



MARY'S MEALS

ANNUAL REPORT 2021

mary's
meals

a simple solution
to world hunger



Mary's Meals

(A company limited by guarantee)

**Trustees' annual report
and financial statements**

For the year ended 31 December 2021

Charity number: SC022140

Company number: SC265941

Contents

3	Legal and administrative information
4	Who we are
5	Our year in numbers
6	A message from the Chair and Executive Director
8	Trustees' annual report (including the strategic report)
17	Statement of trustees' responsibilities
18	Independent auditor's report to the trustees and members
20	Statement of financial activities
21	Balance sheet
22	Statement of cash flows
23	Notes to financial statements

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

Angela Duffy Thompson (appointed 3 December 2021)
John Fulton
David Leslie
Magnus MacFarlane-Barrow
Charles McGhee (resigned 24 March 2022)
Fr Frank Mulgrew
Emma Oddie
Dr Graham Paterson (appointed 25 March 2021)
Ellen Rafferty (appointed 23 September 2021)
Ishbel Smith (resigned 3 December 2021)

Secretary

Alan Brown (appointed 3 December 2021)
Ishbel Smith (resigned 3 December 2021)

Executive Director

Daniel Adams

Independent auditors

RSM UK Audit LLP
3rd Floor
2 Semple Street
Edinburgh
EH3 8BL

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



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 school meals can have on entire communities. The children who eat Mary’s Meals can grow up to provide for their own families, communities and countries.

Almost 20 years since that first meal was lovingly served, we are now feeding 2,279,941 hungry children every school day in 20 countries around the world including Malawi, Ethiopia, Haiti, India, Kenya, Lebanon, and Yemen.

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

In schools where Mary’s Meals are served, 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



2,279,941 children

were receiving Mary's Meals by the end of 2021, with an estimated 945,689 of this total made possible by UK supporters.

677 talks

about our work took place across the country – that's 13 every week of the year!



At the end of 2021 we had
722 active
volunteers.



Together we raised a total income of
£18.4 million to support hungry children.

441,082 children

children began to receive our life-changing meals for the first time.



12,870 new supporters

joined our mission by giving a financial gift for the first time.



94.2% of donations were spent on our charitable activities.

A message from the Chair and Executive Director



Charles McGhee
Chair



Daniel Adams
Executive Director

It is with deep gratitude and joy that we present the 2021 annual report for Mary's Meals. This was the year in which we announced we are now reaching more than two million children every school day with our nutritious meals – a landmark moment for the Mary's Meals family. Just 19 years after we began by feeding 200 children in Malawi, at the end of 2021 we were serving 2,279,941 little ones in 20 of the world's poorest countries – including Malawi, Haiti and South Sudan.

After the challenges created by the Covid-19 pandemic, it brought us such happiness to come together with our supporters again to mark this special occasion of reaching two million children. We held celebration events around the country in locations including Belfast, Dundee, Glasgow and London.

The kindness and generosity of those who support Mary's Meals – through so many little acts of love in offering financial donations, prayer, time and goods – never fails to amaze us. It is incredible to think that these wonderful people have raised more funds for our work in 2021 than in any other year in our history, with almost 200,000 donors contributing more than £18 million to our mission – an increase of £1.8 million from 2020.

This means that, by the end of 2021, we had transferred more than £15 million to Mary's Meals International (MMI – the organisation in the Mary's Meals family responsible for managing our feeding programmes). Our supporter base in the UK was therefore responsible for feeding an estimated 945,689 of the more than two million children enrolled in our global school feeding programme.

We are determined to meet the kindness of our supporters with good stewardship. This is demonstrated by our commitment to ensuring that at least 93% of all our income goes towards our charitable activities. We are delighted to share that in 2021, this number was 94.2%.

Our promise to keep our running costs low is only possible because of the many thousands of volunteers

who dedicate their time to Mary's Meals. In 2021 this included more than 700 volunteers from all across the UK – many of them giving time as community volunteers who spread the word about our work in churches, schools and groups in their local areas.

These inspiring talks are just one of the ways that we share our story of hope and increase support for our mission in England, Northern Ireland, Scotland and Wales. Although many talks, and other activities, took place online with great success in 2021, we were delighted when Covid-19 restrictions began to ease and in-person activities could take place once more.

However with restrictions continuing to ebb and flow throughout the year, online engagement remained a core part of our outreach. Our activities included developing our online shop to generate a 27% increase in donations from 2020, fundraising through the UK Facebook page for the first time, and continuing to hold our popular Family Hour online events.

We are extremely grateful to our supporters, staff and volunteers for responding with great resilience to the changing nature of Covid-19's impact on our daily lives, and continuing to support Mary's Meals in a variety of creative ways.

Our colleagues overseas also continued to work flexibly and with great ambition to ensure the pandemic did not stop us reaching hungry children with Mary's Meals. Despite the pandemic, we were able to keep our promise to the children we would normally reach, either by school feeding where possible or delivering food rations to their families. We rejoiced when schools in countries including Malawi reopened in 2021, and when we were able to expand our programmes to reach more hungry children in 11 countries, including South Sudan, Zimbabwe, India, Malawi, Kenya, Madagascar and Haiti.

Despite logistical complexities caused by the pandemic, we were able to send two shipments of items donated



through The Backpack Project to Malawi in 2021 – containing around 13,700 bags filled by kind-hearted supporters with school essentials for the children who eat Mary's Meals. When factoring in the value of material aid donated as part of The Backpack Project, our total income for 2021 was £18.4 million.

In addition, we re-opened our six charity shops in Scotland in April 2021 (after their closure, in December 2020, due to the pandemic), with our staff and volunteers receiving a warm welcome back from their customers.

As well as managing the impact of the Covid-19 pandemic, several of the countries we work in faced conflict and natural disasters in 2021. Our supporters responded swiftly and with great generosity, meaning that – as well as continuing to feed the children in these countries who rely on Mary's Meals – we were able to deliver additional support. This included distributing 3,000 food packs and 2,000 hygiene kits following the earthquake in Haiti. Amidst conflict in the Tigray region of Ethiopia, we were able to provide more than 30,000 internally displaced people with vital food aid, soap, water and blankets, as well as setting up temporary classrooms and delivering trauma counselling for children.

At the very end of 2021, we began working in our 20th programme country, Yemen. This Middle Eastern country has been devastated by conflict for eight years, and the 4,000 children we are feeding there are affected by one of the biggest humanitarian crises in the world. It is a great honour to serve our meals to these little ones.

Support from a group of private donors made it possible for us to run two successful match funding campaigns in 2021, in addition to the final month of our UK Government-funded Double The Love campaign (November 2020 to January 2021). The first, Direct Debits Tripled, was a new campaign designed to encourage regular donations to Mary's Meals – an important form of giving that allows us to plan for future expansions to new schools. And in

November we relaunched Double The Love, matching donations up to £1.6 million. It was an honour to have this important campaign backed by actor Sophie Thompson, a long-term supporter of Mary's Meals, and her Oscar-winning sister, Emma Thompson. This helped to secure more than 170 pieces of media coverage for our launch, taking our mission to a new audience.

Throughout the year we benefitted from the support of a wide range of celebrities, including Mark Beaumont, Fearne Cotton, Nadiya Hussain, Lorraine Kelly and Ferne McCann. We are very grateful to them and others who help us raise awareness of our work among new audiences.

All of the activities outlined here mean that, together with our supporters and volunteers, we have made a strong start to our Mary's Meals UK three-year plan, This Precious Gift. We have also contributed to MMI's global plan, The Next Child, which outlines the aspiration of the Mary's Meals family to be capable of serving three million children by 2023. Despite the challenges we face here in the UK and in the countries where we serve Mary's Meals, we continue to have great hope for a brighter future.

We are deeply thankful to our supporters for their unending generosity and prayers, and to our employees, volunteers and trustees for their unrelenting dedication to our mission.

In the year that we began to reach two million children with our nutritious meals, the Mary's Meals family never lost sight of what is important – the next hungry child waiting.

Charles McGhee
Chair

Daniel Adams
Executive Director

Charles McGhee resigned as Chair on 24 March 2022 after seven years of dedicated service and following a well-planned transition to Mary's Meals' new Chair, Dr Graham Paterson.

Trustees' annual report (including the strategic report)

The trustees of Mary's Meals, 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 2021. The trustees who served during the period covered are set out on page three.

Strategic report:

Reaching two million children with Mary's Meals

Overview

By the end of 2021, an incredible 2,279,941 children were eating Mary's Meals every school day. This means that, as well as keeping our promise to the 1,838,859 little ones we were feeding at the end of 2020, we reached an additional 441,082 children in 2021 with our life-changing school meals.

This was achieved despite the ongoing challenges of the Covid-19 pandemic around the world, with take-home rations continuing in some countries and a return to school feeding in others. Against these odds, our teams were able to expand our programmes in South Sudan, Zimbabwe, Lebanon, India, Malawi, Kenya, Zambia, Madagascar, Haiti, Benin and Niger reaching even more children waiting for Mary's Meals. At the end of 2021, we began feeding in our 20th programme country – Yemen, where our nutritious meals are giving incredibly vulnerable children hope for the future.

We held two emergency appeals in 2021, responding quickly to events in our programme countries to offer additional assistance. The first was for Ethiopia, as brutal fighting across the Tigray region left millions of internally displaced people in desperate need of food aid, and the second was for Haiti, after an earthquake devastated the island.

It is thanks to the unwavering support of those who firmly believe in our vision, that the year ended 31 December 2021 saw a total increase of £1.8 million in cash income year-on-year from 2020 (a 12% increase), with a total cash income result in the UK of more than £18 million. When factoring in the value of material aid donated as part of The Backpack Project, our total income for 2021 was £18.4 million. We received 18,998 more financial donations than in 2020 and the number of people opting in to receive updates about our work increased by 7%.

Funds transferred to Mary's Meals International for the delivery of the school feeding programme from UK supporters ended the year at £15 million, which is 13% (or £1.7 million) higher than transfers to MMI in 2020. This means that, in 2021, an estimated 945,689 of the 2,279,941 children receiving Mary's Meals did so because of donations from supporters in the UK.

The following strategic report sets out how Mary's Meals UK contributed to our global family reaching more than two million hungry children every school day.

Spreading the word

Year after year, we are amazed by our extraordinary supporter movement and the activities taken on by volunteer networks, churches, schools, companies, universities, and many more in the name of Mary's Meals. Our role is to grow this movement in the UK – to enable more people to be able to give their time, financial gifts, prayers and goods – so that we can reach even more hungry children with our life-changing meals.

We promoted a range of campaigns, in addition to our emergency appeals for Ethiopia and Haiti, during 2021. Mums Make Mary's Meals, our Mother's Day campaign, was supported by celebrities including Fearne Cotton, Nadiya Hussain, Lorraine Kelly and Ferne McCann. Almost 700 of our special Mother's Day gift cards were sent, with many from new supporters. We also launched our inaugural Pray In May campaign, asking people of faith to pray with us to bless the work of Mary's Meals. This provided an opportunity to reach out to more than 2,200 churches – resulting in Holy Hours, bidding prayers, Rosaries and talks taking place in places of worship across the UK.



We know that match funding campaigns, as well as resonating with our existing supporters, are an important tool in encouraging new donors, generating media activity and attracting celebrities to promote our work.

Thanks to the support of generous donors, we were able to run three match funding campaigns in 2021. This began with the final month of our three-month UK Aid Match campaign in January 2021, with £2 million available from the UK Government to match our supporters' donations for children in Liberia.

Our Direct Debits Tripled campaign encouraged supporters to set up a regular gift to Mary's Meals. All new and increased regular gifts in June, July and August were tripled for the first three payments, with up to £150,000 available.

Our annual Double The Love campaign ran from November 2021 to January 2022, with £1.6 million match funding made available. The backing of actors Emma and Sophie Thompson helped secure a strong start to the campaign, which included some of the year's most significant media activity – with support from partners including My Weekly, The Scottish Sun and First News.

Support for our work

Although Covid-19 restrictions began to ease in 2021, there was still some hesitation around meeting in person and, at the very end of the year, the arrival of the Omicron variant saw many restrictions reinstated.

It therefore brought us great joy that we were able to come together with some of our supporters to celebrate reaching two million children at in-person events held around the country.

As well as these heart-warming gatherings, we continued

to meet online. The Mary's Meals Family Hour took place in April and December. This online event was originally developed in response to the pandemic and has proven to be an effective way to bring together supporters at key points in the year – including to mark Christmas and raise awareness of our Double The Love campaign. Collectively, our two Family Hour events were viewed at least 1,773 times.

We continued to develop our portfolio of trusts and foundations and government grants. In addition, we expanded our major giving and partnerships team to include more of a focus on corporate outreach and networking, which we hope will continue to grow the number of major funders who give each year to support our work.

Growing our volunteer network across the UK

During 2021, 170 new volunteers joined our movement – meaning that by the end of the year we had 722 active volunteers in all corners of the UK. We also created nine new volunteer groups, taking our end of year total to 63.

These wonderful people truly are the heartbeat of our mission and it is thanks to them that an incredible 677 talks about our work took place in churches, schools and groups in 2021 – spreading the word and growing support for Mary's Meals.

Impact on retail and material aid

Trading and recycling income in 2021 was £284,376 – 35% more than in 2020, when income was £210,281.

Having been closed for most of 2020, our six charity shops in Scotland reopened at the end of April 2021 and the Dunblane shop benefitted from a refurbishment. Trading was better than expected, but footfall remained

below pre-pandemic levels and as we moved into the winter months, an increase in virus transmission had a further impact. Volunteer numbers in our shops also declined, with a number of volunteers unable to continue due to the personal impact of Covid-19 restrictions.

At the end of the year, after deep consideration, we took the difficult decision to bring The Backpack Project to an end in the UK. The Backpack Project launched in 2005, when we asked supporters to collect used backpacks and fill them with school essentials for the children who eat Mary's Meals in Malawi. Over the course of 17 years, supporters in the UK have donated an incredible 700,000 bags, bringing joy to so many children.

However, the context we have been working in since the beginning of the pandemic is very different to when the project began, with greater logistical complexities and costs to bear that are unsustainable for our mission. Our ability to reach desperately hungry children has always relied on simplicity and good stewardship at the heart of all we do, and we have come to realise that The Backpack Project unfortunately no longer meets those important aspects of our mission. The project will close in 2022 with our final shipment of backpacks to Malawi.

Our committed team

Our offices closed in March 2020 and didn't reopen until October 2021 – although some members of our team returned on a voluntary basis from July. We continued to observe a high level of productivity from our staff,

who developed ways of working and utilised new tools to ensure we remained productive and focused on our mission.

Upon our return to the office, we implemented a blended working model to retain the benefits of homeworking while ensuring we have regular opportunities to meet in person. As well as reflecting the emphasis in our values on supporting family life, it is our strong view that this will act as an incentive in recruitment.

Strengthening our governance

As stated in our 2020 annual report, our Board Chair Charles McGhee intended to retire from his role in 2021 but generously stayed in post until March 2022 to support Mary's Meals through the pandemic. He has stepped down after seven years of service, with Dr Graham Paterson, a new member of our board, taking up the role of Chair. We are indebted to Charles for his dedication, expertise and passion and offer him a heartfelt thank you for all he has given to Mary's Meals through his tenure as Chair.

In 2021 we also said goodbye to Ishbel Smith. She remains a committed supporter of Mary's Meals and we are incredibly thankful for her six and a half years of service on our board.

We were pleased to welcome Angela Duffy Thompson and Ellen Rafferty to our board and look forward to benefitting from their experience and skills.

Our plans for the future

More than two million children are now enrolled in our school feeding programmes. These 2,279,941 little ones rely on Mary's Meals and we remain determined to keep our promise to them. Our first priority will always be to ensure they receive their daily serving of Mary's Meals – but we are always thinking of the next hungry child waiting.

With more than 58 million primary school-age children around the world missing school because they have to work or beg for food, or because they are simply too hungry to learn, we know we have much more still to do.

Our MMUK strategic plan for 2021-2023, *This Precious Gift*, sits alongside the MMI strategic plan for that same period, *The Next Child*. These documents both outline the aspiration of the Mary's Meals family to be capable of feeding three million children by the end of 2023. Our MMUK financial performance, and other successes in 2021, means we have made a strong start towards realising these goals.



Our strategic aims

Global strategic aim 1
Feed more children

1



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

2



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

3



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 2021, the total income of the charity was £18,437,053. This is an increase of 12% 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 96% (98% excluding income from material aid) received through voluntary income in the form of donations, grants and Gift Aid. Income from grassroots supporters increased by more than £1.5 million in donations year-on-year, and we received 18,998 more individual gifts in 2021 than we did in 2020.

During 2021, we operated six 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 2021 of £284,376, which is included in the total income. The cost of generating this trading income during the year was £427,353, resulting in a net deficit of £142,977. This decline in performance is attributable to the closure of all retail shops for four months 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 £18,260,140 – or £17,832,787 excluding trading expenditure. We spent £16,805,619 on our charitable activities, equalling 94.2% or 94p of every £1 of total expenditure (excluding trading costs). This exceeds our commitment to spend at least 93p of every £1 on our charitable activities.

During the year to 31 December 2021 there was a net income surplus of £176,913. 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 2022 to support the delivery of our school feeding programmes.

Reserves policy and going concern

The reserves policy of the charity at 31 December 2021 was to retain sufficient funds required to meet six months' running costs. On this basis, the charity would expect to hold minimum reserves of £1,638,487. The total reserves at 31 December 2021 were £2,885,018, all of which were unrestricted. The reserves surplus held at year-end therefore meets the reserves policy. The reserves held at 31 December 2021 are higher than the prior year. This is due to the levels of income recognition during 2021 – for which the cash will be received in 2022 – and the subsequent transfer of surplus reserves as expenditure to Mary's Meals International to support programme delivery which will occur in 2022.

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

Volunteers

Consistent with previous years, Mary's Meals has benefitted 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 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.

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 board 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 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 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 board 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 2021 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 2021, Charles McGhee and Ishbel Smith declared their intention to retire from the Board and not seek re-election. Both agreed to remain as trustees whilst replacements were recruited. Ishbel formally resigned on 3 December 2021 and Charles formally resigned on 24 March 2022. Dr Graham Paterson, Ellen Rafferty and Angela Duffy Thompson were appointed to the board as new trustees during 2021.

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 Mary's Meals 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 Mary's Meals 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' 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.



Statement of trustees' responsibilities

The trustees (who are also directors of Mary's Meals 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,

Dr Graham Paterson
Chair

Date: 12 May 2022

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 2021 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 2021 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 and 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 laws 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 and 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

Kelly Adams (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

3rd Floor, 2 Semple Street,

Edinburgh, EH3 8BL

Date: 17/5/22

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 2021

	Note	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Income from:							
Donations and legacies	4	13,916,107	4,059,514	17,975,621	13,214,033	2,984,545	16,198,578
Other income	5	132,247	-	132,247	95,472	-	95,472
Other trading activities	6	328,139	-	328,139	233,717	-	233,717
Investments		1,046	-	1,046	5,157	-	5,157
Total income		14,377,539	4,059,514	18,437,053	13,548,379	2,984,545	16,532,924
Expenditure on:							
Raising funds	7	(1,454,521)	-	(1,454,521)	(1,369,207)	-	(1,369,207)
Charitable activities	8-9	(12,696,105)	(4,109,514)	(16,805,619)	(12,077,747)	(2,984,545)	(15,062,292)
Total expenditure		(14,150,626)	(4,109,514)	(18,260,140)	(13,446,954)	(2,984,545)	(16,431,499)
Net income/(expenditure)		226,913	(50,000)	176,913	101,425	-	101,425
Other recognised gains							
Other (losses)		(1)	-	(1)	(17)	-	(17)
Net movement in funds		226,912	(50,000)	176,912	101,408	-	101,408
Reconciliation of funds							
Total funds brought forward	18	2,658,106	50,000	2,708,106	2,556,698	50,000	2,606,698
Total funds carried forward	18	2,885,018	-	2,885,018	2,658,106	50,000	2,708,106

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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	168,951	191,728
Current assets			
Debtors	15	1,065,768	1,254,021
Cash at bank and in hand		2,797,903	2,680,711
Total current assets		3,863,671	3,934,732
Liabilities			
Creditors: falling due within one year	16	(1,147,604)	(1,418,354)
Net current assets		2,716,067	2,516,378
Total assets less current liabilities	17	2,885,018	2,708,106
The funds of the charity:			
Restricted income funds	18-19	-	50,000
Unrestricted income funds	18-19	2,885,018	2,658,106
Total charity funds		2,885,018	2,708,106

The financial statements on pages 20-37 were approved and authorised for issue by the board of directors on 12 May 2022 and signed on its behalf by:



Dr Graham Paterson
Chair

Statement of cash flows

for the year ended 31 December 2021

	2021 £	2020 £
Net cash inflow from operating activities	146,595	821,911
Cash flows from investing activities	1,046	5,157
Investment income	3,376	4,131
Purchase of tangible fixed assets	(33,824)	(22,311)
Net cash provided by investing activities	(29,402)	(13,023)
Change in cash and cash equivalents in the reporting period	117,193	808,888
Cash and cash equivalents at the beginning of the period	2,680,711	1,864,840
Change in cash and cash equivalents due to exchange rate movements	(1)	(17)
Cash and cash equivalents at the end of the reporting period	2,797,903	2,673,711

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

	2021 £	2020 £
Net income for the reporting period	176,913	101,425
Decrease in debtors	188,253	31,123
Investment income	(1,046)	(5,157)
Depreciation charge	56,122	51,284
Gain on sale of fixed asset	(2,897)	-
Decrease in stocks	-	255,638
(Decrease)/increase in creditors/accruals	(270,750)	387,598
Net cash provided (used in) operating activities	146,595	821,911

Analysis of changes in net debt movement

	At 1 Jan 2021	Cash flows	Foreign exchange	At 31 Dec 2021
Cash and cash equivalents				
Cash	2,680,711	117,193	(1)	2,797,903

Notes to the financial statements

for the year ended 31 December 2021

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 six 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

Mary's Meals generated net incoming resources before transfers of £176,912 (2020: surplus £101,408) for the year and at 31 December 2021 had net assets of £2,885,018 (2020: £2,708,106). As at 31 December 2021 it had net current assets of £2,716,067 (2020: £2,516,378).

The trustees have considered the appropriateness of the going concern policy status of the charity and consider that the organisation is well placed to manage its business risks successfully despite the current economic climate.

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

The directors therefore believe it is appropriate 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 when the conditions are met and is deferred when not. 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 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 Trustees consider the only material estimate to be the value of the backpacks. The backpacks are valued based on a comprehensive audit of backpacks and contents at the start of the financial year using the market value.

3.8. Reserves accounting

The policy of the charity as at 31 December 2021 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 £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Donations	9,094,865	1,987,127	11,081,992	8,277,931	1,069,311	9,347,242
Legacies	1,233,016	1,000	1,234,016	1,448,686	-	1,448,686
Grants and trusts	1,612,350	2,071,387	3,683,737	1,837,078	1,915,234	3,752,312
Tax reclaimed on Gift Aid	1,557,600	-	1,557,600	1,318,474	-	1,318,474
Value of donated aid	418,276	-	418,276	331,864	-	331,864
Totals	13,916,107	4,059,514	17,975,621	13,214,033	2,984,545	16,198,578

Donations	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Unrestricted	9,094,865	-	9,094,865	8,277,931	-	8,277,931
Malawi	-	855,668	855,668	-	584,202	584,202
Ethiopia	-	477,342	477,342	-	933	933
Liberia	-	257,871	257,871	-	231,219	231,219
Haiti	-	240,360	240,360	-	9,343	9,343
Zambia	-	33,983	33,983	-	75,195	75,195
South Sudan	-	72,063	72,063	-	73,567	73,567
Kenya	-	24,533	24,533	-	60,685	60,685
Romania Homes	-	14,170	14,170	-	13,438	13,438
India	-	6,838	6,838	-	6,609	6,609
Madagascar	-	2,315	2,315	-	3,124	3,124
Syria	-	672	672	-	544	544
Ecuador	-	532	532	-	32	32
Lebanon	-	382	382	-	-	-
Uganda	-	334	334	-	356	356
Myanmar	-	32	32	-	48	48
Benin	-	16	16	-	9,016	9,016
Thailand	-	16	16	-	-	-
Zimbabwe	-	-	-	-	1,000	1,000
Totals	9,094,865	1,987,127	11,081,992	8,277,931	1,069,311	9,347,242

4. Donations and legacies (continued)

Legacies	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Unrestricted	1,233,016	-	1,233,016	1,448,686	-	1,448,686
Malawi	-	1,000	1,000	-	-	-
Totals	1,233,016	1,000	1,234,016	1,448,686	-	1,448,686

Grants and trusts	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Unrestricted	1,612,350	-	1,612,350	1,837,078	-	1,837,078
Zambia	-	63,519	63,519	-	57,500	57,500
Zambia FCDO grant	-	469,747	469,747	-	669,703	669,703
Malawi	-	877,561	877,561	-	562,595	562,595
Ethiopia	-	252,090	252,090	-	145,096	145,096
Kenya	-	222,706	222,706	-	225,728	225,728
Liberia	-	129,504	129,504	-	40,312	40,312
South Sudan	-	25,607	25,607	-	67,200	67,200
Haiti	-	18,350	18,350	-	-	-
Madagascar	-	8,202	8,202	-	13,400	13,400
Uganda	-	4,101	4,101	-	1,700	1,700
Zimbabwe	-	-	-	-	132,000	132,000
Totals	1,612,350	2,071,387	3,683,737	1,837,078	1,915,234	3,752,312

5. Other income

	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
CJRS Grant	31,247	-	31,247	40,472	-	40,472
Business Support Grant	96,500	-	96,500	55,000	-	55,000
Income from sale of asset	3,000	-	3,000	-	-	-
GCVS Grant	1,500	-	1,500	-	-	-
Totals	132,247	-	132,247	95,472	-	95,472

6. Other trading activities

	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Shops	269,472	-	269,472	182,193	-	182,193
Recycling	14,904	-	14,904	28,088	-	28,088
Value of donated van lease	4,898	-	4,898	4,898	-	4,898
Miscellaneous	38,865	-	38,865	18,538	-	18,538
Totals	328,139	-	328,139	233,717	-	233,717

7. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Fundraising	1,027,168	-	1,027,168	927,070	-	927,070
Trading	427,353	-	427,353	442,137	-	442,137
Totals	1,454,521	-	1,454,521	1,369,207	-	1,369,207
Fundraising analysis by cost						
Employee costs	792,867	-	792,867	689,705	-	689,705
Property costs	18,305	-	18,305	20,133	-	20,133
Travel costs	4,098	-	4,098	3,731	-	3,731
Administration	192,858	-	192,858	195,725	-	195,725
Loss on sale of asset	51	-	51	-	-	-
Depreciation	18,989	-	18,989	17,776	-	17,776
Totals	1,027,168	-	1,027,168	927,070	-	927,070
Trading analysis by cost						
Purchases for resale	7,435	-	7,435	18,075	-	18,075
Employee costs	287,503	-	287,503	270,514	-	270,514
Property costs	107,675	-	107,675	122,180	-	122,180
Travel costs	4,524	-	4,524	13,864	-	13,864
Administration	9,734	-	9,734	8,967	-	8,967
Depreciation	10,482	-	10,482	8,537	-	8,537
Totals	427,353	-	427,353	442,137	-	442,137

8. Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Raising awareness	1,100,550	-	1,100,550	886,168	-	886,168
Governance	78,447	-	78,447	65,140	-	65,140
Backpacks and shipped aid	590,170	-	590,170	798,454	-	798,454
Programme expenditure	10,926,938	4,109,514	15,036,452	10,327,985	2,984,545	13,312,530
Total charitable activities	12,696,105	4,109,514	16,805,619	12,077,747	2,984,545	15,062,292

Raising awareness analysis by cost						
Employee costs	962,968	-	962,968	773,945	-	773,945
Property costs	21,221	-	21,221	22,845	-	22,845
Travel costs	5,906	-	5,906	4,196	-	4,196
Administration	89,188	-	89,188	65,342	-	65,342
Loss on sale of asset	51	-	51	-	-	-
Depreciation	21,216	-	21,216	19,840	-	19,840
Totals	1,100,550	-	1,100,550	886,168	-	886,168

Governance analysis by cost						
Employee costs	48,536	-	48,536	42,367	-	42,367
Travel costs	155	-	155	99	-	99
Office costs	3	-	3	-	-	-
Administration	815	-	815	638	-	638
Auditor's remuneration	13,247	-	13,247	11,790	-	11,790
Legal fees	3,376	-	3,376	-	-	-
Bank charges	9,045	-	9,045	8,648	-	8,648
Governance costs	2,754	-	2,754	1,115	-	1,115
Depreciation	516	-	516	483	-	483
Totals	78,447	-	78,447	65,140	-	65,140

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

	Shipping £	Aid £	2021 totals £	Shipping £	Aid £	2020 totals £
Aid shipped to Malawi	-	424,368	424,368	-	593,778	593,778
Backpack carriage costs	18,093	-	18,093	9,667	-	9,667
Support costs (see Note 9)	-	147,709	147,709	-	195,009	195,009
Totals	18,093	572,077	590,170	9,667	788,787	798,454

9. Analysis of support costs

	Unrestricted funds £	Restricted funds £	2021 totals £	Unrestricted funds £	Restricted funds £	2020 totals £
Employee costs	123,944	-	123,944	164,939	-	164,939
Property costs	3,237	-	3,237	4,057	-	4,057
Travel costs	13,062	-	13,062	8,659	-	8,659
Administration	2,546	-	2,546	12,705	-	12,705
Depreciation	4,920	-	4,920	4,649	-	4,649
Totals	147,709	-	147,709	195,009	-	195,009

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:

	2021 £	2020 £
Depreciation and other amounts written off tangible fixed assets	56,225	51,284
Operating lease rentals	165,706	154,335
Auditor's remuneration	10,920	10,400
Loss on foreign currencies	1	17

11. Employees

Employment costs	2021 £	2020 £
Wages and salaries	1,853,864	1,634,196
Social security costs	154,057	139,449
Other pension costs	142,357	125,398
Totals	2,150,278	1,899,043

Number of employees	2021 £	2020 £
Monthly average	Number	Number
Support	4	4
Fundraising	24	21
Shops and recycling	8	10
Raising awareness	27	22
Governance	1	1
Totals	64	58

Key management compensation

Key management compensation includes the executive director and three senior directors, collectively known as the senior leadership team. (The previous year's figures detailed compensation to the organisation's extended leadership team.) The compensation paid to key management for employee services is shown below:

Employment costs	2021 £	2020 £
Wages and salaries	233,159	497,569
Social security costs	27,807	54,970
Other pension costs	18,966	38,366
Totals	279,932	590,905

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

	2021	2020
	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 £142,357 (2020: £125,398). At 31 December 2021, an amount of £Nil was accrued in the financial statements (2020: Nil).

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 2021	92,857	38,622	97,129	20,813	94,487	343,908
Additions	10,031	5,163	773	-	17,857	33,824
Disposals	-	(192)	-	(7,150)	(2,372)	(9,714)
At 31 December 2021	102,888	43,593	97,902	13,663	109,972	368,018
Depreciation						
At 1 January 2021	21,196	7,906	55,470	19,059	48,549	152,180
Charge for the year	16,840	5,946	7,285	1,754	24,297	56,122
Released on disposal	-	(19)	-	(7,150)	(2,066)	(9,235)
At 31 December 2021	38,036	13,833	62,755	13,663	70,780	199,067
Net book value						
At 31 December 2021	64,853	29,760	35,147	-	39,191	168,951
At 31 December 2020	71,661	30,716	41,659	1,754	45,938	191,728

15. Debtors

	2021 £	2020 £
Prepayments and accrued income	1,052,585	1,247,528
Other debtors	13,183	6,493
Totals	1,065,768	1,254,021

16. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	13,079	47,566
Taxation and social security	46,891	44,612
Accruals and deferred income	1,084,586	1,325,186
Other creditors	3,048	990
Totals	1,147,604	1,418,354

17. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 total funds £	2020 total funds £
Tangible assets	168,951	-	168,951	191,728
Current assets	3,863,671	-	3,863,671	3,934,732
Current liabilities	(1,147,604)	-	(1,147,604)	(1,418,354)
Totals	2,885,018	-	2,885,018	2,708,106

18. Unrestricted and restricted funds

	At 1 Jan 2021 £	Incoming resources £	Outgoing resources £	Gain on currency revaluation £	At 31 Dec 2021 £
Unrestricted funds	2,658,106	14,377,539	(14,150,626)	(1)	2,885,018
Restricted funds	50,000	4,059,514	(4,109,514)	-	-
Totals	2,708,106	18,437,053	(18,260,140)	(1)	2,885,018

19. Restricted funds

	At 1 Jan 2021 £	Incoming resources £	Outgoing resources £	At 31 Dec 2021 £
Malawi	-	1,734,229	(1,734,229)	-
Zambia	50,000	97,502	(147,502)	-
Ethiopia	-	729,432	(729,432)	-
Zambia FCDO grant	-	469,748	(469,748)	-
Liberia	-	387,375	(387,375)	-
Haiti	-	258,710	(258,710)	-
Kenya	-	247,238	(247,238)	-
South Sudan	-	97,669	(97,669)	-
Romania Homes	-	14,170	(14,170)	-
Madagascar	-	10,518	(10,518)	-
India	-	6,838	(6,838)	-
Uganda	-	4,435	(4,435)	-
Syria	-	672	(672)	-
Ecuador	-	532	(532)	-
Lebanon	-	382	(382)	-
Myanmar	-	32	(32)	-
Benin	-	16	(16)	-
Thailand	-	16	(16)	-
Totals	50,000	4,059,514	(4,109,514)	-

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 2021 the charity had annual commitments under non-cancellable operating leases as follows:

Rental leases	2021 £	2020 £
Expiry date		
Within one year	86,239	60,860
Between one and five years	79,507	93,475
In more than five years	-	-
Totals	165,746	154,335

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 £142,357 (2020: £125,398). At 31 December 2021, an amount of £Nil was accrued in the financial statements (2020: 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 2021 financial year, budgeted reserves are £1,638,487. 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. 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 2021.

During the year £1,538 of directors' travel expenses was paid (2020: £Nil).

24. 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 2021

Charity number: SC022140

Company number: SC265941

