



# Mary's Meals International Organisation

(A company limited by guarantee)

## Trustees' report and financial statements

For the year ending 31 December 2017

Charity number: SC045223 Company number: SC488380

mary's  
meals

a simple solution  
to world hunger

# Contents

- 3** Legal and administrative information
- 4** Chair's report
- 6** Global Chief Executive's report
- 10** Trustees' annual report (including the strategic report and directors' report)
- 24** Statement of trustees' responsibilities
- 26** Independent auditor's report to the members and trustees of Mary's Meals International Organisation
- 30** Consolidated statement of financial activities
- 32** Charity statement of financial activities
- 34** Balance sheet
- 35** Consolidated cash flow statement
- 36** Note to the consolidated cash flow statement
- 37** Notes to the financial statements

## An important note on organisation names

"Mary's Meals International Organisation" is the legal name for the entity which co-ordinates and leads the global network of Mary's Meals organisations. In practice, this is often referred to simply as Mary's Meals International or MMI.

"Mary's Meals" is the legal name for the entity which raises awareness and funds for the network's programmes in the United Kingdom.

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 UK-focused organisation, in this document, as Mary's Meals UK or MMUK.

# Legal and administrative information

## CHARITY NUMBER

SC045223

## COMPANY REGISTRATION NUMBER

SC488380

## BUSINESS ADDRESS

Craig Lodge  
Dalmally  
Argyll  
Scotland  
PA33 1AR

## REGISTERED OFFICE

Craig Lodge  
Dalmally  
Argyll  
Scotland  
PA33 1AR

## TRUSTEES

David Clayton  
Peter Higgins  
Jacob Allen  
Dr Željka Markić  
Dr Christian Stelzer  
Mark McGreevy  
Ana Luisa Diez de Rivera-Laffont  
Charles McGhee (appointed 3 November 2017)  
Bishop John Keenan (appointed 27 March 2018)

## SECRETARY

Janet Haugh

## GLOBAL CHIEF EXECUTIVE

Magnus MacFarlane-Barrow

## CHIEF EXECUTIVE OFFICER

Janet Haugh

## AUDITOR

Deloitte LLP, Statutory Auditor  
2 New Street Square  
London  
United Kingdom  
EC4A 3BZ

# Chair's report



**I am delighted to present the Mary's Meals International Organisation annual report for the year ending 31 December 2017 – another year of celebrating many milestones and achievements for the Mary's Meals global family, thanks to the contributions of our wonderful supporters around the world.**

By the end of 2017, we were proud to be providing 1,230,171 chronically hungry children with a nutritious meal every school day across four continents – Africa, Asia, Latin America and the Caribbean. We also began school feeding programmes in a further two countries in 2017 – Ethiopia and Syria – and were able to grow our existing programme in Malawi.

Meanwhile, with total income to Mary's Meals International reaching £24.2 million for 2017, we continued to see strong growth in awareness-raising and fundraising from our National Affiliates – run by a small number of paid staff and a host of dedicated volunteers.

This compares to group income of £18.7 million during the preceding year in 2016, contributing to an overall increase of 30%. Very encouraging increases were experienced across almost all affiliates, much of which was driven by match

funding campaigns in the UK and USA in the last two months of 2017, to which our amazing supporters responded with outstanding generosity and kindness. This hugely positive growth in income has created a solid platform for our expansion plans in 2018 and beyond.

This is the third annual report of Mary's Meals International, following the creation of the organisation on 1 January 2015, and I am delighted to report that, throughout 2017, we continued to strengthen and grow through investment in infrastructure and the development of our people. This allows Mary's Meals to operate efficiently, bring nutritious school meals to even more hungry children, and ensures that we fulfil our commitment as the central entity which coordinates, supports and leads the global Mary's Meals movement.

In 2017, we were pleased to publish our ambitious strategic plan for 2018-2020, entitled 'It's possible.' The strategic plan incorporates feedback from consultation and engagement across the Mary's Meals movement, and sets out our strategic aims, objectives and outcomes for the next two years. This includes the building blocks to achieving our aspiration of feeding 2 million children by 2020 – something which is within our reach if we continue at the same growth rate as recent years.

One of our principal values is the good stewardship of the resources entrusted to us. Every year, we retain our commitment to keep running costs low, with at least 93% of donations being spent on our charitable activities. Continuing a trend from recent years, we again significantly exceeded this commitment during 2017, with 99% of donations generously given by our supporters being spent on our charitable work.

The global average cost to provide a child with Mary's Meals for a whole school year in 2017 was £12.74, against a budgeted figure of £13.90. Delivery of daily nutritious meals below the budget

set at the beginning of 2017 contributed towards an improved reserves position moving into 2018 and, ultimately, will allow us to reach more children in the future. This cost saving is testament to the enduring efficiency of Mary's Meals and our commitment to achieving the best possible value for our supporters and for the children we reach. We are also pleased to be able to retain the same annual amount for feeding a child in 2018 – a cost of £13.90.

I would like to take this opportunity to give my sincere thanks to my fellow trustees for their time, efforts and diligence throughout the year, and express my gratitude to our remarkable staff and volunteers around the world – including more than 80,000 in Malawi alone. Without them, this life-changing work would not be possible.

On behalf of more than 1.2 million children who receive Mary's Meals every day, I would also like to thank our supporters, from Liverpool to Los

Angeles, for their many little acts of love which enable little ones to flourish. Right now, in some of the world's poorest communities, there are pencils in hands and smiles on faces – all because so many people are sharing a little of what they have. That is truly amazing.

Today, the vision of Mary's Meals burns more brightly than ever, and we remain steadfast in our belief that it can and will be realised. By providing a daily meal, we meet the immediate need of the hungry child, and through education, give them the chance to free themselves from a life of poverty – allowing them to become the men and women to build a brighter future for their communities.



**David Clayton**  
Chair

**SCHOOL + FOOD**

**= HOPE**

# Global Chief Executive's report



**We are thankful that so many of you choose to extend your hands to little ones through this simple, effective mission of ours, and that the Mary's Meals family continues to grow.**

Our vision remains that every child receives a daily meal in their place of education and that those who have more than they need, share with those who lack even the most basic things. As our impact assessment work demonstrates, these daily meals – served in 15 countries around the world – have a transformative effect that can be seen every day, in classrooms and in the smiling faces of each child receiving Mary's Meals.

Today – in playgrounds where previously no one played, during lunchtimes when before Mary's Meals, no one ate – there are hundreds of thousands of children being children, free to use their energy for learning and fun. This is all thanks to the incredible kindness of Mary's Meals supporters and volunteers around the world, who make this beautiful work possible.

In 2017, we were able to keep our promise of providing a nutritious daily meal in school to the 1,219,307 children already enrolled in our school feeding programme, and throughout the year, the humbling generosity of our supporters allowed

us to expand to reach 10,864 more – bringing the total number of hungry children receiving Mary's Meals by year-end to 1,230,171.

Through this work – in a world where so much is broken and many children suffer – Mary's Meals brings hope and comfort to some of those who need it most. In 2017, we were able to expand two of our existing programmes, reaching an additional 14 schools in Nkhotakota district in Malawi and adding a further 403 children to our Lebanon programme.

We also began feeding children in a further two countries, Ethiopia and Syria. In Syria, where 1.7 million children are out of school, we provide daily meals which attract little ones to the classroom. For the children we reach there – whose young lives have been scarred by the unimaginable trauma of war – we hope that Mary's Meals can help in bringing some light following years of darkness and violence.

In Ethiopia, one of the poorest and most drought-prone countries in the world, Mary's Meals is supporting some of the many children and families who face a constant struggle for survival. The guarantee of a daily school meal eases some of the torment felt by parents unable to grow enough food for their children.

We launched our East Africa Emergency Appeal in March 2017, in response to the humanitarian emergency devastating the region – including two countries where Mary's Meals are served, South Sudan and Kenya. Conflict and drought plunged the region into a state of severe food insecurity, with famine officially declared in several areas. The incredible response from our supporters to this appeal allowed us to continue serving the 46,000 children in South Sudan and Kenya already relying on our meals. We were also able to reach an additional 3,094 children at seven schools in South Sudan, providing not only a powerful incentive to come to school, but a lifeline for those in desperate need of nourishment.





In seemingly hopeless situations like these, it can be easy to give in to feelings of despair. But, through this simple mission, we walk together with children and communities around the world, sharing just a little of their too-heavy load. Mary's Meals – and our model based on community participation and ownership – allows children to dream of a tomorrow that seems brighter than the poverty and hardship they have known. For a short time, they can stop worrying about their rumbling tummies, or where the next meal will come from, and start thinking about what they could become – a doctor, a teacher, a scientist. Together we continue onwards, hand-in-hand – from our grassroots fundraisers to our dedicated volunteers who rise early each day to prepare and serve Mary's Meals – until every child is reached.

As well as programmatic expansion, we have also seen substantial increases in fundraising from our National Affiliates. In 2017, we successfully recruited executive directors for our affiliates in Spain, the UK and Ireland. Our hugely positive income result for the year was across the whole family. Donations from UK and USA affiliates increased by 30% and 34% respectively. Croatia,

Germany, Ireland, Spain and Switzerland also experienced particularly strong income growth in 2017, with donations from supporters in these countries totalling more than £2.7 million.

Extensive work was carried out throughout the year to strengthen our capacity for growth, and various areas of focus were established to ensure that Mary's Meals continues to flourish, whilst remaining true to the values we hold dear.

During 2017, we recognised the need to prioritise the development of all our staff members, a key to our future success. The implementation of our Learning and Development Strategy as well as our People Strategy has ensured our people in all global positions are continuously learning and remain highly motivated. This has also helped to drive our positive culture to ensure a healthy work environment for everyone and help our teams realise their potential.

IT was a strong focus throughout the year, with many improvement projects and initiatives put in place to strengthen our global infrastructure, security and compliance. This included the development of an integrated CRM (Constituent



Relationship Management) system, which will be implemented across the organisation during 2018 to drive greater operational efficiency and create the best possible experience for our supporters.

We also began work to ensure compliance with the European Union's General Data Protection Regulation (GDPR). This project continues across the organisation and is on target to meet the May 2018 timeline. The key focuses of the project include cyber security, data collection and consent for marketing communications.

In 2017, we started development of our Monitoring, Evaluation and Learning Strategy for 2018-2020, as a continuation of the 2014-2017 strategy. This document determines how we learn from and demonstrate the impact of our work, helping us to refine our school feeding model. Through programme monitoring and independently-verified research and analysis – including long-term impact assessment work currently underway in Malawi, Zambia and Liberia – we can stay accountable to the individuals and organisations who support us, learning from and improving our programmes where necessary.

Amidst all of this hard work by teams around the world, we were overjoyed to celebrate the outstanding milestone of serving our billionth meal in 2017, enjoyed by 12-year-old Mohsin in India. This could not have been achieved without our army of volunteers or the amazing love shown by our supporters.

So, for every child who will wake today safe in the knowledge that they will eat and learn, I say 'thank you,' from the bottom of my heart to all those who choose to be part of this global movement. Whether the contribution is through prayer, donations, volunteering or in any other way – our supporters are making and keeping the most important of promises to more than 1.2 million children around the world. And it's those supporters – coupled with those of us with the privilege of leading this work, and treating each gift received with respect and gratitude – who are changing lives.

**Magnus MacFarlane-Barrow**  
Global Chief Executive

# Trustees' annual report

## Including the strategic report and directors' report

The trustees, who are also directors of the charitable company, present their annual report together with the audited consolidated financial statements of the charity and group for the year ended 31 December 2017. The trustees of Mary's Meals International Organisation who served during the period and up to the date of this report are set out on page three.

## Our purposes

### 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

Mary's Meals is a global movement supported by people from many walks of life and different backgrounds.

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.

We welcome all into the Mary's Meals family and we believe everyone has something important to contribute to the realisation of our vision.

### OUR CHARITABLE OBJECTS

- (a) To provide a daily meal, in a place of education, for children in the world's poorest communities;
- (b) To provide relief for those suffering, in any part of the world, as a result of humanitarian crises or poverty, to help people escape poverty and to provide care for orphaned, abandoned and vulnerable children and to work for the prevention thereof;
- (c) To raise awareness worldwide of poverty issues through education and;
- (d) To assist and support the work of other organisations, financially or otherwise, in particular members of the Mary's Meals network throughout the world, the objects of which would be considered to be charitable purposes and similar in nature to these objects.



## OUR STRATEGIC AIMS

1. To feed more children in a place of education and help those suffering the effects of extreme poverty in the world's poorest communities.
2. To grow the global movement and enable more people to offer their money, goods, time, or prayer to advance the work of Mary's Meals.
3. To strengthen the organisation and Mary's Meals global network in the furtherance of the vision, mission and values.

We firmly believe that the children receiving Mary's Meals today can one day grow up, well-nourished and well-educated, to become the men and women who will lift their communities out of poverty.

# Strategic report

How are we doing?

## Feeding more children

**We are delighted to be able to share the achievements and milestones celebrated throughout the global movement in 2017. Mary's Meals now serves 1,230,171 children in 15 countries across Africa, Asia, Latin America, the Caribbean and the Middle East.**

We are determined to keep our promise of a nutritious daily meal in school to those children already enrolled in our school feeding programme and – as funds allow – reach out to the next hungry child waiting for Mary's Meals.

### MALAWI

In Malawi, Mary's Meals played an essential role during the food insecurity crisis in 2016 and early 2017. More than 6.5 million people were affected – half the rural population – across huge areas of the country, particularly in southern and central Malawi. The provision of humanitarian assistance by various agencies, including Mary's Meals, helped to prevent the crisis from escalating into an emergency.

Our programme acted as a social safety net for families living in extreme poverty, particularly during the height of the crisis in February and March 2017. Families continued to send their children to school, knowing they would receive a meal there. Thankfully, the maize harvest in Malawi during 2017 was positive, with local food security improving across the country.

Over the course of 2017, we were able to further expand our Malawi programme. In September, we expanded into Nkhotakota, a rural district known for its sugar cane production on the shores of Lake Malawi. We are now feeding 11,703 children

at 14 schools in the region. The schools in this district are large, with enrolment often more than 1,000 children. Many of these children will walk for more than an hour to get to school.

---

### we are now feeding 11,703 children at 14 schools in Nkhotakota district

---

Steven Mankhwazi, head teacher at one of the schools, was excited at what a daily meal could do for his students. He said: "This school will change in the next couple of years because children will be attending school without having to worry. They will be fed, which in turn, will make them healthy and full of energy." Mary Stokes, our communications officer in Malawi, visited several of the schools in Nkhotakota and met volunteers who will be preparing the phala (porridge) for the children. Mary noted that everyone she spoke to had great hopes of a brighter future for their children.

Early childhood development (ECD) centres are a key part of our programme in Malawi. In 2017, we expanded our programme in Zomba, a district in southern Malawi. We now reach 10 ECD centres in the district, feeding an additional 940 children, bringing the total number of children to 8,917 throughout our Malawi ECD programme. We have found that just 1.2% of the highly vulnerable children in our programmes are referred to medical centres because they show any sign of malnutrition. This shows that Mary's Meals has made significant progress in combating malnutrition among pre-school aged children across our ECD programmes.

---

**in Liberia we currently support 126,002 children**

---



## **LIBERIA**

We currently support 126,002 children through our school feeding programmes in Liberia. In a country with one of the highest rates of out-of-school children in the world, Mary's Meals is working to enable children to go to school, through the provision of a nutritious meal in 513 schools across five counties (Bong, Bomi, Grand Cape Mount, Gbarpolu and Montserrado).

Many of the schools supported by our programme are in remote, hard to reach locations, which are only accessible by dirt roads. This makes transportation difficult, especially during the rainy seasons, and deters many other organisations from delivering programmes in these areas. In every county where we work, we are the only major school feeding programme in operation. We continue to deliver a consistent and efficient programme through our considerable experience, gained from working in Liberia for more than ten years.

Mary's Meals values inclusivity across all our programmes, reaching the most vulnerable and marginalised children.

Thanks to our commitment to inclusivity, girls represent 49% of all children enrolled in schools supported by our Liberia programme. This is a significant achievement as Liberia is ranked third worst in the world for the number of girls out of school (77% of the poorest Liberian girls aged 7-16 are out of school).

Henriattor is a young woman who credits her academic success to the food she received at school in Liberia. She said: "I ate Mary's Meals for three years while I was at school in Bomi county. Because of the meals I had strength to study and pass my exams."



## ZAMBIA

In Zambia, we continue to feed 57,582 children across 98 schools in the Chipata and Mambwe districts in the east of the country.

Community involvement is incredibly important to our Zambia programme. Sanya Zimba's children attend Mungu Orphan School in the Chipata district where she has been volunteering her time preparing and serving Mary's Meals. She told us: "Many people from the community partake in the volunteering and it helps to create unity. We work hand in hand to make the porridge from pumping the water, lighting the fire for the stoves, stirring the mixture and serving it to the children who are very eager not to miss class. So far it has undoubtedly been a great success."

---

**in Zambia we continue to feed 57,582 children across 98 schools**

---



Beyond the immediate selfless act of preparing and cooking the meals, our volunteers also play an active role in the long-term sustainability of the school feeding programmes. Mary's Meals conducts frequent meetings with community leaders to mobilise the communities to source materials required for the construction of permanent kitchens at the schools. Sustainability is fundamentally important to the work of Mary's Meals. Consequently, all schools in Chipata and Mambwe recently received seedlings to plant during the rainy season. This will contribute to the cultivation of school woodlots which will eventually provide a source of firewood for the stoves.



## KENYA

In Kenya, where we have been operating since 2005, we currently provide school meals to 28,212 children in the regions of Eldoret, Kisii and Turkana.

There remains significant need for Mary's Meals in Kenya. Over the course of 2017, food security deteriorated in the arid and semi-arid regions of the country and the region hardest hit by this crisis was Turkana. It suffered its third consecutive year of scarce rainfall, causing poor harvests & hunger, decimating livestock, destroying livelihoods and spreading disease. Acute rates of malnutrition in Turkana are more than double the emergency threshold. While the country is no longer in crisis, an estimated 3.4 million people remain acutely food insecure across Kenya.<sup>1</sup> Mary's Meals is supporting 5,968 highly vulnerable children in ECD centres in the region.

<sup>1</sup> WFP, Kenya, 2018

<sup>2</sup> UNDP, Human Development Indicators: Kenya, 2016

---

## we currently provide school meals to 28,212 children in Kenya

---

In Eldoret, more than 20% of the population are living below the international poverty line of \$1.90 (PPP) a day.<sup>2</sup> A large number of children in Eldoret live in urban slums or are street children. The Mary's Meals programme in Eldoret is administered by our Mary's Meals Kenya team, tirelessly working towards ensuring that these vulnerable children receive a daily meal in their place of education.

All of the schools receiving Mary's Meals in Eldoret have established their own gardens. Vegetables including kale, spinach, carrots, onions and cabbages are grown to supplement the maize and beans provided by Mary's Meals. The ongoing care and attention required for the gardens creates a sense of community ownership.

## MARY'S MEALS IN THE MIDDLE EAST

As part of our deep resolve to continue reaching more of the world's most vulnerable children, we are working to include children affected by the brutal civil war in Syria. Working in close collaboration with our implementing partners and stakeholders, our programme near Beirut in Lebanon is supporting children from the Syrian refugee settlements and their Lebanese neighbours. In 2017, we also launched Mary's Meals' newest school feeding programme in the war-torn city of Aleppo in Syria, where many children have endured unimaginable trauma.



We recently met with our operational partner, Dorcas, who told us some heart-warming stories of the positive impact Mary's Meals is having on the lives of children in Aleppo. The programme is helping 1,228 vulnerable children feel supported and cared for by providing a vital daily meal, helping families in desperate need as they struggle to provide food for their children.

Our community-led model is bringing people together for a common good in a divided city.

Amal, 13, is from Deir ez-Zor in eastern Syria. Amal arrived in Lebanon in February 2016 with her family to join her father who was already living in Beirut. She attends Antelias Primary School with three of her siblings.

Amal said: "I missed three years of school and I was very sad. I miss everything about home but now I like to study and to play with my friends. I like science as it's useful; I'd like to be a doctor one day. I think the meals are a good idea and they are delicious."

Our programmes in the Middle East demonstrate the positive impact school feeding can have in supporting vulnerable Lebanese and Syrian children, in both formal and non-formal education settings. These programmes are serving a critical need and are assisting vulnerable families by lessening the burden of having to provide food for their children to take to school.

## A NEW BEGINNING IN ETHIOPIA

In 2017 we also expanded our school feeding programme into Ethiopia, in partnership with the Daughters of Charity Tigray. Mary's Meals' school feeding programme began in October across three schools in the Tigray region of northern Ethiopia, which are in desperate need of assistance. Tigray is a very poor, semi-arid region, badly affected by drought and severe food insecurity.

Magnus visited a primary school in the area in August and learned from the teachers that children often go without food all day long. Magnus said: "When I looked around, I saw a playground in which no-one plays, during a lunch break in which no-one eats. This is a school waiting for Mary's Meals."

## In 2017, we also expanded our school feeding programme into Ethiopia





## Growing the global movement

**The global movement continued to grow and reach new audiences throughout 2017. One key milestone was the celebration of serving our billionth meal in Noida, India. Mohsin, aged 12, was served a dish of vegetable curry and rice at an informal education centre. This could not have been achieved without our army of local volunteers who give up their time to cook the meals, and the amazing love shown by our supporters around the world.**

Another fantastic milestone was celebrating 25 years since our founder and global chief executive, Magnus MacFarlane-Barrow, completed his first delivery of aid in Bosnia-Herzegovina. Croatian Post in Mostar issued a commemorative postal stamp, highlighting the strong relationship that continues between Mary's Meals and Bosnia-Herzegovina. Our presence in Medjugorje continues to inspire and motivate Mary's Meals supporters globally.

### **INTRODUCING OUR WORK TO A WIDER AUDIENCE**

The Shed That Fed A Million Children continues to spread the word of the Mary's Meals mission worldwide. During 2017, the book was translated and published in additional languages, including Spanish, German, Italian, Czech and French. Our communications team are also using the book as a tool to showcase the breadth of support for

Mary's Meals globally, by encouraging readers to post pictures of themselves with their copies of *The Shed That Fed A Million Children* on social media.

Generation Hope and Child 31 will be aired on television in Russia, continuing the success of these films in inspiring supporters of Mary's Meals. Shalom TV, based in India, also produced a 30-minute documentary about the work of Mary's Meals, which aired in October. Continued media coverage in a variety of languages and settings allows us to broaden the scope of people hearing the Mary's Meals message.

### **GROWING THE MARY'S MEALS NATIONAL AFFILIATE NETWORK**

Our network of affiliates continued to grow in 2017, with Mary's Meals being registered in Australia and Portugal. There are also international fundraising groups in numerous countries, including Belgium, Denmark and France.

In June, our annual international conference was held in Glasgow and we were delighted to welcome supporters from our programmes, programme partners, national affiliates and international fundraising groups. The conference allowed for a wide range of supporters to interact and discuss the successes of the movement whilst facilitating stronger relationships across the network.



## Strengthening the organisation

### MARY'S MEALS STRATEGIC PLAN 2018-2020

In 2017, we were delighted to publish our ambitious strategic plan for 2018-2020 entitled 'It's possible.' The strategic plan incorporates information and feedback from widespread consultation and engagement across the Mary's Meals movement during 2016/2017. The strategy continues to be made up of the same three strategic aims:

- 1 To feed more children in a place of education and help those suffering the effects of poverty in the world's poorest communities;**
- 2 To grow the global movement and enable more people to offer their money, goods, skills, time or prayer to advance the work of Mary's Meals;**
- 3 To strengthen the organisation and Mary's Meals global network in the furtherance of the vision, mission and values.**

### DEVELOPING OUR PEOPLE

During 2017, a key priority was developing the capacity and skills of our staff. A number of key human resources strategies were developed – the Mary's Meals people strategy and the Mary's Meals learning and development strategy were created to ensure that the capacity of our workforce can be strengthened. We also developed new competencies; Simplicity, Service, Stewardship, Self, Strategy, Success and Strengthen. MMI continues to take an equal opportunity approach in all that we do.

### IT AND OPERATIONS

A major focus across Mary's Meals in 2017 was on the development of our new CRM system. Our goal is to have an integrated system that improves user and supporter experience, which is used across the global organisation and drives greater operational efficiency.

We also began working to ensure full compliance to the European Union's GDPR. This project is continuing across the organisation and is on target to meet the May 2018 deadline.

fresh fruits      garden grow green grass      nail or takes heavy hammer      ink is important      Junior Jane and Joyce      Keneay likes knife and kite

STD 4

Masamu

Kuonkhetsa nam

Chitsanzo: Pa Sata  
Dawete Pali mabuku  
3245

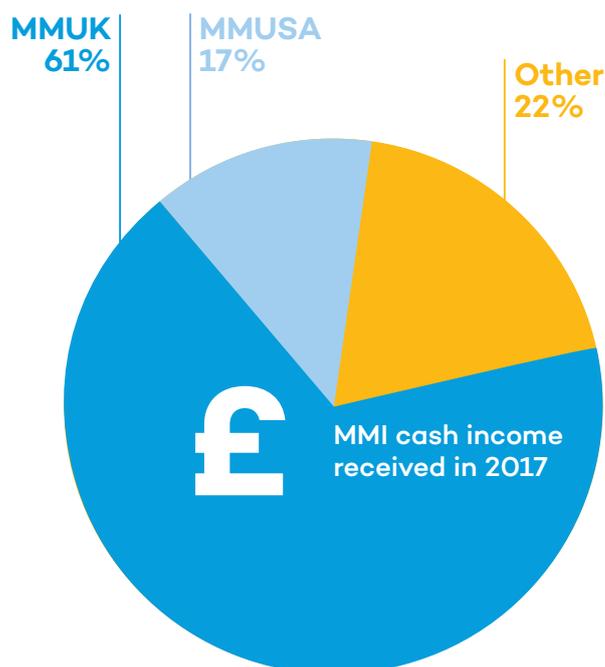


- 1.
- 2.
- 3.
- 4.

5. May
6. June
7. July
8. August



# Financial review



For the period to 31 December 2017, the total group income of the MMI organisation was £24.235m (2016: £18.667m). Virtually all this income was generated by the many Mary's Meals National Affiliates across the world, with 61% of total cash income coming from the National Affiliate in the UK, 17% from the National Affiliate in the US and the remaining funds being generated in National Affiliates, international fundraising groups and individuals all around the world.

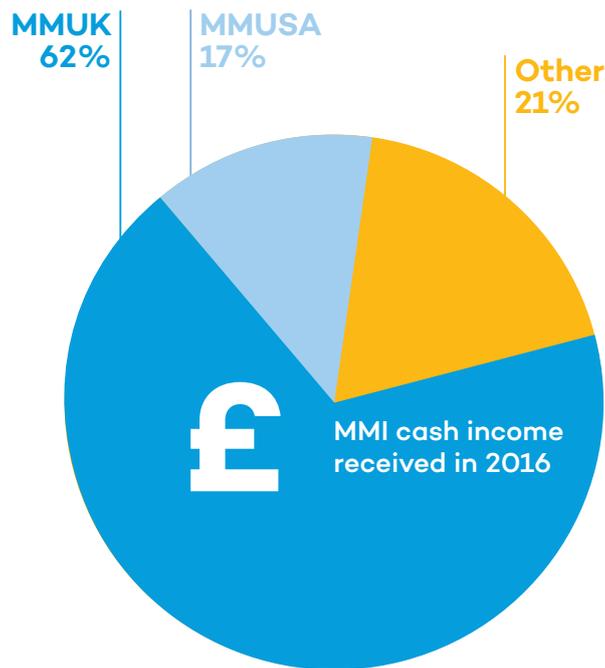
Total group expenditure for the same period was £19.760m (2016: £18.908m). We spent £19.490m, or 99%, on charitable activities. Continuing a trend in recent years, this significantly exceeds our long-term commitment to spend at least 93p of every £1 on our charitable activities.

As outlined in note 8 to the financial statements, it cost £16.278m (2016: £15.4m) to deliver our core school feeding programme in all the countries where we work. The number of children fed during the period rose from 1,219,307 to 1,230,171, an increase of over 10,000. The actual cost of feeding a child for our financial year 2017 was £12.74 against a budget of £13.90, evidencing our strong commitment to keeping costs under control and achieving value for money. We use these core KPIs – number of children fed, charitable

spend and cost per child – to accurately assess and demonstrate the significant progress that has been achieved in the reporting period as we look to feed more children as efficiently as possible.

The year-on-year increase in our overall income has been driven by successful fundraising efforts made by a number of our fundraising affiliates. In particular, donations received from MMUK and MMUSA – our two largest affiliates – were up 30% and 34% respectively on the prior year. This additional income will be used to support the ambitious expansions plans set out in our Strategic Plan 2018 – 2020 which will see us strive to reach at least 2 million children over the next three years.

The reserves policy is reviewed annually. As at 31 December 2017, the policy was to retain sufficient funds required to meet three months of UK running costs and between 1.5 to 2 months of committed programme expenditure. On this basis, the charity would expect to hold £4.089m minimum unrestricted reserves. At 31 December 2017, the group unrestricted reserves were £11.629m, driven in large part by the successful fundraising efforts mentioned above. In addition to this, restricted funds of £129k were held at year end for use in specific geographical locations.



Robust tendering processes have ensured food prices for most of our programmes were fixed during 2017 to protect the programmes from fluctuations in food costs. We have worked hard to achieve value for money in the major procurements we have undertaken in 2017 and have been pleased to secure significant reductions in key food prices for programmes in Malawi and Zambia. Due to the nature of our main charitable activities, food prices do remain a risk to our overall financial position and will therefore be monitored carefully.

In accordance with the articles of association, the charity has the power to invest as it sees fit. Surplus funds are held in a mixture of current and investment accounts to minimise bank charges, to optimise interest earned & accessibility and to minimise risk.

While the bulk of our work is delivered through programme affiliates (such as in Malawi, Liberia, Zambia and Kenya), we also have significant partnerships with other organisations who implement our programmes in other countries. Although it is a smaller proportion of our total expenditure, by working with these partner organisations, we are able to extend the work of Mary's Meals to reach hungry children in some

particularly challenging environments.

The vast majority of funds received by MMI come from our fundraising National Affiliates, spanning a number of countries around the world, who successfully raise funds on our behalf. In addition to this, we receive a small proportion of our total income directly from donors who are located in countries where a fundraising National Affiliate does not yet exist.

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 global movement, volunteers are engaged every day in fundraising activities, promoting awareness of the Mary's Meals vision and in delivering our feeding programmes. While the financial impact cannot be quantified, the selfless contribution of so many volunteers has a huge impact on the success of Mary's Meals and will continue to be a key part of our global movement in future.

The financial statements have been prepared on a going concern basis. The trustees continue to believe this is reasonable, in view of the wide and stable fundraising base in place across the Mary's Meals network.



## Structure, governance and management

Mary's Meals International Organisation is a company limited by guarantee governed by its memorandum and articles of association dated 3 October 2014. It is registered as a charity with the Office of the Scottish Charity Regulator. There are 12 founder members and the trustees are obliged to appoint, subject to certain conditions being satisfied, representatives from National Affiliates, each of whom agrees to contribute £1 in the event of the charity winding up.

Scottish International Relief Malawi is an independently constituted body whose main function is to implement Mary's Meals projects in Malawi but, it is free to fundraise from other sources. Mary's Meals International Organisation is represented on the board of this organisation. Mary's Meals Zambia is a subsidiary entity whose main function is to implement Mary's Meals projects in Zambia. Mary's Meals International Organisation is also represented on the board of this organisation. For the purposes of this annual report these entities have been consolidated as subsidiaries. Mary's Meals is also registered in Liberia and Kenya, as an overseas organisation working in the country.

The charity is governed by the board of trustees,

which meets on a quarterly basis. The composition of the board is monitored on a regular basis to ensure that the trustees have the necessary skills and expertise required to govern the charity. A budget is set annually in advance and submitted to the trustees for approval.

### APPOINTMENT OF TRUSTEES

As set out in the Articles of Association, the minimum number of trustees is three. There is no maximum number, unless determined by ordinary resolution. New trustees are appointed by the charity by ordinary resolution and are thoroughly vetted prior to appointment. They are briefed on their legal responsibilities and supplied with copies of the governing documents. They commit to a code of conduct, including upholding the aims and values of the charity. A list of the trustees who served during the financial period is included on page three of this report.

During the financial period to 31 December 2017, the day-to-day running of the charity was managed by the chief executive, reporting to the board of trustees, and supported by the chief operating officer and directors leading communications, programmes, people, IT & operations, network development and finance.

## APPROACH TO REMUNERATION

In 2015, a pay and grading structure was introduced for all staff and this was benchmarked against similar organisations. The benchmarking showed that Mary's Meals International Organisation pays significantly less than the benchmark to those in senior roles. This reflects our long-standing commitment to pay restraint at senior levels in the organisation. Recognising the differential in pay compared to other organisations, Mary's Meals is committed to being a great place to work and to offering an attractive package of non-financial benefits. In addition, the pay of the senior staff, and all staff, is reviewed annually and normally increased in accordance with inflation.

## RISK REVIEW

The trustees have overall responsibility for ensuring that the charity has assessed the major risks to which it is exposed and has a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified the following most important potential risks:

Potential risks	Mitigation strategies
<b>Economic, political, environmental deterioration in programme countries.</b>	Select programme countries based on stable environments; monitor local conditions.
<b>Growth of the global movement is insufficient to sustain programme growth.</b>	Continue to invest in National Affiliates, roll out tailored communication strategies and global campaigns & fundraising products.
<b>Inadequate integration of global organisation.</b>	Implement the Covenant of Participation for all participants in the global organisation; hold annual international conference for participants in the global organisation.
<b>Programme model fails to deliver expected results.</b>	Embed monitoring, evaluation and learning systems to enable improvement over time.
<b>Lack of controls undermine our success and credibility.</b>	Continue to review, refine and enhance strong controls that are currently in place.
<b>Inability to recruit and retain the right people.</b>	Continue to strengthen culture and offer non-financial benefits.

# Statement of trustees' responsibilities

The trustees (who are also directors of Mary's Meals International Organisation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the 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 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

The trustees approve the trustees' annual report (including the strategic report) in their capacity as trustees.

On behalf of the Board



**David Clayton**  
25 June 2018



# Independent auditors' report to the members and trustees of Mary's Meals International Organisation

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2017 and of the group's and parent charitable company's 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements of Mary's Meals International Organisation (the 'charitable company') and its subsidiaries (the 'group') which comprise:

- the group and parent charitable company statements of financial activities (including income and expenditure accounts);
- the group and parent charitable company balance sheets;

- the group cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### BASIS FOR OPINION

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 group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose 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 group's and the parent 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 group or the parent 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**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with those Acts and relevant regulations made or having effect there under.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### 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 trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which

the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

We have nothing to report in respect of these matters.



**Reza Motazed** BA FCA DChA  
(Senior statutory auditor)

For and on behalf of Deloitte LLP  
Statutory Auditor

London, United Kingdom

18 July 2018

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Jug Kite

ball cat dog  
F G H  
gun house  
K L  
kite lion

O P  
orange pencil  
T  
tiger

X  
xylophone

Orange Pot Clear Rat Sun

Winds  
Domes  
Palm Tree Yam

Hand-drawn illustrations of a man and a woman.

Hand-drawn illustration of a rooster.

Hand-drawn illustration of a cow.

Hand-drawn illustration of a pig.

Hand-drawn illustration of a sheep.

Hand-drawn illustration of a rabbit.

Hand-drawn illustration of a horse.

Hand-drawn illustration of a goat.

Hand-drawn illustration of a chicken.

Hand-drawn illustration of a duck.

Hand-drawn illustration of a sheep.

Hand-drawn illustration of a pig.

Hand-drawn illustration of a cow.

Hand-drawn illustration of a rabbit.

Hand-drawn illustration of a horse.

Hand-drawn illustration of a goat.

Hand-drawn illustration of a chicken.

# Consolidated statement of financial activities

(including consolidated income  
and expenditure account)

For the year ended 31 December 2017

**Consolidated statement of financial activities (including consolidated income and expenditure account)  
for the year ended 31 December 2017**

	Notes	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
<b>Income from:</b>					
Donations	6	17,276	6,933	24,209	18,588
Charitable activities		6	-	6	20
Other trading activities		20	-	20	59
<b>Total income</b>		<b>17,302</b>	<b>6,933</b>	<b>24,235</b>	<b>18,667</b>
<b>Expenditure on:</b>					
Raising funds	7	270	-	270	344
Charitable activities	8,9	12,533	6,957	19,490	18,564
<b>Total expenditure</b>		<b>12,803</b>	<b>6,957</b>	<b>19,760</b>	<b>18,908</b>
<b>Net income/(expenditure) for the year</b>		<b>4,499</b>	<b>(24)</b>	<b>4,475</b>	<b>(241)</b>
<b>Other recognised (losses)/gains:</b>					
Currency (losses)/gains		(351)	-	(351)	454
<b>Net movement in funds</b>		<b>4,148</b>	<b>(24)</b>	<b>4,124</b>	<b>213</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		7,481	153	7,634	7,421
Net movement in funds for the year		4,148	(24)	4,124	213
<b>Total funds carried forward</b>		<b>11,629</b>	<b>129</b>	<b>11,758</b>	<b>7,634</b>

All amounts relate to continuing operations. There is no material difference between the surplus on ordinary activities and the surplus for the financial year stated above and their historical costs equivalents.

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 37-55 form an integral part of these financial statements.

See note 4 for comparative consolidated statement of financial activities analysed by funds.

# Charity statement of financial activities

(including income and expenditure account)

For the period ended 31 December 2017

**Charity statement of financial activities (including income and expenditure account)  
for the year ended 31 December 2017**

	Notes	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
<b>Income from:</b>					
Donations	6	16,842	6,933	23,775	17,035
Charitable activities		1	-	1	13
Other trading activities		15	-	15	25
<b>Total income</b>		<b>16,858</b>	<b>6,933</b>	<b>23,791</b>	<b>17,073</b>
<b>Expenditure on:</b>					
Raising funds	7	270	-	270	344
Charitable activities	8,9	12,038	6,957	18,995	15,954
<b>Total expenditure</b>		<b>12,308</b>	<b>6,957</b>	<b>19,265</b>	<b>16,298</b>
<b>Net income/(expenditure) for the year</b>		<b>4,550</b>	<b>(24)</b>	<b>4,526</b>	<b>775</b>
<b>Other recognised (losses)/gains:</b>					
Currency (losses)/gains		(398)	-	(398)	414
<b>Net movement in funds</b>		<b>4,152</b>	<b>(24)</b>	<b>4,128</b>	<b>1,189</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		8,056	153	8,209	7,020
Net movement in funds for the year		4,152	(24)	4,128	1,189
<b>Total funds carried forward</b>		<b>12,208</b>	<b>129</b>	<b>12,337</b>	<b>8,209</b>

All amounts relate to continuing operations. There is no material difference between the surplus on ordinary activities and the surplus for the financial year stated above and their historical costs equivalents.

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 37-55 form an integral part of these financial statements.

See note 5 for comparative charity statement of financial activities analysed by funds.

# Balance sheet

as at 31 December 2017

	Notes	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
<b>Fixed assets</b>					
Intangible assets	14	55	-	55	-
Tangible assets	15	559	726	197	323
<b>Total fixed assets</b>		<b>614</b>	<b>726</b>	<b>252</b>	<b>323</b>
<b>Current assets</b>					
Stocks	16	1,321	969	609	511
Debtors	17	5,076	3,033	5,044	2,977
Cash at bank and in hand		7,778	5,002	6,824	4,609
<b>Total current assets</b>		<b>14,175</b>	<b>9,004</b>	<b>12,477</b>	<b>8,097</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	18	3,031	2,096	392	211
<b>Net current assets</b>		<b>11,144</b>	<b>6,908</b>	<b>12,085</b>	<b>7,886</b>
<b>Net assets</b>		<b>11,758</b>	<b>7,634</b>	<b>12,337</b>	<b>8,209</b>
<b>Funds</b>					
Unrestricted funds	20	11,629	7,481	12,208	8,056
Restricted funds	20,21	129	153	129	153
<b>Total funds</b>		<b>11,758</b>	<b>7,634</b>	<b>12,337</b>	<b>8,209</b>

These financial statements of Mary's Meals International Organisation on pages 30-55 were approved by the Board of Directors and authorised for issue on 25 June 2018 and signed on its behalf by:



**David Clayton**  
Chair

Charity Number SC045223  
Company Number SC488380

# Consolidated cash flow statement

Consolidated cash flow statement for the year ended 31 December 2017

	Group 2017 £'000	Group 2016 £'000
<b>Net cash flows from operating activities</b>	<b>3,261</b>	<b>1,099</b>
<b>Cash flows from investing activities</b>		
Interest income	17	12
Purchase of tangible assets	(241)	(365)
Proceeds from disposal of fixed assets	4	-
<b>Net cash change in investing activities</b>	<b>(220)</b>	<b>(353)</b>
<b>Change in cash and cash equivalents</b>	<b>3,041</b>	<b>746</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at 1 January 2017	5,002	3,883
Change in cash and cash equivalents due to exchange rate movements	(289)	373
<b>Cash and cash equivalents at 31 December 2017</b>	<b>7,754</b>	<b>5,002</b>

Cash and cash equivalents are represented by cash at bank and in hand.

# Note to the consolidated cash flow statement

## Reconciliation of net cash flows from operating activities

	Group 2017 £'000	Group 2016 £'000
Net income/(expenditure)	4,475	(241)
Investment income	(17)	(11)
Depreciation charge	283	271
Gain on disposal of fixed assets	4	7
Increase in stocks	(352)	(99)
Increase in debtors	(2,043)	(75)
Increase in creditors/accruals	911	1,247
<b>Net cash provided by operating activities</b>	<b>3,261</b>	<b>1,099</b>

# Notes to the financial statements

For the year ended 31 December 2017

## 1. GENERAL INFORMATION

Mary's Meals International Organisation (MMI) is an incorporated charity and a company limited by guarantee.

MMI meets the definition of a public benefit entity under FRS 102.

## 2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charities SORP (FRS 102), the Companies Act 2006, the Charity Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

## 3. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

### 3.1 BASIS OF PREPARATION

The financial statements have been prepared on the going concern assumption and accruals concept and provide information that is relevant, reliable, comparable and understandable.

### 3.2 BASIS OF CONSOLIDATION

The financial statements consolidate the results of the organisation on a line-by-line basis. The Charity consists of MMI, a UK registered company, plus its branches in Bosnia-Herzegovina, Kenya and Liberia. The Group comprises the Charity plus its subsidiaries Scottish International Relief Malawi and Mary's Meals Zambia.

Scottish International Relief Malawi and Mary's Meals Zambia: These entities are closely associated with MMI and implement its projects in Malawi and Zambia respectively. In accordance with best practice, the financial statements of Scottish International Relief Malawi and Mary's Meals Zambia have been consolidated in the group financial statements. This is based on the guidelines in the Statement of Recommended Practice for charities that, where there is dominant influence due to control, the financial statements should be consolidated.

### 3.3 GOING CONCERN

The organisation's activities and future plans are set out in the trustees' annual report. The organisation has considerable financial resources together with certain agreed government funding. As a consequence, the trustees believe that the organisation is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis of accounting continues to be adopted in preparing the annual financial statements.

### 3.4 INCOME

All income is included in the statement of financial activities (SoFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are included in full in the SoFA when receivable. Donated services and facilities are

included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Income from investments is included in the year in which it is receivable.

### 3.5 EXPENDITURE

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 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.

Costs of raising funds include the costs associated with attracting donations and legacies.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

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.

### 3.6 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.

### 3.7 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. The rates of depreciation provided on some classes of assets of our operations in Liberia, Kenya, Zambia and Malawi vary from the UK rates. This reflects the expected useful lives in these countries. Depreciation rates are as follows:

MMI's assets	
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

### 3.8 INTANGIBLE ASSETS AND AMORTISATION

Intangible fixed assets are stated at cost less accumulated amortisation.

Amortisation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life. Amortisation rates are as follows: -

Software development costs - 7 years straight-line

Software development costs are capitalised only after the technical and financial feasibility of the asset for use is established.

### 3.9 STOCKS

Stocks are valued at the lower of cost or net realisable value.

### 3.10 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and cash in hand includes cash, deposits held on call, deposits with a short maturity of three months or less from the date of opening and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **3.11 DEFINED CONTRIBUTION PENSION SCHEMES**

The charity has in place a group pension scheme to make available pension provision to all eligible UK National Employees who have been continuously employed for 3 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. Contributions are allocated across activities based on a percentage split of an employee's contribution to said activities.

### **3.12 FOREIGN CURRENCIES**

Transactions in foreign currencies are recorded at the rate on the date of the transaction. All differences are taken to the SoFA. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at an appropriate rate of exchange.

### **3.13 VALUE OF DONATED GOODS**

All donated goods which the charity sends abroad are evaluated to establish how it can maximise the value of the gift, except where appeals are made specifically for items to send overseas i.e. school backpacks.

### **3.13 VALUE OF DONATED GOODS**

A wide variety of goods is donated to the charity and sent overseas. In placing a value on these items, the following factors are taken into account:

- the purchase price or market value for new/unused items;
- the price of an equivalent substitute in the recipient area;
- the income which could be generated if the goods were sold in the UK; and
- the depreciation of second-hand goods, or value added through reconditioning or checking by volunteers.

### **3.14 TRANSFERS BETWEEN FUNDS**

Transfers from unrestricted to restricted funds enable MMI to continue to fund projects furthering its charitable activities, in different countries, using donations to the general fund. Restricted funds are held for each country where MMI performs its charitable activities.

### **3.15 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of MMI's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

#### 4. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000
<b>Income from:</b>				
Donations	6	11,060	7,528	18,588
Charitable activities		20	-	20
Other trading activities		59	-	59
<b>Total income</b>		<b>11,139</b>	<b>7,528</b>	<b>18,667</b>
<b>Expenditure on:</b>				
Raising funds	7	344	-	344
Charitable activities	8,9	11,006	7,558	18,564
<b>Total expenditure</b>		<b>11,350</b>	<b>7,558</b>	<b>18,908</b>
<b>Net income/(expenditure) for the year</b>		<b>(211)</b>	<b>(30)</b>	<b>(241)</b>
Transfers between funds		1,031	(1,031)	-
<b>Other recognised gains:</b>				
Currency gain on revaluation		170	-	170
Other gains		284	-	284
<b>Net movement in funds</b>		<b>1,274</b>	<b>(1,061)</b>	<b>213</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		6,207	1,214	7,421
Net movement in funds for the year		1,274	(1,061)	213
Transfer on demerger		-	-	-
<b>Total funds carried forward</b>		<b>7,481</b>	<b>153</b>	<b>7,634</b>

## 5. COMPARATIVE CHARITY STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000
<b>Income from:</b>				
Donations	6	9,507	7,528	17,035
Charitable activities		13	-	13
Other trading activities		25	-	25
<b>Total income</b>		<b>9,545</b>	<b>7,528</b>	<b>17,073</b>
<b>Expenditure on:</b>				
Raising funds	7	344	-	344
Charitable activities	8, 9	8,396	7,558	15,954
<b>Total expenditure</b>		<b>8,740</b>	<b>7,558</b>	<b>16,298</b>
<b>Net income/(expenditure) for the year</b>		<b>805</b>	<b>(30)</b>	<b>775</b>
Transfers between funds		630	(630)	-
<b>Other recognised gains:</b>				
Currency gain on revaluation		130	-	130
Other gains		284	-	284
<b>Net movement in funds</b>		<b>1,849</b>	<b>(660)</b>	<b>1,189</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		6,207	813	7,020
Net movement in funds for the year		1,849	(660)	1,189
Transfers on demerger		-	-	-
<b>Total funds carried forward</b>		<b>8,056</b>	<b>153</b>	<b>8,209</b>

## 6. DONATIONS

Summary financial performance

Donations	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000
MMI	15,529	-	15,529	9,507	-	9,507
Malawi	-	4,441	4,441	-	5,604	5,604
Liberia	-	713	713	-	1,029	1,029
Zambia	-	453	453	-	318	318
Kenya	-	236	236	-	191	191
Bosnia	-	36	36	-	-	-
South Sudan	-	317	317	-	78	78
East Africa	-	344	344	-	-	-
Benin	-	-	-	-	54	54
Ethiopia	-	83	83	-	-	-
Lebanon	-	19	19	-	22	22
Syria	-	88	88	-	-	-
Haiti	-	44	44	-	21	21
Romania Houses	-	16	16	-	18	18
Ecuador	-	-	-	-	16	16
India	-	7	7	-	6	6
Myanmar	-	-	-	-	3	3
Thailand	-	-	-	-	1	1
Uganda	-	6	6	-	-	-
<b>Total Charity Donations</b>	<b>15,529</b>	<b>6,803</b>	<b>22,332</b>	<b>9,507</b>	<b>7,361</b>	<b>16,868</b>
Grants	-	130	130	-	167	167
Value of Donated Aid	1,313	-	1,313	-	-	-
<b>Total Charity</b>	<b>16,842</b>	<b>6,933</b>	<b>23,775</b>	<b>9,507</b>	<b>7,528</b>	<b>17,035</b>
Malawi	40	-	40	38	-	38
Grants	42	-	42	166	-	166
Value of Donated Aid	352	-	352	1,349	-	1,349
<b>Total Group</b>	<b>17,276</b>	<b>6,933</b>	<b>24,209</b>	<b>11,060</b>	<b>7,528</b>	<b>18,588</b>

## 6. DONATIONS (CONTINUED)

Analysis of donations (excluding grants and donated aid) by geography

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Australia	10	14	10	14
Austria	970	888	970	888
Bosnia-Herzegovina	129	83	129	83
Canada	311	348	311	348
Croatia	409	234	409	234
France	9	8	9	8
Germany	1,181	974	1,181	974
Ireland	570	-	570	-
Italy	248	411	248	411
Malawi	40	16	-	-
Netherlands	113	100	113	100
Slovenia	23	24	23	24
Spain	359	67	359	67
Switzerland	145	40	145	18
UK	13,691	10,552	13,691	10,552
USA	3,895	2,905	3,895	2,905
Other	269	242	269	242
<b>Total</b>	<b>22,372</b>	<b>16,906</b>	<b>22,332</b>	<b>16,868</b>

## 7. COSTS OF RAISING FUNDS

Group and Charity	2017 Total £'000	2016 Total £'000
Employee costs	179	244
Property costs	7	10
Office services	76	79
Publicity and website	-	1
Transport and travel	7	9
Depreciation	1	1
<b>Total</b>	<b>270</b>	<b>344</b>

Costs attributed to raising funds are predominantly support costs.

## 8. CHARITABLE ACTIVITIES – BY FUND TYPE

Group	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000
Mary's Meals feeding	9,337	6,941	16,278	7,860	7,540	15,400
Romania Houses	62	16	78	49	18	67
Oscar Romero School	187	-	187	191	-	191
Raising awareness	700	-	700	667	-	667
Network support	583	-	583	392	-	392
Backpacks and shipped aid	1,664	-	1,664	1,847	-	1,847
<b>Total</b>	<b>12,533</b>	<b>6,957</b>	<b>19,490</b>	<b>11,006</b>	<b>7,558</b>	<b>18,564</b>

Charity	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000
Mary's Meals feeding	9,193	6,941	16,134	7,099	7,540	14,639
Romania Houses	62	16	78	49	18	67
Oscar Romero School	187	-	187	191	-	191
Raising awareness	700	-	700	667	-	667
Network support	583	-	583	390	-	390
Backpacks and shipped aid	1,313	-	1,313	-	-	-
<b>Total</b>	<b>12,038</b>	<b>6,957</b>	<b>18,995</b>	<b>8,396</b>	<b>7,558</b>	<b>15,954</b>

## 9. CHARITABLE ACTIVITIES – BY ACTIVITY

Group	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2017 Total £'000	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2016 Total £'000
Mary's Meals feeding	12,297	2,702	1,279	16,278	12,470	2,006	924	15,400
Romania Houses	-	78	-	78	-	67	-	67
Oscar Romero School	187	-	-	187	191	-	-	191
Raising awareness	36	-	664	700	35	-	632	667
Network support	-	-	583	583	1	-	391	392
Backpacks and shipped aid	1,664	-	-	1,664	1,847	-	-	1,847
<b>Total</b>	<b>14,184</b>	<b>2,780</b>	<b>2,526</b>	<b>19,490</b>	<b>14,544</b>	<b>2,073</b>	<b>1,947</b>	<b>18,564</b>

Charity	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2017 Total £'000	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2016 Total £'000
Mary's Meals feeding	12,166	2,702	1,266	16,134	11,713	2,006	920	14,639
Romania Houses	-	78	-	78	-	67	-	67
Oscar Romero School	187	-	-	187	191	-	-	191
Raising awareness	36	-	664	700	35	-	632	667
Network support	-	-	583	583	-	-	390	390
Backpacks and shipped aid	1,313	-	-	1,313	-	-	-	-
<b>Total</b>	<b>13,702</b>	<b>2,780</b>	<b>2,513</b>	<b>18,995</b>	<b>11,939</b>	<b>2,073</b>	<b>1,942</b>	<b>15,954</b>

Support costs are allocated to the core mission of the group – raising awareness of poverty and the running of the Mary's Meals school feeding programmes.

## 10. ANALYSIS OF SUPPORT COSTS

Group and Charity	Employee costs £'000	Property costs £'000	Office services £'000	Transport and travel £'000	Depreciation £'000	Governance £'000	2017 Total £'000
Mary's Meals feeding	885	36	125	41	5	174	1,266
Raising awareness	439	12	91	31	2	89	664
Network support	257	7	195	44	1	79	583
<b>Total Charity</b>	<b>1,581</b>	<b>55</b>	<b>411</b>	<b>116</b>	<b>8</b>	<b>342</b>	<b>2,513</b>
Mary's Meals feeding	-	-	-	-	-	13	13
<b>Total Group</b>	<b>1,581</b>	<b>55</b>	<b>411</b>	<b>116</b>	<b>8</b>	<b>355</b>	<b>2,526</b>

Group and Charity	Employee costs £'000	Property costs £'000	Office services £'000	Transport and travel £'000	Depreciation £'000	Governance £'000	2016 Total £'000
Mary's Meals feeding	580	33	77	55	3	172	920
Raising awareness	332	11	141	28	1	119	632
Network support	154	6	125	31	1	73	390
<b>Total Charity</b>	<b>1,066</b>	<b>50</b>	<b>343</b>	<b>114</b>	<b>5</b>	<b>364</b>	<b>1,942</b>
Mary's Meals feeding	-	-	-	-	-	5	5
<b>Total Group</b>	<b>1,066</b>	<b>50</b>	<b>343</b>	<b>114</b>	<b>5</b>	<b>369</b>	<b>1,947</b>

Costs are allocated on a transactional basis and are assigned on an activity or role basis, with each activity allocated to a particular function. General office expenditure, such as property costs and office services are split on the basis of headcount. Governance costs are apportioned over each core activity on a proportionate expenditure basis.

## 11. NET INCOME/(EXPENDITURE) FOR THE YEAR IS STATED AFTER CHARGING:

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Depreciation and other amounts written off tangible fixed assets	283	271	158	157
Auditor remuneration	85	55	72	50
Loss/(gain) on foreign currencies	351	(454)	398	(414)

The 2017 auditor remuneration charge includes VAT and also an element of 2016 VAT billed in 2017.

## 12. EMPLOYEES

Employment costs	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Wages and salaries	3,271	2,550	2,700	2,191
Social security costs	179	166	175	164
Pension costs	156	115	102	80
<b>Total</b>	<b>3,606</b>	<b>2,831</b>	<b>2,977</b>	<b>2,435</b>

Number of employees monthly average	Group 2017	Group 2016	Charity 2017	Charity 2016
Mary's Meals feeding	359	305	224	192
Raising funds	9	10	9	10
Raising awareness	14	13	14	13
Governance	4	5	4	5
<b>Total</b>	<b>386</b>	<b>333</b>	<b>251</b>	<b>220</b>

The tables above represent employed and contracted staff. They do not include the thousands of volunteers who give their time throughout the network. Their roles vary from spreading the word of the Mary's Meals mission in the UK and fundraising affiliate countries to cooking and serving meals to children in programme countries.

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

	2017 Number	2016 Number
<b>£60,000 - £70,000</b>	<b>1</b>	<b>-</b>

### KEY MANAGEMENT COMPENSATION

The key management personnel of the charity and group comprise the members of the Senior Leadership Team (SLT). The total remuneration (including pension contributions and employers' national insurance) of key management personnel totalled £487,502 (2016: £315,932).

No Trustees received remuneration for services from the charity or group in the year ended 31 December 2017 (2016: Nil) and no reimbursement of travel expenses were paid.

## 13. PENSION COSTS

The organisation operates a defined contribution pension scheme in respect of staff. The scheme and its assets are held by independent managers. MMI contributes 7.5% of employees' salary. Employers are required under the Act to remit aggregated contributions to any of the licensed Pension Administrators. The pension charge represents contributions due from the company and amounted to £99,403 (2016: £85,000). At 31 December 2017, £8,299 (2016: Nil) was accrued in the financial statements.

Scottish International Relief Malawi contributes to a mandatory and defined contribution Pension scheme on behalf of its local employees prescribed by the Government of Malawi under the Pension Act of 2010 which came into effect on 1 June 2011.

## 14. INTANGIBLE FIXED ASSETS

Group and Charity	Assets in course of construction £'000
<b>Net book value</b>	
At 31 December 2017	55
At 31 December 2016	-

There is no amortisation charge recognised in the year as the asset is still in its construction phase and thus not available for use.

## 15. TANGIBLE FIXED ASSETS

Group	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<b>Cost</b>					
At 1 January 2017	7	73	1,397	16	1,493
Exchange variance	-	(6)	(121)	-	(127)
Additions	-	6	177	3	186
Disposals	-	-	(14)	-	(14)
<b>At 31 December 2017</b>	<b>7</b>	<b>73</b>	<b>1,439</b>	<b>19</b>	<b>1,538</b>
<b>Accumulated depreciation</b>					
At 1 January 2017	2	33	725	7	767
Exchange variance	-	(3)	(62)	-	(65)
Charge for the year	2	16	260	5	283
Released on disposals	-	-	(6)	-	(6)
<b>At 31 December 2017</b>	<b>4</b>	<b>46</b>	<b>917</b>	<b>12</b>	<b>979</b>
Net book values					
<b>At 31 December 2017</b>	<b>3</b>	<b>27</b>	<b>522</b>	<b>7</b>	<b>559</b>
<b>At 31 December 2016</b>	<b>5</b>	<b>40</b>	<b>672</b>	<b>9</b>	<b>726</b>

Charity	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<b>Cost</b>					
At 1 January 2017	7	69	773	12	861
Exchange variance	-	(6)	(68)	-	(74)
Additions	-	4	64	3	71
Disposals	-	-	(10)	-	(10)
<b>At 31 December 2017</b>	<b>7</b>	<b>67</b>	<b>759</b>	<b>15</b>	<b>848</b>
<b>Accumulated depreciation</b>					
At 1 January 2017	2	32	498	6	538
Exchange variance	-	(2)	(42)	-	(44)
Charge for the year	2	15	138	3	158
Released on disposals	-	-	(1)	-	(1)
<b>At 31 December 2017</b>	<b>4</b>	<b>45</b>	<b>593</b>	<b>9</b>	<b>651</b>
Net book values					
<b>At 31 December 2017</b>	<b>3</b>	<b>22</b>	<b>166</b>	<b>6</b>	<b>197</b>
<b>At 31 December 2016</b>	<b>5</b>	<b>37</b>	<b>275</b>	<b>6</b>	<b>323</b>

## 16. STOCK

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Backpacks	712	458	-	-
Food	609	511	609	511
<b>Total</b>	<b>1,321</b>	<b>969</b>	<b>609</b>	<b>511</b>

## 17. DEBTORS

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Prepayments	91	103	61	61
Other debtors	5	41	3	27
Accrued income	4,980	2,889	4,980	2,889
<b>Total</b>	<b>5,076</b>	<b>3,033</b>	<b>5,044</b>	<b>2,977</b>

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

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Trade creditors	984	1,442	75	71
Other creditors	8	4	8	4
Accruals and deferred income	1,895	593	202	88
Taxation and social security	112	49	75	40
Finance lease	8	8	8	8
Bank overdraft	24	-	24	-
<b>Total</b>	<b>3,031</b>	<b>2,096</b>	<b>392</b>	<b>211</b>

Deferred income represents the value of donated goods not yet distributed.

## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Group unrestricted funds £'000	Group restricted funds £'000	Group total funds £'000	Charity unrestricted funds £'000	Charity restricted funds £'000	Charity total funds £'000
Tangible assets	614	-	614	252	-	252
Current assets	14,046	129	14,175	12,348	129	12,477
Current liabilities	3,031	-	3,031	392	-	392
<b>At 31 December 2017</b>	<b>11,629</b>	<b>129</b>	<b>11,758</b>	<b>12,208</b>	<b>129</b>	<b>12,337</b>

	Group unrestricted funds £'000	Group restricted funds £'000	Group total funds £'000	Charity unrestricted funds £'000	Charity restricted funds £'000	Charity total funds £'000
Tangible assets	726	-	726	323	-	323
Current assets	8,851	153	9,004	7,944	153	8,097
Current liabilities	2,096	-	2,096	211	-	211
<b>At 31 December 2016</b>	<b>7,481</b>	<b>153</b>	<b>7,634</b>	<b>8,056</b>	<b>153</b>	<b>8,209</b>

## 20. UNRESTRICTED AND RESTRICTED FUNDS

	At 1 Jan 2017 £'000	Income £'000	Expenditure £'000	Gains/(losses) on currency revaluation £'000	Other gains/ (losses) £'000	At 31 Dec 2017 £'000
<b>Unrestricted funds:</b>						
General	7,926	16,858	(12,308)	-	(322)	12,154
Revaluation reserve	130	-	-	(76)	-	54
<b>Unrestricted funds total</b>	<b>8,056</b>	<b>16,858</b>	<b>(12,308)</b>	<b>(76)</b>	<b>(322)</b>	<b>12,208</b>
Restricted funds	153	6,933	(6,957)	-	-	129
<b>Total Charity funds</b>	<b>8,209</b>	<b>23,791</b>	<b>(19,265)</b>	<b>(76)</b>	<b>(322)</b>	<b>12,337</b>
<b>Unrestricted funds:</b>						
General	(615)	444	(495)	-	-	(666)
Revaluation reserve	40	-	-	47	-	87
	<b>(575)</b>	<b>444</b>	<b>(495)</b>	<b>47</b>	<b>-</b>	<b>(579)</b>
<b>Total Group funds</b>	<b>7,634</b>	<b>24,235</b>	<b>(19,760)</b>	<b>(29)</b>	<b>(322)</b>	<b>11,758</b>

	At 1 Jan 2016 £'000	Transfers £'000	Income £'000	Expenditure £'000	Gains/ (losses) on currency revaluation £'000	Other gains/ (losses) £'000	At 31 Dec 2016 £'000
<b>Unrestricted funds:</b>							
General	6,207	630	9,545	(8,740)	-	284	7,926
Revaluation reserve	-	-	-	-	130	-	130
<b>Unrestricted funds total</b>	<b>6,207</b>	<b>630</b>	<b>9,545</b>	<b>(8,740)</b>	<b>130</b>	<b>284</b>	<b>8,056</b>
Restricted funds	813	(630)	7,528	(7,558)	-	-	153
<b>Total Charity funds</b>	<b>7,020</b>	<b>-</b>	<b>17,073</b>	<b>(16,298)</b>	<b>130</b>	<b>284</b>	<b>8,209</b>
<b>Unrestricted funds:</b>							
General	-	401	1,594	(2,610)	-	-	(615)
Revaluation reserve	-	-	-	-	40	-	40
	<b>-</b>	<b>401</b>	<b>1,594</b>	<b>(2,610)</b>	<b>40</b>	<b>-</b>	<b>(575)</b>
<b>Restricted funds</b>	<b>401</b>	<b>(401)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Group funds</b>	<b>7,421</b>	<b>-</b>	<b>18,667</b>	<b>(18,908)</b>	<b>170</b>	<b>284</b>	<b>7,634</b>

## 21. RESTRICTED FUNDS

	At 1 January 2017 £'000	Income £'000	Transfers £'000	Expenditure £'000	At 31 December 2017 £'000
Benin	57	-	-	(57)	-
Bosnia-Herzegovina	-	36	-	-	36
East Africa	-	344	(344)	-	-
Ecuador	24	-	-	(15)	9
Ethiopia	-	83	-	(20)	63
Haiti	-	174	-	(174)	-
India	-	7	-	(7)	-
Kenya	-	236	59	(295)	-
Middle East	72	19	-	(91)	-
Liberia	-	713	-	(713)	-
Malawi	-	4,441	-	(4,441)	-
Myanmar	-	-	-	-	-
Romania Houses	-	16	-	(16)	-
South Sudan	-	317	203	(520)	-
Syria	-	88	-	(67)	21
Thailand	-	-	-	-	-
Uganda	-	6	82	(88)	-
Zambia	-	453	-	(453)	-
<b>Total</b>	<b>153</b>	<b>6,933</b>	<b>-</b>	<b>(6,957)</b>	<b>129</b>

## 21. RESTRICTED FUNDS (CONTINUED)

	At 1 January 2016 £'000	Income £'000	Transfers £'000	Expenditure £'000	At 31 December 2016 £'000
Benin	43	54	-	(40)	57
Bosnia-Herzegovina	-	-	-	-	-
Ecuador	21	15	-	(12)	24
Haiti	19	130	-	(149)	-
India	-	6	-	(6)	-
Kenya	37	191	(37)	(191)	-
Liberia	593	1,029	(593)	(1,029)	-
Malawi	-	5,663	-	(5,663)	-
Middle East	100	22	-	(50)	72
Myanmar	-	3	-	(3)	-
Romania Houses	-	18	-	(18)	-
South Sudan	-	78	-	(78)	-
Thailand	-	1	-	(1)	-
Uganda	-	-	-	-	-
Zambia	-	318	-	(318)	-
<b>Total Charity</b>	<b>813</b>	<b>7,528</b>	<b>(630)</b>	<b>(7,558)</b>	<b>153</b>
Malawi	316	-	(316)	-	-
Zambia	85	-	(85)	-	-
<b>Total Group</b>	<b>1,214</b>	<b>7,528</b>	<b>(1,031)</b>	<b>(7,558)</b>	<b>153</b>

The restricted funds above represent the geographical locations to which funds are restricted, based on donors' wishes.

## 22. GROUP STRUCTURE

The Charity consists of MMI, a UK-registered charitable company, including its branches in Bosnia-Herzegovina, Kenya and Liberia. The Group comprises the Charity plus its charitable subsidiaries Scottish International Relief Malawi and Mary's Meals Zambia.

Details of the subsidiaries are included below.

	Scottish International Relief Malawi	Mary's Meals Zambia
Company number		122443
Charity registration number	NGO/R/07/18	
Registered office	Blantyre East 169 Salim Armour Road Ginnery Corner Blantyre, Malawi PO Box E386 Post Dot Ne	Base Office Park Plot 35184 Alick Nkhata Avenue PO Box 50794 Lusaka, Zambia
Net assets	(£670,336)	£92,712
Income for the year	£9,363,480	£956,766
Expenditure for the year	£9,406,615	£978,668
Deficit for the year	(£43,135)	(£21,902)

## 23. RELATED PARTY TRANSACTIONS

Craig Lodge Trust is owned by the parents of the Global Chief Executive, Magnus MacFarlane-Barrow. In 2016 Craig Lodge Trust provided goods and services i.e. accommodation, meals and overheads amounting to £1,000. There were no equivalent transactions in 2017.

During the year, MMI paid the Cicero Group £42,098 (2016: Nil) for consultancy services. Jacob Allen, a Trustee, is a partner in this organisation.

## 24. COMPANY LIMITED BY GUARANTEE

MMI is a company limited by guarantee and accordingly does not have any 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.

A photograph of two young girls in orange school uniforms. The girl on the left is holding a blue bowl and a spoon, while the girl on the right is holding a yellow bowl. They are both smiling warmly at the camera. In the background, another person in a white and yellow uniform is partially visible.

mary's  
meals

a simple solution  
to world hunger

**Mary's Meals**  
International Organisation  
(A company limited by guarantee)  
Charity number: SC045223  
Company number: SC488380

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