



Mercy Ships Australia 2023 Annual Report



Igniting *hope* multiplying *impact*



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PREPARING FOR THE FUTURE

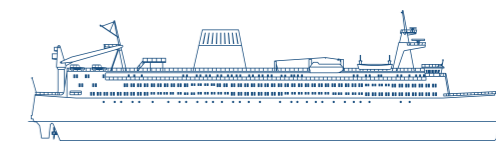
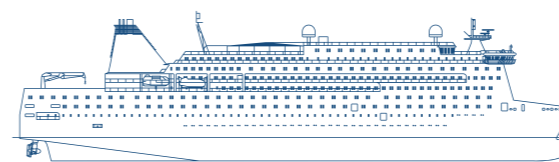
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IMAGE (COVER):
Cheikh, cleft lip patient and his mother Ndeye.

IMAGE (LEFT):
Aminata, cleft lip patient



The World's Largest Civilian Hospital Ships



The Global Mercy™

- 6 operating theatres
- 102 acute care beds
- 7 ICU/isolation beds
- 90 self-care beds
- 6.1m draft
- 174m length
- 28.6m breadth
- 37,000 gross tonnage

The Africa Mercy®

- 5 operating theatres
- 80 patient beds including recovery, intensive care, and low dependency wards
- 6.0m draft
- 152m length
- 23.7m breadth
- 16,572 gross tonnage



Mission

Bringing hope and healing to the world's forgotten poor.



Vision

Mercy Ships uses hospital ships to transform individuals and serve nations.



Values

- Love and serve others
- Be people of integrity
- Strive for excellence in all we say and do



Impact

Each year, 16.9 million people around the world die due to lack of access to surgical care. Mercy Ships is an international development organisation that deploys hospital ships and volunteers to developing nations - improving the quality of life for people living with the diseases of poverty, disfigurement, and disability through direct medical services and building the capacities of healthcare systems to meet the needs of the future.

IMAGE:
The Global Mercy and the Africa Mercy sail side-by-side on their way to Senegal and South Africa, respectively.

Letter from the *Chairman*

Dear Mercy Ships Australia Community,

As we reflect on the achievements of 2023, I'm moved by the unwavering support from our Australian supporters. Your generosity has been pivotal in propelling the mission of Mercy Ships forward, marking this year as one of unparalleled impact with the operational debut of the *Global Mercy*, alongside the continued service of the *Africa Mercy*.

Our journey to Senegal and The Gambia, culminating in preparations for our Madagascar field service, highlighted the transformative power of healthcare and the spirit of volunteerism. The stories of individuals like Amadou, whose life was dramatically changed aboard the *Global Mercy*, illustrate the deep impact of our collective efforts. These narratives are not just tales of medical intervention but of restored hope, dignity, and futures—a testament to the critical role you play in our mission.

Looking ahead, our commitment to bringing hope and healing grows stronger. The challenges are significant, but, with the *Africa Mercy* ready to embark on her next mission and the *Global Mercy* completing a groundbreaking year, we stand on the brink of expanding our reach and impact like never before. Your continued support—whether through financial contributions, volunteering, or spreading the word—remains invaluable. It's your support that fuels our ships, empowers our volunteers, and transforms lives across the globe.

As we set sail into another year of service and healing, I invite you to continue this journey with us. Together, we're not just offering surgeries; we're unlocking potential and weaving a global tapestry of compassion that reaches far beyond the shores we visit. Thank you for your dedication, your passion, and your belief in the mission of Mercy Ships Australia. Here's to a future where no one is beyond reach, and every life we touch is a step toward a world where healthcare is accessible to all.

With deepest gratitude and anticipation for what we will achieve together.



Richard Wankmuller,
Chairman Mercy Ships Australia

“

Here's to a future where no one is beyond reach, and every life we touch is a step toward a world where healthcare is accessible to all.”

– **Richard Wankmuller,**
Chairman Mercy Ships Australia



Letter from the *Managing Director*

Dear Friends and Supporters of Mercy Ships Australia,

As we reflect on 2023, we're deeply moved by the profound impact of our collective mission. In a world where healthcare disparities loom large, the resilience and compassion of the Mercy Ships community shine as a beacon of hope. The challenges are stark, as evidenced by the 2023 Universal Health Coverage Global Monitoring Report, which reveals that billions still lack access to essential health services. Yet, in these challenges, we find our calling.

More countries in Africa made legislative steps towards universal health coverage, symbolising a beacon of hope for equitable healthcare access. This progress mirrors the ethos of Mercy Ships, underscoring our shared vision of a world where healthcare reaches every corner, especially the underserved.

The devastation wrought by Cyclone Freddy in Southern Africa laid bare the fragility of healthcare infrastructures, affecting millions and severely damaging over 300 health facilities across Madagascar, Malawi, and Mozambique. In the face of such adversity, our mission to deliver not just medical care, but also to fortify healthcare systems, has never been more urgent.

Our efforts over the past year, on board the *Africa Mercy* and the *Global Mercy*, have been a testament to what can be achieved with unwavering support and shared humanity. From surgeries that restore sight and mobility to training that equips local healthcare workers with vital skills, each intervention is a step toward lasting health system improvements.

Your support has propelled these efforts forward, enabling transformative care for thousands and strengthening healthcare resilience against future crises. The stories of individuals whose lives have been dramatically changed are a powerful reminder of the impact of your generosity.

Looking ahead, we are committed to expanding our reach and deepening our impact. The need for accessible, quality healthcare remains immense, and our resolve to meet this need is unwavering. With your continued support, Mercy Ships Australia will keep sailing towards a future where no one is left behind in the quest for health and healing.

Thank you for being an indispensable part of this journey. Together, we are navigating towards a horizon where hope and healing are within reach for all.

With heartfelt gratitude.



Alan Burrell
Managing Director

“

Our efforts over the past year, onboard the Africa Mercy and the Global Mercy, have been a testament to what can be achieved with unwavering support and shared humanity. From surgeries that restore sight and mobility to training that equips local healthcare workers with vital skills, each intervention is a step toward lasting health system improvements.”

– **Alan Burrell**
Managing Director



About Mercy Ships

Globally, 5 billion people lack access to surgery

As a result of this lack of access to surgical care, more than 16.9 million people die each year. Every day, children and adults in some of the poorest communities die from causes that can easily be treated in hospitals in nations like Australia. 1 in 8 children will die before they have the chance to go to school.

Founded in 1978, Mercy Ships is an international development organisation, using hospital ships, in-field services and volunteers to deliver:

1. **Direct medical care, dental care and surgery to those without access**
2. **Education, training, and mentoring of local healthcare workers**
3. **Improvements to healthcare infrastructure**
4. **Humanitarian aid, PPE supplies and medical equipment**

Our model is based on transformational development and as a result, we have

witnessed thousands of changed lives for more than 42 years.

We believe transformed lives can, and do, change nations. We witness the profound impact of free surgeries, as our volunteers restore hope to patients and their families.

We see the potential of local medical professionals to inspire, build up, and transform their surgical systems and take care of their populations.

This Mercy Ships International Programs Strategy is based on current global health frameworks. It describes our theory of change and oversees the direction of our programs.



IMAGE:
Saikou, the first patient to receive surgery on the *Global Mercy* from The Gambia, and Amadou, the first patient on board the *Global Mercy*, at the HOPE Centre after surgery.

As a surgical, non-governmental organisation working across eight different surgical specialties, our programs focus on improving the quality of life for people living with disease, disfigurement, and disability.

We achieve this through direct medical services, whole person care, and building the capacity of surgical systems to meet the needs of the future.

We have a unique part to play in the attainment of key Global Goals, such as Sustainable Development Goal 3: Good health and wellbeing. We will achieve this by directing our programs to three key strategic aims:

1. **Decreasing the burden of unmet surgical need;**
2. **Improving outcomes for patients by supporting surgical systems to become more effective, efficient, and responsive;**
3. **Engaging with governments and policymakers at local and national levels.**

To achieve these aims, we align our transformative work with the World Health Organisation (WHO) Health Systems Strengthening (HSS) approach.

This approach strives to strengthen health systems in a uniform way so that they improve community health, are responsive

to the needs of their populations, have social and financial risk protection, and are efficient and well-governed.

We will align activities to contribute to one or more of the 6 WHO HSS 'Building Blocks' in our country engagement strategies:

1. **Service delivery**
2. **Health workforce**
3. **Health information**
4. **Medical products and technologies**
5. **Health financing**
6. **Leadership and governance**

To achieve this, we create 5-year Country Engagement Plans based on 3 areas of operational focus: direct medical services; medical capacity building; and engagement with governments and policymakers at the national and local level.

These plans enable Mercy Ships to walk alongside host nations in their journey towards health systems strengthening, working in partnership to understand the existing capacities and developmental needs of surgical care systems. Based on our level of relationship and partnership with each country, plans allow for longer-term capacity building to strengthen the surgical system.

We believe that transformed lives lead to transformed systems and communities. Moreover, when communities are transformed, so are nations.



What We Do

Within the Global SDG Context

The signing of the WHO's Global Sustainable Development Goals (SDGs) in 2015 has given all nations a road map within which to grow and thrive. The ambitious goals seek to promote mutual flourishing of all peoples, economies, and environments by 2030, placing equal importance on the health and wellbeing of individuals, populations, and the earth and her resources.

Of the 17 goals, Good Health and Wellbeing (SDG 3) is a key priority to Mercy Ships. From maternal, infant, and child mortality, to road traffic accidents and non-communicable diseases, surgery has an indispensable role to play in attaining SDG 3 targets. As surgical and anaesthesia specialists in eight specialties — plastic reconstructive, maxillofacial, paediatric orthopaedic surgery, general surgery, paediatric general surgery, women's health (including obstetric fistula), ophthalmic, and dental — our programs focus on attaining the greatest health outcomes for patients requiring surgical treatment in the countries in which we work. We accomplish these outcomes through direct medical services and medical capacity building to meet the needs of the future.

We know all too well that for people living in most developing nations, access to essential surgery is often limited, unaffordable, and carries high risks with variable outcomes. Too many people live with their ailments for longer than they need to, because the service they need is not available or too expensive. Our programs provide relief from suffering through direct medical services, while also investing in the health infrastructure and workforce to develop surgical skills and expand surgical service provision nationwide.

We know all too well that for people living in most developing nations, access to essential surgery is often limited.



The WHO 'Building Blocks' Of An Effective Health System

- 1. Service delivery:** Good health services are those which deliver effective, safe, quality health interventions to those that need them, when and where needed, with minimum waste of resources.
- 2. Health workforce:** A well-performing health workforce is one that works in ways that are responsive, fair, and efficient to achieve the best health outcomes possible, given the available resources and circumstances. This means having sufficient staff, fairly distributed, who are competent, responsive, and productive.
- 3. Health information:** A well-functioning health information system is one that ensures the production, analysis, dissemination, and use of reliable and timely information on health determinants, health system performance, and health status.
- 4. Medical products and technologies:** A well-functioning health system ensures equitable access to essential, scientifically-sound medical products, vaccines and technologies of assured quality, safety, efficacy, and cost-effectiveness.
- 5. Health financing:** A good health financing system raises adequate funds for health in ways that ensure people can use needed services and are protected from financial catastrophe or impoverishment associated with having to pay for them.
- 6. Leadership and governance:** A well-managed health system ensures strategic policy frameworks exist and are combined with effective oversight, coalition-building, and regulation, with appropriate attention to system-design and accountability.



IMAGE: Dr. Rachel Buckingham, Specialty Consultant - Orthopaedic, Dr. Belen Carsi Lluch, Paediatric Orthopaedic Surgeon, and Dr. Herbert Kallon, ETA Student, perform surgery on Ruth, orthopaedics patient.

2023 in *Africa*

For Mercy Ships, 2023 was a year of renewed hope and impact reverberating through decades. In just one year, we launched two field services in two different ports, serving patients from three different nations.

We started off the year by returning the *Global Mercy* to Dakar to begin her first surgical field service, where she welcomed patients from both Senegal and The Gambia. A moment, years in the making, took place as 4-year-old Amadou climbed the gangway in search of healing – the first patient to ever receive surgery on board the purpose-built new vessel.

Weeks later, Amadou walked down the same gangway – this time with straightened legs, a joyful smile and confidence for the future.

For crew on board and our Mercy Ships community around the world, Amadou’s journey was a celebration. It marked not only one life transformed, but the first of many to come on the *Global Mercy*.

After a five-month field service in Senegal, where 736 patients received healing and approximately 600 healthcare workers were trained across Senegal and The Gambia, the *Global Mercy* sailed to Sierra Leone. Her arrival in Freetown was a true homecoming, marking the sixth Mercy Ships field service over the course of 30 years to this partner nation.

Meanwhile, hope continues to build as even more impact awaits. The *Africa Mercy* spent this year undergoing an extensive refit in South Africa, preparing to bring life-changing care to Madagascar in 2024. In Guinea, continued training and mentoring, as well as the ongoing construction of an expanded dental training facility, have made safe surgical care more accessible to many.

Thank you for being part of a truly monumental year, filled with both new beginnings and treasured reunions.

IMAGE:

Amadou, the first patient on board the *Global Mercy*, during his final discharge.



08

COUNTRIES WITH ACTIVE PROGRAMS

1,382

VOLUNTEER CREW FROM 71 COUNTRIES

661

NATIONAL CREW FROM SENEGAL, THE GAMBIA, AND SIERRA LEONE

3,136

SURGICAL PATIENTS

4,804

SURGICAL PROCEDURES

56

DENTISTS TRAINED

11,436

DENTAL PROCEDURES

1,522

HEALTHCARE WORKERS TRAINED

105,123

HOURS OF HEALTHCARE EDUCATION AND TRAINING

Impact and Partnership

Across Africa

Mercy Ships' programs, partnerships, and projects across Africa this year led to lives transformed and lasting impact. While our hospital ships were actively serving Senegal, The Gambia and Sierra Leone through the course of the year, the work didn't stop there. With approximately 9 in 10 people lacking access to safe, timely, and affordable surgical care in sub-Saharan Africa, we aim to make a difference for as many as we can through our country engagement model. In 2023, this included...

Senegal

With the *Global Mercy* ending her field service in Dakar in June, 657 Senegalese patients received surgery and 518 healthcare workers were trained in 2023.

The Gambia

A total of 79 patients from The Gambia received surgery through the Port of Dakar, as well as 140 healthcare workers received training.

Guinea

Partnerships with Université Gamal Abdel Nasser de Conakry in Guinea flourished in 2023, allowing us to invest in programs such as dental education, anaesthesia provider training, biomedical engineering training, and more.

Sierra Leone

In August, the *Global Mercy* arrived in Freetown for a 10-month field service, beginning with 1,132 surgical procedures in the latter half of the year.

Liberia

Anaesthesia machine donations and anaesthesia training for 354 participants will lead to safer surgical practices in Liberia, while follow-up nutritional agriculture training for 24 Food for Life participants promotes healthier futures for their communities.

"Since I was 12, I have been dreaming about a place where people can come to have surgery or other treatments... I want to have a place like that in Africa where, if I go there, I'm sure that things will be good. The goal is not just doing something but doing something at the best level."

- Dr. Alida Ngandjio Sidi, mentee surgeon



Togo

Partnerships with two cataract-focused NGOs allowed us to fund 2,108 surgical procedures, restoring sight to 1,688 people.

Benin

63 Food For Life participants received training in nutritional agriculture, and 101 participants expanded their skills through an Essential Pain Management course and Training of Trainers course.

Madagascar

In Madagascar, the Country Engagement Team paved the way for next year's field service, including organising upcoming patient assessment and selection.

South Africa

A series of 8 SAFE obstetrics and paediatric courses for 223 participants, as well as the refit of the *Africa Mercy*, took place in South Africa this year.



One Port, Two Nations

In February 2023, the *Global Mercy* sailed into the Port of Dakar to begin her very first surgical field service. Arriving in Africa and welcoming patients on board meant the realisation of a dream. Finally, this purpose-built hospital ship was fulfilling her lifesaving mission.

During the five-month field service in Dakar, Mercy Ships served two nations – Senegal and The Gambia – through one port, leading to many unforgettable life transformations.

As the *Global Mercy* departed, after the close of a successful field service in June 2023, it was a bittersweet goodbye. Senegal has been a tremendous partner to Mercy Ships through these years. It was in this partner nation that we christened the *Global Mercy* and hosted the Africa Celebration in 2022. It was also the site of the agreement of the Dakar Declaration – a commitment of African nations to strengthening access to surgical, obstetric, and anaesthetic care in the coming years.

We celebrate not only our enduring partnership with Senegal, but also the collaborative spirit of the government to enable Mercy Ships to serve The Gambia this year.

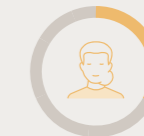
“It [surgery] is life-changing. It has a ripple effect in the individual’s life, in the community and in the family’s life.”

– Dr. Ahmadou Lamin Samateh,
Minister of Health of The Gambia

IMAGE:
Satou, plastics patient, with Debz Kefford,
ward nurse, on the dock.



1,564
TOTAL
SURGICAL
PROCEDURES



519
MAXILLOFACIAL



294
OPHTHALMIC



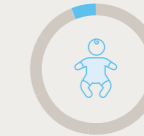
260
ORTHOPEADIC



238
GENERAL



160
RECONSTRUCTIVE
PLASTIC



93
PAEDIATRIC
SPECIALISED
GENERAL

NOTE:
A patient often has multiple procedures as part of a single surgery and may also have multiple surgeries.

Two Hours of Surgery, A Lifetime of Transformation

Malang was 2 years old when his legs started curving outward.

“I was very sad when I saw Malang walking like that. Sometimes his friends would run and leave him behind, and he’d cry,” said his father, Sadio.

However, a glimmer of hope appeared when Sadio learned Malang could receive help on board the *Global Mercy*.

Surgery was the first step of many in Malang’s transformation journey as intensive rehabilitation stretched before him. Yet Sadio’s support remained unwavering. They celebrated together when Malang’s casts were finally removed and he stood tall. Malang’s journey toward a limitless future had begun!



Starting to Recognise Herself

“It’s been almost eight years... I don’t remember how my face looked without it,” said 35-year-old Khadidiatou about the pear-sized tumour on her jaw.

As a wife and mother of seven, the growing tumour began affecting her ability to care for her family and she withdrew into herself.

But after surgery on the *Global Mercy*, Khadidiatou’s subdued personality began to change and blossom.

“I can start to recognise myself. I compared my photo from before and compared it to the one after...they are not the same,” she said, celebrating her restored beauty.



The Long-Awaited Journey to Healing

Samba’s journey to hope and healing was a long one – but for this 56-year-old, it was worth the wait.

His cleft lip had brought Samba unwanted attention his whole life, so he had learned to live in the shadows. But since his healing on board the *Global Mercy*, he shared that neighbours and friends have begun to rally around him in a way he’d never experienced. “It changed a lot—I’ve changed. I don’t look like the man I used to be,” he celebrated after returning home to his farm in rural Senegal.

“There is undoubtedly a change in his eyes,” marveled Dr. David Chong, the volunteer surgeon from Australia who performed Samba’s cleft lip surgery. “It’s just the soul coming from his eyes as he realises who he is — maybe not even who he is, but who people can see him to be now.”



“

Working on the ship really feels like, to a much greater degree, medicine as it’s supposed to be. You can see more directly the impact on patients, and on their families, and on their communities.”

– Dr. Mark Shrimme, Mercy Ships International Chief Medical Officer



Saikou, the First Patient from The Gambia

In 2023, 79 patients from The Gambia walked up the gangway of the *Global Mercy*. It all started with healing the knocked knees of 4-year-old Saikou, whose mother Jainaba brought him on a 14-hour journey to the ship. Although he plays soccer and is an energetic little boy, Jainaba explained, “Pain is coming from inside. He is disturbed about it, and he is worrying about it.”

“My son is going to have surgery. I am grateful for that,” celebrated Jainaba as they arrived for what would be a successful orthopaedic operation for her son.



658

UNIQUE ETA PARTICIPANTS



31,087

TOTAL PARTICIPANT HOURS

Bringing Education, Training, and Advocacy to Senegal and The Gambia

The Education, Training and Advocacy (ETA) programs that took place in Senegal and The Gambia, lead to more than 600 healthcare workers strengthening skills and learning new ones. This focus on long-term education and individual growth ensures a lasting impact and sustainable development for surgical systems in Senegal and The Gambia.



“

Building strong relationships with surgical providers in Senegal, we were able to support providers previously trained as trainers to be the lead facilitators on several courses.”

– Erin Muyres, Senior Director for Education, Training and Advocacy



Training that Saves Lives: Dr. Camara's Story

As a young boy, Dr. Abraham Camara was puzzled when neighbours came to seek medical help from his father, a high school teacher.

“He was the only person who had gone to university, and he worked for the government... so they thought he would know a lot about healthcare,” explained Dr. Camara.

His father embraced the responsibility, offering help and guidance. Watching his father in action planted a dream to go into medicine: “I wanted to change lives and help, just like my father.”

For the past 12 years, Dr. Camara has been working toward becoming a specialised surgeon. But first, he needed more training.

He connected with the Pan-African Academy of Christian Surgeons (PAACS), an organisation Mercy Ships partners with to provide an opportunity for PAACS residents to experience specialised residency rotations on board the hospital ships.

Through this partnership, Dr. Camara boarded the *Global Mercy* to train with South African reconstructive plastics surgeon, Dr. Tertius Venter, in the operating room over the course of six weeks. Scrubbing in alongside Dr. Venter was an opportunity to learn from an expert in the field and expand his understanding of quality patient care.

He departed the ship confident about the future impact he can make as a surgeon, armed with skills honed through years of training — and the compassion he first learned from his father.

IMAGE: Dr. Abraham Camara (right), operates alongside reconstructive plastic surgeons, Dr. Tertius Venter (centre) and Dr. Guido Köhler (left).

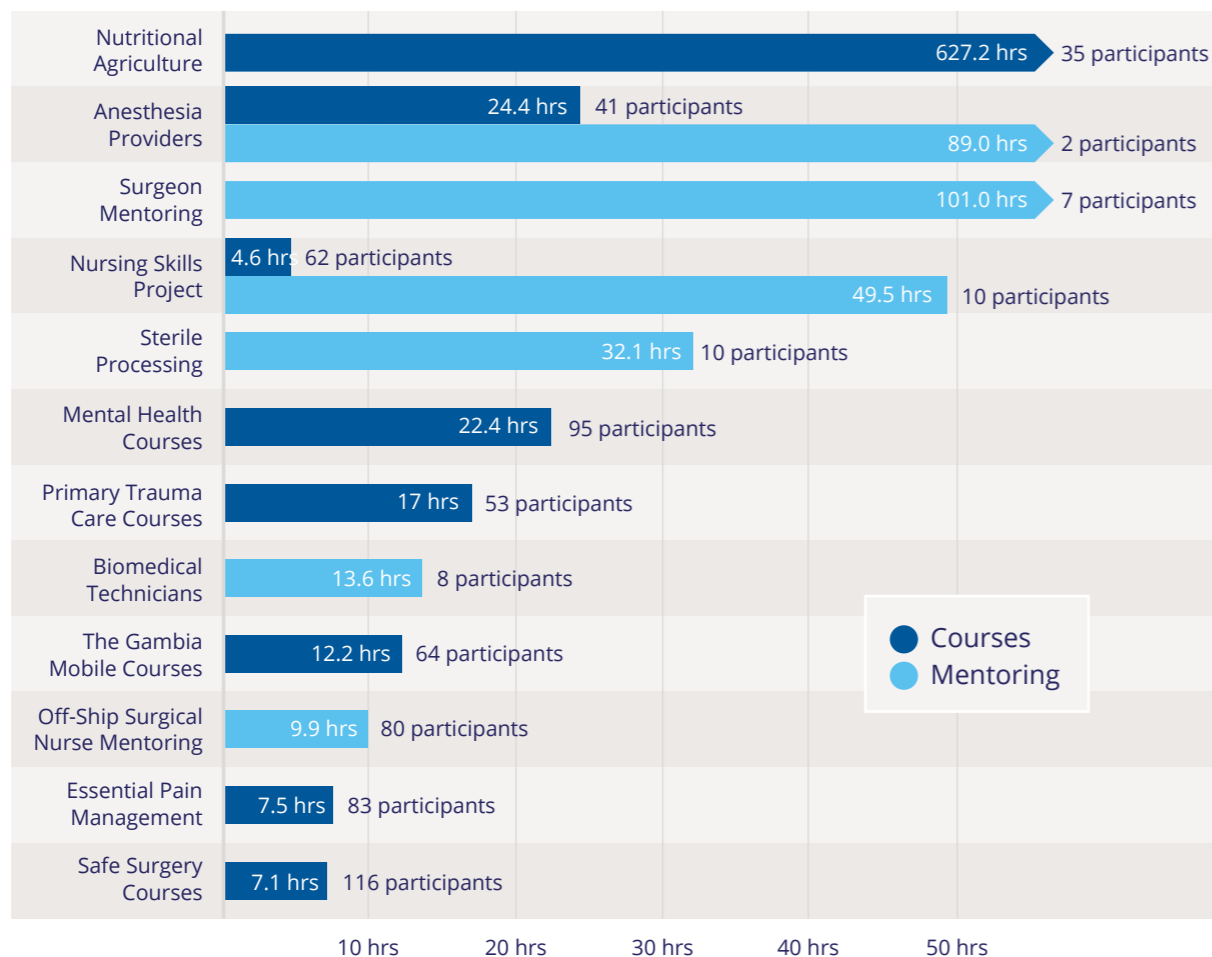
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There is so much we can accomplish together as we build towards a future of safe and affordable surgery for all. Creating meaningful partnerships...can go a long way to addressing the immediate needs of the people.”

– Dr. Serigne Gueye Diop, Ministre Conseiller à la Présidence de la République du Sénégal



Average Participant Hours per Project





Sierra Leone

A Special Homecoming in Sweet Salone

Thanks to an invitation from the government of Sierra Leone, Mercy Ships arrived in the Port of Freetown in August 2023 to begin a 10-month field service. This marked the sixth Mercy Ships visit to Sierra Leone over the course of 30 years – and the very first visit for the *Global Mercy*.

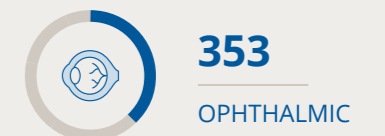
As we close 2023 at the halfway point of the field service, we are on our way to accomplishing our overall goal of providing more than 2,000 safe, free surgeries in Sierra Leone. In 2023, Mercy Ships' volunteer crew welcomed 712 patients on board for a total of 1,132 surgical procedures. Hope and healing came to life in the wards as patients recovered from long-awaited surgeries. This year, surgical specialties included maxillofacial and ENT, reconstructive plastics, ophthalmic, paediatric specialised general, and general. In 2024, we are excited to complete this field service in Sierra Leone and make surgical care accessible to many more.

Every single surgery that takes place on board is more than just a number. It represents a new beginning in someone's life – and means restored hope and freedom for their families and communities.

"It's a privilege for us to be able to host the president and the ministers of cabinet that we had today ... it signifies a partnership between us, in Mercy Ships and the people in the nation of Sierra Leone. It's wonderful to be together on this mission."

– Joff Williams Global Mercy Managing Director

SO FAR IN SIERRA LEONE



NOTE:
A patient often has multiple procedures as part of a single surgery and may also have multiple surgeries.

IMAGE (OPPOSITE PAGE):
Harry Kargbo, a Country Engagement Team member from Sierra Leone, celebrates on the dock as the *Global Mercy* arrives in Freetown.



Madagascar



I hope that one day, we will have equipment in Madagascar to enable us to better treat patients and to carry out all the treatments here. That applies to training, too. I dream of being able to have a fully equipped facility of medicine with simulation labs; a place where we can teach to standard and where we can really teach with pleasure. That is my dream for Madagascar."

– Professor Fanjandrainy Rasoaherinomejanahary



In 2023, Mercy Ships activated a Country Engagement Team (CET) based in Madagascar to prepare the way for the *Africa Mercy's* arrival in February 2024. This long-term country engagement model is part of Mercy Ships' approach of building lasting relationships and modifying our approach to fit the unique needs and goals of each partner nation. A key piece of our engagement in Madagascar included laying the foundation for upcoming patient assessment and selection across different regions of the country once the ship arrives.

Mercy Ships aims to provide free surgeries for a range of surgical specialties as well as targeted training for healthcare workers.

This will build upon a legacy of impact in the country. Over the course of our three previous field services, more than 6,425 surgical procedures and 52,397 dental procedures were performed in Madagascar. More than 2,000 healthcare workers have received training.

IMAGE: A surgical skills training at CHU Hospital in Antananarivo, led by 2015-2016 Mercy Ships trainee Prof. Fanja.



Senegal

The 2023 field service of the *Global Mercy* was the latest chapter in a five-year-long journey with Senegal – but it's not the end. Mercy Ships is deeply grateful for the strong partnership we've built with the Senegalese government during this time. We believe Senegal will continue to be a leader for improving access to surgical, obstetric, and anaesthetic care in the region. While our hospital ships have departed Senegal for the time being, our relationship with this nation will continue in exciting new ways.

Our long-term commitment to West and Central Africa will be further cemented through the establishment of an Africa Service Centre (ASC), a long-term operational Mercy Ships office in Dakar, Senegal. The ASC will serve as a hub for Mercy Ships' programmatic activity in Africa and strategically support the implementation through teams on the ground. Along with Mercy Ships country engagement teams, the ASC will enable Mercy Ships to work faster and more efficiently across the continent. It will serve as a constant, physical presence to strengthen relationships with nations who host our hospital ships and teams.

IMAGE: ETA VAST participants at the Simulation Centre at the Cheikh Anta Diop University.



The Africa Service Centre (ASC) is set up to have a regional presence in Africa, which also supports the Country Engagement Teams. In the coming year we hope to build out the ASC further."

– Bernard van den Bosch, Africa Service Centre Director





IMAGE (ABOVE): Dental students at the Gamal Abdel Nasser University of Conakry (UGANC) in Guinea.

IMAGE (LEFT): A nurse anaesthesia training held at a renovated classroom on the UGANC campus.

IMAGE (BELOW): New clinical training centre under construction at the UGANC dental school.



Guinea

Since 2018, Mercy Ships has sustained a long-term partnership with Université Gamal Abdel Nasser de Conakry (UGANC) dental school. This initially involved supporting the renovation and equipping of the dentistry department, including building a dental simulation room, training lab and clinical suite. This partnership also includes direct training and mentoring of dental students, supporting dental school graduates to open their own clinics in rural areas of Guinea, as well as partnering with NGO Hope Ignited to open the first paediatric centre of excellence in the country.

In 2023, Mercy Ships continued partnering with UGANC to support a variety of programs in the university, including biomedical technician and nurse anaesthesia training, as well as sponsoring nine dental graduates to obtain specialised degrees at a partner university in Morocco. Once these residents complete their studies, they will return to Guinea to become teachers and leaders, passing on their specialised education to the next generation of dentists.

This year, our partnership with UGANC added an exciting new dimension, as we facilitated a new partnership with the University of Sierra Leone (USL) as well. We began supporting five Sierra Leonean dental students to learn French and gain their dental degrees in an exchange program between USL and UGANC. Once they've obtained their diplomas, these five dentists will return to Sierra Leone, a nation with only six current practising dentists, to expand its workforce.

In 2023, Mercy Ships also invested in the construction of a new clinical training centre on the UGANC dental school's campus. Once completed, this building will more than double the current capacity for students to learn, observe, and practice, enabling even more dentists to reach a higher level of dental expertise.



You need to first put your resources into the people, and then allow them to develop, allow them to mature, allow them to grow, allow them to be the leaders. And then you expand the dental school and now all of a sudden, you have people that are wanting to come and you're making fantastic dentists throughout the country."

**- Dr. David Ugai,
Mercy Ships
Guinea Country
Director**



When you are specialised, you have a field in which you can excel. That is what motivated me: to have a field where I can use my competencies. Currently, we are at the bottom of the ladder — but if we have more specialists ... It will change dentistry in Guinea."

**- Dr. Adama Tounkara,
UM6SS Dental
Resident**





Togo

IMAGE: A patient cheers after her sight is restored during a bandage removal in Elavagnon, Togo.

Mercy Ships continued building upon strategic partnerships in Togo with a focus on ophthalmic surgery and training, contributing to sight restored for 1,688 people. These partnerships include supporting Sight.org, a Togo-based NGO, where we contributed to 843 cataract procedures in 2023.

Mercy Ships also continued supporting the cataract surgical training institute of Dr. Wodome, a former Mercy Ships trainee who has become the nation's leading ophthalmic surgeon. He is now also serving as Mercy Ships Ophthalmic Specialty Consultant. This year, we funded 1,265 cataract procedures at his clinic, as well as supporting the ongoing training of 10 surgical residents.



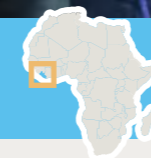
Benin

In Benin, Mercy Ships provided over 66,831 hours of nutritional agriculture training to 63 participants through the Food for Life program. Later in the year, 101 participants expanded their surgical care skills through an Essential Pain Management course. Both courses included a corresponding Training of Trainers component, allowing new knowledge to be passed forward.



South Africa

Mercy Ships conducted a series of eight Safer Anaesthetics from Education (SAFE) courses across South Africa this year. Led by Mercy Ships crew and staff, in tandem with partnering hospitals around the country, these eight courses included both SAFE Obstetrics and SAFE Paediatrics. Several of the courses included a Training of Trainers component, equipping course participants to pass on their knowledge and train others in the same material.



Liberia

In partnership with the Ministry of Health, Mercy Ships came alongside the healthcare system in Liberia to provide anaesthesia machine donations and train 354 training participants in 2023. These included a range of courses such as Safe Surgery, Neonatal Resuscitation, Primary Trauma Care, Nurse training, Nutritional Agriculture, and Mental Health.

As part of its long-term country engagement model, Mercy Ships also conducted a series of follow-up visits to evaluate and monitor the ongoing impact of previous training courses. In 2023, these follow-ups included revisiting previous participants in Nurse training, Mental Health, Primary Trauma Care, and Food for Life training.

We continued to partner with Lifebox to implement their CleanCut program, which empowers surgical teams in partner hospitals to monitor and evaluate patient outcomes, and also ran a leadership training program in partnership with VID, a Norwegian university.

IMAGE: Participants during a Safe Surgery course in Liberia.

“

Mercy Ships has always been there for the people of Liberia. You've made a lot of sacrifices ensuring safe healthcare delivery. You've conducted workshops, trainings and immense donations. Look around the entire country and see how many Glostavent Anaesthesia System machines have been donated for safe surgeries!”

**– Dr. Wiyatta Diggs,
Physician Anaesthesia
Provider**

2023 Impact from *Asia-Pacific*



In addition to making an impact in Africa during 2023, the Mercy Ships Australian office has also been providing hope and healing in other areas around the world.

Many developing nations in the Asia-Pacific region struggle constantly with a lack of medical equipment, supplies and personnel. A major part of our commitment is the investment in the local communities of these regions.

From training and mentoring of local medical staff to providing much-needed equipment and improving medical facilities, we are building a stronger local healthcare system from the ground up. Agriculture and nutrition programs, teaching preventative health and ongoing support to community healthcare providers all contribute.

During 2023, financial support was received from a Family Office for a Food for Life program within Samoa and the sustainable supply of Medicinal Oxygen in Indonesia.

Sumba, Indonesia

LIFE-SAVING MEDICAL OXYGEN FOR 775,000 PEOPLE

Since the global COVID-19 pandemic, the need in Indonesia for oxygen has increased tenfold. As a result, doctors make daily decisions about who would live or die without oxygen treatment.

Addressing this critical need, we're establishing an oxygen plant in Sumba to provide sustainable medical oxygen for over 775,000 people, ensuring access to life-saving care.



PROJECT SPOTLIGHT

Samoa FOOD FOR LIFE

“

In Sumba, Indonesia, the COVID-19 pandemic amplified the need for medical oxygen tenfold, placing life-or-death decisions in doctors' hands daily. Responding to this urgent requirement, we're establishing an oxygen plant to supply sustainable medical oxygen to over 775,000 people, securing vital access to life-saving treatments and care for those most in need.”

– Andrew Bate,
Chief Operating Officer,
Mercy Ships Australia

IMAGE (LEFT):
In Malawi, UNICEF supported the installation of a PSA oxygen plant at Kamuzu Central Hospital to fight COVID-19 and respond to future health needs.
© UNICEF/UN0461922

Mercy Ships Australia, in a pioneering collaboration with the United Nations (UN) and the Samoan government, is spearheading the 'Food for Life' national program in Samoa. This initiative is dedicated to promoting natural and organic agricultural practices.

The urgent need for this program arises from the significant environmental damage caused by the excessive use of chemical fertilisers and pesticides. This has led to elevated levels of these chemicals in groundwater which is posing a risk to human health.

In partnership with the UN, we are engaging with government bodies, ministries, local farming groups and community members.

This project is a crucial step towards sustainable agriculture in Samoa, with significant potential benefits environmental health, community wellbeing and economic development.

IMAGE (ABOVE):
Food for Life trainees

Sustainable Healthcare

PPE SUPPLIES AND MEDICAL DEVICES



Vital PPE and medical devices have reached Small Island Developing States, bolstering health resilience. Our 2024 program, enriched by strategic partnerships, underscores a commitment to sustainable healthcare improvement."

– Rick Menzies,
Chief Partnership Officer
Mercy Ships Australia

Since 2020, PPE and medical devices (valued AUD\$3million) have been supplied to the Small Island Developing states. The 2024 Gift in Kind Program will be expanded by two key partnerships:

- **QUEENSLAND HEALTH MEDICAL SUPPLY DIVISION:**
Collaborating to optimise the use of surplus medical supplies, ensuring they meet critical healthcare needs responsibly and sustainably.
- **SAVE OUR SUPPLIES (S.O.S):**
Working with S.O.S. to strategically reallocate medical supplies, enhancing healthcare access and efficiency without compromising quality or safety.

The 2024 expansion of the Asia-Pacific Region Support Program signifies our ongoing commitment to supporting vulnerable health systems and promoting sustainable practices.



IMAGE: Hospital staff in PNG receiving a shipment of PPE equipment.

Mercy Ships' Environmental, Social and Governance (ESG) Initiatives



In 2023, Mercy Ships continued building upon its commitment to leaving a lasting impact on the health of people and communities in sub-Saharan Africa, using its state-of-the-art hospital

ships and in close collaboration with local partners and stakeholders. In the spirit of our core values to strive for excellence across all areas of operations, we are committed to upholding the highest Environmental, Social and Governance (ESG) standards.

Each Mercy Ships vessel meets or exceeds all international environmental standards and regulations, in particular the International Convention for the Prevention of Pollution from Ships (MARPOL), the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes. Mercy Ships' newest hospital ship, the *Global Mercy*, was purpose-built with energy efficiency as a major component of her design. It lays a roadmap for Mercy Ships' commitment to designing future eco-friendly vessels with energy efficiency in mind, expanding our positive impact on African partner nations while minimising our impact on the environment. To maintain optimum safety and efficiency levels, ship operations are surveyed annually by Lloyd's Register.

Key features on board the vessel include modern and efficient systems that provide reliable power, clean water, and air conditioning for the hospital and crew: all of which reduce the ship's total energy consumption relative to earlier generation vessels. Additionally, filtering and treating air conditioning condensate water for technical uses on board reduces total potable water use by approximately 50 percent.

From a social perspective, the core of Mercy Ships mission is tangibly improving the lives of individuals and communities through the delivery of direct surgical services and education, training and advocacy programs to its partner African nations. Since 1978, the organisation has used its model of hospital ships to provide more than 117,000 life-changing and life-saving surgical procedures across a range of surgical specialties that are often inaccessible, unaffordable, or unsafe in the countries we serve. In tandem with these direct medical services, Mercy Ships has trained over 54,300 local health workers in their area of expertise, leading to stronger surgical care systems in the long term.

This transformative work is made possible by a global crew of volunteers and staff serving on board; all of whom Mercy Ships is dedicated to supporting as they live out their mission. In 2023, Mercy Ships continued to invest time and resources to assess the workplace culture and ensure staff and volunteers are represented and heard, allowing us to better fulfill our mission and create a work environment where everyone feels valued.

Mercy Ships' governance model includes oversight from the Mercy Ships International Board of Directors consisting of men and women with diverse profiles from around the world. Mercy Ships operates through a global network that includes our hospital ships, a dedicated operations entity, 16 independent charities worldwide, and an Africa Service Centre based in Dakar, Senegal, all unified under the Mercy Ships name. Each national office is an independent charity organised under the laws of its respective country, has its own Board of Directors, and complies with each country's specific legislation for non-profit NGOs. Mercy Ships currently operates a two-ship fleet consisting of the *Africa Mercy* and the *Global Mercy*, each of which is led by a Managing Director and management team that reports directly to Mercy Ships' executive leadership.

LOOKING FORWARD PROJECTS IN 2024

AFRICA AUSTRALIA

Madagascar, Sierra Leone, Tanzania, Guinea, Ghana, Togo, and Benin.

Paediatric Surgical Healthcare Across Africa

Saving and transforming the lives of up to 376 young patients, through general and orthopaedic paediatric surgeries.

Surgical Healthcare & Empowerment Through Training

Providing essential maxillofacial, plastic, and general surgical care to up to 202 patients and empowered local healthcare workers with up to 13,724 hours of sustainable medical training.

Eastern & Southern Africa – Scaling Up Climate-Smart Solutions

Currently 70% of rural sub-Saharan Africa are without access to electricity. This project focuses on solar-reticulated water systems in Malawi, cash and energy in Kenya and solar energy in Zimbabwe.

ASIA PACIFIC

Papua New Guinea – Early Childhood Development

Improve water & sanitation, education, early childhood health and child protection systems.

Timor-Leste = Child Survival

44% of under 5 deaths occur in the first month of life and half the country's women lack access to proper birthing facilities.

East Asia and The Pacific – Establishing a Regional Solar Technical Hub

Transform water and sanitation infrastructure through sustainable renewable energy solutions.

Semarang, Indonesia – Strengthening Emergency & Critical Care Services in Panti Wilasa “Dr Cipto” Hospital

Increase emergency unit capacity to 20 beds, provide additional operating room with equipment and increase qualified emergency unit staff.

Indonesia – Promoting Youth-Specific, Community-Based Mental Health Care Through Peer-to-Peer Support

Provide community-based care which promotes physical and psychosocial well-being.

Yogyakarta, Indonesia – Outreach & Comprehensive Service of Mental Health & Displaced Psychosocial Patients

In Gunung Kidul Regency, there are no psychiatric and inpatient emergency facilities for people with mental health disorders.

East Nusa Tenggara, Indonesia – Economic & Social Empowerment of People with Disabilities

Provide an inclusive environment for people with disabilities which supports their self-reliance within the Sustainable Development Goals (SDGs).

Java, Indonesia – Community Empowerment for Psychosocial Health & Livelihood for People with Disabilities

Improve the quality of life for people with psychosocial disabilities.

East Nusa Tenggara, Indonesia – Medical Rehabilitation & Organisation Development

Provide an inclusive environment for people with disabilities that supports their self-reliance within the Sustainable Development Goals (SDGs) framework.



West Sumba, Indonesia – Three Basic Threads of Adolescent Reproductive Health (TRIAD KRR)

Reduce infectious diseases (HIV/AIDS) by providing counselling on reproductive health for adolescents.

Small Island Developing States (SIDS) Rapid Healthcare Response

Responding to an urgent request from the UN and Antigua's government, we sent a shipment containing more than 280,000 Rapid Antigen tests to Antigua. This pre-emptive measure supports health preparedness ahead of the SIDs conference, aiming to safeguard both locals and international visitors as they convene to tackle significant island challenges.

INDIA

The First 1000 Days of Life

Currently 21% of under-5 deaths are in India. This project aims to save lives by improving child feeding, immunisation and hygiene practices.

Establishing a Comprehensive Community Health Centre in Udaipur, Rajasthan

Launching a facility to meet diverse and unserved healthcare needs while also enhancing local capacity by providing training for 200 nurses.

AUSTRALIA

Early Years Education & Development

Promoting health within the Aboriginal and Torres Strait Islander communities with the following programs: Early Years Education & Development, Universal Birth Registration Program and Youth Development Programs.

Universal Birth Registration Program

Currently in Queensland, 15-18% of births to Indigenous mothers are unregistered.

Youth Development Programs

Promote health and improve youth education in remote Indigenous communities

GLOBAL

Bridging the Supply Chain Gap – Increasing Access to Health Products for Children & Families

Currently 40% of global health resources are lost due to preventable, strategic and operational inefficiencies in the supply chain



ACFID
MEMBER

We are a Member of ACFID and as such committed to the ACFID Code of Conduct for Australian aid and development organisations. See www.acfid.asn.au

The work of Mercy Ships is only made possible by the generosity of supporters and volunteer professionals.

Help Mercy Ships continue to provide life-changing surgeries and change the face of healthcare in African nations.

How You Can Help



DONATE

Make a regular monthly donation to Mercy Ships. Visit mercyships.org.au/donate



NOMINATE US

Nominate Mercy Ships as Charity of the Year partner in your workplace, school, church or organisation.



COME ALONG

Attend or hold your own event with your local community, church, club or workplace. Visit mercyships.org.au/partner-with-us



REMEMBER US

Remember Mercy Ships in your Will. Visit mercyships.org.au/give-in-your-will



GET INVOLVED

Run, jog, walk, cycle or swim for Mercy Ships by hosting a fundraising event. Visit mercyships.org.au/fundraise-with-us



VOLUNTEER

Volunteer on board a Mercy Ship. Visit mercyships.org.au/volunteer

SINCE 1978:

2.87 million+
Direct beneficiaries

117,000+
Life-changing surgical procedures

541,000+
Dental procedures

54,300+
Professionals trained in their field of expertise

6,940+
Professionals trained to train others



Follow us

Stay in touch and find out what you can do to help:
[@mercyshipsau](https://mercyshipsau)

FIND OUT MORE

mercyships.org.au
1300 739 899



Governance

MERCY SHIPS AUSTRALIA BOARD OF DIRECTORS

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Chair
Non-Executive Director

Karen Binns BNursing
GradDipHlthCouns
Deputy Chair
Non-Executive Director

Alan Burrell BSC, MBA
Managing Director
Secretary

Ernst Scholtz
Non-Executive Director, MA Clinical
Psychology, MBL

Chris Thomas
BCom, DipGrad, MBus
Non-Executive Director

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Founder
Redstone Marketing & Design

Chris Thomas
Head of Customer Value Streams
Bendigo & Adelaide Bank

Ron Jackson
Human Resources Consultant

Peter Howard
Founder/Principal Consultant
Accord Consulting

Alan Atwell
**International Development
Consultant**

Natalie Herenda
**Creative & Implementation
Manager**
SBS

*bringing hope
and healing*



mercyships.org.au

MERCY SHIPS AUSTRALIA LTD

ABN: 30 097 037 922

**Financial Report For The Year Ended
31 December 2023**

Mercy Ships Australia Ltd

ABN: 30 097 037 922

Financial Report For The Year Ended 31 December 2023

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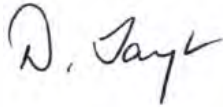
MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MERCY SHIPS AUSTRALIA LTD

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Mercy Ships Australia Ltd. As the lead audit partner for the audit of the financial report of Mercy Ships Australia Ltd for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm

sps audit



Name of Partner

Diana Taylor
Registered Company Auditor No 552283

Date

8/3/24

Address

Unit 9, Serenity Waters, 123 Brisbane Rd
Mooloolaba QLD 4557

MERCY SHIPS AUSTRALIA LTD

ABN: 30 097 037 922

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Revenue	2	258,679	105,699
Other income	2	12,917,081	12,466,437
Employee benefits expense		(1,146,566)	(938,669)
Depreciation and amortisation expense	3	(71,451)	(67,889)
Interest expense on lease liabilities	3	(10,535)	(8,177)
Audit, legal and consultancy fees		(10,410)	(6,356)
Marketing expenses		(800,168)	(642,113)
Donations made - Mercy Ships projects		(5,248,360)	(6,622,466)
Donations made - contributed services		(3,802,306)	(3,852,195)
Project wages		(163,235)	-
Sundry expenses		(303,636)	(257,290)
Current year surplus before income tax		<u>1,619,093</u>	<u>176,981</u>
Income tax expense		-	-
Net current year surplus		<u>1,619,093</u>	<u>176,981</u>
Other comprehensive income			
Other comprehensive income		-	-
Total other comprehensive (losses)/income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,619,093</u>	<u>176,981</u>
Surplus attributable to members of the entity		<u>1,619,093</u>	<u>176,981</u>
Total comprehensive income attributable to members of the entity		<u>1,619,093</u>	<u>176,981</u>

The accompanying notes form part of these financial statements.

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,909,702	8,613,368
Accounts receivable and other debtors	5	159,870	34,437
Inventories	6	6,606	7,419
Other current assets	7	20,650	17,826
TOTAL CURRENT ASSETS		<u>8,096,828</u>	<u>8,673,050</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	33,059	55,669
Intangible assets	9	19,516	18,556
Right-of-use assets	10	126,536	168,782
TOTAL NON-CURRENT ASSETS		<u>179,111</u>	<u>243,006</u>
TOTAL ASSETS		<u>8,275,939</u>	<u>8,916,056</u>
LIABILITIES			
CURRENT LIABILITIES			
Overseas projects, accounts payable and other payables	11	4,760,993	7,047,036
Lease liabilities		37,257	136,109
Employee provisions	12	239,741	166,950
TOTAL CURRENT LIABILITIES		<u>5,037,991</u>	<u>7,350,095</u>
NON-CURRENT LIABILITIES			
Lease liabilities		98,915	37,828
Employee provisions	12	55,528	63,722
TOTAL NON-CURRENT LIABILITIES		<u>154,443</u>	<u>101,550</u>
TOTAL LIABILITIES		<u>5,192,434</u>	<u>7,451,644</u>
NET ASSETS		<u>3,083,505</u>	<u>1,464,412</u>
EQUITY			
Retained surplus		3,083,505	1,464,412
TOTAL EQUITY		<u>3,083,505</u>	<u>1,464,412</u>

The accompanying notes form part of these financial statements.

MERCY SHIPS AUSTRALIA LTD

ABN: 30 097 037 922

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Retained Surplus \$	Total \$
Balance at 1 January 2022		1,287,431	1,287,431
Comprehensive Income			
Surplus for the year attributable to owners of the entity		176,981	176,981
Other comprehensive income for the year		-	-
Total other comprehensive income		-	-
Total comprehensive income attributable to owners of the entity		176,981	176,981
Balance at 31 December 2022		1,464,412	1,464,412
Balance at 1 January 2023		1,464,412	1,464,412
Comprehensive Income			
Surplus for the year attributable to owners of the entity		1,619,093	1,619,093
Other comprehensive income for the year		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		1,619,093	1,619,093
Transactions with owners, in their capacity as owners, and other transfers		-	-
Total transactions with owners and other transfers		-	-
Balance at 31 December 2023		3,083,505	3,083,505

The accompanying notes form part of these financial statements.

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		12,788,825	8,614,242
Payments to overseas projects, suppliers and employees		(13,693,677)	(6,551,117)
Interest received		258,679	105,699
Net cash generated from operating activities		<u>(646,173)</u>	<u>2,168,824</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(40,667)
Payment for intangibles		(7,556)	-
Net cash used in investing activities		<u>(7,556)</u>	<u>(40,667)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(49,938)	-
Net cash used in financing activities		<u>(49,938)</u>	<u>-</u>
Net increase in cash held		(703,666)	2,128,157
Cash on hand at beginning of the financial year		8,613,368	6,485,211
Cash on hand at end of the financial year	4	<u>7,909,702</u>	<u>8,613,368</u>

The accompanying notes form part of these financial statements.

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The financial statements cover Mercy Ships Australia Ltd as an individual entity, incorporated and domiciled in Australia. Mercy Ships Australia Ltd is a company limited by guarantee. The company is a registered charity with the Australian Charities and Not-for-profits Commission.

Note 1 Summary of Significant Accounting Policies

Accounting Policies

(a) Revenue and Other Income

Operating Grants, Donations and Bequests

When the Entity receives operating grants, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions; and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Contributed assets

The Entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116, AASB 1058 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Capital grants

When the Entity receives a capital grant to construct or acquire a non-financial asset which is to be controlled by the entity, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

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

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Fair Value of Assets and Liabilities

The Entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

MERCY SHIPS AUSTRALIA LTD

ABN: 30 097 037 922

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 - 40%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) Leases

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

MERCY SHIPS AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

(g) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(h) Employee Provisions

Short-term employee provisions

A provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

(i) Cash and cash equivalents

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

(j) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

MERCY SHIPS AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(m) Intangible Assets

Software and Digital Assets

Software and digital assets are recorded at cost. They have a finite life and are carried at cost less accumulated amortisation and any impairment losses. They have an estimated useful life of between one and three years and are assessed annually for impairment.

(n) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Note 2 Revenue and Other Income

	2023	2022
	\$	\$
Revenue		
<i>Other Revenue</i>		
— Interest received	258,679	105,699
<i>Other Income</i>		
— Other	68	-
— Donations received	9,113,085	7,141,122
— Sale of goods	1,622	2,796
— Donations received - contributed services	3,802,306	3,852,195
— Donations Received - contributed goods	-	1,470,323
Total other income	<u>12,917,081</u>	<u>12,466,437</u>
Total revenue and other income	<u>13,175,761</u>	<u>12,572,135</u>

Note 3 Surplus for the Year

	2023	2022
	\$	\$
a. Expenses		
Finance costs:		
— interest expense on lease liabilities	10,535	8,177
Total interest expense	<u>10,535</u>	<u>8,177</u>
Employee benefits expense:		
— contributions to defined contribution superannuation funds	103,210	80,027
— Salaries and wages	1,043,356	858,642
Total employee benefits expense	<u>1,146,566</u>	<u>938,669</u>
Audit fees:		
— audit services	4,870	4,750
— Relief fund audits	435	400
Total audit remuneration	<u>5,305</u>	<u>5,150</u>
Depreciation and amortisation:		
— furniture and equipment	22,609	22,164
— software	6,596	10,600
— Lease Amortisation	42,246	35,125
Total depreciation and amortisation	<u>71,451</u>	<u>67,889</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 4 Cash and Cash Equivalents

	2023	2022
	\$	\$
CURRENT		
General account	107,647	66,998
Relief account	6,281,069	6,788,224
31 Day Notice account	1,520,986	1,758,146
	<u>7,909,702</u>	<u>8,613,368</u>

Note 5 Accounts Receivable and Other Debtors

	2023	2022
	\$	\$
CURRENT		
Accounts receivable	30,242	-
Other debtors	129,628	34,437
Total current accounts receivable and other debtors	<u>159,870</u>	<u>34,437</u>

Note 6 Inventories

	2023	2022
	\$	\$
CURRENT		
At cost:		
Inventory	6,606	7,419
	<u>6,606</u>	<u>7,419</u>

Note 7 Other Current Assets

	2023	2022
	\$	\$
Prepayments	20,650	17,826
	<u>20,650</u>	<u>17,826</u>

Note 8 Property, Plant and Equipment

	2023	2022
	\$	\$
PLANT AND EQUIPMENT		
Motor Vehicles		
At cost	21,314	21,314
Accumulated depreciation	(10,264)	(7,678)
	<u>11,050</u>	<u>13,636</u>
Furniture and Fixtures		
At cost	6,696	6,696
Accumulated depreciation	(6,096)	(5,520)
	<u>600</u>	<u>1,176</u>
Office Equipment		
At cost	77,617	77,617
Accumulated depreciation	(56,208)	(36,761)
	<u>21,409</u>	<u>40,856</u>
Total plant and equipment	<u>33,059</u>	<u>55,669</u>
Total property, plant and equipment	<u>33,059</u>	<u>55,669</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles \$	Plant and Equipment \$	Total \$
2022			
Balance at the beginning of the year	13,636	19,743	33,379
Additions at cost	-	40,667	40,667
Depreciation expense	-	(18,377)	(18,377)
Carrying amount at the end of the year	<u>13,636</u>	<u>42,033</u>	<u>55,669</u>
2023			
Balance at the beginning of the year	13,636	42,033	55,669
Additions at cost	-	-	-
Depreciation expense	(2,586)	(20,023)	(22,609)
Carrying amount at the end of the year	<u>11,050</u>	<u>22,009</u>	<u>33,059</u>

Note 9 Intangible Assets

	2023 \$	2022 \$
Data Files - at cost	5,900	5,900
Accumulated amortisation	(5,800)	(5,800)
Licences and Digital		
Surgery Ship Series 2	27,567	20,011
Website	19,645	19,645
Accumulated amortisation	(27,796)	(21,200)
Net carrying amount	<u>19,516</u>	<u>18,556</u>

Movements in Carrying Amount

	Data Files \$
2022	
Balance at the beginning of the year	29,156
Additions	-
Amortisation charge	(10,600)
	<u>18,556</u>
2023	
Balance at the beginning of the year	18,556
Additions	7,556
Amortisation charge	(6,596)
	<u>19,516</u>

Note 10 Right-of-use Assets

The Entity entered into a lease for the head office from which they operate. The lease is for a term of 3 years, commencing October 2021.

This lease is measured at cost in accordance with the Entity's accounting policy as outlined in Note 1.

The Entity is dependent on this lease to further its objectives. Without this concessionary lease, it would be unlikely for the Entity to service this area due to high market rates in this area. More information on the concessionary leases is available as described in Note 1.

i) AASB 16 related amounts recognised in the balance sheet

	2023 \$	2022 \$
<u>Right-of-use assets</u>		
Leased building	206,658	206,658
Accumulated depreciation	(80,122)	(37,876)
Total right-of-use asset	<u>126,536</u>	<u>168,782</u>

Movements in carrying amounts:

Leased buildings:		
Opening balance	168,782	33,003
Additions	-	170,904
Depreciation expense	(42,246)	(35,125)
Net carrying amount	<u>126,536</u>	<u>168,782</u>

MERCY SHIPS AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ii) AASB 16 related amounts recognised in the statement of profit or loss

	2023	2022
	\$	\$
Interest expense on lease liabilities	10,535	8,177

Note 11 Overseas projects, accounts payable and other payables

		2023	2022
	Note	\$	\$
CURRENT			
Accounts payable		174,616	193,722
Deferred grant income		21,351	11,095
Other current payables		65,784	43,257
Payable to Mercy Ships Projects		4,499,242	6,798,962
		4,760,993	7,047,036

		2023	2022
		\$	\$
a Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables:			
— Total current		4,760,993	7,047,036
— Total non-current		-	-
Financial liabilities as accounts and other payables	16	4,760,993	7,047,036

Note 12 Employee Provisions

		2023	2022
		\$	\$
CURRENT			
Provision for employee benefits: annual leave		194,144	157,379
Provision for employee benefits: long service leave		45,597	9,571
		239,741	166,950
NON-CURRENT			
Provision for employee benefits: long service leave		55,528	63,722
		55,528	63,722
		295,269	230,671

		Employee Benefits	Total
Analysis of total provisions:			
Opening balance at 1 January 2023		230,671	230,671
Additional provisions raised during the year		152,655	152,655
Amounts used		(88,057)	(88,057)
Balance at 31 December 2023		295,269	295,269

Provision for employee benefits

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 13 Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities identified by the directors as having to be reported at the date of preparation of this report.

Note 14 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

MERCY SHIPS AUSTRALIA LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 15 Related Party Transactions

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

b. Other Related Parties

Other related parties included close family members of Key Management Personnel, and entities that are controlled or jointly controlled by those Key Management Personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 16 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$	2022 \$
Financial assets			
Financial assets at amortised cost:			
— cash and cash equivalents	4	7,909,702	8,613,368
— accounts receivable and other debtors	5	159,870	34,437
Total financial assets		<u>8,069,572</u>	<u>8,647,805</u>
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	11a	4,739,642	7,035,941
— lease liabilities		136,172	173,937
Total financial liabilities		<u>4,875,814</u>	<u>7,209,878</u>

Financial Risk Management Policies

The finance committee is responsible for monitoring and managing the entity's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

The company does not have any material credit risk exposures as its major source of revenue is the receipt of donations.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The entity has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

	Note	2023 \$	2022 \$
Cash and cash equivalents	4	7,909,702	8,613,368
		<u>7,909,702</u>	<u>8,613,368</u>

MERCY SHIPS AUSTRALIA LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b) Liquidity risk

Liquidity risk arises from the possibility that the Entity might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The company does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables (excluding estimated annual leave and deferred income)	4,760,993	7,047,036	-	-	-	-	4,760,993	7,047,036
Lease liabilities	37,257	136,109	98,915	37,828	-	-	136,172	173,937
Total expected outflows	4,798,250	7,183,145	98,915	37,828	-	-	4,897,164	7,220,973
Financial Assets - cash flows realisable								
Cash and cash equivalents	7,909,702	8,613,368	-	-	-	-	7,909,702	8,613,368
Accounts receivable and other debtors	159,870	34,437	-	-	-	-	159,870	34,437
Total anticipated inflows	8,069,572	8,647,805	-	-	-	-	8,069,572	8,647,805
Net (outflow) / inflow on financial instruments	3,271,322	1,464,660	(98,915)	(37,828)	-	-	3,172,407	1,426,832

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus	Equity
	\$	\$
Year ended 31 December 2023		
+/- 1% in interest rates	79,097	79,097
Year ended 31 December 2022		
+/- 1% in interest rates	86,134	86,134

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

MERCY SHIPS AUSTRALIA LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 17 Entity Details

The registered office of the entity is:

Mercy Ships Australia Ltd

Unit 4

24 Bulcock Street

Caloundra Qld 4551

The principal place of business is:

Mercy Ships Australia Ltd

Unit 4

24 Bulcock Street

Caloundra Qld 4551

Note 18 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity.

MERCY SHIPS AUSTRALIA LTD
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Mercy Ships Australia Ltd, the directors of the Registered Entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 2 to 15, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the registered entity as at 31 December 2023 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director



Chairman Richard Wankmuller

Dated this

8th

day of

March

2024

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCY SHIPS AUSTRALIA LTD

Opinion

We have audited the financial report of Mercy Ships Australia Ltd (the registered entity), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- i. giving a true and fair view of the Registered Entity's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our 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 auditor independence requirements of the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (including Independence Standards) (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The directors 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 described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors 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.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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

Our 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

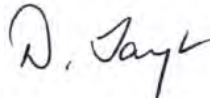
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCY SHIPS AUSTRALIA LTD

- 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 the directors.
- Conclude on the appropriateness of the directors' 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 our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 the directors 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 our audit.

Auditor's name and signature:



Diana Taylor
Registered Company Auditor No 552283

Address: Unit 9, Serenity Waters
123 Brisbane Road
Mooloolaba QLD 4557

Dated this 8th day of March 2024

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922
SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

The additional financial data presented on the following pages is in accordance with the books and records of the company which have been subjected to the same auditing procedures applied in our audit of the company for the financial period ended 31 December 2023.

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922

INCOME STATEMENT FOR THE YEAR ENDED (31/12/2023)

	2023	2022
	\$	\$
REVENUE		
<i>Donations and gifts</i>		
<i>Monetary</i>	7,515,317	6,918,626
<i>Non-monetary</i>	3,802,306	5,322,518
<i>Bequests and Legacies</i>	844,304	222,497
<i>Grants</i>		
<i>Department of Foreign Affairs and Trade</i>	-	-
<i>Other Australian</i>	94,654	-
<i>Other Overseas</i>	658,809	-
<i>Investment income</i>	258,748	105,699
<i>Commercial Activities Income</i>	1,622	2,796
TOTAL REVENUE	13,175,761	12,572,135
EXPENDITURE		
<i>International Aid and Development Programs Expenditure</i>		
<i>International Programs</i>		
<i>Funds for International programs</i>	5,248,360	5,152,142
<i>Program support costs</i>	446,911	-
<i>Community education</i>		
<i>Fundraising costs</i>		
<i>Public</i>	1,332,151	1,309,699
<i>Government, multilateral and private</i>	-	-
<i>Accountability and Administration</i>	725,850	606,954
<i>Non-Monetary Expenditure</i>	3,802,306	5,322,518
<i>Domestic Programs Expenditure</i>		
<i>Commercial Activities Expenditure</i>	1,090	3,840
<i>Other Expenditure</i>		
TOTAL EXPENDITURE	11,556,667	12,395,155
SURPLUS/(DEFICIT)	1,619,093	176,981
<i>Other Comprehensive Income</i>	-	-
TOTAL COMPREHENSIVE INCOME	1,619,093	176,981

Note: For the purposes of the Australian Council for International Development Code of Conduct, at the end of 31 December 2023

MERCY SHIPS AUSTRALIA LTD
ABN: 30 097 037 922

BALANCE SHEET AS AT (31/12/2023)		
	2023	2022
	\$	\$
ASSETS		
Current Assets		
Cash & cash equivalents	7,909,702	8,613,368
Trade and other receivables	159,870	34,437
Inventories	6,606	7,419
Assets held for sale	-	-
Other financial assets	20,650	17,826
Total Current Assets	8,096,828	8,673,050
Non-Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	33,059	55,669
Investment property	-	-
Intangibles	19,516	18,556
Other non-current assets	126,536	168,782
Total Non-Current Assets	179,111	243,007
TOTAL ASSETS	8,275,939	8,916,057
LIABILITIES		
Current Liabilities		
Overseas projects, accounts and other payables	4,760,993	7,047,036
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	37,257	136,109
Provisions	239,741	166,950
Other	-	-
Total Current Liabilities	5,037,991	7,350,095
Non-Current Liabilities		
Borrowings	-	-
Other financial liabilities	98,915	37,828
Provisions	55,528	63,722
Other	-	-
Total Non-Current Liabilities	154,443	101,550
TOTAL LIABILITIES	5,192,434	7,451,645
NET ASSETS	3,083,505	1,464,412
EQUITY		
General Reserves	-	-
Restricted Reserves	-	-
Retained Earnings	3,083,505	1,464,412
TOTAL EQUITY	3,083,505	1,464,412

Note: For the purposes of the Australian Council for International Development Code of Conduct, at the end of 31 December 2023

MERCY SHIPS AUSTRALIA LTD

ABN: 30 097 037 922

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED (31/12/2023)				
	<i>Retained Earnings</i>	<i>Reserves</i>	<i>Other</i>	<i>Total</i>
	\$	\$	\$	\$
Balance at 1/01 2023 (commencing balance)	1,464,412.00	-	-	1,464,412.00
<i>Adjustment or changes in equity due to, for example, adoptions of new accounting standards</i>	-	-	-	-
<i>Items of other comprehensive income</i>	-	-	-	-
<i>Excess of revenue over expenses</i>	1,619,093.00	-	-	1,619,093.00
<i>Other amounts transferred (to) or from reserves</i>	-	-	-	-
Balance at 1/01 2023 (year end balance)	3,083,505.00	-	-	3,083,505.00

Note: For the purposes of the Australian Council for International Development Code of Conduct, at the end of 31 December 2023