



2019



Mary's Meals
(A company limited by guarantee)

Annual report

Trustees' annual report and financial statements
For the year ended 31 December 2019



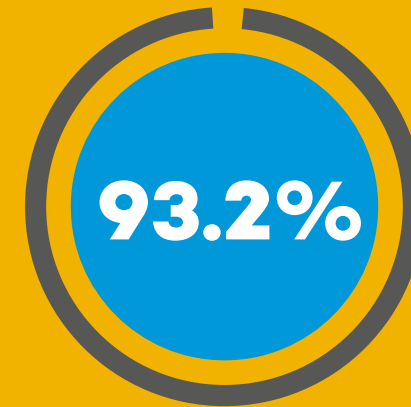
mary's
meals

a simple solution
to world hunger

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 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 year in numbers



We kept our commitment to spend at least **93%** of your donations on charitable activities

More than **45,000** 

backpacks filled with pens, books and other useful items were donated for school children in Malawi



A total income of **£15.7 million**

Across the UK,

784

active volunteers shared our mission



We welcomed more than **242,054** children and **792** new schools to the Mary's Meals family



1,667,067 children

were receiving Mary's Meals by year-end, with 48% of this total being made possible by UK supporters

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A note on organisation names

This annual report and set of financial statements relate to the work of the organisation which raises awareness and funds in the United Kingdom for Mary’s Meals’ programmes. 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

John Fulton
David Leslie
Magnus MacFarlane-Barrow
Charles McGhee
Father Frank Mulgrew (appointed 27 June 2019)
Emma Oddie (appointed 27 June 2019)
Ishbel Smith

Secretary

Ishbel Smith

Executive Director

Daniel Adams

Independent auditors

RSM UK Audit LLP
First Floor, Quay 2
139 Fountainbridge
Edinburgh, EH3 9QG

Bankers

Royal Bank of Scotland
88 Main Street
Glasgow, G73 2JA

Bank of Scotland
167-201 Argyle Street
Glasgow, G2 8BU

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

Solicitors

Ropes and Gray
60 Ludgate Hill
London, EC4M 7AW

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

Report from the Chair and Executive Director

Charles McGhee
Chair



Daniel Adams
Executive Director



We are pleased to present the 2019 annual report for Mary's Meals UK. By the end of the year, Mary's Meals was reaching 1,667,067 impoverished children every school day, a landmark figure for a charity that began by feeding 200 children just 17 years ago. This wonderful growth – made possible in significant part by the strength of our movement across Scotland, England, Wales and Northern Ireland – ensures that we can continue to reach the next hungry child waiting for Mary's Meals.

The year ended 31 December 2019 was, once again, marked by a huge outpouring of love, commitment and generosity from our supporters. We saw exceptionally strong growth in income from our grassroots supporters with an increase of just over £1 million in donations year-on-year, and we received 9,459 more individual gifts in 2019 than we did in 2018. Moreover, close to 30% of individual donations in 2019 came from new supporters and the number of people opting in to receive updates about our work increased by nearly 15%.

The overall financial picture, however, is that our income for 2019, which was £15.7 million including the value of material aid donated as part of The Backpack Project, represented a 5% decrease on the prior year (2018: £16.6 million). Despite this, underlying performance is still very encouraging in that it shows the continued health and growth of our all-important grassroots movement, as we continue to successfully welcome more new people into the Mary's Meals family.

One major factor in the reduction in total income against the prior year is the conclusion of a £5 million Department for International Development (DFID) grant, received over a three-year period, which was replaced with a £2 million grant, to be received over a similar period. The impact of this was a reduction of more than £800,000 in annual income, highlighting the challenge of acute drop-off associated with this type of institutional funding.

The DFID grant is shaped by a match funding campaign as part of which the UK Government doubles donations made by our generous supporters. Despite the fluctuations it can

create within our income budgets, we believe that it is a valuable and compelling source of funding and intend to make future applications to access similar grant funds. The reduction from £5 million to £2 million between our first and second DFID grants was simply due to DFID changing the match funding upper limits for campaigns of this type, with Mary's Meals supporters giving similarly (and hugely) generously to both of our UK Aid Match campaigns.

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 within the Mary's Meals family is to tell our story across the four home nations; engaging and inspiring more and more UK volunteers and donors in their local communities; and



driving forward the continued expansion of the Mary's Meals movement. To do this, we work closely and collaboratively with our colleagues at Mary's Meals International, the organisation which coordinates the global movement and – in receiving and managing the funds we have raised – directly manages our school feeding programmes.

We are now reaching children with a nutritious meal at school in 18 of the world's poorest countries – including Malawi, Liberia, Zambia, Kenya, Haiti, India and South Sudan. In 2019 we started to feed children in primary schools in Madagascar for the first time, following the introduction of school feeding for children in prison education programmes that began in 2018.

Our meals not only meet the immediate needs of the hungry child, they also attract children to the classroom where they can gain a basic education. Instead of working or begging for food, children can attend class knowing that the promise of a meal each day will enable them to concentrate and look to a future where they can be free of poverty and a reliance on aid.

All of this can only be possible because of the commitment and generosity of our supporters, who give freely of their time, money, skills and prayer. People continue to surprise us every day with their 'little acts of love', spreading the word in their local communities and raising money in the most inspiring ways to feed more children.

The majority of our income has always come from individuals, community groups, churches and schools – the heartbeat of who we are – and who respond so generously and compassionately to our campaigns. These included World Porridge Day, an appeal for Madagascar, a regular giving focus, our annual Christmas campaign and, perhaps most particularly, Double The Love 2018/2019 – our recent UK Government match-funding appeal. We also received substantial support from the business community, trust funds and public funds, and The Backpack Project continued to thrive with more than 37,000 bags sent to Malawi in 2019.

Mary's Meals UK remains dedicated to good stewardship of the resources so generously 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 supporters is spent directly on our charitable activities. In 2019, we kept our promise with a total of 93.2% of funds raised being spent in this way.

Recognising that constantly changing and adapting for growth is the norm for Mary's Meals, in 2019 we continued to develop and invest in structures to enable better stewardship of our supporters and expansion of our volunteer network. This saw a re-focusing of Mary's Meals UK's departmental structure to become Supporter Engagement; Communications; Finance and Operations; and People (previously Communications and Fundraising; London Development; and Finance and Operations).

This limited but important restructure was the result of a six-month long strategic review of how our Communications, Supporter Engagement and People teams are set up, with a view to becoming even better at nurturing and building our vital volunteer movement in all the different regions of the UK. It has always been the case that Mary's Meals has grown when people respond in their local communities to hearing our story and, therefore, it is our strong belief that with increased resource and investment in supporting our volunteer network, Mary's Meals will spread more deeply and widely across the country.

As part of this restructure, we were particularly pleased to welcome Gillian McMahon, previously Mary's Meals International's Director of Strategic Partnerships and Policy, to Mary's Meals UK as our first Director of Supporter Engagement and Income.

Two years into our strategic plan for 2018-2020, we are pleased to report the board of trustees' unreserved endorsement of our good progress against the strategic plan during 2019. This included, in September, successfully completing the implementation of a major infrastructure project which has been in the planning for some time – adopting our new Salesforce databasing system, of which we are now beginning to reap the benefits. We have now started to form a new strategic plan for 2021 and beyond to ensure our mission continues to thrive and grow.

2019 also involved improving Mary's Meals UK's workplaces for the next period, to ensure our office volunteers and staff are able to serve our mission in safe, suitable and welcoming environments. To meet the needs of our largest staff team in Glasgow, we moved into wonderful new premises just downstairs from our old office, where our Mary's Meals International colleagues will remain. And, for our growing London team, we carried out some renovations to our existing office space to improve capacity and aesthetics. In both these places, London and Glasgow, our rental arrangements remain significantly below market value thanks to the generosity of our hugely supportive landlords.

Mary's Meals UK will 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 have achieved a great deal in 2019, but our thoughts are always fixed on how we can reach the next hungry child.

We are thankful to the trustees of Mary's Meals UK for their commitment, diligence and thoughtful consideration in governing the charity during 2019, and in a special way to Father Frankie Mulgrew and Emma Oddie who we warmly welcomed to the board during the year. 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 our work would not be possible.

As we moved into 2020, the global spread of Covid-19 had a profound impact, with schools closing in the countries where we work. However, we have been hugely encouraged by our ability to adapt; our programme countries reinvented our delivery models, and quickly agreed them with governments and communities, so that nearly all the children who had been receiving Mary's Meals can continue to receive a daily meal at home. We have also adapted our UK calendar of fundraising and awareness to make the most of new online opportunities. Our supporters have responded with kindness and continue to give generously of their time, money, skills and prayer. As a result, our fundraising income has remained positive in the early months of 2020.

In 2019, our UK supporter base is responsible for feeding 807,357 of the 1.6 million children who are enrolled in our global school feeding programme – we are incredibly grateful for their extraordinary kindness and dedication. Those of us responsible for leading the work of Mary's Meals UK, and stewarding the precious gifts entrusted to us, continue to be amazed, inspired and uplifted by their remarkable giving and more convinced than ever by the importance of providence in realising our vision.

Thank you to everyone who makes it possible for Mary's Meals to fill so many empty stomachs, attract so many little ones into the classroom, and unlock so much 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



Trustees' annual report (including the strategic report)

The trustees of Mary's Meals UK, who are also the directors of the charitable company, present their annual report together with the audited financial statements of the charity for the year ended 31 December 2019. The trustees who served during the period covered are set out on page five.

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:

- To provide a daily meal, in a place of education, for children in the world's poorest communities.
- 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
- 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:

- 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.
- To strengthen the UK organisation in furtherance of our vision, mission and values.
- 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

By the end of 2019, Mary's Meals fed 1,667,067 children across 18 countries every school day, and Mary's Meals UK contributed significantly to that total. This means that, as well as keeping our promise to the 1,425,013 children we were feeding on 31 December 2018, we reached an additional 242,054 little ones in 2019 with our life-changing school meals.

More details of developments in Mary's Meals' programmes during 2019 can be found in Mary's Meals International's annual report, available at www.marysmeals.org

In the UK, the majority of our income continues to be received through generous grassroots support from individuals, churches, community groups, and schools. And our work continues to be reliant on the kindness of a significant number of volunteers, who tirelessly and selflessly carry out fundraising and awareness raising activities on our behalf, from Porridge Parties and bike rides, to film screenings and coffee mornings. We simply could not do this work without them.

Our number of active registered volunteers across Scotland, England, Wales and Northern Ireland was 784 at the end of 2019, but we know thousands more people freely give their time, money, skills and prayer to support our beautiful mission. 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 and London offices.

We also have 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 network of trained community ambassadors who visit schools, clubs, and other community organisations to raise awareness of Mary's Meals within their local communities.

During 2019, close to 12,000 new donors joined our mission, although our overall income decreased by 5%

in the year to 31 December 2019 in comparison to the prior year. The reduction in income was primarily due to a combination of the receipt of a one-off significant donation from a family trust in 2018 which did not repeat in 2019 and the expected reduction in UK Government funding. This resulted from the conclusion during 2019 of a £5 million three-year funding grant from DFID and the subsequent transition to a new £2 million grant for a similar three-year period.

We remain grateful to our generous supporters for their response to our campaigns throughout the year – our appeal for Madagascar, World Porridge Day, our Christmas campaign, and particularly the conclusion of our three-month Double The Love campaign which ended in February 2019. All of this activity has led to strong growth in income from our grassroots supporter base, with an increase of just over £1 million in donations year-on-year, and 9,459 more individual gifts in 2019 than in 2018.

By the end of 2019 Mary's Meals fed
1,667,067
each school day



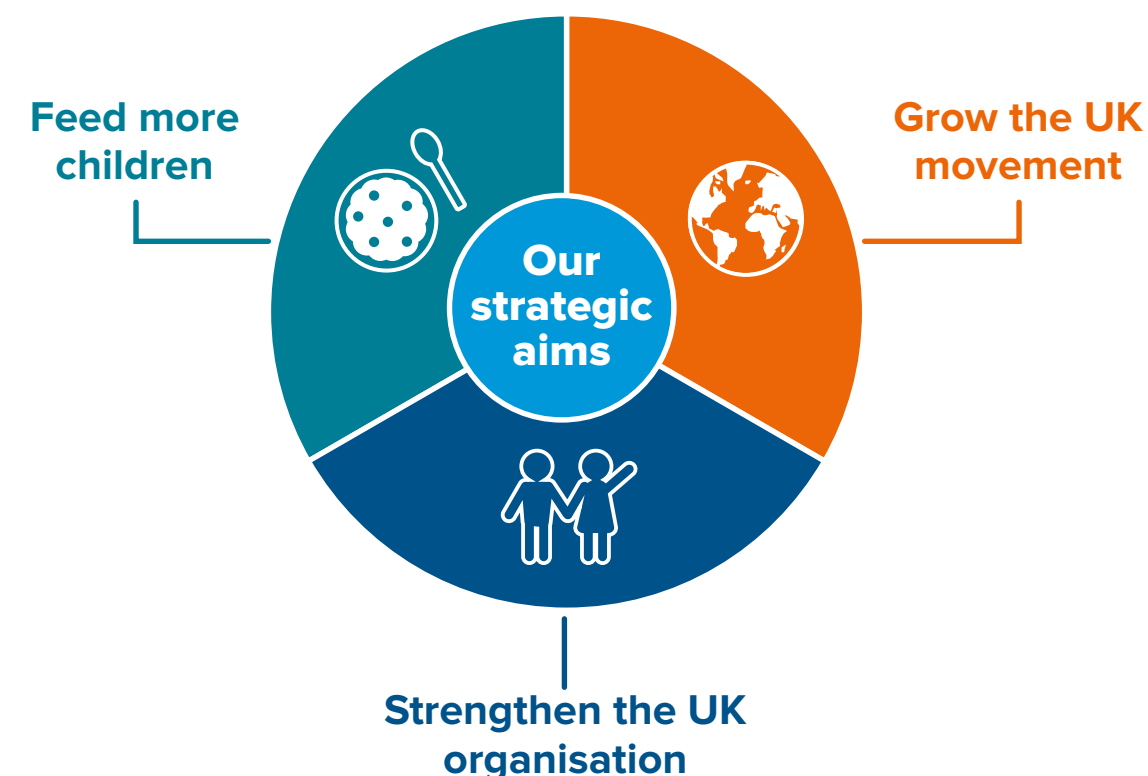
In addition to these campaigns, there was strong media coverage in 2019, including a beautiful double-page spread in the Guardian on the Liberia programme, three days of consecutive features in The Scottish Sun and a well reported story for World Porridge Day featuring Scotland's First Minister, Nicola Sturgeon.

Mary's Meals UK continued to secure support in 2019 through a number of strategic partnerships, including the UK Government, the Scottish Government and People's Postcode Lottery, and this continues to be a major part of our forward-looking strategy, as we seek to form meaningful alliances which generate broad awareness-raising and complement our grassroots focus.

As part of The Backpack Project, 37,432 backpacks donated by people across the UK were delivered to children in Malawi in 2019 and a further 8,423 backpacks

with an estimated value of £256,000 were held in stock at 31 December 2019 (for subsequently shipping to Malawi in early 2020). This project is a companion initiative to our school feeding programmes – 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.

Engaging with our grassroots supporters is critical to the continued growth of the organisation. During the year we successfully migrated existing supporter records to a new customer relationship management (CRM) system which will enable the organisation to make better use of technological advancements in continuing to communicate with both existing and new supporters in the most efficient and cost-effective manner.





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. During 2020, we will also finalise a new strategic plan for 2021 and beyond.

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.
- Maximise the potential of a new customer relationship management system, to ensure the most efficient management of relationships and meaningful engagement with supporters.
- Implement 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 2019, the total income of the charity was £15,713,209 (£14,378,984 excluding income from material aid). This is a decrease of 5% when compared to the previous period and can be substantially attributed to a year-on-year reduction in the level of institutional funding received from DFID following transition to a new funding arrangement. Once again, by far the greatest proportion – 87% (95% excluding income from material aid) – was received through voluntary income in the form of donations, grants, and Gift Aid. Income from grassroots supporters increased by just over £1 million in donations year-on-year, and we received 9,459 more individual gifts in 2019 than we did in 2018.

Throughout 2019, 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 income in 2019 of £582,020, which is included in the total income. The cost of generating this trading income during the year was £398,224 resulting in a net surplus of £183,796. Beyond cash income, our shops generate a significant amount of awareness for our work and recognition of our brand in local communities.

The total expenditure for the same period was £14,717,721 or £14,319,497 excluding trading expenditure. We spent £13,345,406 on our charitable activities, equalling 93.2% or 93p of every £1 of total expenditure (excluding trading costs). This matches our commitment to spend at least 93p of every £1 on our charitable activities.

During the year to 31 December 2019 there was a net income surplus of £933,852. The surplus arose primarily from timing differences associated with accrued legacy income. It also relates to the value of donated aid compared to the subsequent cash receipt and transfer

of surplus reserves to Mary's Meals International, that will take place in 2020 to support the delivery of programme feeding projects.

RESERVES POLICY AND GOING CONCERN

The reserves policy of the charity as at 31 December 2019 was to retain sufficient funds required to meet six months' running costs. On this basis, the charity would expect to hold minimum reserves of £1,269,931. The total reserves at 31 December 2019 were £2,606,698 of which £2,556,698 were unrestricted and £50,000 were restricted. The reserves surplus held at year-end therefore meets the reserves policy. The reserves held as at 31 December 2019 are higher than the prior year due to the levels of income recognition during 2019 for which the cash will be received in 2020 and the subsequent transfer of surplus reserves to Mary's Meals International to support programme delivery which will occur in 2020.

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.



As we moved into the first quarter of 2020, the global spread of Covid-19 had a profound impact on our school feeding programmes. To combat the spread of the virus, governments closed schools in the countries in which we operate – as a result it was not possible for us to provide a daily meal to children in their normal place of education.

Despite this challenge, through close collaboration with local governments and delivery partners, our programmes were adapted to allow the safe distribution of food for children to eat at home. By mid to late May, we were feeding almost all of the children across our global programme again – a clear demonstration of our determination to keep our promise to those children who had been receiving Mary's Meals.

At the same time, our supporters responded with kindness to the crisis and continue to give generously of their money, goods, skills, time, and prayer. While there has been changes to some traditional sources of fundraising income, we have adapted our UK calendar of fundraising and awareness to make the most of new online opportunities. The financial results in the early part of 2020 indicate that income has held up well and, coupled with controllable costs and sufficient cash reserves carried forward, keeps the organisation in a strong position through this period of uncertainty. A financial modelling exercise was undertaken to demonstrate and give reassurance that the level of reserves currently held is sufficient to sustain our operations for the foreseeable future.

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 easily 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. In November 2018, The Scottish Governance Code for the Third Sector was introduced. It sets out the core principles and key elements of good governance for the boards of charities, voluntary organisations and social enterprises in Scotland and is the first code to be produced specifically for Scotland's third sector, recognising the need for the sector to have its own principles of governance. The code sets out five core principles aimed at encouraging third sector organisations to look at, and improve, their governance. The five core principles are:

Principles	Purpose
Organisational purpose	A well-run board is clear about the purpose and values of the organisation and how it will achieve its aims.
Leadership	A well-run board is clear about its role and responsibilities and provides strategic direction in line with the organisation's purpose, vision and values.
Board behaviour	A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.
Control	A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.
Effectiveness	A well-run board understands its role, powers and duties and works collectively and proactively, to achieve its organisational purpose.

Although adoption of the code is not mandatory, the trustees of Mary's Meals UK have agreed to adopt it as a general governance standard and use it as a benchmark to ensure the board continues to challenge and strengthen its governance of the organisation. During 2020, the board has undertaken to follow a process of benchmarking, discussion and defining actions to be pursued in relation to each of the five principles.



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 quarterly 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 2019, Mary's Meals developed and invested in structures to enable expansion and better stewardship of our volunteer network and supporters. This saw the re-naming of Mary's Meals UK's departments to Communications, Supporter Engagement, Finance and Operations, and People. The Director of Development role in London (and the London team) were rolled into the remit of the Director of Supporter Engagement and Income to provide more cohesive UK stewardship of supporters and volunteers. The organisation's senior team provides leadership across the following functions:

- Communications: raising awareness of our work and overseeing all communications with supporters and the wider public in the UK.
- Supporter engagement: growing our volunteer networks and stewarding supporter relationships to enable people to support the organisation in line with our vision, mission and values.
- Finance and operations: providing support and ensuring the smooth day-to-day running of the organisation with responsibility for financial management, retail, material aid, information technology, facilities, and administration.
- People: providing human resources expertise, which greater enables the organisation to recruit, retain and empower our people – both staff and volunteers – to play their part in our mission.

During 2019, 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, is a key part of the framework which 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.

During the year, two new trustees, Father Frank Mulgrew and Emma Oddie, were appointed to the board, bringing the total number of trustees to seven. Their appointment further strengthens the capacity and expertise of the board, as it continues to provide the necessary level of governance and oversight.

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 2019 is included on page five 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 annual general meeting (AGM) held in 2019, Magnus MacFarlane-Barrow and David Leslie were duly re-elected. At the forthcoming AGM in 2020, John Fulton is 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.

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.

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 Mary’s Meals International 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.

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.

Current key risks and high-level mitigation strategies are outlined below.



The outbreak of Covid-19 has elevated the risk profile within Mary’s Meals UK and could increase the potential for some of our existing strategic risk themes to occur. This has been reflected in an increase in the scoring of some of our risk themes and underlying operational risks, particularly relating to our ability to adapt to local, national or international political or economic changes.

We are regularly reviewing these risks through our existing risk management and reporting arrangements to ensure we can continue to respond effectively as the situation evolves. This has included adding and monitoring the delivery of new mitigating actions we are taking in response to the Covid-19 pandemic.

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

Charles McGhee
Chair

Date: 25 June 2020



Independent auditor's 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 2019 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 2019 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 report, 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 22, 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 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.

RSM UK Audit LLP

Kelly Adams
Senior Statutory Auditor
For and on behalf of RSM UK Audit LLP

First Floor
Quay 2
139 Fountainbridge
Edinburgh, EH3 9QG

Date: 26 June 2020

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 2019

	Note	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Income from:							
Donations and legacies	4	11,711,636	3,282,154	14,993,790	11,299,799	4,595,400	15,895,199
Other trading activities	5	706,770	-	706,770	695,060	-	695,060
Investments		12,649	-	12,649	7,388	-	7,388
Total income		12,431,055	3,282,154	15,713,209	12,002,247	4,595,400	16,597,647
Expenditure on:							
Raising funds	6	(1,372,315)	-	(1,372,315)	(1,117,907)	-	(1,117,907)
Charitable activities	7-8	(9,993,702)	(3,351,704)	(13,345,406)	(12,012,511)	(4,696,852)	(16,709,363)
Total expenditure		(11,366,017)	(3,351,704)	(14,717,721)	(13,130,418)	(4,696,852)	(17,827,270)
Net income/(expenditure)		1,065,038	(69,550)	995,488	(1,128,171)	(101,452)	(1,229,623)
Other recognised gains							
Other (losses)/gains		(1,636)	-	(1,636)	48	-	48
Net movement in funds		1,063,402	(69,550)	993,852	(1,128,123)	(101,452)	(1,229,575)
Reconciliation of funds							
Total funds brought forward	18	1,493,296	119,550	1,612,846	2,621,419	221,002	2,842,421
Total funds carried forward	18	2,556,698	50,000	2,606,698	1,493,296	119,550	1,612,846

All amounts relate to continuing operations.

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


The notes on pages 31-43 form an integral part of these financial statements.

Balance sheet

as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	224,832	16,796
Current assets			
Stock	14	255,638	54,235
Debtors	15	1,292,144	953,746
Cash at bank and in hand		1,864,840	1,897,435
Total current assets		3,412,622	2,905,416
Liabilities			
Creditors: falling due within one year	16	(1,030,756)	(1,309,366)
Net current assets		2,381,866	1,596,050
Total assets less current liabilities	17	2,606,698	1,612,846
The funds of the charity:			
Restricted income funds	18-19	50,000	119,550
Unrestricted income funds	18-19	2,556,698	1,493,296
Total charity funds		2,606,698	1,612,846

The financial statements on pages 28-43 were approved and authorised for issue by the board of directors on 25 June 2020 and signed on its behalf by:



Charles McGhee
Chair

Statement of cash flows

for the year ended 31 December 2019

	2019 £	2018 £
Net cash inflow/(outflow) from operating activities	174,258	(644,662)
Cash flows from investing activities		
Investment income	12,649	7,388
Purchase of tangible fixed assets	(217,866)	(17,334)
Net cash provided by investing activities	(205,217)	(9,946)
Change in cash and cash equivalents in the reporting period	(30,959)	(654,608)
Cash and cash equivalents at the beginning of the period	1,897,435	2,551,995
Change in cash and cash equivalents due to exchange rate movements	(1,636)	48
Cash and cash equivalents at the end of the reporting period	1,864,840	1,897,435

Reconciliation of net movement in funds to net cash flows from operating activities

	2019 £	2018 £
Net income/(expenditure) for the reporting period	995,488	(1,229,623)
(Increase)/decrease in debtors	(338,398)	1,620,578
Investment income	(12,649)	(7,388)
Depreciation charge	9,830	6,024
Increase in stocks	(201,403)	(12,671)
Decrease in creditors/accruals	(278,610)	(1,021,582)
Net cash provided (used in) operating activities	174,258	(644,662)

Analysis of changes in net debt movement

	At 1 Jan 2019	Cash Flows	Foreign Exchange	At 31 Dec 2019
Cash and cash equivalents				
Cash	1,897,435	(30,959)	(1,636)	1,864,840

Notes to the financial statements

for the year ended 31 December 2019

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 2019) – 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 £993,852 (2018: deficit £1,229,623) for the year and at 31 December 2019 had net assets of £2,606,698 (2018: £1,612,846). As at 31 December 2019 it had net current assets of £2,381,866 (2018: £1,596,050).

The organisation’s activities and future plans are set out in the trustees’ annual report. The organisation has considerable financial resources and a wide and stable fundraising base. Amid the global Covid-19 pandemic, the charity has also chosen to prudently scale back planned recruitment activities during 2020. The trustees believe that the organisation is well placed to manage its business risks successfully despite the current uncertain economic outlook. A financial modelling exercise has been undertaken to demonstrate and give reassurance that the level of cash reserves held in instant access and short term notice accounts is sufficient to sustain operations for the foreseeable future, and for at least the next 12 months. The directors therefore believe it is appropriate that the going concern basis of accounting continues to be adopted in preparing the annual financial statements.

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.

Donated goods

Donated goods are received by the charity as goods for resale through the charity’s shops, textiles for recycling and donations of backpacks to support The Backpack Project in Malawi. The income generated from goods donated for resale through the charity shops and textile recycling is recognised as ‘income from other trading activities’. As it is impractical to assess the fair value of the donated goods due to the volume of low value items received, the income is not recognised in the financial statements until the donated goods are sold.

The income generated and equivalent expenditure for the donation of backpacks in support of The Backpack Project is recognised at fair value when the aid is transferred to Mary’s Meals International. The stock of backpack donations that have not been transferred as part of The Backpack Project by 31 December of each year is recognised as stock with the corresponding income recognised as the value of donated aid within donations.

Donated services

The value of donated services provided to the charity is recognised as income at their open market value in the period in which they are receivable and where the benefit can be reliably measured. An equivalent amount is included as expenditure in the Statement of Financial Activities except where the donated services are fixed assets. In this case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life of the asset in accordance with the tangible fixed asset and depreciation policy.

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 2019 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 £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Donations	6,921,812	1,263,694	8,185,506	6,289,484	1,300,907	7,590,391
Legacies	1,296,412	-	1,296,412	729,972	120,000	849,972
Grants and trusts	1,193,803	2,018,460	3,212,263	1,992,206	3,174,493	5,166,699
Tax reclaimed on Gift Aid	965,384	-	965,384	969,227	-	969,227
Value of donated aid	1,334,225	-	1,334,225	1,318,910	-	1,318,910
Totals	11,711,636	3,282,154	14,993,790	11,299,799	4,595,400	15,895,199

Donations	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Unrestricted	6,921,812	-	6,921,812	6,289,484	-	6,289,484
Malawi	-	841,106	841,106	-	769,450	769,450
Liberia	-	271,913	271,913	-	229,976	229,976
South Sudan	-	82,042	82,042	-	85,926	85,926
Kenya	-	16,264	16,264	-	8,186	8,186
Romania Homes	-	14,388	14,388	-	14,192	14,192
Haiti	-	12,106	12,106	-	13,434	13,434
Zambia	-	11,582	11,582	-	19,738	19,738
India	-	6,991	6,991	-	136,529	136,529
Madagascar	-	5,312	5,312	-	30	30
Ethiopia	-	1,180	1,180	-	4,695	4,695
Syria	-	390	390	-	4,647	4,647
Uganda	-	320	320	-	157	157
Thailand	-	56	56	-	30	30
Ecuador	-	29	29	-	14	14
Myanmar	-	15	15	-	115	115
East Africa Appeal	-	-	-	-	13,298	13,298
Middle East	-	-	-	-	250	250
Benin	-	-	-	-	240	240
Totals	6,921,812	1,263,694	8,185,506	6,289,484	1,300,907	7,590,391

4. Donations and legacies (continued)

Legacies	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Unrestricted	1,296,412	-	1,296,412	729,972	-	729,972
Malawi	-	-	-	-	100,000	100,000
South Sudan	-	-	-	-	20,000	20,000
Totals	1,296,412	-	1,296,412	729,972	120,000	849,972

Grants and trusts	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Unrestricted	1,193,803	-	1,193,803	1,992,206	-	1,992,206
Malawi	-	792,535	792,535	-	759,806	759,806
Malawi DFID grant	-	386,819	386,819	-	1,275,063	1,275,063
Zambia	-	91,261	91,261	-	63,200	63,200
Zambia DFID grant	-	370,701	370,701	-	305,922	305,922
Kenya	-	169,728	169,728	-	205,728	205,728
Ethiopia	-	152,700	152,700	-	3,700	3,700
Liberia	-	45,266	45,266	-	72,260	72,260
South Sudan	-	6,750	6,750	-	308,850	308,850
Madagascar	-	1,350	1,350	-	1,850	1,850
Uganda	-	1,350	1,350	-	1,850	1,850
Haiti	-	-	-	-	119,458	119,458
India	-	-	-	-	54,926	54,926
Myanmar	-	-	-	-	973	973
Thailand	-	-	-	-	807	807
Syria	-	-	-	-	100	100
Totals	1,193,803	2,018,460	3,212,263	1,992,206	3,174,493	5,166,699

5. Other trading activities

	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Shops	466,663	-	466,663	453,140	-	453,140
Recycling	115,357	-	115,357	152,440	-	152,440
Collections	2,168	-	2,168	2,430	-	2,430
Raffles	18,695	-	18,695	24,238	-	24,238
Value of donated property services	31,967	-	31,967	-	-	-
Value of donated van lease	2,449	-	2,449	-	-	-
Miscellaneous	69,471	-	69,471	62,812	-	62,812
Totals	706,770	-	706,770	695,060	-	695,060

6. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Fundraising	974,091	-	974,091	782,154	-	782,154
Trading	398,224	-	398,224	335,753	-	335,753
Totals	1,372,315	-	1,372,315	1,117,907	-	1,117,907
Fundraising analysis by cost						
Employee costs	717,754	-	717,754	522,724	-	522,724
Property costs	31,768	-	31,768	17,970	-	17,970
Travel costs	15,815	-	15,815	24,435	-	24,435
Administration	205,101	-	205,101	215,100	-	215,100
Depreciation	3,653	-	3,653	1,925	-	1,925
Totals	974,091	-	974,091	782,154	-	782,154
Trading analysis by cost						
Purchases for resale	9,250	-	9,250	4,938	-	4,938
Employee costs	236,955	-	236,955	194,046	-	194,046
Property costs	121,073	-	121,073	116,942	-	116,942
Travel costs	22,120	-	22,120	11,007	-	11,007
Administration	6,554	-	6,554	7,112	-	7,112
Depreciation	2,272	-	2,272	1,708	-	1,708
Totals	398,224	-	398,224	335,753	-	335,753

7. Charitable activities – by fund type

	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Raising awareness	652,566	-	652,566	465,391	-	465,391
Governance	69,193	-	69,193	58,042	-	58,042
Backpacks and shipped aid	1,400,572	-	1,400,572	1,540,700	-	1,540,700
Programme expenditure	7,871,371	3,351,704	11,223,075	9,948,378	4,696,852	14,645,230
Total charitable activities	9,993,702	3,351,704	13,345,406	12,012,511	4,696,852	16,709,363

Raising awareness analysis by cost						
Employee costs	542,816	-	542,816	377,337	-	377,337
Property costs	17,370	-	17,370	16,374	-	16,374
Travel costs	30,644	-	30,644	10,201	-	10,201
Administration	59,701	-	59,701	60,689	-	60,689
Depreciation	2,035	-	2,035	790	-	790
Totals	652,566	-	652,566	465,391	-	465,391

Governance analysis by cost						
Employee costs	40,335	-	40,335	27,793	-	27,793
Travel costs	774	-	774	1,146	-	1,146
Administration	1,466	-	1,466	5,160	-	5,160
Auditor's remuneration	13,459	-	13,459	11,329	-	11,329
Legal fees	-	-	-	-	-	-
Bank charges	10,907	-	10,907	12,604	-	12,604
Governance costs	2,197	-	2,197	-	-	-
Depreciation	55	-	55	10	-	10
Totals	69,193	-	69,193	58,042	-	58,042

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

	Shipping £	Aid £	2019 totals £	Shipping £	Aid £	2018 totals £
Aid shipped to Malawi	-	1,140,485	1,140,485	-	1,313,995	1,313,995
Backpacks carriage costs	24,149	-	24,149	21,026	-	21,026
Support costs (see Note 8)	-	235,938	235,938	-	205,679	205,679
Totals	24,149	1,376,423	1,400,572	21,026	1,519,674	1,540,700

8. Analysis of support costs

	Unrestricted funds £	Restricted funds £	2019 totals £	Unrestricted funds £	Restricted funds £	2018 totals £
Employee costs	153,579	-	153,579	129,016	-	129,016
Property costs	54,262	-	54,262	57,055	-	57,055
Travel costs	13,195	-	13,195	5,757	-	5,757
Administration	13,087	-	13,087	12,260	-	12,260
Depreciation	1,815	-	1,815	1,591	-	1,591
Totals	235,938	-	235,938	205,679	-	205,679

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

	2019 £	2018 £
Depreciation and other amounts written off tangible fixed assets	9,830	6,024
Operating lease rentals	140,822	143,652
Auditor's remuneration	10,000	9,570
Loss/(Gain) on foreign currencies	1,636	(48)

10. Employees

Employment costs	2019 £	2018 £
Wages and salaries	1,447,348	1,051,218
Social security costs	100,888	95,001
Other pension costs	109,133	69,634
Totals	1,657,369	1,215,853

Number of employees	2019 £	2018 £
Monthly average	Number	Number
Support	4	4
Fundraising	22	17
Shops and recycling	9	8
Raising awareness	16	11
Governance	1	1
Totals	52	41

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	2019 £	2018 £
Wages and salaries	388,843	331,426
Social security costs	42,730	37,832
Other pension costs	32,297	22,867
Totals	463,870	392,125

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

	2019	2018
	Number	Number
£60,000-£70,000	1	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 £109,133 (2018: £69,634). At 31 December 2019, an amount of £1,026 was accrued in the financial statements (2018: £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

	Leasehold property £	Plant and machinery £	Fixtures fittings and equipment £	Motor vehicles £	Computer equipment £	totals £
Cost						
At 1 January 2019	6,083	2,919	50,041	35,223	29,727	123,993
Additions	83,887	31,028	42,286	-	60,665	217,866
Disposals	-	-	-	-	-	-
At 31 December 2019	89,970	33,947	92,327	35,223	90,392	341,859
Depreciation						
At 1 January 2018	6,083	2,291	48,992	27,776	22,055	107,197
Charge for the year	-	600	178	3,943	5,109	9,830
Released on disposal	-	-	-	-	-	-
At 31 December 2019	6,083	2,891	49,170	31,719	27,164	117,027
Net book value						
At 31 December 2019	83,887	31,056	43,157	3,504	63,228	224,832
At 31 December 2018	-	628	1,049	7,447	7,672	16,796

14. Stocks and work in progress

	2019 £	2018 £
Stocks	255,638	54,235

15. Debtors

	2019 £	2018 £
Prepayments and accrued income	1,288,769	950,371
Other debtors	3,375	3,375
Totals	1,292,144	953,746

16. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	96,364	23,371
Taxation and social security	42,351	28,230
Accruals and deferred income	887,934	1,256,688
Other creditors	4,107	1,077
Totals	1,030,756	1,309,366

17. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2019 total funds £	2018 total funds £
Tangible assets	224,832	-	224,832	16,796
Current assets	3,262,622	50,000	3,412,622	2,905,416
Current liabilities	(1,030,756)	-	(1,030,756)	(1,309,366)
Totals	2,556,698	50,000	2,606,698	1,612,846

18. Unrestricted and restricted funds

	At 1 Jan 2019 £	Incoming resources £	Outgoing resources £	Gain on currency revaluation £	At 31 Dec 2019 £
Unrestricted funds	1,493,296	12,431,055	(11,366,017)	(1,636)	2,556,698
Restricted funds	119,550	3,282,154	(3,351,704)	-	50,000
Totals	1,612,846	15,713,209	(14,717,721)	(1,636)	2,606,698

19. Restricted funds

	At 1 Jan 2019 £	Incoming resources £	Outgoing resources £	At 31 Dec 2019 £
Malawi	74,844	1,633,640	(1,658,484)	50,000
Malawi DFID grant	-	386,819	(386,819)	-
Zambia	-	102,843	(102,843)	-
Zambia DFID grant	-	370,701	(370,701)	-
Liberia	-	317,179	(317,179)	-
Kenya	-	185,992	(185,992)	-
Ethiopia	-	153,880	(153,880)	-
South Sudan	-	88,792	(88,792)	-
Romania Homes	-	14,388	(14,388)	-
Haiti	-	12,106	(12,106)	-
India	42,926	6,991	(49,917)	-
Madagascar	-	6,663	(6,663)	-
Uganda	-	1,670	(1,670)	-
Syria	-	390	(390)	-
Thailand	807	56	(863)	-
Ecuador	-	29	(29)	-
Myanmar	973	15	(988)	-
Totals	119,550	3,282,154	(3,351,704)	50,000

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 2019 the charity had annual commitments under non-cancellable operating leases as follows:

Rental Leases	2019 £	2018 £
Expiry date		
Within one year	89,935	108,600
Between one and five years	176,571	381,958
In more than five years	-	30,000
Totals	266,506	520,558

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 £109,133 (2018: £69,634). At 31 December 2019, an amount of £1,026 was accrued in the financial statements (2018: £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 2019 financial year, budgeted reserves are £1,269,931. 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

The impact of Covid-19 globally after the year end has necessarily caused some disruption to the ways in which our supporters can raise funds and awareness for Mary's Meals. This has been most evident in our retail operations (which have temporarily ceased in line with government guidelines) and in the greatly reduced number of grassroots fundraising activities due to social distancing rules. However, the organisation has rapidly adapted its approach, through greater use of digital technology, to remain closely connected with supporters. Financial results in the early months of 2020 indicate that our fundraising income has held up well, meaning no financial impact on these statements. However, there remains some uncertainty about the longer-term outlook. The financial statements have, however, been prepared on a going concern basis, in view of our diverse income base, controllable costs and strong reserves position.

24. Trustees and related parties

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 2019.

During the year £854 of directors' travel expenses was paid (2018: £nil).

25. 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.



School + Food = Hope

Mary's Meals

(A company limited by guarantee)

Charity number: SC022140

Company number: SC265941

mary's
meals

a simple solution
to world hunger