



Mary's Meals

(A company limited by guarantee)

Trustees' annual report and financial statements

For the year ending 31 December 2017

Charity number: SC022140 Company number: SC265941

mary's
meals

a simple solution
to world hunger

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A note on organisation names

This annual report and set of financial statements relates to the work of the organisation which raises awareness and funds for Mary's Meals' programmes in the United Kingdom. The legal name of this entity is 'Mary's Meals'.

However, since the term 'Mary's Meals' is reasonably used in practice to refer to the work of the entire Mary's Meals movement around the world, we will – for the purposes of clarity – refer to the organisation, in this document, as 'Mary's Meals UK' or 'MMUK'.

Mary's Meals UK is part of a global network of Mary's Meals entities, all working together to provide hungry children with a daily meal in school. 'Mary's Meals International Organisation' is the legal name for the entity which coordinates this network. In practice, this is often referred to simply as 'Mary's Meals International' or 'MMI'.

Legal and administrative information

CHARITY NUMBER

SC022140

COMPANY REGISTRATION NUMBER

SC265941

BUSINESS ADDRESS

Craig Lodge,
Dalmally,
Argyll,
Scotland,
PA33 1AR

REGISTERED OFFICE

Craig Lodge
Dalmally,
Argyll,
Scotland,
PA33 1AR

DIRECTORS

Kenneth Black (resigned 28 June 2017)
David Clayton (resigned 28 June 2017)
Shelagh Fogarty (resigned 5 April 2018)
John Fulton (appointed 7 March 2017)
David Leslie (appointed 7 March 2017)
Magnus MacFarlane-Barrow
Mary-Anne MacFarlane-Barrow
Charles McGhee
Ishbel Smith

SECRETARY

Ishbel Smith

EXECUTIVE DIRECTOR

Michelle Bremner (appointed 18 April 2017,
resigned 30 August 2017)
Daniel Adams (appointed 11 September 2017)

INDEPENDENT AUDITORS

RSM UK Audit LLP
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
27 Douglas Street,
Milngavie, G62 6PU

SOLICITORS

Ropes and Gray
60 Ludgate Hill,
London, EC4M 7AW

MacArthur Legal
Boswell House,
Argyl Square,
Oban,
Argyll, PA34 4BD

Report from the Chair and Executive Director



Following another year of significant progress in which Mary's Meals UK continued to grow, develop and thrive, it is our great pleasure to present the annual report for the year ending 31 December 2017. Thanks to the heroic efforts of our dedicated supporters, we are delighted to have exceeded our 2017 budget for cash income by 31% and the budget for transfers to Mary's Meals International by 24%.

This means that, in real terms, Mary's Meals UK's cash income grew to an unprecedented £16.9 million – 45% up on the previous year in 2016 – making 2017 our most successful fundraising year to date. With the value of material aid related to The Backpack Project factored in, the total income of the charity was £18.3 million. The incredible generosity of our supporters and the unfailing providence at the heart of this mission never fails to uplift, inspire and amaze us!

Mary's Meals UK is, of course, part of a global movement of people who will simply not accept that any child should go hungry in this world of plenty. Our responsibility is to continue telling our story across England, Scotland, Wales and Northern Ireland; engaging and inspiring more and more UK volunteers and donors; and facilitating the unrelenting growth of the Mary's Meals movement on these shores. We do this while working very closely and collaboratively with our colleagues at Mary's Meals International, the organisation which co-ordinates the global movement and – in receiving and utilising the funds we have raised – directly manages our school feeding programmes.

All of us involved in this work are passionately driven by our simple belief that every child in the world deserves an education and enough to eat. From small beginnings feeding just 200 Malawian children in 2002, Mary's Meals is now reaching, as of 31 December 2017, 1,230,171 children across 15 countries – including Malawi, Liberia, Zambia, Haiti, South Sudan and Syria – marking another major milestone in our mission to overcome child poverty and hunger. And, during 2017, we began working in Ethiopia for the very first time too, in that country's drought-affected Tigray region, providing impoverished children with a nutritious daily meal in school.

This meal not only meets the immediate needs of the hungry child, but it attracts children to the classroom where they can gain an all-important education. And we firmly believe that the children who are receiving Mary's Meals today can grow up – better nourished and better educated – to become the men and women who will lift their communities out of poverty and end their reliance on aid.

But none of this would be possible without the incredible generosity of our supporters, who give freely of their time, money, skills and prayer. In Malawi alone, we have 80,000 volunteers who rise early each day to cook and serve Mary's Meals to their children. And across the UK – where we received the first-ever donations for our work and which remains the largest national affiliate donor to Mary's Meals International – thousands of people continue to astound us every day with their 'little acts of love', spreading the word about Mary's Meals in their local communities and raising money to feed more children.

The vast majority of our income still comes from our grassroots supporters – those individuals, community groups, churches and schools who are the bedrock of Mary's Meals UK's success, and who responded so generously and emphatically

to our 2017 campaigns. These included our East Africa Emergency Appeal (a crisis response to the terrible food shortages in South Sudan and northern Kenya), World Porridge Day, Big Family Christmas and, most particularly, Double The Love, our match-funding appeal, which saw every donation pledged to Mary's Meals UK during November and December 2017 doubled up to a total of £1.9 million, thanks to the support of three hugely generous match-funding partners.

We also receive substantial support from the business community, trust funds and public funds, and The Backpack Project continues to thrive with more than 47,000 filled backpacks being dispatched to Malawi during 2017.

Mary's Meals UK remains firmly committed to good stewardship of the resources entrusted to us. We continuously strive to keep our running costs low – pledging, year after year, that at least 93% of money donated by our generous supporters is spent directly on our charitable activities. Continuing a trend from recent years, we again significantly exceeded this commitment during 2017, with 96% of expenditure going on charitable activities.

In the latter part of 2017, under the leadership of our new executive director, Mary's Meals UK begun significant investment in new staff roles (including forming a new senior leadership team; implementing a revised team structure; and strengthening our presence in London) to drive forward continued growth, in a process that will continue throughout 2018.

At the same time, Mary's Meals UK developed its first bespoke strategic plan for the period from 2018 to 2020. This plan dovetails closely with that of Mary's Meals International and its completion followed a comprehensive and wide-ranging strategy consultation exercise with people in both the UK and all parts of the global Mary's Meals network, to consider how our movement can continue to flourish and grow.

With 61 million children out of school around the world and a further 66 million attending school so hungry they're not able to concentrate and learn, our work is only just beginning – and we are confident that Mary's Meals UK is ready to play its crucial part in shaping the future of our movement in the years ahead, and with it, the lives of so many people who both contribute to and benefit from this incredible work of love, joy and hope.

We would like to express our gratitude to the trustees of Mary's Meals UK for their great commitment, hard work and diligence, and we also offer our most sincere thanks to our wonderful staff members and many thousands of volunteers – in England, Scotland, Wales, Northern Ireland and beyond – without whom the vital mission and beautiful vision of Mary's Meals would go unfulfilled.

People who donate each month, volunteer, make huge efforts to fundraise, commit to sponsoring a school, or pray for Mary's Meals – all of you are making and keeping promises which help to deliver more than a million meals to children every school day. And those of us entrusted with leading this work will always strive to be good stewards of every gift entrusted to us, treating each one with deep respect and gratitude.



Charles McGhee
Chair



Daniel Adams
Executive Director

SCHOOL+FOOD=HOPE

Trustees' annual report

(including the strategic report)

The trustees of Mary's Meals UK, who are also directors of the charitable company, present their annual report together with the audited financial statements of the charity for the year ended 31 December 2017. The trustees who served during the period covered by this report are set out on page three.

Our purposes

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.

OUR MISSION

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 VALUES

- We have confidence in the innate goodness of people.
- We respect the dignity of every human being and family life.
- We believe in good stewardship of the resources entrusted to us.

OUR CHARITABLE OBJECTIVES

The charitable purposes of Mary's Meals UK 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 STRATEGIC AIMS

Mary's Meals UK's strategy, which is aligned with that of Mary's Meals International, comprises the following key aims:

1. To grow the UK movement and enable more people to offer their money, goods, skills, time, or prayer to advance the work of Mary's Meals.
2. To strengthen the UK organisation in furtherance of our vision, mission and values.
3. To feed more children in a place of education and help those suffering the effects of extreme poverty in the world's poorest communities.

(Note on strategic aim three: Funds generated by Mary's Meals UK support Mary's Meals International – the organisation which co-ordinates and leads the global Mary's Meals movement – to directly deliver this strategic aim and ensure the feeding of more children.)

Strategic report

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

Our progress during 2017

Mary's Meals UK has contributed significantly to Mary's Meals International feeding 1,230,171 children across 15 countries every school day as of 31 December 2017 (up from the 31 December 2016 total of 1,219,307). This means we have not only kept our promise to all the children already enrolled in our programme at the beginning of 2017, but we have been able to welcome more than 10,000 additional children into the Mary's Meals family.

More details of developments in Mary's Meals' programmes during 2017 can be found in Mary's Meals International's annual report.

In the UK, the majority of our income continues to be received through grassroots support from individuals, churches, community groups, and schools. And the work of Mary's Meals UK remains reliant on the generosity of a substantial number of volunteer supporters who work tirelessly and selflessly to carry out fundraising and awareness-raising activities on our behalf, from bake sales to bike rides and from fun runs to film screenings.

While the total number of people volunteering their time, money, skills and prayer across England, Scotland, Wales and Northern Ireland numbers in the tens of thousands, our number of active, registered volunteers was more than 900 by the end of 2017. Our registered volunteers dedicate themselves to such activities as working in our seven charity shops, sorting donations at our material aid warehouse, and providing functional support in our Dalmally, Glasgow, London and Leeds offices.

We also have dedicated teams of volunteer speakers and drivers who visit churches across the country to sell raffle tickets and collect donations for Mary's Meals, as well as a trained network of community ambassadors who visit schools, clubs, and other community organisations to raise awareness of Mary's Meals within their local areas.

During 2017, more than 13,700 new supporters joined our mission, and our overall income increased by 42% in the year to 31 December 2017 (or 45% excluding income from material aid). This income growth was driven by our supporters' generous response to a number of campaigns through the year – including our East Africa Emergency Appeal, World Porridge Day, Big Family Christmas and, perhaps most especially, Double The Love.

The Double The Love campaign meant that, thanks to the support of a group of wonderful match-funding partners, every donation pledged to Mary's Meals UK during November and December 2017 would be doubled up to a total of £1.9 million. Our supporters responded emphatically to help us meet that goal and we are most grateful to our group of match-funding partners – which included players of the People's Postcode Lottery, Charles and Ruth Plowden, and the Moondance Foundation – for making this possible.

Mary's Meals UK continued to secure support in 2017 through a number of strategic partnerships, including with the UK Government, the Scottish



Government, the Lancaster Foundation, the Celtic Football Club Foundation, Southampton Football Club, Tastecard and Knight Frank, and further growth in this area is a key part of the organisation's forward-looking strategy, as we seek to form meaningful alliances which generate broad awareness-raising and complement our grassroots focus.

As a companion initiative to our school feeding programmes, Mary's Meals UK runs The Backpack Project. Many children receiving Mary's Meals don't have the basic tools they need to learn, such as pencils and notepads. By donating a backpack filled with educational and hygiene items, our supporters can help a child make the most of their lessons and, for many, give them the only gift they have ever received. During 2017, 47,608 backpacks donated from within the UK were delivered to Malawi. This represents an increase of 3% on the number of backpacks gifted to

children attending school in Malawi by Mary's Meals UK supporters during 2016.

Finally, in the past year, Mary's Meals UK has made significant progress with our business systems strategy, working with MMI colleagues to select our new integrated Constituent Relationship Management system, which will be implemented in 2018. And we have been able to strengthen our staff team further, recruiting passionate and talented new employees in the areas of fundraising, communications, finance and operations, to help facilitate future income growth for the benefit of more and more hungry and impoverished children.





Our plans for the future

Mary's Meals UK, and the wider Mary's Meals movement, has experienced significant growth in recent years and is now reaching an unprecedented number of children with a nutritious meal every school day. As we look to consolidate and build on our position in the UK, we have developed and agreed a new strategic plan for 2018 to 2020, which includes some of the following key projects and initiatives:

GROW THE UK MOVEMENT

- Develop and launch new awareness-raising tools, resources and campaigns tailored to the UK audience.
- Greater leverage inspiring Mary's Meals stories across multiple communications channels, particularly in the UK media.
- Provide a transformed donor and volunteer experience by strengthening stewardship processes and deploying digital technologies.
- Maintain existing and develop new strategic partnerships with major donors, corporates, governments and other institutional funders.

STRENGTHEN THE UK ORGANISATION

- Ensure compliance with the new General Data Protection Regulation to protect information we hold and preserve the organisation's reputation.
- Implement a new Constituent Relationship Management system, to ensure the most efficient management of relationships and meaningful engagement with supporters.
- Develop a comprehensive people strategy consistent with our values, which strengthens capacity, capability and competence.
- Undertake an internal audit of processes and procedures, in order to sustain standards of organisational excellence and develop a culture of high performance.

FEED MORE CHILDREN

- Cultivate an organisational structure and culture which delivers increased income growth in the UK, thereby enabling more funds to be transferred to Mary's Meals International for the direct feeding of many more hungry children with a nutritious daily meal in school.





FINANCIAL REVIEW

For the year to 31 December 2017, the total income of the charity was £18,324,944 (£16,990,798 excluding income from material aid), which represents an increase of 42% (45% excluding income from material aid) when compared with the previous period. This represents a 28% increase on the 2017 income budget. Once again, by far the greatest proportion – 89% (96% excluding income from material aid) – was received through voluntary income in the form of donations, grant, and Gift Aid income.

Throughout 2017, 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 2017 income of £601,469, which is included in total income. The cost of generating this trading income during the year was £293,546 resulting in a net surplus of £307,923.

The total expenditure for the same period was £16,519,257 or £16,225,711 excluding trading expenditure. We spent £15,574,728 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 2017 there was a net income of £1,808,617.

RESERVES POLICY AND GOING CONCERN

The reserves policy of the charity as at 31 December 2017 was to retain sufficient funds required to meet six months' running costs. On this basis, the charity would expect to hold minimum reserves of £835,000. The total reserves

at 31 December 2017 were £2,842,421 of which £2,621,419 were unrestricted and £221,002 were restricted. The restricted reserves related to restricted income recognised in 2017 where the cash was received in 2018. The reserves surplus which was over budget and was not included in free funds at year end was driven in the main by the level of donations received during the Double The Love campaign. This reserve surplus was transferred to MMI for programme delivery in January 2018.

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.

VOLUNTEERS

Consistent with previous years, Mary's Meals UK has benefited tremendously from the contribution of many volunteers who have given willingly of their time to help realise our vision. Across the UK and the wider global movement, volunteers are engaged every day in fundraising activities; promoting awareness of our work; and in delivering our feeding programmes. While the financial impact cannot be quantified, the selfless contribution of so many volunteers has a huge impact on the success of Mary's Meals and will continue to be a key part of our work in future.

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 audit, risk and remuneration committee was established as a sub-committee of the board in April 2017. It meets on a quarterly basis.

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 by Michelle Bremner from April 2017 until her resignation on 30 August 2017 and Daniel Adams was appointed as executive director on 11 September 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, mission and values;
- 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, human resources, retail, material aid, information technology, facilities, and administration.



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.

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, vision, mission and values of the organisation. A list of directors who served during the financial year ending 31 December 2017 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 2017 Kenneth Black and David Clayton resigned from the board. At the AGM in 2018, Shelagh Fogarty, Mary-Anne MacFarlane-Barrow, Charles McGhee and Ishbel Smith are due to retire. Shelagh Fogarty resigned from the board 5 April 2018.



APPROACH TO REMUNERATION

The trustees 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 audit, risk and remuneration committee, which consists of three members of the Mary's Meals board.

Benchmarking shows that Mary's Meals UK pays significantly less than the market rate for senior roles compared with other similar organisations. This reflects our long-standing commitment to pay restraint at senior levels in the organisation. Recognising the differential in pay compared to other organisations, Mary's Meals is committed to being a great place to work and offering an attractive package of non-financial benefits.

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 UK, 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, directors' and officers' liability insurance in respect of itself and its directors.

RISK MANAGEMENT

The trustees have overall responsibility for ensuring that the charity has assessed the major risks to which it is exposed and has a risk management strategy which comprises:

- A quarterly review of the principal risks that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the quarterly review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified the following most important potential risks:

Potential risks	Mitigation strategies
Inability to recruit and retain the right people.	Continue to strengthen organisational culture, based on authentically living our values, and offer a compelling package of non-financial benefits.
Failure to manage our finances effectively and sustainably.	Maintain robust accounting processes and financial controls, and preserve our rigorous approach to budget planning and forecasting.
Loss of key leaders the organisation depends upon, who cannot be replaced easily.	Ensure sufficient emphasis is placed on knowledge sharing and succession planning throughout the organisation.
Inability to adapt to local, national or international political changes.	Uphold and communicate clearly Mary's Meals' values and approach in the UK environment and, globally, work with MMI colleagues to select, insofar as is possible, stable programme environments.
Failure to build on or maintain the confidence, satisfaction and trust of stakeholders.	Continue to focus on building meaningful, long-term relationships with our supporters, and deliver on our promise to be good stewards of the funds entrusted to us.
Inability to identify and maximise opportunities for sustainable growth and increased awareness.	Maintain our primary focus on growing grassroots support, holding true to the Mary's Meals fundraising model, while also allowing space for innovation which is in-keeping with our principles.
Failure to effectively protect, promote and manage Mary's Meals UK's identity and message.	Regulate use of our brand, key messages and values to ensure consistency and accuracy in all UK communications.
Failure to ensure effective governance arrangements are in place.	Promote a responsible, accountable and transparent organisation that meets the requirements of internal and external stakeholders.

Statement of trustees' responsibilities

The trustees (who are also directors of Mary's Meals UK for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements in accordance with applicable laws 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.

Insofar 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 trustees approve the trustees' annual report (including the strategic report) in their capacity as company directors.

On behalf of the board



Charles McGhee
Chair
28 June 2018



Independent auditors' report to the trustees and members

OPINION

We have audited the financial statements of Mary's Meals (the 'charitable company' also known as 'Mary's Meals UK') for the year ended 31 December 2017 which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), the Balance Sheet, Statements 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2017 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 eight of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis

of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report and the incorporated strategic report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' 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 material misstatements in the trustees' 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) require us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out on page 16, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

2 July 2018

For and on behalf of RSM UK Audit LLP
Centenary House
69 Wellington Street,
Glasgow,
G2 6HG

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



Statement of financial activities

(incorporating the income and expenditure account)

For the year ended 31 December 2017

**Statement of financial activities (incorporating the income and expenditure account)
for the year ended 31 December 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Income from:							
Donations and legacies	4	13,202,362	4,422,728	17,625,090	8,183,596	4,029,297	12,212,893
Other trading activities	5	698,090	-	698,090	724,986	-	724,986
Investments		1,764	-	1,764	3,415	-	3,415
Total income		13,902,216	4,422,728	18,324,944	8,911,997	4,029,297	12,941,294
Expenditure on							
Raising funds	6	(943,529)	-	(943,529)	(796,076)	-	(796,076)
Charitable activities	7-8	(11,374,002)	(4,201,726)	(15,575,728)	(8,319,946)	(4,029,297)	(12,349,243)
Total expenditure		(12,317,531)	(4,201,726)	(16,519,257)	(9,116,022)	(4,029,297)	(13,145,319)
Net income/ (expenditure)		1,584,685	221,002	1,805,687	(204,025)	-	(204,025)
Other recognised gains/(losses)							
Other gains/(losses)		930	-	930	6,989	-	6,989
Net movement in funds		1,585,615	221,002	1,806,617	(197,036)	-	(197,036)
Reconciliation of funds							
Total funds brought forward	18	1,035,804	-	1,035,804	1,232,840	-	1,232,840
Total funds carried forward	18	2,621,419	221,002	2,842,421	1,035,804	-	1,035,804

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 26-39 form an integral part of these financial statements.

Balance sheet

as at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	13	5,486	9,414
Current assets			
Stock	14	41,564	20,455
Debtors	15	2,574,324	830,626
Cash at bank and in hand		2,551,995	1,245,820
Total current assets		5,167,883	2,096,901
Liabilities			
Creditors: falling due within one year	16	(2,330,948)	(1,070,511)
Net current assets		2,836,935	1,026,390
Total assets less current liabilities		2,842,421	1,035,804
The funds of the charity:			
Restricted income funds	18-19	221,002	-
Unrestricted income funds	18-19	2,621,419	1,035,804
Total charity funds		2,842,421	1,035,804

The financial statements on pages 23-39 were approved and authorised for issue by the board of directors on 28 June 2018 and signed on its behalf by:



Charles McGhee
Chair

Statement of cash flows

for the year ended 31 December 2017

	2017 £
Cash flows from operating activities	1,303,481
Cash flows from investing activities	
Investment income	1,764
Net cash provided by investing activities	1,764
Change in cash and cash equivalents in the reporting period	1,305,245
Cash and cash equivalents at the beginning of the period	1,245,820
Change in cash and cash equivalents due to exchange rate movements	930
Cash and cash equivalents at the end of the reporting period	2,551,995

Reconciliation of net income/(expenditure)

to net cash flow from operating activities

	2017 £
Net income/(expenditure) for the reporting period	1,805,687
(Increase)/decrease in debtors	(1,743,698)
Investment income	(1,764)
Depreciation charge	3,928
(Increase)/decrease in stocks	(21,109)
Increase/(decrease) in creditors/accruals	1,260,437
Net cash provided by operating activities	1,303,481

Notes to the financial statements

For the year ended 31 December 2017

1. GENERAL INFORMATION

Mary's Meals UK is part of an international movement which, as its principal activity, sets up community-run school feeding projects in some of the world's poorest communities, where poverty and hunger prevent children from gaining an education.

Our idea is a simple one that works. We provide one daily meal in a place of learning to attract chronically poor children into the classroom, where they receive an education that can, in the future, be their ladder out of poverty.

Mary's Meals UK supports the international school feeding programmes by transferring funds to Mary's Meals International to feed children. In order to fulfil this commitment, Mary's Meals UK 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 UK has four offices, but much of our fundraising 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 incoming resources before transfers of £1,805,687 (2016: £204,025) for the year and at 31 December 2017 had net assets of £2,842,421 (2016: £1,035,804). As at 31 December 2017 it had net current assets of £2,836,935 (2016: £1,026,390).

The trustees have considered the appropriateness of the going concern policy status of the charity and are comfortable with the charity's position. In line with its business plan, which covers 18 months from the date that the accounts are approved by the board, 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:

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 Mary's Meals International for the running of the school feeding programmes.

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 £41,564 held at 31 December 2017. 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.

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 2017 was to retain sufficient funds required to meet six months' running costs in respect of salaries, premises, costs etc. Unrestricted funds are used for general purpose and restricted funds are used for a specific purpose in line with donors' wishes.

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.

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 office and the charity's shops. These are accounted for in the SOFA on a straight line basis over the life of the lease.

4. DONATIONS AND LEGACIES

Summary financial performance of the charity.

Total donations and legacies	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Donations	8,964,897	1,912,839	10,877,736	5,875,900	1,213,373	7,089,273
Grants and trusts	1,582,239	2,501,889	4,084,128	413,610	2,815,924	3,229,534
Tax reclaimed on Gift Aid	1,321,080	8,000	1,329,080	631,704	-	631,704
Value of donated aid	1,334,146	-	1,334,146	1,262,382	-	1,262,382
Total	13,202,362	4,422,728	17,625,090	8,183,596	4,029,297	12,212,893

Donations	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Unrestricted donations	8,964,897	-	8,964,897	5,875,900	-	5,875,900
Malawi	-	1,199,285	1,199,285	-	843,852	843,852
Liberia	-	273,044	273,044	-	289,767	289,767
East Africa Appeal	-	254,426	254,426	-	-	-
Syria	-	50,871	50,871	-	-	-
Kenya	-	47,434	47,434	-	532	532
Ethiopia	-	25,212	25,212	-	-	-
Romania Homes	-	16,027	16,027	-	17,969	17,969
Middle East	-	14,730	14,730	-	20,369	20,369
Haiti	-	14,247	14,247	-	20,002	20,002
South Sudan	-	9,940	9,940	-	10,794	10,794
India	-	6,680	6,680	-	6,067	6,067
Thailand	-	379	379	-	457	457
Myanmar	-	200	200	-	2,500	2,500
Uganda	-	150	150	-	125	125
Benin	-	100	100	-	404	404
Ecuador	-	100	100	-	535	535
Zambia	-	14	14	-	-	-
Total	8,964,897	1,912,839	10,877,736	5,875,900	1,213,373	7,089,273

4. DONATIONS AND LEGACIES (CONTINUED)

Grants and Trusts	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Unrestricted	1,582,239	-	1,582,239	413,610	-	413,610
Malawi	-	498,508	498,508	-	1,208,201	1,208,201
Malawi DFID grant	-	1,330,197	1,330,197	-	998,001	998,001
Zambia	-	2,500	2,500	-	45,750	45,750
Zambia DFID grant	-	335,882	335,882	-	252,000	252,000
Kenya	-	173,314	173,314	-	190,947	190,947
Ethiopia	-	55,220	55,220	-	-	-
Liberia	-	49,042	49,042	-	69,455	69,455
South Sudan	-	18,738	18,738	-	50,000	50,000
Haiti	-	17,688	17,688	-	70	70
Syria	-	16,000	16,000	-	-	-
East Africa Appeal	-	4,200	4,200	-	-	-
Middle East	-	600	600	-	1,500	1,500
	1,582,239	2,501,889	4,084,128	413,610	2,815,924	3,229,534

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Shops	434,352	-	434,352	439,083	-	439,083
Recycling	167,117	-	167,117	193,126	-	193,126
Collections	4,025	-	4,025	3,765	-	3,765
Raffles	27,622	-	27,622	27,983	-	27,983
Miscellaneous	64,974	-	64,974	61,029	-	61,029
	698,090	-	698,090	724,986	-	724,986

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Fundraising	649,983	-	649,983	512,942	-	512,942
Trading	293,546	-	293,546	283,134	-	283,134
Total	943,529	-	943,529	796,076	-	796,076
Fundraising Analysis by cost						
Employee costs	408,607	-	408,607	318,903	-	318,903
Property costs	15,798	-	15,798	12,805	-	12,805
Travel costs	18,808	-	18,808	14,938	-	14,938
Administration	205,593	-	205,593	165,084	-	165,084
Depreciation	1,177	-	1,177	1,212	-	1,212
Total	649,983	-	649,983	512,942	-	512,942
Trading Analysis by cost						
Purchases for resale	5,291	-	5,291	6,305	-	6,305
Employee costs	158,742	-	158,742	152,761	-	152,761
Property costs	115,489	-	114,489	109,284	-	109,284
Travel costs	7,761	-	7,761	7,462	-	7,462
Administration	5,086	-	5,086	6,110	-	6,110
Depreciation	1,177	-	1,177	1,212	-	1,212
Total	293,546	-	293,546	283,134	-	283,134

7. CHARITABLE ACTIVITIES – BY FUND TYPE

	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Raising awareness	339,560	-	339,560	316,066	-	316,066
Governance	39,647	-	39,647	38,917	-	38,917
Backpacks and shipped aid	1,505,826	-	1,505,826	1,436,904	-	1,436,904
Programme expenditure	9,488,969	4,201,726	13,690,695	6,528,059	4,029,297	10,557,356
Total charitable activities	11,374,002	4,201,726	15,575,728	8,319,946	4,029,297	12,349,243
Raising awareness Analysis by cost						
Employee costs	271,382	-	271,382	246,497	-	246,497
Property costs	15,045	-	15,045	12,232	-	12,232
Travel costs	9,100	-	9,100	3,142	-	3,142
Administration	43,638	-	43,638	53,787	-	53,787
Depreciation	395	-	395	408	-	408
Total	339,560	-	339,560	316,066	-	316,066
Governance Analysis by cost						
Employee costs	16,600	-	16,600	20,400	-	20,400
Travel costs	348	-	348	598	-	598
Administration	189	-	189	12	-	12
Auditor's remuneration	12,286	-	12,286	9,608	-	9,608
Legal fees	-	-	-	-	-	-
Bank charges	10,224	-	10,224	8,299	-	8,299
Total	39,647	-	39,647	38,917	-	38,917

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

	Shipping £	Aid £	2017 total £	Shipping £	Aid £	2016 total £
Malawi	10,832	1,318,294	1,329,126	42,259	1,247,305	1,289,564
Backpacks carriage costs	20,669	-	20,669	13,576	-	13,576
Support costs (see Note 8)	-	156,031	156,031	-	133,764	133,764
Total charitable activities	31,501	1,474,325	1,505,826	55,835	1,381,069	1,436,904

8. ANALYSIS OF SUPPORT COSTS

Group	Unrestricted funds £	Restricted funds £	2017 total £	Unrestricted funds £	Restricted funds £	2016 total £
Employee costs	78,065	-	78,065	59,770	-	59,770
Property costs	58,609	-	58,609	52,920	-	52,920
Travel costs	4,393	-	4,393	4,044	-	4,044
Administration	13,786	-	13,786	15,818	-	15,818
Depreciation	1,178	-	1,178	1,212	-	1,212
Total	156,031	-	156,031	133,764	-	133,764

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

9. TOTAL RESOURCES EXPENDED THROUGH THE YEAR INCLUDED THE FOLLOWING

	2017 £	2016 £
Depreciation and other amounts written off tangible fixed assets	3,928	4,044
Operating lease rentals	149,518	136,198
Auditor's remuneration	8,850	9,608
Gain on foreign currencies	(930)	(6,989)

10. EMPLOYEES

Employment costs	2017 £	2016 £
Wages and salaries	777,888	660,356
Social security costs	64,095	55,707
Other pension costs	49,826	42,640
Total	891,809	758,703

Number of employees	2017 Number	2016 Number
Monthly average		
Support	3	3
Fundraising	13	10
Shops and recycling	7	7
Material aid and raising awareness	7	8
Governance	1	1
Total	31	29

Key management compensation

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

Employment costs	2017 £	2016 £
Wages and salaries	169,878	158,286
Social security costs	19,276	16,440
Other pension costs	10,978	12,819
Total	200,132	187,545

No employee of Mary's Meals received employee benefits of more than £60,000 in 2017 or 2016.

11. 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 £49,826 (2016: £42,640). At 31 December 2017, an amount of £nil was accrued in the financial statements (2016: £nil).

12. 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.

13. TANGIBLE ASSETS

	Long leasehold property £	Plant and machinery £	Fixtures fittings and equipment £	Motor vehicles £	Computer equipment £	Total
Cost						
At 1 January 2017	6,083	5,435	48,859	28,223	52,917	141,517
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2017	6,083	5,435	48,859	28,223	52,917	141,517
Depreciation						
At 1 January 2017	6,083	5,435	48,859	19,449	52,277	132,103
Charge for the year	-	-	-	3,288	640	3,928
Released on disposal	-	-	-	-	-	-
At 31 December 2017	6,083	5,435	48,859	22,737	52,917	136,031
Net book value						
At 31 December 2017	-	-	-	5,486	-	5,486
At 31 December 2016	-	-	-	8,774	640	9,414

14. STOCKS AND WORK IN PROGRESS

	2017 £	2016 £
Stocks	41,564	20,455

15. DEBTORS

	2017 £	2016 £
Prepayments and accrued income	2,570,949	827,251
Other debtors	3,375	3,375
Total	2,574,324	830,626

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	14,153	25,119
Taxation and social security	23,880	16,705
Accruals and deferred income	2,292,555	1,028,221
Other creditors	360	466
Total	2,330,948	1,070,511

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £	2016 total £
Fund balances at 31 December 2017 as represented by:				
Tangible assets	5,486	-	5,486	9,414
Current assets	4,946,881	221,002	5,167,883	2,096,677
Current liabilities	(2,330,948)	-	(2,330,948)	(1,070,287)
Total	2,621,419	221,002	2,842,421	1,035,804

18. UNRESTRICTED AND RESTRICTED FUNDS

	At 1 Jan 2017 £	Incoming resources £	Outgoing resources £	Gain on currency revaluation £	At 31 Dec 2017 £
Unrestricted funds	1,035,804	13,902,216	(12,317,531)	930	2,621,419
Restricted funds	-	4,422,728	(4,201,726)	-	221,002
Total	1,035,804	18,324,944	(16,519,257)	930	2,842,421

19. RESTRICTED FUNDS

	At 1 Jan 2017 £	Incoming resources £	Outgoing resources £	At 31 Dec 2017 £
Malawi	-	1,697,793	(1,476,791)	221,002
Malawi DFID grant	-	1,330,197	(1,330,197)	-
Zambia	-	2,514	(2,514)	-
Zambia DFID grant	-	335,882	(335,882)	-
Liberia	-	322,086	(322,086)	-
East Africa Emergency	-	258,626	(258,626)	-
Kenya	-	220,748	(220,748)	-
Ethiopia	-	80,432	(80,432)	-
Syria	-	72,871	(72,871)	-
Haiti	-	31,935	(31,935)	-
South Sudan	-	28,678	(28,678)	-
Middle East	-	17,330	(17,330)	-
Romania homes	-	16,027	(16,027)	-
India	-	6,680	(6,680)	-
Thailand	-	379	(379)	-
Myanmar	-	200	(200)	-
Uganda	-	150	(150)	-
Benin	-	100	(100)	-
Ecuador	-	100	(100)	-
Total	-	4,422,728	(4,201,726)	221,002

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.

20. FINANCIAL COMMITMENTS

At 31 December 2017 the charity had annual commitments under non-cancellable operating leases as follows:

Rental leases	2017 £	2016 £
Expiry date:		
Within one year	124,813	124,433
Between one and five years	363,747	311,325
In more than five years	90,000	150,000
	578,560	585,758

21. 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 £49,826. (2016: £42,640). At 31 December 2017, an amount of £nil was accrued in the financial statements (2016: £nil).

22. 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 2017 financial year, budgeted reserves are £835,000. The income raised by Mary's Meals UK's fundraising activities are remitted to Mary's Meals International Organisation (MMI), which is responsible for the delivery of the programmes.

23. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

24. 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 2017.

No reimbursement of travel expenses was paid during the year 2017 (2016: £nil).

During the year 2017, no other transactions were made by the company with businesses in which board members had a direct interest.

25. 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 (2016: nil).

26. 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.



mary's
meals

a simple solution
to world hunger

Mary's Meals
(A company limited by guarantee)
Charity number: SC022140
Company number: SC265941

www.marysmeals.org.uk