



Love Mercy Foundation Limited  
**Annual Operations Report**  
2014 / 2015

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ABN 71 142 069 645

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*If the content of this report causes the reader to wish to raise an issue or complaint, this may be done through our formal complaints handling mechanism. Please send your comments in writing to Caitlin Barrett via our website ([www.lovemercyfoundation.org](http://www.lovemercyfoundation.org)), email ([caitlin@lovemercyfoundation.org](mailto:caitlin@lovemercyfoundation.org)), or post for your complaint to be dealt with in a timely, confidential, and professional manner.*

*Full financial statements are available upon request.*

*The Love Mercy Foundation endeavours to maintain a high standard of transparency and accountability in all aspects of its work and is committed to adhering fully to the Australian Council for International Development's Code of Conduct (the Code). If you consider a breach of the Code has occurred, or you do not consider our response to your complaint satisfactory, you may contact the Australian Council of International Development at its website [www.acfid.asn.au](http://www.acfid.asn.au) or by telephone on (02) 6285 1816.*



# 1. About Us

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## 1.1 Vision Statement

*"Northern Uganda is being transformed by simple solutions to poverty, by empowering women and girls through projects which increase access to education, health care, and income generation."*

The vision for Love Mercy Uganda was established after two professional athletes, Julius Achon of Uganda, and Eloise Wellings of Sydney, Australia met in 2008 and formed a lasting friendship. One morning on a routine training run in Uganda, Julius Achon literally stumbled upon 11 orphaned children living underneath a bus. These children, who had been affected by Africa's longest running war, were without food, clothing, housing or education, with some of the children unable to remember their own names. From that day on, Julius adopted the children as his own family.

Julius himself was no stranger to poverty. Having grown up in the remote village of Awake in Northern Uganda, being abducted by the Lord's Resistance Army and forced into being a child soldier, he understands like no other the effects of poverty and war on children. After a miraculous escape from captivity and a natural ability as a long distance runner, Julius established his foundation in response to the dire situation faced by the residents of his home village, Awake. Ravaged by the brutality of the Lord's Resistance Army during Uganda's two-decade civil war, damaged by floods, and, more recently, touched by famine, the village's residents are struggling in the face of truly inadequate living conditions, and many children have been left without family.

After hearing of Julius's story, Eloise Wellings established Love Mercy Uganda in February 2010 to facilitate the development of Julius's village with a vision to impact all of Uganda and eventually all of Africa.

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## 1.2 Mission Statement

*"The Love Mercy Foundation seeks to empower rural communities in northern Uganda to overcome poverty after decades of civil war."*

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## 1.3 Statement of Values

The Love Mercy Foundation is founded upon the following scripture:



*"And what does the Lord require of you? To act justly and to love mercy  
and to walk humbly with your God." Micah 6:8*

We believe that one humble person can make a difference. The motivation for our work is found in Christian values as we seek to:

- Act Justly - to empower those who are experiencing poverty in northern Uganda in order to create a more just world.
- Love Mercy - to show kindness to others, regardless of their faith, background, race, religion, or gender.
- Walk Humbly - to hold others in higher regard than ourselves, be trustworthy, accountable and transparent in all that we do.

The empowerment of those in poverty will not be limited to those who profess a faith, and will be explicitly non-discriminatory. All programs are run free from evangelism, without express reference to faith or church attendance. Projects are often coordinated in partnership with local churches. However, this is due to pre-existing authority and power structures in rural villages and not always based on religious preference to work through churches.

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## 1.4 Objectives

- I. Relief of immediate poverty through aid and development.
  - II. Advancement of sustainable development through education and employment.
  - III. Advancement of medical support through establishment of clinics.
  - IV. Establishment of Christian spirituality through Christmas ministry.
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## 1.5 Directorship

### *Ben Poppett - Chairman of the Board*

Ben Poppett has been a member of the board since the Foundation began in 2010. Ben is a Certified Public Accountant and completed a Bachelor of Commerce (Accounting) with his own practice since 2003. He serves the organisation by providing his skills in finance, audit, governance, systems and accounts. Ben worships with his family at Hillsong Church.

### *Roger Wellings - Love Mercy Foundation Director*

Roger serves the organisation by bringing his skills in finance, governance, systems and partner relations. He completed a Bachelor of Commerce with Honours in finance and accounting. He was the founding owner and manager of Fiji and Pacific Specialist Holidays in Sydney. He now acts as a consultant for tourism and property development in the South Pacific.

### *Rev. Michael Hardie - Love Mercy Foundation Director*

Mike Hardie serves the board by facilitating the relationship of the organisation and local churches. Mike brings his experience in project planning, ideas leadership and vision development. Mike Hardie is a Reverend with Churches of Christ at Thrive Community Church having completed a Bachelor of Ministries.

### *Joshua Hollis - Love Mercy Foundation Director*

Josh Hollis is an active member of the board in the capacity of project planning, vision and leadership. He has completed a Bachelor of Environmental Engineering and a Masters in Engineering Science. He is a member of the Institution of Engineers and is a Chartered Professional Engineer. He attends Menai Urban Life Church with his family.

### *Dr. Gary Franks - Love Mercy Foundation Director*

Dr. Gary Franks is a General Practitioner and currently serves as the Medical Co-ordinator of Illawong Christian Medical Centre in Sydney. Gary has been an active member and Chairman of the St George Division of General Practice, and a consultant to the Therapeutic Guidelines in antibiotics. He has visited Africa with different organisations including Uganda for Watoto International, Rwanda with Hope Global and Zambia with the Salvation Army, and brings his medical experience to our health care programs in Uganda.

### *Cassandra Jenkins - Love Mercy Foundation Director*

Cassi Jenkins joined the board in November 2014. Cassi is an admitted Lawyer having completed a Bachelor of Laws and a Bachelor of Arts (International Studies) in 2012 and is currently enrolled in a Masters of International Law and International Relations. Cassi brings her experience in law, policy writing and volunteer management. Cassi attends Gymeia Baptist Church.

### *Damon Bray - Love Mercy Foundation Director*

Damon Bray is a passionate runner who joined the board in March 2015. Damon has a degree in Computer Science and has also studied Banking and Finance. Damon played a fundamental role in launching Runlab in the Sydney Metropolitan area and serves the board by strengthening the organisation's ties to the running community. Damon lives in Sydney's South with his wife and two sons.

*Eloise Wellings, Caitlin Barrett, Julius Achon, Naomi Watt and Leanne Tibben - Resigned from the Board in November 2014.*

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## 1.6 Statement from Governing Body

*Caitlin Barrett - CEO*

The past year has been a fruitful year of growth for Love Mercy both in our operations and fundraising efforts in Australia and in the success of our projects in Uganda. In June 2015, we received news that we had been accepted as full interim members of the Australian Council for International Development as Code of Conduct Signatories. This achievement is recognition of our credibility, accountability and transparency in our operations, and of the high calibre of our staff and projects. We are looking forward to being voted in as Full Members at the ACFID AGM in October.

We sent two teams to Uganda in 2013/14, starting with a team of two in November 2014 who visited the Annual Julius Achon fun run in Awake village. I was lucky enough to participate in the run alongside over 3000 other primary school students and 5000 spectators who joined in the fun. The event creates a remarkable community atmosphere and allows Love Mercy to promote the work of the Kristina Clinic, which is in the same district as the race. This trip was also a fruitful time as we took our Ugandan team on a retreat to facilitate a planning and capacity building meeting. During this time we were able to complete a SWOT analysis as a team and plan for the upcoming 12 months for our projects and operations. During this time we identified crucial needs for our operations in Uganda including staffing and extra facilities such as increased administrative services such as wifi and laptops. The board determined that these investments will build the capacity of our local staff and enable them greater efficiency in their roles.

It was during this trip that we conducted community consultations with the women in our Cents for Seeds program. Always a highlight for me is sitting under the mango tree discussing how we can better facilitate their participation. In these moments the true essence of the project is revealed. This project is for them, managed, driven and innovated by them. We had a particular group of women stand up and present us with a problem. They were too old to participate in Cents for Seeds any longer because the manual labour required to plant and harvest 30kgs of seeds was beyond them as they were over 60. They requested that instead they be given a goat. After some planning, it was decided that 30 women who were over 60, or disabled, or otherwise unable to perform manual labour would form a group and be given a female goat ready to reproduce. When a kid arrived, the woman would pass it on to another woman like her in a second group of women.

Project Manager Cassi Jenkins spent four months at the beginning of 2015 in Uganda. Her trip's main purpose was to build the capacity of the Kristina Health clinic and implement systems and procedures with the staff there to increase its efficiency and improve overall patient care. During her stay Cassi also oversaw the beginning of this goat program. Her stay provided us with invaluable knowledge and ways forward for the Kristina Clinic in order to continue providing high quality patient care. I am personally so grateful for her commitment and sacrifice in living in Uganda for four months for the benefit of our work. She has managed to build the strength and trust of our Ugandan team with wisdom and grace.

Reflecting upon the many blessings of this year, I would like to offer my sincere gratitude to all those who have partnered with us by volunteering their time, their resources and their skills. Under the guidance and strategic direction of our gifted Board, we eagerly await the achievements ahead in 2016.

## 2. Review of Operations

### 2.1 Child Sponsorship

#### *Background*

Love Mercy Foundation (LMF) currently operates a Child Sponsorship program inclusive of 36 children. The organisation was initially established in order to provide funding for these children and remove the financial burden from founder Julius Achon.

#### *Aims*

This project aims to provide educational, emotional, and social support to children who have been orphaned by war or whose families have been adversely impacted by the war.

#### *Stakeholders*

The children in the sponsorship program are made up of some of the original 11 children that Julius took into his home in 2003. Other orphans and children affected by war and poverty have since been included in this program, with some living in the LMF house in Lira, Uganda, while others board at school or still live in their rural communities.

#### *Finances*

The program operates on the basis of pairing a sponsor with a child for an amount of \$44 dollars a month. These funds are put into a Child Sponsorship pool which contributes to the overall needs of the program.



*The total cost to operate this program in 2014/2015 was - \$30,245.43*

*The total raised for this program in 2014/2015 was - \$15,376.38*

*(The shortfall was made from previous financial years surplus and from pooled funds)*

This cost included school fees for 36 children, and the purchase of food, clothing, and educational supplies and of course health care.



## *Update*

This year, three of the LMF sponsored children graduated from the child sponsorship program. We celebrated as one student successfully completed a four-year Bachelor of Arts in Social Work and Social Administration at Ndejje University and another chose to pursue his passion for running by enrolling in a full-time elite training camp. The remaining students in the program continued to excel in their studies with one student ranked 7<sup>th</sup> out of 295 in his year.

In early 2015, the LMF Board began planning and prioritising the future operations of the organisation. Looking at the opportunities available in the next five years, the Board considered education to be vital in empowering the younger generation to break the cycle of poverty. With that in mind, the Board reiterated its intention not to expand the child sponsorship program but instead to focus its efforts on the agricultural loan program, *Cents for Seeds*. The Cents for Seeds project provides women with a sustainable income that empowers them to send their own children to school. By increasing the number of women participating in the Cents for Seeds program, LMF will in turn increase the number of children it supports to receive an education while simultaneously eliminating the need for individual child sponsors. The existing child sponsorship program will however continue to operate until the children currently supported have graduated from their studies.



## 2.2 Cents for Seeds

### *Background*

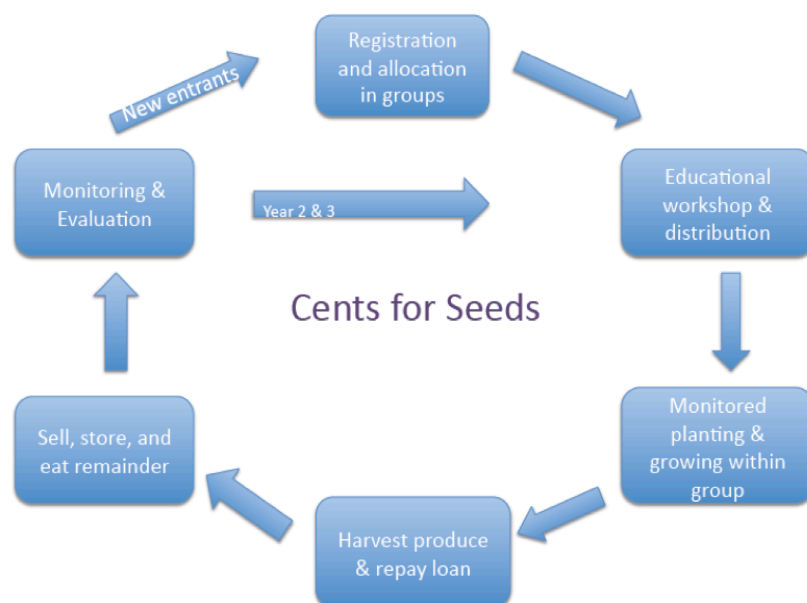
The Cents for Seeds program operates using the basic premise of microfinance using agricultural inputs instead of finance. In its pilot years, a family was provided with 15kgs of seeds of their choice, however from 2014 LMF increased this initial loan to 30kgs and has since seen a drastic improvement in the yield harvested. After the harvest, the initial principle is paid back to LMF in order to continue the loan to the next registered participant. After the family pays back their initial principle, they have the option of accepting another loan of a different seed the following year as an incentive to continue the cycle of microfinance. The program is currently being run in 7 villages, and we are looking forward to further expanding the program in 2016.

### *Aims*

The Cents for Seeds program aims to break the cycle of poverty in rural Uganda by empowering women in agriculture.

### *Stakeholders*

Women will continue to be consulted at the village level as to how the project can best meet their needs and empower them to design, implement, monitor and evaluate this project as it evolves. As well as providing agricultural support in the form of seeds and tools, women will be educated about their planting practices and best practice in terms of storage and selling produce. By providing micro-finance loans of seeds and agricultural tools to women, women will be provided with a source of income for their household. This will increase their contact with currency, provide market opportunities, and increase the flow of capital into isolated villages.





## *Finances*

The Cents for Seeds project is funded using \$30 donations from the public in Australia, through the sale of gift cards. It is also funded by donations from the public in larger amounts, and through an ongoing partnership with The Horse selling farmer's markets bags.

*The total cost to operate this program in 2014/2015 was - \$47,310.64*

*The total raised for this program in 2014/2015 was - \$41,407.11*

*(The shortfall was made from previous financial years surplus and from pooled funds)*

## *Update*

In 2014/2015, the Cents for Seeds program was a great success. More than 89% of the participants in Barr village returned their loan of beans at the end of the harvesting season and despite the greater challenges faced by the women in the other three villages more than 65% returned their loans. The overall rate of returned loans for the program in 2015 was therefore 77%.



As in previous years, an evaluation of the program was conducted by randomly selecting participants to share the successes and the challenges of the previous year. In Barr village, 20 women were interviewed. Of these 20 women, 18 received a yield greater than the initial loan provided. From the principle loan of 30kgs the average harvest received was calculated at 150kgs. Unfortunately, two of the 20 women interviewed lost their crops entirely due to weather pattern changes in the area however despite such challenges, 100% of the participants interviewed considered the program to be having a positive and lasting impact on the community. Two women shared how they used the income they received from selling their crops to buy oxen which in turn have been rented out during the planting season to generate further income for their families. A further three women used some of their funds to start construction on a family home while one other was finally able to marry her long-time partner in a ceremony that involved many of her new friends from the program.

In Orum, Awake and Omwonylee villages, the average yield varied greatly in size. For many participants, the rains were insufficient to support their first seed choice of beans, with less than half of the women being able to repay their initial loan. Fortunately however, the alternate seed of sesame germinated well despite the harsh and unpredictable climate, proving to be a successful mitigation tool against drought. Of the 439 participants, 292 returned their loans of sesame, with some even returning double the principle loan as compensation for their failed bean crops. This simple act of generosity was celebrated by LMF as it symbolised a true understanding by the participants of the purpose and motivation behind the project.



In March 2015, the Cents for Seeds program expanded into three additional sub-counties: Olilim, Adwari and Okwang; with the total number of participants increasing to 1,270. The program is currently being run in seven sub-counties of Lira and Otuke Districts. Olilim, Adwari and Okwang include some of the most remote villages in the north of Uganda and receive very little, if any at all, government and/or non-government support. In just a few short months, the new participants had organised themselves into groups, appointed group leaders and distributed loans all before the beginning of the second rainy season. Should the second rains imitate those of the first, LMF expects to see some of the largest harvests to date.

Finally, following community consultations held in the villages of Awake, Orum and Omwonylee, the participants requested that the program be adapted to cater more widely for the elderly and disabled. Collectively the women designed selection criteria and registered those who met the requirements. It was decided that those over the age of 60 and/or those no longer fit or able to work in their gardens, would instead of receiving a loan of seeds receive a mature goat on loan. Once the goat was able to reproduce, the loan would be repaid by returning the first-born kid. Similar to the 'pass-on effect' of the seed loans, the first kid would be handed over to another elderly or disabled woman in need thus continuing the sustainable cycle. Prior to receiving their goat, the registered women were assessed based on immediate need and divided into two groups. The first group of 32 women, being those assessed with the most immediate needs, received a goat in April 2015. The remaining 32 women were entered on a waiting list to receive a kid from the original goats. To date, none of the goats have yet reproduced however a number have fallen pregnant. LMF expects the majority of the women in the second group to receive their kid by December 2015.



## 2.3 Kristina Achuma Health Centre



### *Background*

Following the dream of our founder, Julius Achon, to provide adequate healthcare to the people of the Otuke region, construction of the Kristina Health Centre began in 2011. Otuke County is 72kms from Lira, the site of the nearest healthcare facility. The vast majority of Otuke residents could not afford transportation to Lira or the care offered there. As such, every day, people in this region were suffering and in some cases dying needlessly because they did not have access to routine, preventative health care or emergency medical attention. In 2012, along with our American sister organisation, Achon Uganda Children's Fund (AUCF), we opened a local clinic staffed by Ugandan medical professionals able to provide affordable, basic care and to treat and triage the sick and injured. This facility is called the Kristina Achuma Achon Health Centre to honour Julius's mother, who was shot by the Lord's Resistance Army in 2004 and perished due to lack of available medical care.

### *Aims*

LMF and AUCF plan to provide primary medical care including triage and appropriate treatment, disease testing, inoculation, medication dispensing and education. Ugandan MDs and RNs currently staff the clinic. It is our hope for the future that the staff will continue to be augmented by periodic visits from Australian and US-based doctors and nurses. Over a period of 5 years, LMF and AUCF have established extensive partnerships and created a set of best practices for developing access to appropriate medical care in rural Africa with the likes of Ugandan Ministry of Health, Engeye Clinic, Uganda Cares (HIV/AIDs testing), Lifewater International, Medical Teams International and other local and international aid organizations.



## Finances

The clinic was funded through public donations received through the Sutherland to Surf fun run, and through corporate sponsorship.

*The total cost to operate this program in 2014/2015 was - \$41,428.75  
The total raised for this program in 2014/2015 was - \$105,310.91  
(The surplus of funds will remain earmarked for future clinic costs)*

## Report

The past twelve months have been a season of growth and change for LMF and our sister organisation, AUCF, in relation to our work at the Kristina Health Centre. After sadly losing our dear friend and colleague, James Fee last year, LMF and AUCF came together in early 2015 to strategize and plan for the future of the clinic. Collectively, it was decided that an Australian employee was needed on the ground to work alongside the Ugandan staff to strengthen and develop clear systems, policies and procedures that would guide the operations of the medical facility. From February 2015, a member of the LMF team spent four months in Lira, working closely with our Ugandan staff to cast vision for the future and build enthusiasm and team morale among the health centre personnel. As a result of this trip, the Kristina Health Centre adopted a series of new systems, policies and procedures including a personnel code of conduct, an employee incentive scheme and an enhanced point of sale and inventory system.



Following on from the progress mentioned above, LMF and AUCF again joined forces and, in consultation with both Ugandan field staff and medical professionals, developed a five year strategic plan that focused on four critical factors to achieving sustainability by 2020, including: building the capacity of local staff; continuously improving on the services offered; maintaining a high standard across all facilities; and empowering management to take ownership of the operations of the clinic. With these agreed goals in mind, both organisations will enter into the new financial year with realigned purpose and direction.

Back in Australia, the team at LMF and more than 300 of its supporters participated in the Sutherland to Surf for the fifth year in a row. This year, LMF set its fundraising target at \$50,000. As a result of the combined effort, determination and dedication of our team of runners, walkers and volunteers, LMF was able to exceed its target, raising over \$70,000 towards the fit-out of the James Fee Memorial Ward.

In addition to the funds raised during the Sutherland to Surf campaign, a generous overseas donor pledged \$37,000 to our partner organisation to assist with the equipping of the ward. Unfortunately, to date these funds have not yet been received. It is our hope that the general ward will be fully operational by October 2015.



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## 2.4 Christmas Goat

This year, LMF in agreement with Thrive Community Church, chose not to run its annual Christmas Goat program. Thrive Community Church has instead supported LMF in different ways this financial year.

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## 3. Partners

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### *Achon Uganda Children's Fund*

Our special thanks goes to our sister organisation, AUCF, for their continued partnership in funding and operating the Kristina Health Centre. We particularly want to thank the Fee family for their wisdom, guidance and support over the past year. We feel privileged to work with such a passionate team and are excited for what the future holds for both our organisations.

### *Thrive Community Church*

We are so grateful for each of the generous hearts that make up the congregation at Thrive Community Church. The people at Thrive have donated their time, funds and resources to partner with us through the year by running LMF fundraisers and offerings and welcoming Julius Achon to speak for the third year in a row whilst on a visit to Sydney in July.

### *The Big Table*

We value our strong and ongoing partnership with The Big Table in South Perth. The church continues to donate to our Cents for Seeds project and Child Sponsorship program and we are grateful for their constant encouragement and support.

### *The Horse*

We feel very fortunate to have continued our partnership with our talented friends at The Horse this year. In addition to the funds donated from the sale of their large farmer's market bags, The Horse also ran a Christmas campaign in the first week of December whereby \$10 from every watch sale was given directly towards our Cents for Seeds project.

### *The Archibald Project*

Thank you to our new friends at The Archibald Project who visited our Ugandan staff and projects in April. We are so grateful for the video they produced on our organisation and for sharing our story with their community. We're looking forward to working with them again in the future.

### *Bianca Cash*

We were privileged enough to partner with Bianca Cash this year through the sale of a custom-made print, designed specifically for LMF. This woman runs her business with passion and joy and we're thrilled to be a part of it.

### *Ascent Foundation WA*

Thank you to the wonderful people at Ascent Foundation for their generous donation towards our Cents for Seeds project. Their generosity really blew us away.

### *Fortnum Foundation*

We really appreciate the ongoing support we receive from this incredible foundation. We feel privileged to be partnering with you.

### *Crust Cronulla*

Thank you to our friends at Crust Cronulla who supported us during their 'Pizza it Forward' Christmas campaign by handing out our Christmas gift tags and raising awareness of our cause.

### *RunLab*

Thank you to our new partners at RunLab for their support over the year. We look forward to strengthening our partnership in the future.

### *Macquarie Foundation*

Our thanks goes to the Macquarie Foundation for their contribution in matching staff donations made to our organisation.

### *Digerati*

We're so grateful for our ongoing partnership with Digerati – Let's make a website. This year they continued to support us through the purchase of our brand new t-shirts, available through our online store.

### *Port Hacking High School*

Thanks to the students and staff at Port Hacking High School who participated in the Sutherland to Surf for the third year in a row.

### *Inaburra Christian School*

Thanks to the staff and students at Inaburra Christian School who participated in the Sutherland to surf again this year.

### *Our monthly Sponsors*

We are so grateful to our faithful child sponsors and Cents for Seeds Ambassadors who donate monthly towards our programs. We couldn't do the work without you!

### *Our Fun Runners*

We are so thankful to all those who ran another Sutherland to Surf for us in 2014. Our thanks also goes to our sponsors who graciously supplied us with some incredible prizes and to Thoroughbread Bakery who sponsored the breakfast this year.

### *Public Donors*

We are so grateful to those who continue to donate to our foundation. Without your support, we would not be able to carry out our life saving projects.

## 4. Special Thanks

As always, our special thanks go to our staff on the ground, without whom we would be lost!

### *Jimmy and Florence Okullo*

Jimmy is our Ugandan Project Manager who oversees all of our projects. He is bold but compassionate and serves with an abundantly willing heart.

Jimmy's wife, Florence, is a qualified agriculturalist and Project Coordinator of our Cents for Seeds program. She is softly spoken but wise well beyond her years.

Jimmy and Florence have three beautiful children of their own but also care for some of the orphans in our Child Sponsorship program. These two are a dream team and Love Mercy would not be the same without them!



### *Julius and Grace Achon*



Julius is our founder and Country Director in Uganda. He is responsible for the overall operations of the organisation on the ground and assists in fundraising activities in both Australia and the US. He is a man of integrity and vision and believes that no matter how tough it gets, you never give up.

Julius lives in Kampala with his wife, Grace, and their two sons.

It is such an honour to be working alongside a man whose passion and love for his people is the motivation behind his work. We look forward to the future and the new achievements in store for the people of Otuke!



## 5. Financials

Love Mercy Foundation Ltd (ABN 71 142 069 645)

### International Aid and Development Income Statement

For the year ended 30 June 2015

	2015	2014
<b><u>REVENUE</u></b>		
<i>Donations and gifts</i>		
Monetary	87,144.95	156,020.43
Non-monetary	-	-
<i>Bequests and Legacies</i>	-	-
<i>Grants</i>		
Department of Foreign Affairs and Trade	-	-
Other Australian	-	-
Other overseas	-	-
<i>Investment income</i>	-	-
<i>Other income</i>	3,298.50	15,294.51
<i>Revenue for International Political or Religious Adherence Promotion Programs</i>	-	-
<b>TOTAL REVENUE</b>	<b>90,443.45</b>	<b>171,314.94</b>
<b><u>EXPENDITURE</u></b>		
<i>International Aid and Development Programs Expenditure</i>		
International programs	62,023.07	117,042.55

Funds to international programs	26,517.19	86,673.92
Program support costs	35,505.88	30,368.63
Community education	-	15,292.20
Fundraising costs		
Public	17,412.65	2,434.61
Government, multilateral and private	-	-
Accountability and Administration	59,344.99	53,669.89
Non-Monetary Expenditure	-	-
Total International Aid and Development Programs Expenditure	138,780.71	-
<i>International Political or Religious Adherence Promotion Programs Expenditure</i>	-	-
<i>Domestic Programs Expenditure</i>	-	-
<b>TOTAL EXPENDITURE</b>	<b>138,780.71</b>	<b>188,439.25</b>
<b>EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>(48,337.26)</b>	<b>(17,124.31)</b>

<b>Total expenses</b>	138,780.71	188,439.25
<b>Profit (loss) from ordinary activities before income tax</b>	<b>(48,337.26)</b>	<b>(17,124.31)</b>
<b>Income tax revenue relating to ordinary activities</b>		
<b>Net profit (loss) attributable to the association</b>	<b>(48,337.26)</b>	<b>(17,124.31)</b>
<b>Total changes in equity of the association</b>	<b>(48,337.26)</b>	<b>(17,124.31)</b>
<b>Opening retained profits</b>	74,852.53	91,976.84
<b>Net profit (loss) attributable to the association</b>	<b>(48,337.26)</b>	<b>(17,124.31)</b>
<b>Closing retained profits</b>	<b>26,515.27</b>	<b>74,852.53</b>

**Notes:**

1. In 2014/15 total income was split across two entities following the establishment of the Love Mercy Foundation Overseas Aid Fund. These financial statements have been reported separately below.
2. Travel expenses directly relating to operations on the ground have been included in Program Support costs.
3. Wages for Australian staff have been calculated at:
  - CEO (70% Administration and 30% Project Support).
  - Projects and Administration Coordinator (90% Administration and 10% Project Support).

# Love Mercy Foundation Ltd (ABN 71 142 069 645)

## Balance Sheet as at 30 June 2015

<b><u>Assets</u></b>	<b>2015</b>	<b>2014</b>
<b>Current Assets</b>		
Cash assets	28,188.48	77,699.81
Current tax assets	81.00	(572.00)
<b>Total Current Assets</b>	<b>28,269.48</b>	<b>77,127.81</b>
<b>Non-Current Assets</b>		
Other	682.00	1,161.00
<b>Total Non-Current Assets</b>	<b>682.00</b>	<b>1,161.00</b>
<b>Total Assets</b>	<b>28,951.48</b>	<b>78,288.81</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Payables	1,000.00	2,582.00
Provisions	1,436.21	854.28
<b>Total Current Liabilities</b>	<b>2,436.21</b>	<b>3,436.28</b>
<b>Total Liabilities</b>	<b>2,436.21</b>	<b>3,436.28</b>
<b>Net Assets</b>	<b>26,515.27</b>	<b>74,852.53</b>
<b><u>Equity</u></b>		
Retained profits	26,515.27	74,852.53
<b>Total Members' Funds</b>	<b>26,515.27</b>	<b>74,852.53</b>

The above, summarised financial statements in relation to Love Mercy Foundation Ltd have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website [www.acfid.asn.au](http://www.acfid.asn.au).

Full financial statements are available upon request.





CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

## **SHEDDEN & GREEN PARTNERS**

ABN 43 723 342 276

### **INDEPENDENT AUDIT REPORT**

TO: The Members, Love Mercy Foundation Ltd

We have audited the accompanying special purpose financial report of Love Mercy Foundation Ltd, which comprises the Balance Sheet as at 30 June 2015, and the Statement of Comprehensive Income, Cash Flow Statement, Table of Cash Movement and International Aid & Development Statement of the entity and Consolidated Statement for the Entity and the Overseas Aid Fund for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration.

#### **Directors' Responsibility for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view accordance with the requirements of the Australian Charities and Not For Profits Commission Act 2012 including relevant Australian Accounting Standards and in accordance with the requirements of the Australian Council For International Development (ACFID). They are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with relevant Financial Reporting Standards.

#### **Auditors Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

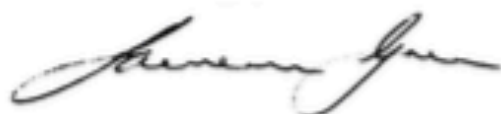
In conducting the audit, we have complied with applicable independence requirements.

#### Audit Opinion

In our opinion,

1. the financial report of Love Mercy Foundation Limited is in accordance with the requirements of the Australian Charities and Not For Profits Commission Act 2012 and its Regulations, including giving a true and fair view of the Company's financial position as at 30<sup>th</sup> June 2015 and of its financial performance and Cashflows for the year ended on that date
2. the financial report complies with the requirements of the Australian Council for International Development
3. the summarised International Aid & Development Statement has been correctly drawn up in accordance with ACFID requirements
4. the financial reports and associated records have been properly kept in accordance with the Charitable Fundraising Act and its Regulations.
5. Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act and its regulations.

Shedden and Green Partners  
Lawrence R Green FCA – Partner



31 October 2015  
Miranda NSW

# Love Mercy Foundation Overseas Aid Fund Trust (ABN 58 525 627 488)

## International Aid and Development Income Statement

For the year ended 30 June 2015

	2015	2014
<b><u>REVENUE</u></b>		
<i>Donations and gifts</i>		
Monetary	174,640.40	36,142.16
Non-monetary	-	-
<i>Bequests and Legacies</i>	-	-
<i>Grants</i>		
Department of Foreign Affairs and Trade	-	-
Other Australian	-	-
Other overseas	-	-
<i>Investment income</i>	-	-
<i>Other income</i>	709.36	-
<i>Revenue for International Political or Religious Adherence Promotion Programs</i>	-	-
<b>TOTAL REVENUE</b>	<b>175,349.76</b>	<b>36,142.16</b>
<b><u>EXPENDITURE</u></b>		
<i>International Aid and Development Programs Expenditure</i>		
International programs	121,115.86	-
Funds to international programs	100,599.68	-
Program support costs	20,516.18	-



Community education	-	-
Fundraising costs		
Public	-	-
Government, multilateral and private	-	-
Accountability and Administration	395.18	-
Non-Monetary Expenditure	-	-
Total International Aid and Development Programs Expenditure	121,511.04	-
<i>International Political or Religious Adherence Promotion Programs Expenditure</i>	-	-
<i>Domestic Programs Expenditure</i>	-	-
<b>TOTAL EXPENDITURE</b>	<b>121,511.04</b>	<b>-</b>
<b>EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>53,838.72</b>	<b>36,142.16</b>

# Love Mercy Foundation Overseas Aid Fund Trust (ABN 58 525 627 488)

## Balance Sheet as at 30 June 2015

<b><u>Assets</u></b>	<b>2015</b>	<b>2014</b>
<b>Current Assets</b>		
Cash assets	88,972	33,010
Current tax assets	9	-
Receivables	-	3,132
<b>Total Current Assets</b>	<b>88,981</b>	<b>36,142</b>
<b>Total Assets</b>	<b>88,981</b>	<b>36,142</b>
 <b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Payables	(1,000)	-
<b>Total Current Liabilities</b>	<b>(1,000)</b>	<b>-</b>
<b>Total Liabilities</b>	<b>(1,000)</b>	<b>-</b>
<b>Net Assets</b>	<b>89,981</b>	<b>36,142</b>
 <b><u>Equity</u></b>		
Retained profits	89,981	36,142
<b>Total Members' Funds</b>	<b>89,981</b>	<b>36,142</b>

The above, summarised financial statements in relation to Love Mercy Foundation Overseas Aid Fund Trust have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website [www.acfid.asn.au](http://www.acfid.asn.au).

Full financial statements are available upon request.

# International Aid and Development Income Statement 2015

## Consolidated with Love Mercy Foundation Overseas Aid Fund

	2015	2014
<b><u>REVENUE</u></b>		
<i>Donations and gifts</i>		
Monetary	261,785.35	192,162.59
Non-monetary	-	-
<i>Bequests and Legacies</i>	-	-
<i>Grants</i>		
Department of Foreign Affairs and Trade	-	-
Other Australian	-	-
Other overseas	-	-
<i>Investment income</i>	-	-
<i>Other income</i>	4,007.86	15,294.51
<i>Revenue for International Political or Religious Adherence Promotion Programs</i>	-	-
<b>TOTAL REVENUE</b>	<b>265,793.21</b>	<b>207,457.10</b>
<b><u>EXPENDITURE</u></b>		
<i>International Aid and Development Programs Expenditure</i>		
International programs	183,138.93	117,042.55
Funds to international programs	127,116.87	86,673.92
Program support costs	56,022.06	30,368.63
Community education	-	15,292.20



Fundraising costs		
Public	17,412.65	2,434.61
Government, multilateral and private	-	-
Accountability and Administration	59,740.17	53,669.89
Non-Monetary Expenditure	-	-
Total International Aid and Development Programs Expenditure		-
<i>International Political or Religious Adherence Promotion Programs Expenditure</i>	-	-
<i>Domestic Programs Expenditure</i>	-	-
<b>TOTAL EXPENDITURE</b>	<b>260,291.75</b>	<b>188,439.25</b>
<b>EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>5,501.46</b>	<b>19,017.85</b>

## Table of Cash Flow Movement

APPEAL/ DESIGNATED PURPOSE	CASH AVAIL JULY 14	INCOME RAISED	EXPENSE	CASH AVAIL JULY 15
CENTS FOR SEEDS	34,630.26	41,407.11	-67,018.51	9,018.86
S2S/MEDICAL	29,106.56	105,310.91	-61,136.64	73,280.83
CHILD SPONSORSHIP	38,921.28	15,376.38	-42,413.33	11,884.33
CHRISTMAS (Non- Development)	1,574.99	-	-1,498.25	76.74
NON-DESIGNATED PURPOSE	6,761.79	103,698.73	-88,225.02	22,235.50
<b>TOTAL</b>	<b>110,994.88</b>	<b>265,793.13</b>	<b>-260,291.75</b>	<b>116,496.26</b>

### Notes:

Cash Avail July '14 figure balances to net asset figures across both accounts.

Cash Avail July '15 balances to net asset figure across both accounts.

The above Consolidated Income Statement and Table of Cash Flow Movement form part of the audited financial report for the year ended 30 June 2015.



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND

## **SHEDDEN & GREEN PARTNERS**

ABN 43 723 342 276

### **INDEPENDENT AUDIT REPORT**

TO: The Members, Love Mercy Overseas Aid Fund Trust

We have audited the accompanying special purpose financial report of Love Mercy Overseas Aid Fund Trust, which comprises the Balance Sheet as at 30 June 2015, and the Statement of Comprehensive Income, and Cash Flow Statement, Table of Cash Movements and International Aid & Development Statement of the entity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Trustees' Declaration.

#### **Trustees' Responsibility for the Financial Report**

The trustees are responsible for the preparation of the financial report that gives a true and fair view accordance with the requirements of the Australian Charities and Not For Profits Commission Act 2012 including relevant Australian Accounting Standards and in accordance with the requirements of the Australian Council For International Development (ACFID). They are also responsible for such internal control as the trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### **Auditors Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

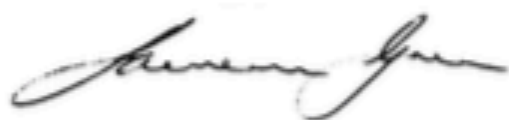
In conducting the audit, we have complied with applicable independence requirements.

#### Audit Opinion

In our opinion,

1. the financial report of Love Mercy Overseas Aid Fund Trust is in accordance with the requirements of the Australian Charities and Not For Profits Commission Act 2012 and its Regulations, including giving a true and fair view of the Trust's financial position as at 30<sup>th</sup> June 2015 and of its financial performance and Cashflows for the year ended on that date
2. the financial report complies with the requirements of the Australian Council for International Development
3. the summarised International Aid & Development Statement has been correctly drawn up in accordance with ACFID requirements
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5. Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act and its regulations.

Shedden and Green Partners  
Lawrence R Green FCA – Partner



31 October 2015  
Miranda NSW