



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



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Love Mercy Foundation Limited
Annual Operations Report
2012//2013

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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 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 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

"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.
- iv. 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 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. The face of the foundation. Julius is a retired professional athlete who has recently returned to live permanently in Uganda after living in Portland, Oregon in the United States for over 20 years.

Jailene Noon - Love Mercy Foundation Director

Events Coordinator. Jailene is a finance broker 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.

Leanne Tibben - Love Mercy Foundation Director

Events Coordinator. Leanne is a registered nurse and attends Thrive Community Church.

Caitlin Barrett - Secretary

Love Mercy Foundation Secretary and employee. Caitlin has completed a bachelor of International Studies in Development and is currently completing a Masters of Social Development at UNSW. She attends Thrive Community Church.

1.6 Statement from Governing Body

Caitlin Barrett- Secretary

The 2012/2013 year was yet another great year for the Love Mercy Foundation. Still capitalising on the increase in public awareness of the plight of many living in Northern Uganda as a result of the 'Kony 2012' campaign, Love Mercy continued to receive public exposure through various media outlets in the lead up to the London Olympic Games. Our founder, Eloise Wellings, participated in her first Olympics in 2012, after overcoming many years of trials and disappointments and through her success came additional opportunities for us to promote the work of our organisation.

In addition to this increase in public exposure, Love Mercy was able to expand its number of supporters by strengthening existing relationships with key partners whilst also developing new and significant partnerships with schools, churches and businesses in our local area. The launch of our new online donation system has also increased our fundraising capacity by allowing our supporters to donate regularly and easily on a monthly basis.

As a result of the increase in our annual revenue, we saw our Cents for Seeds project continue to grow with over 800 women receiving agricultural loans this year. We conducted an evaluation of the Cents for Seeds project in February 2013 and subsequently adopted a number of the recommendations put forward by our research team in a report to the Board. The swift action taken to implement these necessary changes is a demonstration of our Board's ongoing commitment to achieve the project objective of empowering women to overcome poverty by generating an adequate income.

The highlight for Love Mercy this financial year however, was the opening of the Kristina Health Centre on 1st October 2012. Thanks to a team of 120 supporters who ran the Sutherland to Surf in July, a total of \$63,000 was raised to put towards the clinic's final stages of construction. Later in August, a team of LMF volunteers travelled to Uganda to attend the dedication of the health centre and to witness the fulfilment of Julius' lifelong dream - to serve his community by providing accessible medical care. The dedication was a large success with over 3,000 people in attendance, including the Ugandan Minister for Health. Since opening its doors, the health centre has treated an average of 400-600 patients per month and by charging a small consultation fee, it is almost operating on a self-sufficient basis.

Reflecting upon the many blessings of this year, we would like to offer our 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 2014.



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 some of them living in the LMF house in Lira, Uganda, while others board at school or still live 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 2012/2013 was - \$11,628.74

The total raised for this program in 2012/2013 was - \$18,666.39

(The surplus of funds will be put towards the future purchase of land to build a school.)

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

With the surplus that LMF received from the child sponsorship program in 2011/2012, the board decided to run a discipleship program with our sponsored children during a trip to Uganda in August 2012. The purpose of this discipleship program was to provide the children with emotional and spiritual guidance, as recommended in a report submitted to the board in February 2012 and focused on promoting self-confidence and assisting in the development of the children's leadership skills. The program was initially designed to run over 2 days with only 10 of our children living in Lira Town, however, due to its overwhelming success, the program was subsequently taken into the village of Awake, with an invitation to participate extended to all children in the local area. Approximately 1,500 children attended discussions on self-worth and the value of education making the program a great success. Each child who participated in the program was also given a free meal at the end of the day.

The child sponsorship program will continue to operate in 2013/2014, however as indicated in the previous financial year, LMF does not intend to expand the program by including additional children in the future. Whilst the current program is a success, the board is committed to establishing a long-term plan that will encompass more sustainable programs, allowing a greater number of children to receive support.



2.2 Cents for Seeds



Background

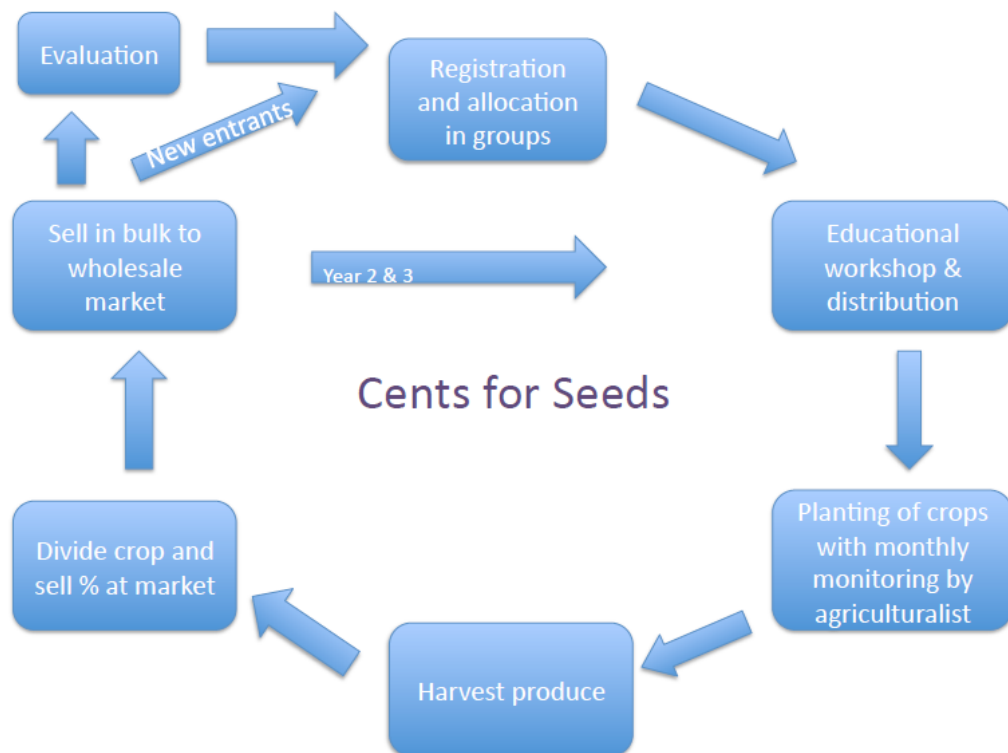
During the 20 year violent insurgency in northern Uganda, Lira was one of the worst hit areas. Young women and girls were abducted, forcefully recruited into rebel ranks, raped, sexually exploited, mutilated and killed by the rebels. Even those who were not abducted suffered different forms of violence or poverty that forced 1.8 million people to seek refuge in Internally Displaced Peoples camps (United Nations 2013). Normal livelihoods, cultural and social order were destroyed. However, in 2006 the signing of a cease-fire agreement between the government of Uganda and the Lord's Resistance Army (LRA) encouraged people to return to their original homes (United Nations 2013). The fertile land is ready to be cultivated once more, however the previously thriving agriculture lifestyle had been reduced to nothing. In order to facilitate the return to an agrarian based society, whilst empowering women, a woman is provided with 15kgs of seeds of their choice. These seeds will provide approximately 70kg 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 currently being run in 3 villages, and we are looking forward to expanding in 2014.

Goal

The Cents for Seeds project aims to empower women and relieve poverty through agriculture in northern Uganda

Objectives

- Sustainably increase the income of women and their families
- Increase the capacity and capabilities of communities to relieve poverty
- Create stronger community ties



Activities

- Provide women with a micro-finance loan of agricultural supplies, in the form of seeds and a gardening tool.
- Hold frequent agricultural workshops with a trained agriculturalist
- Provide monthly agricultural support

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, and through a \$15,000 grant from Gynea Baptist Church.

The total cost to operate this program in 2012/2013 was - \$21,273.32
The total raised for this program in 2012/2013 was - \$39,856.16
(The surplus of funds will be rolled over into the 2014 growing season.)

Update

In 2012/2013, the program expanded to include 800 participants in 3 villages. The women in Barr Village, Awake Village, and Orum were again given 15kgs of seeds each. As in 2011/2012, Barr requested beans and rice, and Awake and Orum requested peanuts. Unfortunately, the harvest for this year was not as successful as that received the previous year, with some women reporting that they were unable to reap a harvest due to external factors such as flooding, pests and diseases or little to no seed germination.

In February 2013, LMF commissioned a research team to evaluate the Cents for Seeds program. A total of 66 women from all 3 villages in which the program operates were interviewed in relation to the efficiency and overall success of the program. Almost 100% of the women interviewed confirmed that the program promoted a greater sense of community within the villages while an overwhelming majority stated the program had assisted with income generation and increased food supply.

During the interview process, the participants were asked a set of pre-prepared questions regarding their planting habits, crop success, income generation, crop storage and future sustainability. Following these interviews, a research report was prepared and submitted to LMF that identified a number of the women's requests.

By way of example, several women requested an increase to the loan amount by at least 5-10kgs to ensure a decent return. While most women received a harvest greater than the loan they were required to return, a number found their harvest, when sold, was not large enough to cover their daily living expenses.

A majority of women also requested construction of a communal storage house in which their seeds could be kept for a number of months until an adequate price per kilo could be obtained at local markets.

Following the recommendations made in the research report, we decided to increase the loan amount from 15kgs to 30kgs per woman the following distribution. The LMF board is also currently considering storage options in order to provide the women with greater opportunities to obtain better prices when selling their crops.

In December 2012, the Cents for Seeds program was one of four mission projects selected by GyMEA Baptist Church to receive support during May Mission Month 2013. In June, GyMEA Baptist Church donated \$15,000 towards the project, providing 600 women with seed for the following season. LMF is grateful for the opportunity to partner with GyMEA Baptist Church through May Mission Month and would like to thank those in the congregation who gave generously to this project.



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. Along with our American sister organisation, Achon Uganda Children's Fund, we built a local clinic staffed by medical professionals able to provide affordable, basic care and to treat and triage the sick and injured. This facility was 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 attention.

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, as well as a general manager, currently staff the clinic. It is our hope for the future that the staff will be augmented by periodic visits from Australian and US-based doctors and nurses. Over a period of 3 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 2012/2013 was - \$42,929.67

The total raised for this program in 2012/2013 was - \$32,730.00 (general fundraising)

\$33,781.55 (Sutherland to Surf)

total: \$66,511.55

(The surplus of funds will be used towards the opening of the new ward building in 2014.)

Report

Perhaps our greatest achievement this year was the opening of the Kristina Health Centre on 1 October 2012. In late August, LMF took a team of 20 volunteers to attend the dedication of the health centre and to witness firsthand the large impact that our fundraising efforts have made on the lives of approximately 20,000 people. More than 3,000 people attended the dedication, including Uganda's Minister for Health, The Honourable Christine Ondo. The health centre is now treating between 400-600 patients per month, with some travelling as far as 40kms by foot to receive high quality medical care. The patients are each charged a small consultation fee in order to subsidize the clinic's operations. A child's consultation fee is 500 Ugandan shillings (approx. 20c AUD) and 1000 Ugandan shillings (approx. 40c AUD) for an adult.

This year, a team of 120 dedicated supporters again ran the Sutherland to Surf fun run in order to raise money for the construction of an 18-bed ward adjacent to the Kristina Health Centre. Given the great need for patient beds, the ward will house those with serious illnesses and those who require treatment over two or more days. Each participant in the Sutherland to Surf received donations through our online personal sponsorship program and together we raised a total of \$63,000. We expect construction of the ward to be completed by August 2013, with a dedication to be held sometime in early November.

We are also grateful to the Rotary Club in the US who generously sponsored the purchase of an emergency vehicle which will allow our medical staff to treat those in dire situations and in some cases, prevent death.

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 \$3,460.85 through Thrive Community Church. The total spent was \$2,480.92, with the surplus allocated to the costs of the dedication of the Kristina Clinic and the hospital ward celebrations.



3. Partners

Achon Uganda Children's Fund

The driving force behind the clinic, AUCF has provided guidance and direction in relation to our health care projects. We are honoured to stand beside Jim Fee and Julius in their plans to open the 18-bed ward adjacent to the clinic in November 2013.

The Big Table

We are delighted to have maintained our strong relationship with this community church run by Simon and Fiona Elliot in South Perth. The Big Table continues to donate \$800 per month to our Cents for Seeds project and we are grateful for their constant encouragement and support.

Thrive Community Church

We had a number of members from our home church this year show their support for our cause by coming to Uganda in August 2012 for the opening and dedication of the health centre. Thrive Community Church has also continued to support us throughout the year by running LMF fundraisers and inviting Julius Achon to speak to the congregation whilst on a visit to Sydney.

Gymea Baptist Church

We are thankful for the generous hearts of those at Gymea Baptist Church who donated \$15,000 towards our Cents for Seeds project in 2013.

The Horse

We are so happy to have formed a partnership with The Horse this year. The small online boutique is selling large farmer's market bags for the retail price of \$40, with \$25 going directly to the LMF Cents for Seeds project.

Port Hacking High School

Thanks to a number of fundraisers held by Port Hacking High School, including cake stalls, mufti and sports days, a total of \$4,000 was donated to LMF by students and teachers. We are looking forward to working with this school group again in the 2013/2014 year.

Our Sponsors

We are so grateful to our faithful sponsors who donate monthly towards our child sponsorship program.

Our Fun Runners

We are so thankful to all those who ran another Sutherland to Surf for us in 2012. This year, our team raised a total of \$63,000. Our thanks also go to 'Digerati- Lets make a website' who sponsored the BBQ again this year and continue to provide us with a great website service.

Public Donors

We are so 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 and Cassandra Jenkins for their support and their hearts for Uganda.

Dedication:

The work of Love Mercy was greatly enriched by our dear friend and colleague Jim Fee whom we lost in October 2013. As the founding director of AUCF we dedicate our future work in the Awake village medical centre to Jim and his ongoing legacy.



**LOVE
MERCY**
AUSTRALIA

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