

JULY - DECEMBER 2020

LOVE MERCY

ANNUAL OPERATIONS REPORT

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HIGHLIGHTS

SIX MONTHS IN REVIEW



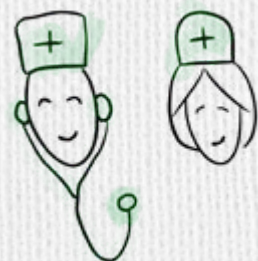
17,800 SEED LOANS
DISTRIBUTED



75 NEW VSLA GROUPS
CREATED (280 GROUPS
TOTAL)



6 INCOME GENERATING
ACTIVITIES COMMENCED
WITH 292 WOMEN



3006 PATIENTS TREATED
FROM JULY TO DECEMBER
(37,168 SINCE 2012)



75 BABIES BORN
(789 SINCE 2017)



12 NEW WELLS DRILLED
(32 SINCE 2017)

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
Ascent Foundation
Australian Ethical Super Fund
Fortnum Foundation
Gather and Moss
Holding Redlich
Macquarie Foundation
Maitland Christian school
Micah 6:8 Foundation
Platinum Foundation
Red Door Church
Revvies

RVTLS Church
Seldon Rosser
Snap Printing Kirrawee
The Big Table
The Great State
The Horse
The Rotary Club of Berry
The Wanderers
Twosides Accounting
Water for Africa
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.



ELOISE WELLINGS

MESSAGE FROM THE FOUNDER

When the year 2020 ended, we collectively breathed a sigh of relief. The new year to most of us brought fresh hope, some light at the end of the tunnel with a promise of a vaccine to relieve us all from the devastating affects of coronavirus that had upended the globe for the entire year. Whilst that vaccine has brought a fresh hope and relief to us in Australia, the impact of Covid-19 paints a very different picture in developing countries like Uganda. The UN estimates that the effects of Covid-19 will push 71 million people into extreme poverty due to plummeting economic growth and exacerbating existing inequalities. It's unjust that the world's already most vulnerable have been and will be hit the hardest from this pandemic. Just because of where they were born. Which is why I'm challenged not to be numbed by the sheer enormity of the grim numbers. I'm challenged to keep thinking about the "ONE" family that will go through Cents for

Seeds this year, that ONE family that will be empowered to create their own food security through that ONE loan of seeds. Let's keep thinking about the ONE that will give birth under the safe and tender care of our midwives at the Kristina Health Centre and the ONE that will be empowered and dignified through access to clean water through a new well this year. It's easy to get overwhelmed by the need caused especially through this pandemic, but we must stay focussed on our vision to see communities in northern Uganda thriving independently, by increasing access to health care, clean water, food security and income generation. And our mission to co-design innovative solutions and build on existing strengths with local communities to overcome poverty and increase wellbeing. And I believe we can only best live out our vision and mission by standing by our main value of "One humble person can make a difference". You can make a difference. We can make a difference.

MESSAGE FROM THE CHAIR

Change of reporting period

When we first realised we would be publishing another Annual Report, just 6 months after the last I wondered how much there would be to write about from a Board perspective, however in the change-over of CEO we have been through one of the biggest and most important changes any organization can face.

We always knew that one day Caitlin Barrett would need to move on for her own career advancement. She has offered so much of her life and herself to Love Mercy and our main feeling on her departure from the CEO role is of gratitude. Most not-for-profits don't benefit from such a long standing founding CEO as well as the Founder themselves. Caitlin established Love Mercy alongside Eloise, Cents for Seeds was her brainchild and she has spent 11 years building these projects from the ground up.

Selecting a CEO is one of the most significant functions of a Board. The recruitment and interview process was run with rigour and transparency with multiple external applicants considered.

The Board is delighted that Rebecca (Bec) Stanley demonstrated through that process that she was most certainly the right woman for the job! Many of you already know Bec (if you don't, you will soon) and she is already in close trusted relationship with our team on the ground in Uganda. Bec has been with us already for 3.5 years as Fundraising Manager. She is incredibly smart (currently studying an MBA) and has a big heart for Love Mercy.

The Board has every faith in Bec and the next era of Love Mercy she will lead. This will be in close collaboration with Eloise as, during the process, the Board also further formalized Eloise's Executive Director position. Eloise will continue to be the primary driving force on strategy and vision casting for Love Mercy. And with her and Bec working together, we really feel like we have the 'dream team' in place to serve Uganda and all of your generous donations wisely and to their fullest potential.

It is also important to touch on why we have another annual report; Love Mercy has now changed its reporting year from July-June, to Jan-Dec. This is due to the cycle of when funds are sent to Uganda and makes for easier financial management and reporting internally. Another big change in this reporting period has been Love Mercy achieving PBI (Public Benevolent Institution) status – the result of several years of planning and work, this will allow us to manage your donations more efficiently.

More generally, like all of you, we continue to work within the uncertainty of a pandemic – ever grateful to our community for continuing to support us throughout this time. We continue to exist because of all of you and your generous support.



Thank you.
KATIE ROSSER



OUR PURPOSE

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 communities in Northern Uganda thriving independently by increasing access to health care, clean water, food security and income generation.

OUR MISSION

We exist to co-design innovative solutions and build on existing strengths with local communities to overcome poverty and increase wellbeing.

OUR VALUES:

We believe that one humble person can make a difference.

Through our values, we will seek to:

ACT JUSTLY - to raise awareness of extreme 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) The relief of poverty through aid;

(b) The relief of poverty through development of communal facilities and infrastructures;

(c) The advancement of education to assist or promote sustainable development in third world countries;

(d) The advancement of education to assist or alleviate unemployment in socio economically disadvantaged areas in third world countries;

(e) The advancement of medical support in third world countries; and

(f) 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), (c), (d) and (e) above or any combination of the preceding objects 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.

CEO REPORT



CEO REPORT

In this condensed annual report for July – December 2020 I have the opportunity to write my final CEO report in my role at Love Mercy. After 11 incredible years, I have made a decision to take on another role at another NGO which fortunately requires me to continue working with mums and bubs in Uganda. I will continue to support my Love Mercy family in whichever ways I am able, and will remain Love Mercy's biggest fan.

What we have created over the last 11 years is more than an organization. It has become a family. This made the decision to leave a challenging one, but I am confident that the future of Love Mercy is in good hands with the appointment of my colleague Rebecca Stanley. I have had the pleasure of working with her for the last four years and have shared some life changing moments in Uganda working with Bec. I know that our team in Uganda is thrilled to have her in the CEO role, as am I. I am looking forward to one day being able to travel to Uganda again and visit our teams as their friend, to see them thriving.

Following on from a very challenging start to 2020, the Love Mercy team was buoyed this close knit family and supporters who managed to ensure a strong finish to December 2020. COVID-19 seemed to stabilize in Australia for the most part, and Uganda reduced their restrictions in July despite schools remaining closed.

In this difficult period we had some enormous achievements to celebrate in Uganda. After establishing a safe and secure power source thanks to our partners at Platinum, we were able to power a Humidicrib at the Kristina Health Centre, which was first used in August for some premature twins who were born at the clinic. The little boys were born at less than one kilo each. You can read more about this significant achievement on page 11.

Another high to finish the year came with being awarded our biggest grant funding yet, thanks to the support of our grants agency, Grant'd. The funding we won will enable 3000 new participants to join Cents for Seeds over the next two years through to 2022. This funding security helps both us and our Ugandan team to plan their operations for the future, and enables the impact of Cents for Seeds to continue to expand.

I want to thank each and every one of our donors during the last 11 years who have enabled me and this team to build this organization from the ground up. Without your support I would not have been lucky enough to have been able to work in my dream job for over 11 years. Love Mercy will remain one of my greatest achievements and I will take the lessons I have learned here into the rest of my life.

THANK YOU FOR YOUR SUPPORT

OUR DONORS ARE SO IMPORTANT – WITHOUT THEM WE WOULD NOT BE ABLE TO ACHIEVE THE POSITIVE IMPACT IN PARTNERSHIP WITH OUR UGANDAN COMMUNITIES.



REECE PLUMBING

"For us at Reece, the Reece Grant enables us to support access to clean water. We believe that being enablers of access to clean water is an opportunity to share the skills and knowledge that transforms the health and wellbeing of entire communities and empowers people to build themselves out of poverty. We are proud to partner with Love Mercy because we know we are aligned in our values, and they act with integrity every step of the way. We have been inspired by Love Mercy's work so far and look forward to seeing the impact of their work for many generations to come"



MARK & ABBY

Mark: *I saw Eloise speak about Love Mercy and her personal story at a conference and it was mesmerising. A deeply moving story of perseverance, passion and hope. I love supporting Love Mercy because it is so easy to see the immediate, direct and desperately needed help it provides, in relation to things that we take totally for granted.*

Abby: *I am 18 tomorrow and excited to pledge my birthday. Love Mercy is an absolute inspiration to me. The way it selflessly gives fills me with hope that with our support, Love Mercy will make the world a better place. I love supporting Love Mercy because the tangibility of their work really shows me how I can make a difference.*



CENTS FOR SEEDS

JULY 2020 – DECEMBER 2020

This period represented a chance for the Love Mercy team to pause and strategically plan for the future of Cents for Seeds. Our Ugandan team achieved a successful seed distribution despite the challenges and delays caused by Covid-19 in 2020. This afforded us the chance to stop and consider the wider impacts of Covid-19 and how best to respond. July 2020 became a planning phase for Love Mercy in order for the team to consolidate their learning and consider the best way to respond to the Covid-19 crisis that would ensure sustainability for communities.

After Barr Village successfully graduated in March 2020, the strategic decision was made to focus on the graduation process of Cents for Seeds. In December 2020, 3000 were selected to be graduated from the program. Graduation includes a strengthened Village Savings and Loans (VSLA) training program, which enables various VSLA groups to transition into the next phase: income generating activities. This has required an enhanced VSLA training program to build the capacity of existing groups. These groups have been selected and budgeted for as of December 2020, with a pilot running through early 2021. Through to 2022, more women who have been part of the seeds program will be selected to graduate and move into an income based phased of the program, following at least 6 years of agricultural participation.

In the future, the most successful VSLA groups will be offered extra funding and training to begin other Income Generating Activities (IGA's) at a cost of approx. \$2,000 AUD for every 10 groups. This would enable the commencement of training or purchase of major items to start businesses, such as cooking equipment to begin a catering company, an ox-plow to earn rental income or a piggery.

During this period, Cents for Seeds monitoring and evaluation officer, Oswarld, completed his training and took on responsibility for the administration of Cents for Seeds. Oswarld has a depth of experience working with other NGO's in Uganda in monitoring and evaluation, and he has been able to establish new reporting templates for the team to be able to capture any issues at a glance. The team also spent a portion of the year developing their training manuals from hard copy to soft copy in order for it to be strengthened and expanded. This also allows for the opportunity to pass on the manuals to other organisations who may wish to implement Cents for Seeds.

In November 2020, the loan return season began, but it was quickly evident to the team on the ground that the loan return rate would be significantly reduced compared to normal this year. This was due to a delayed seed distribution caused by Covid-19, which meant that Soybean crops did not receive the crucial rain water needed to produce a successful crop. The overall quantitative feedback collected from our monitoring and evaluation team was that despite this challenge, there was plenty of food on the table for families in the area.

KHC



KRISTINA HEALTH CENTRE UPDATE

The second half of 2020 presented interesting challenges to the Kristina Health Centre as patients began to return to seeking health care following the COVID-19 pandemic scare. This period saw a reduction in patient numbers both due to a national lockdown that prevented individuals seeking healthcare without government permission, and also led to a lot of fear and uncertainty about medical facilities. The team is under the leadership of Senior Clinical Officer Daniel who joined our team in January 2020. He has throughout this period managed the team and the clinical operations with wisdom, compassion and strategic grace. Daniel has managed to engage our existing staff in their roles and increase staff satisfaction and retention at the clinic throughout a difficult year.

The clinic implemented stringent safety procedures to ensure that it was operating in a way that was COVID-19 safe including PPE, temperature testing, and referral for any cold or flu symptoms.

In August, a major highlight was the first use of the humidicribs to care for two premature twins who were born at just 960kgs. The boys were born and placed into the humidicrib, which was in use for the first time after the voltage capacity was increased thanks to our partnership with Platinum Electricians who funded a solar power expansion in 2019. In February 2021, the mother and babies returned to the clinic weighing a healthy 6.8kgs at 7 months. This was a moment to celebrate at KHC and we look forward to welcoming many more babies this year, following a steady increase in birth numbers again following a decline in women choosing to deliver at the centre during the start of the COVID-19 pandemic. We commend Daniel in his efforts to return these birth rates to normal and continue to deliver lifesaving health care to mums and babies in Otuke.

During this period our ambulance which services the local population of 20,000 people as one of only two ambulances broke down and was beyond repair. After 8 years of service on difficult terrain we decided to minimally repair the ambulance and use it for local non-urgent transport only. We sought a donation to fund the replacement of the vehicle and gratefully accepted a major donation from two new donors to Love mercy who have funded the purchase, shipping, and fit out of a new vehicle from Dubai, set to be ready for service in early 2021.

WATER FOR AFRICA



WELL WORTH IT – PROJECT UPDATE

During the 6-month period of July – December, our borehole drilling team manages to drill 8 wells. These were generously funded by donors in Australia. There are anywhere from 500 – 1,000 households that access these bore holes in each of the villages below, so close to 5,000 individuals will have been impacted with access to clean water. All of these well locations can be found on our website under Well Worth It.

1. Akadi Ikum Village in Otuke
2. Barlee In Otuke Town Council
3. Iloa Ingo Village in Orum sub-county
4. Oget Village, in Otuke Town Council
5. Poo-Keni Village in Orum sub-county
6. Acwao village in Olilim sub-county
7. Barodwong village in Ogor sub-county
8. Aling village in Omoro sub-county

OUR WORK

RAISING THE PROFILE – 78KM CHALLENGE

Initially in 2020, we had planned to take a team to Uganda to run the 78km road between Julius' village of Awake and Lira town – the very road that he ran when he was just 12 years old to make it to the district carnival. It would be this run on this road that was a catalyst for the rest of his life. Unfortunately, due to the pandemic, we had to postpone this event. However, we still hope to hold it in the future.

Instead, we created an online fundraising event called the 78 Challenge. We set our community a call to action: develop a challenge for yourself that involves the number 78, whether it is 7.8, 7800 or 78. The challenge should be specific to the individual and not just running related. As a result, 25 individual fundraisers assembled and completed their challenge over the weekend of November 14 and 15. Together, they rose to the occasion and raised over \$10,000 for our Cents for Seeds project. We are inspired by their determination and ability to push the boundaries. Below are some of the team:

Ian Richards: ran 78 x 1km reps of the athletic track over the course of 11 hours.

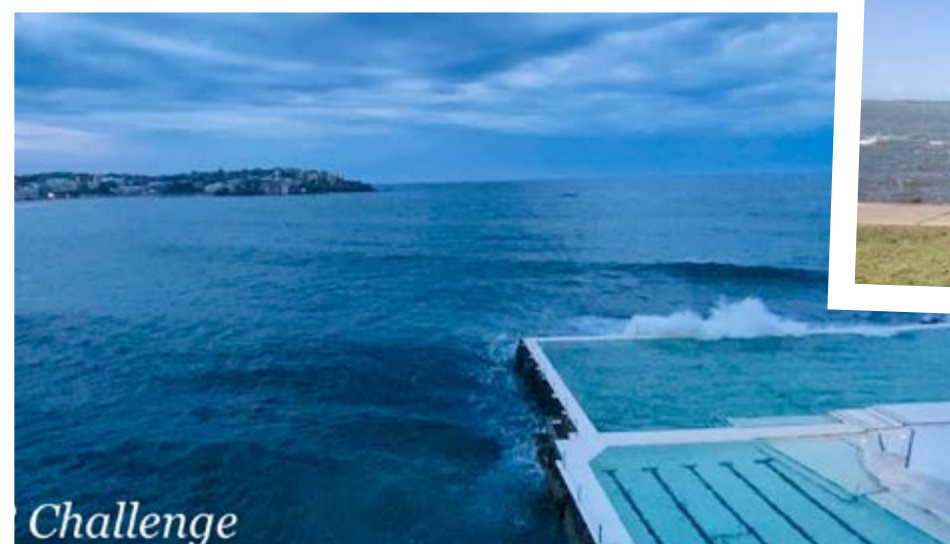
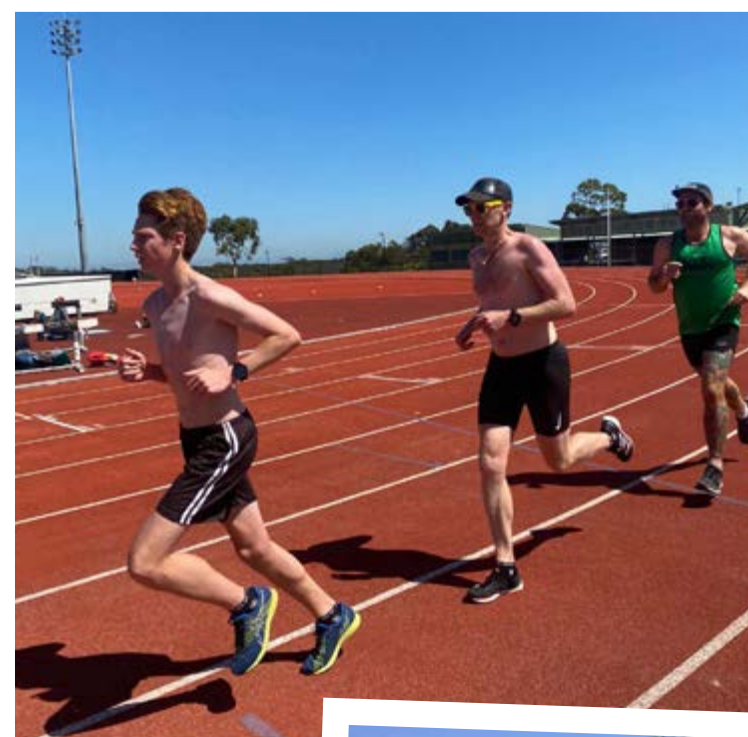
Cait Barrett: completed 7.8 hours of yoga over a weekend

Ged Timbs: ran 78 x 400m reps on the athletic track

Oz Walkers: a team who rode 78kms

Rossie: ran 2 x 7.8km runs over the weekend

Spare Cents: a team who ran 78kms in 24 hours



Challenge

BOARD PROFILES



DANIELLE THOMSON

Director
Provisional Psychologist and School Counsellor

Danielle went to Uganda on the first Love Mercy trip in 2010. She was captivated by it's 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."

ELOISE WELLINGS

Exectuive Director
Australian Olympian

Eloise is a professional athlete and Australian Olympian. She serves as Love Mercy's ambassador in a volunteer capacity and brings her vision and strategy to the board to direct 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, 5 and Sonny, 2.

"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"

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 13 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 AsiaPac, North American, European and African regions. After spending the last 5 years providing commercial and financial advice to government and private sector infrastructure developers across Africa, James returned to Australia in late 2017 and is now the Chief Financial Officer for 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 Eloise, Julius and team to expand the programme!"



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."



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 (and is mum to Fern and Archie).

"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."



MICHAEL HARDIE

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

Mike Hardie serves the board by facilitating the relationship of the organisation and local churches having been a pastor for over 20 years. Mike brings his experience in project planning, communication, leadership and vision development. Mike is a credentialed Minister with Churches of Christ NSW and Executive Board member for Fresh Hope NSW. 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 it's impact. I want to contribute anything I can to see the vision fulfilled".



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".

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 Director Officer



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 – Executive Director



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 2010. 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, and CEO during reporting period



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.



REBECCA STANELY

Fundraising Manager | Takes over as CEO in next reporting period

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.

Bec is currently undertaking a Masters of Business (MBA) with an estimated completion date of Dec 2022.



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 organizations 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

While COVID continued to impact the operations of the Love Mercy Foundation for the 6 month period ending 31 December 2020, the strong financial control framework implemented prior to the pandemic has meant the activities of the Foundation where able to continue.

During this time the Board in discussions with Caitlin and the team took the opportunity to re-assess the reporting framework the Foundation was currently operating within and as a result of this process the decision was made to re-align the Foundations reporting periods to better reflect the seasonal cycle of the activities in Uganda. From 1 January 2021 forward, the Foundation will now report its financial and operational results for the 12 month period January to December. This will allow stakeholders to understand the full operational and financial results of each project cycle.

As at the date of this report COVID appears largely under control in Australia however, as a Board we are conscious of its continued impact on the Foundations operations in Uganda. With a strong financial control framework and a reporting framework better suited to the seasonal cycle of the Ugandan projects we believe the Love Mercy is in a good position to move forward and continue its operations into the next year.



Report on the Audit of the Financial Report

Opinion

In our opinion, the financial report of Love Mercy International Ltd and its controlled entities:

- (1) has been prepared in accordance with Division 60 of the Australian Charities and Not For Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Group's financial position as at 31st December 2020 and of its financial performance and cash flows for the six months ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) ACFID requirements, Division 60 of the Australian Charities and Not For Profits Commission Regulation 2013 and requirements of the Constitution.
- (2) The financial reports and associated records have been properly kept in accordance with the Charitable Fundraising Act and its regulations.
- (3) Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act and its regulations.

Basis for opinion

We conducted the audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Liability limited by a scheme approved under Professional Standards Legislation

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

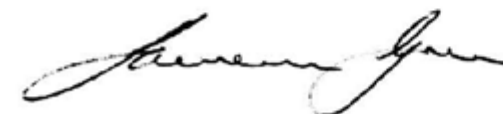
The audit objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the audit opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Shedden and Green Partners
Lawrence R Green FCA – Partner



20 April 2021, Miranda NSW

Board Members' Declaration

Love Mercy Foundation Ltd
For the 6 months ended 31 December 2020

The board members of the company declare that:

- The financial statements and notes satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 including:
 - complying with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - giving a true and fair view of the company's financial position as at 31st December 2020 and of its performance for the year ended on that date;
- 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 *R Wellings*

Director: Katie Rosser *Katie Rosser*

Sign date: 12 May 2021

Balance Sheet of Love Mercy Foundation Ltd and controlled entity As at 31 December 2020

	31 December 2020	30 June 2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	147,522	94,779
Trade and Other Receivables		13,589
Inventories		
Assets Held for Sale		
Other Financial Assets		
Total Current Assets	<u>147,522</u>	<u>108,368</u>
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	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$147,522</u>	<u>\$ 108,368</u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	18,233	4,967
Borrowings		
Current Tax Liabilities		
Other Financial Liabilities		
Provisions		
Other		
Total Current Liabilities	<u>18,233</u>	<u>4,967</u>
Non-current Liabilities		
Borrowings		
Provisions		
Other		
Total Non-current Liabilities	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>18,233</u>	<u>4,967</u>
NET ASSETS	<u>\$129,289</u>	<u>\$ 103,401</u>
EQUITY		
Retained Earnings	129,289	103,401
Restricted Reserves		
TOTAL EQUITY	<u>\$129,289</u>	<u>\$ 103,401</u>

Love Mercy Foundation Ltd and controlled entity
Statement of Income and Other Comprehensive Income
For the 6 Months Ended 31 December 2020

	6 months 2020	12 Months June 2020
Revenue		
Donations and Gifts		
Monetary	419,894	982,210
Non-monetary	3,841	7,367
Bequests and Legacies		
Grants	-	64,250
Department of Foreign Affairs & Trade		
Other Australian Grants		
Overseas Grants		
Commercial Activities Income	1,091	8,321
Investment Income	-	20
Other Income	-	-
Other Income - Govt Covid19 Support	81,912	60,936
Revenue for International Political or Religious Adherence Promotion Programs		
Total Revenue	<u>\$506,738</u>	<u>\$ 1,123,104</u>
Expenditure		
International Aid and Development Programs Expenditure		
International Programs		
Funds to International Programs	253,421	628,800
Program Support Costs	34,761	128,753
Community Education		
Fundraising Costs		
Public	490	132,390
Government, multilateral and private		
Accountability and Administration		
Non-monetary Expenditure		
Total International Aid and Development Programs	<u>\$288,672</u>	<u>\$ 889,943</u>
International Political or Religious Adherence Promotion Programs Expenditure		
Domestic Program Expenditure		
Commercial Activities Expenditure		
Other Expenditure	\$192,176	284,009
Total Expenditure	<u>\$ 480,848</u>	<u>\$ 1,173,952</u>
SURPLUS/(DEFICIT) ON OPERATIONS	<u>\$ 25,890</u>	<u>\$(50,848)</u>
Other Comprehensive Income		
TOTAL COMPREHENSIVE INCOME	<u>\$ 25,890</u>	<u>\$(50,848)</u>

Statement of Changes in Equity of Love Mercy Foundation Ltd and controlled entity
For the 6 Months Ended 31 December 2020

	Retained Earnings	Reserves	Other	Total
Current Period				
Balance at 1 July 2020 (commencing balance)	103,401			103,401
Adjustment of changes in equity due to, eg, adoptions of new accounting standards.	-			-
Items of other comprehensive income	25,889			25,889
Other amounts transferred (to) or from reserves				-
Balance at 31 December 2020 (period end balance)	<u>\$129,290</u>		<u>\$0</u>	<u>\$129,290</u>
Comparative Year				
Balance at 30 June 2019 (commencing balance)	154,249			154,249
Adjustment of changes in equity due to, eg, adoptions of new accounting standards.	-			-
Items of other comprehensive income	(50,848)			(50,848)
Other amounts transferred (to) or from reserves				-
Balance at 30 June 2020 (year end balance)	<u>103,401</u>	<u>-</u>	<u>-</u>	<u>103,401</u>

Statement of Cash Flows
For the 6 months ended 31 December 2020

	6 months 2020	12 Months June 2020
Cash Flows from/(used in) Operating Activities		
Receipts from donations grants and fundraising	519,236	1,054,418
Receipts from sales and other income	1,091	69,257
Payments to overseas aid, other suppliers and employees	(467,582)	(1,166,866)
Interest, equity and other income	-	20
	<u>52,745</u>	<u>(43,171)</u>
Net cash flows from/(used in) operating activities	<u>52,745</u>	<u>(43,171)</u>
	<u>52,745</u>	<u>(43,171)</u>
Net increase (decrease) in cash held	<u>52,745</u>	<u>(43,171)</u>
Cash at the beginning of the financial year	94,779	137,949
Cash at the end of the financial year	<u>147,522</u>	<u>94,779</u>
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 and cash equivalents	<u>147,522</u>	<u>94,779</u>
Reconciliation of net cash flows from/(used in) operating activities to operating surplus/(deficit)		
Net Surplus/(Deficit)	25,890	(50,848)
Changes in assets and liabilities:		
Decrease/(Increase) in Receivables	13,589	7,958
Increase/(decrease) in Payables	13,266	(281)
Increase/(decrease) in Provisions	-	0
	<u>52,745</u>	<u>(43,171)</u>
Net cash flows from/(used in) operating activities	<u>52,745</u>	<u>(43,171)</u>

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

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.

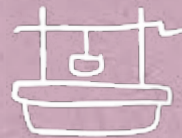
These notes should be read in conjunction with the attached compilation report.

OUR PRIORITIES FOR 2021 CALENDAR YEAR

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



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 rebecca@lovemercyfoundation.org

KHC



To build the capacity & the services of the maternity ward & support the community through the COVID pandemic to provide safe healthcare via outreach



Become a corporate partner: enquire via rebecca@lovemercyfoundation.org



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

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

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