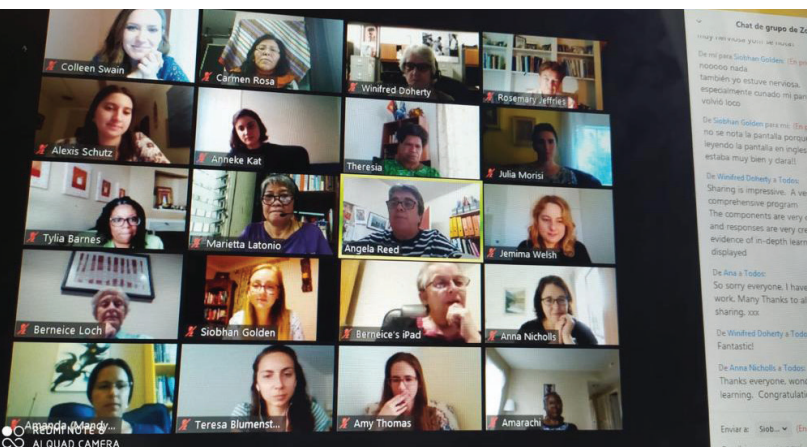
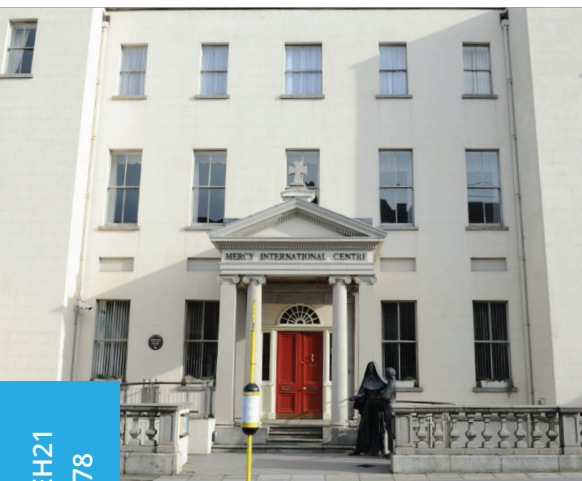
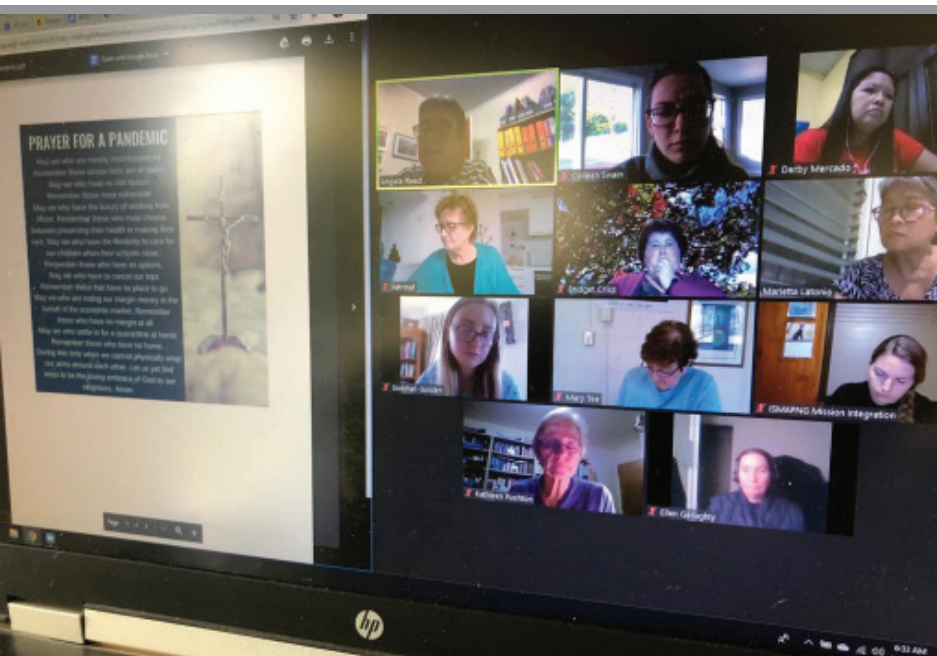


MERCY INTERNATIONAL ASSOCIATION TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

Registered in Ireland. Certificate Number 20025472. Company Limited by Guarantee not having a share capital.





MERCY INTERNATIONAL ASSOCIATION (MIA)

The Trustees (being the Board of Directors) present their Annual Report together with the audited Financial Statements of Mercy International Association (MIA) for the year ended 31 December 2020. The Trustees confirm that the Trustees' Report and Financial Statements of MIA comply with the current statutory requirements, the requirements of the MIA's governing documents and the provisions of SORP (the Accounting and Reporting by Charities: Statement of Recommended Practice) applicable to charities preparing their accounts in accordance with FRS 102 (effective January 2015).

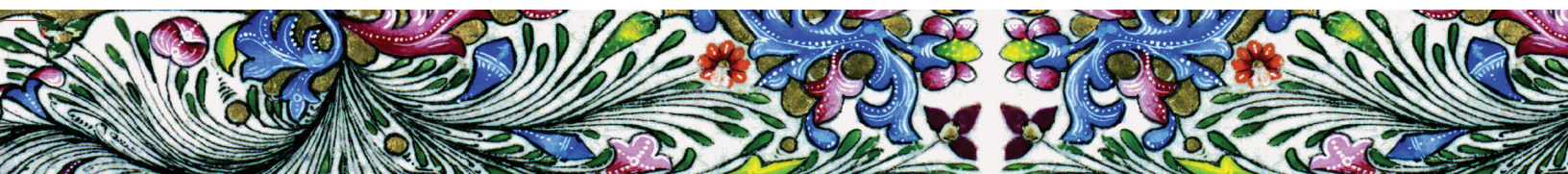




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COMPANY DETAILS

BENEFICIAL OWNDERHIP

The assets of Mercy International Association (MIA) are held for charitable purposes. The Board Directors and CEO are deemed to be the Beneficial Owners for the purposes of compliance with the EU regulation 4AMLD (2015).

REGISTERED OFFICE

Address

11 Adelaide Road Dublin D02 TR79

Business Address

Mercy International Centre (MIC)
64A Lower Baggot Street
Dublin D02 EH21

Company Details

Company Limited by Guarantee not having a share capital.

Company Number 194263;

CHY Number 10078;

Charity Registered Number 2002547

Independent Auditors

Robert J Kidney & Co
11 Adelaide Road
Dublin D02 TR79

Principal Bank

Bank of Ireland
Miesan Plaza
50 – 58 Lower Baggot Street
Dublin D04 Y754

Investment Manager

Goodbody Stockbrokers
2 Ballsbridge Park
Merrion Rd
Dublin D04 YW83

Solicitor

Mason Hayes & Curran LLP
Southbank House, Barrow Street
Dublin D04 TR29

MIA VISION STATEMENT

Deeply rooted in the Gospel and the legacy of Catherine McAuley, MIA seeks to gather the inspiration and energies of the Sisters of Mercy, our associates, colleagues and partners worldwide toward the creation of a Mercy Global Presence.

Standing with the displaced, we will model a world of welcome and inclusion.

Actively engaged in the protection of our Common Home, we will witness to the sacredness of all creation.

Through the work of the Association and through the longings and efforts of the entire Mercy family, we will strive for the globalisation of compassion and the recognition of God's Mercy as present and active in our world.

This vision keeps alive the Founding Spirit of Catherine among people of the World most in need of God's compassion and Mercy.

ABOUT MERCY INTERNATIONAL ASSOCIATION

In 1827 Catherine McAuley, an heiress of considerable wealth, used her inheritance to provide a building and a ministry to address poverty and suffering in the Dublin of her time. Four years later she founded the Sisters of Mercy to serve those in need through education, health care and social services, first in Dublin, then throughout Ireland and later overseas. The House of Mercy that Catherine McAuley established opened the door of Mercy to those in need. It provided a home both for those who were poor and those who were committed to an emerging Mercy spirituality.

GROWTH

For nearly two centuries now, Sisters of Mercy have established foundations across the world. Many of these foundations put in place ministries which involved large numbers of ministry partners inspired by the work and life of Catherine McAuley. The leaders of these ministries continue the work of responding in new ways to the need for Mercy for their time. Today, Mercy ministry is a fruitful collaboration between the Sisters of Mercy and hundreds of thousands of lay women and men serving together. MIA was incorporated in the Republic of Ireland on 12 October 1992 as a company limited by guarantee. It is a registered charity. MIA links the Mercy Institutes, Congregations and Federations throughout the world. While MIA shares a bond with all Mercy organisations, it is separate and autonomous from the governance structures and responsibilities of these organisations.

MIA WAS ESTABLISHED:

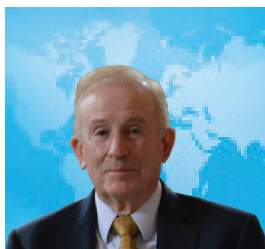
- to foster unity among the Mercy communities and to increase awareness and experience of the interdependence of these groups;
- to facilitate collaboration among Mercy communities in addressing root causes of needs and injustices experienced locally but with global causation;
- to encourage and nurture Mercy values among those who seek to live out these values and to promote the flourishing of the Mercy charism in services operated in the name of Mercy;
- to restore and maintain the founding House of Mercy, now known as Mercy International Centre (MIC) which was reopened in 1994 as a Heritage Centre and a central place to support the operations of Mercy International Association.

MERCY INTERNATIONAL ASSOCIATION

MESSAGE FROM THE BOARD CHAIR

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Ron Ashworth



Dear Members,

In looking back on 2020 it is very clear that this has been one of the most challenging years in the history of MIA. The organization has faced and met challenges before, among them the need to provide the financial security which would ensure its existence into the future. The pandemic of 2020 presented a challenge of a very different nature. The profile of MIA activities developed over the past fifteen to twenty years had to change quite abruptly. With the celebration of twenty-five years of MIA in 2019 only months before, March 2020 began a significantly different phase of rapid adaptation.

On reflection the leadership team and staff of MIA have done a remarkable job of responding to changing circumstances and related challenges presented during 2020. The Board of MIA has also been fortunate to have Directors with leadership experience to meet the challenges and react to proposed changes with an immediate response. The period of rapid change persists so it is not the moment to declare that all challenges have been met successfully, but there are grounds for believing that MIA will come through this time with increased strength and resilience.

There has been determination to keep a strong focus on the vision of MIA so that a full scope of activities can resume when the crisis has ended and so that the opportunities provided by the disruptions have been identified and used without loss of focus. A simple example is that at Mercy International Centre, it became impossible to accommodate guests and run programmes, but it has been possible to carry out programmed maintenance tasks that would have been extremely disruptive while many people were visiting. In various cases it was possible to create on-line meeting opportunities and learn to do this more productively. The loss of activity is regrettable, but the down-turn in activity has not been without benefit.

A significant change for MIA in 2020 was that Mary Reynolds rsm completed eleven years as its Chief Executive Officer. Mary's experience and sure hand in guiding MIA in the pursuit of its objectives contributed significantly to MIA's evolution and positive development. She will be remembered as a significant contributor to MIA becoming what it is today. Mary finished her service at the end of February just two weeks before the impact of the pandemic became evident. Her successor, Berneice Loch rsm, arrived from Rockhampton, Australia. Berneice previously served as the Institute Leader of the Sisters of Mercy of Australia and Papua New Guinea from the end of 2011 until the end of 2017. Since the time of her arrival, Berneice has demonstrated exceptional skills in organizing and leading an organization in a time of great change. Berneice has worked closely with the Board and her Executive Team to propose and successfully manage change. This will be evident from the report that follows.

With regret two members of the Executive team completed their service at MIA during the course of the year. Margaret Scroope rsm, Head of Finance & Administration, returned to Australia after having given five years of generous service and also postponing her intended departure date to assist with the changing conditions at Mercy International Centre. Anna Nicholls rsm resigned from the position of Head of Heritage & Spirituality at the end of 2020 due to not being able to foresee with any certainty when she could return from New Zealand where she had travelled to deal with family matters. Anna made a valuable contribution to MIA. Both Anna and Margaret will be greatly missed. Angela Reed rsm remains as Head of Mercy Global Action. Angela was already involved in planned changes to the Mercy Global Action office in New York and continues to lead her team from Melbourne, Australia, where she has been since the crisis began. We welcome Elizabeth MacNeal who has accepted the position of Head of Heritage & Spirituality since the commencement of 2021 and has arrived in Dublin recently. We promise her the support and interest of the Board as she takes up the position.

In the face of so much executive change it has been fortunate that the membership of the Board has been largely stable in 2020. One new Director was appointed, Mr Kevin Hoy. Kevin has returned to the Board as a friend and colleague known to all the other Directors and active in the Finance Committee of the Board. During 2020 the Board developed further the Committee structure of the Board. This will enable the group to deal more efficiently with the governance and practical issues it is addressing.

In 2020 MIA was in the fourth year of a five year Strategic Plan. The Board took the opportunity to meet virtually with senior staff to review implementation of the plan and consider which aspects of it will need emphasis in the coming year given the changed circumstances that exist. This was a positive, forward looking conversation which will be reflected in the Implementation Plan for 2021. It seems likely that the down-turn in “normal” activity will continue for months, yet there is much that will be pursued and achieved in the time ahead.

Throughout the pandemic the Mercy Global Presence programme continued involving Sisters, associates, colleagues and partners in Mercy in reflection on various aspects of the emerging concept of Mercy, living and active in today’s world. The programme was enriched by the provision of opportunities for international participation in on-line discussions provided in three time zones. The Mercy Global Action (MGA) team led a strong group of collaborators in their “Hope in a Time of Pandemic” initiative. This is a significant work bringing together reflection on the Mercy of God present and active in the world today with social analysis of international experiences resulting from the pandemic and a focus on Migration and Water which are the two key Justice issues currently addressed by MGA. While only one programme was run in Dublin there was enthusiastic participation in house tours and other opportunities offered on-line by the Head of Heritage and Spirituality who also made significant progress with the project to make MIA archives available on-line.

The vision of Mercy International Association “keeps alive the Founding Spirit of Catherine among people of the World most in need of God’s compassion and Mercy.” In the pandemic we are all part of a truly global experience. No nation, no race, no class of person is exempt. Yet at the same time the experience throws into sharp relief the factors which determine that the impact of the pandemic varies enormously. May we draw strength and inspiration as we continue to walk the path of Mercy and reach out to those most in need of God’s compassion and Mercy.



RON ASHWORTH

Chair of the Board

INTRODUCTION FROM THE MIA CEO

Berneice Loch

This Annual Report will illustrate the extraordinary level of unforeseen change which has been experienced by MIA in the course of 2020. While the impact of this change has been demanding on all concerned, MIA has been able to function throughout and pursue the purposes for which it exists as will be evidenced in the report. It is important that we acknowledge that this has not been the reality for many other individuals and organisations around the planet. There has been great suffering as a result of the pandemic and it continues as this report is being written. It is with a sense of humility and gratitude that we give an account of the year 2020 at MIA.

Change will be a pervading theme of this report. With a new CEO commencing in March 2020 some change had been planned for and expected. However this would have been essentially incremental change. MIA was not in a stage of crisis and gradual, planned change would have been readily absorbed. The pandemic changed all that. The whole global community was plunged at short notice into an experience of frightening and dis-continuous change. Any reflection on 2020 will be dominated by this experience.

No part of MIA has been able to operate normally in 2020 as will become evident in the report. Ingenuity and creativity have enabled ways to be found to pursue goals in spite of the changed circumstances. Although the slow-down in "normal" activity was regrettable, there has been the chance to use this time to address those "rainy-day" tasks and this will have long-term benefits for MIA.

Mercy International Centre, and hence the main office of Mercy International Association, has not been able to operate normally because of the pandemic. The Centre closed on 13 March 2020, initially for two weeks but this has since been extended by weeks and months. There was a brief period in which it reopened, 1 July 2020 to 18 August, but although the doors were open, none of the usual activity of the centre could happen. The disruption experienced at the MIA Mercy Global Action office in New York was even more extreme. Staff there have not been able to return to the office since it closed mid-March. In short, "normal" operations were possible only for about the first 10 weeks of this year in any section of MIA.

This report is structured around the main areas of MIA activity as reflected in the Strategic Plan 2017 – 2022. In the changed circumstances of 2020 the Strategic Plan has continued to serve as a helpful guide to keep MIA personnel focussed on what can be done to advance the mission of MIA rather than be totally distracted by the constant need to respond to change. Details are given of the Executive Team responsible for leading and guiding the activity. Their willingness to work for the good of the whole while remaining positively focussed on the mission of MIA throughout the year has been greatly appreciated.



"See how quietly
the great God does all his
mighty works. Darkness
is spread over us at night
and light returns in the
morning, and there is
no noise of closing
shutters or drawing.

-Catherine McAuley

B. M. Loch

BERNEICE LOCH

Chief Executive Officer

MERCY INTERNATIONAL ASSOCIATION

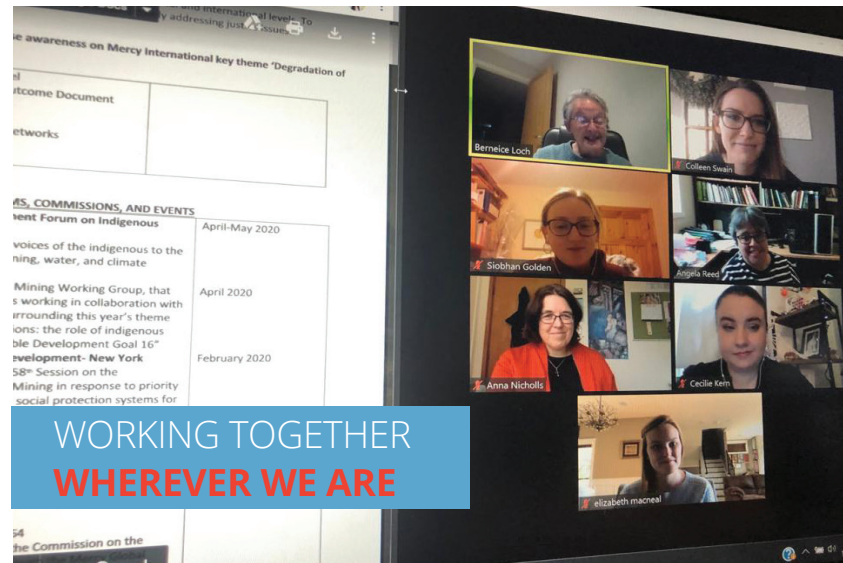
EXECUTIVE TEAM

CEO, Heritage & Spirituality, Mercy Global Action, and Finance & Administration

EXECUTIVE TEAM UPDATE

Leadership in times of extreme change is always difficult. For MIA the difficulty was exacerbated by change within the Executive itself. An Executive team of four, already adjusting to having a new CEO in March, suffered the planned loss of Sr Margaret Scroope RSM who, at the end of August, completed her time as Head of Finance & Administration at MIA, having generously extended her availability in the role to help the organization through the early stages of dealing with the pandemic and other change. Sr Anna Nicholls RSM, Head of Heritage & Spirituality, resigned because she could not plan a return to Ireland from New Zealand. While her resignation was effective at the end of September, Anna, like Margaret, generously continued her availability to MIA while needed. Anna finished with MIA at the end of 2020. We have been fortunate to welcome Elizabeth MacNeal as Head of Heritage & Spirituality in 2021 and offer her our full support as she begins this position.

The Executive Team, in company with so many similar groups throughout the world, had to learn to operate at a distance from each other. Anna, as mentioned above, was in Auckland, New Zealand when travel restrictions were imposed, and Sr. Angela Reed RSM was in Melbourne, Australia. The use of electronic media has been the essential tool to enable good communication throughout 2020. It has provided a learning experience involving many limitations but also valuable insights.



EXECUTIVE STAFF



MARY REYNOLDS RSM
CEO
until 29 February 2020



BERNEICE LOCH RSM
CEO
from 1 March 2020



ANGELA REED RSM
Head of MIA Mercy Global Action
ongoing



MARGARET SCROOPE RSM
Head of Finance & Administration
until 30 August 2020



ANNA NICOLLS RSM
Head of Heritage & Spirituality
until 30 September 2020



ELIZABETH MACNEAL
Head of Heritage & Spirituality
from 1 January 2021

MERCY INTERNATIONAL ASSOCIATION **HERITAGE AND SPIRITUALITY**

Strategic Goals include

“To provide heritage resources and programmes that inspire contemporary commitment to Mercy mission. To make Mercy International Centre a wellspring for all members of the Mercy global family. To initiate and support new conversations that explore an evolving Mercy spirituality and understanding of Mercy Global Presence.”



HERITAGE & SPIRITUALITY

AT A GLANCE

PROGRAMMES

While a busy year of programmes had been planned for 2020, including some new offerings, only one could be offered, the Mercy Education Pilgrimage held in January 2020 with participants from the United States, New Zealand, Australia, and the Philippines. The spring and summer months are usually very busy times for programme activity. For most of 2020 the Centre was unable to welcome guests and people were not able to travel even in Ireland let alone from overseas.

Programmes which had to be cancelled included several pilgrimage experiences which visiting groups from the United States and Australia were intending to run at MIC with support from MIA personnel. Among those which were designed and offered by MIA as part of its programme schedule were what was to be the first Ireland Pilgrimage and two components of the Streams of Mercy offering, together with the Young Mercy Leaders programmes. Of course these were not cancelled at the start of the pandemic. Plans had to be adjusted continuously as the circumstances changed and it was realised that the pandemic was a long-term experience.

Some of those who had booked to participate in these and other programmes have expressed their intention of coming when it is again possible to offer these programmes. Expressions of interest remain high and there is every reason to expect that there will be a successful return to this activity once travel is again possible within an acceptable amount of risk.

Throughout 2020 the Head of Heritage & Spirituality remained alert to possibilities and offered on-line support to Mercy schools and other ministries wherever possible as they attempt to continue their ethos activities.

TOURS

On-line tours of the House of Mercy have proved popular and it was helpful that the Head of Heritage & Spirituality had already developed capacity for conducting these. It required considerable flexibility to make it possible to lead these tours for very diverse groups across the world. Tours were offered in Spanish as well as in English. The groups who participated

included Boards of Mercy facilities, school staff groups, school classes, staff groups from health and aged care, residents of aged care facilities, and religious communities. From the start of lockdown until the end of 2020, more than 2,000 people participated in on-line tours. What has begun here in bringing the experience of the House of Mercy to people through on-line activity will continue to be developed.

SPIRITUALITY

Mercy Day is a very important day in the Mercy Calendar and it would have been expected that, in 2020, the tradition of bringing crowds of people to MIC in Dublin for Mass and a celebratory meal would have continued. It was not to be. Mercy Day, 24 September 2020, fell during one of the periods of severe restriction on movements so it was fortuitous that the Mercy Day special Mass, celebrated by Fr John O'Gara SM, had been pre-recorded the previous week. It was well received by people throughout the Mercy world as an event which nourished their commitment to Mercy. Involving many Sisters of Mercy, Associates, and Ministry Partners from across the world, it also served as a visual reminder of the diversity of the Mercy World and in this way strengthened unity and mutual understanding. There were a great many contributors to making it a successful event and while it is not possible to know how many digitally participated in the Mass, we know the number of screenings was well in excess of one hundred.

11 November, the Anniversary of the death of Catherine McAuley, is similarly a special day in the Mercy calendar and one on which many visitors traditionally come to MIC. This year a beautiful liturgy, again involving participation by people from around the world, was a source of prayerful inspiration for the hundreds who viewed it. Both this and the Mercy Day Liturgy were done with simple technology coordinated and edited by the Head of Heritage & Spirituality, Sr. Anna, working from New Zealand.

During 2020, contributions were made to on-line retreats across the Mercy community which might point the way to future activities of this sort. Digital resources were also provided for retreat activities which highlighted Mercy heritage and spirituality.



HERITAGE

MIA continues to invest in a digital archival system called Preservica to catalogue the Heritage collection. Digitizing and cataloguing will make it possible to share the collection and archival material with visitors and users on-line, thus greatly increasing access. A special “Pandemic” collection is being created within the archives to capture the Mercy response to the pandemic from around the world. It is hoped that the Preservica collection can go live to the Mercy World in 2021.

This work is closely connected to discussions being held with some of the Member Mercy groups of Sisters who have expressed interest in becoming part of a consortium to use Preservica for their own archives. MIA is hoping to support its membership in this way.

The Pandemic has delayed plans for extensive revitalisation of the Heritage displays at Mercy International Centre. However, it has also provided the context for a focus on making the heritage widely available through in-house displays which are readily accessible on line. In 2021 there will be renewed efforts to progress this project.

OTHER ACTIVITIES OF HERITAGE & SPIRITUALITY:

These include:

- The Sacred Garden Project which, although substantially finished, continues to require considerable work. Current planning will ensure this resource is utilised when visiting is again possible.
- The Shop has been maintained and on-line purchases dispatched when the mailing arrangements have allowed.
- The Oratory has not been open to the public since March 2020 since there is no capacity for ensuring social distancing guidelines can be observed there.
- Use of meeting spaces at MIC has been limited to just two groups who managed to schedule face-to-face meetings in the few weeks in which it has been possible to do so.
- Some research work has continued during the pandemic, a particular focus being on those early Sisters who are buried in the Sacred Garden.
- Accommodation was offered only until mid-March and has been impossible since then.

MERCY GLOBAL PRESENCE

Mercy’s mission in the world today is named as Mercy Global Presence (MGP). It is described as an organic entity and a countercultural sign in a globalised world which tolerates extreme levels of displacement of persons and degradation of Earth. MGP links Congregation, Institutes, individual Sisters of Mercy, Associates, and partners in ministry with MIA in creative and energising ways.

Arising out of a Theological Reflection Programme which engaged people of Mercy from across the world, “Mercy Global Presence” is a somewhat elusive concept describing an evolving reality. Mercy Global Presence permeates all MIA activities rather than exists as a separate activity. Nonetheless it needs to be highlighted in any reporting for 2020, as a special Mercy Global Presence Project that, commenced at the end of 2019, will extend throughout 2020 and will continue until the middle of 2021. The project is providing a wealth of material which has stimulated reflection and discussion throughout the Mercy World. Provision of these continued unabated in a year which saw the disruption of so many activities. In 2020, a highlight of the project was a new initiative offering international reflection sessions using three time zones to promote on-line participation of people around the world.

Pope Francis has spoken and written extensively of a Church of Mercy, of a God whose name is Mercy. The Mercy Global Presence project is a collective effort of MIA people to make a positive contribution to the language and imagery which will support bringing the message of Mercy to a world in need of that Mercy.

MERCY INTERNATIONAL ASSOCIATION
MERCY GLOBAL ACTION

Strategic Goals include

“To raise awareness on critical, social and environmental injustice at local and international levels. To encourage networking as a means of best practice, effective response and support for those actively addressing justice issues. Based on issues of concern in local areas, to develop policies and strategies that direct advocacy and work towards sustainable development and a more equitable society.”



MERCY GLOBAL ACTION AT A GLANCE

The year has been one of consolidation for Mercy Global Action (MGA) in spite of all the difficulties being experienced. At the end of 2019 a major review of MGA was undertaken. The office had just been relocated to New York and the Board accepted the recommendations of a consultant to make further changes which would facilitate the work of MGA. Considerable progress has been made in implementing the changes recommended and this work continues in 2021.

PRIORITIES FOR MGA

One of the recommendations from the consultant's report was to establish priority issues. This has been a helpful strategy and the Board approved the following issues for MGA to advocate for, report on, and research in 2020:

- Homelessness (2020 focus),
- Water (Degradation of Earth), and
- Migration (Displacement of Peoples) 2020-2023.

To this end, MGA staff continue to promote MIA at the UN's NGO working group on homelessness, the Committee to Stop Trafficking in Persons, the NGO Mining Working Group and the NGO committee on migration, Vice Chaired by MGA Advocate Associate. MGA staff have also participated in more than fifty webinars and meetings related to these priority areas and reported these through the monthly MGA newsletter.

MGA TEAM OF RESOURCE PERSONS

Development of the MGA team has provided increased capacity for the sector to address its goals as given above. A Mercy Global Action Advocate Associate was employed from 1 July. The important work that can be done through MGA's participation in the work of the UN in pursuing its Sustainability goals has been great enhanced through this appointment.

This move has freed the Head of MIA Mercy Global Action of some of the hands-on work at the UN thus allowing her to devote more time to the overall activities of MGA, in particular the involvement with Mercy groups who are working at local levels to develop policies and action plans through which they can support sustainable development in many different situations. MGA has improved its capacity to work with the two thrusts of action for justice – direct relief of poverty in its many forms and changing the situations which cause the poverty in the first place. The team has been operating through on-line meetings across Melbourne (Australia), New York (US) and Westport (Ireland). Temporary provision of administrative support to the team through the Institute of the Sisters of Mercy of Australia has been appreciated.

MIA/MGA EMERGING LEADERS FELLOWS PROGRAMME

A major project of MGA is the Fellowship programme for Emerging Leaders – MELF. The first cohort of leaders commenced the programme with an immersion experience in Cambodia early in 2020. This programme was interrupted by the pandemic when a second immersion experience, this one in New York, had to be condensed and then cut short as the city began to close down and travel opportunities were curtailed. The MELF coordinator adjusted rapidly to the changed circumstances and took the programme on-line where it has continued to offer a life-changing experience to the cohort of leaders from Peru, the United States of America, Ireland, Australia, the Philippines and Papua New Guinea.

All but one of the first cohort will graduate on-line in February 2021 having presented the fruit of their research projects, also on-line. While there has been serious disruption because of the changes that were necessary, MELF has continued to be a very worthwhile exercise. In the face of the uncertainty which continued, a second cohort of ten participant leaders commenced towards the end of 2020. Cohort 3 will not now commence until 2022.

In the final quarter of 2020 a review of the MELF programme was conducted and this will lead to ongoing improvement in the programme and how it can best be delivered in the circumstances current at any stage.

INTERNSHIP

MGA continues to offer an internship and the current intern, resident in Western Ireland, commenced 1 July 2020. She is an enthusiastic participant in the work of MGA and comes to Dublin to join in activities at MIC when travel is possible.

The MGA office in New York experiences significant support from the Institute of the Sisters of Mercy of the Americas. This has been very important in order for the office to function and be part of the extended network promoting Mercy action for justice throughout the world.

COMMUNICATION OF THE MGA MESSAGE

The capacity of MGA to communicate its message has had significant attention during 2020. It has worked to develop a stronger social media presence and has designed modifications to the ways in which it is able to use the MIA website. MGA has continued to produce news items for the regular Mercy Enews and a monthly newsletter of MGA activities. It also contributes to the Mercy Global Presence resources by organising contributions from the team as well as Fellows and individuals and groups actively combatting the effects of poverty.

Communication continues to be recognised as needing to be emphasised when attempting to be effective in this area.

MAJOR RESEARCH PROJECT AND PUBLICATION FROM MGA

Hope in a Time of Pandemic: Responding to COVID-19 through a Mercy Lens

In response to COVID-19 and its impact, MGA launched a major publication in August entitled, *Hope in a Time of Pandemic: Responding to COVID-19 through a Mercy Lens*. This publication was written and published in the context of the MGA COVID-19 Response Task Force, which met from May until August. The staff of MGA undertook the task of writing the publication, which had significant input from the Mercy World, reflecting the diverse impacts. Homelessness, Water and Migration are all highlighted in this report. This resource has been widely shared throughout the world and has now been translated into Spanish. It is a comprehensive work, providing theological reflection in conjunction with research and analysis into the experience of the pandemic. It successfully brings together increasing awareness and understanding with incentive to action towards sustainable development and a more equitable society.

MGA received significant feedback in regard to this publication from Mercy Congregational Leaders, CEO's of Mercy Ministries, the Vatican, and the Union of Superiors General (UISG), and the Association of Congregations of Women Religious located in Rome. UISG has since requested that MGA start a dialogue with them and find a way to collaborate as part of a 2-year project to build the capacity of UISG's members and individuals to advocate at different levels. The publication continues to be accessed and used widely.

CONCLUSION FOR MERCY GLOBAL ACTION

In addition to working with the MELF groups and task forces, MGA personnel have prepared and presented several sessions on-line to a variety of groups in many countries throughout the world. It could be argued that the effectiveness of their work has not been particularly hampered by the pandemic. However, it has certainly changed the situation and required a great deal of flexibility. MGA is revising its structures for collaboration among the Mercy groups throughout the world and this continues in 2021.

MERCY INTERNATIONAL ASSOCIATION **FINANCE & ADMINISTRATION**

Strategic Goals include

“To ensure that the MIA mission is promoted by highly committed and skilled people at leadership, management and operational levels who are supported with good employment and workplace practices. To be directed by sound and ethical financial and fundraising policies and procedures. To attend to the management, administration and upkeep of Mercy International Centre.”



FINANCE & ADMINISTRATION

AT A GLANCE

If it is to function well, those responsible for the organisation and administration of an entity need a sound understanding of how their work contributes to the good of the whole. MIA has been fortunate in this respect and in this, as in other areas, managers and other personnel have readily adapted to changed conditions.

COVID-19 PLANNING

MIA, like every other organisation had to adjust quickly to changed working conditions and expectations in the situation of the pandemic. In Dublin some staff needed to operate at MIC at times. A plan for ensuring strict hygiene control at MIC and to protect and support those working from home was put in place at the beginning of the pandemic and it remains under regular review. The Facilities Manager, Avril Tyrrell takes great care to ensure that anyone coming to MIC for any purpose is protected as well as possible.

“Morning tea on-line” was a light-hearted initiative to combat the isolation being experienced as a result of people working from home. Attendance is voluntary and it provides staff members with an opportunity to exchange news and support each other.

CARE OF MERCY INTERNATIONAL CENTRE

While MIC has, as noted above, had very little use compared to what would be experienced normally, the down-turn in activity has offered the opportunity for a comprehensive review of the need for maintenance and upgrading of a house which was opened in 1827 and so is approaching two centuries of continuous use. The last major upgrade of the house was in 1994 when MIC was being established. Since then several modifications and adaptations have been made and 2020 presented a welcome opportunity to review what is required now and into the future. The work will continue in 2021.

ECOLOGICAL AWARENESS

In considering maintenance and provision for the future, considerable thought has been put into retro-fitting the house to make it as energy-efficient as possible – always a challenge in old buildings. One such initiative in 2020 was that the bedroom windows along Baggot Street were double-glazed. An Energy Audit was conducted towards the end of 2020. It recommended attention to ceiling insulation, installation of air-to-water exchange pumps, and installation of some solar panels. The work of addressing this will continue in 2021. The commitment of MIA to Care of our Common Home demands that we do whatever it is feasible to do in this regard.

DEVELOPMENT

MIA is a Charity and dependent on fundraising. Due

to the outstanding generosity of donors it has been possible for MIA to continue to operate and work at achieving its aims even in these difficult times. Every contribution is valued. The Development Manager, Emma Horgan, organised two on-line events, the “Good Cup of Tea” and “Christmas Carols”, to promote a sense of community and to raise awareness of the reality that MIA is dependent on funding.

The Heritage development project was delayed but not abandoned during 2020. It is reasonable to expect that the final outcome of the development will benefit greatly from the insights gained into how digital communications can promote access via on-line means. A minor refreshment of the Reception area at MIC was possible, again partly because of the reduced activity at MIC, and a more welcoming environment has resulted.

The project to make MIC more energy-efficient is of course another major development project.

COMMUNICATION AND IT INFRASTRUCTURE

The events of 2020 revealed the increased importance of MIA's digital presence. Review of MIA communications infrastructure is on-going. The website, e-News, and social media are all utilised as effectively as possible, and MIA's capacity for working through electronic meetings has expanded.

The need for people to work from home led to additional requirements for IT infrastructure at MIA. Security and efficiency have been enhanced in the process. The electronic filing system has been reorganized with the aim of ensuring all have appropriate working spaces within the system and efficient access to the information required.

FINANCIAL ADMINISTRATION

The financial position of MIA is evident in the audit information contained in this report. Here there is a need to acknowledge the work of the Finance Manager, Bill Roche, and before him, Sr. Margaret Scroop, to ensure that financial administration continues to receive the attention needed. In a review of the MIA budget, in the course of the year and planning for 2021, historical data had limited use. The Finance Manager has involved all staff in planning and this has been appreciated. He has worked closely with the finance committee and achieved a good financial outcome in the most challenging of years.

VOLUNTEERS

Volunteers usually play a key role in the functioning of MIC and this was true of those who served at MIC in 2020. The two who were with us in March had to return home to Australia at short notice when the pandemic struck and it was as well that they responded quickly. Those who were able to come to MIC during the year each made an important contribution.

There is every intention of restoring the volunteer programme when it is possible to resume normal activity.

MIA GOVERNANCE & MEMBERS

GOVERNANCE

At the Annual General Meeting (AGM) the Members approved amendments to the Constitution. The revised Constitution for Mercy International Association was adopted at the AGM 2020, approved by the Charities Regulatory Authority (CRA), and registered with the Companies Registration Office (CRO).

The Board has given considerable attention to Governance in 2020. The Charities Good Governance return for 2019 activities was approved by the Board and the document approved as a template for future returns. The Board's Governance Committee has paid particular attention to the following areas:

- Charities Governance Code, issued by the CRA; and
- Data Protection Legislation (GDPR)

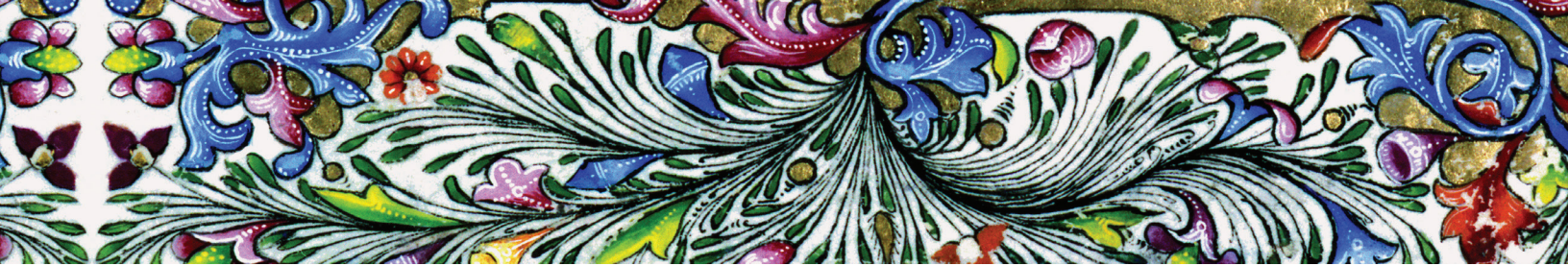
There is ongoing review of the principles of Good Governance and in this regard the Terms of Reference for all four of the Board Committees were reviewed in 2020.

THE MEMBERS OF MIA

The twelve Members of MIA are the Leaders of the Mercy Congregations, Institutes and Federations from around the world. Members appoint a Board of Directors to direct and manage the business of Mercy International Association.

Powers reserved to the Members are:

- appointment and removal of the CEO;
- appointment and removal of the Directors;
- ratification of the appointment of the Chair of the MIA Board of Directors;
- ratification of the Strategic Plan and Annual Budget for MIA;
- consideration of the Financial Statements of MIA at the Annual General Meeting;
- consideration of the Auditor's Report for MIA at the Annual General Meeting;
- review of the affairs of MIA at the Annual General Meeting;
- appointment of Auditors at the Annual General Meeting; and
- the winding-up of MIA.



COMPANY MEMBERS



Philomena Bowers rsm
The Union of the Sisters of Mercy of
Great Britain



Colette Cronin rsm
The Institute of Our Lady of Mercy
(United Kingdom)



Eveline Crotty rsm
Institute of Sisters of Mercy of Australia
and Papua New Guinea



Loreto Conroy rsm
Sisters of Mercy
North Sydney Congregation



Elizabeth Davis rsm
Congregation of the Sisters of Mercy of
Newfoundland



Susan France rsm
Nga Whaea Atawhai o Aotearoa
Sisters of Mercy New Zealand



Patricia McDermott rsm
Institute of the Sisters of Mercy
of the Americas



Mary-Louise Petro rsm
Sisters of Mercy Parramatta Congregation



Catherine Reuter rsm
Sisters of Mercy Brisbane Congregation



Mary Angela Vergara rsm
Religious Sisters of Mercy (Philippines)



Paula Thomas rsm
Federation of the Sisters of Mercy
Great Britain



Marie Louise White
The Congregation of the Sisters of Mercy
(Ireland)



BOARD OF DIRECTORS

The MIA Members appoint the Directors. As specified by the MIA Constitution, the Board can have up to nine Directors – five Sisters of Mercy and four others. Employees are not eligible to be Board Directors. The Board is responsible for the governance of MIA which is a company limited by guarantee, not having a share capital. They therefore have all of the responsibilities for MIA as determined by law and the Constitution. Directors ensure that the mission of MIA is safeguarded and carried out and are responsible for determining the specific values and standards for the organisation, building on the core values. The Directors are collectively responsible for the business of MIA and are the Trustees of its assets. They are also responsible for ensuring that the funds of MIA are applied for the purposes for which they have been provided. Individual Directors are expected to show leadership by promoting the values and standards of the organisation. The Directors, all of whom are non-executive, perform their roles voluntarily. They cannot, under the Constitution of MIA, receive remuneration for services to MIA and may only be reimbursed for incidental expenses claimed, which for overseas Directors includes travel and accommodation for six days of Board meetings over three weekends and one day for the AGM. This was, of course, less relevant in 2020 since only the February meeting could be held face-to-face in Dublin.



Ron Ashworth (USA) - Chair

Ron is currently serving as Chair of the Board of MIA and is a member of the Finance Committee. He previously served as the President/CEO of Mercy Health System based in St Louis, Missouri and he also subsequently served as Chair of the Mercy Health System Board of Directors. While Ron spent the majority of his professional career serving in the health care industry, his career includes approximately ten years of service as the National Health Care Director of KPMG.



Sheila Carney rsm (USA) - Vice-Chair

Sheila Carney is a member of the Sisters of Mercy of the Americas. She brings extensive experience of the life and activities of Mercy in the Americas. She has led several pilgrimages of Youth and partners in ministry to MIC and is very familiar with the priorities and expectations of these groups. Sheila is Special Assistant to the President, Mercy Heritage and Service at Carlow University, Pittsburgh.



Colette Cronin rsm (GBR)

Colette is Institute Leader of The Institute of Our Lady of Mercy (United Kingdom). She brings extensive experience of the life and activities of Mercy in Great Britain. She has served in leadership and governance roles in a variety of organisations. Colette has significant experience in administration and finance.



Susan Clarke (GBR)

Susan brings the experience of working as a laywoman in a Mercy ministry in England. As well as her skills in School Leadership and Management, she brings the experience of formation work with staff and students in Mercy ethos. In this role, she has led adults and young people to programmes run by MIA. Susan has recently retired from the position of Head Teacher at Broughton Hall Catholic High School in Liverpool.



Kevin Hoy (IRL) appointed 17 May 2020

Recently retired as Chair of the law firm, Mason Hayes & Curran (MH&C), Kevin is now a consultant with the firm. As well as holding a civil law degree, Kevin holds a canon law degree. He has experience in a broad range of legal issues, including corporate, regulatory, commercial, banking and property matters. He is a member of the boards/executives of schools, sports bodies, and an approved housing body.



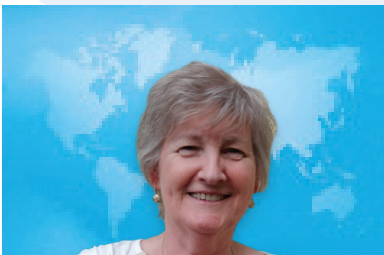
Maria Lawton rsm (AUS)

Maria is Vicar and Bursar of the Sisters of Mercy Parramatta Congregation, Australia. She brings the experience of life and activities of Mercy in Australia, and personal experience of ministering in a variety of settings in clinical and education roles in her Nursing ministry. She has served in leadership and governance roles on Boards for the Parramatta Congregation and other organizations.



Mary Moorhead (IRL)

Born in Tanzania and brought up in Lebanon, Mary is Chief Executive of the Mater Foundation, which raises funds for the Mercy-founded, Mater Public Hospital in Dublin, Ireland. Trained in marketing, she has experience in the NGO sector in England and experience of NGO work in Africa. Mary has worked across Africa from Somalia to Swaziland, Kenya, Tanzania and South Africa. She brings the experience and skills acquired in these roles and in particular her experience and skills in fundraising.



Suzanne Ryder rsm (IRL)

Suzanne is a member of the Congregation of the Sisters of Mercy (Ireland). She has wide-ranging experience of Mercy worldwide from her time in mission in Perú and her ministry as Justice Coordinator for the Congregation. Currently, she is Communications Coordinator for her Province (Western). Suzanne also ministers as a Spiritual Companion and practices Centering Prayer. She has a deep interest in care of our Common Home, Earth.



Marie Louise White rsm (IRL)

Marie Louise is Congregational Leader of the Congregation of the Sisters of Mercy (Ireland). She brings extensive experience of life and activities of Mercy in Ireland and Africa. She has served in education roles and in the provision of programmes for younger members of the Congregation. Marie Louise brings a deep understanding of Safeguarding in Ireland.

MEMBERSHIP OF COMMITTEES OF THE BOARD

Finance: Ron Ashworth (Chair until Nov 2020), Kevin Hoy (Chair from Nov 2020), Colette Cronin rsm, Mary Reynolds rsm (until Mar 2020), Peter Burnett, Bill Roche, Margaret Scroope rsm (until Aug 2020), Berneice Loch (from Mar 2020).

Governance: Kevin Hoy (Chair), Berneice Loch rsm (from Mar 2020), Mary Moorhead, Mary Reynolds rsm (until Mar 2020).

Global Action: Sheila Carney rsm (Chair), Kevin Hoy (until June 2020), Maria Lawton rsm, Berneice Loch rsm (from Mar 2020), Angela Reed rsm, Mary Reynolds rsm (until Mar 2020).

Safeguarding (*Committee established Nov 2020*): Marie Louise White rsm (Chair), Susan Clarke, Emma Horgan, Berneice Loch rsm, Suzanne Ryan rsm.

BOARD COMMITTEES

The Board is responsible for overseeing the work of MIA's CEO and Executive Team. To function efficiently and effectively, the Board has devised and agreed on procedures for productively running the enterprise. To do this it has a Committee structure, in 2020 consisting initially of a Finance Committee, a Governance Committee and a Global Action Committee. At the final meeting of the Board in 2020 it approved the establishment of a fourth Committee for Safeguarding. Each Committee has written Terms of Reference which are approved by the Board and reviewed regularly. The committee system allows the Trustees to make the most effective use of their time and also allows appropriate time to be devoted to considering particular financial, governance and operational issues.

SELECTION OF BOARD MEMBERS

The Board must continue to be vibrant and productive in leading MIA forward. It needs to be able to draw on an appropriate balance of skills, gender, competency, qualities, backgrounds and interests. Therefore, the Directors regularly re-evaluate the mix of skills required and when new appointments are due to be made, advise Members of the desired skills. Among the skills identified by the Directors as necessary to the Board are leadership and management experience and skills in Mercy ministries, legal, financial, and fundraising skills.

INDUCTION AND ON-GOING TRAINING

Directors are expected to act on an informed basis, in good faith, with due diligence and care, in the best interests of MIA. Directors' induction includes an overview of MIA's strategic objectives, the role of the Board and individual Directors, MIA's finances and its funding model. It also includes guidance on the Directors' duties.

A special induction pack is provided to each new Director, and the Company Secretary is responsible for overseeing the induction process. Ongoing development of the Board also takes place.

Normally in May each year, in conjunction with the AGM, Members and the Board engage for two days in visioning, strategic planning, and communication regarding the life of the organisation. The May meeting had to be held electronically in 2020 and a great deal was achieved, but all missed the opportunity for face-to-face interaction.

Training sessions are organised periodically for Members and Board. No such session was undertaken in 2020 unless learning the skills needed to be able to operate lengthy meetings productively by electronic means is counted as in-service! The paperwork issued prior to meetings was necessarily more extensive than would normally be the case and the intensity of meetings dealing with a lengthy agenda was not alleviated by the normal social interaction at breaks. Directors avail of Financial and Investment expertise at all Board and Finance meetings.

TENURE

Directors are initially appointed for three years. Membership of the Board is reviewed at every Annual General Meeting. Any Director who has served more than nine consecutive years must retire at the AGM following his or her ninth year in office, but is eligible for re-appointment after not less than one year following the date of his/her retirement.

ATTENDANCE AT BOARD MEETINGS

In 2020 the February meeting of the Board was held at Mercy International Centre, Baggot Street, Dublin as was usual practice. Since then meetings have been held by electronic means. In addition to the usual three board meetings in 2020, two special meetings were held (electronically) to deal with business matters needing decision ahead of the next scheduled meeting. All Directors were present for all meetings of the Board.

CHAIR

The Board elects the Chair of the Board from among its number. The appointment is for one year, and at the end of that year, the Chair can be re-elected for successive terms. The Chair oversees the orderly operation of the Board and its interaction with management. The Members ratify the election of the Chair. The Chair of the Board and the Chair of the Finance Committee maintain regular contact with management between meetings concerning the affairs of the Company. The Chair of the Board also keeps Members updated on relevant issues.

VICE-CHAIRPERSON

The Board elects the Vice-Chair from among its number for a one-year term. The Vice-Chair assists the Chair and may be re-elected for successive terms.

COMPANY SECRETARY

The Directors appoint the Company Secretary. They ensure that the person appointed has the skills necessary to perform the statutory and legal duties of the Company Secretary and such other duties as may be delegated to the Company Secretary by the Directors. In 2020 as in previous years the Directors reviewed the current practice of the same person filling the role of CEO and the role of Company Secretary. It was decided to continue with the current arrangements until the end of 2020 and seek to appoint another person as Company Secretary in 2021.

CHIEF EXECUTIVE OFFICER (CEO)

The CEO is responsible for the day-to-day management of MIA and the implementation of MIA's long and short-term plans. The CEO presents a comprehensive report at each Board meeting, covering ongoing activities, financial and administrative affairs, communication updates and future planning. At the beginning of each year the CEO presents to the Board an implementation plan for the five-year strategic direction and at year-end reports on the implementation of the plan. The CEO acts as a direct liaison between the Board and management. The CEO also communicates on behalf of MIA to employees, other stakeholders and the public. Duties and responsibilities delegated to the CEO include the following: Strategic Plan implementation, staffing and operations, public relations, and liaison with the Board.

CONFLICTS

MIA has a comprehensive Conflict of Interest and Conflict of Loyalty policy that applies to Directors Staff and Volunteers. It is standard practice at the beginning of each Board meeting to request each Director to indicate if he/she has a conflict of interest or loyalty concerning any agenda item. Procedures are in place for dealing with the conduct of Directors in this regard and the Minutes of the meeting must record the issue and the Director involved.

FINANCE COMMITTEE

The Committee normally meets three times a year and the Chair keeps in regular contact with the Head of Finance and Administration, the manager, and the CEO. The Finance Committee undertakes regular review of the accounts and liaises with the investment managers to oversee the investments and ensure compliance with ethical considerations. It monitors fundraising projects and ensures that MIA complies with the Statement of Guiding Principles for Fundraising to which MIA is a signatory. The Committee keeps abreast of Charity Law to ensure that the financial practices of MIA are in line with its directives. MIA has an Internal Financial Control Policy and an Ethical Investment Policy in place. Risk Management oversight responsibility is shared with the Governance Committee.

GOVERNANCE COMMITTEE

The Governance Committee oversees all compliance issues following the Charities Governance Code. It reports to the Board and alerts it to any actions that need to be taken to remain fully compliant with the Charities Governance Code. Although submission of a report was not required in 2020 the governance committee compiled a report which the Board approved. Risk Management oversight responsibility is shared with the Finance Committee.

GLOBAL ACTION COMMITTEE

This Committee was established to support the work of consolidating MIA's Global Action work by locating the Mercy Global Action team in one office in New York instead of in two locations (Dublin and New York) as was the practice prior to 2019. The Committee advises the Board on administration and management of the Global Action Programme. In 2020 the work focussed on oversight of implementation of recommendations of a comprehensive report which resulted from the work of a consultant in 2019. Administration of the Douglas Fund which enables MIA to make a financial contribution towards Mercy projects for the alleviation of poverty has been added to the responsibilities of this committee.

SAFEGUARDING COMMITTEE

During 2020 it became necessary to make substantial changes to MIA's arrangements for pastoral and legal compliance with expectations that come under the heading of Safeguarding. Prior to 2020 MIA made provision for this through the generosity of the South Central Province of the Congregation of Sisters of Mercy (Ireland) but this arrangement was no longer suitable. MIA is not a constituent part of the Catholic Church in Ireland but it intends to act fully in accord with what is required by the National Board for Safeguarding of Children of the Catholic Church in Ireland. The National office has been very supportive of the work of MIA in this regard. Safeguarding in this context includes vulnerable adults. Implementation of the new arrangements was possible by the end of 2020 although work will continue in relation to documentation, training, and implementation on an ongoing basis.

STRATEGIC PLAN

The Board oversees the production of a strategic plan which is ratified by the Members. This plan is MIA's statement of the aims of the organisation over the coming five years which moves it strategically towards the achievement of its mission. 2020 marked the fourth year of the current 5-year Strategic Plan. In depth consideration has been given to implementation in 2021 so as to recognise the global impact of the pandemic.

RISK MANAGEMENT

The Board as a whole takes responsibility for Risk Management and seeks input from its Finance and Governance committees. The Board asked for a comprehensive review towards the end of 2020 particularly in the light of new legislative requirements such as the Charities Governance Code and the General Data Protection Regulation (GDPR). The expectation is that a full report will go to the Board in May 2021.

RELATIONSHIP WITH STAKEHOLDERS

MIA has identified the following as Stakeholders:

- The Leaders and membership of the twelve Mercy entities which are Members of MIA.
- The Staff and Volunteers that undertake the work of MIA.
- Those lay people with some type of formal association with the Member groups.
- The participants in MIA pilgrimages and programmes.
- MIA donors and supporters.
- The MIA online community
- The many partners who serve in Mercy ministries around the world.
- The interested public.

In order to foster good relations with its stakeholders, MIA:

- maintains a comprehensive and up-to-date website which is a significant means of promoting interconnection among the Mercy global family, of providing educational and spiritual resources and a platform through which stakeholders can engage with issues of global concern;
- distributes a weekly newsletter reporting to its readers on various aspects of how the MIA vision is inspiring action. It also provides a platform for stakeholders to report on matters of interest to them;
- seeks the views of stakeholders for example, through annual meetings of the Members, asking for feedback from participants in programmes, involvement of Executive Team members in Board meetings, and staff meetings.
- maintains regular contact with donors through updates and reports;
- has in place policies which allow for stakeholder concerns to be presented, eg Complaints procedures, Whistle-Blower policy, Safeguarding policy, GDPR policies.

STAFF DURING 2020

NEW YORK

Colleen Swain
Leadership Advocacy and Women's Development

Cecilie Kern
Policy Advocate

Amanda Carrier rsm
Intern until June 2020

Siobhan Golden
Intern from July 2020

DUBLIN

Avril Tyrrell
Facilities Manager

Emma Horgan
Development Manager

Madeleine O'Hanlon
Receptionist (till May 2020)

Megan Harvey
Receptionist (from July 2020)

Angela Kane
Team Secretary (till Feb 2020)

Elizabeth O'Sullivan
Housekeeper and Cleaner (till May 2020)

Joseph Tomina
Caretaker and Cleaner (till May 2020)

Sior Cosgrove rsm
Heritage Volunteer (till March 2020)

Carita Irwin rsm
Tours/Hospitality Volunteer (till March 2020)

CONTRACTED

Anne Walsh
Website Manager and E-News Editor

Margaret Roche
Research Assistant, Heritage

Bill Roche
Finance Manager from July 2020, previously Finance support

VOLUNTEERS

MIA is grateful to those who served so generously as volunteers in 2020. There were many others who had undertaken to come as volunteers but who were unable to do so.

FINANCE

The funding model for Mercy International Association has four components:

1. Levies paid by Member Congregations/Institutes/Federation;
2. Income generated by the Endowment Fund;
3. Ongoing fundraising to build a Capital and Programmatic Fund; and
4. Income from activities provided by Mercy International Centre

MIA receives no government grants.

LEVIES

Until 2018, the Sisters of Mercy worldwide provided approximately 75% of the annual income of MIA. The remaining 25% was provided by a reserved fund which the Member groups established when Mercy International Centre was opened in 1994 to fund annual budget deficits, and by a small income from the proceeds of activities that take place in Mercy International Centre. By 2011, it was evident that the reserved funds would be exhausted by 2016 and it was also acknowledged that the Member groups were no longer in a position to continue funding at the current rate due to falling income and great demands on them because of changing demographics. It was agreed in 2011 that the annual funding from the Members would drop over the coming ten years to €200,000 in 2021. Consequently, the idea of establishing an Endowment Fund was conceived.

ENDOWMENT FUND

The fundraising campaign to establish the Endowment Fund took place in Ireland, Australia, England, New Zealand and the United States of America. A €20 million target was set with the hope that this would yield an annual sum approximate to what the Congregations formerly paid. In 2019 the investment income from the Endowment Fund began to be utilised as a significant part of the financing of annual operations. Rules for managing this have been developed to help ensure that the fund will remain intact as it becomes the principal financing source for MIA operations. The Irish Revenue Commissioners have approved these Rules. The fundraising target of €20 million by 2019 was achieved.

The expectation was that in 2020 there would be a drawdown of €500,000 to replace discontinued support from the Congregations. From 2021 it is expected a drawdown of €700,000 will be required. In 2020 the finances of the organization will be quite different from what had been predicted because of the pandemic. As will be seen in the audited report, the financial result for the year 2020 was a decrease in funds of €482,962.

It is expected that in 2021 and following years it will continue to be necessary to both maximise investment return and produce increases in the market value of the Endowment to

ensure no substantial decline in the endowment investment balance. Another option is to attempt to continue raising donor funds to ensure the Endowment Fund is kept intact.

PROGRAMMATIC AND CAPITAL FUND

A Phase 2 campaign was set up in the latter part of 2016. It was initiated because the campaign to create the endowment was designed to replace the existing financing of MIA operations. The MIA Endowment Fund is not sufficient to provide for capital development projects. MIA has operated annually at break-even or most often at a small loss. Provision needed to be made for future capital and programmatic needs. The Phase 2 campaign was intended to provide some funding for these needs, and the funding programme is being pursued in Ireland, England, and the United States. During 2020, the amount of €468,672 was received. Of that amount, €19,700 was restricted and the remaining €448,972 were unrestricted.

The contribution of generous donors to MIA continues to be the source of funds for capital development projects at MIA.

INCOME FROM MIC ACTIVITIES

In 2020 a small amount of income was received from the provision of programmes and services at Mercy International Centre and from the heritage shop run at the centre. However, the restrictions due to the pandemic greatly reduced the expected income from this source (and of course the expected expenditure as well).

ETHICAL INVESTMENT

MIA considers its investments in terms of ethical, social and environmental issues and its funds are managed to provide a reasonable return consistent with these considerations. The aim is to promote Mercy ethos through investment practices and to balance the need for financial return with the aim of supporting only companies that operate in a manner consistent with MIA values. In partnership with the investment managers and observing the standard rules of sound financial management MIA aims to invest in well managed companies with positive records in:

- advancement of women and under-represented populations,
- Board diversity
- Just employment practices,
- effective environmental policies to promote sustainability,
- protection of human rights,
- promotion of nonviolence.

The investment manager has been instructed to avoid directly profiting from or providing capital to products, services or activities that are materially inconsistent with Mercy values and are in danger of undermining the credibility and effectiveness of Mercy witness.

FUNDRAISING

The Board has adopted the "Fundraising Code: Statement of Guiding Principles for Fundraising" which has been issued by the CRA in Ireland.

AUDIT INFORMATION FROM THE TRUSTEES

ACCOUNTING RECORDS

The measures taken by the Trustees to ensure compliance with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of a computerised accounting system. The books of account of MIA are kept at Mercy International Centre, 64a Baggot Street Lower Dublin 2.

RELEVANT AUDIT INFORMATION

In the case of each of the persons who are Trustees at the time this report is approved, in accordance with section 332 of Companies Act 2014:

- So far as each Trustee is aware there is no relevant audit information of which MIA's statutory auditors are unaware, and
- Each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that MIA's statutory auditors are aware of that information.

AUDITORS

In accordance with section 380 to 385 of the Companies Act 2014, the independent auditor, Robert J Kidney & Co. have indicated their willingness to continue in office.

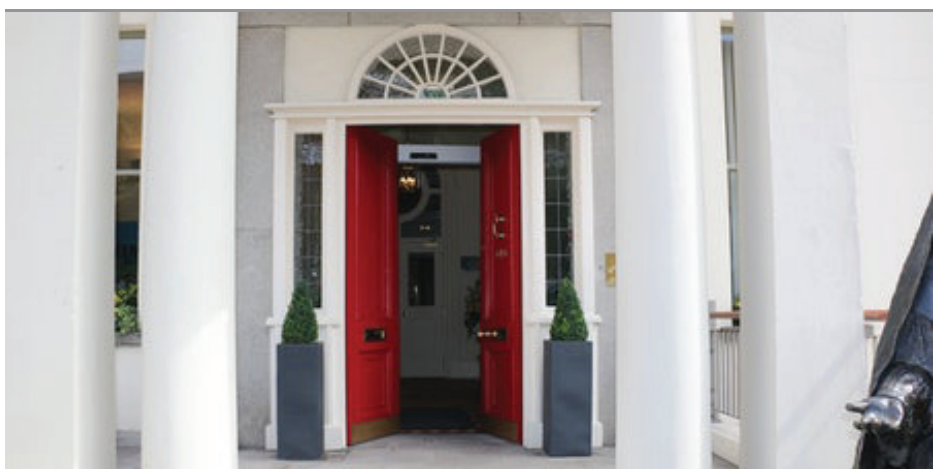
This report was approved by the Board of Directors on 17 February 2021 and signed on behalf of the Board by



RON ASHWORTH
Trustee



SHEILA CARNEY
Trustee



TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the Trustees to prepare financial statements for each financial year. Under the law the Trustees have elected to prepare the financial statements in accordance with Companies Act 2014 and accounting standards issued by the Financial Reporting Council, including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

Under company law, the Trustees must not approve the financial statements unless they are satisfied that the statements give a true and fair view of the assets, liabilities and financial position of the company as to the financial year end and of the profit or loss of the company for the financial year and otherwise comply with Companies Act 2014.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles of the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Trustees' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.



Trustee



Trustee

Date: 17 February 2021

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCY INTERNATIONAL ASSOCIATION**

OPINION

We have audited the financial statements of the Mercy International Association for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2020 and of its net movement in funds for the financial year then ended
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015
- have been prepared in accordance with the requirements of the Companies Act 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where;

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCY INTERNATIONAL ASSOCIATION (CONTINUED)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY COMPANIES ACT 2014

In our opinion, based solely on the work undertaken in the course of the audit,

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion the accounting records of the association were sufficient to permit the financial statements to be readily and properly audited
- the financial statements are in agreement with the accounting records
- the information given in the Trustees' report is consistent with the financial statements
- the Trustees' report has been prepared in accordance with the Companies Act 2014

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

The Companies Act 2014 which requires us to report to you if, in our opinion, the disclosures of Trustees' remuneration and transactions specified by law are not made. We have nothing to report in this regard.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and otherwise comply with the Companies Act 2014, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCY INTERNATIONAL ASSOCIATION (CONTINUED)**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (Ireland) 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 these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' 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 charity'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 statements 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 charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCY INTERNATIONAL ASSOCIATION (CONTINUED)**

**THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR
RESPONSIBILITIES**

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.



James Gleeson

Robert J. Kidney & Co.
Chartered Accountants and Statutory Audit Firm
11 Adelaide Road
Dublin 2

Date: 17 February 2021

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
		2020	2020	2020	2020	2019
	Note	€	€	€	€	€
INCOME FROM:						
Donations and legacies	2	448,972	19,700	-	468,672	1,231,428
Investments	3	57,370	23,660	643,221	724,251	658,004
Other Income	4	26,715	-	-	26,715	146,304
TOTAL INCOME		533,057	43,360	643,221	1,219,638	2,035,736
EXPENDITURE ON:						
Charitable Activities	5	901,997	154,921	-	1,056,918	1,726,923
Raising Funds	6	71,987	-	-	71,987	104,761
Govenance Costs		20,651	-	-	20,651	45,723
Other Expenditure	7	67,502	7,593	96,211	171,306	174,128
TOTAL EXPENDITURE		1,062,137	162,514	96,211	1,320,862	2,051,535
NET (EXPENDITURE) INCOME BEFORE OTHER LOSSES						
		(529,080)	(119,154)	547,010	(101,224)	(15,799)
Gains on Investment Assets		34,355	40,004	(367,700)	(293,341)	3,123,599
Contributions	8	-	108,127	203,096	311,223	401,486
Grants Made Payable To The MGA	9	(145,571)	(254,049)	-	(399,620)	264,608
Transfer Between Funds		445,000	-	(445,000)	-	-
NET MOVEMENT OF FUNDS		(195,296)	(225,072)	(62,594)	(482,962)	3,773,894
RECONCILIATION OF FUNDS						
Total Funds Brought Forward		9,418,933	1,848,473	21,209,873	32,477,279	28,703,385
TOTAL FUNDS CARRIED FORWARD		9,223,637	1,623,401	21,147,279	31,994,317	32,477,279

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 9 to 22 form part of these financial statements.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	2020 €	2019 €
Fixed Assets			
Tangible fixed assets	13	5,692,946	5,716,307
Investments	14	<u>26,223,832</u>	<u>26,199,071</u>
		<u>31,916,778</u>	<u>31,915,378</u>
Current assets			
Stock		5,000	5,000
Debtors and prepayments	15	-	18,988
Bank and cash	16	<u>124,663</u>	<u>566,340</u>
		<u>129,663</u>	<u>590,328</u>
Creditors: amounts falling due within one year			
Trade creditors and accruals	17	<u>(52,124)</u>	<u>(28,427)</u>
Net current assets		<u>77,539</u>	<u>561,901</u>
Net assets		<u>31,994,317</u>	<u>32,477,279</u>
Charity Funds:			
Endowment funds		21,127,279	21,209,873
Restricted funds		1,623,401	1,848,473
Unrestricted funds		<u>9,223,637</u>	<u>9,418,933</u>
Total funds	18	<u>31,994,317</u>	<u>32,477,279</u>

These financial statements were approved by the Trustees on 17 February 2021 and signed on their behalf by:



Trustee



Trustee

Date: 17 February 2021

The notes on pages 9 to 22 form part of these financial statements.

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020
STATEMENT OF CASH FLOWS
FINANCIAL YEAR END 31 DECEMBER 2020

	2020	<i>2019</i>
	€	€
Cash flow from operating activities	326,975	4,468,508
Cash flows from investing activities		
(Increase) in financial assets	(24,761)	<i>(3,488,558)</i>
(Increase)/decrease in tangible fixed assets	(19,640)	<i>(10,579)</i>
Dividend interest received	(724,251)	<i>(658,004)</i>
Net cash (used in)/ from investing activities	(768,652)	<i>(4,157,141)</i>
Changes in cash and cash equivalents in the reporting year	(441,677)	<i>311,367</i>
Cash and cash equivalents at start of year	566,340	<i>254,973</i>
Cash and cash equivalents at end of year	124,663	<i>566,340</i>
Reconciliation of net incoming / (outgoing) resources to net cashflow from operating activities		
Net (outgoing)/incoming resources	(482,962)	<i>3,773,894</i>
Decrease/ (increase) in debtors	18,988	<i>(4,116)</i>
Increase / (decrease) in creditors	23,697	<i>(5,741)</i>
Dividend and interest received	724,251	<i>658,004</i>
Depreciation charges	43,001	<i>46,467</i>
Net Cash provided by operating activities	326,975	<i>4,468,508</i>
Net (decrease)/ increase in cash and cash equivalents	(441,677)	<i>311,367</i>
Cash and cash equivalents at beginning of financial year	566,340	<i>254,973</i>
Cash and cash equivalents at end of financial year	124,663	<i>566,340</i>

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The financial statements have been prepared in Euro.

1.1 General information

These financial statements comprising the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes constitute the individual financial statements of the Mercy International Association for the financial year ended 31 December 2020.

Mercy International Association is a Company Limited by Guarantee and not having a share capital, incorporated in the Republic of Ireland. The nature of the company's operations and its principal activities are set out in the Trustees' Report.

Currency

The financial statements have been presented in Euro which is also the functional currency of the charity.

1.2 Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

Mercy International Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Company status

The charity is a company limited by guarantee. The directors of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to €1 per member of the company.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Endowments funds represent endowments gifted to the charity. The capital element of the endowments may not be used and the income generated from the endowment funds may be solely used in relation to the charity's activities.

1.5 Income

All income is recognised once the charity has entitlement to the income. It is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities.

Investment income is included when receivable.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefits to a third party, it is probable that a transfer or economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees, investment fees, costs of legal advice for Trustees and costs linked to the strategic management of the charity including the cost of Trustee meetings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those incurred directly in support of expenditure on objects of the company and include project management carried by the company.

All resources expended are inclusive of irrecoverable VAT.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.7 Going concern

The Trustees have prepared budgets and cashflows for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the Trustees consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following bases:

Fixtures and fittings	-	20% Reducing Balance
Office Equipment	-	20% Reducing Balance

1.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measure at fair value as at the balance sheet date using closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Taxation

No charge to taxation arises as the company has been granted exemption under Sections 207 and 208 of the Taxes Consolidation Act 1997. The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.12 Debtors

Trade and other debts are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at Bank and In Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition of opening of the deposit or similar account.

1.14 Other Creditors

Other credits are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amounts it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or when the existence will confirm by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.17 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into euros at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into euros at the rate ruling on the date of the transaction.

Exchanges in foreign currencies are recognised in the Statement of financial activities incorporating the income and expenditure account.

1.19 Pension

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

MERCY INTERNATIONAL ASSOCIATION

YEAR ENDED 31ST DECEMBER 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.20 Reserve Policy

In 2020, MIA developed a reserves policy. It defines reserves as income which is available to MIA and which can be spent at the discretion of the Board of Directors to further any of MIA's objectives but which is not yet spent, committed or designated for any specific purpose. Reserves set out in the policy do not include the MIA Endowment Fund, the restricted funds or the designated funds received from donors.

The reserves are required for the three main purposes

- To meet the annual budget deficit
- To make up any shortfall in designated/restricted fund for ongoing development
- To meet unexpected emergencies

At present €0.5 million has been set as the appropriate annual reserve. In addition the Policy makes provision for the establishment of a level of designated reserves to cover long-term planning and organisational commitments and directs that this be kept in an investment fund account. The calculation of the required level of reserves is an integral part of the MIA's planning, budget and forecast cycle.

It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted
- Planned activity level
- Unexpected emergency maintenance on an old heritage, listed building

The Reserves policy will be reviewed regularly by the Board.

MERCY INTERNATIONAL ASSOCIATION

YEAR ENDED 31ST DECEMBER 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds</i>
	2020	2020	2020	2019
	€	€	€	€
Donations	5,139	19,700	24,839	669,281
Mercy Congregation's Support	439,668	-	439,668	439,642
Formation Programmes	4,165	-	4,165	122,505
Total	448,972	19,700	468,672	1,231,428
<i>2019</i>	<i>580,152</i>	<i>651,276</i>	<i>1,231,428</i>	

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	<i>Total funds</i>
	2020	2020	2020	2020	2019
	€	€	€	€	€
Dividend & Interest Income	57,370	23,660	643,221	724,251	658,004
<i>2019</i>	<i>55,039</i>	<i>26,911</i>	<i>576,054</i>	<i>658,004</i>	

4. OTHER INCOME

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds</i>
	2020	2020	2020	2019
	€	€	€	€
Pilgrimage & Tours	5,025	-	5,025	3,133
Hospitality Income	18,464	-	18,464	91,492
Heritage Shop Income	2,820	-	2,820	32,831
Refund & Interest Received	406	-	406	18,848
	26,715	-	26,715	146,304
<i>2019</i>	<i>146,304</i>	<i>-</i>	<i>146,304</i>	

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. CHARITABLE ACTIVITIES

Expenditures on charitable activities can be analysed as shown below. Many of these programmes achieve results in more than one of these categories but are analysed for these purposes under the principal category.

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2020	2020	2020	2019
		€	€	€	€
Heritage, Spirituality & Ethos		320,687	137,649	458,336	968,042
Global Action		213,046	-	213,046	270,338
Communications		119,088	-	119,088	131,291
Support Costs	6	249,176	17,272	266,448	357,252
		901,997	154,921	1,056,918	1,726,923
2019		932,339	794,584	1,726,923	

6. COSTS ON GENERATING VOLUNTARY INCOME

Cost of generating voluntary income represents fundraising costs to both restricted and unrestricted income. This is analysed as follows:

	Basis of Allocation	Charitable Activities	Raising funds	Total 2020	Total 2019
		€	€	€	€
Postage, Office Equipment and Stationary	Staff allocation	10,841	2,710	13,551	17,492
Premises	Staff allocation	115,106	6,058	121,164	105,118
Support Expenses	Staff allocation	140,501	63,219	203,720	339,403
		266,448	71,987	338,435	462,013
2019		357,252	104,761	462,013	

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. OTHER EXPENDITURE

	2020	2019
	€	€
Auditors' remuneration	8,610	8,610
Investment Management Fees	119,695	109,051
Depreciation	43,001	46,467
	<u>171,306</u>	<u>174,128</u>

8. CONTRIBUTIONS

	2020	2019
	€	€
Endowment funds	203,096	401,486
Restricted funds	108,127	-
	<u>311,223</u>	<u>401,486</u>

The endowment fund represents restricted donations and bequests relating to the long term funding of Mercy International Association. The capital element of the fund may not be used and the income is limited to the operation of the Charity's activities.

9. GRANTS MADE PAYABLE TO THE MGA

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020	2020	2020	2019
	€	€	€	€
Grants paid	145,571	254,049	399,620	(264,608)
	<u>145,571</u>	<u>254,049</u>	<u>399,620</u>	<u>(264,608)</u>

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Depreciation	Other costs	Total	<i>Total</i>
	2020	2020	2020	<i>2019</i>
	€	€	€	€
Expenditure on programmes	-	1,056,918	1,056,918	1,726,923
Costs of generating voluntary income	-	71,987	71,987	104,761
Other expenditure/ governance costs	43,001	29,261	72,262	100,801
	43,001	1,158,166	1,201,167	1,932,484
<i>2019</i>	<i>46,467</i>	<i>1,886,017</i>	<i>1,932,484</i>	

11. NET INCOME RESOURCES/ (RESOURCES EXPENDED)

This is stated after charging:

	Total	<i>Total</i>
	2019	<i>2018</i>
	€	€
Depreciation of tangible fixed assets:		
-owned by the charity	43,001	46,467
Auditors remuneration	8,610	8,610
	<u>51,611</u>	<u>55,077</u>

The Board of Trustees did not receive any remuneration.

12. STAFF COSTS

The aggregated payroll costs incurred during the financial year were:

	2020	<i>2019</i>
	€	€
Salaries	<u>358,167</u>	<u>284,344</u>

There are no employees earning over €60,000 per annum.

KEY MANAGEMENT PERSONNEL

Key management included the CEO and three other Sisters of Mercy who do not receive a salary but their religious communities receive a contribution.

**MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. TANGIBLE FIXED ASSETS

	Freehold Property	Fixtures, Fittings and Equipment	Total
	€	€	€
Cost			
At January 2020	5,308,473	1,165,929	6,474,402
Additions	-	19,640	19,640
At 31 December 2020	<u>5,308,473</u>	<u>1,185,569</u>	<u>6,494,042</u>
Depreciation			
At January 2020	-	758,095	758,095
Charge for the year	-	43,001	43,001
At 31 December 2020	<u>-</u>	<u>801,096</u>	<u>801,096</u>
Net Book Value			
At 31 December 2020	<u>5,308,473</u>	<u>384,473</u>	<u>5,692,946</u>
<i>At 31 December 2019</i>	<u>5,308,473</u>	<u>407,834</u>	<u>5,716,307</u>

The building at 64A, Lower Baggot Street was gifted as a reserved gift to the company by the Sisters of Mercy, Lower Baggot Street, Dublin. The estimated value of the gift in 1993 was €1,904,610. In the event of the cessation of use of the premises by the company, a decision of the company to withdraw from the premises or the winding up of the company the property shall be reconveyed to a company of the Congregation of the Sisters of Mercy, or its successors.

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. INVESTMENTS

Market Value	2020	2019
	€	€
At 1 January 2020	26,199,071	22,710,513
Additions	898,456	1,296,903
Disposals	(580,354)	(931,944))
Fair value adjustments	(293,341)	3,123,599
At 31 December 2020	<u>26,223,832</u>	<u>26,199,071</u>

15. DEBTORS & PREPAYMENTS

	2020	2019
	€	€
Prepayments	-	18,988
	<u>-</u>	<u>18,988</u>

16. BANK AND CASH

	2020	2019
	€	€
Bank and Cash	124,663	566,340
	<u>124,663</u>	<u>566,340</u>

MERCY INTERNATIONAL ASSOCIATION
YEAR ENDED 31ST DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	<i>2019</i>
	€	€
PAYE control account	1,324	<i>(6,062)</i>
Other accruals	33,966	<i>19,065</i>
Deferred income	16,834	<i>15,424</i>
	<u>52,124</u>	<u><i>28,427</i></u>

18. STATEMENT OF FUNDS

	Balance at 1-Jan 2020	Income	Expenditure	Gains/ (Losses)	Contributions	Grants To MGA	Transfers Between Funds	Balance at 31-Dec 2019
	€	€	€	€	€			€
Unrestricted funds	9,418,933	533,057	(1,062,137)	34,355	-	(145,571)	445,000	9,223,637
Restricted funds	1,848,473	43,360	(162,514)	40,004	108,127	(254,049)	-	1,623,401
Endowment funds	21,209,873	643,221	(96,211)	(367,700)	203,096	-	(445,000)	21,147,279
Total of funds	<u>32,477,279</u>	<u>1,219,637</u>	<u>(1,320,862)</u>	<u>(293,341)</u>	<u>311,223</u>	<u>(399,620)</u>	<u>-</u>	<u>31,994,317</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. LEGAL STATUS OF THE COMPANY

The company is limited by guarantee and does not have a share capital. Every board director of the company undertakes to contribute to the assets of the company in the event of same being wound up while a member, or within one year after ceasing to be a member, for payment of the debts and liabilities of the company contracted before ceasing to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding €1. At the year end there were eight Directors.

The company is prohibited by its constitution from distributing any of its reserves by way of a dividend or otherwise to its Board Directors.

20. POST BALANCE SHEET EVENTS

There were no significant events effecting the company since the year end.

21. APPROVAL OF FINANCIAL STATEMENTS

The Trustees approved the financial statements for issue on 17 February 2021

**“ My legacy to the
Institute is charity: If
you preserve the peace
and union which have
never yet been violated
among us, you will feel,
even in this world, a
happiness that
will surprise you and
be to you a foretaste of
the bliss prepared for
every one of you
in heaven.”**

Catherine McAuley



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