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Mary's Meals International Organisation
(A company limited by guarantee)

Annual report

Trustees' annual report and financial statements
for the year ended 31 December 2018



mary's
meals

a simple solution
to world hunger

Our vision is that every child receives one daily meal in their place of education and that all those who have more than they need, share with those who lack even the most basic things.

Our year in numbers

1,425,013
children fed

4 new affiliate
organisations



Feeding in
2 new
countries

Madagascar



Zimbabwe

A total income of **£26.1 million**



of donations
were spent
on charitable
activities

£1.8 million

growth in income year on year



Actual cost per child:

£11.69

Budgeted cost per child: **£13.90**

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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
Bishop John Keenan
Marie Da Silva (appointed 26 March 2019)

Secretary

Janet Haugh

Founder & Global Chief Executive

Magnus MacFarlane-Barrow

MMI Chief Executive Officer

Janet Haugh

Auditor

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

Bankers

Royal Bank of Scotland plc
88 Main Street
Rutherglen
Glasgow
G73 2JA

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Nationwide Building Society
PO Box 3, 5-11 St Georges Street
Douglas, Isle of Man, IM99 1AS





Chair's report

I am pleased to present the Mary's Meals International Organisation annual report for the year ending 31 December 2018 and to offer my thanks to all our supporters around the world who have contributed to another year of wonderful achievements for the Mary's Meals family.

By the end of 2018, we were delighted to be providing 1,425,013 hungry children with a nutritious meal every school day in more than 2,000 places of education in Africa, Asia, North and South America, and Europe.

We welcomed an additional 194,842 children to the Mary's Meals family. We added two new countries – Madagascar and Zimbabwe – to our global programme, bringing the total number of countries to 18, and reached the astonishing milestone of feeding more than 1 million children in Malawi alone.

The number of children receiving Mary's Meals grew by just under 16% in 2018. If this trend continues as it has in recent years, it is wonderful to think we could be feeding 2 million children by 2020.

Consolidated general income for Mary's Meals International is also on the rise, from £24.2 million to £26.1 million in 2018, an overall increase of 8%. Notable donations came from Mary's Meals affiliates in the UK (£14.7 million), Germany (£1.4 million) and Austria (£1 million), along with a strong performance from Switzerland (£0.2 million), up 50% on 2017, and the Czech Republic which raised an amazing £0.2 million in its first year as a registered Mary's Meals affiliate.

We are grateful to all who contributed in any way in 2018, whether through crisis appeals, regular giving or one-off donations.

In June, Mary's Meals launched its Crisis in South Sudan campaign to help desperately hungry children in the war-ravaged country and meet the growing demand for Mary's Meals. The public responded with great generosity and we were able to begin feeding at five new schools in South Sudan, bringing the total number of children receiving life-saving meals to 24,413 by the end of the year.

Just two months later in August, the state of Kerala in India was hit by the worst flooding in more than a century. More than a million people were forced from their homes and were left in need of humanitarian assistance. Our Kerala Floods Emergency Appeal generated an astonishing response, enabling Mary's

David Clayton



Meals to work alongside our partner organisation to distribute emergency food parcels to 13,000 families in two of the worst affected villages. With many roads flooded, volunteers delivered 25kg bags of rice by truck and boat, along with 2,000 cooking kits and 1,000 portable gas stoves.

One of our principal values is the good stewardship of the resources entrusted to us and Mary's Meals has an ongoing commitment to spend at least 93% of donations on charitable activities and to keep running costs low. I am pleased to say that in 2018, MMI continued that commitment, with 99% of expenditure from donations going directly to charitable activities.

The global average cost to provide a child with Mary's Meals for a whole school year in 2018 was £11.69, compared to a budgeted figure of £13.90. Once again, we have delivered meals below the budget set at the beginning of the year. This clearly demonstrates Mary's Meals' continued efficiency in this area.

I would like to thank the many different parts of the Mary's Meals movement for their little acts of love which enable the children in our programme to flourish. On behalf of more than 1.4 million children who receive Mary's Meals every day at school, my thanks go out to my fellow trustees, supporters, staff, and in particular to the volunteers who cook and serve the food in our programme countries. We depend on more than 80,000 volunteers to deliver Mary's Meals' feeding in Malawi alone. Without their hard work and perseverance, Mary's Meals would not be possible.

Mary's Meals' vision is simply 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. That vision guided and inspired us as strongly as ever in 2018, and we look forward to a time when the children we feed today will grow up to become the men and women who lead their families, communities and countries into a more prosperous future thanks to the power of education.

A handwritten signature in black ink that reads "David Clayton". The signature is written in a cursive, slightly slanted style.

David Clayton
Chair

“To feed someone every day is not a small thing.”

Global and MMI Chief Executives' Report

We are delighted to provide an overview of the achievements during 2018 and to thank everyone who has shown their commitment in 2018 to our shared vision.

As the head teacher of one of the 505 schools in our Liberia school feeding programme said: “To feed someone every day is not a small thing.”

He is right.

It may be a simple act each day, but it demands long-term commitment. It has an immediate impact by meeting a child's daily need for food, but it also offers comfort and security in its long-term promise. It tackles daily hunger, but also offers hope for the future through education. Hope that begins each day at mealtime, continues to home-time, and keeps eager pupils going until they arrive at school again the next day. As long as those children come to school, Mary's Meals promises to be there to support them.

Such hope is the outcome of the combined acts of kindness from Mary's Meals supporters and volunteers around the world, who bring this beautiful work to life every day.

Mary's Meals believes in the transformative effect of a daily meal in a place of education. We see that transformation as much in the smiling faces of the 1,425,013 children in 18 countries around the world who eat Mary's Meals, as in the findings of our research which bear out our belief in a simple idea that works. Mary's Meals' five-year project to measure the impact of our work in the three largest programme countries – Malawi, Zambia and Liberia – has unearthed some remarkable results, reinforcing much of what we had already understood. For example, the research revealed that within a year of receiving Mary's Meals for the first time,

Magnus MacFarlane-Barrow



Janet Haugh



the proportion of children who said they were hungry 'most days' or 'always' fell by a remarkable 71%. And in Malawi and Zambia, 98% of teachers said children concentrate better in their classes.

Mary's Meals is treated with great love by our supporters and we continue to develop our expertise to enable us to be the very best we can. As we strengthen our organisation, we continue to learn and grow as one of the leading practitioners of school feeding globally.

We continue to engage with governments in the countries where we work and during 2018 Mary's Meals was asked to present evidence of the impact of its programme at the 20th Annual Global Child and Nutrition Forum Conference in Tunisia. Those present included leading school feeding academics, development agencies, and government representatives – many from countries in which we work, such as South Sudan and Liberia – and they told us of their appreciation for our work.

Mary's Meals continues to provide a safety net for some of the most vulnerable children in some of the poorest communities around the world. We take great delight in this work that can only be achieved through our dedicated staff and partner organisations in the field, and through the numerous volunteers and communities where the Mary's Meals programme lives and breathes. We never forget that all 1.4 million children receiving Mary's Meals have their own lives, their own stories, and their own dreams for the future.

That is why we were delighted that in 2018, we added two new countries to the programme, Madagascar and Zimbabwe. In Madagascar, we started a small programme where the 285 children we began feeding through our local



partner are currently in prison. The conditions are appalling and food shortages are common, so this programme is supporting some of the most vulnerable young people in that country as they are given the opportunity to learn.

In contrast Malawi is our biggest programme country and the place Mary's Meals began. We reached an amazing milestone in 2018, when the total number of children receiving a daily meal in their place of education in Malawi exceeded 1 million. The programme has come a long way from its humble beginnings when we began feeding just 200 children there in 2002.

In November, we took Hollywood actor and long-term friend of Mary's Meals, Gerard Butler, to visit our programmes in Haiti. We have released two short films from his visit so far and we're expecting to complete a full-length documentary in the second half of 2019.

As the Liberian Head Teacher said, "to feed someone every day is not a small thing". To feed over one million children every day at school is not small either. It requires us to apply our expertise and experience, whilst always seeking to improve what we do, so we can reach even more children.

During 2018, we launched the School Feeding Delivery Model Project to develop an in-house system to unify, simplify and strengthen our processes in the field in preparation for further growth. In addition, the first group of 22 leaders graduated from our Leadership Academy – a year-long programme, which is offered to individuals throughout the global family. These are just two of the many initiatives we are progressing to help us all better serve Mary's Meals mission.

Our international conference in Glasgow in September brought together staff, volunteers and partners from around the world. With the title 'Walking Together', the conference promoted understanding, solidarity and cohesion across the expanding Mary's Meals network of 34 countries. This includes four new National Affiliates – Mary's Meals Australia, Mary's Meals Belgium, Mary's Meals Czech Republic and Mary's Meals France – who we warmly welcomed into the family during 2018. New staff have joined our teams in Italy and the USA, and the Mary's Meals Affiliate Development team was strengthened to support our growing number of volunteers and bring more people into the global movement.

It is remarkable how we continue to grow each year. In 2018 income rose from £24.2 to £26.1 million which enabled us to add an additional 194,842 children to our programmes during the year. We are so grateful to everyone who has made this possible.

At Mary's Meals, we talk about lots of little acts of love and so we would like to thank everyone who supports our work in whatever way. As the head teacher in Liberia said, "it is not a small thing." Through your time, skills, money, goods and prayer, you are helping us keep our promise to more than 1.4 million children around the world, and – as funds allow – reach out to the next child waiting in hope. Thank you.

Magnus MacFarlane-Barrow
Global Chief Executive

Janet Haugh
MMI Chief Executive Officer



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 2018. The trustees of Mary's Meals International Organisation (MMI) who served during the period and up to the date of this report are set out on page 5.

This report reflects the work and results of MMI, which acts as the international organisation of the Mary's Meals Network and for which it provides a focus of unity, stability and continuity. Our school feeding programmes are delivered directly through programme affiliates in Malawi, Liberia, Zambia and Kenya and through partner organisations in other countries. These financial statements incorporate the full costs to carry out, monitor and support the delivery of these school feeding programmes. Income is generated by National Affiliates who raise awareness of the work of Mary's Meals and are entirely independent legal entities. As such, the results of these entities are not incorporated into this report. More detail on the group structure is set out on page 28.

All organisations across the Mary's Meals network share the following vision and mission:

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:

MMI has a specific role in the Mary's Meals movement to deliver on the vision and mission through the following 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:

We work towards the above charitable objects by focusing our efforts on three core 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

Mary's Meals Strategic Plan 2018-2020

Throughout 2018, we continued to focus on the delivery of our 2018-2020 Strategic Plan, and to work towards our strategic aims.

The plan sets out our strategic objectives and high-level milestones that will ensure we can continue to grow as we have in recent years and respond to new opportunities as they arise.

In line with our strategy and due to the ongoing commitment and dedication of thousands of supporters across the global family in 2018, we were able to:

- reach an additional 194,842 children with a nutritious school meal every day at school;
- expand into an additional two programme countries: Madagascar and Zimbabwe;
- welcome four national affiliates into the global network: Australia, Belgium, Czech Republic and France; and
- implement a new people strategy and learning and development programme, including the Leadership Academy, management and leadership training, programmes academy and we applied the findings of our first learning report to improve programme delivery.

The sections that follow illustrate the progress we have made against each of our overarching strategic aims and highlight the impact that we believe these achievements have delivered for the children we serve and for the global movement we seek to inspire.

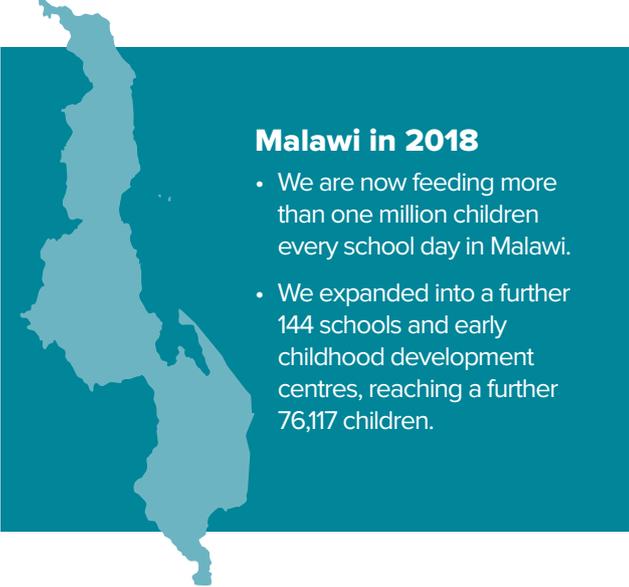


Feeding more children



2018 has been an incredible year of expansion and growth for Mary's Meals. Thanks to the continuing generosity of our many supporters around the world, we are now feeding 1,425,013 children every day at school in 18 countries, across Africa, Asia, Latin America, Eastern Europe, and the Caribbean.

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 2018

- We are now feeding more than one million children every school day in Malawi.
- We expanded into a further 144 schools and early childhood development centres, reaching a further 76,117 children.

Malawi

In 2018, Mary's Meals successfully completed several expansions in Malawi, during March, April, May and September. During the year, we expanded into a further 144 schools and early childhood development centres in the Blantyre, Zomba, Neno, Mwanza and Chikwawa districts and reached an additional 76,117 children. We are now feeding more than one million children every school day in Malawi, representing 32% of the primary school population, which is a remarkable milestone. The programme continues to act as a social safety net for families living in extreme poverty and has come a long way from its humble beginnings, when we began feeding just 200 children in Malawi in 2002.

Community volunteers are crucial to the success of our programmes, not least in Malawi where more than 80,000 volunteers contribute to the daily running and management of the programme. Miriam Limbani, 41, looks after her younger sister's four children and has two grown-up sons of her own. Miriam has seen first-hand the difference daily school meals can make to children's lives.

As chair of the Mary's Meals feeding committee at Lirangwe Primary School, Miriam oversees volunteers from 15 villages to ensure the food is cooked and served to the children each day.

"The programme has encouraged many children to come to school," Miriam says. "Now they will learn with full bellies. Even if they don't eat at home, they know they will eat here. The children are healthy, and they are doing well in class. They are full of energy, and they don't fall asleep anymore."

Miriam understands the importance of education, particularly for young girls hoping for a future free from hunger.

"If there wasn't any porridge here, many children would get married early, especially the girls," she says. "School is important because it makes them literate, and it moulds the children's future."

Miriam, Malawi



Liberia in 2018

- We are now reaching 121,283 vulnerable children in Liberia.
- We feed in 505 schools across five counties.



Liberia

By the end of 2018, we were reaching 121,283 vulnerable children at 505 schools across five counties in Liberia. Our impact research in Liberia shows that absence rates are high at schools that are yet to be reached by Mary's Meals – 37% of parents said that hunger was the main reason for their children missing school and 38% of children said they often left school early because they were hungry. In contrast, at schools where children receive Mary's Meals, not a single parent or child gave hunger as the reason for missing class. Our research in Liberia also shows that enrolment at schools where Mary's Meals are served increased significantly within a year of introducing school feeding, and children, parents, and teachers said that children attend classes more regularly.

Through our work, we aim to increase local and national capacity to deliver school feeding and improve access to education. Our enduring partnership with the Government of Liberia at national and local levels ensures that our work is aligned with national development priorities.

Marthaline, who attends a village school a long way from the main road in Montserrado county, receives Mary's Meals. When she grows up she would like to be a doctor. She said: "There is no doctor in this community. It's a long way to be treated and get medicine. Once, when I got sick, they took me there. I had a pain in my head and my stomach. That's where I saw a doctor working. So, if I become a doctor, I will stay here to work, because the community needs it."

Marthaline lives with her grandmother, as her mother died during the outbreak of Ebola and her father is not around. Her grandmother had 13 children and more than 10 of her children and grandchildren live with her. Marthaline is president of her school's health club. The club encourages good hygiene, amongst many other activities. The school principal told us that Marthaline lives for the health club. Mary's Meals makes life a little easier for Marthaline and her family and gives her the opportunity to work hard at school, which she is grabbing with both hands.

In neighbouring Benin, we welcomed a further 610 children into the Mary's Meals family in October 2018. We have been working in Benin since 2011 with our partner Soeurs de Marie Médaille Miraculeuse to provide a daily school meal to 2,324 hungry children.

Zambia

Our programme in Zambia, which began in 2014, doubled during 2018, with expansions in February, May and September. We are now reaching the majority of schools in the Mambwe and Chipata districts, providing a much-needed daily meal at school to 119,315 chronically hungry children.

Marthaline, Liberia



Zambia in 2018

- Our programme in Zambia doubled during 2018.
- We are now reaching 119,315 hungry children.



Our research shows that enrolment increases in schools where Mary's Meals provides school meals, and surrounding communities report fewer children being out of school. And these improvements are long-lasting; at least three years after the introduction of Mary's Meals in their schools, 94% of teachers said that fewer children in the local community are out of school, with 93% of these teachers asserting that Mary's Meals is the cause of this change.

Memory, 12, also told us of her hopes for the future: "I want to help others who are sick when I am older. I want to be a nurse. I come to school, so I can achieve my goals and help my family." According to our research, in Malawi and Zambia, 98% of teachers said children concentrate better in their classes since receiving Mary's Meals.

Kenya

Mary's Meals has been working in Kenya since 2005. Our programme is delivered directly to primary school children in Uasin Gishu county and Kisii county in western Kenya.

We have also been working with our partner, Diocese of Lodwar, for several years, to provide school feeding in early childhood development centres in Turkana, north-western Kenya.

Mary's Meals Kenya's own directly delivered programme in Turkana began in July 2018, working alongside the Diocese of Lodwar. We were pleased to welcome an additional 3,419 children into the programme in July and expand to a further 3,008 children in September.

Families in Turkana have considerable issues to overcome because of high levels of poverty, conflict, and harsh terrain. Increased incidence of drought and flooding is making nomadic-pastoralist livelihoods less viable.

Schools are dispersed sparsely across the region and children in hard-to-reach areas often have no access to any form of education. In Turkana South, 12% of children under five now suffer from severe acute malnutrition.¹

The meals provided through the Mary's Meals programme in Turkana are vital, with many of the children relying solely on Mary's Meals' food for their daily nutritional intake.

One of the highlights of the recent expansion in Turkana was the introduction of Mary's Meals to St Luke's early childhood development centre, which had previously been closed for an entire year because of low enrolment. When the programme was introduced, after only two weeks of serving meals, 38 children were enrolled at the centre.

Samuel Eregae, Director of Early Childhood Development in the Turkana County Government recently told us: "Mary's Meals School Feeding Programme is very beneficial to



Memory, Zambia

Kenya in 2018

- Mary's Meals Kenya began its own directly delivered programme in Turkana
- We were pleased to welcome an additional 3,419 children into the programme in July and expand to a further 3,008 children in September.



1. Reliefweb <https://reliefweb.int/report/kenya/severe-malnutrition-rates-shoot-across-kenya-leaving-more-70000-children-risk-death>.



the needy child of Turkana...From experience and being a beneficiary of a feeding programme myself, I can say the food is what brings children to school every day...The food in the school changed my life and I know it will change so many children's lives. Mary's Meals is indeed important, there is even a slogan of no smoke no school that proves how important the feeding programme is."

Ethiopia, Haiti and South Sudan

In February, we were also able to reach an additional 6,216 in 9 schools in the Tigray region of Ethiopia. We have been working with our partner, Daughter of Charity Tigray, since October 2017 in this semi-arid and impoverished region.



In Haiti, we began a new partnership with Summits Education, feeding at 26 new schools in the Central Plateau region in March, welcoming a further 5,884 children into the Mary's Meals global family. Mary's Meals has been operating in Haiti since 2006, a country in which 24.9% of the population lives below the international poverty line of \$1.90 (PPP) a day.² Haiti is still recovering from natural disasters such as the 2010 earthquake and, more recently, Hurricane Matthew. A daily meal in a place of education offers the chance of a brighter future for some of the country's poorest children.



In June, we took action to respond to the ongoing crisis in South Sudan. One in every three schools in South Sudan has been destroyed or forced to close since conflict began in 2013 and an estimated 2.2 million school-age children across the country are not attending school.³ The generous response to Mary's Meals' South Sudan Crisis Campaign allowed us to reach children at a further five schools, meaning that we are now reaching a total of 24,443 children in 45 schools through our partner, the Diocese of Rumbek.

Emergency response – India

In July, we were able to expand our programme in India to a further six schools in Delhi, Bihar and Jharkhand to support an additional 2,191 children. In India, Mary's Meals is focused on including children who are disadvantaged by caste, disability, gender or HIV status. While primary education is compulsory in India, children from scheduled castes and tribes often find it difficult to access government schools. Mary's Meals operates in informal education centres, most of which are located in urban slums, which encourage children living in the slums to attend school regularly and have a safe place to learn and play.



In August, the state of Kerala in India experienced the worst flooding to hit the region in more than a century, which left hundreds of thousands of people homeless and in desperate need of immediate help. Once the flood waters receded, many people throughout the region returned from

2. World Bank, Poverty & Equity Data Portal: Haiti, 2010. (<http://povertydata.worldbank.org/poverty/country/HTI>)
 3. UNICEF (2018). Global Initiative on Out of School Children: South Sudan Country Study.

temporary camps to find their homes severely damaged and their crops and livestock devastated.

In the aftermath of the disaster, Mary's Meals worked with our partner in India, and around 60 volunteers, to deliver essential food supplies and cooking equipment to families in desperate need of humanitarian assistance.

Thanks to the generosity of our supporters, Mary's Meals was able to distribute emergency food parcels containing rice to a total of 13,000 families in two villages – Kainakary and Nedumindi – in the flood-ravaged Alappuzha District, in the Kuttanad region of Kerala. Many roads were flooded, but volunteers persevered and were able to deliver 25kg bags of rice to hungry households by truck and boat. Mary's Meals also distributed 2,000 cooking kits and 1,000 portable gas stoves to families that were identified by their communities as being most in need.

Father Joson, who leads our partner in India, said: "The local people are very grateful for this bag of rice and essential cooking items from Mary's Meals. At this time of great need, the hope provided by Mary's Meals has made a massive difference to the lives of those people most affected by the flooding."

Reaching even more children – Madagascar and Zimbabwe

In addition to expanding our programmes in existing countries, we were excited to launch Mary's Meals in two new countries, Madagascar and Zimbabwe. In Madagascar, we are now reaching 285 children in prison with daily meals through our partner, Grandir Dignement, which provides education and vocational training. The children, as young as eight, are living in dire conditions and there is no consistent food provision. Mary's Meals programme is supporting some of the country's most vulnerable young people with vital nourishment and a chance to learn.

In Zimbabwe, with the help of volunteers from the local community, we are now feeding 18,435 vulnerable children at 40 schools in the impoverished Tsholotsho District of Zimbabwe. Once referred to as the 'breadbasket of Africa', years of violent upheaval, forced land distribution and drought have had a devastating impact on many farming families, leading to widespread hunger in parts of the country.

Our Global Chief Executive Magnus said: "Every child welcomed into our Mary's Meals family gives cause for celebration and I am delighted that we are now reaching children in Zimbabwe for the first time. It is incredible to think that more than 1.4 million children in 18 countries now enjoy these meals, served with love, each day at school."



Impact of our feeding programmes

In 2018, we were also able to complete the fourth year of our five-year impact assessment process in Malawi, part of our project to assess the impact of our programmes across Malawi, Zambia and Liberia. We also learned from our findings from three years of research in Malawi and Zambia, and one year in Liberia. As well as telling us much about the specific impact in each context, our results so far show us that across all three programmes:

- **Mary's Meals reduces children's hunger at school.**
- **children have more energy after eating Mary's Meals.**
- **enrolment increases in schools where Mary's Meals provides school meals, and surrounding communities report fewer children being out of school.**
- **children's attendance improves in schools receiving Mary's Meals.**
- **children in schools receiving Mary's Meals find it easier to participate in lessons.**
- **children's performance in class improves in schools with Mary's Meals.**
- **fewer children drop out of school or repeat grades in schools with Mary's Meals.**
- **in schools receiving Mary's Meals, parents, guardians and volunteers become more involved in school.**
- **children's happiness increases when their school begins serving Mary's Meals.**
- **children who receive Mary's Meals are less worried about being hungry at school.**
- **parents, guardians and volunteers are less worried about their children being hungry in school once they begin receiving Mary's Meals.**
- **children receiving Mary's Meals are more likely to play active games after school.**
- **In Malawi, the percentage of teachers reporting strong parental involvement in school activities also increased from 57% to 70% after three years of serving Mary's Meals, showing the impact our programmes have on fostering parental support for education.**

4

After the introduction of Mary's Meals, the proportion of hungry children fell by **71%**

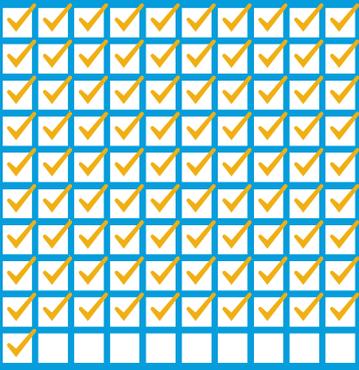


5

90% of children feel happy in schools where Mary's Meals are served



6



91% of teachers said that children's marks in class have improved



Mary's Meals impact assessment 2015-2019

4. Impact research from Malawi, Zambia and Liberia found that the proportion of children who said they were hungry 'Most days' or 'Always' fell by 71% after one year of receiving Mary's Meals.

5. Impact research from Malawi, Zambia and Liberia found that 90% of children reported feeling 'Happy' or 'Very happy' after one year of receiving Mary's Meals.

6. Impact research from Malawi, Zambia and Liberia found that 91% of teachers said that children's marks have 'Improved' or 'Improved a lot' after one year of Mary's Meals.





Growing the global movement



Throughout 2018, we continued to develop an infrastructure of support in areas such as fundraising and grassroots growth, governance, budgetary planning and communications. Within our independent National Affiliates, staff were appointed in Italy, Germany, the USA and the Czech Republic, and the Mary's Meals International Affiliate Development team was restructured to facilitate continued growth, relationship-building and engagement across the global Mary's Meals movement.

In summer 2018, Mary's Meals opened a new information centre in Medjugorje which provides information about the impact of world hunger and the simple solution offered by Mary's Meals.

We also welcomed four new National Affiliates to the growing Mary's Meals network. Mary's Meals Australia, Mary's Meals Belgium, Mary's Meals Czech Republic and Mary's Meals France were all registered – and have been warmly welcomed into our global family.

We were also delighted to be able to continue to grow the global movement by introducing Mary's Meals to new audiences in 2018, including speaking at the Christ Our Life conference in the USA, Mladifest in Medjugorje and the Global Child Nutrition Forum in Tunisia, and building new relationships with a range of Foundations and major donors.

Expanding our communications

Communications are a key element of the growth of the global movement. The communications team launched two urgent campaigns in 2018 – one in response to the crisis situation in South Sudan, and another in response to the worst flooding for a century in Kerala, India. Both campaigns received encouraging support from across the Mary's Meals network. These campaigns supported the quarterly thematic focuses throughout the year, bringing life to the stories of the children receiving Mary's Meals around the world.

We recently completed a subtitling project so that our short film 'Hunger to Hope' is available in ten different languages for use internationally. A new film based on Mary's Meals' presence at the annual Medjugorje Youth Festival was also produced during the year, specifically for use with young audiences. This year, Joyce and Vanessa who attend Jacaranda School for Orphans in Malawi took to the stage at the Festival.

Magnus' bestselling book *The Shed That Fed A Million Children* was published in French at the end of May.

In November 2018, Hollywood actor and Mary's Meals supporter Gerard Butler undertook a high-profile visit to Haiti with Magnus. Working with a professional film company, the team were able to capture a large amount of high-quality film content. Two short films have been released from Gerard's visit: a film for Thanksgiving, based on the meal he shared with the children in Haiti and another which captured some of the children who receive Mary's Meals performing a Nativity play for their classmates under his direction. We hope to be able to launch a new film documentary from the visit, during 2019.

Around the global network, Mary's Meals Spain undertook a trip to Malawi with celebrity chef Samantha Vallejo-Nágera, which featured in *OK Magazine Spain*. Mary's Meals Germany and Mary's Meals Austria each organised highly successful gala concert evenings, Mary's Meals USA organized a "Run locally, feed globally" Thanksgiving campaign and Mary's Meals UK launched its Double The Love campaign in December, with donations made between December 2018 until March 2019 doubled by the UK government.

All of these initiatives are a demonstration of our commitment to grow the global movement and ensure that the story of our work reaches and engages new audiences.



Strengthening the organisation

Developing our people and systems

Throughout 2018, Mary's Meals continued to build staff capacity and strengthen the growing global movement. The first group of 22 leaders attended and graduated from the inaugural Mary's Meals' Leadership Academy, launched in March. This collaborative training programme is offered to individuals throughout the global family and seeks to promote the application of our values to all of the work we do.

We made good progress with the global integrated constituent relationship management (CRM) system which will enable Mary's Meals to develop deeper and more sophisticated supporter relationships and improve administrative efficiency across the movement. The CRM system was launched in August 2018 for Mary's Meals International. We are working to roll-out the system to four affiliates during 2019 and will continue implementation across all affiliates in future years. The CRM system has already made it possible to gain new insights into supporter and fundraising information.

Our programme operations team also began work on the school feeding delivery model project, aimed at refining some of the key systems, processes and tools involved in Mary's Meals' in-country programmes. This has included improving our monitoring evaluation and learning (MEL) database, which is used to capture core indicators such as school enrolment and attendance, and to improve our stock tracking processes. Dissemination and training on these improved processes is now complete and, since September 2018, staff have begun testing these tools, with very positive feedback.

MMI continues to take an equal opportunity approach in all that we do.

Risk and assurance

During 2018, we continued to enhance and develop our programme of Internal Audit work. Reviews cover both financial controls and wider operational controls and form part of a 3-year programme of internal audits. In conjunction with the Internal Audit programme, we continue to enhance and improve security across our programmes, through security audits and continual review of policies and practice.

Taken together, the outputs from this work have given us a greater understanding of the strength of local control frameworks and have also provided useful insights into our operations in different countries and environments.

We continued to review and – where necessary – enhance our policy framework. A notable development on 2018 was the approval and implementation of the Mary's Meals Global Data Protection policy. This new policy introduced a global standard for the entire Mary's Meals movement, which is compliant with GDPR and other relevant legislation.



Financial review

For the period to 31 December 2018, the MMI organisation has recorded an overall surplus of £6.296m (2017: £4.124m). Total group income was £26.059m (2017: £24.235m). Virtually all this income was generated by the many Mary's Meals National Affiliates across the world, with 62% (2017: 61%) of total cash income coming from the National Affiliate in the UK, 15% (2017: 17%) from the National Affiliate in the US and the remaining funds being generated in many other National Affiliates, international fundraising groups and individuals all around the world.

The year-on-year increase in our overall income has been driven by continued successful fundraising efforts made by a number of our fundraising affiliates. In particular, we have seen a 7% increase in donations received from our largest affiliate, MMUK. The significant contributions of all affiliates, as detailed in note 6 to the accounts, will continue to be used to support the ambitious expansion plans set out in our Strategic Plan 2018 – 2020 which will see us strive to reach at least 2 million children by the end of that period.

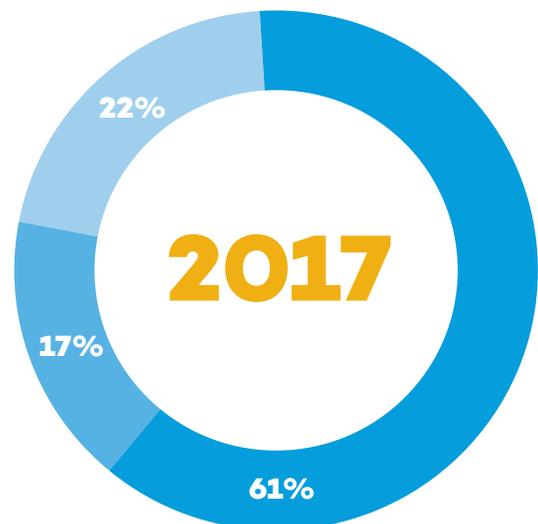
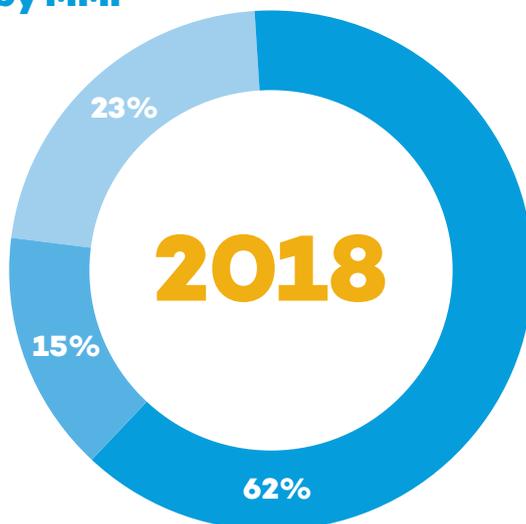
Total expenditure for MMI for the same period was £19.915m (2017: £19.760m). We spent £19.622m (2017: £19.490m), or 99% (2017: 99%), on charitable activities which are explained in full on page 11. Continuing a trend in recent years, this significantly exceeds our long-term commitment to spend at least 93p of every £1 on our charitable activities. Direct fundraising is carried out on our behalf by independent National Affiliates, whose financial results are not included in these financial statements.

As outlined in note 8 to the financial statements, it cost £16.313m (2017: £16.278m) to deliver our core school feeding programme in all the countries where we work. The number of children fed during the period rose from 1,230,171 to 1,425,013, an increase of nearly 200,000. We use these core KPIs, the number of children fed and charitable spend, along with 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 cost per child incorporates the total cost of delivering the school feeding programmes each year, inclusive of support costs. The actual cost of feeding a child for our financial year 2018 was £11.69 (2017: £12.74) against a budget of £13.90 (2017: £13.90), evidencing our strong commitment to keeping costs under control and achieving value for money. Lower food prices in programme countries in 2018 underpins this result. The individual results of our consolidated subsidiaries are detailed in note 22.

The reserves policy is reviewed annually. As at 31 December 2018, the policy was to retain sufficient funds required to meet three months of UK running costs and 1.5 months of committed programme expenditure, along with an amount to cover the Net Book Value of forecasted Group tangible and intangible fixed assets. Additionally, a designated fund is held to cover Life Assurance for non-UK employees and to protect against food price volatility in programme countries. On this basis, the charity would expect to hold £7.613m in unrestricted reserves, as a minimum. At 31 December 2018, the group unrestricted reserves were £17.628m (2017:

Cash income received by MMI

- MMUK
- MMUSA
- Other





£11.629m). Restricted funds of £0.426m (2017: £0.129m) were held at year end for use in specific geographical locations. The significant unrestricted free funds held over year end will be utilised to cover expansion costs in future years, in line with our detailed 5 year financial plan.

Robust tendering processes have ensured food prices for most of our programmes were fixed during 2018 to protect the programmes from fluctuations in food costs. We have continued to work hard to achieve value for money in the major procurements we have undertaken in 2018. 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 and accessibility and to minimise risk.

While the bulk of our work is delivered directly 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.

In Romania, we work with the Rhema Foundation to serve nutritious meals to young adults living in residential care.

The Rhema Foundation provides all-round care for HIV-positive young people who were abandoned in hospital in Bucharest in the 1990s. Mary's Meals Liberia runs the Oscar Romero School for the deaf in Tubmanburg, which is an elementary school with residential facilities. The costs associated with these projects do not form part of the core school feeding programme and thus are shown separately in notes 8 and 9 to the financial statements.

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 for our programmes. 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 benefited 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.



Risk review

Risk management is key to safeguarding delivery of our vision through timely action to manage known threats. The trustees have overall responsibility for identifying and assessing the charity's strategic risks. These risks are stated as high-level risk themes to facilitate clear linkage to the broad strategic aims contained within our Strategic Plan. During 2019, we intend to rollout more detailed operational risk registers to supplement our strategic approach.

The risk register is subject to annual review by trustees to confirm that the themes identified continue to be relevant. A full refresh of the strategic risk themes is required in line with redesign of the charity's Strategic Plan. We then design and implement suitable mitigating strategies to manage each theme, either through preventing the risk or minimising its impact on the charity should it occur. The trustees delegate responsibility for delivering the mitigating strategies to senior management.

We regularly monitor risk performance through our risk governance structure. MMI has established a monthly forum that is responsible for providing detailed scrutiny over the strategic risk themes and is attended by members of senior management. Management also provide summarised reports to trustees through the Finance, Risk and Audit Committee and the Board to allow for scrutiny and challenge over risk management.

For 2018, the trustees identified the following strategic risk themes:

No.	Strategic risk themes	Key mitigation strategies
1	Grow sources of income and manage our finances effectively to ensure the long-term sustainability of Mary's Meals to allow us to keep our promise, in line with our vision, mission & values.	<ul style="list-style-type: none"> • Grow grassroots income base through matched funding campaigns. • Five-year financial plan to underpin activities proposed within the Strategic Plan.
2	Ensure we can identify and/or maximise opportunities for sustainable growth in line with our vision, mission & values.	<ul style="list-style-type: none"> • Programmes expansion roadmap developed to support our aspiration to reach at least 2 million children by 2020.
3	Ensure we can design & implement appropriate, efficient & effective programme delivery strategies that match our vision, mission & values and ensure we can keep our promise.	<ul style="list-style-type: none"> • Deliver MEL strategy to drive monitoring of programme impact and identify improvements. • New Programme Operations function in place to harmonise programme processes and tools.
4	Ensure we build on / maintain confidence, satisfaction and trust in line with our vision, mission & values.	<ul style="list-style-type: none"> • Created key policies & procedures to inform staff behaviour, including the safeguarding policy and staff code of conduct. • Partners required via the Partnership Agreement to adhere to Mary's Meals policies in key areas.
5	Continue to ensure Mary's Meals International is an organisation that can adapt to Regional / National / International Change and deliver our vision, mission & values.	<ul style="list-style-type: none"> • Reporting framework to monitor and address emerging incidents and risks in programme countries. • Links built between in-country teams and local government to facilitate ongoing communication and collaboration.
6	Continue to ensure that cohesion among affiliates is maintained at all times.	<ul style="list-style-type: none"> • Recruitment of Director of Affiliate Development to set strategic direction. • Major project ('One Mary's Meals') initiated to look at cohesion, governance and ways of working, across the Mary's Meals movement.
7	Ensure we continue to identify and/or maximise opportunities that will raise awareness of our brand and vision, mission & values.	<ul style="list-style-type: none"> • Deliver global communications strategy to raise awareness and promote our brand.
8	Continue to identify and / or maximise opportunities for collaboration, engagement & to build partnerships in line with our vision, mission & values.	<ul style="list-style-type: none"> • Establishment of new Strategic Partnerships & Policy function to identify and cultivate key partnerships and opportunities for collaboration. • Implementation of new CRM system to enhance engagement with supporters.
9	Continue to develop, recruit and retain the right people (including Executive, Board, Staff & Volunteers) who will champion our vision, mission & values.	<ul style="list-style-type: none"> • Delivery of People Strategy to improve processes for developing, recruiting and retaining staff. • Learning & Development programme available to staff, including monthly webinars and managerial development through the Leadership Academy.
10	Continue to ensure effective governance arrangements are in place to uphold our vision, mission & values.	<ul style="list-style-type: none"> • Affiliates sign-up to the Covenant of Participation to promote adherence to the vision, mission and values. • Project underway to enhance board governance arrangements and cohesion across the global network ('One Mary's Meals').
11	Ensure the organisation can design & implement efficient support functions that help us deliver our vision, mission & values.	<ul style="list-style-type: none"> • Planned rollout of operational risk registers. • Enhancements to our control frameworks through internal audit programme.

Structure, governance and management

MMI 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. There are currently 22 members of MMI.

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. MMI 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. MMI is also represented on the board of this organisation. For the purposes of this annual report, and on the basis of control, 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. Liberia and Kenya represent branches of MMI, and along with Bosnia make up the Charity results as presented in this report. The Group results include the consolidated subsidiaries, Malawi and Zambia. Mary's Meals fundraising National Affiliates are entirely independent entities and therefore not included in these financial statements.

The charity is governed by the board of trustees, as listed on page 5, 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 and Training

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 5 of this report.

During the financial period to 31 December 2018, the day-to-day running of the charity was managed by the chief executive officer, reporting to the board of trustees, and supported by the directors leading communications, programmes, people, IT, strategic partnerships & policy, affiliate development and finance & governance.

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 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 and also reflects a vocational approach on the part of our senior leaders and the wider staff group across Mary's Meals. 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. The pay of the senior staff, and all staff, is reviewed annually and normally increased in accordance with inflation. In addition to this, we depend on more than 80,000 volunteers to deliver Mary's Meals' feeding. Without their hard work, perseverance and service, Mary's Meals would not be possible.

Trustees' insurance and indemnities

The trustees, who are also the directors, have the benefit of the indemnity provisions contained in the company's articles of association ("Articles"), and the company has maintained throughout the year directors' and officers liability insurance for the benefit of the company, the directors and its officers. The company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.





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 company and the 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 and directors' report) in their capacity as trustees.

On behalf of the Board

David Clayton
Chair

19 June 2019

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

Opinion

We have audited the financial statements of Mary's Meals International Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise as the consolidated group and charity company statement of financial activities (including the statements of income and expenditure), the consolidated group and charitable company balance sheets, the consolidated group and charity company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 and of the group's and the parent charitable company's incoming resources and application of resources, including their 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 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 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 group and 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and the strategic report, included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 29 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 group's and 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 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

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 <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 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 members and the charitable company'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 charitable company, 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.



Janet Hamblin CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

2 July 2019

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

Consolidated group statement of financial activities

(including consolidated income and expenditure account) for the year ended 31 December 2018

	Notes	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	2017 Total £'000
Income from:					
Donations	6	17,167	8,795	25,962	24,209
Charitable activities		10	-	10	6
Other trading activities		87	-	87	20
Total income		17,264	8,795	26,059	24,235
Expenditure on:					
Raising funds	7	293	-	293	270
Charitable activities	8,9	11,124	8,498	19,622	19,490
Total expenditure		11,417	8,498	19,915	19,760
Net income/(expenditure) for the year	11	5,847	297	6,144	4,475
Other recognised gains/(losses):					
Currency gains/(losses)		152	-	152	(351)
Net movement in funds		5,999	297	6,296	4,124
Reconciliation of funds					
Total funds brought forward		11,629	129	11,758	7,634
Net movement in funds for the year		5,999	297	6,296	4,124
Total funds carried forward	20, 21	17,628	426	18,054	11,758

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 36-55 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 year ended 31 December 2018

	Notes	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	2017 Total £'000
Income from:					
Donations	6	16,241	8,795	25,036	23,775
Charitable activities		1	-	1	1
Other trading activities		59	-	59	15
Total income		16,301	8,795	25,096	23,791
Expenditure on:					
Raising funds	7	293	-	293	270
Charitable activities	8, 9	11,305	8,498	19,803	18,995
Total expenditure		11,598	8,498	20,096	19,265
Net income/(expenditure) for the year	11	4,703	297	5,000	4,526
Other recognised gains/(losses):					
Currency gains/(losses)		178	-	178	(398)
Net movement in funds		4,881	297	5,178	4,128
Reconciliation of funds					
Total funds brought forward		12,208	129	12,337	8,209
Net movement in funds for the year		4,881	297	5,178	4,128
Total funds carried forward	20, 21	17,089	426	17,515	12,337

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 36-55 form an integral part of these financial statements.

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

Consolidated group and charity balance sheets

as at 31 December 2018

	Notes	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Fixed assets					
Intangible assets	14	433	55	433	55
Tangible assets	15	762	559	348	197
Total fixed assets		1,195	614	781	252
Current assets					
Stocks	16	1,344	1,321	545	609
Debtors	17	3,540	5,076	3,483	5,044
Cash at bank and in hand		13,792	7,778	13,364	6,824
Total current assets		18,676	14,175	17,392	12,477
Liabilities					
Creditors: amounts falling due within one year	18	1,817	3,031	658	392
Net current assets		16,859	11,144	16,734	12,085
Net assets		18,054	11,758	17,515	12,337
Funds					
Unrestricted funds	20	17,628	11,629	17,089	12,208
Restricted funds	20,21	426	129	426	129
Total funds		18,054	11,758	17,515	12,337

These financial statements of Mary's Meals International Organisation on pages 32-55 were approved by the Board of Directors and authorised for issue on 19 June 2019 and signed on its behalf by:



David Clayton
Chair

Charity Number SC045223
Company Number SC488380

Consolidated group and charity cash flow statements

for the year ended 31 December 2018

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Net cash flows from operating activities	6,737	3,261	7,049	2,681
Cash flows from investing activities				
Interest income	53	17	49	6
Purchase of fixed assets	(911)	(241)	(699)	(126)
Proceeds from disposal of fixed assets	38	4	-	-
Net cash change in investing activities	(820)	(220)	(650)	(120)
Change in cash and cash equivalents	5,917	3,041	6,399	2,561
Cash and cash equivalents				
Cash and cash equivalents brought forward	7,754	5,002	6,800	4,609
Change in cash and cash equivalents due to exchange rate movements	121	(289)	165	(369)
Cash and cash equivalents brought forward	13,792	7,754	13,364	6,801

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 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Net income	6,144	4,475	5,000	4,526
Investment income	(53)	(17)	(49)	(5)
Depreciation and amortisation charge	345	283	181	159
(Gain)/loss on disposal of fixed assets	(22)	4	2	8
(Increase)/decrease in stocks	(23)	(352)	64	(98)
Decrease/(increase) in debtors	1,536	(2,043)	1,561	(2,067)
(Decrease)/increase in creditors/accruals	(1,190)	911	290	158
Net cash provided by operating activities	6,737	3,261	7,049	2,681

Notes to the financial statements

for the year ended 31 December 2018

1. General Information

MMI is a charity incorporated in Scotland and a company limited by guarantee. The registered address is detailed on page 5.

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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. Specifically, MMI appoints senior staff, sets budget and longer-term financial strategy, defines strategic objectives, provides the framework (school feeding model) within which they operate and transfers cash to enable their operations.

None of the Mary's Meals National Affiliates is controlled or 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 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.

Costs of raising funds include the apportioned 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. Depreciation rates are as follows: -

Plant and machinery - 15% - 33% straight-line

Fixtures, fittings and equipment - 5% - 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

This rate reflects a common approach to technology assets of this type and has been confirmed by the MMI project team as appropriate for our particular circumstances.

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

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when,

the group's contractual obligations are discharged, cancelled, or they expire.

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 an appropriate forecasted rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the spot rate prevailing at the balance sheet date. Foreign branches and subsidiaries are consolidated by converting income and expenditure at an average rate for the year, with assets and liabilities being converted at the spot rate prevailing at the balance sheet date. All differences are taken to the SoFA.

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.

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 and reserves

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.

There is a designated revaluation reserve held to account for currency gains and losses realised on consolidated reserves. This is detailed in note 20.

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	2017 Total £'000
Income from:				
Donations	6	17,276	6,933	24,209
Charitable activities		6	-	6
Other trading activities		20	-	20
Total income		17,302	6,933	24,235
Expenditure on:				
Raising funds	7	270	-	270
Charitable activities	8, 9	12,533	6,957	19,490
Total expenditure		12,803	6,957	19,760
Net income/(expenditure) for the year	11	4,499	(24)	4,475
Other recognised (losses):				
Currency (losses)		(351)	-	(351)
Net movement in funds		4,148	(24)	4,124
Reconciliation of funds				
Total funds brought forward		7,481	153	7,634
Net movement in funds for the year		4,148	(24)	4,124
Total funds carried forward		11,629	129	11,758

5. Comparative charity statement of financial activities

	Notes	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000
Income from:				
Donations	6	16,842	6,933	23,775
Charitable activities		1	-	1
Other trading activities		15	-	15
Total income		16,858	6,933	23,791
Expenditure on:				
Raising funds	7	270	-	270
Charitable activities	8, 9	12,038	6,957	18,995
Total expenditure		12,308	6,957	19,265
Net income/(expenditure) for the year	11	4,550	(24)	4,526
Other recognised (losses):				
Currency (losses)		(398)	-	(398)
Net movement in funds		4,152	(24)	4,128
Reconciliation of funds				
Total funds brought forward		8,056	153	8,209
Net movement in funds for the year		4,152	(24)	4,128
Total funds carried forward		12,208	129	12,337

6. Donations

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

Donations	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000
Benin	-	91	91	-	-	-
Bosnia	-	-	-	-	36	36
East Africa	-	38	38	-	344	344
Ecuador	-	7	7	-	-	-
Ethiopia	-	95	95	-	83	83
Haiti	-	367	367	-	44	44
India	-	175	175	-	7	7
Kenya	-	332	332	-	236	236
Lebanon	-	1	1	-	19	19
Liberia	-	854	854	-	713	713
Madagascar	-	2	2	-	-	-
Malawi	-	4,856	4,856	-	4,441	4,441
Global Feeding	14,935	-	14,935	15,529	-	15,529
Myanmar	-	-	-	-	-	-
Romania Houses	-	14	14	-	16	16
South Sudan	-	659	659	-	317	317
Syria	-	91	91	-	88	88
Thailand	-	-	-	-	-	-
Uganda	-	2	2	-	6	6
Zambia	-	744	744	-	453	453
Total Charity Donations	14,935	8,328	23,263	15,529	6,803	22,332
Grants	-	467	467	-	130	130
Value of Donated Aid	1,306	-	1,306	1,313	-	1,313
Total Charity	16,241	8,795	25,036	16,842	6,933	23,775
Malawi	30	-	30	40	-	40
Grants	44	-	44	42	-	42
Value of Donated Aid	852	-	852	352	-	352
Total Group	17,167	8,795	25,962	17,276	6,933	24,209

6. Donations (continued)**Analysis of donations (excluding grants and donated aid) by geography of donor**

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Australia	-	10	-	10
Austria	1,043	970	1,043	970
Belgium	13	-	13	-
Bosnia-Herzegovina	134	129	134	129
Canada	308	311	308	311
Croatia	426	409	426	409
Czech Republic	200	-	200	-
France	10	9	10	9
Germany	1,395	1,181	1,395	1,181
Ireland	472	570	472	570
Italy	122	248	122	248
Malawi	30	40	-	-
Netherlands	72	113	72	113
Portugal	9	-	9	-
Slovenia	46	23	46	23
Spain	189	359	189	359
Switzerland	217	145	217	145
UK	14,651	13,691	14,651	13,691
USA	3,686	3,895	3,686	3,895
Other	270	269	270	269
Total	23,293	22,372	23,263	22,332

7. Costs of raising funds

Group and Charity	2018 Total £'000	2017 Total £'000
Employee costs	211	179
Property costs	10	7
Office services	55	76
Transport and travel	12	7
Depreciation	5	1
Total	293	270

Costs of raising funds include the apportioned costs associated with attracting donations and legacies. The independent National Affiliates who donate to the Group are responsible for their own fundraising.

8. Charitable activities – by fund type

Group	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000
Mary's Meals feeding	7,865	8,448	16,313	9,337	6,941	16,278
Romania Houses	64	14	78	62	16	78
Oscar Romero School	184	-	184	187	-	187
Raising awareness	530	36	566	700	-	700
Network support	1,092	-	1,092	583	-	583
Backpacks and shipped aid	1,389	-	1,389	1,664	-	1,664
Total	11,124	8,498	19,622	12,533	6,957	19,490

Charity	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000
Mary's Meals feeding	8,129	8,448	16,577	9,193	6,941	16,134
Romania Houses	64	14	78	62	16	78
Oscar Romero School	184	-	184	187	-	187
Raising awareness	530	36	566	700	-	700
Network support	1,092	-	1,092	583	-	583
Backpacks and shipped aid	1,306	-	1,306	1,313	-	1,313
Total	11,305	8,498	19,803	12,038	6,957	18,995

9. Charitable activities – by activity

Group	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2018 Total £'000	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2017 Total £'000
Mary's Meals feeding	11,456	3,289	1,568	16,313	12,297	2,702	1,279	16,278
Romania Houses	-	78	-	78	-	78	-	78
Oscar Romero School	184	-	-	184	187	-	-	187
Raising awareness	18	-	548	566	36	-	664	700
Network support	-	-	1,092	1,092	-	-	583	583
Backpacks and shipped aid	1,389	-	-	1,389	1,664	-	-	1,664
Total	13,047	3,367	3,208	19,622	14,184	2,780	2,526	19,490

Charity	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2018 Total £'000	Activities undertaken directly £'000	Activities through partners £'000	Support costs £'000	2017 Total £'000
Mary's Meals feeding	11,734	3,289	1,554	16,577	12,166	2,702	1,266	16,134
Romania Houses	-	78	-	78	-	78	-	78
Oscar Romero School	184	-	-	184	187	-	-	187
Raising awareness	18	-	548	566	36	-	664	700
Network support	-	-	1,092	1,092	-	-	583	583
Backpacks and shipped aid	1,306	-	-	1,306	1,313	-	-	1,313
Total	13,242	3,367	3,194	19,803	13,702	2,780	2,513	18,995

Support costs are allocated to the core mission of the group – running of the Mary's Meals school feeding programmes, raising awareness of poverty and supporting the global network. Note 10 details the basis of allocating of these.

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	2018 Total £'000
Mary's Meals feeding	1,142	27	107	85	15	178	1,554
Raising awareness	371	9	69	35	3	61	548
Network support	683	13	203	61	7	125	1,092
Total Charity	2,196	49	379	181	25	364	3,194
Mary's Meals feeding	-	-	-	-	-	14	14
Total Group	2,196	49	379	181	25	378	3,208

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
Total Charity	1,581	55	411	116	8	342	2,513
Mary's Meals feeding	-	-	-	-	-	13	13
Total Group	1,581	55	411	116	8	355	2,526

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 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Depreciation and other amounts written off tangible fixed assets	321	283	157	158
Amortisation of intangible fixed assets	24	-	24	-
(Gain) on disposal of fixed assets	(23)	(3)	-	-
Auditor remuneration	52	85	38	72

12. Employees

Employment costs	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Wages and salaries	4,295	3,271	3,474	2,700
Social security costs	236	179	230	175
Pension costs	209	156	131	102
Total	4,740	3,606	3,835	2,977

Number of employees monthly average	Group 2018 Number	Group 2017 Number	Charity 2018 Number	Charity 2017 Number
Mary's Meals feeding	417	356	254	221
Raising funds	7	9	7	9
Raising awareness	13	15	13	15
Network Support	12	5	12	5
Governance	3	4	3	4
Total	452	389	289	254

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:

	2018 Number	2017 Number
£60,000 - £70,000	1	1

Key management compensation

The key management personnel of the charity and group comprise the 8 members of the Senior Leadership Team (SLT). The total remuneration (including pension contributions and employers' national insurance) of key management personnel totalled £532,213 (2017: £487,502).

No Trustees received remuneration for services from the charity or group in the year ended 31 December 2018 (2017: Nil) and no reimbursement of travel expenses was 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 £127,119 (2017: £99,403). At 31 December 2018, £8,095 (2017: £8,299) 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.

Mary's Meals Zambia contributes NAPSA for its eligible employees as provided for by law. Membership is compulsory and monthly contributions by both employer and employees are made. The employer's contribution is charged to the income statement in the period in which it arises.

14. Intangible fixed assets

Group and Charity	Assets in course of construction £'000	Software development costs £'000	Total
Cost			
At 1 January 2018	55	-	55
Additions	334	68	402
Transfer	(389)	389	-
At 31 December 2018	-	457	457
Accumulated amortisation			
At 1 January 2018	-	-	-
Charge for the year	-	24	24
At 31 December 2018	-	24	24
Net book value			
At 31 December 2018	-	433	433
At 31 December 2017	55	-	55

15. Tangible fixed assets

Group	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2018	7	73	1,439	19	1,538
Exchange variance	-	4	80	-	84
Additions	13	75	395	26	509
Disposals	(2)	-	(86)	-	(88)
At 31 December 2018	18	152	1,828	45	2,043
Accumulated depreciation					
At 1 January 2018	4	46	917	12	979
Exchange variance	-	3	50	-	53
Charge for the year	3	21	289	8	321
Released on disposals	(1)	-	(71)	-	(72)
At 31 December 2018	6	70	1,185	20	1,281
Net book value					
At 31 December 2018	12	82	643	25	762
At 31 December 2017	3	27	522	7	559

Charity	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2018	7	67	759	15	848
Exchange variance	-	4	45	-	49
Additions	13	68	190	25	296
Disposals	(2)	-	-	-	(2)
At 31 December 2018	18	139	994	40	1,191
Accumulated depreciation					
At 1 January 2018	4	45	593	9	651
Exchange variance	-	3	33	-	36
Charge for the year	3	18	129	7	157
Released on disposals	(1)	-	-	-	(1)
At 31 December 2018	6	66	755	16	843
Net book value					
At 31 December 2018	12	73	239	24	348
At 31 December 2017	3	22	166	6	197

16. Stock

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Backpacks	799	712	-	-
Food	491	609	491	609
Motor vehicle parts	54	-	54	-
Total	1,344	1,321	545	609

17. Debtors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Prepayments	176	91	120	61
Other debtors	3	5	2	3
Accrued income	3,361	4,980	3,361	4,980
Total	3,540	5,076	3,483	5,044

Financial asset debt instruments held at amortised cost are £3,364k (2017: £4,985k) for the Group and £3,363k (2017: £4,983) for the Charity.

18. Creditors: amounts falling due within one year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	790	984	482	75
Other creditors	2	8	2	8
Accruals	887	1,895	89	202
Taxation and social security	132	112	79	75
Finance lease	6	8	6	8
Bank overdraft	-	24	-	24
Total	1,817	3,031	658	392

Financial liabilities measured at amortised cost are £1,685k (2017: £2,919k) for the Group and £579k (2017: £317k) for the Charity.

19. Analysis of net assets between funds

	Group			Charity		
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	1,195	-	1,195	781	-	781
Current assets	18,250	426	18,676	16,966	426	17,392
Current liabilities	(1,817)	-	(1,817)	(658)	-	(658)
At 31 December 2018	17,628	426	18,054	17,089	426	17,515

	Group			Charity		
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fixed 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)
At 31 December 2017	11,629	129	11,758	12,208	129	12,337

20. Unrestricted and restricted funds

	At 1 Jan 2018 £'000	Income £'000	Expenditure £'000	Currency gains/ (losses) £'000	At 31 Dec 2018 £'000
Unrestricted funds:					
General	12,154	16,301	(11,598)	134	16,991
Revaluation reserve	54	-	-	44	98
Unrestricted funds total	12,208	16,301	(11,598)	178	17,089
Restricted funds	129	8,795	(8,498)	-	426
Total Charity funds	12,337	25,096	(20,096)	178	17,515
Unrestricted funds:					
General	(666)	963	181	-	478
Revaluation reserve	87	-	-	(26)	61
	(579)	963	181	(26)	539
Total Group funds	11,758	26,059	(19,915)	152	18,054

	At 1 Jan 2017 £'000	Income £'000	Expenditure £'000	Currency gains/ (losses) £'000	At 31 Dec 2017 £'000
Unrestricted funds:					
General	7,926	16,858	(12,308)	(322)	12,154
Revaluation reserve	130	-	-	(76)	54
Unrestricted funds total	8,056	16,858	(12,308)	(398)	12,208
Restricted funds	153	6,933	(6,957)	-	129
Total Charity funds	8,209	23,791	(19,265)	(398)	12,337
Unrestricted funds:					
General	(615)	444	(495)	-	(666)
Revaluation reserve	40	-	-	47	87
	(575)	444	(495)	47	(579)
Total Group funds	7,634	24,235	(19,760)	(351)	11,758

21. Restricted funds

	At 1 January 2018 £'000	Income £'000	Transfers £'000	Expenditure £'000	At 31 December 2018 £'000
Benin	-	91	-	(74)	17
Bosnia-Herzegovina	36	-	-	(36)	-
East Africa	-	38	(38)	-	-
Ecuador	9	7	-	(16)	-
Ethiopia	63	95	-	(158)	-
Haiti	-	367	-	(367)	-
India	-	175	-	(175)	-
Kenya	-	332	6	(338)	-
Lebanon	-	1	-	(1)	-
Liberia	-	854	-	(854)	-
Madagascar	-	2	-	(2)	-
Malawi	-	4,856	-	(4,856)	-
Myanmar	-	-	-	-	-
Romania Houses	-	14	-	(14)	-
South Sudan	-	659	23	(681)	1
Syria	21	91	-	(65)	47
Thailand	-	-	-	-	-
Uganda	-	2	9	(11)	-
Zambia	-	744	-	(744)	-
Zimbabwe	-	467	-	(106)	361
Total	129	8,795	-	(8,498)	426

21. Restricted funds (continued)

	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)	-
Total	153	6,933	-	(6,957)	129

The restricted funds above represent the geographical locations to which funds are restricted, based on donors' wishes. Restricted funds are used at the earliest opportunity.

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 Net	Base Office Park Plot 35184 Alick Nkhata Avenue PO Box 50794 Lusaka, Zambia
Assets	£1,553,296	£145,228
Liabilities	£1,113,110	£46,050
Net assets	£440,186	£99,178
Income for the year	£8,452,191	£1,619,701
Expenditure for the year	£7,352,052	£1,618,847
Surplus for the year	£1,100,138	£854

23. Related party transactions

During the year, MMI paid the Cicero Group £20,154 (2017: £42,098) 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.

All 22 members of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.



School + Food = Hope

Mary's Meals
International Organisation

(A company limited by guarantee)

Charity number: SC045223

Company number: SC488380

mary's
meals

a simple solution
to world hunger