

MARY'S MEALS UK ANNUAL REPORT 2020



Mary's Meals
(A company limited by guarantee)

**Trustees' annual report
and financial statements**

For the year ended 31 December 2020

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 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
Emma Oddie
Ishbel Smith

Secretary

Ishbel Smith

Executive Director

Daniel Adams

Independent auditors

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First Floor, Quay 2
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Bankers

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88 Main Street
Glasgow, G73 2JA

Bank of Scotland
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Glasgow, G2 8BU

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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



Who we are

In 2002, our founder Magnus MacFarlane-Barrow visited Malawi during a time of terrible famine and met a mother of six young children, Emma, who was tragically dying from AIDS. When Magnus asked her eldest son, Edward, what his dreams were in life, he replied simply: “To have enough food to eat and to be able to go to school one day.”

And so, inspired by Edward’s moving words, Mary’s Meals was born; in that first year we provided nutritious meals to a group of 200 children every day they attended school in Malawi.

Since then, we have witnessed the amazing impact that providing a daily meal at school can have – by changing the lives of children and their communities in a powerful way – enabling a whole generation of children who have grown up to provide for their own families, communities and countries.

Almost 20 years since that first meal was lovingly served, we are now feeding 1,838,859 hungry children every school day in 19 countries around the world including Ethiopia, Haiti, India, Kenya, Lebanon, and Madagascar.

As a volunteer-centred organisation, we partner with local communities to attract children into school with the promise of a nutritious meal, so that instead of begging, working or searching for food, students can concentrate on their lessons and look towards a future free from poverty.

In schools where Mary’s Meals are served, our research shows that hunger is reduced, enrolment increases, attendance improves, drop-out rates fall, absences dwindle, parents are less anxious, and children are happier.

As this annual report demonstrates, our work simply would not be possible without the kindness and generosity of people in the UK who share our belief in the transformative power of a meal at school.

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

- 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.
- To raise awareness in the UK and worldwide of poverty issues through education.

Our year in numbers



We raised a total income of
£16.5 million to support hungry children.

An additional
171,792 children
began to receive our
life-changing meals.



56 new volunteer
groups were
created across
the country.



1,838,859 children
were receiving Mary's Meals by the end of
the year, with an estimated 836,984 of this
total made possible by UK supporters.

A message from the Chair and Executive Director



Charles McGhee
Chair



Daniel Adams
Executive Director

We are delighted to present the 2020 annual report for Mary's Meals UK. It fills us with great joy to report that, at the end of 2020, Mary's Meals was feeding 1,838,859 children every school day in 19 countries around the world. This included children in a new country, Niger, and more children in existing programme countries such as Madagascar, South Sudan, Zambia and Zimbabwe.

This simply could not have been possible without the support of people across the UK who contribute to our mission through so many little acts of love in offering financial donations, prayer, time and goods. Their unwavering commitment through 2020 touches our hearts, as we know many of our supporters faced their own sadness, upheaval and financial hardship.

In the year that the Covid-19 pandemic affected all our lives, together we raised an incredible £16.2 million in cash income to feed hungry children in the world's poorest countries – an increase of 13% from 2019's cash income. When factoring in the value of material aid donated as part of The Backpack Project, total income for 2020 was £16.5 million. This means that, by the end of 2020, we had transferred £13.3 million to Mary's Meals International (MMI – the organisation in the Mary's Meals family responsible for managing our programmes) with the UK supporter base responsible for feeding an estimated 836,984 of the more than 1.8 million children enrolled in our global school feeding programme.

This is a remarkable result considering the many challenges created by the pandemic. Almost overnight, schools across the world closed and homes became places of learning. We quickly developed innovative new ways of working to ensure that children were not deprived of what can be the only food they receive in a day. We were fuelled by the determination that our work would not stop – we had to keep our promise to all the children receiving Mary's Meals.

Working alongside local communities and governments, our staff teams and volunteers began distributing meals as home rations, adhering carefully to hygiene and social

distancing measures to ensure safety. This included supplying soap and hygiene information to families to help prevent the spread of the virus. We are delighted to say that we were soon reaching all the children in our programme again with Mary's Meals, whether at home or at school.

The role of Mary's Meals in the UK is to share our story of hope with as many people as possible. The pandemic had a huge impact on our usual fundraising and communication efforts – stopping many of our usual activities that make up the core of our work. Once again, we simply couldn't accept that our work would halt and again we adapted and innovated. The pandemic created opportunities to try new forms of outreach, particularly online, many of which were successful and will now take a permanent place in our calendar.

Our volunteers also embraced digital technology. These wonderful people are responsible for growing support for Mary's Meals in their local communities. It filled us with such hope to hear that, rather than being cancelled, the talks normally taking place in churches, schools and clubs were moving online! We are very grateful to all who stepped out of their comfort zone to share our story in 2020.

We ended the year on a high with our Double The Love campaign (November 2020 to January 2021). This £2 million match funding campaign, run in partnership with the UK Government, played a significant role in raising funds and growing awareness of Mary's Meals across the UK. As a result of the campaign a total of 8,649 new people were added to our database (with 7,329 of this number donating too) – people we now consider to be part of our Mary's Meals family.

Our strategic plan for 2018-2020 has now successfully concluded and we are pleased to report the board of trustees' acknowledgement of the strong progress made. We worked closely with our colleagues in MMI on a new global plan for 2021-2023 which outlines the aspiration of the Mary's Meals family to be capable of serving three million children by the end of that period. In support of



this global strategy, we have created a bespoke UK strategic plan for the same time period – This Precious Gift. This process has taken place alongside continuing work to strengthen our board. We completed a governance review in 2020, which has included formally adopting the principles of the Scottish Governance Code for the Third Sector.

As we look to a future where we can reach even more children, it is incredible to think that almost 20 years ago Mary's Meals began by feeding just 200 children in Malawi. We will never stop believing in the goodness of all those who share so much with others who lack the most basic things, who work alongside us to reach the next child waiting for Mary's Meals. We are determined to meet that kindness with good stewardship of each gift we receive and are committed to ensuring 93% of all our income goes towards our charitable activities. In 2020, we are overjoyed to share that this number was 94.2%.

We thank all those who believe, as we do, in the transformative power of a meal at school. Even before this pandemic, we knew that globally 59 million primary school-age children miss school because of poverty and millions more attend class too hungry to concentrate. As the impact of Covid-19 continues to cause uncertainty and suffering in the countries where we work, we see there is so much more to do. Yet, we are undaunted. As we look ahead to 2021, we do so with the certainty that a brighter future is possible for the world's poorest communities because of our love for the hungry child and our confidence in the generosity of those who stand with us as part of this global movement.



Charles McGhee

Charles McGhee
Chair

Daniel Adams

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 2020. The trustees who served during the period covered are set out on page three.

Strategic report:

Feeding children during a global pandemic

Overview

By the end of 2020, we were reaching an incredible 1,838,859 children with a serving of Mary's Meals every school day. This means that, as well as keeping our promise to the 1,667,067 children we were feeding at the end of 2019, an additional 171,792 little ones began to receive our life-changing meals.

We achieved this by growing our programmes in countries including Madagascar, South Sudan, Zambia and Zimbabwe. We expanded to reach children in a new country, Niger – one of the world's poorest and least developed countries. Here our meals are served as part of prison education programmes, giving extremely vulnerable children both vital nourishment and a chance to learn.¹

The impact of Covid-19 caused great disruption to our programmes, with schools closing abruptly and more than 1.6 million children suddenly without the daily meal they would normally receive at school. Our staff teams worked quickly and with great determination, alongside local communities, governments and leaders, to switch our model to providing home rations. Adhering to safety measures, such as social distancing, was key and an increased focus was placed on handwashing and the provision of soap to help prevent the spread of the virus.

At the same time, a campaign was launched for supporters called Our Work Won't Stop. This highlighted the difficulties caused by the pandemic and appealed for help to keep our promise to all those children enrolled in our school feeding programme. Despite the challenges faced by people in their own lives, there was an outpouring of love for the hungry children we feed each day, shown through the offer of prayers, donations and time. For each and every gift received we are extremely grateful.



Before long, all the children in our programme were receiving their daily meals once more, whether at home or at school – an incredible testament to the solidarity and commitment of all those in the Mary's Meals global movement.

This support means that the year ended 31 December 2020 saw a total increase of £1.85 million in cash income year-on-year from 2019 (13% increase) with a total cash income result in the UK of £16.2 million. We received 21,054 more donations than in 2019 and the number of people opting in to receive updates about our work increased by 18%.

Funds transferred to Mary's Meals International from UK supporters ended the year at £13.3 million, which is 19% (or £2.1 million) higher than transfers to MMI in 2019.

In total, in 2020, an estimated 836,984 of the 1,838,859 children receiving Mary's Meals in their place of education did so because of donations from the UK supporter base.

This strategic report further details how we adapted throughout 2020 to overcome the challenges caused by the Covid-19 pandemic to reach more hungry children with Mary's Meals than ever before.

1. Further details of developments in Mary's Meals' programmes during 2020 can be found in Mary's Meals International's annual report, available at marysmeals.org

Spreading the word

The role of Mary's Meals in the UK is to enable people from England, Northern Ireland, Scotland and Wales to join our mission. Through volunteer networks, churches, schools, companies, universities and many more community-led activities, we have the great privilege of witnessing the extraordinary beauty of our supporter movement in action every single day.

Many of the fundraising and communications activities that make up the core of our work were stopped temporarily in 2020 due to restrictions caused by the pandemic.

We responded by embracing digital technology and creating a suite of new tools to help us spread the word. These included:

- Video messages for churches to share with their congregations.
- Digital gifts to buy for loved ones.
- New Facebook and YouTube channels specifically for UK supporters.
- Live online supporter events called Family Hour.
- Virtual training and engagement sessions for community volunteers.
- Socially-distanced photo opportunities for media.

While we look forward to 'in person' activities resuming again soon, we also recognise the value of these new tools and will continue to build on our digital outreach once restrictions around the pandemic have eased.

In addition to launching these tools, we made many adaptations to our planned activities. For example, we had hoped to show Love Reaches Everywhere, our film starring actor Gerard Butler, in local communities up and down the country, but instead we made it available online and asked our supporters to share with friends and family.

Our campaigns across the year – such as Together With Turkana, Mums Make Mary's Meals, and Christmas – were supported by considerable media coverage and with the involvement of celebrities, such as The Proclaimers, Mark Beaumont and chefs Tom Kitchin, Gary Maclean and Nick Nairn. Judy Murray also promoted Mums Make Mary's Meals and fronted a successful BBC Radio Four appeal on behalf of the charity. We are grateful to all those well-known people who gifted us access to their fan base in 2020 to help feed hungry children.

The year ended with Double The Love – our campaign in partnership with the UK Government. The £2 million

match funding appeal took place from November 2020 to January 2021 and helped to generate significant interest in the charity's work, creating more than 29 million opportunities to view the campaign across a range of communications channels. Nine carefully chosen communications partners, including My Weekly, The Scottish Sun and The Sunday Post, helped to generate awareness of Double The Love, with the value of this pro bono activity estimated as more than £145,000.

During the campaign, a total of 8,649 new people were added to our database with 7,329 of this number making a donation. Almost 400 supporters signed up to become regular givers and 54 existing Direct Debit donors increased their donations.

Support for our work

It simply would not have been possible for us to grow our movement in such a difficult year without the continued support of our grassroots community – the individuals, churches, community groups and schools who share our vision of providing a daily meal in a place of education to every child who needs it.

Normally we would meet our supporters and volunteers throughout the year in person but were unable to do so. Our four live online supporter events across the year enabled us to keep in touch with people and invite others to find out about our work. They featured members of the Mary's Meals family from programme countries and celebrity supporters such as Judy Murray and Gary Maclean. Collectively, our Family Hours were viewed almost 8,000 times.

Our grassroots support has enabled us to grow our mission to reach new supporters and, in 2020, more than 13,500 new donors joined our mission by giving a financial gift for the first time.

In addition, we benefited from substantial assistance from the business community, trust funds and public funds. This included rent relief from some landlords, business support grants and the use of the UK Government Job Retention Scheme to furlough a small group of staff members (primarily in our shops) who, because of the nature of their role, were unable to work from home.

Throughout 2020 we continued to focus on growing our commercial partnerships and relationships with key funders to complement our grassroots focus. This included support from new partners as well as ongoing support from others including The Scottish Government, People's Postcode Lottery, and Tilda UK.

Volunteers – the heartbeat of our mission

Through the pandemic, we are grateful to all our volunteers who, despite their own challenges, have continued to offer their support in so many ways. Volunteers are the heartbeat of our mission, with 80,000 in Malawi alone, who rise with the sun to cook meals for the children in their communities.

In this last year we have seen the number of UK volunteers reduce on paper as we undertook an important project to comprehensively update our volunteer records. This process has allowed us to better identify active volunteers and to create 56 new volunteer groups across the country, developing virtual training sessions and an online hub to inform and support them. These groups will bring people together to share our story and organise events in their communities when possible.

Impact on retail and material aid

In 2020 the pandemic had an immense impact on the trading and recycling part of the charity, with all seven of our shops in Scotland closed for most of the year and few community textile collections possible. The impact of the pandemic also contributed to the permanent closure of our Barrhead shop, leaving six shops able to operate as pandemic restrictions allow.

When the value of material aid donated as part of The Backpack Project is included in our overall income for 2020, total income was £16.5 million, representing a 5% overall increase on the prior year (2019: £15.7 million).

Trading and recycling income in 2020 was £220,000 – 64% less than in 2019, when income was £582,000. An important part of our work is collecting backpacks for children in Malawi – filled with items to assist the children's education by our kind-hearted supporters. The pandemic prevented us from sending as many containers as in 2019 – therefore, total income from material aid reduced from £1.3 million in 2019 to £332,000 in 2020.

Our resilient team

Our offices closed in March 2020 as the severity of the pandemic became clear. Our staff team showed great resilience and learned new skills to ensure that working from home continued to be productive. This experience encouraged us to review our practices and it has been decided that, beyond the pandemic, we will offer a blended working model to retain the benefits of homeworking, while ensuring we have regular opportunities to meet in person.

This will mean working a minimum of two days a week in the office for those near our workspaces (in Dalmally,

Glasgow and London) to allow for collaboration and face-to-face meetings. The remainder of the week can be spent working elsewhere to allow time for focused work. This model reflects the emphasis in our values of supporting family life by ensuring the work/life balance of our people is healthy. It is also our strong view that it will lead to good staff retention and act as an incentive when recruiting, while – as observed during the pandemic – delivering high productivity levels.



Strengthening our governance

Our strategic plan for 2018-2020 has concluded and we have made great headway against several key performance indicators in 2020 specifically, such as a 10% increase in regular donors and a supporter care satisfaction level of 94%.

A new strategic plan for 2021-2023 has been produced. We worked closely with our colleagues in MMI on the global plan, The Next Child, which outlines the aspiration of the Mary's Meals family to be capable of serving three million children by the end of 2023. We also created a bespoke UK plan, This Precious Gift, in support of the global strategy, but tailored for the UK context.

During the pandemic our trustees ensured that all usual governance meetings and activities were not disrupted and instead were carried out online. The board's work also included a governance review throughout 2020, following the adoption of the Scottish Governance Code for the Third Sector. This has included assessing the board's standing against the five core principles set out in the code: Organisational Purpose, Leadership, Board Behaviour, Control and Effectiveness (see page 14). Feedback from this exercise has been used to create an action plan for the board, which prioritises taking part in diversity and inclusion training and broadening its skills base and membership in 2021.

Our plans for the future

Following the conclusion of our strategic plan 2018-2020, we have developed a new plan for 2021-2023, This Precious Gift.

This document outlines what we intend to do to celebrate and steward the precious gift of Mary's Meals in the UK over the next three years, so that we can continue to successfully make – and grow – our important contribution to the global Mary's Meals mission.

Our first priority, as ever, is to keep our promise to provide a daily meal at school for the 1,838,859 children already enrolled in our programmes. With 59 million primary school-age children out of school around the world we will also continually strive to reach the next child waiting for Mary's Meals. The global Mary's Meals family aspires to be capable of serving three million children every school day by the end of 2023 and UK supporters will play a crucial role in achieving this goal.



Our strategic aims

Global strategic aim 1
Feed more children



UK strategic aim 1
Proclaim our stories

The list of schools waiting to receive our meals is long. Mary's Meals UK is passionately driven to play its part in feeding many more little ones and we are determined to give voice to the stories of the children, communities, volunteers and supporters involved in this work – so that everyone across the UK may come to know the abundant love, joy and hope flowing through this worldwide and life-changing mission.



Global strategic aim 2
Grow the movement



UK strategic aim 2
Nurture our communities

We have overwhelming and enduring experience of the innate goodness of people. Mary's Meals UK is committed to building an organisation which is increasingly capable of inviting as many individuals, organisations and local communities as possible to share in this mission; and which can encourage, help multiply and effectively steward the many little acts of love generously poured out by our supporters.



Global strategic aim 3
Strengthen the organisation



UK strategic aim 3
Deepen our connections

We believe that the way we do this work is as important as its end results. Mary's Meals UK is dedicated to nurturing an organisational structure and culture which puts our deeply held values at the heart of everything we do; draws strength and inspiration from our origins; gladly relies on God's providence; excludes no-one; and prioritises building meaningful and long-lasting relationships with everyone involved in our work.



Our financial performance

Financial review

For the year to 31 December 2020, the total income of the charity was £16,532,924. This is an increase of 5% when compared to the previous period and can be attributed to a year-on-year increase in the number and value of donations received across all categories of income with 97% (99% excluding income from material aid) received through voluntary income in the form of donations, grants, and Gift Aid. Income from grassroots supporters increased by just over £1.3 million in donations year-on-year, and we received 21,044 more individual gifts in 2020 than we did in 2019.

Throughout 2020, we operated up to 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 2020 of £210,281, which is included in the total income. The cost of generating this trading income during the year was £442,137, resulting in a net deficit of £231,856. This decline in performance is attributable to the closure of all retail shops for most of the year due to Covid-19 restrictions, together with a significant reduction in footfall when shops were able to open. Beyond cash income, our shops generate a significant amount of awareness for our work in local communities.

The total expenditure for the same period was £16,431,499 or £15,989,362 excluding trading expenditure. We spent £15,062,292 on our charitable activities, equalling 94.2% or 94p of every £1 of total expenditure (excluding trading costs). This honours our commitment to spend at least 93p of every £1 on our charitable activities.

During the year to 31 December 2020 there was a net income surplus of £101,408. The surplus arose primarily from timing differences associated with accrued income at the end of the year and the subsequent cash receipt and transfer of surplus reserves as expenditure to Mary's Meals International, that will take place in 2021 to support the delivery of our school feeding programmes.

Reserves policy and going concern

The reserves policy of the charity at 31 December 2020 was to retain sufficient funds required to meet six months' running costs. On this basis, the charity would expect to hold minimum reserves of £1,507,577. The total reserves at 31 December 2020 were £2,708,106 of which £2,658,106 were unrestricted and £50,000 were restricted. The reserves surplus held at year-end therefore meets the reserves policy. The reserves held at 31 December 2020 are higher than the prior year. This is due to the levels of income recognition during 2020 – for which the cash will be received in 2021 – and the subsequent transfer of surplus reserves as expenditure to Mary's Meals International to support programme delivery which will occur in 2021.

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.

The financial results in the early part of 2021 indicate that income has held up well and, coupled with controllable costs and sufficient cash reserves carried forward, the organisation is in a strong position despite 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, MMUK 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 delivering our programmes.

While the financial impact of this support 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.





Our structure, governance and management

Governance

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. It 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.

Although the code is not mandatory, Mary's Meals UK board members 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 undertook a process of benchmarking, discussion and defining actions to be pursued in relation to each of the five core principles.

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.

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 regularly to ensure that members have the necessary skills, expertise and shared vision to govern the charity. A budget is set annually and submitted to the directors for approval.

The audit, risk and remuneration committee, which was established as a sub-committee of the board in 2017, meets 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.

The organisation's senior team provides leadership across the following functions:

- **Communications:** raising mass awareness of our work and overseeing all communications with supporters and the wider public in the UK.
- **Supporter engagement and income:** 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.

A safeguarding committee reports directly to the senior leadership team and ultimately 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.

Our directors/trustees

As set out in the Articles of Association, the maximum number and minimum number of directors may be determined from time to time by ordinary resolution (a majority vote of board trustees). This means there is no maximum number of directors and the minimum number of directors is three. New directors are thoroughly vetted prior to any appointment. Every person who expresses

an interest in becoming a board member submits an application for membership, with the directors approving any appointment.

Board members 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. Board members 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 2020 is included on page three of this report.

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 2020, John Fulton was duly re-elected. At the forthcoming AGM in 2021, Charles McGhee and Ishbel Smith are due to retire.

Approach to remuneration

The board members consider the board of directors and the senior management team to be the key management personnel of the charity, in charge of directing 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 MMUK 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 difference 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, such as flexible working and access to an employee assistance programme.

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 liability insurance for its directors and officers throughout the financial year.

Risk management

The trustees have overall responsibility for ensuring that MMUK 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.
- 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:

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 or economic 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, in so far 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.
Manage risk associated with the 2020/2021 Covid-19 pandemic.*	Carefully monitor the impact of the Covid-19 pandemic across all areas of the charity's work and focus on continued learning and adaptation as the situation evolves.

*This has been added to our risk management tool on a temporary basis.

The Covid-19 pandemic has elevated the risk profile within MMUK 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 review these risks regularly 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 Statement of Recommended Practice (SORP).
- Make judgements 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.
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable auditor is unaware.
- 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

Date: 13 May 2021

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 2020 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 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 or 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 17, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of

irregularities, including any known actual, suspected or alleged instances of fraud;

- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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 CA MA (Hons)
Senior Statutory Auditor
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
First Floor, Quay 2
139 Fountainbridge
Edinburgh, EH3 9QG
Date: 17 May 2021

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

Statement of financial activities

(incorporating the income and expenditure account)
for the year ended 31 December 2020

	Note	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Income from:							
Donations and legacies	4	13,214,033	2,984,545	16,198,578	11,711,636	3,282,154	14,993,790
Other income	5	95,472	-	95,472	-	-	-
Other trading activities	6	233,717	-	233,717	706,770	-	706,770
Investments		5,157	-	5,157	12,649	-	12,649
Total income		13,548,379	2,984,545	16,532,924	12,431,055	3,282,154	15,713,209
Expenditure on:							
Raising funds	7	(1,369,207)	-	(1,369,207)	(1,372,315)	-	(1,372,315)
Charitable activities	8-9	(12,077,747)	(2,984,545)	(15,062,292)	(9,993,702)	(3,351,704)	(13,345,406)
Total expenditure		(13,446,954)	(2,984,545)	(16,431,499)	(11,366,017)	(3,351,704)	(14,717,721)
Net income/(expenditure)		101,425	-	101,425	1,065,038	(69,550)	995,488
Other recognised gains							
Other (losses)		(17)	-	(17)	(1,636)	-	(1,636)
Net movement in funds		101,408	-	101,408	1,063,402	(69,550)	993,852
Reconciliation of funds							
Total funds brought forward	19	2,556,698	50,000	2,606,698	1,493,296	119,550	1,612,846
Total funds carried forward	19	2,658,106	50,000	2,708,106	2,556,698	50,000	2,606,698

All amounts relate to continuing operations.

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

The notes on pages 23-37 form an integral part of these financial statements.

Balance sheet

as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	191,728	224,832
Current assets			
Stock	15	-	255,638
Debtors	16	1,254,021	1,292,144
Cash at bank and in hand		2,680,711	1,864,840
Total current assets		3,934,732	3,412,622
Liabilities			
Creditors: falling due within one year	17	(1,418,354)	(1,030,756)
Net current assets		2,516,378	2,381,866
Total assets less current liabilities	18	2,708,106	2,606,698
The funds of the charity:			
Restricted income funds	19-20	50,000	50,000
Unrestricted income funds	19-20	2,658,106	2,556,698
Total charity funds		2,708,106	2,606,698

The financial statements on pages 20-37 were approved and authorised for issue by the board of directors on 13 May 2021 and signed on its behalf by:



Charles McGhee
Chair

Statement of cash flows

for the year ended 31 December 2020

	2020 £	2019 £
Net cash inflow from operating activities	821,911	174,258
Cash flows from investing activities	5,157	12,649
Investment income	4,131	-
Purchase of tangible fixed assets	(22,311)	(217,866)
Net cash provided by investing activities	(13,023)	(205,217)
Change in cash and cash equivalents in the reporting period	808,888	(30,959)
Cash and cash equivalents at the beginning of the period	1,864,840	1,897,435
Change in cash and cash equivalents due to exchange rate movements	(17)	(1,636)
Cash and cash equivalents at the end of the reporting period	2,673,711	1,864,840

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

	2020 £	2019 £
Net income for the reporting period	101,425	995,488
Decrease/(increase) in debtors	31,123	(338,398)
Investment income	(5,157)	(12,649)
Depreciation charge	51,284	9,830
Decrease/(increase) in stocks	255,638	(201,403)
Increase/(decrease) in creditors/accruals	387,598	(278,610)
Net cash provided (used in) operating activities	821,911	174,258

Analysis of changes in net debt movement

	At 1 Jan 2020	Cash flows	Foreign exchange	At 31 Dec 2020
Cash and cash equivalents				
Cash	1,864,840	808,888	(17)	2,673,711

Notes to the financial statements

for the year ended 31 December 2020

1. General information

Mary's Meals UK is part of an international movement which, as its core work, sets up community-run school feeding projects in some of the world's poorest countries, 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.

MMUK 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 charity shops and a material aid warehouse. Mary's Meals UK has three 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

The charity generated net incoming resources before transfers of £101,408 (2019: surplus £993,852) for the year and at 31 December 2020 had net assets of £2,708,106 (2019: £2,606,698). As at 31 December 2020 it had net current assets of £2,516,378 (2019: £2,381,866).

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 also chose 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 was 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.

Government grant income

Income from charitable activities includes income received in the form of government grants where there were no performance related conditions and is recognised when the grant proceeds are received.

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 has 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.

Donations to The Backpack Project 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 2020 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 a group pension scheme in place for 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 indicated in the statement of financial activities.

3.11. Operating leases

Operating leases held relate to the rental lease for the office in Glasgow 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 £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Donations	8,277,931	1,069,311	9,347,242	6,921,812	1,263,694	8,185,506
Legacies	1,448,686	-	1,448,686	1,296,412	-	1,296,412
Grants and trusts	1,837,078	1,915,234	3,752,312	1,193,803	2,018,460	3,212,263
Tax reclaimed on Gift Aid	1,318,474	-	1,318,474	965,384	-	965,384
Value of donated aid	331,864	-	331,864	1,334,225	-	1,334,225
Totals	13,214,033	2,984,545	16,198,578	11,711,636	3,282,154	14,993,790

Donations	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Unrestricted	8,277,931	-	8,277,931	6,921,812	-	6,921,812
Malawi	-	584,202	584,202	-	841,106	841,106
Liberia	-	231,219	231,219	-	271,913	271,913
Zambia	-	75,195	75,195	-	11,582	11,582
South Sudan	-	73,567	73,567	-	82,042	82,042
Kenya	-	60,685	60,685	-	16,264	16,264
Romania	-	13,438	13,438	-	14,388	14,388
Haiti	-	9,343	9,343	-	12,106	12,106
Benin	-	9,016	9,016	-	-	-
India	-	6,609	6,609	-	6,991	6,991
Madagascar	-	3,124	3,124	-	5,312	5,312
Zimbabwe	-	1,000	1,000	-	-	-
Ethiopia	-	933	933	-	1,180	1,180
Syria	-	544	544	-	390	390
Uganda	-	356	356	-	320	320
Myanmar	-	48	48	-	15	15
Ecuador	-	32	32	-	29	29
Thailand	-	-	-	-	56	56
Totals	8,277,931	1,069,311	9,347,242	6,921,812	1,263,694	8,185,506

4. Donations and legacies (continued)

Legacies	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Unrestricted	1,448,686	-	1,448,686	1,296,412	-	1,296,412
Totals	1,448,686	-	1,448,686	1,296,412	-	1,296,412

Grants and trusts	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Unrestricted	1,837,078	-	1,837,078	1,193,803	-	1,193,803
Zambia	-	57,500	57,500	-	91,261	91,261
Zambia FCDO grant	-	669,703	669,703	-	370,701	370,701
Malawi	-	562,595	562,595	-	792,535	792,535
Malawi FCDO grant	-	-	-	-	386,819	386,819
Kenya	-	225,728	225,728	-	169,728	169,728
Ethiopia	-	145,096	145,096	-	152,700	152,700
Zimbabwe	-	132,000	132,000	-	-	-
South Sudan	-	67,200	67,200	-	6,750	6,750
Liberia	-	40,312	40,312	-	45,266	45,266
Madagascar	-	13,400	13,400	-	1,350	1,350
Uganda	-	1,700	1,700	-	1,350	1,350
Totals	1,837,078	1,915,234	3,752,312	1,193,803	2,018,460	3,212,263

5. Other income

	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
CJRS grant	40,472	-	40,472	-	-	-
Business support grant	55,000	-	55,000	-	-	-
Totals	95,472	-	95,472	-	-	-

6. Other trading activities

	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Shops	182,193	-	182,193	466,663	-	466,663
Recycling	28,088	-	28,088	115,357	-	115,357
Collections	-	-	-	2,168	-	2,168
Raffles	-	-	-	18,695	-	18,695
Value of donated property services	-	-	-	31,967	-	31,967
Value of donated van lease	4,898	-	4,898	2,449	-	2,449
Miscellaneous	18,538	-	18,538	69,471	-	69,471
Totals	233,717	-	233,717	706,770	-	706,770

7. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Fundraising	927,070	-	927,070	974,091	-	974,091
Trading	442,137	-	442,137	398,224	-	398,224
Totals	1,369,207	-	1,369,207	1,372,315	-	1,372,315
Fundraising analysis by cost						
Employee costs	689,705	-	689,705	717,754	-	717,754
Property costs	20,133	-	20,133	31,768	-	31,768
Travel costs	3,731	-	3,731	15,815	-	15,815
Administration	195,725	-	195,725	205,101	-	205,101
Depreciation	17,776	-	17,776	3,653	-	3,653
Totals	927,070	-	927,070	974,091	-	974,091
Trading analysis by cost						
Purchases for resale	18,075	-	18,075	9,250	-	9,250
Employee costs	270,514	-	270,514	236,955	-	236,955
Property costs	122,180	-	122,180	121,073	-	121,073
Travel costs	13,864	-	13,864	22,120	-	22,120
Administration	8,967	-	8,967	6,554	-	6,554
Depreciation	8,537	-	8,537	2,272	-	2,272
Totals	442,137	-	442,137	398,224	-	398,224

8. Charitable activities – by fund type

	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Raising awareness	886,168	-	886,168	652,566	-	652,566
Governance	65,140	-	65,140	69,193	-	69,193
Backpacks and shipped aid	798,454	-	798,454	1,400,572	-	1,400,572
Programme expenditure	10,327,985	2,984,545	13,312,530	7,871,371	3,351,704	11,223,075
Total charitable activities	12,077,747	2,984,545	15,062,292	9,993,702	3,351,704	13,345,406

Raising awareness analysis by cost						
Employee costs	773,945	-	773,945	542,816	-	542,816
Property costs	22,845	-	22,845	17,370	-	17,370
Travel costs	4,196	-	4,196	30,644	-	30,644
Administration	65,342	-	65,342	59,701	-	59,701
Depreciation	19,840	-	19,840	2,035	-	2,035
Totals	886,168	-	886,168	652,566	-	652,566

Governance analysis by cost						
Employee costs	42,367	-	42,367	40,335	-	40,335
Travel costs	99	-	99	774	-	774
Administration	638	-	638	1,466	-	1,466
Auditor's remuneration	11,790	-	11,790	13,459	-	13,459
Legal fees	-	-	-	-	-	-
Bank charges	8,648	-	8,648	10,907	-	10,907
Governance costs	1,115	-	1,115	2,197	-	2,197
Depreciation	483	-	483	55	-	55
Totals	65,140	-	65,140	69,193	-	69,193

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

	Shipping £	Aid £	2020 totals £	Shipping £	Aid £	2019 totals £
Aid shipped to Malawi	-	593,778	593,778	-	1,140,485	1,140,485
Backpacks carriage costs	9,667	-	9,667	24,149	-	24,149
Support costs (see Note 9)	-	195,009	195,009	-	235,938	235,938
Totals	9,667	788,787	798,454	24,149	1,376,423	1,400,572

9. Analysis of support costs

	Unrestricted funds £	Restricted funds £	2020 totals £	Unrestricted funds £	Restricted funds £	2019 totals £
Employee costs	164,939	-	164,939	153,579	-	153,579
Property costs	4,057	-	4,057	54,262	-	54,262
Travel costs	8,659	-	8,659	13,195	-	13,195
Administration	12,705	-	12,705	13,087	-	13,087
Depreciation	4,649	-	4,649	1,815	-	1,815
Totals	195,009	-	195,009	235,938	-	235,938

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

10. Total resources expended through the year included the following

	2020 £	2019 £
Depreciation and other amounts written off tangible fixed assets	51,284	9,830
Operating lease rentals	154,335	140,822
Auditor's remuneration	10,400	10,000
Loss on foreign currencies	17	1,636

11. Employees

Employment costs	2020 £	2019 £
Wages and salaries	1,634,196	1,447,348
Social security costs	139,449	100,888
Other pension costs	125,398	109,133
Totals	1,899,043	1,657,369

Number of employees	2020 £	2019 £
Monthly average	Number	Number
Support	4	4
Fundraising	21	22
Shops and recycling	10	9
Raising awareness	22	18
Governance	1	1
Totals	58	52

Key management compensation

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

Employment costs	2020 £	2019 £
Wages and salaries	497,569	388,843
Social security costs	54,970	42,730
Other pension costs	38,366	32,297
Totals	590,905	463,870

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

	2020	2019
	Number	Number
£60,000-£70,000	1	1

12. Pension costs

The organisation operates a defined contribution pension scheme in respect of staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £125,398 (2019: £109,133). At 31 December 2020 an amount of £Nil was accrued in the financial statements (2019: £1,026).

13. Taxation

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

14. Tangible assets

	Leasehold property £	Plant and machinery £	Fixtures fittings and equipment £	Motor vehicles £	Computer equipment £	Totals £
Cost						
At 1 January 2020	89,970	33,947	92,327	35,223	90,392	341,859
Additions	2,887	5,659	5,984	-	7,781	22,311
Disposals	-	(984)	(1,182)	(14,410)	(3,686)	(20,262)
At 31 December 2020	92,857	38,622	97,129	20,813	94,487	343,908
Depreciation						
At 1 January 2020	6,083	2,891	49,170	31,719	27,164	117,027
Charge for the year	15,113	5,252	6,669	1,750	22,500	51,284
Released on disposal	-	(237)	(369)	(14,410)	(1,115)	(16,131)
At 31 December 2020	21,196	7,906	55,470	19,059	48,549	152,180
Net book value						
At 31 December 2020	71,661	30,716	41,659	1,754	45,938	191,728
At 31 December 2019	83,887	31,056	43,157	3,504	63,228	224,832

15. Stocks and work in progress

	2020 £	2019 £
Stocks	-	255,638

16. Debtors

	2020 £	2019 £
Prepayments and accrued income	1,247,528	1,288,769
Other debtors	6,493	3,375
Totals	1,254,021	1,292,144

17. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	47,566	96,364
Taxation and social security	44,612	42,351
Accruals and deferred income	1,325,186	887,934
Other creditors	990	4,107
Totals	1,418,354	1,030,756

18. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2020 total funds £	2019 total funds £
Tangible assets	191,728	-	191,728	224,832
Current assets	3,884,732	50,000	3,934,732	3,412,622
Current liabilities	(1,418,354)	-	(1,418,354)	(1,030,756)
Totals	2,658,106	50,000	2,708,106	2,606,698

19. Unrestricted and restricted funds

	At 1 Jan 2020 £	Incoming resources £	Outgoing resources £	Gain on currency revaluation £	At 31 Dec 2020 £
Unrestricted funds	2,556,698	13,548,379	(13,446,954)	(17)	2,658,106
Restricted funds	50,000	2,984,545	(2,984,545)	-	50,000
Totals	2,606,698	16,532,924	(16,431,499)	(17)	2,708,106

20. Restricted funds

	At 1 Jan 2020 £	Incoming resources £	Outgoing resources £	At 31 Dec 2020 £
Malawi	50,000	1,146,797	(1,196,797)	-
Malawi FCDO grant	-	-	-	-
Zambia	-	132,695	(82,695)	50,000
Zambia FCDO grant	-	669,703	(669,703)	-
Kenya	-	286,413	(286,413)	-
Liberia	-	271,532	(271,532)	-
Ethiopia	-	146,029	(146,029)	-
South Sudan	-	140,767	(140,767)	-
Zimbabwe	-	133,000	(133,000)	-
Madagascar	-	16,524	(16,524)	-
Romania	-	13,438	(13,438)	-
Haiti	-	9,343	(9,343)	-
Benin	-	9,016	(9,016)	-
India	-	6,609	(6,609)	-
Uganda	-	2,056	(2,056)	-
Syria	-	543	(543)	-
Myanmar	-	48	(48)	-
Ecuador	-	32	(32)	-
Totals	50,000	2,984,545	(2,984,545)	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.

21. Financial commitments

At 31 December 2020 the charity had annual commitments under non-cancellable operating leases as follows:

Rental leases	2020 £	2019 £
Expiry date		
Within one year	60,860	89,935
Between one and five years	93,475	176,571
In more than five years	-	-
Totals	154,335	266,506

22. General commitments

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual pension commitment under this scheme is for contributions of £125,398 (19: £109,133). At 31 December 2020, an amount of £Nil was accrued in the financial statements (2019: £1,026).

23. Committed resources

Mary's Meals has a reserves policy of maintaining six months' operating expenses within reserves. Based on the approved budget for the 2020 financial year, budgeted reserves are £1,507,577. 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 school feeding programmes.

24. Events after the balance sheet date

There were no significant events after the balance sheet date.

25. 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 2020.

During the year £Nil of directors' travel expenses was paid (2019: £854).

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)

Trustees' annual report and financial statements

For the year ended 31 December 2020

Charity number: SC022140

Company number: SC265941

mary's
meals

a simple solution
to world hunger