

mary's meals

(A company limited by
guarantee)

Directors' report and financial statements

For the year ended
31 December 2015

Charity number: SC022140
Company number: SC265941

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Legal and administrative information

Charity number SC022140

Company registration number SC265941

Business Address

Craig Lodge
Dalmally
Argyll PA33 1AR

Registered Office

Craig Lodge
Dalmally
Argyll PA33 1AR

Directors

Kenneth Black
Mary-Anne MacFarlane-Barrow
Julie MacFarlane-Barrow
Graeme Pagan
David Clayton
Shelagh Fogarty
Mark McGreevy (*resigned 1 January 2015*)
Dr Christian Stelzer (*resigned 1 January 2015*)
Zeljka Markic (*resigned 1 January 2015*)
Peter Higgins (*resigned 1 January 2015*)
Jacob Allan (*resigned 1 January 2015*)
Charles McGhee (*appointed 18 January 2015*)
Ishbel Smith (*appointed 15 June 2015*)

Secretary

Janet Haugh (*resigned 15 June 2015*)
Ishbel Smith (*appointed 15 June 2015*)

Executive Director

Alan Brown (*appointed 15 October 2015*)

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
141 Bothwell Street
Glasgow G2 7EQ

Chairman and Executive Director's report for the year ended 31 December 2015

We are very pleased to present the annual report of Mary's Meals for the financial year ending 31 December 2015: a momentous and transformative year that has exceeded all expectations in our mission to feed the world's hungry children in a place of education.

This is the first annual report since the charity was restructured to create Mary's Meals and Mary's Meals International Organisation (MMI) as separate but complementary organisations. The new structure, which officially came into being on 1 January 2015, allows Mary's Meals to focus on its core functions of fundraising and raising awareness of our work in the UK, while MMI concentrates on developing and delivering school feeding programmes in 12 of the world's poorest nations.

During 2015, Mary's Meals noted exceptional growth in its income, which, in turn, has allowed MMI to feed a record number of children in Africa, Asia, Latin America, and the Caribbean.

The major milestone of feeding more than one million children each day – a defining moment in the history of the Mary's Meals' network – was actually passed in May 2015, and as this annual report goes to print, that number has reached a magnificent 1,101,206. As at 31 December 2015, we recorded an increase of more than 111,390 children being fed, 11% more compared with the previous year.

Our exceptional growth in income in 2015 will enable MMI to reach those schools and children still waiting to receive a nutritious daily meal in their place of education. Once again, we are indebted to our incredible volunteers and wonderful supporters, whose generous donations – both large and small – saw total income rise to an unprecedented £15,496,217.

The majority of our income still comes from our grassroots support base; from individuals, churches, community groups, and schools. We also receive generous support from companies, trust funds, and public funds. The Backpack Project continues to receive great support and in 2015 we were able to send more than 49,000 backpacks to support children at school in Malawi.

This year, we can report another large increase in the number of people choosing to support this mission and, with a significant increase in the number of regular supporters, we can look forward to reaching many more children with life-changing daily meals in the coming year.

During 2015, we were successful in our submission to the Department for International Development's UK Aid Match campaign. The UK Government promised to match, pound-for-pound, whatever we raised between 28 September and 28 December 2015 and our supporters took full advantage of this opportunity to double their impact. We developed the Feed Our Future campaign and planned on raising £1.5 million, but our amazing Mary's Meals supporters confounded all estimates by donating an incredible £5 million, which will be doubled by the UK government.

This will be spent on a three-year programme in Malawi and Zambia and will have an enormous impact on children living there. However, it must be viewed in the context of the 59 million children still out of school globally, desperately seeking help and hope. In some ways our work is really just beginning and we will continue to be careful stewards of every penny donated so that MMI can maximise its impact wherever school feeding is needed most.

Good economic management has also meant that the global average cost of school feeding across MMI programmes in 2015 was £11.47 per child; less than the MMI 2015 budgeted figure of £12.20. In addition, we continue to manage our resources prudently to ensure that a minimum of 93p in every £1 donated to Mary's Meals is spent on our charitable activities.

As we continue to strengthen and grow Mary's Meals in the UK, our new structure is already helping us to achieve our goals more effectively, spreading the message of our work the length and breadth of the country. The launch of our founder's book, *The Shed That Fed A Million Children*; a play based on the book, *One in a Million*; and our new film, *Generation Hope*, will all play their part in that process, bringing

Chairman and Executive Director's report for the year ended 31 December 2015

the compelling story of Mary's Meals' mission to new audiences, while at the same time reinforcing key messages about our work among our loyal supporters.

We are also extremely grateful to major organisations such as the People's Postcode Lottery and Southampton FC, which are not only supporting the charity through generous donations, but are helping to raise awareness of our work in different parts of the UK. Thanks to the players of the People's Postcode Lottery, MMI will also be able to extend its programmes in 2016 to include children forced to flee from the horror of war-torn Syria, as well as their vulnerable classmates, in Lebanon.

To these partners, our supporters, and our ever-growing Mary's Meals 'family', we extend our heartfelt thanks for their undiminished support for our 'simple solution to world hunger' and their belief in our vision that every child in this world of plenty should be able to eat each day and attend school.



Charles McGhee
Chair of Mary's Meals



Alan Brown
Executive Director of Mary's Meals

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

The directors present their annual report together with the audited financial statements of Mary's Meals for the year ended 31 December 2015. The directors – who are also trustees of Mary's Meals – that served during the year up to the date of this report, are set out on page three.

Strategic report

Reorganisation

As noted in our report on the accounts for the year ending 31 December 2014, 1 January 2015 marked the commencement of a new organisational structure for the Company and for the worldwide Mary's Meals network. A new Company (with charitable status), Mary's Meals International Organisation (MMI), was created with central responsibility for the international feeding programme, including central financing and administration of funds from all its worldwide national affiliates. By entering into a Covenant of Participation with MMI, Mary's Meals has become the UK affiliate of MMI and is referred to as Mary's Meals UK (MMUK) within the Mary's Meals network.

Mary's Meals remains a Scottish registered charity, focused on raising donations and awareness in the UK, thus helping to fund the programmes delivered by MMI on behalf of the Mary's Meals network.

Our objectives and activities

The central objectives, mission, vision, and values were retained, unchanged, by both organisations.

The objectives of Mary's Meals are:

- (a) To provide a daily meal, in a place of education, for children in the world's poorest communities;
- (b) To provide relief for those suffering, in any part of the world, as a result of humanitarian crises or poverty, to help people escape poverty and to provide care for orphaned, abandoned, and vulnerable children;
- (c) To raise awareness in the UK and worldwide of poverty issues through education.

Our vision

Our vision is that every child receives one daily meal in their place of education and that all those who have more than they need, share with those who lack even the most basic things.

To that end, our mission is to enable people to offer their money, goods, skills, time, or prayer, and through this involvement, provide the most effective help to those suffering the effects of extreme poverty in the world's poorest communities.

Our strategy

Mary's Meals' UK strategy remains in line with that of MMI and comprises the following three key aims:

1. Grow the movement
2. Strengthen the organisation
3. Feed more children (i.e. transfer more funds to allow MMI to feed more children)

The majority of Mary's Meals' income is received through grassroots support from individuals, churches, community groups, and schools. Mary's Meals is reliant on the generosity of a substantial number of volunteer supporters who work tirelessly and selflessly to carry out fundraising and raising awareness activities on our behalf. Such activities include working in our seven charity shops across Scotland, sorting donations at our Glasgow aid warehouse, and providing administration support in our London, Dalmeida, and

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

Glasgow offices. Dedicated teams of volunteer speakers and drivers also visit churches across the country to sell raffle tickets and collect donations for Mary's Meals, and a trained network of community ambassadors visits schools, clubs, and organisations to raise awareness of Mary's Meals within their own areas of the country.

Continuing to grow and nurture our support base in the UK is essential to the future success of Mary's Meals and, as such, providing appropriate support to our volunteers is vital, since they play a very active role in engaging potential supporters and expanding our database.

Mary's Meals has secured a number of partnerships with funding bodies, trusts, and corporations. Our partnerships include the Scottish Government, Moondance Foundation, and Lancaster Foundation. The Mary's Meals' UK strategy sets out plans to both strengthen existing relationships and engage new partners.

Strengthening the capacity of the organisation and developing the skills of our people are both essential as we anticipate the future growth of Mary's Meals.

Mary's Meals continues to enable MMI to feed more children in a place of education and help those suffering the effects of extreme poverty in the world's poorest communities. During 2015, MMI set out to increase the number of children being fed within its school feeding programmes by a further 118,000 children (equivalent to 12%). The actual increase achieved is covered in the next section.

Our achievements and performance

More than 10,000 new supporters were added to our database, and our volunteer network grew significantly, during 2015.

Our organisation has been strengthened further by recruitment in the areas of fundraising, raising awareness, finance, and operations, which will provide the necessary resource to support the future growth of Mary's Meals.

Our overall income grew by 48% in the year to 31 December 2015. Mary's Meals received significant contributions from existing partners and was successful in securing several new partnerships during 2015. The charity continues to receive considerable income from regular individual givers and this increased by 20% during 2015.

In 2015, Mary's Meals was awarded UK Aid Match from the UK Government's Department for International Development (DFID) for a three month campaign period to 28 December 2015. All qualifying donations gifted during this period could be matched by the UK Government, and an overwhelming response from UK supporters allowed Mary's Meals to leverage the maximum match funding – £5,000,000. This £5m will be received from DFID over a three year period, commencing in 2016, and in line with the planned programme expansions.

The Backpack Project seeks to further support families of children who receive Mary's Meals, as they usually cannot afford to buy basic educational materials for their children to use in school. The project encourages supporters in the UK to donate backpack school bags filled with useful items such as notepads, pencils, crayons, and soap. The bags are then shipped to Malawi and delivered – one school at a time – to children enrolled in MMI's school feeding programmes, to help them get the most out of their time in school.

During 2015, 49,384 backpacks donated from within the UK were delivered by the Mary's Meals Logistics team in Malawi. This represents an increase of 13% on the number of backpacks gifted to children attending school in Malawi by Mary's Meals supporters during 2014.

Mary's Meals has contributed to MMI feeding 1,101,206 children in 12 countries to 31 December 2015 – an increase of 11% (898,791 to 31 December 2014). The growth in the number of children being fed this year was achieved through a number of expansions to the school feeding programme in Malawi.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

The actual cost of feeding a child for the financial year 2015 was £11.47 (calculated using the average number of children fed over the twelve months – 1,046,452). This compares with a similarly calculated cost per child of £11.11 in 2014. An annual report is published by MMI that provides more details on programme expenditure and development.

Financial review

For the year to 31 December 2015, the total income of the charity was £15,496,217 (£14,121,460 excluding income from material aid), which represents an increase of 48% (56% excluding income from material aid) when compared with the continued activities of the previous period. Once again, by far the greatest proportion – 87% (96% excluding income from material aid) – was received through voluntary income in the form of donations, grant, and gift aid income.

Throughout 2015, we operated seven charity shops across Scotland, the majority of which are run by volunteers. Our shops recycle and sell donated goods, generating a 2015 income of £575,684, which is included in total income. The cost of generating this trading income during the year was £246,144, resulting in a net surplus of **£329,540**.

The total expenditure for the same period was £18,636,313 or **£18,390,169** excluding trading expenditure. We spent **£17,911,204** on our charitable activities, equalling 97.4% or 97.4p of every £1 of total expenditure (excluding trading costs) being spent directly on charitable activities. This exceeds our commitment to spend at least 93p of every £1 on our charitable activities. During the year to 31 December 2015 there was a net expenditure of £3,140,096. At 31 December 2014, Mary's Meals held reserves of £3,786,955 for the purposes of project delivery: these reserves were transferred over to MMI during the first three months of 2015 when the responsibility for project expenditure was transferred to MMI.

During the last three months of 2015, Mary's Meals ran a campaign called Feed Our Future, which was supported by the UK Government's Aid Match scheme. All qualifying donations during this period were eligible to be matched and a qualifying amount of £5,000,000 was raised. The £5m match funding will be transferred to Mary's Meals over a three year period, starting in 2016, which will enable MMI to carry out planned programme expansions.

Reserves policy and going concern

The policy of the charity as at 31 December 2015 was to retain sufficient funds required to meet six months' running costs in respect of salaries, premises, costs etc. On this basis, the charity would expect to hold minimum reserves of £552,000. The unrestricted reserves at 31 December 2015 were £1,232,840. As a result of the unprecedented response to the UK Government Aid Match campaign there was £616,000 of Gift Aid income accounted for at 31 December 2015 and subsequently received in January 2016.

Plans for future periods

The organisation's objectives, vision, and mission remain unchanged for the future and Mary's Meals' strategic UK plan for 2016 and beyond is to continue to grow the movement, strengthen the organisation, and enable MMI to feed more children.

Mary's Meals will continue to grow the grassroots movement in the UK, specifically looking to expand the presence of the charity in England. Grassroots outreach through our volunteer network and fundraising campaigns, as well as targeted press coverage, will help to raise awareness in key areas of the country. Success in this area will inform necessary recruitment across the UK.

Maintaining existing and developing new strategic partnerships with foundations, trusts, and corporations will continue to be an area of focus during 2016 and beyond.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

Risk management

The directors have overall responsibility for ensuring that the charity has assessed the major risks to which it is exposed, in particular to the operations and finances of the charity and its ability to achieve its charitable objectives.

Mary's Meals has adopted a policy to manage risks which is consistent with good practice. This will:

- Identify and record the risks to the achievement of the charitable objectives;
- Assess the risks to determine if they are acceptable within existing controls or require additional mitigating actions;
- Respond appropriately to the risks, based on the assessment; and
- Monitor and report on the current status of risks and the effectiveness of its controls.

The directors recognise that the systems in place are designed to manage rather than eliminate risk. Risk is an inherent feature in all activities, and we intuitively manage many risks on a daily basis. However, more formal and systematic approaches to managing risk have become accepted components of good business practice. Under guidance from the Office of the Scottish Charity Regulator, Mary's Meals is required to confirm that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

The most effective way to manage risk is in close proximity to its source. There is a line of delegation from the directors to the Executive Director and down to the Senior Management Team to promote and implement a good-practice risk management framework across the organisation.

Mary's Meals' managers are expected to have procedures in place within their teams to:

- Identify risks and ensure they are communicated to the appropriate officer;
- Assess risks on a regular basis against likelihood and impact criteria;
- Assign accountability for risk treatment action to team members, or ensure accountability is assigned elsewhere if it lies outside the manager's area; and
- Monitor the ongoing status of risks and their treatment.

Mary's Meals maintains an up-to-date risk register to provide assurance that the above procedures are being followed. In order to improve the formal risk management process, the directors annually review the systems in place, and have:

- Identified and evaluated the risks on an ongoing basis;
- Considered the types of risk to which the charity is exposed;
- Identified the level of acceptable risk;
- Assessed the likelihood of the risks concerned materialising;
- Assessed the charity's ability to reduce the incidence and impact of risks that do materialise;
- Compared the costs of implementing controls to the benefits obtained; and
- Put in place a system for monitoring and reporting on risk and details of corrective action taken.

Mary's Meals conducts regular reviews across its operations where risks are identified and appropriate management action is taken to mitigate against them.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

Potential risks	Mitigation strategies
Changing economic or political landscape within UK resulting in a shift in public opinion away from supporting International Aid organisations	Ensure clarity of messaging within the UK environment; focus on low cost model for fundraising and programme delivery
Income uncertainty due to a slow down or reduction in the number of supporters joining the movement.	Investment and development in our fundraising and communications capability within the UK; implement clear strategy to address perceived changes in UK donor support
Changing UK and European legislation affecting UK based fundraising organisations	Effective training of team on changing legislation; utilise external expert with relevant expertise to advise on changes; implement effective controls to ensure full compliance
Supporter data is compromised in a way that leads to a loss of confidence in Mary's Meals or reputational issue	Compliance to current legislation on what data we hold; effective training of all staff on data protection requirements; high quality internal control and monitoring
Inability to recruit and retain the right people due to salaries policy	Consider outsourcing of critical but periodic tasks; consider exceptions for compensation

Structure, governance and management

The charity is governed by the Articles of Association and is a company limited by guarantee.

Management of the charity

The charity is governed by the board of directors, which meets on a quarterly basis. The composition of the board is monitored on a regular basis to ensure that the members of the board have the necessary skills and expertise to govern the charity. A budget is set annually and submitted to the directors for approval.

An Executive Director is appointed to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority from the trustees.

The day-to-day running of the charity was managed from January 2015 to October 2015 by David Haworth and from October 2015 by Alan Brown – the current Executive Director – reporting to the board of directors and supported by heads of department leading the following functions:

- a) Fundraising: managing all donor relationships and enabling people to support the organisation in line with our vision;
- b) Communications: raising awareness of our work and for all communications with supporters in the UK;
- c) Finance and Operations: providing support and ensuring the smooth day-to-day running of the organisation with responsibility for financial management, HR, the seven charity shops and the material aid warehouse.

Appointment of directors/trustees

As set out in the Articles of Association, the maximum number and minimum number, respectively, of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be three. New directors are thoroughly vetted prior to appointment. Every person who wishes to become a member of the Company is required to submit an application for membership and no person is admitted unless approved by the directors.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

Director/trustee induction

There is no formal training programme provided to trustees but they are briefed on their legal responsibilities and supplied with a copy of the Memorandum and Articles of Association. They commit to uphold the aims and values of the charity through the vision, mission and value statement. A list of directors who served during the financial year ending 31 December 2015 is included on page three of this report.

Retirement of Directors

In accordance with the Articles of Association, each director shall retire at the third general meeting after the date of their appointment. At the AGM in June 2015, Julie McFarlane-Barrow, Mary-Anne MacFarlane-Barrow, and Graeme Pagan retired and were re-appointed. At the AGM in 2016, no directors are due to retire.

Remuneration of Key Management

The directors consider the board of directors and the Senior Management Team to be the key management personnel of the charity, in charge of directing, controlling, running, and operating the charity on a day-to-day basis. The pay and remuneration for all employees of the charity is reviewed annually and governed by the remuneration committee, which consists of three members of the Mary's Meals board. When creating the annual salary proposal to the remuneration committee, the members would consider both the rate of RPIJ and CPI at the end of February 2015 and also the findings of the CIPD employee outlook report.

Related Parties

None of the trustees received remuneration or other benefit from their work with the charity. A part of the charity's administration is based at Craig Lodge, which is owned and operated by the Craig Lodge Trust. A director of Mary's Meals, Mary-Anne MacFarlane-Barrow is a volunteer manager of the Craig Lodge Trust. The office accommodation is currently provided free of charge but Mary's Meals is responsible for power, heat, light, and administration costs.

Directors Indemnity

As permitted by the Articles of Association, the directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 284 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently still in force. The Company also purchased and maintained, throughout the financial year, director's and officers' liability insurance in respect of itself and its directors.

Reference and administrative details

Charity number: SC022140

Company number: SC265941

Principal and Registered Office: Craig Lodge, Dalmally, Argyll, PA33 1AR.

The names of the trustees are listed on page three of this report.

Our advisors

Auditors: PricewaterhouseCoopers LLP 141 Bothwell Street, Glasgow, G2 7EQ

Bankers: Royal Bank of Scotland 88 Main Street, Glasgow, G73 2JA
Bank of Scotland 167-201 Argyle Street, Glasgow, G2 8BU
Clydesdale Bank 124 Drymen Road, Bearsden G61 3RB

Solicitors: RA Clement Associates 5 Argyll Square, Oban, Argyll, PA34 4AZ.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

Trustees' responsibility in relation to the financial statements

The trustees are responsible for preparing the trustees' annual report (including the strategic 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken as a trustee in order to make them aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors approve the report of the directors incorporating the trustees' report and the strategic report in their capacity as company directors.

On behalf of the board



Charles McGhee
Chair of Mary's Meals

Independent auditors' report to the members and trustees of Mary's Meals

Report on the financial statements

Our opinion

In our opinion, Mary's Meals' financial statements ("the financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure and cash flow 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).

What we have audited

The financial statements, included within the directors' report and financial statements (the "annual report"), comprise:

- the balance sheet as at 31 December 2015;
- the statement of financial activities (incorporating the income and expenditure account) for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members and trustees of Mary's Meals

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members and trustees of Mary's Meals

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Lindsey Paterson
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

14 June 2016

- (a) The maintenance and integrity of the Mary's Meals website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of financial activities (incorporating the income and expenditure account)

for the year ended 31 December 2015

		Unrestricted funds	Restricted funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	Note	£	£	£	£	£	£
Income and Endowments from:							
Donations and legacies	4	11,945,611	2,930,918	14,876,529	9,881,971	4,967,358	14,849,329
Other Trading Activities	5	612,948	-	612,948	550,565	-	550,565
Investments income		6,740	-	6,740	10,523	535	11,058
Total income		12,565,299	2,930,918	15,496,217	10,443,059	4,967,893	15,410,952
Expenditure on							
Raising Funds	6	(681,269)	-	(681,269)	(807,396)	-	(807,396)
Charitable Activities	7-9	(14,589,724)	(3,365,320)	(17,955,044)	(2,046,212)	(10,724,676)	(12,770,888)
Total expenditure		(15,270,993)	(3,365,320)	(18,636,313)	(2,853,608)	(10,724,676)	(13,578,284)
Net (expenditure)/income		(2,705,694)	(434,402)	(3,140,096)	7,589,451	(5,756,783)	1,832,668
Transfers between funds		-	-	-	(5,931,164)	5,931,164	-
Net movement in funds		(2,705,694)	(434,402)	(3,140,096)	1,658,287	174,381	1,832,668
Reconciliation of funds							
Total funds brought forward	19	3,954,218	921,542	4,875,760	2,614,706	362,424	2,977,130
Transfer on Demerger	19	(49,665)	(487,140)	(536,805)	-	-	-
Currency gain		33,981	-	33,981	65,962	-	65,962
Total funds carried forward	19	1,232,840	-	1,232,840	4,338,955	536,805	4,875,760

All amounts relate to continuing operations. There is no material difference between the surplus on ordinary activities before taxation and the surplus for the financial year stated above and their historical costs equivalents.

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 19-32 form an integral part of these financial statements.

Balance sheet
as at 31 December 2015

		2015	2014
	Note	£	£
Fixed assets			
Tangible assets	14	13,457	204,393
Current assets			
Stock	15	-	292,628
Debtors	16	798,432	1,203,992
Cash at bank and in hand		1,948,088	3,270,137
Total current assets		2,746,520	4,766,757
Liabilities			
Creditors: falling due within one year	17	(1,527,137)	(95,390)
Net current assets		1,219,383	4,671,367
Total assets less current liabilities		1,232,840	4,875,760
The funds of the charity:			
Restricted income funds	19-20	-	921,542
Unrestricted income funds	19-20	1,232,840	3,954,218
Total charity funds		1,232,840	4,875,760

The financial statements on pages 16-32 were approved by the board of directors on 14 June 2016 and signed on its behalf by:



Charles McGhee
Chair of Mary's Meals

Charity Number SC265941
Company Number SC022140

Cash flow statement
for the year ended 31 December 2015

	2015
	£
Cash flow from operating activities (cash flow note a)	(1,349,620)
Cash flows from investing activities	
Interest income	6,740
Purchase of tangible fixed assets	(13,150)
Cash provided by investing activities	(6,410)
(Decrease) in net cash	(1,356,030)
Reconciliation to net cash	
Balances at 1 January 2015	3,270,137
Effect of foreign exchange differences	33,981
Increase in net cash	(1,356,030)
Balances at 31 December 2015	1,948,088

Notes to the cash flow statement

Reconciliation of net incoming/(outgoing) resources to net cash inflow from operating activities

	2015
	£
Net incoming/(outgoing) resources	(3,140,096)
(Increase)/decrease in Debtors	405,560
Deposit Interest received	(6,740)
Depreciation Charge	7,570
Loss on disposal of fixed assets	196,516
Decrease/(increase) in Stocks	292,628
(Increase)/decrease in Creditors/Accruals	1,431,747
Reserves released on demerger	(536,805)
Net Cash (outflow)/inflow from operating activities	(1,349,620)

Notes to the financial statements for the year ended 31 December 2015

1. General Information

The charity is a company limited by guarantee and is registered in Scotland.

2. Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standard, including Financial Reporting Standard FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Companies Act 2006, the Charity Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

3. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 3.1.

3.1 Basis of accounting

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. The requirements of FRS 102 were considered and no adjustments were required to the opening reserves balances.

Mary's Meals is an incorporated charity. The financial statements have been prepared on the going concern assumption and accruals concept and provide information that is relevant, reliable, comparable and understandable.

3.2 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included. Gifts donated for resale are included as incoming resources within other trading activities when they are sold.

Grants are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from the charity shops is included in the year in which it is receivable.

Notes to the financial statements for the year ended 31 December 2015

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

3.3 Expenditure on raising funds and charitable activities

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Any costs directly attributable to specific categories have been included in those cost categories in the Statement of Financial Activities (SOFA). Other costs, which are attributable to more than one activity, are apportioned across categories on the basis of an estimate of the proportion attributable. The charity is registered for VAT and all expenditure is shown inclusive of any irrecoverable VAT applicable.

Expenditure on raising funds includes Fundraising Costs, Trading Costs and Governance Costs.

Expenditure on Charitable Activities includes Raising Awareness costs, Support costs, Backpack and Shipping Costs and Programme Expenditure.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Trading costs are costs related to running the charity's shops.

Governance costs are those incurred directly in connection with compliance with constitutional and statutory requirements, together with a proportion of salary costs relating solely to the strategic management of the charity.

Raising awareness costs include the dissemination of information in support of charitable activities.

Backpack, material aid and support costs relate to the Backpack programme and the costs of the material aid warehouse.

Programme expenditure relates to the transfer of free funds to Mary's Meals International for the running of the Programmes.

Notes to the financial statements for the year ended 31 December 2015

3. Accounting Policies (continued)

3.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life.

Rates are as follows:-

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	15% - 33% straight line
Fixtures, fittings and equipment	-	15% - 33% straight line
Motor vehicles	-	25% - 33% straight line
Computer Equipment	-	25% - 33% straight line

3.5 Stocks

Stock is valued at the lower of cost or net realisable value. There was no backpack stock held at 31 December 2015. There is no value attributed to donated goods for resale through the charity shops. Income from the sale of goods donated for resale is recognised as income when sold.

3.6 Defined contribution pension schemes

The charity has in place a group pension scheme to make available pension provision to all UK National Employees who have been continuously employed for 3 months. Contributions in respect of the company's defined contribution pension scheme are charged to the income and expenditure account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

3.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at an appropriate rate of exchange. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the statement of financial activities.

3.8 Operating leases

Operating leases held relate to the rental lease for the Claremont Centre and the charity's shops. These are accounted for in the SOFA on a straight line basis over the life of the lease.

Notes to the financial statements

for the year ended 31 December 2015

4. Donations and legacies

Summary financial performance of the charity:

Total Donations and legacies	Unrestricted funds	Restricted funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	£	£	£	£	£	£
Donations	7,843,512	1,656,495	9,500,007	5,851,277	4,504,762	10,356,039
Grants and Trusts	1,615,164	1,274,423	2,889,587	2,180,076	-	2,180,076
Tax Reclaimed on Gift Aid	1,112,178	-	1,112,178	466,142	-	466,142
Value of Donated Aid	1,374,757	-	1,374,757	1,384,476	462,596	1,847,072
	11,945,611	2,930,918	14,876,529	9,881,971	4,967,358	14,849,329

	Unrestricted funds	Restricted Funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	£	£	£	£	£	£
Donations						
Unrestricted Donations	7,536,392	-	7,536,392	3,802,151	2,189,117	5,991,268
Mary's Meals Malawi	-	1,305,479	1,305,479	1,046,403	1,453,495	2,499,898
Romania Houses	-	20,312	20,312	18,412	-	18,412
Mary's Meals Liberia	-	290,084	290,084	198,345	661,858	860,203
Mary's Meals Bosnia	-	-	-	75	11,017	11,092
Mary's Meals Ukraine	-	-	-	311	-	311
Mary's Meals Haiti	-	18,782	18,782	25,900	41,169	67,069
Mary's Meals Philippines	-	-	-	129	1,306	1,435
Mary's Meals India	-	6,573	6,573	6,991	40,010	47,001
Mary's Meals Sudan	-	50	50	1,526	549	2,075
Mary's Meals Kenya	-	15,170	15,170	197,477	41,381	238,858
Mary's Meals Benin	-	-	-	79	53,365	53,444
Mary's Meals Zambia	-	45	45	-	-	-
Mary's Meals Albania	-	-	-	-	30	30
Mary's Meals Uganda	-	-	-	-	12	12
Mary's Meals Ecuador	-	-	-	-	11,192	11,192
Balkans Flood Appeal	-	-	-	24,440	261	24,701
Legacies received	307,120	-	307,120	529,038	-	529,038
	7,843,512	1,656,495	9,500,007	5,851,277	4,504,762	10,356,039

Notes to the financial statements

for the year ended 31 December 2015

4. Donations and legacies (continued)

	Unrestricted funds	Restricted funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	£	£	£	£	£	£
Grants and Trusts						
Artemis Charitable Foundation	-	47,000	47,000	90,733	-	90,733
Band Aid Trust	-	273,000	273,000	63,774	-	63,774
Cardrona Charitable Trust	-	-	-	20,000	-	20,000
Foundation Eagle	-	-	-	48,172	-	48,172
Kayhan Foundation	-	-	-	21,875	-	21,875
Lancaster Foundation	-	158,928	158,928	158,928	-	158,928
Maitri Trust	-	-	-	520,000	-	520,000
Moondance Foundation	1,000,000	-	1,000,000	500,000	-	500,000
Parkhouse Charitable Trust	150,000	-	150,000	200,000	-	200,000
Scottish Government	-	132,826	132,826	293,373	-	293,373
Souter Charitable Trust	30,000	-	30,000	115,000	-	115,000
Generation Foundation	198,018	-	198,018	-	-	-
Georg and Emily von Opel Trust	100,000	-	100,000	-	-	-
Postcode Lottery	-	325,000	325,000	-	-	-
Garfield Weston	-	190,000	190,000	-	-	-
Hunter Foundation	-	50,000	50,000	-	-	-
Nora Docherty Charitable Foundation	-	26,000	26,000	-	-	-
Other	137,146	71,669	208,815	148,221	-	148,221
	1,615,164	1,274,423	2,889,587	2,180,076	-	2,180,076

5. Other trading activities

	Unrestricted funds	Restricted funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	£	£	£	£	£	£
Shops	428,114	-	428,114	397,851	-	397,851
Recycling	147,569	-	147,569	118,003	-	118,003
Collections	1,341	-	1,341	1,004	-	1,004
Raffles	33,941	-	33,941	31,707	-	31,707
Royalties and miscellaneous	1,983	-	1,983	2,000	-	2,000
	612,948	-	612,948	550,565	-	550,565

Notes to the financial statements

for the year ended 31 December 2015

6. Expenditure on Raising Funds

	Unrestricted	Restricted	2015	Continued	Discontinued	2014
	funds	funds	Total	Activities	Activities	Total
	£	£	£	£	£	£
Fundraising	435,125	-	435,125	562,553	-	562,553
Trading	246,144	-	246,144	244,843	-	244,843
	681,269	-	681,269	807,396	-	807,396
Fundraising						
Analysis by cost						
Employee Costs	229,537	-	229,537	351,070	-	351,070
Property Costs	19,149	-	19,149	13,598	-	13,598
Travel Costs	17,665	-	17,665	28,434	-	28,434
Administration	166,127	-	166,127	166,517	-	166,517
Depreciation	2,647	-	2,647	2,934	-	2,934
	435,125	-	435,125	562,553	-	562,553
Trading						
Analysis by cost						
Purchases for resale	3,534	-	3,534	2,037	-	2,037
Employee Costs	122,869	-	122,869	114,269	-	114,269
Property Costs	104,824	-	104,824	111,862	-	111,862
Travel Costs	6,754	-	6,754	6,732	-	6,732
Administration	5,539	-	5,539	7,362	-	7,362
Depreciation	2,624	-	2,624	2,581	-	2,581
	246,144	-	246,144	244,843	-	244,843

Notes to the financial statements

for the year ended 31 December 2015

7. Charitable activities – by fund type

Charity	Unrestricted funds	Restricted funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	£	£	£	£	£	£
Raising Awareness	289,008	-	289,008	441,907	30,767	472,674
Governance	43,840	-	43,840	166,605	-	166,605
Backpacks and shipped aid	1,491,450	-	1,491,450	1,437,700	462,596	1,900,296
Children's Homes	-	-	-	-	76,000	76,000
Emergency Aid	-	-	-	-	30,008	30,008
Programme Expenditure	12,765,426	3,365,320	16,130,746	-	10,125,305	10,125,305
Total charitable activities	14,589,724	3,365,320	17,955,044	2,046,212	10,724,676	12,770,888

Governance						
Analysis by cost						
Employee Costs	17,805	-	17,805	81,570	-	81,570
Property Costs	36	-	36	-	-	-
Travel Costs	1,695	-	1,695	20,404	-	20,404
Administration	7,836	-	7,836	429	-	429
Auditors Remuneration	10,298	-	10,298	9,530	-	9,530
Legal Fees	1,260	-	1,260	54,672	-	54,672
Bank Charges	4,869	-	4,869	-	-	-
Miscellaneous	41	-	41	-	-	-
	43,840	-	43,840	166,605	-	166,605

Included in backpacks and shipped aid is shipping expenditure as follows:

Charity	Shipping	Aid	2015 Total	Shipping	Aid	2014 Total
	£	£	£	£	£	£
Malawi	34,491	1,381,019	1,415,510	33,469	1,735,304	1,768,773
Backpacks carriage costs	18,534	-	18,534	14,186	-	14,186
Balkan Flood Relief	-	-	-	-	111,768	111,768
Total charitable activities	53,025	1,381,019	1,434,044	47,655	1,847,072	1,894,727

Notes to the financial statements

for the year ended 31 December 2015

8. Charitable activities – by activity

Charity	Activities Undertaken	Transfers To MMI	Support Costs	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	Directly						
	£	£	£	£	£	£	£
Raising Awareness	289,008	-	-	289,008	441,907	30,767	472,674
Governance	43,840	-	-	43,840	166,605	-	166,605
Backpacks and shipped aid	1,434,044	-	57,406	1,491,450	1,437,700	462,596	1,900,296
Children's Homes	-	-	-	-	-	76,000	76,000
Emergency Aid	-	-	-	-	-	30,008	30,008
Programme Expenditure		16,130,746	-	16,130,746	-	10,125,305	10,125,305
Total charitable activities	1,766,892	16,130,746	57,406	17,955,044	2,046,212	10,724,676	12,770,888

9. Analysis of support costs

	Unrestricted funds	Restricted funds	2015 Total	Continued Activities	Discontinued Activities	2014 Total
	£	£	£	£	£	£
Employee Costs	49,672	-	49,672	-	395,636	395,636
Property Costs	5,199	-	5,199	2,333	22,863	25,196
Travel Costs	(3,062)	-	(3,062)	2,070	36,695	38,765
Administration	2,973	-	2,973	1,166	34,008	35,174
Depreciation	2,624	-	2,624	-	2,581	2,581
Governance	-	-	-	-	220	220
	57,406	-	57,406	5,569	492,003	497,572

Support costs are allocated to shipped aid as direct costs of staff involved and running costs of the aid warehouse.

10. Net (outgoing)/incoming resources of the year

	2015	2014
	£	£
Depreciation and other amounts written off tangible fixed assets	8,777	128,524
Operating lease rentals - Other	92,710	112,114
Auditors' remuneration	10,298	9,530
Profit on foreign currencies	33,981	65,962

Notes to the financial statements

for the year ended 31 December 2015

11. Employees

	2015	2014
	£	£
Employment costs		
Wages and salaries	539,647	1,517,919
Social security costs	46,825	122,612
Other Pension costs	28,673	71,064
	615,145	1,711,595

	2015	2014
	Number	Number
Number of employees		
Monthly average		
Direct delivery	0	148
Support	3	12
Fundraising	9	11
Shops and Recycling	6	6
Material aid and raising awareness	6	9
Governance	1	2
	25	188

At 1 Jan 2015 the employees responsible for the international feeding programme including central financing and administration of funds were transferred to the new company Mary's Meals International Organisation (MMI).

Key management compensation

Key management compensation includes the Chief Executive and members of senior management. The compensation paid to key management for employee services is shown below:

	2015	2014
	£	£
Employment costs		
Wages and salaries	179,109	207,542
Social security costs	18,832	23,197
Other Pension costs	7,881	15,961
	205,822	246,700

No employee of Mary's Meals received employee benefits of more than £60,000 in 2015.

General Volunteers

Across the whole organisation the majority of the daily work of the charity is performed by volunteers – from those involved in fundraising and raising awareness activities, support for the seven charity shops across Scotland, material aid warehouse and office support, Sunday drivers church raffle teams and speakers.

12. Pension costs

The organisation operates a defined contribution pension scheme in respect of staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and

Notes to the financial statements for the year ended 31 December 2015

amounted to £28,673 (2014 - £64,729). At 31 December 2015, an amount of £nil was accrued in the financial statements (2014: £nil).

13. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Tax Act 2010. Accordingly, there is no taxation charge in these financial statements.

14. Tangible assets

	Long leasehold property	Plant and machinery	Fixtures fittings and equipment	Motor vehicles	Computer Equipment	Total
Cost	£	£	£	£	£	£
At 1 January 2015	6,083	25,413	79,685	468,442	86,748	666,371
Additions	-	-	-	13,150	-	13,150
Disposals	-	(19,978)	(30,826)	(450,819)	(33,831)	(535,454)
At 31 December 2015	6,083	5,435	48,859	30,773	52,917	144,067
At 1 January 2015	6,083	22,300	70,214	282,378	81,003	461,978
Charge for the year	-	1,906	238	4,397	1,029	7,570
Released on disposal	-	(18,771)	(21,593)	(268,063)	(30,511)	(338,938)
At 31 December 2015	6,083	5,435	48,859	18,712	51,521	130,610
Net book values At 31 December 2015	-	-	-	12,061	1,396	13,457
At 31 December 2014	-	3,113	9,471	186,064	5,745	204,393

15. Stocks and work in progress

	2015	2014
	£	£
Stocks	-	292,628

16. Debtors

	2015	2014
	£	£
Prepayments and accrued income	794,449	1,198,187
Other debtors	3,983	5,805
Total	798,432	1,203,992

Notes to the financial statements
for the year ended 31 December 2015

17. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	18,117	37,029
Taxation and social security	13,473	34,327
Accruals and deferred income	1,495,220	20,010
Other Creditors	327	4,024
Total	1,527,137	95,390

18. Analysis of net assets between funds

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	2014
	£	£	£	£
Fund balances at 31 December 2015 as represented by:				
Tangible assets	13,457	-	13,457	204,393
Current assets	2,746,520	-	2,746,520	4,766,757
Current liabilities	(1,527,137)	-	(1,527,137)	(95,390)
Total	1,232,840	-	1,232,840	4,875,760

19. Unrestricted and restricted funds

Charity	At	Transfer	Incoming	Outgoing	Gain on	At
	1 Jan	On	resources	resources	Currency	31 Dec
	2015	Demerger			Revaluation	2015
	£	£	£	£	£	£
Unrestricted funds	3,954,218	(49,665)	12,565,299	(15,270,993)	33,981	1,232,840
Restricted funds	921,542	(487,140)	2,930,918	(3,365,320)	-	-
Total	4,875,760	(536,805)	15,496,217	(18,636,313)	33,981	1,232,840

Notes to the financial statements

for the year ended 31 December 2015

20. Restricted funds

Charity	At 1 Jan 2015 £	Transfers On Demerger £	Incoming resources £	Outgoing resources £	At 31 Dec 2015 £
Mary's Meals Malawi	156,463	-	2,047,223	(2,203,686)	-
Mary's Meals Liberia	674,387	(457,718)	563,086	(779,755)	-
Mary's Meals Zambia Benin	- 50,151	-	795 -	(795) (50,151)	- -
Mary's Meals Kenya	29,422	(29,422)	174,098	(174,098)	-
Mary's Meals India	-	-	6,572	(6,572)	-
Mary's Meals South Sudan	-	-	50	(50)	-
Mary's Meals Haiti	(171)	-	18,782	(18,611)	-
Romania Homes	-	-	20,312	(20,312)	-
Middle East	-	-	100,000	(100,000)	-
Mary's Meals Philippines	282	-	-	(282)	-
Mary's Meals Ukraine	311	-	-	(311)	-
Mary's Meals Bosnia	145	-	-	(145)	-
Mary's Meals Albania	30	-	-	(30)	-
Mary's Meals Ecuador	10,522	-	-	(10,522)	-
	921,542	(487,140)	2,930,918	(3,365,320)	-

Donations are received by Marys Meals as restricted donations for specific country programmes. Restricted income can only be used for the specific purpose for which it was donated.

21. Financial commitments

At 31 December 2015 the charity had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Rental Leases		
Expiry date:		
Within one year	119,366	29,231
Between one and five years	289,566	13,500
In over five years	240,000	38,500
	648,932	81,231

Notes to the financial statements for the year ended 31 December 2015

22. General commitments

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual pension commitment under this scheme is for contributions of £28,673. (2014 - £67,413). At 31 December 2015, an amount of £nil was accrued in the financial statements (2014 - £nil).

23. Committed resources

Mary's Meals has a reserves policy such that six months' operating expenses are maintained within reserves. Based on the approved budget for the 2016 financial year, budgeted reserves are £630,000. The income raised by Mary's Meals fundraising activities in the UK are remitted to Mary's Meals International Organisation who are responsible for the delivery of the programmes.

24. Events after the balance sheet date

There were no significant events after the Balance Sheet Date.

25. Transactions with directors

In accordance with the Memorandum and Articles of Association, directors may only receive remuneration for services undertaken in the administration of the charity provided that it is authorised by the board, is within the limits laid down, and as long as a majority of the board members are acting without remuneration. No directors received remuneration for services from the charity in the year ended 31 December 2015.

No reimbursement of travel expenses were paid during the year (2014: £nil).

During the year, no other transactions were made by the company with businesses in which board members had a direct interest.

Conflicts of Interest

The company operates a policy to deal with potential conflicts of interest. This includes maintaining a register of board members'/directors' interests, which details any contractual or financial relationship or position of authority with outside companies, firms or organisations. Whenever a board member/director has an interest in any item discussed by the board, he/she takes no part in the discussions or decision making process.

26. Related party transactions

Craig Lodge Trust

Mary's Meals operated during the year on a rent free basis from property owned by the Craig Lodge Trust and contributes to the running of the property by paying for power usage and a share of similar overheads. These costs are included in the amount shown below. The Craig Lodge Trust is run by Calum and Mary-Anne MacFarlane-Barrow. Mary-Anne MacFarlane-Barrow is a director of Mary's Meals. During the year, Craig Lodge Trust provided goods and services i.e. accommodation, meals, and overheads as stated above, amounting to nil (2014: £2,185). These were provided on an arm's length basis.

Notes to the financial statements
for the year ended 31 December 2015

27. Company limited by guarantee

Mary's Meals is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

28. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Mary's Meals a company incorporated in Scotland.

The financial statements of Mary's Meals can be obtained from:

Mary's Meals
Craig Lodge
Dalmally
Argyll
PA33 1AR