

mary's meals

(A company limited by
guarantee)

Directors' report and financial statements

For the year ended
31 December 2016

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
David Clayton
Shelagh Fogarty
Mary-Anne MacFarlane-Barrow
Charles McGhee
Ishbel Smith
Graeme Pagan (resigned 27 October 2016)
Julie MacFarlane-Barrow (resigned 31 January 2017)
Magnus MacFarlane-Barrow (appointed 27 October 2016)
David Leslie (appointed 7 March 2017)
John Fulton (appointed 7 March 2017)

Secretary

Ishbel Smith

Executive Director

Alan Brown (resigned 31 December 2016)
Michelle Bremner (appointed 18 April 2017)

Independent Auditors

RSM UK Audit LLP

Chairman and Executive Director's report for the year ended 31 December 2016

Following another significant year of progress and development for Mary's Meals, it is our great pleasure to present the Annual Report for the financial year ending December 31, 2016. Thanks to the heroic efforts of our dedicated supporters, we are delighted to have exceeded our 2016 budget for cash income by 3.8% and the budget for transfers to Mary's Meals International Organisation (MMI) by 7.2%.

Our growth forecast for 2016 was of course not expected to exceed the exceptional performance recorded in 2015 when fundraising reached an all-time record. More than £15 million was raised in the 12 months of 2015, with almost half being gifted during the fourth quarter, in response to the Feed Our Future campaign. This unprecedented growth in income was largely attributable to our participation in the UK Aid Match programme, which saw the Department for International Development (DFID) pledge to match £5 million of the proceeds from the Feed Our Future campaign over three years.

Nevertheless, despite the anticipated slow start to 2016, the dedication and determination of the Mary's Meals staff, and our volunteers and donors – large and small – shone through as the year progressed, with our total income reaching a magnificent £12.941 million by the end of the year. Mary's Meals is the largest affiliate donor to MMI and the transfer of our funds helped expand the Mary's Meals feeding programme to reach a total of 1,187,104 children in 12 of the world's poorest countries – another major milestone in our mission to overcome child hunger and poverty.

The number of children being fed as at December 31, 2016, represents an increase of 8% compared with the previous year, and planning is already under way to reach an even greater number of children in 2017. For example, the DFID income, which started to flow through from the second quarter of 2016, is being spent on a three-year programme in Malawi and Zambia and is already having a significant impact on children's lives. Mary's Meals also channelled funds to MMI during 2016 to support the charity's first feeding programme in the Middle East, reaching vulnerable children in Lebanon, many of whom are refugees from Syria.

The majority of our income, of course, still comes from our grassroots supporters – those individuals, community groups, churches and schools who are the bedrock of Mary's Meals' success and whose wonderful work was formally recognised in 2016 with the presentation of the Queen's Award for Voluntary Service. We also receive generous support from the business community, trust funds and public funds. The Backpack Project continues to flourish with more than 46,000 filled backpacks being dispatched to Malawi during 2016.

One of our ongoing challenges is to grow our supporters' base throughout the UK. During 2016, we took significant steps to strengthen the Mary's Meals fundraising and communications teams, particularly in Glasgow and London, as we sought to raise greater awareness of MMI's life-changing work. We also carried out a detailed survey of our supporters in 2016, the data from which will help better inform our future growth strategy.

In response to the increased demands on the UK staff, the board approved a new executive team structure to support the future development of Mary's Meals. This will be implemented following the induction of the new executive director, Michelle Bremner, on 18 April 2017. The new executive team will replace the interim management structure that had been put in place for 2015-16, and we are deeply grateful to outgoing executive director Alan Brown for his sound stewardship during this period.

Prudent economic management means that the growth of the UK team will not impact on our commitment to spend 93p of every £1 raised on our front-line charitable activities. However, for the first time in two years, the budgeted average cost of feeding a single child per school year will increase; from £12.20 to £13.90. This reflects a substantial increase in food costs, largely caused by the significant drop in the value of the pound in the past year and foreign exchange volatility more generally. The relatively modest cost of feeding a child for a whole school year remains a powerful message, however, and our fundraising and communications teams will be reinforcing this during 2017.

Mary's Meals (A company limited by guarantee)

Following a tendering process, new auditors, RSM, were also appointed by Mary's Meals during 2016. The auditors – who have extensive experience of the charity sector – also assisted the board with the launch of a strategic review of the roles, functions and responsibilities of trustees, particularly focusing on best practice and the changing regulatory framework affecting charities. There was one retirement from the board in 2016, and the charity's founder, Magnus MacFarlane Barrow, was formally elected to the UK board reflecting the position he holds on the boards of other major Mary's Meals country affiliates.

Another structural change agreed by the board was the proposal that Mary's Meals Ireland, while remaining part of Mary's Meals (in the UK) for 2017, should become a separate affiliate by 2018. Arrangements have been put in place to achieve this transition as smoothly as possible, minimising any impact on the UK budget.

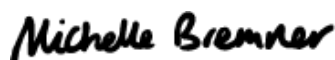
As well as raising funds, the other main function of Mary's Meals is, of course, to tell our compelling story in a variety of different ways not only to our existing supporters, but to our growing number of new friends. The launch of the paperback edition of our founder's best-selling book, *The Shed That Fed A Million Children*, together with an uplifting new film about the work of Mary's Meals – *Generation Hope* – has helped enormously in spreading the word during 2016.

Innovative ideas from our fundraising team and generous business partners has also seen the Mary's Meals' story being relayed via electronic advertising billboards and lunch-time electronic donations collected via contactless debit cards for the first time. Major campaigns during the year included the Crisis in Malawi Appeal, following the severe flooding and drought that decimated Malawi's 2016 harvest; the successful relaunch of World Porridge Day; and, of course, One More For Christmas.

We are hugely indebted to everyone who has been compelled to reach out to the world's hungry children through the conduit of Mary's Meals. From the constructive partnerships we have established with a broad range of funders, to every single member of our incredibly loyal Mary's Meals family, we once again extend our sincere gratitude for their undiminished support for the simple but powerful ideal that believes every child in the world deserves at least one good meal a day and the opportunity of an education that could free them from poverty.



Charles McGhee
Chair of Mary's Meals



Michelle Bremner
Executive Director of Mary's Meals

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2016

The directors present their annual report together with the audited financial statements of Mary's Meals for the year ended 31 December 2016. 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

Mary's Meals is a Scottish registered charity, focused on raising donations and awareness in the UK.

Mary's Meals International Organisation (MMI) has 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 is the UK affiliate of MMI and is referred to as Mary's Meals UK (MMUK) within the Mary's Meals network and thus helps to fund the programmes delivered by MMI on behalf of the Mary's Meals network.

Our objectives and activities

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, Dalmally, and

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2016

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.

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; providing support for the seven charity shops across Scotland as well as helping in our material aid warehouse and offices; to those involved in community engagement such as church raffle teams, van drivers, and community ambassadors.

Within the UK, Mary's Meals has over 900 active volunteers. Our volunteers often undertake proactive fundraising and raising awareness activities in their own communities, which helps to grow the Mary's Meals movement and increase grassroots support.

Mary's Meals has secured a number of partnerships with funding bodies, trusts, and corporations. Our partnerships include the UK Government, the Scottish Government, Moondance Foundation, Postcode Lottery, Lancaster Foundation, Saints Foundation / Southampton Football Club, Tastecard and Knight Frank. 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 2016, MMI set out to increase the number of children being fed within its school feeding programmes by a further 51,630 children (equivalent to 5%). The actual increase achieved is covered in the next section.

Our achievements and performance

Mary's Meals has contributed to MMI feeding 1,187,104 children in 12 countries as of 31 December 2016 – an increase of 8% (1,101,206 as of 31 December 2015). The growth in the number of children being fed this year was achieved through a number of expansions to the school feeding programme.

More than 13,000 new supporters joined our mission, and our volunteer network grew significantly, during 2016.

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 decreased by 16% in the year to 31 December 2016. It was not anticipated that 2016 income would exceed the exceptional income levels of 2015 when more than £5,000,000 was raised during the three month DFID campaign period, however total income did exceed budget by 3.7%. Mary's Meals received significant contributions from existing partners and was successful in securing several new partnerships during 2016. The charity continues to receive considerable income from regular individual givers.

During 2016 £1,250,000 of Aid Match Grant income was received from the UK Government. A total Aid Match Grant of £5,000,000 will be received from DFID over a three year period in line with the planned programme expansions.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2016

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 2016, 46,216 backpacks donated from within the UK were delivered by the Mary's Meals Logistics team in Malawi. This represents a decrease of 6% on the number of backpacks gifted to children attending school in Malawi by Mary's Meals supporters during 2015.

Financial review

For the year to 31 December 2016, the total income of the charity was £12,941,294 (£11,678,912 excluding income from material aid), which represents a decrease of 16% (17% excluding income from material aid) when compared with the previous period. Although total income was not expected to exceed the record breaking levels of 2015, it does however represent a 3.7% increase on the 2016 income budget. Once again, by far the greatest proportion – 85% (94% excluding income from material aid) – was received through voluntary income in the form of donations, grant, and gift aid income. During 2016 £1,250,000 of DFID Aid Match Grant income was received from the UK Government.

Throughout 2016, we operated seven charity shops across Scotland which are, supported by a network of committed volunteers. Our shops recycle and sell donated goods, generating a 2016 income of £632,209, which is included in total income. The cost of generating this trading income during the year was £283,134, resulting in a net surplus of **£349,075**.

The total expenditure for the same period was £13,145,319 or **£12,862,185** excluding trading expenditure. We spent **£12,349,243** on our charitable activities, equalling 96% or 96p 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 2016 there was a net expenditure of £204,025.

Reserves policy and going concern

The policy of the charity as at 31 December 2016 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 £630,000. The unrestricted reserves at 31 December 2016 were £1,035,804. This surplus was due to timing of transfer of funds to MMI and the surplus reserves were applied to programme delivery in 2017.

At the year end, the reserves policy, actual reserves held, and future business planning forecast including cash flow are used to confirm that the going concern principle applies for at least 12 months from the date that the statutory accounts are approved by the board.

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 media 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 2016

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 2016

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; increase investment in UK fundraising and communications staff
Income uncertainty owing 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 support e.g. RSM 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 with 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; review salary policy at appropriate intervals

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 during 2016 by Alan Brown as executive director. Alan Brown completed his one-year fixed-term contract on 31 December 2016. Recruitment began in the fourth quarter of 2016 and has resulted in the appointment of Michelle Bremner as executive director, as of April 18, 2017.

The executive director – reporting to the board of directors and supported by heads of department - leads 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 overseeing all communications with supporters in the UK; and
- 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.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2016

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 board is required to submit an application for membership and no person is admitted unless approved by the directors.

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 are also made aware of external training opportunities and encouraged to participate if appropriate. They commit to uphold the aims and values of the charity through the vision, mission and values statement. A list of directors who served during the financial year ending 31 December 2016 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 2016 Graeme Pagan resigned from board, and in January 2017 Julie MacFarlane-Barrow resigned from the board. At the AGM in 2017, Kenneth Black and David Clayton 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 2017 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.

**Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2016**

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: RSM UK Audit LLP 3rd Floor, Centenary House, 69 Wellington Street, Glasgow, G2 6HG

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: MacArthur Legal Solicitors Boswell House, Argyll Square, Oban, Argyll, PA34 4BD.

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2016

Trustees' responsibilities 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 of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- 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 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 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 charitable auditor is unaware; and
- The trustees have each 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

Date 27/06/2017

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

Opinion on financial statements

We have audited the financial statements of Mary's Meals (the 'charitable company') for the year ended 31 December 2016, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the directors' report and the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 13, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



KELLY ADAMS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary Street
69 Wellington Street
Glasgow
G2 6HG
Address

Date 04/07/2017

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

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

for the year ended 31 December 2016

		Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	4	8,183,596	4,029,297	12,212,893	11,945,611	2,930,918	14,876,529
Other trading activities	5	724,986	-	724,986	612,948	-	612,948
Investments		3,415	-	3,415	6,740	-	6,740
Total income		8,911,997	4,029,297	12,941,294	12,565,299	2,930,918	15,496,217
Expenditure on							
Raising funds	6	(796,076)	-	(796,076)	(681,269)	-	(681,269)
Charitable activities	7-9	(8,319,946)	(4,029,297)	(12,349,243)	(14,589,724)	(3,365,320)	(17,955,044)
Total expenditure		(9,116,022)	(4,029,297)	(13,145,319)	(15,270,993)	(3,365,320)	(18,636,313)
Net (expenditure)/income		(204,025)	-	(204,025)	(2,705,694)	(434,402)	(3,140,096)
Transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses)							
Other gains/(losses)		6,989	-	6,989	33,981	-	33,981
Net movement in funds		(197,036)	-	(197,036)	(2,671,713)	(434,402)	(3,106,115)
Reconciliation of funds							
Total funds brought forward	19	1,232,840	-	1,232,840	3,954,218	921,542	4,875,760
Transfer on demerger	19	-	-	-	(49,665)	(487,140)	(536,805)
Total funds carried forward	19	1,035,804	-	1,035,804	1,232,840	-	1,232,840

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 19-34 form an integral part of these financial statements.

Balance sheet
as at 31 December 2016

		2016	2015
	Note	£	£
Fixed assets			
Tangible assets	14	9,414	13,457
Current assets			
Stock	15	20,455	-
Debtors	16	830,626	798,432
Cash at bank and in hand		1,245,820	1,948,088
Total current assets		2,096,901	2,746,520
Liabilities			
Creditors: falling due within one year	17	(1,070,511)	(1,527,137)
Net current assets		1,026,390	1,219,383
Total assets less current liabilities		1,035,804	1,232,840
The funds of the charity:			
Restricted income funds	19-20	-	-
Unrestricted income funds	19-20	1,035,804	1,232,840
Total charity funds		1,035,804	1,232,840

The financial statements on pages 16-34 were approved and authorised for issue by the board of directors on 27 June 2017 and signed on its behalf by:



Charles McGhee
Chair of Mary's Meals

Charity Number SC265941
Company Number SC022140

Statement of cash flows
for the year ended 31 December 2016

	2016
	£
Cash flows from operating activities	(712,672)
Cash flows from investing activities	
Investment income	3,415
Net Cash provided by investing activities	3,415
Change in cash and cash equivalents in the reporting period	(709,257)
Cash and cash equivalents at the beginning of the period	1,948,088
Change in cash and cash equivalents due to exchange rate movements	6,989
Cash and cash equivalents at the end of the reporting period	1,245,820

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016
	£
Net income/(expenditure) for the reporting period	(204,025)
(Increase)/decrease in debtors	(32,194)
Investment income	(3,415)
Depreciation charge	4,044
(Increase)/decrease in stocks	(20,455)
(Decrease)/increase in creditors/accruals	(456,627)
Net cash provided by operating activities	(712,672)

Notes to the financial statements for the year ended 31 December 2016

1. General Information

Mary's Meals is part of an international movement and its principal activity is the setting up school feeding programmes in communities where poverty and hunger prevent children from gaining an education. By providing daily meals to more than 1.1 million children in their place of education, the school feeding programmes address the immediate needs of hungry children while enabling them to receive an education that can provide a route out of poverty in future. Mary's Meals supports the international school feeding programmes by transferring funds to MMI to feed children.

In order to fulfil its commitment to the international movement, Mary's Meals carries out fundraising and awareness raising activities across the UK, as well as operating seven charity shops and a material aid warehouse. Mary's Meals has three main offices in the UK, but most of our fundraising and awareness raising activity is undertaken by volunteers within their own communities.

The charity is a company limited by guarantee and is a registered charity in Scotland. The charity meets the definition of a public benefit entity.

2. Basis of accounting

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.

3.1 Going concern

Mary's Meals generated net outgoing resources before transfers of £204,025 (2015: £3,140,096) for the year and at the 31 December 2016 had net assets of £1,035,804 (2015: £1,232,840). As at 31 December 2016 it had net current assets of £1,026,390 (2015: £1,219,383). The trustees have considered the appropriateness of the going concern policy status of the charity and are comfortable with the charity's position.

The charity has prepared a business plan, which covers 18 months from the date that the accounts are approved by the board, and the charity projects to maintain a good level of cash reserves in line with its reserve policy.

The directors therefore believe it is appropriate to prepare these financial statements on a going concern basis. The audit committee will continue to review the long term financial future of the charity as well as ongoing management accounts, forecasts and cash flow forecasts.

3.2 Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income includes:-

Notes to the financial statements for the year ended 31 December 2016

3. Accounting policies (continued)

Donations and Legacies

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Donations are recognised when receivable.

Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific conditions and is recognised as earned. Grant funding included in this category provides funding to support activities and is recognised where there is entitlement, probability of receipt, and the amount can be measured with sufficient reliability.

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 and trading costs. 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.

Expenditure on charitable activities includes raising awareness costs, governance costs, support costs, backpack and shipping costs and programme expenditure.

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 Project and the costs of the material aid warehouse.

Programme expenditure relates to the transfer of free funds to MMI for the running of the programmes.

Notes to the financial statements for the year ended 31 December 2016

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

Stocks are valued at the lower of cost or net realisable value. There was backpack stock with a value of £20,455 held at 31 December 2016. 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 Financial Instruments

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

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provision of the instrument, and are offset only when the charity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade Debtors

Trade Debtors which are receivable within one year and which do not constitute a financing transaction, are initially measured at the transaction price. Trade Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Notes to the financial statements for the year ended 31 December 2016

3. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Financial liabilities

Trade Creditors

Trade Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

3.7 Critical accounting estimates and areas of judgement

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The backpacks are valued based on a comprehensive audit of backpacks and contents at the start of the financial year.

3.8 Reserves accounting

The policy of the charity as at 31 December 2016 was to retain sufficient funds required to meet six months' running costs in respect of salaries, premises, costs etc.

3.9 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 three 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.

Notes to the financial statements
for the year ended 31 December 2016

3. Accounting policies (continued)

3.10 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 rate at the date of the transactions. All differences are taken to the statement of financial activities.

3.11 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 2016

4. Donations and legacies

Summary financial performance of the charity:

Total donations and legacies	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Donations	5,875,900	1,213,373	7,089,273	7,843,512	1,656,495	9,500,007
Grants and trusts	413,610	2,815,924	3,229,534	1,615,164	1,274,423	2,889,587
Tax reclaimed on Gift Aid	631,704	-	631,704	1,112,178	-	1,112,178
Value of donated aid	1,262,382	-	1,262,382	1,374,757	-	1,374,757
	8,183,596	4,029,297	12,212,893	11,945,611	2,930,918	14,876,529

Donations	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Unrestricted donations	5,875,900	-	5,875,900	7,843,512	-	7,843,512
Malawi	-	843,852	843,852	-	1,305,479	1,305,479
Romania houses	-	17,969	17,969	-	20,312	20,312
Liberia	-	289,767	289,767	-	290,084	290,084
Haiti	-	20,002	20,002	-	18,782	18,782
Burma	-	2,500	2,500	-	-	-
India	-	6,067	6,067	-	6,573	6,573
South Sudan	-	10,794	10,794	-	50	50
Kenya	-	532	532	-	15,170	15,170
Benin	-	404	404	-	-	-
Zambia	-	-	-	-	45	45
Thailand	-	457	457	-	-	-
Uganda	-	125	125	-	-	-
Ecuador	-	535	535	-	-	-
Middle East	-	20,369	20,369	-	-	-
	5,875,900	1,213,373	7,089,273	7,843,512	1,656,495	9,500,007

Notes to the financial statements

for the year ended 31 December 2016

4. Donations and legacies (continued)

Grants and Trusts	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Unrestricted	413,610	-	413,610	1,615,164	-	1,615,164
Malawi	-	1,208,201	1,208,201	-	741,745	741,745
Malawi DFID grant	-	998,001	998,001	-	-	-
Zambia	-	45,750	45,750	-	750	750
Zambia DFID grant	-	252,000	252,000	-	-	-
Liberia	-	69,455	69,455	-	273,000	273,000
South Sudan	-	50,000	50,000	-	-	-
Kenya	-	190,947	190,947	-	158,928	158,928
Haiti	-	70	70	-	-	-
Middle East	-	1,500	1,500	-	100,000	100,000
	413,610	2,815,924	3,229,534	1,615,164	1,274,423	2,889,587

5. Other trading activities

	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Shops	439,083	-	439,083	428,114	-	428,114
Recycling	193,126	-	193,126	147,569	-	147,569
Collections	3,765	-	3,765	1,341	-	1,341
Raffles	27,983	-	27,983	33,941	-	33,941
Royalties and miscellaneous	61,029	-	61,029	1,983	-	1,983
	724,986	-	724,986	612,948	-	612,948

Notes to the financial statements

for the year ended 31 December 2016

6. Expenditure on raising funds

	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Fundraising	512,942	-	512,942	435,125	-	435,125
Trading	283,134	-	283,134	246,144	-	246,144
	796,076	-	796,076	681,269	-	681,269
Fundraising						
Analysis by cost						
Employee costs	318,903	-	318,903	229,537	-	229,537
Property costs	12,805	-	12,805	19,149	-	19,149
Travel costs	14,938	-	14,938	17,665	-	17,665
Administration	165,084	-	165,084	166,127	-	166,127
Depreciation	1,212	-	1,212	2,647	-	2,647
	512,942	-	512,942	435,125	-	435,125
Trading						
Analysis by cost						
Purchases for resale	6,305	-	6,305	3,534	-	3,534
Employee costs	152,761	-	152,761	122,869	-	122,869
Property costs	109,284	-	109,284	104,824	-	104,824
Travel costs	7,462	-	7,462	6,754	-	6,754
Administration	6,110	-	6,110	5,539	-	5,539
Depreciation	1,212	-	1,212	2,624	-	2,624
	283,134	-	283,134	246,144	-	246,144

Notes to the financial statements

for the year ended 31 December 2016

7. Charitable activities – by fund type

	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Raising awareness	316,066	-	316,066	289,008	-	289,008
Governance	38,917	-	38,917	43,840	-	43,840
Backpacks and shipped aid	1,436,904	-	1,436,904	1,491,450	-	1,491,450
Programme expenditure	6,528,059	4,029,297	10,557,356	12,765,426	3,365,320	16,130,746
Total charitable activities	8,319,946	4,029,297	12,349,243	14,589,724	3,365,320	17,955,044

Raising awareness						
Analysis by cost						
Employee costs	246,497	-	246,497	207,625	-	207,625
Property costs	12,232	-	12,232	15,221	-	15,221
Travel costs	3,142	-	3,142	14,821	-	14,821
Administration	53,787	-	53,787	50,460	-	50,460
Depreciation	408	-	408	881	-	881
	316,066	-	316,066	289,008	-	289,008

Governance						
Analysis by cost						
Employee costs	20,400	-	20,400	17,805	-	17,805
Property costs	-	-	-	36	-	36
Travel costs	598	-	598	1,695	-	1,695
Administration	12	-	12	7,836	-	7,836
Auditors remuneration	9,608	-	9,608	10,298	-	10,298
Legal fees	-	-	-	1,260	-	1,260
Bank charges	8,299	-	8,299	4,869	-	4,869
Miscellaneous	-	-	-	41	-	41
	38,917	-	38,917	43,840	-	43,840

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

	Shipping	Aid	2016 total	Shipping	Aid	2015 total
	£	£	£	£	£	£
Malawi	42,259	1,247,305	1,289,564	34,491	1,381,019	1,415,510
Backpacks carriage costs	13,576	-	13,576	18,534	-	18,534
Total charitable activities	55,835	1,247,305	1,303,140	53,025	1,381,019	1,434,044

Notes to the financial statements

for the year ended 31 December 2016

8. Charitable activities – by activity

	Activities undertaken directly	Transfers to MMI	Support costs	2016 total	2015 total
	£	£	£	£	£
Raising awareness	316,066	-	-	316,066	289,008
Governance	38,917	-	-	38,917	43,840
Backpacks and shipped aid	1,303,140	-	133,764	1,436,904	1,491,450
Programme expenditure	-	10,557,356	-	10,557,356	16,130,746
Total charitable activities	1,658,123	10,557,356	133,764	12,349,243	17,955,044

9. Analysis of support costs

	Unrestricted funds	Restricted funds	2016 total	Unrestricted funds	Restricted funds	2015 total
	£	£	£	£	£	£
Employee costs	59,770	-	59,770	49,672	-	49,672
Property costs	52,920	-	52,920	5,199	-	5,199
Travel costs	4,044	-	4,044	(3,062)	-	(3,062)
Administration	15,818	-	15,818	2,973	-	2,973
Depreciation	1,212	-	1,212	2,624	-	2,624
	133,764	-	133,764	57,406	-	57,406

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

	2016	2015
	£	£
Depreciation and other amounts written off tangible fixed assets	4,044	8,777
Operating lease rentals - other	136,198	92,710
Auditors' remuneration	9,608	10,298
Profit on foreign currencies	(6,989)	(33,981)

Notes to the financial statements
for the year ended 31 December 2016

11. Employees

Employment costs	2016	2015
	£	£
Wages and salaries	660,356	539,647
Social security costs	55,707	46,825
Other pension costs	42,640	28,673
	758,703	615,145

Number of employees	2016	2015
	Number	Number
Monthly average		
Support	3	3
Fundraising	10	9
Shops and recycling	7	6
Material aid and raising awareness	8	6
Governance	1	1
	29	25

Key management compensation

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

Employment costs	2016	2015
	£	£
Wages and salaries	158,286	179,109
Social security costs	16,440	18,832
Other pension costs	12,819	7,881
	187,545	205,822

No employee of Mary's Meals received employee benefits of more than £60,000 in 2016.

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 amounted to £42,640 (2015 - £28,673). At 31 December 2016, an amount of £nil was accrued in the financial statements (2015: £nil).

Notes to the financial statements

for the year ended 31 December 2016

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 2016	6,083	5,435	48,859	30,773	52,917	144,067
Additions	-	-	-	-	-	-
Disposals	-	-	-	(2,550)	-	(2,550)
At 31 December 2016	6,083	5,435	48,859	28,223	52,917	141,517
At 1 January 2016	6,083	5,435	48,859	18,712	51,521	130,610
Charge for the year	-	-	-	3,287	756	4,043
Released on disposal	-	-	-	(2,550)	-	(2,550)
At 31 December 2016	6,083	5,435	48,859	19,449	52,277	132,103
Net book values	-	-	-	8,774	640	9,414
At 31 December 2016						
At 31 December 2015	-	-	-	12,061	1,396	13,457

15. Stocks and work in progress

	2016	2015
	£	£
Stocks	20,455	-

16. Debtors

	2016	2015
	£	£
Prepayments and accrued income	827,251	794,449
Other debtors	3,375	3,983
Total	830,626	798,432

Notes to the financial statements

for the year ended 31 December 2016

17. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	25,119	18,117
Taxation and social security	16,705	13,473
Accruals and deferred income	1,028,221	1,495,220
Other creditors	466	327
Total	1,070,511	1,527,137

18. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds	Total 2015
	£	£	£	£
Fund balances at 31 December 2016 as represented by:				
Tangible assets	9,414	-	9,414	13,457
Current assets	2,096,677	-	2,096,677	2,746,520
Current liabilities	(1,070,287)	-	(1,070,287)	(1,527,137)
Total	1,035,804	-	1,035,804	1,232,840

19. Unrestricted and restricted funds

	At 1 Jan 2016	Incoming resources	Outgoing resources	Gain on currency revaluation	At 31 Dec 2016
	£	£	£	£	£
Unrestricted funds	1,232,840	8,911,997	(9,116,022)	6,989	1,035,804
Restricted funds	-	4,029,297	(4,029,297)	-	-
Total	1,232,840	12,941,294	(13,145,319)	6,989	1,035,804

Notes to the financial statements

for the year ended 31 December 2016

20. Restricted funds

	At 1 Jan 2016	Incoming resources	Outgoing resources	At 31 Dec 2016
	£	£	£	£
Malawi	-	1,841,853	(1,841,853)	-
Malawi DFID grant	-	1,208,201	(1,208,201)	-
Zambia	-	45,750	(45,750)	-
Zambia DFID grant	-	252,000	(252,000)	-
Liberia	-	359,222	(359,222)	-
Benin	-	404	(404)	-
Kenya	-	191,479	(191,479)	-
India	-	6,067	(6,067)	-
South Sudan	-	60,794	(60,794)	-
Haiti	-	20,072	(20,072)	-
Romania homes	-	17,969	(17,969)	-
Middle East	-	21,869	(21,869)	-
Burma	-	2,500	(2,500)	-
Thailand	-	457	(457)	-
Uganda	-	125	(125)	-
Ecuador	-	535	(535)	-
	-	4,029,297	(4,029,297)	-

Donations are received by Mary's 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 2016 the charity had annual commitments under non-cancellable operating leases as follows:

Rental Leases	2016	2015
	£	£
Expiry date:		
Within one year	124,433	119,366
Between one and five years	311,325	289,566
In more than five years	150,000	240,000
	585,758	648,932

Notes to the financial statements for the year ended 31 December 2016

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 £42,640. (2015 - £28,673). At 31 December 2016, an amount of £nil was accrued in the financial statements (2015 - £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 (MMI), which is 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 2016.

No reimbursement of travel expenses were paid during the year 2016 (2015: £nil).

During the year 2016, 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. 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 (2015: nil).

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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.