

2015 — 2016

# LOVE MERCY

ANNUAL OPERATIONS REPORT



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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.





“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.”

#### VISION STATEMENT

##### 1.1 VISION STATEMENT

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 came across 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.

##### 1.2 MISSION STATEMENT

*"Love mercy foundation seeks to empower rural communities in northern Uganda to overcome poverty after decades of civil war."*





“WE BELIEVE THAT ONE HUMBLE PERSON CAN MAKE A DIFFERENCE.”

### 1.3 STATEMENT OF VALUES

THE LOVE MERCY FOUNDATION IS FOUNDED UPON THE FOLLOWING:

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.

### 1.4 OBJECTIVES

**Relief of Immediate Poverty** through aid and development.

**Advancement of Sustainable Development** through education and employment.

**Advancement of Medical Support** through establishment of clinics.

**Establishment of Christian Spirituality** through Christmas ministry.

## 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.

### ELOISE WELLINGS

Love Mercy Foundation Director

Eloise is a founding Love Mercy Foundation Director. Eloise serves the organisation by facilitating our ongoing relationship with our in-country partners. She also serves in a public relations role, by doing speaking and media events. Eloise is a professional athlete and has competed at the London and Rio Olympics.

### 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 Honors 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 uses his skills in project planning, vision and leadership to serve the board. Josh 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.

### CASSANDRA BOURKE

Love Mercy Foundation Director

Cassi Bourke (nee 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) and is currently enrolled in a Masters of International Law and International Relations. Cassi brings her experience in law, policy writing and volunteer management.

### 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 is the co-owner of The Running Movement and serves the board by strengthening the organisation's ties to the running community.

### NATALIE LENNON

Love Mercy Foundation Director

Natalie joined the board in 2016 after traveling to Uganda with Love Mercy in November 2015. Natalie came back to Australia with a new perspective on life and wanted to do more with her support. Natalie is partner of an accounting firm in Sydney's South, has a degree in Commerce Accounting and Business Law and is a Chartered Accountant. She serves the board with her passion for Uganda and her skills in these areas.

### CAITLIN BARRETT

Secretary & CEO.

Caitlin has completed a Bachelor of International Studies in Development and a Masters of International Development. Caitlin oversees the management of the organisation, including project management, fundraising, administration and compliance.

*Dr Gary Franks resigned from the Board in November 2015.*



OUR GREATEST YEAR TO DATE!

## 1.6 STATEMENT FROM GOVERNING BODY

### CAITLIN BARRETT - CEO

This year has been the largest and most exciting to date for the Love Mercy Foundation. In December, our co-founder Eloise Wellings, was the first female to qualify for the Rio Olympics after securing an automatic nomination for the Women's 10,000m track event, following her win at the Zatopek Championships in Melbourne. Later in the year, Eloise also qualified for the Women's 5,000m and was officially selected onto the Australian Olympic Team in January 2016. Eloise is committed to using running to impact the lives of those in northern Uganda. With the Rio Olympics just around the corner in August, we cannot wait to cheer Eloise on to victory.

In Uganda, our other co-founder, Julius Achon, was nominated by his community to run as the Member of Parliament for Otuke District. In October, Julius won the primary election with an overwhelming majority and in February, he won the general election with a lead of 10,000 votes. In May, Julius was officially sworn in as a Member of the Ugandan Parliament. Reflecting on his life - being abducted at the age of 11 and forced to become a child soldier, to becoming a dual Olympic athlete, to representing his community in one of the most influential positions in the country - we could not be any prouder of the things he has achieved.

In November, a team of dedicated volunteers from Australia flew to Uganda to be part of the filming of a short documentary on the Cents for Seeds program. Over the course of ten days, seven women were interviewed and asked to share their story of what life was like before, during and after the war, and more recently what life has been like since joining the program. The women each shared stories of tragedy, pain and heartbreak during the years of civil war before Love Mercy came to their village seeking to restore hope to the community. Since then, each of the women has thrived after being equipped with the necessary tools required to create her

own livelihood. The result of the interviews was an inspiring documentary on the impact Cents for Seeds is having in breaking the cycle of poverty across entire communities in northern Uganda.

Back in Australia, we decided to coincide the premier of the documentary with the launch of our 20x2020 initiative. In March 2016, we held a breakfast at The Star with more than 200 people in attendance and special guest speaker, Lisa Messenger. The event focused on Love Mercy's vision of engaging 20,000 women through Cents for Seeds by the year 2020. It was a privilege to have our agriculturalist and Cents for Seeds Coordinator from Uganda, Florence Okullo, here in Australia to join us. For me personally, I am so grateful for Florence and her tireless passion for the women in her region. Florence is the brains and hands behind the Cents for Seeds program and has directly influenced the lives of thousands of women and their families. Thanks to a fantastic morning, the event raised over \$37,000, supporting more than 1,200 women with a seed loan for the coming year.

Following the success of the 20x2020 launch and working towards the vision of 20,000 women by 2020, the Cents for Seeds program in Uganda expanded from 1,377 women in 2015 to 7,000 women in 2016. With a reach across seven sub-counties, this program is now reaching some of the most remote and vulnerable communities in northern Uganda.

Finally in June 2016, to finish off what had already been an incredible year, Love Mercy was selected as a NSW Telstra Business Awards Finalist in the Charity Category along with five other inspiring charities from all across the State. We are humbled to have been considered for this prestigious award and are truly grateful to all our supporters, partners, volunteers and board members who are ultimately the ones responsible for our success. Thank you for believing in the cause and here's to what's ahead in 2017!



# THANK YOU



## 2.1 CHILD SPONSORSHIP

### Background

Love Mercy Foundation currently operates a Child Sponsorship program inclusive of 37 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 Love Mercy 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 ongoing needs of the program often include school fees, and the purchase of food, clothing, and educational supplies and health care.

THE TOTAL COST TO OPERATE THIS PROGRAM IN 2015/2016 WAS: \$42,401

THE TOTAL RAISED FOR THIS PROGRAM IN 2015/2016 WAS: \$19,337

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



PROVIDING OPPORTUNITIES FOR BRIGHTER FUTURES

## Update

The past year has been one of great success for the children in our Child Sponsorship program. Firstly, in December 2015, two of our students sat their final primary school examinations and graduated, allowing them to proceed to secondary school. One student chose to continue with her secondary education while the other chose to attend a technical college where he could learn a trade. We are extremely proud of both of them and look forward to seeing how they use the skills they have learned to benefit their community.

Secondly, two of our students have proved they have tremendous athletic talent with one student representing the district in the national championships this year and the other receiving a scholarship to study in high school. Both students are following in the footsteps of our co-founder, Julius Achon, using their athletic ability to break the cycle of poverty in their own lives.

By December 2016, we expect six children to sit their Senior 4 (equivalent to Year 10 in Australia) exams. These students have each expressed their desire to finish high school and then potentially apply for further education through a university or other educational institution. We are confident in each of their abilities and are looking forward to celebrating their high school graduation in two years.

Lastly, after many years of pain and suffering, one of the original eleven orphans that Julius found living under a bus in 2003, was finally able to undergo surgery on a degenerative condition on his hip. After several weeks of rehabilitation, using walking aids to assist his movement, the child made a full recovery and is now able to move without pain. He will sit his Year 10 exams next year.

As in previous years, the LMF Board has decided that the Child Sponsorship program will not be expanded beyond its current capacity and the major focus of operations and funding will be directed to our agricultural loan program, Cents for Seeds. This shift in the organisation's focus to primarily promoting and establishing fruitful businesses by empowering women subsequently enables mothers to directly support and care for their own children - hence eliminating the need for external child sponsorship.

\*THE CHILDREN PICTURED ABOVE ARE NOT PART OF LOVE MERCY FOUNDATION'S CHILD SPONSORSHIP PROGRAM. THIS IMAGE IS A REPRESENTATION ONLY.





## 2.2 CENTS FOR SEEDS

### Background

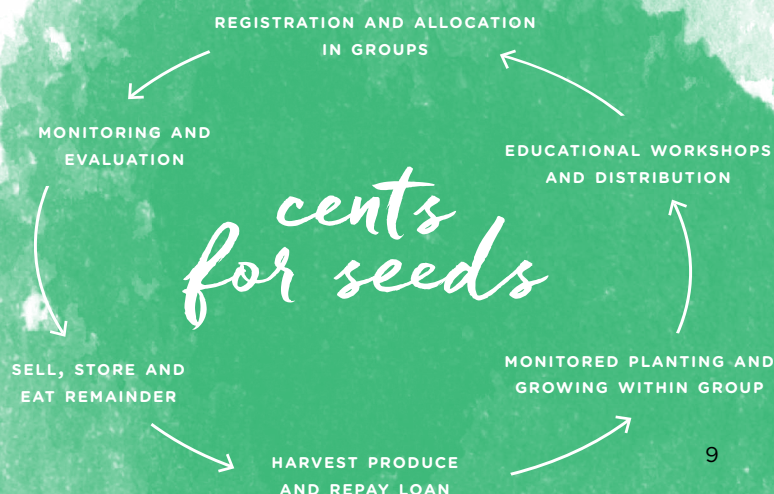
The Cents for Seeds program operates on an adapted model of micro-finance using agricultural inputs instead of finance. In its pilot years, a family was provided with 15kgs of seeds of their choice, however following consultations with program participants, Love Mercy Foundation increased this initial loan to 30kgs from 2014 and has since seen a drastic improvement in the yield harvested. After the harvest, the initial principle is paid back to Love Mercy Foundation in order to pass the loan onto 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 micro-finance. The program is currently being run in 7 sub-counties, and we are looking forward to further expanding the program in 2017.

### Aims

The Cents for Seeds program aims to break the cycle of poverty in rural Uganda by empowering women in agriculture. We hope to see 20,000 women engaged in Cents for Seeds by the year 2020.

### 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 are 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 an Ambassador program and the sale of gift cards. It is also funded by donations from the public in larger amounts, and through corporate sponsorship.

The total cost to operate this program in 2015/2016 was: \$100,301

The total raised for this program in 2015/2016 was: \$265,120

(The surplus will remain earmarked for future Cents for Seeds costs)

## Update

This year, Love Mercy has seen incredible progress in our core program, Cents for Seeds. After expanding into three additional sub-counties in March 2015, seed loans were distributed to 1,377 women including a pilot program run with 100 women in each of the new sub-counties of Olilim, Okwang and Adwari.

With consideration given to the previous year's failed bean crops in the northern regions, six of the seven sub-counties received a seed loan of sesame seeds – a crop identified as being highly drought resistant. For the sub-counties of Awake, Otuke Town Council, Olilim, Okwang, Adwari and Ogor, we are pleased to report an 81% return rate on all seed loans, with one sub-county returning 100% of seed loans distributed. Where we have not seen loan returns, the main cause has been women working in areas badly affected by the drought, and some other regions by too much rain.

Unfortunately however, this year Barr sub-county, who has in previous years consistently harvested substantial yields, saw crops fail due to sporadic rainfall and prolonged periods of sunshine. All participants in Barr sub-county reported failed seed germination or burnt seedlings as the reason for their failure to return loans.

This unpredictable change in weather patterns is consistent with meteorological data for the region that forecasts extended periods of drought throughout 2016 and beyond. The threat of drought increases the likelihood of failed harvests if further mitigation plans are not created.

Therefore, in late 2015, planning was initiated to implement an irrigation system. Thanks to the generous support of Gymea Baptist Church, we successfully raised the required funds for a pilot project to be launched in Barr sub-county over the next twelve months, with staff in Australia and Uganda collectively working towards planning the process by which the most sustainable irrigation systems may be introduced.

In March 2016, Love Mercy launched its 20x2020 initiative. By the year 2020, we hope to empower 20,000 women through Cents for Seeds. We estimate that 20,000 empowered women will result in approximately 50,000 children being put through school and this is the tipping point we believe is required to create sustainable communities in northern Uganda.

Working towards this vision, the Cents for Seeds program was expanded to 7,000 women in 2016, with a reach over 26 parishes throughout Lira and Otuke Districts. With the huge influx of new women to the program, our team in Uganda required additional support. Through consultation with our existing team, we were successfully able to recruit two new staff to aid with project activities. Our team now consists of the Program Manager, two qualified agriculturalists, and a Village, Savings and Loans Association (VSLA) trainer.

Between the months of April and June, our newly appointed VSLA trainer ran educational workshops with 72 groups across five sub-counties. The workshops promote positive attitudes towards saving and provide guidance on prudent spending habits and sound reasons for loaning money. They also deal with the issue of debt and the consequences of defaulting on a loan. The response to the training has been extremely positive with members commenting that because of Love Mercy's support they understand how the savings groups work which is reducing corruption among them.

Finally, thanks to the generosity of our new corporate sponsor, Syngenta, every dollar raised towards Cents for Seeds during our end of financial year campaign in June was matched up to a total of \$10,000. This means that out of the \$23,000 raised, 766 women will receive seed loans in the year to come.





## THE KRISTINA ACHUMA HEALTH CENTRE

### 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 district is 72kms from Lira, the site of the nearest high quality 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 aim to provide primary medical care including triage and appropriate treatment, disease testing, inoculation, medication dispensing and education to the people of Otuke. 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 2015/2016 WAS: \$65,964

THE TOTAL RAISED FOR THIS PROGRAM IN 2015/2016 WAS: \$123,321

(THE SURPLUS WILL REMAIN EARMARKED FOR FUTURE CLINIC COSTS)



PROVIDING LIFE SAVING FACILITIES TO THOSE IN NEED

## Update

As mentioned in our last Annual Report, in early 2015, LMF and its sister organisation AUCF, came together 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 a strong strategic plan in place leading into this year, LMF and AUCF, started by focusing on strong staff recruitment. In September, a Senior Clinical Officer was recruited to oversee the daily operations of the clinic and to manage clinic staff. In his first month, the Senior Clinical Officer recruited additional nursing staff and attended a three-day government training workshop on measles prevention. Following this intensive workshop, the Senior Clinical Officer conducted community education workshops in Olilim sub-county and facilitated training for three clinic staff members who were equipped and sent out to train and immunise the surrounding local community.

Following the successful recruitment of this role, a review into the services and facilities available at the Kristina Health Centre was conducted. We found there was a need to repair and upgrade some of the facilities including repairing the roof of the outdoor kitchen which had been badly damaged during a storm, tiling and repainting all buildings and constructing an incinerator to efficiently dispose of waste. The James Fee Memorial Ward was also fully equipped and began operating in November 2015.

Further, the existing needs of the community were identified as being access to high quality dental, midwifery and HIV treatment services as well as community education around general health, hygiene and sanitation.

Responding to the need in Uganda, roughly 250 dedicated individuals across the Sydney basin, once again participated in the Sutherland to Surf for the fifth year in a row. In just a matter of weeks, almost \$110,000 was raised to support the provision of dental, midwifery and HIV treatment services as well as the implementation of a community outreach program. We're excited to see the impact these critical services will have on the population of Otuke.





SUPPORTING US EVERY STEP OF THE WAY

### 3. PARTNERS

#### 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 Angela Fee for her selfless commitment to continue to build on the legacy of her late husband and truly value the relationship we have formed over the years.

#### FORTNUM FOUNDATION

We're so grateful for the long-term partnership we have developed with this amazing Foundation. Thank you to the individuals in their team who have supported us with their skills, time and finances.

#### ASCENT FOUNDATION WA

Thank you to Ascent Foundation for their ongoing partnership and support of our Cents for Seeds project. We're consistently blown away by the generosity of their team and look forward to the potential opportunities ahead.

#### SYNGENTA

We're extremely excited about our newly formed partnership with Syngenta this year. Thanks to their generosity, every dollar raised towards Cents for Seeds during our end of financial year campaign in June was matched up to \$10,000, resulting in a total of \$23,000 raised.

#### THE HORSE

We love the ongoing partnership we have with our talented friends at The Horse. This year, The Horse again 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.

#### SHIRE ACCOUNTING

Thank you to our long-term partners, Shire Accounting for providing us with stellar accounting services year after year.

#### RPS PROJECT SERVICES

We're grateful to our new sponsors RPS Project for their commitment to the Cents for Seeds project. Thank you for believing in the women of Uganda.

## **THRIVE COMMUNITY CHURCH**

We consider it a privilege to partner with Thrive Community Church who have consistently supported us with their time, funds and resources since we began in 2010. Thank you for your dedication to the cause and for welcoming Julius Achon each year during his visit to Sydney

## **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.

## **BIANCA CASH**

Bianca Cash continued to support us this year through the sale of a custom-made print, as well as table setting prints designed specifically for Love Mercy's 20x2020 breakfast. This woman runs her business with passion and joy and we're thrilled to be a part of it.

## **MACQUARIE FOUNDATION**

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

## **DIGERATI**

In March this year, we proudly rolled out our brand new website. The end product was the result of over 12 months planning and work. We are so grateful to our friends at Digerati for making this dream a reality.

## **LISA MESSENGER**

Thank you to Lisa Messenger for speaking at our 20x2020 breakfast launch. Lisa is passionate about encouraging entrepreneurial spirit, creativity and innovation and brought energy and enthusiasm to the morning.

## **THE WOLFPACK MRS**

A huge thanks goes to our good friend and resident photographer, River Bennett. In November 2015, River voluntarily traveled to Uganda to capture the individuals touched by our projects in northern Uganda. River is a talented photographer, blogger and writer and is passionate about seeing people become successful using their unique gifts and talents. We really appreciate the way River has used her talent to further our cause.

## **BIRD & BEE STUDIO AND CINEMATIC MOTION**

Another big thanks goes to our friends Jonathan Wellings from Bird & Bee Studio and Mathew Harwood from Cinematic Motion for the time and resources they invested into producing our Cents for Seeds documentary. We are grateful to both of them for beautifully capturing the impact this project is having on communities in northern Uganda and look forward to working with them again in the future.

## **THOROUGHREAD BAKERY**

Thank you to Thoroughbread Bakery for providing us with delicious bread and treats for several of our fundraising events throughout the year including our Sutherland to Surf breakfast.

## **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 2015. Our thanks also goes to our sponsors who graciously supplied us with some incredible prizes.

## **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.





THANK YOU SO MUCH!

#### 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!



## 5.1 FINANCIAL SUMMARY

Benjamin Poppett – Chairman of the Board

It is with great pride that I report Love Mercy Foundation experienced exponential growth this year, both across our top and bottom lines but also across our international projects in Uganda. Between July 2015 and June 2016, Love Mercy's total revenue increased by a massive 188.2%, breaking the infamous \$500,000 threshold. With a net surplus of \$41,334 (an increase of 751.4% on last year), our organisation is in great health going into the new financial year.

In Uganda, our expenditure on development programs increased from \$183,139 to \$309,071. This rise in expenditure is a direct result of the expansion of our programs, in particular our agricultural loan program, Cents for Seeds. This time last year, 1,377 women were recipients of a seed loan. This number has grown to 7,000 in just twelve months, meaning that over 500% more women and their families are benefitting from this life-changing project in 2016.

The success that Love Mercy has achieved is, in my view, largely a result of two strategic decisions the board made at the beginning of the financial year. Firstly, for the first time in our organisation's history, we invested in two full-time staff here in Australia who were entrusted with the responsibility of not only managing the day-to-day operations of the foundation but also generating awareness and momentum around the cause. Because of their efforts, the total revenue we collected surpassed the budget set at

the beginning of the year and allowed us to distribute over 40 tonnes of seeds to some of the most remote communities in northern Uganda.

Secondly, in July 2015, the board chose to invest in the design and build of a brand new website in order to better engage with our stakeholders and truly create shared experiences where every individual feels part of the journey. After several months of planning and working with website designers and builders, we launched the website in April 2016. The new site is clear and user friendly and has interactive features that allows our supporters to see where their funds are being spent and read some of the impact stories of those directly affected by our work. I believe this was a necessary expense and will produce a high return on investment over the long-term.

Looking ahead, with our co-founder Eloise Wellings heading to the Rio Olympics and our other co-founder Julius Achon, releasing a biography in August, I expect to see further growth and momentum gained over the next twelve months. I am proud of the progress we are making year on year and believe that the best is still yet to come.





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 2016, and the Income Statement, Table of Cash Movements 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 2016 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



3 November 2016  
Miranda NSW



# LOVE MERCY

## LOVE MERCY FOUNDATION LTD (ABN 71 142 069 645) INTERNATIONAL AID AND DEVELOPMENT INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

REVENUE	2016	2015
DONATION AND GIFT		
MONETARY	178,596	87,145
NON - MONETARY	—	—
BEQUESTS AND LEGACIES	—	—
GRANTS	—	—
DEPARTMENT OF FOREIGN AFFAIRS AND TRADE	—	—
OTHER AUSTRALIAN	—	—
OTHER OVERSEAS	—	—
INVESTMENT INCOME	—	—
OTHER INCOME	813	3,299
REVENUE FOR INTERNATIONAL POLITICAL OR RELIGIOUS PROGRAMS	—	—
<b>TOTAL REVENUE</b>	<b>179,409</b>	<b>90,443</b>

## EXPENDITURE

INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE	17,000	27,433
INTERNATIONAL PROGRAMS	—	25,019
FUNDS TO INTERNATIONAL PROGRAMS	17,000	2,414
PROGRAM SUPPORT COSTS	—	—
COMMUNITY EDUCATION	—	—
FUNDRAISING COSTS		
PUBLIC	40,412	16,124
GOVERNMENT, MULTILATERAL AND PRIVATE	—	—
ACCOUNTABILITY AND ADMINISTRATION	107,204	93,725
NON-MONETARY EXPENDITURE	—	—
TOTAL INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE	164,616	137,282
INTERNATIONAL POLITICAL OR RELIGIOUS ADHERENCE PROMOTION PROGRAMS EXPENDITURE	—	1,498
DOMESTIC PROGRAMS EXPENDITURE	—	—
<b>TOTAL EXPENDITURE</b>	<b>164,616</b>	<b>138,781</b>
<b>EXCESS / [SHORTFALL] OF REVENUE OVER EXPENDITURE</b>	<b>14,793</b>	<b>48,337</b>

<b>TOTAL EXPENSES</b>	<b>164,616</b>	<b>138,781S</b>
SURPLUS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	<b>14,793</b>	<b>(48,337)</b>
INCOME TAX REVENUE RELATING TO ORDINARY ACTIVITIES	N/A	N/A
NET SURPLUS/DEFICIT ATTRIBUTABLE TO THE ASSOCIATION	<b>14,793</b>	<b>(48,337)</b>
TOTAL CHANGES IN EQUITY OF THE ASSOCIATION	<b>14,793</b>	<b>(48,337)</b>
OPENING ACCUMULATED FUNDS	26,515	74,853
NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO THE ASSOCIATION	14,793	(48,337)
CLOSING ACCUMULATED FUNDS	<b>41,309</b>	<b>26,515</b>



**LOVE MERCY FOUNDATION OVERSEAS  
AID FUND TRUST (ABN 58 525 627 488)**

**INTERNATIONAL AID AND DEVELOPMENT INCOME  
STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	45,026	28,188
<b>TOTAL CURRENT ASSETS</b>	<b>45,062</b>	<b>28,188</b>
<b>NON-CURRENT ASSETS</b>		
OTHER	282	682
<b>TOTAL NON-CURRENT ASSETS</b>	<b>282</b>	<b>682</b>
<b>TOTAL ASSETS</b>	<b>45,308</b>	<b>28,870</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
PAYABLES	(891)	1000
CURRENT TAX LIABILITIES	2,648	(81)
PROVISIONS	2,243	1,436
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,999</b>	<b>2,355</b>
<b>TOTAL LIABILITIES</b>	<b>3,999</b>	<b>2,355</b>
<b>NET ASSETS</b>	<b>41,309</b>	<b>26,515</b>
<b>EQUITY</b>		
ACCUMULATED FUNDS	41,309	26,515
<b>TOTAL ACCUMULATED' FUNDS</b>	<b>41,309</b>	<b>26,515</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.

REVENUE	2016	2015
DONATION AND GIFT		
MONETARY	319,907	174,641
NON - MONETARY	—	—
BEQUESTS AND LEGACIES	—	—
GRANTS	—	—
DEPARTMENT OF FOREIGN AFFAIRS AND TRADE	—	—
OTHER AUSTRALIAN	—	—
OTHER OVERSEAS	—	—
INVESTMENT INCOME	—	—
OTHER INCOME	1,058	709
REVENUE FOR INTERNATIONAL POLITICAL OR RELIGIOUS PROGRAMS	—	—
<b>TOTAL REVENUE</b>	<b>320,965</b>	<b>175,350</b>
EXPENDITURE		
INTERNATIONAL PROGRAMS	292,071	121,116
FUNDS TO INTERNATIONAL PROGRAMS	214,042	100,600
PROGRAM SUPPORT COSTS	78,029	20,516
COMMUNITY EDUCATION	—	—
FUNDRAISING COSTS		
PUBLIC	—	—
GOVERNMENT, MULTILATERAL AND PRIVATE	—	—
ACCOUNTABILITY AND ADMINISTRATION	2,353	395
NON-MONETARY EXPENDITURE	—	—



TOTAL INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE	294,424	121,511
INTERNATIONAL POLITICAL OR RELIGIOUS ADHERENCE PROMOTION PROGRAMS EXPENDITURE	—	—
DOMESTIC PROGRAMS EXPENDITURE	—	—
<b>TOTAL EXPENDITURE</b>	<b>294,424</b>	<b>121,511</b>
<b>EXCESS/ [SHORTFALL] OF REVENUE OVER EXPENDITURE</b>	<b>26,541</b>	<b>53,839</b>

**LOVE MERCY FOUNDATION OVERSEAS AID FUND  
(ABN 58 525 627 488)  
BALANCE SHEET AS AT 30 JUNE 2016**

<b>CASH ASSETS</b>	<b>2016</b>	<b>2015</b>
BANK ACCOUNT	18,289	28,268
ONLINE BANK ACCOUNT	<b>99,075</b>	<b>60,704</b>
	<b>117,364</b>	<b>88,972</b>
<b>CURRENT TAX ASSETS</b>		
GST RECOVERABLE (PAYABLE)	50	9
TOTAL CURRENT ASSETS	<b>117,414</b>	<b>88,981</b>
TOTAL ASSETS	<b>117,414</b>	<b>88,981</b>
<b>CURRENT LIABILITIES</b>		
<b>PAYABLES</b>		
INCOME ACCRUAL	891	1,000
TOTAL CURRENT LIABILITIES	<b>891</b>	<b>1,000</b>
TOTAL LIABILITIES	<b>891</b>	<b>1,000</b>
NET ASSETS	<b>116,522</b>	<b>89,981</b>
<b>ACCUMULATED FUNDS</b>		
ACCUMULATED FUNDS	116,522	89,981
TOTAL EQUITY	<b>116,522</b>	<b>89,981</b>

# INTERNATIONAL AID AND DEVELOPMENT INCOME STATEMENT 2016 CONSOLIDATED END OF YEAR RESULTS

REVENUE	2016	2015
DONATION AND GIFT		
MONETARY	498,503	261,785
NON - MONETARY	—	—
BEQUESTS AND LEGACIES	—	—
GRANTS		
DEPARTMENT OF FOREIGN AFFAIRS AND TRADE	—	—
OTHER AUSTRALIAN	—	—
OTHER OVERSEAS	—	—
INVESTMENT INCOME	—	—
OTHER INCOME	1,871	4,008
REVENUE FOR INTERNATIONAL POLITICAL OR RELIGIOUS ADHERENCE PROMOTION PROGRAMS	—	—
<b>TOTAL REVENUE</b>	<b>500,374</b>	<b>265,793</b>
<b>EXPENDITURE</b>		
INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE		
INTERNATIONAL PROGRAMS	309,071	183,139
FUNDS TO INTERNATIONAL PROGRAMS	214,042	127,117
PROGRAM SUPPORT COSTS	95,029	56,022
COMMUNITY EDUCATION	—	—
FUNDRAISING COSTS		
PUBLIC	40,412	17,413
GOVERNMENT, MULTILATERAL AND PRIVATE	—	—

ACCOUNTABILITY & ADMINISTRATION	109,557	59,740
NON-MONETARY EXPENDITURE	—	—
TOTAL INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE	—	—
INTERNATIONAL POLITICAL OR RELIGIOUS ADHERENCE PROMOTION PROGRAMS EXPENDITURE	—	—
DOMESTIC PROGRAMS EXPENDITURE	—	—
<b>TOTAL EXPENDITURE</b>	<b>459,040</b>	<b>260,292</b>
<b>EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>41,334</b>	<b>5,501</b>

1. IN 2015/2016, TOTAL INCOME WAS SPLIT ACROSS TWO ENTITIES - LOVE MERCY FOUNDATION LTD AND 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 (90% ADMINISTRATION AND 10% PROJECT SUPPORT). PROJECT MANAGER (80% PROJECT SUPPORT AND 20% ADMINISTRATION).

#### TABLE OF CASH FLOW MOVEMENT

APPEAL / DESIGNATED PURPOSE	CASH AVAIL JULY 15	INCOME RAISED	EXPENSE	CASH AVAIL JULY 16
CENTS FOR SEEDS	9,018	265,120	100,301	173,837
S2S / MEDICAL	73,280	123,321	65,964	130,637
CHILD SPONSORSHIP	11,884	19,337	42,401	-11,179
CHRISTMAS (NON-DEVELOPMENT)	76	-	-	76
NON-DESIGNATED PURPOSE	22,235	92,597	250,374	-135,541
<b>TOTAL</b>	<b>116,496</b>	<b>500,375</b>	<b>-459,040</b>	<b>157,830</b>

CASH AVAILABLE JULY '15 FIGURE BALANCES TO COMBINED NET ASSET FIGURE.

CASH AVAILABLE JULY '16 BALANCES TO COMBINED NET ASSET FIGURE.

THE ABOVE CONSOLIDATED INCOME STATEMENT AND TABLE OF CASH FLOW MOVEMENT FORM PART OF THE AUDITED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016.