accordance with RJ 640 and other information as required by RJ 640.

## **Description of responsibilities regarding the financial statements**

### **Responsibilities of the Executive Board for the financial statements**

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with RJ 640. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting, unless the Executive Board either intends to liquidate the foundation or to cease activities, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of the Executive Board's 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 foundation'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 an organisation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 26 July 2023

Mazars N.V.

Original was signed by drs. R.C.H.M. Horsmans RA