

*"I offer sincere thanks to the members of the Institute Plenary Council... our patron, Lady Helen Deane, our dedicated board and staff members, our committed partners and donors, and our faithful friends and supporters..."*



It is with great pleasure that I introduce this 2007-2008 Annual Report of Mercy Works Incorporated and recommend it for your study and reflection.

It contains details of a period of quite significant consolidation and expansion within our organisation.

Mercy Works Inc. supports the local and overseas relief and development activities that are part of the vision and mission of the Institute of Sisters of Mercy of Australia. In 2007-08, the Board of Mercy Works ratified a new strategic direction for the agency which takes effect from 2008 until 2010. It states:

*In Australia, Mercy Works Inc. offers community education in world development concerns, provides assistance with refugees, and works in partnership with Indigenous peoples.*

*Overseas, the primary focus is in the Asia-Pacific region, where, in collaboration with local partners, Mercy Works Inc. directs its efforts towards the education, health care, and social and spiritual well-being of those who are poor or displaced.*

To highlight this new focus, the Board commissioned the design of a new logo which features the Mercy cross in close proximity to the Asia-Pacific region of the globe.

Mercy Works continues to be open to assist projects in other countries where Mercy women from Australia are engaged in offering relief and education to those in need.

However, we have found that the clarification of a specific focus for the immediate future has engendered a strong sense of purpose within the Board and among our generous donors.

The financial report details the distribution of funds to different areas and we continue to receive ongoing donations which will ensure the further development of our works in the coming year.

One very pleasing development within the organisation in this past year has been in the area of communication, with the production of our magazine, *The Bilum*. In particular, I thank the sponsoring congregations, Stephanie Thomas (editor), and our sisters in the various projects for their contributions in this regard.

I offer sincere thanks to members of the Institute Plenary Council for the support, encouragement and practical assistance they continue to offer Mercy Works. I also thank our patron, Lady Helen Deane, our dedicated board and staff members, our committed partners and donors, and our faithful friends and supporters for their efforts to further the mission of Mercy Works Inc. in 2007-08.

The projects which are included in this Annual Report, together with the stories detailed in *The Bilum*, highlight urgent situations that await our ongoing support. In so many ways, the needs of our world reflect those of the times of Catherine McAuley, foundress of the Sisters of Mercy.

May we share her deep compassion for these people whose "poor, dejected faces" continue to be before us, as we respond with generosity and creative planning in the coming year.

Mary Duffy RSM

Chair



In PNG's remote Western Province, most people travel on foot or by boat using dugout canoes and small motor boats.



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## Papua New Guinea

In Papua New Guinea (PNG) most of the population live in rural areas and rely heavily on agriculture to survive. But due to high levels of poverty, significant numbers of people are moving to urban centres to find employment and access services. This rapid movement of people has impacted on urban centres, causing an escalation in poverty, unemployment, crime and violence.

### Assisting communities affected by urban poverty

The Mercy Works PNG Project was launched in 2006 and is a partnership between the Sisters of Mercy PNG and Mercy Works Inc. Based in Goroka (Eastern Highlands Province), with a pilot programme in Mount Hagen (Western Highlands Province), the project is helping women, men and their families to address serious issues such as unemployment, domestic violence, addictions and HIV-AIDS.

Drop-in and referral centres have been established in Goroka and Mount Hagen which offer training programmes, support groups and individual advocacy services. Issues covered include human rights, health care, addictions, violence prevention and budgeting.

In 2007-08, 1,366 people (541 females, 825 males) have accessed services at the Goroka drop-in and referral centre, while 1,217 (504 females, 713 males) have accessed the centre at Mount Hagen. Activities at both centres have become widely known and are highly regarded, resulting in requests from

villages and outlying areas for similar programmes.

The Mercy Works PNG Project also provides outreach services to the Bihute Women's Prison near Goroka. The women have the opportunity to develop skills and participate in awareness raising activities twice a week so that upon their release from prison they will be better equipped to deal with life in their communities. Some of the women have also sought ongoing assistance from the project after their release from prison.

In early 2008, the project was asked to extend its support services to the Bihute Men's Prison and become involved in juvenile justice issues.

*The Mercy Works PNG Project has been made possible through the support of Mercy Works Inc., the Sisters of Mercy Gunnedah, Caritas Australia, Caritas New Zealand, Australian Volunteers International and one significant donor in Australia.*

### Supporting remote communities & those displaced

For over 28 years, large numbers of West Papuan refugees have been living under difficult circumstances in villages and settlements along the Fly River and in the mining town of Kiunga near the West Papua border.

Since 2003, Mercy Works, in partnership with the Diocese of Daru-Kiunga's Social Programme for Refugees, has provided education, health care and advocacy support for these displaced people, particularly for women and children.





*Clockwise from top left: Children from the village of Bena Bridge near Goroka; at the Bihute Women's Prison; a family from Tarakbits near Kiunga; at the Goroka markets.*



### Improving literacy rates for women in Wewak

Overall literacy levels in PNG have declined from a high of around 73% in 1999 to 57% in 2006, according to the UN's Development Programme. Also of concern is the gender disparity in literacy and schooling. The literacy rate has always been higher for men than for women, and while the gap has narrowed a little since the late 1990s, women remain substantially worse off.

With support from Mercy Works, the Mercy Education Project, based in Wewak (East Sepik Province), is providing Melanesian young women who are disadvantaged in some way with opportunities to complete their secondary education, thus enabling them to undertake further studies, professional activities or make other life choices.

The Mercy Education Project uses the College of Distance Education (CODE) programme which has operated successfully in PNG since the 1950s. In 2007-08 there were ten resident participants and a small number of external students working with one teacher.



The North Fly District in the vast Western Province is an extremely remote area with little infrastructure. Most people live in poverty because of poor access to services, particularly health and education.

In 2007-08, Mercy Works continued to support the Social Programme for Refugees, but significant attention was given to developing community-based health care initiatives which involve training women and men to be the primary health care workers in their villages. Mostly working voluntarily, these people are helping their communities to improve health and raise general standards of living.

Due to the disturbingly high maternal and infant death rates in PNG, the Social Programme for Refugees, in collaboration with the Catholic Health Agency has provided Village Health Volunteers with specialised training in "safe motherhood" practices.

While the Village Health Volunteers are not nurses or doctors, they have acquired the skills to assist in village deliveries. They have also learnt to promote healthy pregnancies, to identify high-risk mothers and to encourage them to attend clinics for pre and post natal monitoring.

With support from Mercy Works, the Social Programme for Refugees and the Catholic Health Agency will continue to train Village Health Volunteers in safe motherhood practices until 2010 so that the health and well-being of communities in the North Fly District, especially mothers and children, will be improved greatly.

## URGENT HELP NEEDED

1. The Mercy Works PNG Project is planning to establish a programme that will train and support former prisoners – mostly young women and men – to become financially independent by operating their own markets in Goroka town. Would you like to partner with Mercy Works by providing seeding money for this project?
2. PNG has the highest rate of child mortality in the Pacific and one of the highest rates of maternal mortality in the world. Would you like to help reduce health risks for mothers and babies in PNG's Western Province?

#### A donation of:

- \$300 will provide birthing kits and uniforms for five Village Health Volunteers
- \$1000 will provide a four-week training course for ten Village Health Volunteers





## Pakistan

According to the UN's Development Programme, nearly one-third of Pakistan's 158 million people live below the national poverty line. The causes of poverty in Pakistan are complex but a major factor is a high illiteracy rate. Between 1995 and 2005, 49.9 per cent of the population was illiterate. Yet, during the same period, 20 per cent of government expenditure was allocated to defence and only 1 per cent to education.

### Better libraries, better teachers, better students

The Notre Dame Institute of Education (NDIE) in Karachi has built a reputation as the number one teacher education facility in Pakistan over the past 17 years. NDIE students come from every part of the country and from all faiths and backgrounds, but most are from religious minorities and economically disadvantaged groups.

Students come to NDIE because they want to learn how to teach differently. Here they are introduced to teaching methods that are new in Pakistan but taken for granted in Australian schools. A crucial part of this process is using a rare resource in Pakistan's schools – a library.

In 2007-08, Mercy Works has supported the development of NDIE's library which caters mainly for NDIE students and lecturers, but also teachers from surrounding schools.

Remarkably, NDIE's library is the only one of its kind in Karachi. Making the library accessible to others is another way NDIE is trying to help teachers to increase their own knowledge and bring changes to what they do in the classroom.

It is hoped that better trained teachers will improve the quality of education, thus producing students who are better equipped for life.

*For more on our projects in Pakistan please see the feature on page 6.*

## URGENT HELP NEEDED

**W**ould you like to assist young women and men in Pakistan to be trained as competent and creative teachers?

#### A donation of:

- \$400 will buy five academic books for NDIE's library
- \$1000 will buy one computer and terminal for NDIE's library



*Students come to NDIE because they want to learn how to teach differently.*



*Albertina, Leopoldina and Martha from Feto Fitun Fohorem.*

## Timor Leste

It was a joyous occasion for the people of Timor-Leste on May 20, 2002 when their country was recognised internationally as an independent nation. The journey before and since that significant day, however, has been far from easy. The challenges of building a country from the ground up are huge, but they are not insurmountable.

### Gift of water in remote Timor Leste

Developing education opportunities for people in the remote and mountainous district of Fohorem, in Timor Leste's south-west has been a major focus for Mercy Works. However, the agency recently commenced a major water project in partnership with Rotary Mosman, Rotary Dili and the Fohorem Water Commission.

Planning for the installation of Fohorem's new water system began in 2007 and has involved extensive consultation with the local people. While two Australian Rotarians have guided the project and generously shared their expertise, it is the Fohorem Water Commission and locally employed people who have implemented the project. They too will be the ones who provide ongoing maintenance of the system.

Upon completion of the project, the system will draw on water from two springs in the mountains which will be transported through a series of pipes and tanks down to the villages.

The water project has had enormous benefits for the entire village of Fohorem. Not only does the community have a superior water system, thus improving health outcomes, but many people have gained skills, regular work and received an income to support their families.



*The Fohorem water project has provided many in the community with skills, regular work and an income to support their families.*

Installation of the water system is almost complete. Depending on weather conditions, the project is due to be finalised by mid 2009.

*The Fohorem Water Project would not have been possible without the generosity of Pam and Peter Dougherty and the Sisters of Mercy Sunderland North East England. Mercy Works acknowledges with deep gratitude their commitment to the people of Fohorem.*

### Empowering Fohorem's young women

In remote areas like Fohorem, young women have fewer opportunities to access education, thus limiting their ability to develop skills and gain employment. Most women help their families as subsistence farmers and wait to be married. But through the formation of a support group known as Feto Fitun Fohorem, the situation has changed for young women.

In 2007-08, Mercy Works funded the renovation of a small building in the village that has become the focus of activities and training programmes for young women. Feto Fitun Fohorem has become an important meeting place for young women to develop their sewing and craft skills.

The young women have established a small sewing business, making school uniforms and carrying out basic repairs, as well as using *tais* (lengths of intricately handwoven cloth) to make bags and cards. Providing a venue where the women can hone their sewing and craft skills and develop goods for marketing has been very rewarding. Establishing markets will be the next challenge, but knowing there are possibilities for women to generate income, however small, is very important in remote villages such as Fohorem.

## Kenya

The recent worldwide escalation of food prices and the conflict that followed Kenya's 2007 election have added to people's suffering in Lodwar.

### Children most vulnerable in Lodwar

Located in Kenya's north-west, Lodwar is a remote and impoverished town in a semi-desert environment. Drought and famine are commonplace, wreaking havoc on local crops and livestock. As a result of long and bitter conflicts in neighbouring countries, thousands of refugees also live at the nearby Kakuma Refugee Camp. While most people in Lodwar struggle to survive, children are particularly vulnerable.

In 2007-08, Mercy Works continued to support a home-based project in Lodwar that provides nutrition, education and health support for at-risk children up to the age of five. A large number of these children are orphans cared for by a grandparent, relative or friend. Some are also HIV positive.

As of June 2008, there were 105 children in the care of the Vulnerable Children's Project. Some of the children's older siblings, about 95 in number, have also received support.

## Peru

Despite an improved economy in recent years, just over half of Peru's population live below the national poverty line. Unemployment levels are high, social services are few, and the number of single parent families is considerable. Children continue to be the most vulnerable and unprotected citizens.

### Helping children and women out of poverty

In Cerro Candela, a low socio-economic area near Lima, most of the 12,000 residents live in sub-standard housing. There are no sewerage systems or running water. Sickness is excessive due to poverty, poor diet and contaminated water.

A significant cause of the enduring poverty for families here, especially for single mothers with young children, is that women have limited opportunities to work or study.

In 2007-08, Mercy Works has continued to support childcare services at the Mother of Mercy Children's House. Here children receive nourishing meals and participate in creative activities that foster their development, while their mothers attend the nearby Mother of Mercy Women's House for personal support, training and work opportunities.

### Dental health important for total health

In 2007-08, Mercy Works supported a dental care programme in Cerro Candela for children up to 15 years of age. This programme is contributing to the overall health and well-being of young people in this poverty-stricken area.







Members of the Dunghutti Nation with former NSW Premier Morris Iemma.

## Indigenous Australia

“Reconciliation is based on Indigenous and non-Indigenous Australians coming to an honest understanding of our shared history, a commitment to building co-operative partnerships based on trust and respect and a recognition of the distinctive rights of Indigenous peoples,” according to the Human Rights and Equal Opportunity Commission.

Mercy Works wholeheartedly endorses this statement, and, in 2007-08, supported two initiatives that have contributed to the reconciliation process in Australia.

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### Dunghutti people travel to Canberra Sorry Day

Mercy Works applauded the Federal Parliament’s historic apology to members of the Stolen Generations on February 13, 2008. The agency was privileged to assist 20 men and women, many of whom were members of the Stolen Generations from the Dunghutti Nation on the NSW mid-north coast, in their journey to participate in Canberra’s Sorry Day activities earlier this year.

### Yarnup connects young Australians and Indigenous

In 2007-08, Mercy Works supported Yarnup, an education and outreach programme that aims to encourage connections between young Australians and Indigenous people, and, in so doing, develop a greater understanding of Aboriginal history and culture.

Yarnup uses as its foundation the award-winning film *Kanyini*. Directed and produced by Melanie Hogan, a former student of Our Lady of Mercy College Parramatta, the film explores the story of Indigenous Australia through the eyes of Bob Randall, one of the traditional owners of Uluru and a member of the Stolen Generations.

Yarnup creates a support structure for schools and enables Australian students to engage with Indigenous Australians from their local community.

The Yarnup pilot project ran from January until June 2008 and involved 30 schools in NSW. A second pilot is taking place nationally from July until December 2008.



Yarnup’s Indigenous Liaison Officer, Wadi Wiriyanjara paints the face of a student from Mudgee High School.

Sudanese refugees Aisha, Mahir, Moataz, Mohamed, Montasir, Mayadar with Community Links Project volunteer, Helen O’Brien.



Students from Ursula Frayne College in Perth have organised a number of fundraising events for Mercy Works.

## AN EMOTIONAL JOURNEY BY CROW

From age 7 until 14, Crow lived at the Kinchela Boys’ Home in Kempsey, NSW. He began writing poetry to help heal his experiences as a member of the Stolen Generations. Crow travelled to Canberra on February 13 to hear Prime Minister Rudd say “sorry”.

A very emotional day,  
Came our way,  
The day Kevin 07 spoke his mind,  
The word of sorry, three times.  
A very emotional day, when  
we cried,  
Black and white and all.  
I’m sorry for our ancestors,  
who did not hear those words,  
We felt for them, now we feel a  
bit better than we did,

But I’m sorry, because,  
You can’t give back “Our  
Childhood”.  
A very emotional day, when  
the man spoke with his heart,  
“That he did”.  
We only wish that he really  
knew  
Now, what we really felt,  
When he said  
“I’m sorry, I’m Sorry, I’m Sorry”.

Ruth Marucca/Yarnup/Ursula Frayne Catholic College, Perth/  
Refugee Council of Australia/Sally Macfarlane



## Mercy Refugee Service

Relocating to a new country is an unsettling experience for anybody. Navigating the system to access housing, employment, education and health services can be daunting. But if you have fled your country as a refugee, the experience can be harrowing.

In 2007-08, two Mercy Refugee Service projects have made a significant impact on the lives of newly arrived refugees in Australia, and interestingly, they have done this by drawing on the skills and experience of ordinary Australians.

### Helping refugees re-settle in the community

During 2007-08, the Community Links Project in Sydney and Wollongong continued to recruit, train and support volunteers to extend a welcoming hand to refugees settling in Australia. Once trained, volunteers provide practical assistance aimed at developing people's skills so they can operate confidently and independently in their new community.

In recent years the Community Links Project has received funding from the Department of Immigration and Citizenship (DIAC) and Mercy Works. However, toward the end of the financial year, the Board of Mercy Works made the difficult decision to close the Wollongong project due to the non-renewal of funds from the Federal Government.



## Community & School Education

Mercy Works believes that education has the potential to transform individuals and communities. In 2007-08, community education initiatives included the production of two new publications.

### Two new publications for Mercy Works

The first edition of *The Bilum*, the agency's new 16-page colour magazine, was published in June and distributed to 3,000 members and partners of Mercy Works. The magazine, to be printed in June and December each year, is an important tool for communicating the stories of the people involved in the many projects supported by Mercy Works.

A partnering brochure was also produced to introduce the mission and activities of Mercy Works to the community, especially to those who have had no prior affiliation with the agency.

Both publications were made possible through generous sponsorship from the Sisters of Mercy Grafton and Townsville Congregations. It is hoped these initiatives will educate and inspire individuals and organisations to partner with Mercy Works in creative and sustainable ways.

### School students as global citizens

Mercy Works is extremely grateful for the support received in 2007-08 from over 40 primary and secondary schools across Australia. Through countless fundraising and awareness raising activities, students and staff have participated actively in bringing mercy and compassion to those most in need.

### Supporting refugee students

In early 2008, Mercy Works was pleased to launch a new project that focuses on the educational needs of young refugees. Classroom Connect is a pilot project that provides intensive academic support and mentoring to refugee students at secondary school level using trained volunteers.

Based in Sydney, the pilot is being delivered by Mercy Refugee Service in partnership with the Catholic Intensive English Centre and two schools in Ashfield, De La Salle College and Bethlehem College.

The ten volunteers working with the students at these schools have committed themselves to work for three hours each week until the end of 2008. Their primary role is to assist the students to make the transition from the Intensive English Centre to the mainstream school.

The Commonwealth Bank provided an initial grant for the establishment of Classroom Connect.

### Individual sisters supporting refugees and asylum seekers

During 2007-08, individual Sisters of Mercy throughout Australia have continued to provide practical and pastoral support to asylum seekers in detention centres and those living in the Australian community on temporary protection visas.





## Our Board

### Sr Mary Duffy RSM (Chair)

Mary was elected to the Board in November 2006 and is a member of the Sisters of Mercy, Melbourne. She has a background in education and extensive experience as a Board member of various community organisations. Mary is currently the Vice-Postulator in the Oceania region for Catherine McAuley's canonisation cause.

### Sr Mary Densley RSM

Mary was elected to the Board in June 2003 and is a member of the Sisters of Mercy, Adelaide. She was Co-ordinator of Mercy Refugee Service from 1985 to 1991, and holds a Master of Arts (Coursework) in International and Community Development. Mary has been involved in teaching, administration and governance in Catholic schools, and various roles in the administration of her congregation.

### Sr Anne Hetherington RSM

Anne was elected to the Board in March 2004 and is a member of the Sisters of Mercy, Brisbane. She has vast experience in education and was Director of Mission at the Mater Hospital Brisbane from 1990 to 1994. In recent years, Anne has been Executive Director of Sponsored Ministries for the Brisbane Congregation, setting up boards of governance and preparing the ministries for eventual incorporation. She is currently Bursar of her congregation.

### Mr Brendan Joyce

Brendan joined the board in November 2007. He is Assistant Director of PALMS Australia, an independent Catholic volunteering agency. In 2003 and 2004, Brendan worked in Bougainville at St Joseph's College, a school for ex-combatants. Since then he has travelled to Papua New Guinea and Sudan, evaluating and supporting a number of projects. Brendan has served on the NSW Ecumenical Council Partnership for Development Commission and is completing a Masters Degree in International Social Development.

### Mr Paul Lentern

Paul joined the Board in April 2005 and is currently Dean of Mission at Mount St Benedict College, Pennant Hills. Paul has worked as Director of Mission at Our Lady of Mercy College Parramatta and Religious Education Co-ordinator at St Augustine's College Brookvale. He has also held positions with Catholic Mission, the Catholic Diocese of Tonga and PALMS Australia. Paul holds a Masters Degree in Theology and a Graduate Diploma of Education.

### Sr Berice Livermore RSM

Berice was elected to the Board in November 2007 and is a member of the Sisters of Mercy, Singleton. She holds a Bachelor of Health Administration and has extensive experience in the administration of not for profit organisations. Berice now assists various religious congregations with the administration of their internal affairs and ministries.

### Sr Leonie O'Brien RSM

Leonie was elected to the Board in November 2007 and is a member of the Sisters of Mercy, Perth. She has wide-ranging experience as an educator, having served in teaching, leadership and administration roles. In 2000, she was invited by the Catholic Education Office of WA to work with schools to help rebuild Timor Leste's education system. Over the past 10 years, Leonie has been a member of the Board of Governors at Notre Dame University, WA.

### Sr Sharon Price RSM (Secretary)

Sharon was appointed to the Board in August 2006 and is a member of the Sisters of Mercy, North Sydney. Sharon is currently the Executive Director of the NSW Conference of Leaders of Religious Institutes. She has served as a Board member and Chair of Mercy Family Centre and the Mercy Foundation, and as a Board member of Monte Sant' Angelo College, North Sydney.

### Mr Alan Schofield (Treasurer)

Alan joined the Board in August 2006 and is currently the Bursar for the Sisters of Mercy, Grafton. He was previously Administrator of Mercy Aged Care Services Incorporated (Casino and Grafton), and has held various public hospital accounting and administrative positions. Alan holds a Masters Degree in Health Planning and a Bachelor of Commerce Degree.

The service of [Sr Caroline Ryan RSM](#) (representing the Institute Leadership Team) and [Mr Terry Sayer](#) (external member of the Finance Committee) is acknowledged with gratitude.

## Our Staff

[Sr Rosemary Carroll RSM](#), Executive Officer

[Sr Lorraine Phelan RSM](#), Mercy Refugee Service Manager

[Ms Kay Hotschilt](#) (until December 2007) and [Ms Bridie Rothwell](#) (from April 2008), Office Administration Assistant

[Ms Miriam Pellicano](#), Community Links Project Co-ordinator, Sydney (until March 2008)

[Ms Maddy Oliver](#), Community Links Project Officer, Sydney (until December 2007)

[Ms Melinda Hammann](#), Community Links Project Co-ordinator, Wollongong (until July 2008)

[Ms Julie Moujilli](#), Community Links Project Administrative Assistant, Sydney (January-May 2008)

[Ms Sally Macfarlane](#), Classroom Connect Project Co-ordinator (from December 2007)

[Mr David Hardie](#), Classroom Connect Volunteer Project Co-ordinator (from January 2008)

[Sr Joan Smith RSM](#), School Liaison Officer

The assistance of [Mrs Kathy Fuller](#) (Institute Secretary) and [Ms Niki Rebay](#) (Institute Finance Officer) is greatly appreciated.



**Consolidated Income Statement***For the year ended 30th June 2008*

	2008	2007
	\$	\$
<b>Revenue</b>		
Legacies & Bequests	-	-
Grants - DIAC	140,454	137,700
Donations & Gifts-Monetary & Non	365,308	227,722
Investment Income	51,110	35,200
Other Income	61,816	49,910
<b>Total revenue</b>	<b>618,688</b>	<b>450,532</b>
<b>Expenses</b>		
Overseas Projects		
Funds to overseas Projects	251,026	133,321
Other Project Costs	41,977	9,924
Domestic Projects	191,880	164,618
Community Education	44,236	38,473
Fundraising Costs	9,399	8,691
Administration	88,740	149,857
<b>Total expenses</b>	<b>627,258</b>	<b>504,884</b>
Transfer (to)/from Project Funds	(501)	(40,188)
Excess of revenue over expenses (Shortfall) from continuing operations.	(9,071)	(94,540)

**Consolidated Balance Sheet***As at 30th June 2008*

	2008	2007
	\$	\$
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	264,579	114,751
Financial Assets	650,000	640,000
Non current Assets		
Property, plant & equipment	2,202	7,506
Other	184	6,843
<b>Total assets</b>	<b>916,966</b>	<b>769,100</b>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	29,509	21,873
Provisions	754,253	604,953
Non current liabilities	-	-
<b>Total Liabilities</b>	<b>783,762</b>	<b>626,826</b>
<b>Net assets</b>	<b>133,203</b>	<b>142,274</b>
<b>Equity</b>		
Reserves	-	-
Funds available for future use	133,203	142,274
<b>Total Equity</b>	<b>133,203</b>	<b>142,274</b>

**Statement of Changes in Equity***For the year ended 30th June 2008*

	Retained Earnings	Reserves	Total
<b>Balance as at 1 July 2007</b>	142,274	-	142,274
Excess of revenue over expenses	(9,071)	-	(9,071)
Amount transferred (to)/from reserves	-	-	-
<b>Balance as at 30 June 2008</b>	<b>133,203</b>	<b>-</b>	<b>133,203</b>

**Table of Cash Movements for Designated Purposes***For the year ended 30th June 2008*

	Cash available at beginning of year	Cash raised during year	Cash disbursed during year	Cash available at end of year
Community Links	3,848	140,454	141,484	2,818
Pakistan	35,115	36,891	58,709	13,297
Papua New Guinea	61,829	58,785	9,970	110,644
Peru	13,218	1,035	13,353	900
East Timor	156,800	38,104	103,147	91,757
Kenya	2,673	3,922	6,143	452
Mercy Refugee Service	4,765	29,030	20,325	13,470
Domestic Projects	18,030	81,468	23,038	76,460
Total for other Purposes	(181,527)	415,147	278,839	(45,219)
<b>Total</b>	<b>114,751</b>	<b>804,836</b>	<b>655,008</b>	<b>264,579</b>

The income for our programs has come from donors whilst the Community Links Project is funded by the Department of Immigration & Citizenship. Our main donors are Congregations, Sisters of Mercy and schools affiliated with the Sisters of Mercy. However, the donations in total come from a very varied group of donors. Specified donations have been received for Mercy Refugee Services, Peru, Pakistan, Papua New Guinea, Kenya and East Timor.

**A full copy of the audited report is tabled for the Annual General Meeting and is available to any member on request.**

Mercy Works Inc is a signatory to the Australian Council for International Development (ACFID) Code of Conduct, which defines minimum standards of governance, management, and accountability for non-government development organisations. Adherence to the Code is monitored by an independent Code of Conduct Committee elected from the NGO community. Our voluntary adherence to the Code of Conduct demonstrates our commitment to ethical practice and public accountability.

More information about the ACFID Code of Conduct can be obtained from Mercy Works Inc and from ACFID at:

ACFID, Private Bag 3,  
Deakin ACT 2600  
Tel (02) 6285 1816  
Fax (02) 6285 1720  
www.acfid.asn.au

**Independent Audit Report***To the members of Mercy Works Incorporated***Scope**

We have audited the summarised consolidated financial report of Mercy Works Incorporated for the twelve months ended 30 June 2008 in accordance with Australian Auditing Standards.

**Audit Opinion**

In our opinion, the information reported in the summarised consolidated financial report is consistent with the statutory financial reports from which it is derived and upon which we expressed an unqualified audit opinion in our report to members dated the 1st day of October 2008. For a better understanding of the scope of our audit this report should be read in conjunction with our audit report on the annual statutory financial report.

**HARVEYS**  
Chartered Accountants

**D P Robinson**

Dated this 1st day of October 2008