

**LOVE
MERCY**
UGANDA

"... And what does the Lord
require of you?
To act justly and to love mercy..."
-Micah 6:8



Love Mercy Foundation Limited
Annual Operations Report
2011 / 2012

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If the contents of this report cause the reader to wish to raise an issue or complaint, this may be done through our formal complaint mechanism. Please send your comments in writing via our website, email, or post for your complaint to be dealt with in a timely, confidential, and professional manner.

Full financial statements are available upon request.

1. About Us

1.1 Vision Statement

"The Love Mercy Foundation exists to see Northern Ugandans live an empowered life, free to exercise their basic human rights to a secure food supply, income, education, health, and equality, through sustainable development projects based on enabling the potential of local communities."

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. 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 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

"The Love Mercy Foundation will seek to implement effective & sustainable, rights based development projects, which rely upon the potential of local communities in a way that promotes gender equality, environmental sustainability and participatory program development. We see the love of Christ through the local church as a driving force for change in overcoming poverty."

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

Our values are derived through the readings of scripture and the desire to empower those in poverty as expressed in the Bible. The empowerment of those in poverty will not be limited to those who profess a faith, and will be explicitly non-discriminatory in regards to religion. Evangelistic projects are limited to one Christmas project per year whereby a celebration meal is provided to churches in remote villages. All other 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

- 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. Establishment of Christian spirituality through Christmas ministry.

1.5 Directorship

Ben Poppett - Chairman of the Board

Love Mercy Foundation Director, Finance, Audit, Governance, Systems and Accounts. Ben is a Certified Public Accountant and attends Hillsong Church.

Naomi Neyenhuys - Love Mercy Foundation Director

Events Coordinator. Naomi runs a small business as a florist and attends Gynea Baptist Church.

Caitlin Barrett - Secretary

Love Mercy Foundation Director and employee. Caitlin has completed a bachelor of International Studies in Development and is currently completing a postgraduate certificate in Africa and International Development. She attends Thrive Community Church.

Eloise Wellings - Founder

Love Mercy Foundation Director. Facilitates relationship with Julius (founder), and public relations. Eloise is a professional athlete and attends Thrive Community Church.

Roger Wellings - Love Mercy Foundation Director

Finance, Governance, Systems and Accounts. Roger Wellings runs his own travel agency and attends Helensburgh Anglican Church.

Julius Achon - Love Mercy Foundation Director

Founder and key person to liaise with Northern Uganda. Face of Foundation. Julius is a retired professional athlete living in the United States in Portland Oregon. He attends True Life Church.

Jailene Noon - Love Mercy Foundation Director

Events Coordinator. Jailene is an administration assistant and attends Sutherland Shire Church

Mike Hardie - Love Mercy Foundation Director

Project planning, ideas. Leadership and vision development. Mike Hardie is the Pastor at Thrive Community Church.

Josh Hollis - Love Mercy Foundation Director

Finance, Governance, Systems and Accounts. Josh is an engineer and attends Menai Urban Life Church.

1.6 Statement from Governing Body

Caitlin Barrett- Secretary

The 2011/2012 year was a year of rapid growth and expansion for the Love Mercy Foundation. This can be attributed to two main global events that have given extra exposure to the Love Mercy Foundation and the area of Northern Uganda.

In March 2012 Northern Uganda's history became common knowledge when the advocacy and awareness group 'Invisible Children' shot to fame through their viral video 'Kony 2012'. For Love Mercy, being a grassroots Australian organisation, we were able to capitalize on this new found awareness in the general public about the war in Uganda and the plight of thousands of people in the north. If Facebook can be any indication, our fan base went from about 100 friends and family to over 600 supporters from all around the country and indeed the world.

This is thanks in part to an increase in media exposure that came with the media's interest in Uganda. We were featured on channel 7's national program Weekend Sunrise, and also on the ABC's program 7:30. We were also featured in major online news sites like 9MSN. Through this media exposure we were able to gain some major fundraising partners for which we are extremely grateful.

This expansion in support has led to an increase in participants in our Cents for Seeds program in rural Uganda. We are now working with over 750 women, providing them with 15kgs of seeds, a hand held gardening tool and agricultural education. We have also increased our child sponsorship program to 40 children and are beginning to build funds to look towards the building of a school. Throughout these major developments in 2011/2012, the Board acted with wisdom and courage, and made decisions that have benefitted the foundation and most importantly the people of Northern Uganda.

In April 2012 after volunteering to run Love Mercy for 2 years, I happily accepted the role as offered by the board to become paid as the administration manager for Love Mercy. I am currently employed to work 21 hours a week and am enjoying my role, and continue to advise the board. The Board is also continuing to have a strategic influence over the direction of the foundation. In its third year, the foundation is growing at a rapid pace and has the committed skills, talents and passions of the board members to thank for its good governance and continued success.

The members of the board all express their gratitude for working with a team of committed, passionate, and talented people who are eager to volunteer their time and their skills to the benefit of the foundation, and will continue to do so into 2013.

2. Review of Operations

2.1 Child Sponsorship

Background

Love Mercy Foundation (LMF) currently operates a Child Sponsorship program inclusive of 40 children. This project was essentially 'inherited' by the foundation, as Julius, as a director, was already supporting these children before LMF was born. The organisation was established in order to provide funding for these children and remove the financial burden from founder Julius Achon.

Aims

This project aims to provide financial 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 the original 11 children that Julius found in 2003. Other orphans of war have since been included in this program, with most of them living in the LMF house in Lira, Uganda, with some children still living in rural villages.

Finances

The program operates on the basis of pairing a sponsor with a child for an amount of \$44 dollars a month.

The total cost to operate this program in 2011/2012 was - \$8631.69

The total raised for this program in 2011/2012 was - \$17,872.20

The surplus will be allocated in 2013 to our trip in August to run a discipleship program for our children in the program and also to the research and development for a school in Awake Village.

This cost included school fees for all 40 children, university fees for one young adult, and the purchase of food, clothing, educational supplies and of course health care.

Update

In February 2012 a report on our child sponsorship program was submitted that recommended the implementation of an extra program focused on the emotional and spiritual needs of the children. The report stated that currently the children were receiving adequate physical and material support, but were lacking both emotional and spiritual guidance. In August 2012 there will be a team going to Uganda in order to run a discipleship program to meet these needs as suggested by this report.

The child sponsorship program, whilst it is a success, will not be expanded to include more children in 2012/2013. This is due to our long-term plan as established by the board to build a school in Awake village, rather than continue to sponsor children individually. This model we hope will provide a more sustainable impact with a greater number of stakeholders. We have raised \$7280.50 in 2011/2012 for this future project.



2.2 Cents for Seeds



Background

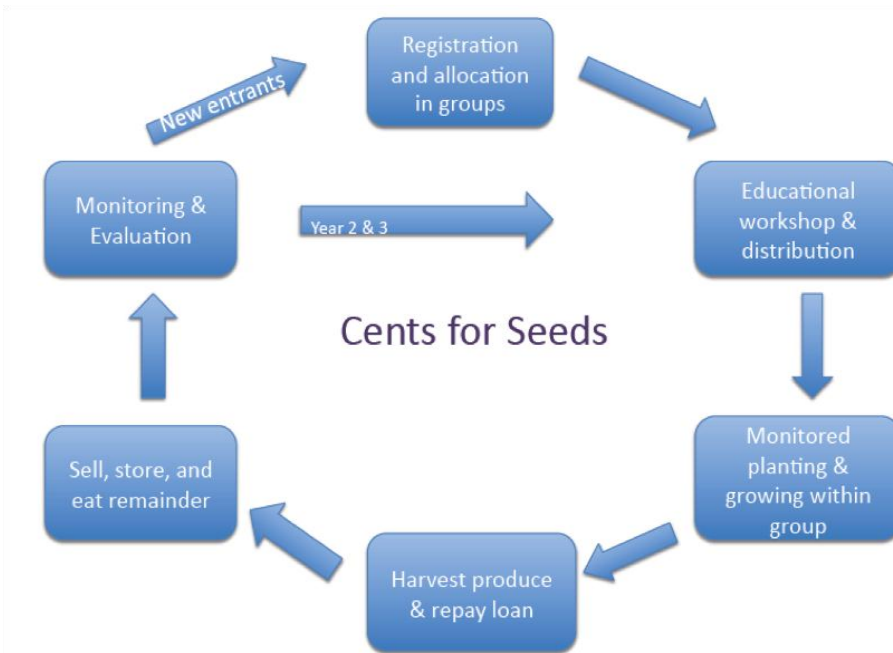
The concept of using micro-finance loans as a development tool is a relatively new phenomenon. This type of financing first appeared in Bangladesh following the establishment of the “Grameen Bank” by Nobel Peace Prize winner Muhammad Yunus. It involves the process of finding a way to lend to the poorest of poor who have no capital, no stable income and no tangible asset to borrow against. LMF have decided to engage with this model of development but modify the terms and traditional ways of implementing credit. Instead of using finance, LMF have taken a lower risk approach to micro-finance and uses seeds instead of currency. A woman is provided with 15kgs of seeds of their choice. These seeds will provide approximately 150kg of food. After the harvest, the initial principle is paid back to the LMF in order to re-give this loan again to the next registered woman. 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 due to run for 3 years in 3 villages, and we are looking forward to expanding in 2013.

Aims

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

Stakeholders

LMF have used recent thinking in development and directed this project only to women. Development projects that are directed towards women are often found to be more successful than those targeting both genders. This can be explained as women often bear the load of taking care of children, a household and often an extended family. This means that with this responsibility, projects that target women are often most effective as they impact entire households and not just individuals.



Finances

The Cents for Seeds project is funded using \$25 donations from the public in Australia, through the sale of gift cards. It is also funded by donations from the public in larger amounts, through some fundraising partnerships, and through an online auction of African jewellery.

The total cost to operate this program in 2011/2012 was - \$19,807.66
The total raised for this program in 2011/2012 was - \$18,402.32

The deficit was made up from pooled funds and the remainder of funds from other projects as deemed by the board.

Update

In 2011/2012 the program had 750 participants in 3 villages. Women in Barr Village, Awake Village, and Orum were given 15kgs of seeds each. Barr requested beans and rice, and Awake and Orum requested peanuts. The harvest for this round of loans is due in October 2012 and has so far reported to have been incredibly successful. Interviews conducted in August have suggested that the women have been using their funds that they have gained to “pay for school fees, buy food and pay for medical expenses when they are sick.”

The Cents for Seeds program underwent several major improvements this year. Following a research report in 2011, the stakeholders requested access to agricultural education. We hired a trained agriculturalist, Florence, who ran an agricultural workshop before the distribution of seeds in February. The workshop covered subjects like early land preparation, seed spacing, timely planting and proper seed storage. She has also conducted monthly visits to each village to monitor the success of the project and act as a mentor for the participants. Florence also conducted germination tests before seeds were distributed in response to the women’s’ concerns that seeds may not be germinating. Florence tested the beans before distribution and returned a germinability rating of 75%. The rice had a germinability rate of 100%.

The women were also provided with a hand held gardening tool at a cost of approximately US\$5 each to make their planting and harvesting easier and more efficient.

In the future, we hope to expand the project into other villages, and also be able to build a storehouse at a general location to enable the participants to store their produce before selling in order to get a better price for their crops. We hope also to develop a complimentary project for men in the village who have expressed their interest in also being involved in our program.

We are expecting a large harvest and hoping for a high return rate this year.

In August, Love Mercy Foundation had the absolute honour of being selected as 1 of only 9 finalists in [Project Inspire's "5 minutes to change the world"](#) contest. This contest is run by the United Nations Women's organisation in Singapore and to be amongst such incredible company was a dream come true for us. We were selected, as our project was a great example of the empowerment of women through entrepreneurship. Unfortunately we did not win but came in with high marks and a great network of new friends and contacts from around the globe.



2.3 Kristina Achuma Health Centre



Background

Perhaps the biggest achievement this year for LMF was the building and dedication of the Kristina Health Centre which is due to open October 1st 2012. Otuke County is 72kms from Lira, the site of the nearest healthcare facility. The vast majority of Otuke residents cannot afford transportation to Lira or the care offered there. As such, every day, people in this region suffer and in some cases die needlessly because they do not have access to routine, preventative health care or emergency medical attention. The primary objective of Achon Uganda Children's Fund (the American sister organisation to LMF) in 2011-2012 was to establish a local clinic staffed by medical professionals able to provide affordable, basic care and to treat and triage the sick and injured. This facility will be called the Kristina Achuma Achon Health Centre to honour Julius Achon's mother, who was shot by the Lord's Resistance Army in 2004 and perished due to lack of available medical attention.

Aims

LMF and AUCF plan to complete the clinic in October 2012 at an estimated budget of \$120,000. The clinic will provide primary medical care including triage and appropriate treatment, disease testing, inoculation, medication dispensing and education. Staff will be comprised of Ugandan MDs and RNs as well as a general manager and staff augmented by periodic visits from US-based doctors and nurses. LMF and AUCF 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 will be funded through public donations received through the Sutherland to Surf fun run, and through corporate sponsorship.

The total cost to operate this program in 2011/2012 was - \$57,579.84

The total raised for this program in 2011/2012 was - \$61,701.00

The surplus was used in 2012 to fund the running of the Sutherland to Surf, our annual fundraiser, at cost of approximately \$1000. The rest of the surplus will be put towards administrative costs.

Report

This year the Sutherland to Surf raised a total of \$61,000 through a team of 120 people who ran the Sutherland to Surf fun run. Each person raised money through our online personal sponsorship program which contributed to this fantastic result.

A team of 20 people will travel in August to dedicate the health Centre and see in person the difference that this money has made. A 10 room building has been constructed with solar power, a bore hole and a staff living quarters made of 4 rooms has also been build. Medications and medical systems have been bought and implemented. Staff have been hired and are being trained at Engeye our partner clinic.

We are looking forward to the clinic being up and running in October and ready to treat patients!

2.4 Christmas Goat

This year, as we have done in the past, we sent funds to Uganda to provide churches in Orum with a Christmas celebration including the purchase of goat, rice, beans and also the repair and renovation of existing church buildings. The total raised was \$4757.95 through Thrive Community Church. The total spent was \$2741.73, with the surplus allocated to church renovations in 2012/13.

3. Partners

Achon Uganda Children's Fund

The driving force behind the clinic, we are honoured to stand beside Jim Fee and Julius in their plans to open the Kristina Clinic.

Fortnum Financial

We are grateful to our first corporate partnership, the Fortnum Foundation, run by Fortnum Financial advisers. Marg and Ray Miles have been extremely supportive of our efforts and special thanks go to Noelene who has pioneered the Fortnum Foundation. Fortnum donated \$22,000 to the medical clinic.

The Big Table

We are so happy to have recently travelled to South Perth to this community church run by Simon and Fiona Elliot. Simon who is also a runner, heard about LMF and with the support of his church leadership decided to donate \$800 per month to our Cents for Seeds project. We feel this partnership is only at its beginning and look forward to developing this great friendship that began in 2011/2012.

Thrive Community Church

Our home church has been very supportive in hearing our cause and also in expressing interest in coming to Uganda in August 2012.

Carousel Boutique

We love this little store in Menai who continue to help us. Renee Macpherson has proven to be an incredible support to us, helping us raise \$7000 for our Cents for Seeds project through her online Facebook Auction.

Our Sponsors

We are grateful to our faithful sponsors who donate monthly towards our child sponsorship program and those who have recently joined in support of our future school fund.

Our Fun Runners

We are so happy to have successfully run another Sutherland to Surf with the help of our team of 110 and to the Townsends who continue to put on a great BBQ at the finish line. Thanks also goes to 'Digerati- Lets make a website' who sponsored the BBQ this year and continue to provide us with a great website service.

Public Donors

We are grateful to those who continue to donate to our foundation.

With Thanks

Special thanks go to our staff on the ground, Jimmy and Florence Okullo without whom we couldn't have achieved what we have accomplished this year. We also thank Rachel Hardy for her support and her heart for Uganda.

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