



**Mary's Meals**

(A company limited by guarantee)

# Trustees' annual report and financial statements

**For the year ended 31 December 2018**

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,  
PA33 1AR

## REGISTERED OFFICE

Craig Lodge  
Dalmally,  
Argyll,  
PA33 1AR

## DIRECTORS

Shelagh Fogarty (resigned 5 April 2018)  
John Fulton  
David Leslie  
Magnus MacFarlane-Barrow  
Mary-Anne MacFarlane-Barrow (resigned 4 December 2018)  
Charles McGhee  
Ishbel Smith

## SECRETARY

Ishbel Smith

## EXECUTIVE DIRECTOR

Daniel Adams

## 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

**Nationwide Building Society**  
Nationwide House,  
Pipers Way,  
Swindon SN3 1TX

## 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



**It gives us great pleasure to present Mary's Meals UK's annual report for 2018, another year in which both the Mary's Meals movement across England, Scotland, Northern Ireland and Wales – and the organisation which nurtures and serves this growing movement – continued to excel, develop and flourish.**

The year ended 31 December 2018 was, once again, marked by a huge outpouring of love, commitment and generosity from our supporters, resulting in Mary's Meals UK exceeding its cash income budget by 4% and our budget for transfers to Mary's Meals International by 18%. Once cash income is combined with the value of material aid donated to us as part of The Backpack Project, the total income of the charity for the year was £16.6 million.

While this represents a 10% decrease in income against 2017 (£18.3 million), our 2018 fundraising performance is incredibly pleasing, in a year which presented two very particular challenges: 1) The introduction of the new General Data Protection Regulation (GDPR), which meant that public communications for the first five months of the year had to be heavily focused on our GDPR-compliant communications consent campaign, rather than on our core messaging. 2) Our hugely successful Double The Love campaign, which took place in the final quarter of 2017, attracted some very significant one-off donations which were not to be repeated in 2018, and it also led to some displacement of funding away from 2018 as supporters brought forward donations to 2017 to capitalise on the match-funding opportunity.

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 particular responsibility within the Mary's Meals family is to continue telling our story across the four home nations; engaging and inspiring more and more UK volunteers and donors; and driving forward the continued strong 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 2018, 1,425,013 children across 18 countries – including Malawi, Liberia, Zambia, Kenya, Haiti, India and South Sudan – marking another major milestone in our mission to overcome child poverty and hunger. And, during 2018, we began working in both Madagascar and Zimbabwe for the very first time too, providing impoverished children – in the cities of Antananarivo and Antsiranana, and in the district of Tsholotsho respectively – with a nutritious daily meal in a place of education.

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 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 2018 campaigns. These included a crisis response to terrible food shortages in South Sudan, an emergency appeal to help those affected by devastating flooding in Kerala in India, World Porridge Day, Big Family Christmas and, perhaps most particularly, Double The Love 2018/2019, our recent match-funding appeal, which saw every donation pledged to Mary's

Meals UK from 3 December 2018 to 1 March 2019 doubled by the UK government up to a total of £2 million.

We also receive substantial support from the business community, trust funds and public funds, and The Backpack Project continues to thrive with more than 46,000 filled backpacks being dispatched to Malawi during 2018.

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 the trend from recent years, we again significantly exceeded this commitment during 2018, with 96% of expenditure going on our charitable activities.

Work to form a new senior leadership team for Mary's Meals UK, which began with the appointment of our Executive Director in September 2017, was completed during 2018. The organisation's strategic aims and objectives are now being pursued by a three-directorate structure – Communications and Fundraising, Finance and Operations and, in recognition of the particular opportunities and challenges which exist there geographically at this point in our development, London and the South-East. Each directorate is led by its own director, supported by an extended leadership team of five functional heads of service – across Communications, Fundraising, Finance, Operations and People – and our wider staff and volunteer team. Recognising that constantly changing and adapting for growth is the norm for Mary's Meals, we expect the UK organisational structure to continue to evolve in 2019, especially as we continue to invest in regional fundraising resources across different parts of the UK outside of our central bases of Glasgow and Dalmally.

Mary's Meals UK is one year into its strategic plan for the period from 2018 to 2020 and we are pleased to report the board of trustees' wholehearted endorsement of the organisation's strong progress against the strategic plan during 2018. The plan dovetails closely with the global Mary's Meals strategic plan which is aimed at supporting all parts of the global Mary's Meals network to continue to thrive and grow – and ensure the feeding of many more children in the years ahead.

With 64 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 will continue to play a prominent and crucial part in the years ahead in shaping the future of our movement, 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 offer our most sincere thanks to the trustees of Mary's Meals UK for their hard work, diligence and thoughtful consideration in governing the organisation during 2018, and we also wish to record our deep gratitude to our wonderful staff team and many thousands of volunteers – both across the UK and in all the countries in which Mary's Meals is present – without whom this vital mission would go unpursued and this beautiful vision would go unfulfilled.

Mary's Meals UK's fundraising performance in 2018 means that more than one million of the 1.4 million children who are currently enrolled in our global school feeding programme are being fed a daily meal in school thanks to the extraordinary kindness and dedication of our UK support base. Those of us responsible for leading the work of Mary's Meals UK and stewarding each precious gift entrusted to us continue to be amazed, inspired and uplifted by the remarkable generosity of our supporters and more convinced than ever by the unparalleled importance of providence in realising our vision.

Whether you volunteer your time, organise fundraising events in your community, donate each month, commit to sponsoring a school, or choose to pray for this work of ours, it is your efforts which are making it possible for Mary's Meals to fill so many empty stomachs, attract so many little ones into the classroom, and unlock so much unfathomable potential in the talented children that we serve. Thank you, always, for enabling us to keep our promises to them.



**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 2018. The trustees who served during the period covered by this report are set out on page three.

## 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; and
- (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 and the global Mary's Meals network, 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 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 2018

Mary's Meals UK has contributed significantly to Mary's Meals International feeding 1,425,013 children across 18 countries every school day as of 31 December 2018 (up from the 31 December 2017 total of 1,230,171). This means we have not only kept our promise to all the children already enrolled in our programme at the beginning of 2018, but we have been able to welcome more than 194,000 additional children into the Mary's Meals family.

More details of developments in Mary's Meals' programmes during 2018 can be found in Mary's Meals International's annual report, available at [www.marysmeals.org](http://www.marysmeals.org).

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 778 at the end of 2018. 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 2018, more than 11,000 new supporters joined our mission, although our overall income decreased by 10% in the year to 31 December 2018 in comparison to the prior year. The reduction in income arose primarily from the timing and nature of respective Double The Love match-funding campaigns in 2017 and 2018. The 2017 campaign was for a two-month period ending in December 2017 and was matched by private donations recognised during the period of the campaign. The 2018 campaign which is supported by a UK Government match-funding initiative is for a three-month period running from 3 December 2018 to 1 March 2019 with the financial benefit of the government support being received in future years. The success of the 2017 campaign also resulted in displacement of supporter donations, with funds being accelerated into the latter part of 2017 for the Double The Love campaign, from early 2018.

In addition, for the first five months of 2018, our core fundraising and awareness-raising public messaging was temporarily scaled back in order to prioritise our GDPR-compliant communications consent campaign, which was necessary to ensure we could still legitimately be in contact





with our supporters once GDPR became active law from 25 May.

That said, our supporters' generous response to our core campaigns through the year – Crisis In South Sudan, Kerala Floods Emergency Appeal, World Porridge Day, Big Family Christmas and Double The Love – meant that we exceeded the income budget approved by the board for the year by 4%.

Mary's Meals UK continued to secure support in 2018 through a number of strategic partnerships, including with the UK Government, the Scottish Government, the Lancaster Foundation, the Medicor Foundation, the Celtic Football Club Foundation and the Andrew Welch Memorial Trust. 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 2018, 46,463 backpacks donated from within the UK were delivered to Malawi and, in February 2018, a significant milestone was reached when the 500,000th backpack in the history of the campaign was delivered to a child in Malawi.

Finally, during the year, Mary's Meals UK undertook an extensive communications campaign with our supporters and a review of organisational processes to ensure compliance with the General Data Protection Regulation, and to continue our long-standing commitment to respecting our supporters' communications preferences and to keeping their personal information secure.





# 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. In line with the current 2018-2020 strategic plan we will consolidate and build on our position in the UK, by continuing to develop 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 continued 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 continuous scrutiny of organisational 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 2018, the total income of the charity was £16,597,647 (£15,278,737 excluding income from material aid), which represents a 4% increase on the 2018 income budget. This is a decrease of 10% when compared to the previous period and can be attributed to a combination of the timing of respective Double The Love Campaigns and also the adverse impact on fundraising activity associated with ensuring GDPR compliance. Once again, by far the greatest proportion – 88% (96% excluding income from material aid) – was received through voluntary income in the form of donations, grant, and Gift Aid income.

Throughout 2018, we operated seven charity shops across Scotland which are supported by a network of committed volunteers. The sale of donated goods through our shops and the recycling of textiles, generated a 2018 income of £605,580, which is included in total income. The cost of generating this trading income during the year was £335,753 resulting in a net surplus of £269,827.

The total expenditure for the same period was £17,827,270 or £17,491,517 excluding trading expenditure. We spent £16,709,363 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 2018 there was a net income deficit of £1,229,575. The deficit arose from a timing difference following the transfer of surplus reserves to Mary's Meals International held at the end of the previous financial year, to support delivery of programme feeding projects.

## RESERVES POLICY AND GOING CONCERN

The reserves policy of the charity as at 31 December 2018 was to retain sufficient funds required to meet six months' running costs. On this basis, the charity would expect to hold

minimum reserves of £1,039,900. The total reserves at 31 December 2018 were £1,612,846 of which £1,493,296 were unrestricted and £119,550 were restricted. The reserves surplus held at year-end therefore meets the reserves policy. The reserves held as at 31 December 2018 are lower than the prior year due to the transfer of surplus reserves during 2018 to Mary's Meals International to support programme delivery and is reflected in the operational deficit for the year. 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 2018 Double The Love campaign. This reserves surplus was transferred to Mary's Meals International for programme delivery in January 2019.

At the year-end, actual reserves held, continued maintenance of the reserves policy 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.

The audit, risk and remuneration committee established as a sub-committee of the board in 2017 continues to meet regularly to assess the risks to which the organisation has exposure.

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.

During 2018, Mary's Meals successfully implemented a new leadership structure to support the executive director. Newly created roles of Director of Communications and Fundraising, Director of Finance and Operations and Director of Development, London, were filled and provide leadership and direction across 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.

During 2018, Mary's Meals UK further demonstrated its commitment to safeguarding by establishing a safeguarding committee that reports directly to the senior leadership team and ultimately through to the audit, risk and remuneration committee. The committee which meets quarterly ensures Mary's Meals UK continues to meet its commitments towards the protection of children and vulnerable adults.



## 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 ended 31 December 2018 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 held in 2018, Mary-Anne MacFarlane-Barrow, Charles McGhee and Ishbel Smith were duly re-elected. Mary-Anne MacFarlane-Barrow subsequently retired from the board on 4 December 2018 and the trustees wish to place on record their thanks for her significant contribution during the period of her tenure. At the forthcoming AGM, Magnus MacFarlane-Barrow and David Leslie are due to retire.





## 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
<b>Inability to recruit and retain the right people.</b>	Continue to strengthen organisational culture, based on authentically living our values, and offer a compelling package of non-financial benefits.
<b>Failure to manage our finances effectively and sustainably.</b>	Maintain robust accounting processes and financial controls, and preserve our rigorous approach to budget planning and forecasting.
<b>Loss of key leaders the organisation depends upon, who cannot be replaced easily.</b>	Ensure sufficient emphasis is placed on knowledge sharing and succession planning throughout the organisation.
<b>Inability to adapt to local, national or international political changes.</b>	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.
<b>Failure to build on or maintain the confidence, satisfaction and trust of stakeholders.</b>	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.
<b>Inability to identify and maximise opportunities for sustainable growth and increased awareness.</b>	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.
<b>Failure to effectively protect, promote and manage Mary's Meals UK's identity and message.</b>	Regulate use of our brand, key messages and values to ensure consistency and accuracy in all UK communications.
<b>Failure to ensure effective governance arrangements are in place.</b>	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  
9 May 2019







# Independent auditors' report to the trustees and members

## OPINION

We have audited the financial statements of Mary's Meals (the 'charitable company') for the year ended 31 December 2018 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, 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 2018 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).

## 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 FRC'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 MATTERS

### 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 directors' report and the strategic report prepared for the purposes of company law and included within

the trustees' annual reporting, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report and the strategic report, included within the trustees' annual 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 directors' report and the strategic report, included within the trustees' annual 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:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## USE OF OUR 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

Date: 9 May 2019

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 2018

**Statement of financial activities (incorporating the income and expenditure account)  
for the year ended 31 December 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
<b>Income from:</b>							
Donations and legacies	4	11,299,799	4,595,400	15,895,199	13,202,362	4,422,728	17,625,090
Other trading activities	5	695,060	-	695,060	698,090	-	698,090
Investments		7,388	-	7,388	1,764	-	1,764
<b>Total income</b>		<b>12,002,247</b>	<b>4,595,400</b>	<b>16,597,647</b>	<b>13,902,216</b>	<b>4,422,728</b>	<b>18,324,944</b>
<b>Expenditure on</b>							
Raising funds	6	(1,117,907)	-	(1,117,907)	(943,529)	-	(943,529)
Charitable activities	7-8	(12,012,511)	(4,696,852)	(16,709,363)	(11,374,002)	(4,201,726)	(15,575,728)
<b>Total expenditure</b>		<b>(13,130,418)</b>	<b>(4,696,852)</b>	<b>(17,827,270)</b>	<b>(12,317,531)</b>	<b>(4,201,726)</b>	<b>(16,519,257)</b>
<b>Net income/ (expenditure)</b>		<b>(1,128,171)</b>	<b>(101,452)</b>	<b>(1,229,623)</b>	<b>1,584,685</b>	<b>221,002</b>	<b>1,805,687</b>
<b>Other recognised gains</b>							
Other gains		48	-	48	930	-	930
<b>Net movement in funds</b>		<b>(1,128,123)</b>	<b>(101,452)</b>	<b>(1,229,575)</b>	<b>1,585,615</b>	<b>221,002</b>	<b>1,806,617</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	18	2,621,419	221,002	2,842,421	1,035,804	-	1,035,804
<b>Total funds carried forward</b>	<b>18</b>	<b>1,493,296</b>	<b>119,550</b>	<b>1,612,846</b>	<b>2,621,419</b>	<b>221,002</b>	<b>2,842,421</b>

All amounts relate to continuing operations.

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26-39 form an integral part of these financial statements.



# Balance sheet

as at 31 December 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	13	16,796	5,486
<b>Current assets</b>			
Stock	14	54,235	41,564
Debtors	15	953,746	2,574,324
Cash at bank and in hand		1,897,435	2,551,995
<b>Total current assets</b>		<b>2,905,416</b>	<b>5,167,883</b>
<b>Liabilities</b>			
Creditors: falling due within one year	16	(1,309,366)	(2,330,948)
<b>Net current assets</b>		<b>1,596,050</b>	<b>2,836,935</b>
<b>Total assets less current liabilities</b>	<b>17</b>	<b>1,612,846</b>	<b>2,842,421</b>
<b>The funds of the charity:</b>			
Restricted income funds	18-19	119,550	221,002
Unrestricted income funds	18-19	1,493,296	2,621,419
<b>Total charity funds</b>		<b>1,612,846</b>	<b>2,842,421</b>

The financial statements on pages 23-39 were approved and authorised for issue by the board of directors on 9 May 2019 and signed on its behalf by:



Charles McGhee  
Chair

# Statement of cash flows

for the year ended 31 December 2018

	2018 £	2017 £
Net cash (outflow)/inflow from operating activities	(644,662)	1,303,481
<b>Cash flows from investing activities</b>		
Investment Income	7,388	1,764
Purchase of vehicles and equipment	(17,334)	-
<b>Net cash provided by investing activities</b>	<b>(9,946)</b>	<b>1,764</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(654,608)</b>	<b>1,305,245</b>
Cash and cash equivalents at the beginning of the period	2,551,995	1,245,820
Change in cash and cash equivalents due to exchange rate movements	48	930
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,897,435</b>	<b>2,551,995</b>

## Reconciliation of net income/(expenditure)

to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the reporting period	(1,229,623)	1,805,687
Decrease/(increase) in debtors	1,620,578	(1,743,698)
Investment income	(7,388)	(1,764)
Depreciation charge	6,024	3,928
Increase in stocks	(12,671)	(21,109)
(Decrease)/increase in creditors/accruals	(1,021,582)	1,260,437
<b>Net cash provided by operating activities</b>	<b>(644,662)</b>	<b>1,303,481</b>

# Notes to the financial statements

For the year ended 31 December 2018

## 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.

All amounts are presented in Pounds Sterling and rounded to the nearest pound.

## 2. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with 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 £1,229,623 (2017: surplus £1,805,687) for the year and at 31 December 2018 had net assets of £1,612,846 (2017: £2,842,421). As at 31 December 2018 it had net current assets of £1,596,050 (2017: £2,836,935).

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 risk and remuneration 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.

### Grant income

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.

### 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.

## 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.

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

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.

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 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 income and expenditure.

##### 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 2018 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 statement of financial activities 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 £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Donations	7,019,456	1,420,907	8,440,363	8,964,897	1,912,839	10,877,736
Grants and trusts	1,992,206	3,174,493	5,166,699	1,582,239	2,501,889	4,084,128
Tax reclaimed on Gift Aid	969,227	-	969,227	1,321,080	8,000	1,329,080
Value of donated aid	1,318,910	-	1,318,910	1,334,146	-	1,334,146
<b>Total</b>	<b>11,299,799</b>	<b>4,595,400</b>	<b>15,895,199</b>	<b>13,202,362</b>	<b>4,422,728</b>	<b>17,625,090</b>

Donations	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Unrestricted	7,019,456	-	7,019,456	8,964,897	-	8,964,897
Malawi	-	869,450	869,450	-	1,199,285	1,199,285
Liberia	-	229,976	229,976	-	273,044	273,044
India	-	136,529	136,529	-	6,680	6,680
South Sudan	-	105,926	105,926	-	9,940	9,940
Zambia	-	19,738	19,738	-	14	14
Romania Homes	-	14,192	14,192	-	16,027	16,027
Haiti	-	13,434	13,434	-	14,247	14,247
East Africa Appeal	-	13,298	13,298	-	254,426	254,426
Kenya	-	8,186	8,186	-	47,434	47,434
Ethiopia	-	4,695	4,695	-	25,212	25,212
Syria	-	4,647	4,647	-	50,871	50,871
Middle East	-	250	250	-	14,730	14,730
Benin	-	240	240	-	100	100
Uganda	-	157	157	-	150	150
Myanmar	-	115	115	-	200	200
Thailand	-	30	30	-	379	379
Madagascar	-	30	30	-	-	-
Ecuador	-	14	14	-	100	100
<b>Total</b>	<b>7,019,456</b>	<b>1,420,907</b>	<b>8,440,363</b>	<b>8,964,897</b>	<b>1,912,839</b>	<b>10,877,736</b>

#### 4. DONATIONS AND LEGACIES (CONTINUED)

Grants and Trusts	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Unrestricted	1,992,206	-	1,992,206	1,582,239	-	1,582,239
Malawi	-	759,806	759,806	-	498,508	498,508
Malawi DFID grant	-	1,275,063	1,275,063	-	1,330,197	1,330,197
Zambia	-	63,200	63,200	-	2,500	2,500
Zambia DFID grant	-	305,922	305,922	-	335,882	335,882
South Sudan	-	308,850	308,850	-	18,738	18,738
Kenya	-	205,728	205,728	-	173,314	173,314
Haiti	-	119,458	119,458	-	17,688	17,688
Liberia	-	72,260	72,260	-	49,042	49,042
India	-	54,926	54,926	-	-	-
Ethiopia	-	3,700	3,700	-	55,220	55,220
Madagascar	-	1,850	1,850	-	-	-
Uganda	-	1,850	1,850	-	-	-
Myanmar	-	973	973	-	-	-
Thailand	-	807	807	-	-	-
Syria	-	100	100	-	16,000	16,000
East Africa Appeal	-	-	-	-	4,200	4,200
Middle East	-	-	-	-	600	600
<b>Total</b>	<b>1,992,206</b>	<b>3,174,493</b>	<b>5,166,699</b>	<b>1,582,239</b>	<b>2,501,889</b>	<b>4,084,128</b>

#### 5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Shops	453,140	-	453,140	434,352	-	434,352
Recycling	152,440	-	152,440	167,117	-	167,117
Collections	2,430	-	2,430	4,025	-	4,025
Raffles	24,238	-	24,238	27,622	-	27,622
Miscellaneous	62,812	-	62,812	64,974	-	64,974
	<b>695,060</b>	<b>-</b>	<b>695,060</b>	<b>698,090</b>	<b>-</b>	<b>698,090</b>

## 6. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Fundraising	782,154	-	782,154	649,983	-	649,983
Trading	335,753	-	335,753	293,546	-	293,546
<b>Total</b>	<b>1,117,907</b>	<b>-</b>	<b>1,117,907</b>	<b>943,529</b>	<b>-</b>	<b>943,529</b>
<b>Fundraising Analysis by cost</b>						
Employee costs	522,724	-	522,724	408,607	-	408,607
Property costs	17,970	-	17,970	15,798	-	15,798
Travel costs	24,435	-	24,435	18,808	-	18,808
Administration	215,100	-	215,100	205,593	-	205,593
Depreciation	1,925	-	1,925	1,177	-	1,177
<b>Total</b>	<b>782,154</b>	<b>-</b>	<b>782,154</b>	<b>649,983</b>	<b>-</b>	<b>649,983</b>
<b>Trading Analysis by cost</b>						
Purchases for resale	4,938	-	4,938	5,291	-	5,291
Employee costs	194,046	-	194,046	158,742	-	158,742
Property costs	116,942	-	116,942	115,489	-	115,489
Travel costs	11,007	-	11,007	7,761	-	7,761
Administration	7,112	-	7,112	5,086	-	5,086
Depreciation	1,708	-	1,708	1,177	-	1,177
<b>Total</b>	<b>335,753</b>	<b>-</b>	<b>335,753</b>	<b>293,546</b>	<b>-</b>	<b>293,546</b>



## 7. CHARITABLE ACTIVITIES – BY FUND TYPE

	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Raising awareness	465,391	-	465,391	339,560	-	339,560
Governance	58,042	-	58,042	39,647	-	39,647
Backpacks and shipped aid	1,540,700	-	1,540,700	1,505,826	-	1,505,826
Programme expenditure	9,948,378	4,696,852	14,645,230	9,488,969	4,201,726	13,690,695
<b>Total charitable activities</b>	<b>12,012,511</b>	<b>4,696,852</b>	<b>16,709,363</b>	<b>11,374,002</b>	<b>4,201,726</b>	<b>15,575,728</b>
<b>Raising awareness Analysis by cost</b>						
Employee costs	377,337	-	377,337	271,382	-	271,382
Property costs	16,374	-	16,374	15,045	-	15,045
Travel costs	10,201	-	10,201	9,100	-	9,100
Administration	60,689	-	60,689	43,638	-	43,638
Depreciation	790	-	790	395	-	395
<b>Total</b>	<b>465,391</b>	<b>-</b>	<b>465,391</b>	<b>339,560</b>	<b>-</b>	<b>339,560</b>
<b>Governance Analysis by cost</b>						
Employee costs	27,793	-	27,793	16,600	-	16,600
Travel costs	1,146	-	1,146	348	-	348
Administration	5,160	-	5,160	189	-	189
Auditor's remuneration	11,329	-	11,329	12,286	-	12,286
Legal fees	-	-	-	-	-	-
Bank charges	12,604	-	12,604	10,224	-	10,224
Depreciation	10	-	10	-	-	-
<b>Total</b>	<b>58,042</b>	<b>-</b>	<b>58,042</b>	<b>39,647</b>	<b>-</b>	<b>39,647</b>

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

	Shipping £	Aid £	2018 total £	Shipping £	Aid £	2017 total £
Aid shipped to Malawi	-	1,313,995	1,313,995	10,832	1,318,294	1,329,126
Backpacks carriage costs	21,026	-	21,026	20,669	-	20,669
Support costs (see Note 8)	-	205,679	205,679	-	156,031	156,031
<b>Total charitable activities</b>	<b>21,026</b>	<b>1,519,674</b>	<b>1,540,700</b>	<b>31,501</b>	<b>1,474,325</b>	<b>1,505,826</b>

## 8. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	2018 total £	Unrestricted funds £	Restricted funds £	2017 total £
Employee costs	129,016	-	129,016	78,065	-	78,065
Property costs	57,055	-	57,055	58,609	-	58,609
Travel costs	5,757	-	5,757	4,393	-	4,393
Administration	12,260	-	12,260	13,786	-	13,786
Depreciation	1,591	-	1,591	1,178	-	1,178
<b>Total</b>	<b>205,679</b>	<b>-</b>	<b>205,679</b>	<b>156,031</b>	<b>-</b>	<b>156,031</b>

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	6,024	3,928
Operating lease rentals	143,652	149,518
Auditor's remuneration	9,200	8,850
Gain on foreign currencies	(48)	(930)

## 10. EMPLOYEES

Employment costs	2018 £	2017 £
Wages and salaries	1,051,218	777,888
Social security costs	95,001	64,095
Other pension costs	69,634	49,826
<b>Total</b>	<b>1,215,853</b>	<b>891,809</b>

Number of employees	2018 Number	2017 Number
<b>Monthly average</b>		
Support	4	3
Fundraising	17	13
Shops and recycling	8	7
Raising awareness	11	7
Governance	1	1
<b>Total</b>	<b>41</b>	<b>31</b>

### Key management compensation

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

Employment costs	2018 £	2017 £
Wages and salaries	331,426	169,878
Social security costs	37,832	19,276
Other pension costs	22,867	10,978
<b>Total</b>	<b>392,125</b>	<b>200,132</b>

The number of employees whose emoluments excluding pension contributions and employers' national insurance were in excess of £60,000 was:

	2018 £	2017 £
£60,000-£70,000	1	-

## 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 £69,634 (2017: £49,826). At 31 December 2018, an amount of £nil was accrued in the financial statements (2017: £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 £
<b>Cost</b>						
At 1 January 2018	6,083	5,435	48,859	28,223	52,917	141,517
Additions	-	707	1,182	7,000	8,445	17,334
Disposals	-	(3,223)	-	-	(31,635)	(34,858)
<b>At 31 December 2018</b>	<b>6,083</b>	<b>2,919</b>	<b>50,041</b>	<b>35,223</b>	<b>29,727</b>	<b>123,993</b>
<b>Depreciation</b>						
At 1 January 2018	6,083	5,435	48,859	22,737	52,917	136,031
Charge for the year	-	79	133	5,039	773	6,024
Released on disposal	-	(3,223)	-	-	(31,635)	(34,858)
<b>At 31 December 2018</b>	<b>6,083</b>	<b>2,291</b>	<b>48,992</b>	<b>27,776</b>	<b>22,055</b>	<b>107,197</b>
<b>Net book value</b>						
At 31 December 2018	-	628	1,049	7,447	7,672	16,796
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,486</b>	<b>-</b>	<b>5,486</b>

## 14. STOCKS AND WORK IN PROGRESS

	2018 £	2017 £
Stocks	54,235	41,564
<b>Total</b>	<b>54,235</b>	<b>41,564</b>

## 15. DEBTORS

	2018 £	2017 £
Prepayments and accrued income	950,371	2,570,949
Other debtors	3,375	3,375
<b>Total</b>	<b>953,746</b>	<b>2,574,324</b>

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	23,371	14,153
Taxation and social security	28,230	23,880
Accruals and deferred income	1,256,688	2,292,555
Other creditors	1,077	360
<b>Total</b>	<b>1,309,366</b>	<b>2,330,948</b>

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £	2017 total £
<b>Fund balances at 31 December 2018 as represented by:</b>				
Tangible assets	16,796	-	16,796	5,486
Current assets	2,785,866	119,550	2,905,416	5,167,883
Current liabilities	(1,309,366)	-	(1,309,366)	(2,330,948)
<b>Total</b>	<b>1,493,296</b>	<b>119,550</b>	<b>1,612,846</b>	<b>2,842,421</b>

## 18. UNRESTRICTED AND RESTRICTED FUNDS

	At 1 Jan 2018 £	Incoming resources £	Outgoing resources £	Gain on currency revaluation £	At 31 Dec 2018 £
Unrestricted funds	2,621,419	12,002,247	(13,130,418)	48	1,493,296
Restricted funds	221,002	4,595,400	(4,696,852)	-	119,550
<b>Total</b>	<b>2,842,421</b>	<b>16,597,647</b>	<b>(17,827,270)</b>	<b>48</b>	<b>1,612,846</b>

## 19. RESTRICTED FUNDS

	At 1 Jan 2018 £	Incoming resources £	Outgoing resources £	At 31 Dec 2018 £
Malawi	221,002	1,629,256	(1,775,414)	74,844
Malawi DFID grant	-	1,275,063	(1,275,063)	-
Zambia	-	82,938	(82,938)	-
Zambia DFID grant	-	305,922	(305,922)	-
South Sudan	-	414,776	(414,776)	-
Liberia	-	302,236	(302,236)	-
Kenya	-	213,914	(213,914)	-
India	-	191,455	(148,529)	42,926
Haiti	-	132,891	(132,891)	-
Ethiopia	-	8,395	(8,395)	-
Uganda	-	2,007	(2,007)	-
Benin	-	240	(240)	-
Madagascar	-	1,880	(1,880)	-
Romania Homes	-	14,192	(14,192)	-
East Africa Emergency Appeal	-	13,299	(13,299)	-
Syria	-	4,747	(4,747)	-
Myanmar	-	1,088	(115)	973
Thailand	-	837	(30)	807
Middle East	-	250	(250)	-
Ecuador	-	14	(14)	-
<b>Total</b>	<b>221,002</b>	<b>4,595,400</b>	<b>(4,696,852)</b>	<b>119,550</b>

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 2018 the charity had annual commitments under non-cancellable operating leases as follows:

Rental leases	2018 £	2017 £
Expiry date:		
Within one year	108,600	124,813
Between one and five years	381,958	363,747
In more than five years	30,000	90,000
	<b>520,558</b>	<b>578,560</b>

## **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 £69,634. (2017: £49,826). At 31 December 2018, an amount of £nil was accrued in the financial statements (2017: £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 2018 financial year, budgeted reserves are £1,039,900. 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 2018.

No reimbursement of travel expense was paid during the year 2018 (2017: £nil).

During the year, 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 was a director of Mary's Meals until her retirement on 4 December 2018. During the year, Craig Lodge Trust provided goods and services – i.e. accommodation, meals, and overheads as stated above, amounting to nil (2017: 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 company limited by guarantee)  
Charity number: SC022140  
Company number: SC265941

[www.marysmeals.org.uk](http://www.marysmeals.org.uk)

