

2019-2020

LOVE MERCY

ANNUAL OPERATIONS REPORT

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HIGHLIGHTS

THE YEAR IN REVIEW



17,800 SEED LOANS
DISTRIBUTED



5,352 PATIENTS TREATED
(34,162 SINCE 2012)



193 BABIES BORN
(714 SINCE 2017)



37 WELLS REPAIRED
(297 SINCE 2017)



10 NEW WELLS DRILLED
(22 SINCE 2017)



OVER AU
\$1 MILLION RAISED

SUPPORTING US EVERY STEP OF THE WAY

THANK YOU TO OUR DONORS
AND PARTNERS WHO HELP
MAKE THIS LIFE CHANGING
WORK A REALITY.

Achon Uganda Children's Fund
Aevum physiotherapy
Ascent Foundation
Australian Ethical Super Fund
Beauty and Balance
Bump birth and baby
City Hope Church
Crowthers Coaches
Coux Wraps
Distraction at Gynea
Fortnum Foundation
Gather and Moss
Haslin Construction
Holding Redlich
Justin and Kate McDonald
Lily Anne Jewelry
Macourt Family Foundation
Macquarie Foundation
Maitland Christian School
ModiBodi
Open Life Designs
Pink Umbrella Foundation
Platinum Foundation
Red Door Church
Revvies
Run Nation Film Festival

RVTLS Church
Seldon Rosser
Send Hope Not Flowers
St Johns Grammar School
Stand Tall
Syngenta International
The Big Table
The First Hello
The Great State
The Horse
The Rotary Club of Berry
The Running Movement
The Wanderers
The Wolfpack Mrs
Thomson Environment
Systems
Ultimo Public School
UNSW Humanitarian
Engineering
Water for Africa
Wavelength
Wavish Family Foundation
With Kua

AND OUR MANY PRIVATE INDIVIDUAL
DONORS AND FUNDRAISERS WITHOUT
WHOM WE WOULD NOT HAVE HAD THIS
YEAR'S INCREDIBLE IMPACT.

Thank you to our in-kind partners and
volunteers

Alaina Francis
Christy Pope
Handle Communications
Huber Social
Jonathan Polke
Justin and Kate McDonald
Luca Turrini
Matt Farmer
Pat Farmer
Portal Café
Reho Travel
Snap Printing Kirrawee
The Paper Fox
Twosides Accounting



LETTER FROM THE FOUNDER

2020 will be remembered for the year that challenged the resilience and resolve of every human on the planet. Think about that for a moment. We have lived through a year in history so significant that our response to such a time will define us for decades to come.

Last year in this report I spoke about unity and the power of the collective effort and liking it to running a marathon together. If what we achieved collectively last year was a marathon effort- this year has been an ultra marathon... with no obvious finish line. But yet, we keep going, and hold onto our mission, because our passion for what we do and our ultimate purpose is bigger than the challenge that is right in front of us.

The thing about our Love Mercy community that has moved me most this year is that when the road ahead is unclear and the future is so uncertain our natural human instinct is to protect ourselves and tighten our grip on things, especially things of value... but with our Love Mercy community we have seen the opposite- we've seen you open your hands to the needs of others and we've seen you open your hearts to possibility. The drilling of new wells in Uganda this year is a great testament to that. Because of you, even in this time of uncertainty and vulnerability, Love Mercy has been able to continue standing alongside tens of thousands of people in Northern Uganda through offering simple

solutions to poverty. It's fair to say that we are convinced that our Love Mercy family, donors and supporters are super human!

The other thing that has moved me this year is the resilience and hard work of our team in Uganda. It has been incredibly challenging to roll out Cents for Seeds this year during a pandemic but our team of 15 Cents for seeds staff have navigated all of the complexities of distributing 17,800 seed loans all the while following government and health authority guidelines to keep everybody safe from COVID-19. Their commitment to ensuring that the program could safely go ahead and that participants could receive their loans was inspiring and ultimately life changing for many of the Cents for Seeds participants.

We are incredibly proud of the entire team, spanning all of our programs- from Cents for Seeds, to Kristina Health Centre to our team drilling wells - they are the heroes who ensure the success of Love Mercy's projects in Northern Uganda.

I want to leave you with the really simple but powerful words of our co-founder Julius. "Never give up". In a year that has been so seemingly confusing and complicated and uncertain, Julius is encouraging us all to continue to hope for good things ahead, to keep going with fervour, to keep partnering and banding together to fight poverty by empowering people to unlock their own potential.

*We're so glad you're with us on this ultra marathon!
Let's keep the pace!*

MESSAGE FROM THE CHAIR

When I sat down to write this year's message, two things stuck me. Firstly, the enormity of unforeseen events our organisation has had to navigate with a major drought in Uganda, the Australian bushfires and then COVID-19 pandemic. These events brought with them risks to our fundraising, operational challenges delivering our programs and operational adjustments for our team.

And secondly, an overwhelming gratitude for the loyalty of our supporters who have stuck with us and further committed to their support of Love Mercy during these challenging times.

With Australia now officially in recession and the resulting predicted contraction in revenue for the not for profit sector, we of course had to be conservative with our targets in the last 6 months of FY2020 and moving forwards; whilst also optimistically striving for the best possible outcome. With this in mind, we were utterly overwhelmed by our supporters' response during these challenging times.

I'd like to share a couple of quotes from our regular monthly donors that have really stuck with me:

"Unfortunately, we had to review all our regular giving as part of our family's cost cutting but there is no way we would stop supporting Love Mercy as we know how much impact every single dollar has."

After needing to stop a regular giving payment the month before... "We'd like to re-start our regular giving but triple the amount as we've now organised some mortgage relief and so really want to provide extra support to you during this tough year."

There have been many conversations like this and many times our team have felt emotional by the loyalty of our supporters. A huge thank you to all of you. We exist because of your support. We continue to step forward in our purpose of empowering rural communities in Northern Uganda to overcome poverty because of your support.

Whether your support is financial, in-kind or as an advocate (sharing our content and telling your network about us), you are all part of our story; part of the change happening to lives in Northern Uganda; and you matter.

Whilst there have been challenges this year, there have also been big moments of celebration. Our 10year birthday was a wonderful moment of reflection on all that has been achieved so far in Love Mercy's life. We enjoyed spending time with many of our long-standing supporters as well as Julius and Grace who flew over for the event.

We celebrated Barr Village, our first ever Cents for Seeds location, graduating our program. This key component of our purpose - to make organisation redundant in every village we support through empowering the community to achieve self-sufficiency - now starting to be realised with this graduation. For many of our supporters, this focus on sustainable support and empowerment is a key reason for such unwavering support of our organisation.

This has been another year where our incredible team has had to demonstrate agility, adaptability, positivity and creativity. When Uganda went into its COVID-19 lockdown, our Cents for Seeds program was paused and the seeds could not be distributed. This was an uncertain and difficult time for those expecting to benefit from the program. And so a few weeks later when we received permission to proceed (under strict guidelines) and we were able to distribute the seeds - then we celebrated again!

Love Mercy has always been about empowering local communities in Uganda and as such we have a great team on the ground and always seek to employ and utilise local talent via Love Mercy Uganda to deliver the programs where possible. This has had another benefit since March as our Australia based teams cannot currently travel to Uganda themselves. I am proud of our team's creativity in navigating this and all of the other challenges thrown at them this year. We are all looking forward to the day we can go and see our friends in Uganda in person once again.



Thank you again for being part of our story. We wish you and your families a safe and fruitful year ahead.

KATIE ROSSER



CEO REPORT

CEO REPORT

FY1920 has presented us with many incredible and challenging opportunities; some positive and in need of celebrating, some scary and unprecedented, forcing change and bringing uncertainty. From drought, to bushfires, to a global pandemic, no one saw the changes that 2020 would bring back in 2019!

After a successful year of fundraising in 2018/19, we kicked off the new financial year with a huge goal: to grow our fundraising and programs by 20%. We headed towards that goal with an exciting project: to raise \$100,000 with a team of elite runners who ran over 500kms from the south to the north of Uganda, meeting in Awake village at the Annual Julius Achon Cross Country Run. We were part of a wider team of volunteers and visitors who came from several parts of the world to meet in Uganda and celebrate this remarkable human feat, and include the community in what was a day to remember. Being part of a diverse team of people of all ages, backgrounds and talents and having the honour of introducing them to a beautiful country and community was, while incredibly hectic and exhausting, one of the most special moments of my life. You can read more on pg 23

The special moments continued in March when we were honoured to graduate our first Cents for Seeds village, Barr, after 10 successful years in the program. Barr was the village where we piloted Cents for Seeds, and implemented new changes to the program before taking it to other village areas. This graduation marks something very special – it proves that Cents for Seeds works. It empowers women, giving them the opportunity to lift themselves out of poverty and to support their families. They are hard-working and resilient. Throughout the last 10 years this has been shown through their ability to persevere during the drought, cope with famine, handle flooding and then get back up and say “let’s try again”. They’ve taken every possible opportunity to improve their lives and now they have come to us and said “thanks for all your help – we’ve got it from here”. This is a landmark moment for Love Mercy, as we celebrate 10 years of operations in Uganda. You can read more about Cents for Seeds on page 14 cents for seeds and about our celebration on page 17.

Another year of impact measurement took place in March 2020, which revealed a positive relationship between the Cents for Seeds program and a strong increase in wellbeing for program participants. I am so thankful to Huber Social who have developed this innovative framework that has enabled Love Mercy to measure the impact of Cents for Seeds in such a holistic and empowering way. You can read the key findings of the Impact Report on page 15.

In other exciting news, thanks to a generous donation from one of our newest donors, the Platinum Foundation, we were able to establish a brand new and increased voltage solar power system at the Kristina Health Clinic. This couldn’t have come at a better time, with the outbreak of COVID-19 globally the Ugandan government moved quickly to implement a lockdown in the month of March and the clinic was left to respond with virus control protocols that required higher standards for sterilisation. The solar power assisted staff to continue to do their jobs efficiently into the night, and with more equipment.

COVID-19 also dramatically impacted our Cents for Seeds distribution, which normally occurs in the month of March. Our team managed 5 days of a 6 week distribution before stay at home orders came into effect. This was a dire situation for the 17,800 households who were expecting a loan, as for many this loan represented a lifeline as their income was immediately and severely impacted by their inability to work. Luckily, we were granted the relevant Government permission to continue operating which you can read about on page 15. I am proud of our teams in Uganda and their ability to be resilient in the face of this unknown season.

The value of every individual, family, business or organization that gives to Love Mercy is recognized and appreciated – we can’t do what we do in Northern Uganda without every single one of you. I deeply thank you for your generosity in enabling us to fulfil our mandate.

None of this would be possible without the ongoing strategic and operational direction of our Board of Directors with whom I have greatly enjoyed working. Lastly, our team both in Sydney and Uganda have been a joy to work alongside, and as we continue to expand our Ugandan team members and grow our expertise on the ground.

I am feeling energized to tackle the remainder of 2020 with a fresh perspective, and brand new plan and a view to overcome whatever the future throws at us. I hope your year is expansive and kind to you.

CAITLIN BARRRETT



THE
LOVE MERCY
STORY

EST
2010

OUR STORY

Love Mercy exists to empower communities in Northern Uganda to overcome poverty caused by the horrors of war. Love Mercy began in 2010 in Sydney, Australia after Eloise Wellings, Australian Olympian, met Ugandan Olympian and former child soldier, Julius Achon. After hearing Julius' story, Eloise established Love Mercy Foundation to facilitate the development of Julius's village with a vision to impact all of Uganda and eventually all of Africa.

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 were struggling in the face of truly inadequate living conditions and many children had been left without family.

Eloise promised to fulfill Julius' dream of restoring hope to his village in Northern Uganda after decades of civil war. Love Mercy sees a future where Northern Uganda is transformed through simple solutions to poverty. Our projects increase access to education, health care and income generation through agriculture and are funded entirely by generous donations from the public and through grant funding.

OUR VISION

We see Northern Uganda transformed out of poverty by increasing access to healthcare, clean water, food security and income generation for entire communities.

OUR MISSION

To partner with local communities to find innovative solutions to reduce poverty and increase wellbeing following 20 years of civil war.

OUR VALUES:

We believe that one humble person can make a difference.

Through our values, we will 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.

OUR OBJECTIVES ARE:

(a) to provide resources, relief, technical assistance, training, self-help programs, development of infrastructure and communal facilities and aid (as the Board considers appropriate to the needs and priorities of particular locations and communities):

(i) to relieve poverty, malnutrition, hunger, illiteracy and discrimination;

(ii) to strengthen the capacity for self-help and to provide economic opportunity;

(b) to work with other autonomous national and international organisations having (or having objects which include) similar objectives to those in clause 3.1(a);

(c) to do all other things as may be incidental or ancillary to the attainment of such objectives (as the Board considers appropriate to the needs and priorities of particular locations and communities), including by:

(i) the advancement of education and other programs to assist or promote sustainable development;

(ii) the advancement of education and other programs to assist or alleviate unemployment;

(iii) the advancement of health and medical support and programs; and

(d) The establishment of funds or trusts and the administration thereof having the purpose or purposes of any of the objects referred to in (a), (b) and (c) above or any combination of the preceding objects (as the Board considers appropriate), including (as the case requires) in order to satisfy Australian government or legislative requirements of such government or its authorities to obtain grants, tax deductible gift concessions or taxation concessions for such fund or trust.

THANK YOU FOR YOUR SUPPORT

OUR REGULAR DONORS ARE SO IMPORTANT – THEY'RE THE BACKBONE OF OUR BUDGET, AS THEY GIVE US THE ABILITY TO PLAN AHEAD FOR THE FUTURE AND PREDICT THE FUNDS WE HAVE COMING IN FOR ANY GIVEN MONTH.

MAJOR DONORS

We are grateful to our major donors who continue to have huge impact in Northern Uganda.



GATHER & MOSS

"For us at Gather & Moss, our business is about trying to do things differently. It's about producing differently, consuming differently and making decisions that are driven by morals and ethics rather than money. A vast majority of our customers are mothers and also very often, women who love supporting small female led businesses and enterprises. It feels like a natural cycle that when people buy pjs from us, they are supporting not just our small business, but also supporting women in Northern Uganda with their small enterprises."



ERIN CORBYN

"I listened to Eloise and Julius share the story of the Love Mercy Foundation on a podcast and it inspired me to read Julius' book: The Boy Who Runs. As a fellow runner, it made me appreciate just how lucky I am to live in a country where I can go out and run every day without fear, where I don't have to worry about having enough food or water when I get home or getting medical attention if I need it. It inspired me to become a regular donor in the hope that one day this might also be a reality for the people of Uganda."



KASH ZAEIL

"Jen and I decided to support Love Mercy a long time ago when there were only the two of us. Many years on and now the five of us as a family continue our support for the amazing work the Love Mercy team do. We love the fact that the team is working hard to create sustainable communities, which in years to come will be able to support themselves. We love the story and connection of Julius and Eloise, and the fact that most of the funds go directly to the projects and communities. We look forward to seeing the continuous growth of this amazing organisation and hope that one day we can do more than just support financially."



PLATINUM FOUNDATION

"Platinum Foundation has been so overjoyed to support Love Mercy. We are passionate about partnering with 'on the ground' expert organizations who are doing amazing work with great impact. And that is exactly what Love Mercy does. It has been so exciting to see the funds we have donated used wisely, efficiently and with fantastic immediate results. Hopefully this is the start of many fruitful years together."



CENTS FOR SEEDS

ABOUT THE PROJECT

Cents for Seeds is a microloan agriculture program working with 17800 households in Northern Uganda. It provides agriculture training workshops and financial literacy training for women to form Village Savings and Loans Associations in order to save the income that is earned through selling crops. Soy beans are distributed in March and sesame seeds are distributed in June. Both crops are returned from September through to November, and women can apply for another loan the following year provided they successfully return their loan.

SUMMARY OF EVENTS

2020 has presented Cents for Seeds with unique and varied challenges. The biggest learnings from the year are thanks to these challenges, with an adaptive and innovative team at the helm of project decisions in Uganda. This year we

focused on ensuring that authentic participation is possible at every level of the decision making process, by integrating our monitoring and evaluation values of wellbeing and honest communication in to project planning meetings.

With the hiring of three new staff by our partner organisation Love Mercy Uganda to manage the expansion of Cents for Seeds across 17,800 households, this locally led initiative began the year stronger than ever. This included the addition of a new Agronomist, another Village Savings and Loan Officer, and, a Monitoring and Evaluation Officer. Welcome Jimmy, Kathy and Oswarld. These new staff proved fruitful in a distribution process like no other. Love Mercy received special permission to continue operations as an essential service throughout a strict lockdown which came in to effect in March 2020, when distribution was in full swing. We implemented a COVID safe distribution plan which included strict social distancing, handwashing stations, pre-packaged seeds to limit interactions and mandatory masks. The team pivoted and proved agile in a way that was crucial to the adaption, to ensure that seeds were provided to those who needed it most. VSLA (Village Savings Loan Associations) have proven to be an effective program in 2020, with the results proving it is having an incredibly positive impact on the communities involved. Women are taught how to save money in a group savings setting – a skill which can be handed down through families, and exercised successfully in their present. Savings are being used to send their children to school, pay medical bills, pay for events and start their own businesses. With their savings they are able to genuinely improve their standard of living, something the Love Mercy team members who visited Uganda from Australia in November were able to witness for themselves. In June 2020, VSLA was identified as a key focus area, with plans to expand into income generation activities in 2021.

Love Mercy further relied on the skills and capacity of the private sector by building a partnership with The University of New South Wales and the Engineering & Social Science faculties. An outcome of this was a group of passionate students who took up the mandate to travel to Uganda to use their skills and knowledge to improve our projects and implement change in Uganda. Drought Resistance Uganda is a student led social impact project at UNSW which is ongoing and will continue to support our work in Uganda. One major focus was the installation of two Weather Stations supplied by our long-time friends and supporters Thomson Environmental Systems. The stations are solar powered and stand alone, recording weather data like precipitation, temperature and humidity. A consistent collection of data like this will allow for a better understanding of weather patterns in the villages Cents for Seeds operates, to eventually complement seed distribution as well as educate team leaders. These stations were successfully installed in two locations: outside the Kristina Health Centre and in Barr village.

We saw our first ever graduation for Cents for Seeds in Barr village. After 10 successful years in the program, Barr was the village where we piloted Cents for Seeds

and implemented new changes to the program before taking it to other village areas. It is the first time in the project cycle that this final stage has occurred, for various reasons, largely due to drought. It isn't the end of the road for Barr village however, as they have been equipped with all of the necessary inputs and training needed to continue to run Cents for Seeds on their own. There will be a period of 12 months where Barr leaders will have access to support from Love Mercy staff to assist with distribution, storage, returns and data collection. Our Monitoring and Evaluation team will continue to check in with Barr over the next twelve months, and into the future, to ensure the impact of Cents for Seeds extends beyond the project lifecycle. We intend to continue graduations for villages in 2021.

As part of this graduation, we also completed another round of our longitudinal impact study to map the social impact of Cents for Seeds. The full results can be read in our Impact Report on page 17. In summary, the impact report has proven useful in being able to prove the social impact of Cents for Seeds and improve our program delivery by making data driven decisions. This includes the decision to limit the number of years before graduating to between 5-7, depending on weather conditions. This is because the Huber Survey data shows that wellbeing linked to Cents for Seeds peaks at that time, and then begins to plateau. The major findings of the report are detailed below. We thank the Huber Social representatives for performing this impact measurement in March, especially considering this travel led to two weeks in isolation due to COVID-19.

CELEBRATIONS

Finding our way through this difficult season and being able to pivot, be agile, and adapt. Our first village graduating from our program.

LESSONS

For a few weeks we were almost threatened by a locust plague that was nearby in South Sudan. This tested our skills in knowing how and when to rapidly respond and was a good stress test for our risk management plans. We managed to ensure through our network of local leaders that all potential outbreaks were identified early, and pesticides provided by the Ugandan Government were successful in containing the spread of locusts.

KEY STATS

SEED LOAN RETURN RATE 2020 – 77%
(LOWER THAN NORMAL DUE TO POOR WEATHER IN SOME AREAS)

VSLA SAVINGS AVERAGE – 150,000 SHILLINGS PER GROUP

+15% ACCESS TO MEDICAL CARE

+66% INCREASE IN OVERALL WELLBEING IN ABAKO VILLAGE -3 YEARS IN PROJECT

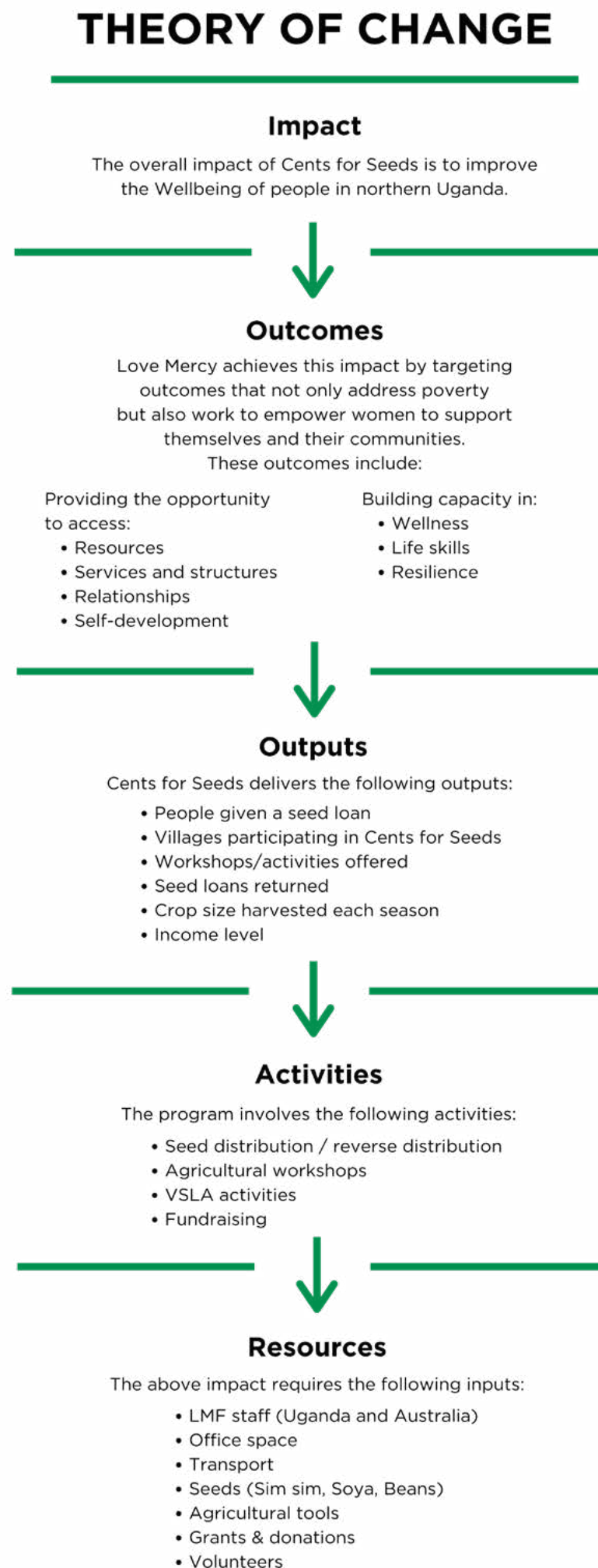
INCOME RAISED AU \$233,831

EXPENSES AU \$272,571

*SHORTFALL TAKEN FROM POOLED FUNDS

THEORY OF CHANGE

Below is the theory of change that informs Cents for Seeds through which we measure our impact.



**LOVE
MERCY**
AUSTRALIA

The Social Impact of Cents for Seeds for Rose, Abako Village

March 2020

Rose* has been in the Cents for Seeds program for two years. She is 54 years old and married with 10 dependants under her care. Rose must walk over 10 kms to get water.

“I am very happy because the **Seeds project is helping my family’s life. My children can go to school. We can store some of our harvest so that when the dry season comes we have food to rely on. We are very thankful for the project.”**

Between 2018 and 2020 Rose experienced a shift of **+333%** in her **overall Wellbeing**

Between first registering for the program in February 2018 and March 2020 Rose has seen the following improvements to her life:

**Wellness:
Fear**

+400%

Reduction in having things to be afraid of

**Wellness:
Physical Health**

+150%

Improvement in perceived physical health

**Wellness:
Hope**

+67%

Increase in having things to hope for

**Resilience:
Coping**

+67%

Increased ability to handle many things at once e.g. family, garden, work, cooking

**Resources:
Income**

+33%

Increased ability to help provide for her family financially

**Societal Structures:
Home**

+33%

Improvement in having a peaceful home life

The above results are based on surveys completed by the same individual in February 2018 and March 2020 in Abako Village, Uganda. For more information on the social impact of Love Mercy please refer to the *Love Mercy Social Impact Report 2020*.

* Names and images are not real to protect the identity of survey participants.



WATER FOR AFRICA PARTNERSHIP

In 2018, Love Mercy and Water for Africa established a strategic partnership to bring clean water to the residents of Otuke district, Northern Uganda. Following the shocking survey results of 1200 Cents for Seeds participants in February 2018, it became clear that more than 60% of people surveyed were travelling more than 10km to access clean water. This is an important supporting project for the success of the Cents for Seeds program. We were lucky enough in 2019/2020 to find a local engineering company – Ebowa Water, who are based in Lira. They drilled 10 new boreholes in this reporting period and assisted in auditing and repairing 12 wells that were drilled in FY17/18, some of which needed repairing due to incorrect installation. The total number of wells repaired was 37, including these 12.

The new boreholes will service 10 communities who were suffering with a lack of access to water.

VILLIAGE

Alula
Te-Dam
Angica
Iyama
Agweng
Opiradech
Barocok Primary School
Acewo
Amindit
Ogeto Lcok

SUBCOUNTRY

Olilim
Ogwete
Ogor
Orum
Ogwete
Olilim
Okwang
Adwari
Abako
Amugu

After visiting some of these remote locations in November 2019 it was overwhelming to see the impact that these close, clean water sources were already having on the community.

The UNSW Drought Resistance Uganda student team met with our local well driller, who is also responsible for deciding the best locations to drill wells for optimal water. They met with the team to try to coordinate the investigation process to align it with the ways in which weather data can inform on the well drilling process, particularly in areas where water is desperately needed. Alice, Jono, Fiona, Rosa and Jasper from this student team were at the ready to do whatever was needed. They are critical thinkers with big hearts, ready to generously offer what they have learnt for a greater purpose. We are so grateful to them for sharing their time, knowledge and energy so generously with us. The work of the Drought Resistance Uganda network at UNSW will continue into 2020/2021.

CELEBRATIONS

Authentic partnership, local ownership

LESSONS

The initial installation of 12 wells was not done to correct standards, and this problem wasn't discovered until a few months later. This prompted us to review our audit process and ensure greater monitoring after the project is finalised.

SPORT AND EDUCATION

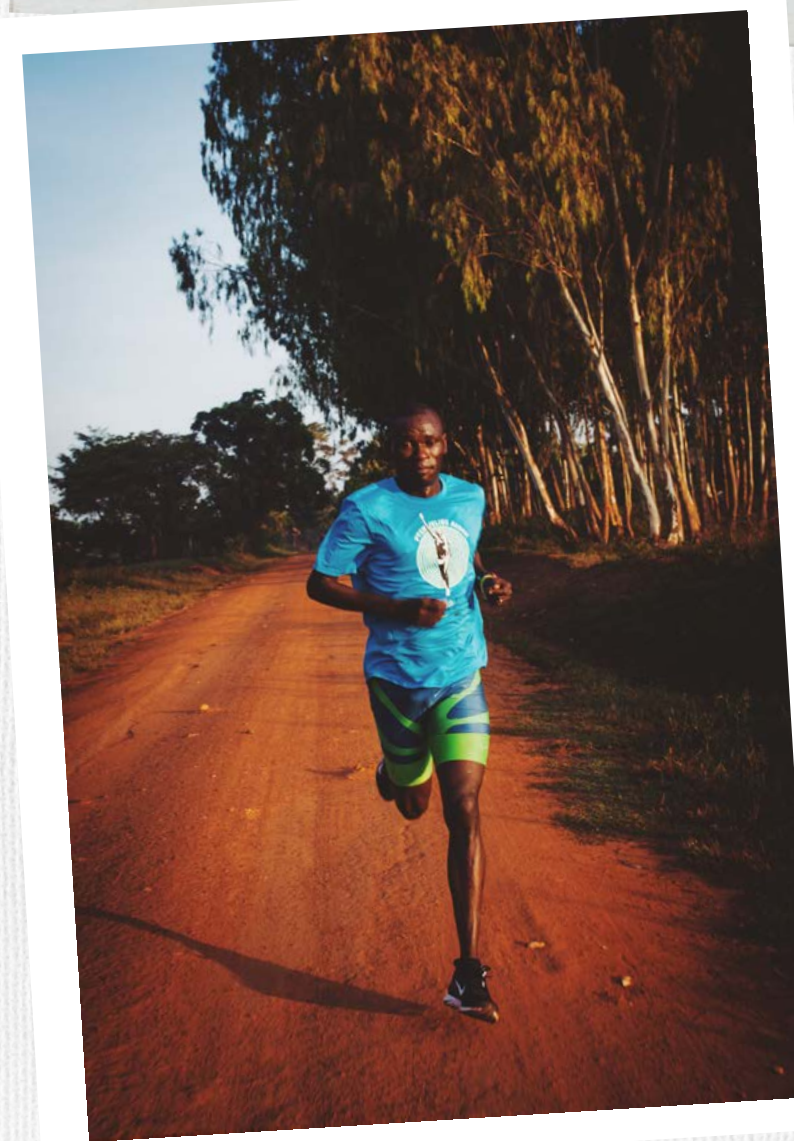
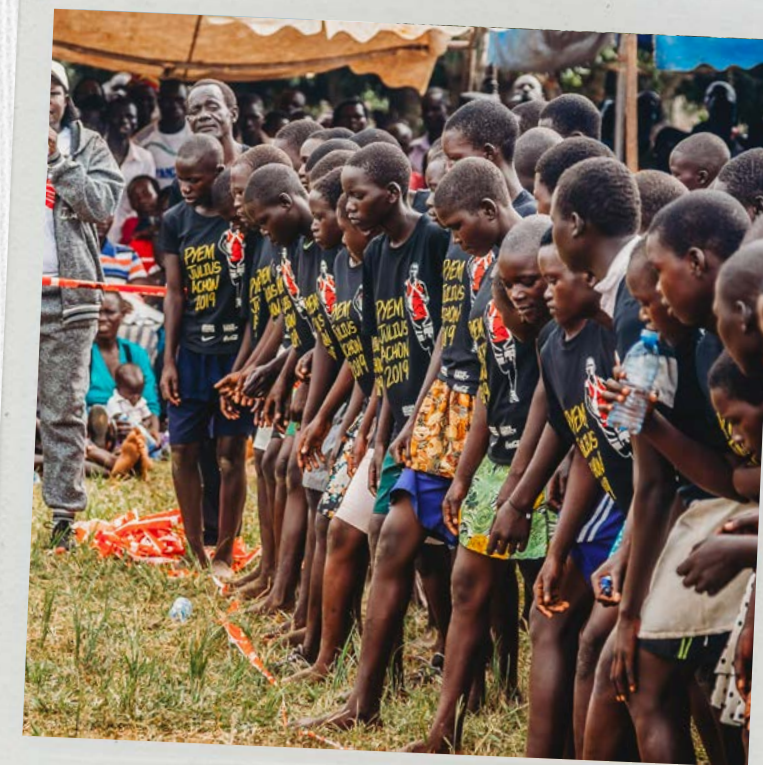
An extension of our involvement in creating a healthy life and community for children is sports programs. An integral part of our founding story is the ability that sport has to unify people and create lasting friendships. Co-Founder and Olympian Julius Achon is passionate about sport as a vehicle to escape poverty, as is evidenced in his story, having used his athletic career to lift his entire community out of starvation. As a result, Julius is committed to bringing sport back to his local community and this year Love Mercy has funded two sporting programs that also act as an important community event to raise awareness of the Kristina Health Centre.

JULIUS ACHON ANNUAL CROSS COUNTRY RUN

Each year in November over 3000 spectators and competitors meet together to run in the annual Julius Achon Cross Country event. A team of keen volunteers from Australia help to facilitate this massive effort. Each year the staff and the ambulance from Kristina Health Clinic attend the event to act as first aid and also raise awareness of the health facility and its services. This is a crucial way for the staff to ensure that the community get to know them and feel more comfortable to come to the clinic before they are extremely ill. This marketing outreach has seen a direct rise in the number of patients treated at the clinic in the months following the event. The staff also make key announcements about public health issues concerning HIV, family planning, maternity services and free immunisations. All children who compete in the regional event have been selected by their school cross country race. Love Mercy funded training for these school teachers to be able to conduct child sensitive lessons alongside their athletics training, which covers topics such as child rights, the importance of education, health and sanitation.

INDEPENDENCE CUP SOCCER TOURNAMENT

In October Uganda celebrates its independence day and for many years Julius has organised a local soccer tournament that includes soccer teams from all around the country. This year Love Mercy sponsored the event to include a women's competition as well as a men's group. The event is one of the biggest celebrations on the community's calendar and also acts as an important outreach day for the Kristina Health Clinic staff who attend and raise awareness about the clinic and its services in the area.



KHC

KRISTINA HEALTH CLINIC UPDATE

In partnership with Achon Uganda Children's Fund (USA) the Kristina Health Clinic became founder Julius Achon's main mission back in 2012. Motivated by the horrific killing of his mother, Kristina, during the war, Julius knew that his village of Awake deserved access to adequate health care. He gathered support in Portland and in Sydney to achieve this dream. What began as a basic testing room and medication dispensary has grown since 2012 to include a maternity ward, patient ward, pre and post-natal services, family planning, vaccinations and HIV testing and treatment. Over 30,000 patients have been treated since 2012.

MISSION:

Provide quality access to basic health care services to the poor, marginalized, socially excluded and underserved individuals in Otuke region by qualified and well-trained medical professionals.

AIMS:

HIV: Decrease the rates of new HIV infections in Otuke, increase rates of testing and HIV status awareness, and, ensure provision of ARV meds.

Maternity: Reduce maternal mortality rate in the region.

Diseases: reduce the overall burden caused by diseases through education, prevention, early diagnosis and treatment.

Organizational: Recruit, train and retain high quality staff to offer a high standard of care across all level 3 services.

Facilities: Maintain a high standard across all facilities.

PROGRAM SUMMARY

2019 saw the completion of a much needed solar project thanks to our partners at Platinum Electricians Foundation. Initially the program set out to engage 10 electricians from Platinum Franchises around Australia, to ship equipment to Uganda and install a solar power system to increase the level of voltage available to power medical equipment. After some time trying to arrange the logistics, it was decided that a better use of funds would be to purchase the system and the labour locally,

funded by Platinum. Thanks to a generous donation of AU\$22,000, brand new solar power systems were installed at the clinic which had the direct outcome of:

- Staff housing being powered at night
- Enough voltage for two fridges to store medications, vaccinations and injections separately as required by Ministry Of Health guidelines
- Power automatic blood pressure machines in the general ward
- Power laptops to move to an online reporting system.

Our distribution of feminine hygiene packs continues to older primary school students, this year sponsored by ModiBodi leakproof washable underwear. Thank you for providing hundreds of pairs to girls in Uganda!

With a team visiting in November, it was very exciting to see the fridge on and feel the cold air, something that has been a long time coming! While this sounds small, previously other solar power systems kept breaking down or did not have enough available voltage to reliably store medications in this fridge. The government suggested mains power might be installed sometime in 2019 but so far this has not eventuated. Thank you to Platinum for enabling this project to happen.

We commenced 2020 with new KHC staff, including a new Senior Clinical Officer, Daniel Anyitti, who has already shown great dedication and brought his passion and intelligence to increasing access to services. We also welcome Morris Obira as Clinical Officer responsible for Maternity. This position is newly created and much needed, as unfortunately the Voucher Program, providing subsidized maternity care funded by USAID has been wrapped up. Initially this program was set to run until 2022, but due to USAID funding restraints we are no longer able to subsidize maternity care using the voucher system. This is unfortunate as it increases the direct cost of quality care to mothers. We are seeking to work together with the community and our staff to find a sustainable solution. We are grateful for Coux Wraps who donated several boxes of wraps to be handed out at the clinic to new mums, and donated a portion of sales to the clinic.

Of course, the clinic has also been impacted by COVID-19. As a level 3 clinic we are unable to test for or treat COVID-19, however our staff implemented a rigorous safety plan at the outbreak of the pandemic, testing temperatures, enforcing mandatory masks and gloves and referring patients with COVID like symptoms to test at other facilities. At the time of publication, thankfully due to the remote nature of the clinic, there have been no known cases of COVID within the community. However due to a sudden reduction in



income and fear surrounding health care facilities there has been a significant drop in the number of patients at KHC since COVID reached Uganda in March 2020. We will continue to monitor the patient count month by month and liaise with the local community to ensure affordability of care.

KEY STATS

PATIENTS – 5352
(LOWER THAN LAST YEAR DUE TO COVID RESTRICTIONS, AND VOUCHER PLUS PROGRAM WRAP)

BABIES – 193

CELEBRATIONS

Power! This means lights at night time and extra equipment which means more services for the community. We are also celebrating finding new wonderful staff, which took a long time but was worth the wait.

LESSONS

Outside sources of funding, like the voucher program, are great however when they are removed quickly and without notice the implications for sustainability and continuity of care can be negative.

FUNDS RAISED: AU \$175,421
SPENT: AU \$136,637

Balance will be carried to 2021.



OUR WORK



TEN YEAR CELEBRATION

In February 2020, just before the world could no longer meet together, we were honoured to host over 100 guests in Sydney's Martin Place to celebrate our 10 year anniversary. Julius and his wife Grace attended from Uganda, as did the Ugandan High Commissioner based in Canberra. It was an evening of reflection and celebration as we look ahead to the coming decade with plans to continue Cents for Seeds far and wide, and sustainably increase our impact with the community. Thank you to all of our guests, and to Portal Café for supporting this event.

"In 2019 we travelled with the Love Mercy Foundation to Uganda. To leave our privileged lives here in Australia for Uganda for 2 weeks was a life changing experience. We were two of the runners that ran 500 kilometres from Entebbe to Lira and we saw many incredible sights. But most memorable were the sights of the people. To see the biggest smiling faces on local children excited to see a group of white people running past was somehow exhilarating yet humbling all at the same time. To see and experience what life was like in northern Uganda and the impact the Love Mercy foundation is having was truly uplifting." – Justin & Kate – Penola SA

"In November 2019, I was honoured to lead a team of 5 incredible individuals in a challenge not undertaken before: a 500km run from the south to the north of Uganda.

The event was the brainchild of Pat Farmer, Ultra-Marathoner and former MP in Australia. He has conquered some mighty runs over his time to generate awareness for causes of importance and wanted to do the same for Love Mercy. Pat's chosen fundraising goal was AU\$100,000 to go directly to the Cents for Seeds project. In order to do this, he would be joined by a team of four other runners who would fundraise a total of AU\$20,000 themselves – a huge but achievable goal.

So, in November I greeted Matt Farmer, Luca Turrini and Justin & Kate McDonald at Entebbe airport, ready to take on the challenge. Soon after we were joined by Julius and Pat. The next four days were filled laughter, tired legs, jokes a plenty and A LOT of chappati. I recall being struck at the attitude of the team – they woke everyday, ready and raring to go. Purpose was deep in their spirit, evident with every step taken. They were eager to learn and listen, leaning into every moment that was offered. Music played through the sunroof of one car whose air-conditioning seemed to have faulted, while the other car was slowing down, ready for the change-over of

runners. I was likely running between cars, distributing snacks and water. We were never bored.

I often drove alongside them as they ran, taking photos or joining in on conversation. On day three, just after sunrise, I heard Julius say 'Beautiful day in the valley today. It makes it easy to smile'. It sums the team's perspective and hearts up perfectly. Conditions were not easy either. The Ugandan sun is hot, and the road would change between asphalt and dirt, offering no reprieve from the heat as the team ran their 5km stints.

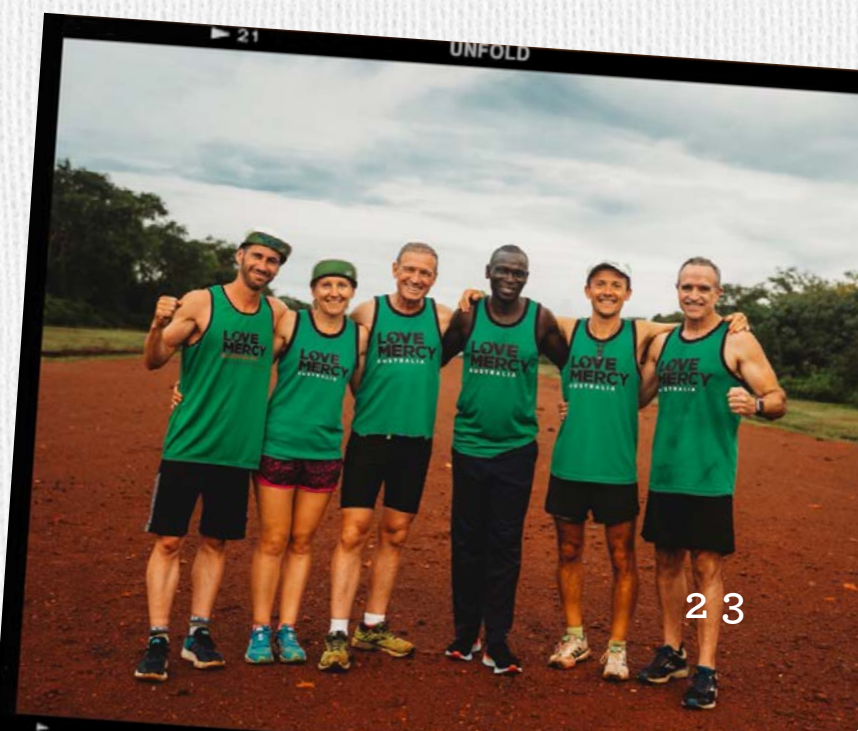
On the 5th and final day of the run we were ready to enter Lira – the town Love Mercy Uganda operates out of. This was, without a doubt, one of the best days of my life. Julius had organised for what felt like the entire town to join in the final 10kms that threaded through town to Akii Bua stadium. However, 15kms out of town we were joined by a truck with a sound system, blasting music that would cause anyone to dance. The team were so excited they left the 5km increments behind and ran the whole way, with Julius at the front. He describes this as 'better than the Olympics'.

The loop in town was nothing short of remarkable. I can only explain it as one of those moments in life that is so pure it momentarily takes your breath away. The community that came to support this final day reflects the impact that has been had in Uganda. Julius' heart for his community has brought them together, making the Love Mercy vision of 'restoring hope to northern Uganda' a reality. He often says "I run for my people now, not for myself" and it could not be more true.

It is a trip we will never forget.

Thankyou to Pat, Luca, Matt, Justin & Kate. We are grateful for your willingness to rise to the challenge and to share your talent with the people of Uganda. Thank you for using your ability to run, something you use every day, to lift up and empower others."

REBECCA STANLEY – FUNDRAISING MANAGER



BOARD PROFILES



ROGER WELLINGS

Founding Director
Owner at Raw Strategy

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.

"It is a charity that gives and encourages people at the start and through their own efforts allows them to become self-sufficient so that they no longer need our charity. Pride in themselves – what a wonderful gift to give someone"



ELOISE WELLINGS

Founding Director
Australian Olympian

Eloise is a professional athlete and Australian Olympian. Eloise brings her vision and strategy to the board to contribute to the overall operations for the Foundation. She has in the past owned a small business as a personal trainer, and is a mother to India, 7 and Sonny, almost 1.

Eloise is now also employed by Love Mercy as our Ambassador.

"I believe in what Love Mercy does because I have seen the tangible impact over the last 10 years in the communities that we have built a relationship with, and I believe in their potential."



MICHAEL HARDIE

Director
Founder of Michael James Co.
Executive Coach & Leadership Consultant

Mike is a former pastor turned executive leadership coach. He brings his experience in project planning, communication, leadership and vision development. Mike has completed a Bachelor of Ministries, Post Grad studies in leadership & training in Executive Coaching.

"I am passionate about the transformative work of Love Mercy and have seen first hand its impact. I want to contribute anything I can to see the vision fulfilled."



KATIE ROSSER

Director & Chairperson
Director at Seldon Rosser

Katie Rosser joined the board in 2016 and took on the role of Chair in November 2017.

Katie has a Bachelor of Laws and Legal Practice Certificate, and is a UK qualified solicitor. She is co-founder and Director of Seldon Rosser, an executive recruitment and search firm.

Katie's experience in running a small and growing business adds value when advising on Love Mercy operations. Her recruitment experience is also invaluable in managing the HR needs of the organisation.

"I love how agile and entrepreneurial Love Mercy is in how it operates and was drawn to working with a charity which creates such a huge impact from the funds it receives. It's a joy and a privilege to be able to offer my contribution."



DANIELLE THOMSON

Director
Provisional Psychologist and School Counsellor

Danielle went to Uganda on the first Love Mercy trip in 2010. She was captivated by its people, particularly the Ugandan children. She is a Permanent Care and Adoptions Case Manager for Barnardos Australia and brings her skills in child protection and her passion for Uganda to the board.

"On my four recent trips to Uganda I am continually blown away by the impact and the change that I have seen since 2010 in the communities in which we work, and the way that this incredible team does so much with just a tiny investment."



GERARD TIMBS

Director
Environment & Planning Lawyer, Partner at Holding Redlich Law Firm

Gerard joined the board in 2018. He is a qualified town planner and lawyer and practises in all aspects of planning and environmental law. Gerard is a keen runner and has completed 15 marathons, including an attempt at the Kampala marathon in 2017 on a trip to Uganda while visiting Love Mercy projects. He is committed to return to Kampala to finish it when he goes back next time. He serves the board with his skills in law, governance and strategic planning.

"I strongly believe in the value of Love Mercy that one person can truly make a difference. Inspired and motivated to do more after a trip to Uganda in November 2017 I want to contribute to empowering and changing the lives of those living in northern Uganda for good."



JAMES SUTHERLAND

Director - Treasurer
Chartered Accountant

James is a Chartered Accountant with broad experience across corporate and project finance. He has worked for Ernst & Young in their Sydney, London, and Johannesburg offices on client engagements across the Asia-Pac, North American, European and African regions. After spending the previous 5 years providing commercial and financial advice to government and private sector infrastructure developers across Africa, James returned to Australia in late 2017. He is currently CFO at Sam Prince Group

James joined the Board in July 2018 and serves the organisation as Treasurer by providing his skills in finance, audit, governance, systems and accounts.

"Having worked in a number of emerging markets, I've seen the benefits of economic based aid programs. I think Love Mercy's Cents for Seeds programme is an absolute game changer and I'm excited to be involved supporting Caitlin, Eloise, and Julius expand the programme!"



LIZZIE BORWICK

Director
Director, Fundraising & Philanthropy, Amnesty International Australia

Lizzie is the Director for Fundraising and Philanthropy at Amnesty International Australia and has worked in fundraising across the health, international development, conservation and human rights sector for over 15 years with local, national and international not-for-profits. Lizzie joined the board in 2019.

"I am very passionate about human rights and I have been in awe of Love Mercy for while now. The approach to development in northern Uganda is inspiring and empowers communities to access their basic human rights - such as the right to healthcare, education and being self sufficient. I hope to help them grow so more communities can thrive."

LMF UGANDA STAFF

Our team on the ground in Uganda are a group of highly qualified, highly motivated individuals who drive the success of our projects and go above and beyond to serve their community



JIMMY OKULLO
Uganda Programs Manager



FLORENCE ADEMUN
Project Coordinator



CATHY APIO
Village Savings and Loans Trainer



JOLLY ACIRO
Village Savings and Loans Trainer



OSWARLD OKELLO
Monitoring and Evaluation officer



HILDA AROMBO
Village Savings and Loans trainer



BETTY ACHENG
Agronomist



JIMMY OCOL
Agronomist



SHERRY OKELLO
Agronomist



JIMMY PATRICK
Driver

OUR STAFF



ELOISE WELLINGS

Eloise Wellings – Founder & Ambassador

Olympic athlete Eloise Wellings is passionate about athletics and helping those in poverty. After realising at the age of 15 that she wanted to make running her career, she committed to training and qualified for the Sydney Olympics at the age of 16 in the 5,000m track event. Unfortunately, soon after qualifying, Eloise suffered a stress fracture, which continued to plague her career for the following decade. She suffered 13 stress fractures in 11 years, and missed out on three Olympic campaigns due to injury despite being selected for the team, and measured for her uniform. Her story of grit and determination is magnified by the fact that she met Ugandan Olympian and former-child soldier Julius Achon while recovering from a stress fracture before the 2008 Beijing Olympics.

Eloise was moved by his story of triumph over adversity, and while she didn't recover in time for the Beijing Olympics, she felt that her troubles were put in perspective by Julius' life. She founded the Love Mercy Foundation in 2009. Eloise is committed to seeing change in Uganda and supporting Julius in his dreams to see his village prosper and overcome the effects of war and poverty. She finally achieved her Olympic dream in London in 2012, and was the highest placing female Olympian in Australian history in the 10,000m event in Rio, finishing 9th. Eloise competed in her fourth Commonwealth Games on the Gold Coast in 2018.



CAITLIN BARRETT

Founding CEO

Caitlin has a passion for our women in Uganda, and is most at home sitting under the mango tree with them, bringing about real change within communities in poverty. Caitlin holds a Bachelor of International Studies and a Masters of International Development Studies from UNSW. She is passionate about people, and has a young family based in Sydney's south. Caitlin was committed to setting up Love Mercy when Eloise came back from her first meeting with Julius and navigated the minefields of the not-for-profit world to set up the Foundation. Caitlin worked in a volunteer capacity for three years until becoming the first paid full-time staff member in 2015. **She is currently completing a doctorate in social impact measurement at UNSW.**



REBECCA STANELY

Fundraising Manager

Before joining us at Love Mercy Foundation, Bec studied her undergraduate in Bachelor of Medical Science (MedSci) at UTS. She worked as a Sales Executive with our good friends, and long-time supporters at Thomson Environmental Systems for two years - which is how she came to learn about Love Mercy's projects in Uganda. In 2017 Bec signed up for the annual Uganda trip as a volunteer fundraiser and felt at home the minute she arrived. Once she saw the impact of Cents for Seeds and the Kristina Health Centre first-hand Bec was hooked, and when the role of Fundraising Manager came up in 2018 she was the natural choice. Her relentless energy, humour and passion for all thing travel, sport and coffee related, completes the team perfectly.



CAITLIN CROWTHER

Social Media and Communications Manager

Prior to joining the Love Mercy team, Caitlin (or "Jnr" as she's known in the office) studied a Bachelor of Communications and Media at Wollongong University. She came to learn about Love Mercy through volunteering for another organisation, and ended up Interning with us for over a year. Now, she's officially joined the team part-time. With her work at Love Mercy, she is channelling her passion for empowering communities and thrives on hearing the testimonies we receive by turning them in to social media and website content for our donors and wider community.

REPORTS

GOVERNANCE REPORT

KATIE ROSSER

The Love Mercy Foundation Board takes responsibility for all Governance & Compliance matters and is focused on continual improvement in this regard.

As signatories to the ACFID code of conduct, we hold ourselves to the highest account available to international development organisations by remaining code compliant. Our Board regularly assesses our policies, risk management, fundraising strategy, overall organizational strategy, systems and processes to ensure compliance and best practice for all Love Mercy Foundation operations. We also regularly assess the make-up of our Board to ensure the right and complementary skillset.

Our policies include measures to ensure that funds raised in Australia are used in a way that is efficient and effective, and internal procedures are in place to ensure funds are safely transferred to our overseas partner and used for the purposes for which they have been approved by the board. Our Ugandan overseas partner provides financial reports and accountability to the Australian board in this regard.

We also engage EmploySure to provide HR and employment support to our organisation in Australia. We are so grateful to Holding Redlich as our pro bono partner in developing and updating key policies as required and providing legal advice when necessary.

Many of our key externally focused policies can be found via our website: <https://www.lovemercyfoundation.org/reports-and-policies>

If you would like access to a Policy that is not found online, or require more information about our procedures relating to a matter not covered here, we invite your queries via info@lovemercyfoundation.org.

TREASURERS REPORT

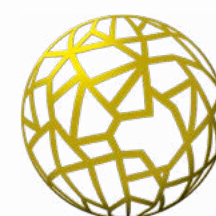
SUMMARY FROM OUR TREASURER,
JAMES SUTHERLAND

Like all aspects of our lives, Love Mercy hasn't been immune to the effect of COVID-19 and the team has done exceptionally well maintaining the foundations operations in this difficult time.

FY20 contributions increased by 10% to \$1,123k from \$1,017k in FY19 with outgoings increasing by the same percentage from \$1,066k to \$1,174k, leading to a net deficit of \$50.8k. But like all views of the last 12 months, FY20's operations should be looked at as two distinct periods; pre and post COVID-19.

Prior to COVID-19, the team's fundraising activities, on top of the initiatives to either enhance public awareness or engage and give back to our community of supporters were expanded to also include securing relevant grants. This focus has been quite successful and increased grant income from \$nil in FY19 to \$64.2k FY20. It is this grant income and income from the 500km Uganda running trip of \$60.9k which make up much of the increase in income from FY19 to FY20.

As COVID-19 started to impact operations in March 2020, the strategic planning and budgeting tools used by the Caitlin and the team were utilised to full effect with a review of all operational expenditure undertaken, reductions being made where possible (including rent, wages etc) and a weekly cash forecast instituted. Despite the reduction in contributions, the foundation was able to largely maintain the foundations overseas work due to Jobkeeper support, and stringent cashflow management. Going forward, the team is closely monitoring its contributions and expenses and will adjust future operations to match the financial capacity of the foundation. Although its not known what will happen with COVID-19 over the next 12 months, with \$95.8k in cash at June 2020 and a strong financial management framework in place, Love Mercy is in a good position to move forward and continue its operations into the next financial year.



ACFID
MEMBER



SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

Report on the Audit of the Summary Financial Report to the members of Love Mercy Foundation

Opinion

The accompanying summary financial report, which comprises the summary statement of financial position as at 30 June 2020, the summary income statement, the summary statement of comprehensive income and summary statement of changes in equity for the year then ended and related notes, and the directors' declaration is derived from the audited financial report of Love Mercy Foundation ("the Company") for the year ended 30 June 2020.

In our opinion, the accompany summary financial report is consistent, in all material respects, with the full financial report prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, and complies with the ACFID Code of Conduct.

Summary Financial Report

The summary financial report does not contain all the disclosures required by the Australian Charities and Not-for-Profits Commission Act 2012. Reading the summary financial report and auditor's report thereon, therefore, is not a substitute for reading the full financial report and the auditor's report thereon. The summary financial report and the full financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited full financial report.

The Full Financial Report and Our Report Thereon

We have expressed an unmodified audit opinion on the full financial report in our report dated 6 November 2020.

Directors' responsibility for the summary financial report

The Directors are responsible for the preparation and presentation of the summary financial report in accordance with the ACFID Code of Conduct.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial report is consistent, in all material respects, with the full financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Shedden and Green Partners
Lawrence R Green FCA – Partner



6 November 2020, Miranda NSW

Board Members' Declaration

Love Mercy Foundation Ltd For the year ended 30 June 2020

The board members of the company declare that:

1. The financial statements and notes satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 including:

(a) complying with Australian Accounting Standards - Reduced Disclosure Requirements; and

(b) giving a true and fair view of the company's financial position as at 30th June 2020 and of its performance for the year ended on that date;

2. The provisions of the NSW Charitable Fundraising Act and the conditions attached to the Authority to Fundraise have been complied with.

3. Internal Controls exercised by the Organisation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

4. In the board members' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Roger Wellings



Director: Katie Rosser



Sign date: 18 November 2020

Love Mercy Foundation Ltd and controlled entity
Statement of Income and Other Comprehensive Income
Year Ended 30 June 2020

	2020	2019
Revenue		
Donations and Gifts		
Monetary	\$982,210	\$998,087
Non-monetary	\$7,367	\$15,956
Bequests and Legacies		
Grants	\$64,250	\$0
Department of Foreign Affairs & Trade		
Other Australian Grants		
Overseas Grants		
Commercial Activities Income	\$8,321	\$1,245
Investment Income	\$20	\$210
Other Income	\$0	\$1,439
Other Income - Govt Covid19 Support	\$60,936	\$0
Revenue for International Political or Religious		
Adherence Promotion Programs		
Total Revenue	\$1,123,104	\$1,016,937
Expenditure		
International Aid and Development Programs Expenditure		
International Programs		
Funds to International Programs	\$628,800	\$621,892
Program Support Costs	\$128,753	\$76,749
Community Education		
Fundraising Costs		
Public	\$132,390	\$12,580
Government, multilateral and private		
Accountability and Administration		
Non-monetary Expenditure		
Total International Aid and Development Programs	\$889,943	\$711,221
International Political or Religious Adherence Promotion		
Programs Expenditure		
Domestic Program Expenditure		
Commercial Activities Expenditure		
Other Expenditure	\$284,009	\$354,541
Total Expenditure	\$1,173,952	\$1,065,762
SURPLUS/(DEFICIT)	(50,848)	(48,825)
Other Comprehensive Income		
TOTAL COMPREHENSIVE INCOME	(50,848)	(48,825)

Balance Sheet of Love Mercy Foundation Ltd and controlled entity
As at 30 June 2020

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$94,779	\$137,949
Trade and Other Receivables	\$13,589	\$21,547
Inventories		
Assets Held for Sale		
Other Financial Assets		
Total Current Assets	\$108,368	\$159,496
Non-current Assets		
Trade and Other Receivables		
Other Financial Assets		
Property, Plant and Equipment		
Investment Property		
Intangibles		
Other Non-current Assets		
Total Non-current Assets	\$0	\$0
TOTAL ASSETS	\$108,368	\$159,496
LIABILITIES		
Current Liabilities		
Trade and Other Payables	\$4,967	\$5,248
Borrowings		
Current Tax Liabilities		
Other Financial Liabilities		
Provisions		
Other		
Total Current Liabilities	\$4,967	\$5,248
Non-current Liabilities		
Borrowings		
Other Financial Liabilities		
Provisions		
Other		
Total Non-current Liabilities	\$0	\$0
TOTAL LIABILITIES	\$4,967	\$5,248
NET ASSETS	\$103,401	\$154,248
EQUITY		
General Reserves	\$103,401	\$152,249
Restricted Reserves		
Retained Earnings		
TOTAL EQUITY	\$103,401	\$152,249

**Statement of Changes in Equity of Love Mercy Foundation Ltd and controlled entity
For the Year Ended 30 June 2020**

	Retained Earnings	Reserves	Other	Total
Balance at 1 July 2019 (commencing balance)	\$154,249			\$154,249
Adjustment of changes in equity due to, eg, adoptions of new accounting standards.				\$0
Items of other comprehensive income	(50,848)			(50,848)
Other amounts transferred (to) or from reserves				\$0
Balance at 30 June 2020 (year end balance)	\$103,401		\$0	\$103,401
Balance at 30 June 2018	203,074			203,074
Adjustment of changes in equity due to, eg, adoptions of new accounting standards.	-			-
Items of other comprehensive income	(48,825)			(48,825)
Other amounts transferred (to) or from reserves	-			-
Balance at 30 June 2019 (year end balance)	154,249	-	-	154,249

Love Mercy Foundation Ltd and controlled entity

**Statement of Cash Flows
For the Year ended 30 June 2020**

	2020 \$	2019 \$
Cash Flows from/(used in) Operating Activities		
Receipts from donations grants and fundraising	1,054,418	1,000,978
Receipts from sales and other income	69,257	744
Payments to overseas aid, other suppliers and employees	(1,166,866)	(1,065,759)
Interest, equity and other income	20	210
Net cash flows from/(used in) operating activities	(43,171)	(63,827)
Increase in Other Non-Current Assets	-	-
Net increase (decrease) in cash held	(43,171)	(63,827)
Cash at the beginning of the financial year	137,949	201,776
Cash at the end of the financial year	94,779	137,949

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank and on hand	94,779	137,949
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Reconciliation of net cash flows from/(used in) operating activities to operating (loss)

Net Surplus/(Deficit)	(50,848)	(48,825)
<u>Changes in assets and liabilities:</u>		
Decrease/(Increase) in Receivables	7,958	(10,328)
Increase/(decrease) in Payables	(281)	(4,673)
Increase/(decrease) in Provisions	-	-
Net cash flows from/(used in) operating activities	(43,171)	(63,827)

This Statement is to be read in conjunction with the accompanying notes

Notes to the Financial Statements

Love Mercy Foundation Ltd For the year ended 30 June 2020

1. Statement of Significant Accounting Policies

The principal accounting policies adopted by Love Mercy are stated to assist in a general understanding of these financial statements. These policies have been consistently applied unless otherwise indicated.

The Financial Statements are general purpose statements that have been prepared in accordance with the requirements of the Australian Charities and Not for Profits Commission Act 2012 including Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report incorporates the Love Mercy Foundation Overseas Aid Fund, an Item 1 DGR Fund which permits the entity to receive deductible gifts from donors.

All amounts in this report are presented in Australian dollars.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and except where stated do not take into account current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation and Amortisation of Plant and Equipment

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight line method of depreciation. The capitalisation threshold for equipment is \$1,000.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Plant and machinery 20% (5 years) straight line with nil residual value

Furniture and equipment 10% (10 years) straight line with nil residual value

Electronic equipment and software 10% or 20% (10 or 5 years) straight line with nil residual value

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2018. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

Donations and bequests are recognised as revenue when received.

OUR PRIORITIES FOR 2020-2021

CENTS FOR SEEDS

To support 18,000 women in the program and support new income generating activities to build resilience

To build 10 new wells and continue repairing existing wells to increase access to clean water and improve sanitation during the pandemic, in support of the Cents for Seeds program

KRISTINA HEALTH CENTRE

To build the capacity and the services of the maternity ward and support the community through the COVID-19 pandemic to provide safe healthcare

Would you like to find out more about how to help us achieve these outcomes? Contact us via our Fundraising Manager at rebecca@lovemercyfoundation.org

HOW YOU CAN HELP

Become a Change Maker. Donate \$30 a month and give a woman a seed loan: lovemercyfoundation.org/the-change-makers/

Download our Fundraising Kit to see how you could run a fundraiser: lovemercyfoundation.org/join-fundraising-family/

Sponsor an entire village through Cents for Seeds: email caitlin@lovemercyfoundation.org

Become a corporate partners: enquire via caitlin@lovemercyfoundation.org

Host a live or virtual talk or an event with a Love Mercy speaker: email eloise@lovemercyfoundation.org



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