



MARY'S MEALS ANNUAL REPORT 2022

Mary's Meals
(A company limited by guarantee)

**Trustees' annual report
and financial statements**

For the year ended 31 December 2022

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

Angela Duffy Thompson
John Fulton
Clare Hunter (appointed 23 June 2022)
David Leslie
Magnus MacFarlane-Barrow
Charles McGhee (resigned 24 March 2022)
Fr Frank Mulgrew
Emma Oddie
Dr Graham Paterson
Ellen Rafferty

Secretary

Alan Brown

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 Emma, a mother of six young children, 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 happy and healthy, to provide for their own families, communities and countries.

Twenty years since that first meal was lovingly served, we are now feeding more than two million hungry children every school day in some of the world’s poorest countries, including Malawi, Ethiopia, Haiti, India, Kenya, Syria 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



2,538,918 children

were receiving Mary's Meals by the end of 2022, with an estimated 964,565 of this total made possible by UK supporters.

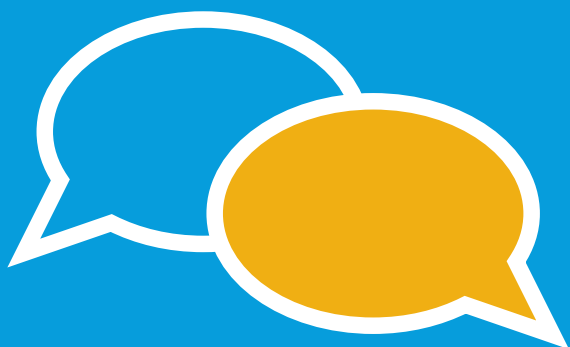
258,977 children
began to receive our
life-changing meals
for the first time.



At the end of 2022
we had more than
800 active
UK volunteers.



Together we raised a total of
£19,137,498 to feed hungry children.



1,141 talks

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



93.8% of donations
were spent on our
charitable activities.

A message from the Chair and Executive Director



Dr Graham Paterson
Chair



Daniel Adams
Executive Director

It is with a sense of deep gratitude and hope for the future that we present the 2022 annual report for Mary's Meals.

Conflict, food insecurity and the cost of living crisis all had a significant impact on our mission in 2022. Against this backdrop, it is no small feat that we were able to keep our promise to the children who rely on Mary's Meals – and it is thanks to the unwavering support of those who firmly believe in our vision that 2022 was a year of stability for our charity.

In the UK, our income increased by 4% in 2022. This meant that, together with our global family, we were able to reach an additional 258,977 children in 2022 and, at the end of the year, we were reaching 2,538,918 children in 18 countries.

This was especially poignant as 2022 was the year of our 20th anniversary. Just two decades after we served those first 200 meals at a school in Malawi, we were reaching more than 2.5 million hungry children every school day!

We marked the occasion with events across the UK, from Dundee to London and Belfast to Glasgow. These celebrations brought together more than 2,000 people who share our vision 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 flagship event took place in Glasgow, where around 500 people came together to hear from our founder, Magnus MacFarlane-Barrow, and guest speaker, British tennis coach, Judy Murray. In London, Alderman and Sheriff Alastair King DL hosted an event in our honour at the Old Bailey. We were delighted to welcome Shelagh Fogarty, radio and TV presenter, to interview Magnus as part of the evening's proceedings.

Another important landmark in 2022 was the expansion of our work into primary schools in Turkana, Kenya – a long held ambition for us all at Mary's Meals. People living in this arid and unforgiving landscape are experiencing the country's worst drought in 40 years. Their livestock is dying, families are hungry, and water can barely be found.

We have served Mary's Meals to young children in early childhood development centres – similar to nurseries – in Turkana since 2005. Expanding to reach an additional 60,000 pupils in primary schools was a significant achievement in a difficult year. There is no doubt that our meals are a lifeline to those children.

The terrible war in Ukraine captured the world's attention in 2022. While we have huge compassion for all those affected, Mary's Meals does not have an existing presence in the country – an important factor in responding to emergencies. We therefore focused on countries where we already work and have networks in place to take quick action amidst conflict, ensuring that these vulnerable children were not forgotten.

This included supporting families in Ethiopia, one of the poorest and most drought-prone countries in the world. Thanks to our 2021 emergency appeal, we were able to continue to help those affected by civil war in the northern Tigray region by providing food aid, offering trauma counselling and setting up classrooms in centres for internally displaced people throughout 2022.

To further boost our fundraising, with the generous support of a group of private donors, we delivered two successful match funding campaigns in 2022; Direct Debits Tripled (August to October 2022) and Double The Love (November 2022 to January 2023). Also, in January 2022, we delivered the final month of the Double The Love campaign which launched in November 2021. In a



difficult financial climate, the response to these important campaigns was heartwarming.

Media trips are an important way to raise awareness of our work and reach new audiences. We were pleased to host two trips in 2022 — our first since 2019 due to the Covid-19 pandemic. These trips resulted in extensive media coverage in a range of outlets.

Throughout the year, food prices and other costs continued to rise, making it more expensive to deliver our programmes. As a result, at the beginning of 2023, we announced that the cost to feed a child with Mary's Meals for a school year had risen from £15.90 to £19.15. This is the largest increase in our 20-year history.

Of course, the cost of living crisis has also had an impact on people living in the UK. We are very grateful to our supporters for their kindness when they may have been facing difficulties of their own, generously giving more than £19 million.

We never cease to be amazed by the outpouring of love from our Mary's Meals family — whether through donations, prayer, time or goods. We give heartfelt thanks to everyone who supports our mission.

It gives us great joy to share that, at the end of 2022, our supporter base in the UK was responsible for feeding an estimated 965,000 of the 2,538,918 children enrolled in our global school feeding programme.

We know that every donation entrusted to us is precious — for the children that we serve, and to the people who have chosen to help us feed those hungry children. This is why we remain determined to meet the innate goodness of our supporters with good stewardship.

With this commitment in mind, we made the difficult decision to close The Backpack Project in 2022. We are

truly grateful to everyone who supported this project over its lifetime, sending an incredible 700,000 bags to children in Malawi. It was with both sadness and pride that we waved off the last shipment of donated bags.

We stand by our commitment to ensure that at least 93% of all our income goes towards our charitable activities and we are delighted to share that in 2022, this number was actually 93.8%.

Our promise to keep our running costs low is only possible because of the many thousands of volunteers who give their time so freely to Mary's Meals. In 2022 this included more than 800 volunteers from all corners of the UK — many helping to grow our movement by hosting talks about Mary's Meals in their local communities.

With the next hungry child in mind, we adopted a new global planning model to enhance our effectiveness. Throughout the year, we made strong progress with our Mary's Meals UK three-year plan, This Precious Gift. We also contributed to Mary's Meals International's global plan, The Next Child, which outlines the extent of the Mary's Meals family's aspirations to provide life-changing meals to many more hungry children as soon as possible.

With great thanks to our supporters, employees, volunteers and trustees for staying true to our mission, we continue this work of ours with much determination, hope and ambition that, together, we will reach the next hungry child waiting for Mary's Meals.

Dr Graham Paterson
Chair

Daniel Adams
Executive Director

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 2022. The trustees who served during the period covered are set out on page three.

Strategic report:

Keeping our promise in the face of global challenges

Overview

At the end of 2022, an incredible 2,538,918 children were eating Mary's Meals every school day. As well as keeping our promise to the 2,279,941 little ones we were feeding at the end of 2021, we reached an additional 258,977 children in 2022 with our life-changing school meals.

This remarkable achievement was made possible by wonderful supporters across the length and breadth of the UK. The year ended 31 December 2022 saw an increase of £0.8 million in cash income year on year, resulting in total cash income of more than £18 million. When factoring in the value of material aid donated as part of The Backpack Project, our total income for 2022 was more than £19 million.

We are deeply grateful to our supporters for their dedication to the children who eat Mary's Meals – particularly in a year when the cost of living crisis caused difficulties for many people living in this country. As a result of their kindness, funds transferred from Mary's Meals UK to Mary's Meals International for the delivery of the school feeding programme ended the year at £15.3 million, a 2% increase on 2021. This means that in 2022, 964,565 of the 2,538,918 children receiving Mary's Meals did so because of donations from people in the UK.

Mary's Meals is committed to reaching those children who are in the greatest need and we continually assess our programmes with this in mind. Following a review, we brought our school feeding programme in Uganda to a close at the end of 2022. This decision was not taken lightly – but it was felt that funds were needed more urgently to feed hungry children in other Mary's Meals programmes. We thank our local partner in Uganda, the Emmaus Foundation, for its support and hard work over the years.

At the same time, we made a small change to the way we talk about our work. We decided to stop including

Romania in our count of 'programme countries'. This is because our work in Romania – which continues – is a legacy project that provides meals for vulnerable adults.

We were therefore serving our school meals in 18 countries at the end of 2022. This was communicated publicly in January 2023.

The following strategic report sets out how MMUK overcame significant global challenges, including the ongoing cost of living crisis, to ensure we could keep our promise to the children who eat Mary's Meals in 2022 – while, with our global family, striving to reach the next hungry child waiting.

Raising awareness of our work

In 2022, we successfully implemented a range of outreach activities designed to grow support among both existing and new audiences.

This included putting a spotlight on parts of the world where we work and where, for many desperately hungry children and communities, our nutritious school meals are a lifeline.

We started the year with an emergency appeal for South Sudan. It has been more than a decade since this country gained independence from Sudan, but suffering is unrelenting and lives and livelihoods are on a knife-edge, as violence, internal displacement, deep poverty and hunger continue to engulf the world's newest nation.

It is a wonderful thing that, as a result of support for our appeal, we were able to expand our programme in South Sudan in 2022 feeding an additional 13,000 children.

We also delivered the Global Hunger Crisis Appeal and Hope Conquers Fear campaigns in 2022. Both added a new layer of urgency around current world events,



drawing attention to the impact of conflict, climate change, Covid-19 and the cost of living crisis on the world's poorest children.

In addition to our emergency appeals, we ran a series of campaigns across the year to raise awareness of Mary's Meals. This included Raise Some Dough, a new fundraising activity which encourages supporters to fundraise by baking. Support came from celebrities including Great British Bake Off winner Giuseppe Dell'Anno, Strictly Come Dancing star Ellie Taylor, and actors Joanna Lumley and Tamzin Outhwaite.

We were delighted when Raise Some Dough sparked a conversation about Mary's Meals on the Chris Evans Virgin Radio Breakfast Show. This key piece of media coverage reached more than a million people and had a significant – and measurable – impact on website visitors and donations.

Also in 2022, we built on our Pray In May campaign and introduced Pray In Ramadan as a new piece of activity to reach new faith audiences. These were just a couple of strands of our work designed to engage with faith audiences, which also included increasing the number of talks held in churches and having a presence at Christian festivals such as Creation Fest.

One of the most effective ways in which we can share our story and reach a mass audience is by generating media coverage. Our media trips to Kenya and Malawi – the first since 2019 – resulted in significant coverage in Daily Express, Herald Scotland, My Weekly magazine and faith titles including Universe Catholic Weekly, as well as BBC Radio Scotland.

We were also able to secure significant media coverage using stories about our supporters here in the UK. This included 84-year-old Ellison Hudson, who cycled

84 miles for Mary's Meals to mark her birthday, and Bernadette Barr, who has raised more than £80,000 through baking cakes.

In 2022, our media coverage grew by 18% year on year, helping to reach millions of people with stories about our work. We also secured 15% more 'high quality' items of media coverage, in outlets including Grazia, STV News, Chat magazine and Greatest Hits Radio.

We know that working with celebrities can help to boost our profile and reach new audiences. We were supported by a range of celebrities in 2022, including actors Emma and Sophie Thompson, celebrity chefs Ching He Huang and Gary Maclean, and British long-distance cyclist Mark Beaumont. We were particularly pleased to secure the backing of The Proclaimers for our Move For Meals campaign. We are grateful to all of these famous faces for volunteering their time.

Increasing our presence via online activities remained an important focus for us in 2022, following on from the pandemic.

At the end of the year, we launched a UK-specific Instagram channel to allow us to engage with supporters and celebrities more effectively.

Our online shop continued to be a valuable fundraising mechanism, supported by the introduction of new products including a branded apron, calendars and a wide range of gift cards. As a result, the income from our online shop has continued to grow.

As part of Mary's Meals' global digital transformation strategy, MMUK's new website launched in March with the aim of generating increased levels of donations and income, while improving the website experience for our supporters.

Growing our volunteer network across the UK

Our work is only possible because of the incredible people who freely give their time to help feed hungry children.

During 2022, a number of new volunteers joined our mission – meaning that by the end of the year we had more than 800 active volunteers. We also created new volunteers groups, expanding our network across the UK.

Thanks to these loving volunteers, an amazing 1,141 talks about our mission took place in 2022 – 464 more than in 2021. From the very beginning, telling our story has been one of the ways we have been able to grow our Mary's Meals family, winning the hearts and minds of people who wish to join our mission. As well as giving these important talks, our volunteers help to organise fundraising events and distribute our promotional materials. We are very grateful to everyone who gives their time in this way.

We are committed to extending our volunteer network across the UK – to enable more people to give their time, financial gifts, prayers and goods – so that we can reach even more hungry children with our life-changing meals.

Partnership working

We continued to develop our portfolio of trusts and foundations and government grants, which includes UK Government, The Scottish Government and People's Postcode Lottery. In addition, we put 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.

In April, we partnered with Farewill, the UK's largest will writer, to begin offering a free will writing service. We hope this will encourage supporters to help future generations of children by leaving a gift to Mary's Meals.

Our dedicated team

We implemented a blended working model in 2022, with increased emphasis on remote working. This allowed us to retain the benefits of homeworking while ensuring we could regularly meet in person to collaborate. This approach has opened up opportunities for us to recruit talented people from across the UK, and our staff remain engaged in a high level of productivity.

Performance of retail and material aid

This was the first full year of trading in Mary's Meals shops since 2019, due to Covid-19 restrictions in 2020 and 2021 though trading conditions remained challenging.

The trading income for the year, which includes income from shops, online trading, and recycling, was £507,019.

In March, we stopped collecting donations for The Backpack Project and in July we sent our final shipment of backpacks to Malawi. Our ability to reach desperately hungry children has always relied on simplicity and good stewardship at the heart of all we do, and The Backpack Project unfortunately no longer met those important aspects of our mission. We are grateful to everyone who supported it over the years.

Strong governance

Our former Board Chair Charles McGhee stepped down in March 2022 after seven years of service. He had originally planned to retire in 2021 and we are extremely grateful to him for generously staying in post to support Mary's Meals during the pandemic.

Dr Graham Paterson took up the position as chair, bringing with him more than 40 years' experience of working in the public and private sectors.

We were pleased to welcome Clare Hunter, a marketing professional and long-standing Mary's Meals volunteer in London, to our board.

Our plans for the future

Our first priority will always be to keep our promise to the children who rely on Mary's Meals. As of the end of 2022, this was 2,538,918 children in 18 countries.

With more than 67 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 reach many more hungry children with our life-changing meals.

Our MMUK financial performance, and other successes in 2022, means we move closer to realising the goals set out in our three-year strategic plans by the end of 2023.

And so, with the next hungry child in our hearts, our work continues.

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 2022, the total income of the charity was £19,137,498. This is an increase of 4% when compared to the previous period. Voluntary income, in the form of donations, grants and Gift Aid, was responsible for 95% of this (97% excluding income from material aid).

During 2022, we operated six charity shops across Scotland which are supported by a network of committed volunteers. The sale of donated goods through these shops, new items through our online shop, and sales through our recycling project all contributed to a retail income in 2022 of £507,019, which is included in the total income.

The total expenditure for the same period was £18,760,528 – or £18,271,676 excluding trading expenditure. We spent £17,150,946 on our charitable activities, equalling 93.8% 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 2022 there was a net income surplus of £374,746. 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 2023 to support the delivery of our school feeding programmes.

Reserves policy and going concern

The reserves policy of the charity at 31 December 2022 was to retain sufficient funds required to meet six months' running costs. On this basis, the charity would expect to hold minimum reserves of £1,661,246. The total reserves at 31 December 2022 were £3,259,764, all of which were unrestricted.

The reserves surplus held at year-end therefore meets the reserves policy. The reserves held at 31 December 2022 are higher than the prior year. This is due to the levels of income accrued during 2022 – for which the cash will be received in 2023 – and the subsequent transfer of surplus reserves as expenditure to Mary's Meals International to support programme delivery which will occur in 2023.

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 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 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 2022 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. Charles McGhee formally resigned on 24 March 2022 and was replaced as chair by Dr Graham Paterson.

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.



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: 18 May 2023

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 2022, 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 2022 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.

RSM UK Audit LLP

Kelly Adams (Senior Statutory Auditor)

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

3rd Floor, 2 Sample Street,
Edinburgh, EH3 8BL

Date: 19/05/23

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 2022

	Note	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Income from:							
Donations and legacies	4	13,921,037	4,636,288	18,557,325	13,916,107	4,059,514	17,975,621
Other income	5	8,004	-	8,004	132,247	-	132,247
Other trading activities	6	557,109	-	557,109	328,139	-	328,139
Investments		15,060	-	15,060	1,046	-	1,046
Total income		14,501,210	4,636,288	19,137,498	14,377,539	4,059,514	18,437,053
Expenditure on:							
Raising funds	7	(1,609,582)	-	(1,609,582)	(1,454,521)	-	(1,454,521)
Charitable activities	8-9	(12,514,658)	(4,636,288)	(17,150,946)	(12,696,105)	(4,109,514)	(16,805,619)
Total expenditure		(14,124,240)	(4,636,288)	(18,760,528)	(14,150,626)	(4,109,514)	(18,260,140)
Net income/(expenditure)		376,970	-	376,970	226,913	(50,000)	176,913
Other recognised gains							
Other (losses)		(2,224)	-	(2,224)	(1)	-	(1)
Net movement in funds		374,746	-	374,746	226,912	(50,000)	176,912
Reconciliation of funds							
Total funds brought forward	18	2,885,018	-	2,885,018	2,658,106	50,000	2,708,106
Total funds carried forward	18	3,259,764	-	3,259,764	2,885,018	-	2,885,018

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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	137,498	168,951
Current assets			
Debtors	15	1,629,585	1,065,768
Cash at bank and in hand		2,494,864	2,797,903
Total current assets		4,124,449	3,863,671
Liabilities			
Creditors: falling due within one year	16	(1,002,183)	(1,147,604)
Net current assets		3,122,266	2,716,067
Total assets less current liabilities	17	3,259,764	2,885,018
The funds of the charity:			
Unrestricted income funds	18-19	3,259,764	2,885,018
Total charity funds		3,259,764	2,885,018

The financial statements on pages 20-37 were approved and authorised for issue by the board of directors on 18 May 2023 and signed on its behalf by:



Dr Graham Paterson
Chair

Statement of cash flows

for the year ended 31 December 2022

	2022 £	2021 £
Net cash (outflow)/inflow from operating activities	(277,501)	146,595
Cash flows from investing activities		
Investment income	15,060	1,046
Proceeds from sale of fixed assets	58	3,376
Purchase of tangible fixed assets	(38,432)	(33,824)
Net cash provided by investing activities	(23,314)	(29,402)
Change in cash and cash equivalents in the reporting period	(300,815)	117,193
Cash and cash equivalents at the beginning of the period	2,797,903	2,680,711
Change in cash and cash equivalents due to exchange rate movements	(2,224)	(1)
Cash and cash equivalents at the end of the reporting period	2,494,864	2,797,903

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

	2022 £	2021 £
Net income for the reporting period	376,970	176,913
(Increase)/Decrease in debtors	(563,818)	188,253
Investment income	(15,060)	(1,046)
Depreciation charge	69,636	56,122
Gain/(Loss) on sale of fixed asset	192	(2,897)
(Decrease) in creditors/accruals	(145,421)	(270,750)
Net cash (used in)/provided by operating activities	(277,501)	146,595

Analysis of changes in net debt movement

	At 1 Jan 2022	Cash flows	Foreign exchange	At 31 Dec 2022
Cash and cash equivalents				
Cash	2,797,903	(300,815)	(2,224)	2,494,864

Notes to the financial statements

for the year ended 31 December 2022

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 £374,746 (2021: surplus £176,912) for the year and at 31 December 2022 had net assets of £3,259,764 (2021: £2,885,018). As at 31 December 2022 it had net current assets of £3,122,266 (2021: £2,716,067).

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 (which ended in 2022). 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.

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. 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.

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.

3.6. 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.

3.7. Reserves accounting

The policy of the charity as at 31 December 2022 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 purposes and restricted funds are used for a specific purpose in line with donors' wishes.

3.8. 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.

3.9. 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.

3.10. 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 £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Donations	8,982,112	1,301,758	10,283,870	9,094,865	1,987,127	11,081,992
Legacies	1,773,299	5,000	1,778,299	1,233,016	1,000	1,234,016
Grants and trusts	1,387,242	3,329,530	4,716,772	1,612,350	2,071,387	3,683,737
Tax reclaimed on Gift Aid	1,424,597	-	1,424,597	1,557,600	-	1,557,600
Value of donated aid	353,787	-	353,787	418,276	-	418,276
Totals	13,921,037	4,636,288	18,557,325	13,916,107	4,059,514	17,975,621

Donations	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Unrestricted	8,982,112	-	8,982,112	9,094,865	-	9,094,865
Malawi	-	704,071	704,071	-	855,668	855,668
Liberia	-	242,631	242,631	-	257,871	257,871
South Sudan	-	160,428	160,428	-	72,063	72,063
Zambia	-	56,002	56,002	-	33,983	33,983
Kenya	-	49,929	49,929	-	24,533	24,533
Madagascar	-	24,246	24,246	-	2,315	2,315
Ethiopia	-	17,207	17,207	-	477,342	477,342
Haiti	-	15,191	15,191	-	240,360	240,360
Romania Homes	-	14,161	14,161	-	14,170	14,170
Yemen	-	9,213	9,213	-	-	-
India	-	7,235	7,235	-	6,838	6,838
Syria	-	510	510	-	672	672
Zimbabwe	-	392	392	-	-	-
Uganda	-	344	344	-	334	334
Lebanon	-	166	166	-	382	382
Benin	-	16	16	-	16	16
Ecuador	-	16	16	-	532	532
Myanmar	-	-	-	-	32	32
Thailand	-	-	-	-	16	16
Totals	8,982,112	1,301,758	10,283,870	9,094,865	1,987,127	11,081,992

4. Donations and legacies (continued)

Legacies	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Unrestricted	1,773,299	-	1,773,299	1,233,016	-	1,233,016
Kenya	-	5,000	5,000	-	-	-
Malawi	-	-	-	-	1,000	1,000
Totals	1,773,299	5,000	1,778,299	1,233,016	1,000	1,234,016

Grants and trusts	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Unrestricted	1,387,242	-	1,387,242	1,612,350	-	1,612,350
Malawi	-	879,051	879,051	-	877,561	877,561
Zambia	-	127,126	127,126	-	63,519	63,519
Zambia FCDO grant	-	592,442	592,442	-	469,747	469,747
Liberia	-	116,976	116,976	-	129,504	129,504
Liberia FCDO grant	-	555,931	555,931	-	-	-
Zimbabwe	-	273,876	273,876	-	-	-
Kenya	-	271,578	271,578	-	222,706	222,706
Ethiopia	-	231,000	231,000	-	252,090	252,090
Madagascar	-	122,000	122,000	-	8,202	8,202
South Sudan	-	71,550	71,550	-	25,607	25,607
Haiti	-	60,000	60,000	-	18,350	18,350
Syria	-	10,000	10,000	-	-	-
Yemen	-	10,000	10,000	-	-	-
Uganda	-	8,000	8,000	-	4,101	4,101
Totals	1,387,242	3,329,530	4,716,772	1,612,350	2,071,387	3,683,737

5. Other income

	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
CJRS Grant	-	-	-	31,247	-	31,247
Business Support Grant	-	-	-	96,500	-	96,500
Income from sale of asset	-	-	-	3,000	-	3,000
Capital Grant Income	1,716	-	1,716	-	-	-
GCVS Grant	6,288	-	6,288	1,500	-	1,500
Totals	8,004	-	8,004	132,247	-	132,247

6. Other trading activities

	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Shops	488,580	-	488,580	269,472	-	269,472
Recycling	18,439	-	18,439	14,904	-	14,904
Value of donated van lease	4,898	-	4,898	4,898	-	4,898
Miscellaneous	45,192	-	45,192	38,865	-	38,865
Totals	557,109	-	557,109	328,139	-	328,139

7. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Fundraising	1,120,730	-	1,120,730	1,027,168	-	1,027,168
Trading	488,852	-	488,852	427,353	-	427,353
Totals	1,609,582	-	1,609,582	1,454,521	-	1,454,521
Fundraising analysis by cost						
Employee costs	892,347	-	892,347	792,867	-	792,867
Property costs	24,273	-	24,273	18,305	-	18,305
Travel costs	13,589	-	13,589	4,098	-	4,098
Administration	166,770	-	166,770	192,858	-	192,858
Loss on sale of asset	37	-	37	51	-	51
Depreciation	23,714	-	23,714	18,989	-	18,989
Totals	1,120,730	-	1,120,730	1,027,168	-	1,027,168
Trading analysis by cost						
Purchases for resale	20,100	-	20,100	7,435	-	7,435
Employee costs	306,521	-	306,521	287,503	-	287,503
Property costs	122,942	-	122,942	107,675	-	107,675
Travel costs	10,697	-	10,697	4,524	-	4,524
Administration	19,996	-	19,996	9,734	-	9,734
Loss on sale of asset	86	-	86	-	-	-
Depreciation	8,510	-	8,510	10,482	-	10,482
Totals	488,852	-	488,852	427,353	-	427,353

8. Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Raising awareness	1,309,322	-	1,309,322	1,100,550	-	1,100,550
Governance	84,202	-	84,202	78,447	-	78,447
Backpacks and shipped aid	420,828	-	420,828	590,170	-	590,170
Programme expenditure	10,700,306	4,636,288	15,336,594	10,926,938	4,109,514	15,036,452
Total charitable activities	12,514,658	4,636,288	17,150,946	12,696,105	4,109,514	16,805,619

Raising awareness analysis by cost						
Employee costs	1,136,582	-	1,136,582	962,968	-	962,968
Property costs	31,405	-	31,405	21,221	-	21,221
Travel costs	27,993	-	27,993	5,906	-	5,906
Administration	84,255	-	84,255	89,188	-	89,188
Loss on sale of asset	40	-	40	51	-	51
Depreciation	29,047	-	29,047	21,216	-	21,216
Totals	1,309,322	-	1,309,322	1,100,550	-	1,100,550

Governance analysis by cost						
Employee costs	51,676	-	51,676	48,536	-	48,536
Travel costs	900	-	900	155	-	155
Office costs	3	-	3	3	-	3
Administration	2,244	-	2,244	815	-	815
Auditor's remuneration	14,032	-	14,032	13,247	-	13,247
Legal fees	3,431	-	3,431	3,376	-	3,376
Bank charges	9,841	-	9,841	9,045	-	9,045
Governance costs	1,745	-	1,745	2,754	-	2,754
Depreciation	330	-	330	516	-	516
Totals	84,202	-	84,202	78,447	-	78,447

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

	Shipping £	Aid £	2022 totals £	Shipping £	Aid £	2021 totals £
Aid shipped to Malawi	-	358,748	358,748	-	424,368	424,368
Backpack carriage costs	18,984	-	18,984	18,093	-	18,093
Support costs (see Note 9)	-	43,096	43,096	-	147,709	147,709
Totals	18,984	401,844	420,828	18,093	572,077	590,170

9. Analysis of support costs

	Unrestricted funds £	Restricted funds £	2022 totals £	Unrestricted funds £	Restricted funds £	2021 totals £
Employee costs	31,285	-	31,285	123,944	-	123,944
Property costs	1,201	-	1,201	3,237	-	3,237
Travel costs	7,084	-	7,084	13,062	-	13,062
Administration	659	-	659	2,546	-	2,546
Depreciation	2,867	-	2,867	4,920	-	4,920
Totals	43,096	-	43,096	147,709	-	147,709

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:

	2022 £	2021 £
Depreciation and other amounts written off tangible fixed assets	69,828	56,225
Operating lease rentals	102,371	165,706
Auditor's remuneration	14,032	10,920

11. Employees

Employment costs	2022 £	2021 £
Wages and salaries	2,039,385	1,853,864
Social security costs	182,997	154,057
Other pension costs	154,999	142,357
Totals	2,377,381	2,150,278

Number of employees	2022	2021
Monthly average	Number	Number
Support	1	4
Fundraising	23	24
Trading	10	8
Raising awareness	29	27
Governance	1	1
Totals	64	64

Key management compensation

Key management compensation includes the executive director and three senior directors, collectively known as the senior leadership team. The compensation paid to key management for employee services is shown below:

Employment costs	2022 £	2021 £
Wages and salaries	250,091	233,159
Social security costs	31,230	27,807
Other pension costs	18,774	18,966
Totals	300,095	279,932

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

	2022	2021
	Number	Number
£60,000-£70,000	3	1
£70,000-£80,000	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 £154,999 (2021: £142,357). At 31 December 2022, an amount of £Nil was accrued in the financial statements (2021: 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 2022	102,888	43,593	97,902	13,663	109,972	368,018
Additions	8,532	628	627	-	28,645	38,432
Disposals	-	(2,164)	(133)	-	(1,710)	(4,007)
At 31 December 2022	111,420	42,057	98,396	13,663	136,907	402,443
Depreciation						
At 1 January 2022	38,036	13,833	62,755	13,663	70,780	199,067
Charge for the year	25,428	6,248	7,481	-	30,479	69,636
Released on disposal	-	(2,019)	(48)	-	(1,691)	(3,758)
At 31 December 2022	63,464	18,062	70,188	13,663	99,568	264,945
Net book value						
At 31 December 2022	47,956	23,995	28,208	-	37,339	137,498
At 31 December 2021	64,853	29,760	35,147	-	39,191	168,951

15. Debtors

	2022 £	2021 £
Prepayments and accrued income	1,617,191	1,052,585
Other debtors	12,394	13,183
Totals	1,629,585	1,065,768

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	11,527	13,079
Taxation and social security	53,302	46,891
Accruals and deferred income	934,912	1,084,586
Other creditors	2,442	3,048
Totals	1,002,183	1,147,604

17. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 total funds £	2021 total funds £
Tangible assets	137,498	-	137,498	168,951
Current assets	4,124,449	-	4,124,449	3,863,671
Current liabilities	(1,002,183)	-	(1,002,183)	(1,147,604)
Totals	3,259,764	-	3,259,764	2,885,018

18. Unrestricted and restricted funds

	At 1 Jan 2022 £	Incoming resources £	Outgoing resources £	Gain on currency revaluation £	At 31 Dec 2022 £
Unrestricted funds	2,885,018	14,501,210	(14,124,240)	(2,224)	3,259,764
Restricted funds	-	4,636,288	(4,636,288)	-	-
Totals	2,885,018	19,137,498	(18,760,528)	(2,224)	3,259,764

19. Restricted funds

	At 1 Jan 2022 £	Incoming resources £	Outgoing resources £	At 31 Dec 2022 £
Malawi	-	1,583,122	(1,583,122)	-
Zambia	-	183,128	(183,128)	-
Zambia FCDO grant	-	592,442	(592,442)	-
Liberia	-	359,607	(359,607)	-
Liberia FCDO grant	-	555,931	(555,931)	-
Kenya	-	326,507	(326,507)	-
Zimbabwe	-	274,268	(274,268)	-
Ethiopia	-	248,207	(248,207)	-
South Sudan	-	231,978	(231,978)	-
Madagascar	-	146,246	(146,246)	-
Haiti	-	75,191	(75,191)	-
Yemen	-	19,213	(19,213)	-
Romania Homes	-	14,161	(14,161)	-
Syria	-	10,510	(10,510)	-
Uganda	-	8,344	(8,344)	-
India	-	7,235	(7,235)	-
Lebanon	-	166	(166)	-
Ecuador	-	16	(16)	-
Benin	-	16	(16)	-
Totals	-	4,636,288	(4,636,288)	-

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 2022 the charity had annual commitments under non-cancellable operating leases as follows:

Rental leases	2022 £	2021 £
Expiry date		
Within one year	63,935	86,239
Between one and five years	38,436	79,507
In more than five years	-	-
Totals	102,371	165,746

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 £154,999 (2021: £142,357). At 31 December 2022, an amount of £Nil was accrued in the financial statements (2021: 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 2022 financial year, budgeted reserves are £1,661,246. 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 2022.

During the year £1,473 of directors' travel expenses was paid (2021: £1,538).

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 2022

Charity number: SC022140

Company number: SC265941

