

Destiny Rescue Incorporated and Controlled Entity

**DESTINY RESCUE INCORPORATED AND
CONTROLLED ENTITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Destiny Rescue Incorporated and Controlled Entity

Destiny Rescue Incorporated and Controlled Entity Financial report for the year ended 31 December 2015

COMMITTEE'S REPORT

Your committee members present their report on the association and its controlled entity for the financial year ended 31 December 2015.

Committee Members

The names of the committee members in office at any time during, or since the end of, the year are:

Tony Kirwan - President

Thor Bouttell – Treasurer (Resigned as Treasurer 24 Nov 2015)

Lachlan Anderson – Treasurer (Appointed as Treasurer 24 Nov 2015)

Jo-Ellen Bouttell – Secretary (Resigned as Secretary 24 Nov 2015)

Michelle Winser – Secretary ((Appointed as Secretary 24 Nov 2015)

Jennifer Kirwan – Committee Member

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the consolidated group during the financial year were to rescue children from human trafficking and sexual exploitation.

No significant change in the nature of these activities occurred during the year.

Destiny Rescue Incorporated and Controlled Entity

COMMITTEE'S REPORT

Information on Committee Members

Tony Kirwan	–	President & Founder
Experience & Expertise	–	Involvement in business ownership & management for over 22 years. Member of the Australian Institute of Company Directors
Special Responsibilities	–	President of the Management Committee. President & Chairman of Destiny Rescue International
Thor Bouttell	–	Treasurer (Resigned as Treasurer 24 Nov 2015)
Experience & Expertise	–	Ordained Minister, Bachelor of Learning Design Pastoral & Business Leadership/Management for over 20 years.
Special Responsibilities	–	Treasurer of the Management Committee
Lachlan Anderson	–	Treasurer (Appointed as Treasurer 24 Nov 2015)
Experience & Expertise	–	Bachelor of Finance. Involvement in the financial services industry for over 7 years. Previous experience as member of management committee for ministry. Member of Financial Planning Association of Australia "FPAA".
Special Responsibilities	–	Treasurer of Management Committee
Jo-Ellen Bouttell	–	Secretary (Resigned as Secretary 24 Nov 2015)
Experience & Expertise	–	Ordained Minister Pastoral Leadership for over 20 years. Leadership involvement within international mission's trips
Special Responsibilities	–	Secretary of the Management Committee
Michelle Winser	–	Secretary (Appointed as Secretary 24 Nov 2015)
Experience & Expertise	–	Involvement in business ownership/management for over 20 years. Member of the Australian Institute of Company Directors.
Special Responsibilities	–	Secretary of Management Committee. CEO of Destiny Rescue Australia.
Jennifer Kirwan	–	Committee Member
Experience & Expertise	–	Business involvement within either management or membership for over 22 years
Special Responsibilities	–	None

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COMMITTEE'S REPORT

Meetings of Directors

During the financial year, 4 meetings of committee were held. Attendances by each committee members were as follows:

	Committee's Meetings	
	Number eligible to attend	Number attended
Tony Kirwan	4	4
Jennifer Kirwan	4	4
Thor Boutell	4	4
Jo-Ellen Boutell	4	4
Michelle Winser	4	4
Lachlan Anderson	4	1

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 31 December 2015 is set out on page 5.

This committee's report is signed in accordance with a resolution of the members of the committee:



Tony Kirwan (President)

Date 19/4/2016

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 60.40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE COMMITTEE MEMBERS OF DESTINY RESCUE INCORPORATED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015 there have been no contraventions of:

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

Bentleys

Bentleys Brisbane (Audit) Pty Ltd
Level 9, 123 Albert Street
Brisbane, QLD 4000
Australia

Mauro Power

PM Power
Director

Dated *27 April 2016*

Destiny Rescue Incorporated and Controlled Entity

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated Group	
		2015	2014
		\$	\$
Revenue	3	3,353,846	3,813,509
Other income	3	183,835	258,328
Cost of sales	4	(11,526)	(39,276)
Employee benefits expense		(936,037)	(754,935)
Depreciation and amortisation		(23,071)	(31,097)
Fees and charges		(36,171)	(33,174)
Commissions paid		(65,315)	(54,057)
Project expenses	4	(2,341,579)	(2,297,311)
Repaid and maintenance		(11,544)	(4,686)
Rent		(67,383)	(41,051)
Other expenses		(296,748)	(323,877)
Finance costs		(4,932)	(6,454)
Surplus/(Deficit) before income tax		(256,625)	485,919
Income tax (expense) benefit	1(b)	-	-
Surplus/(Deficit) for the year	4	(256,625)	485,919
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(256,625)	485,919

The accompanying notes form part of these financial statements.

Destiny Rescue Incorporated and Controlled Entity

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Consolidated Group	
		2015	2014
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	435,540	675,344
Trade and other receivables	7	82,181	91,837
Inventories		14,234	22,010
TOTAL CURRENT ASSETS		531,955	789,191
NON-CURRENT ASSETS			
Property, plant and equipment	9	55,033	68,214
TOTAL NON-CURRENT ASSETS		55,033	68,214
TOTAL ASSETS		586,988	857,405
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	67,304	76,085
Current tax liabilities	11	7,915	3,371
Financial liabilities	12	28,528	18,217
TOTAL CURRENT LIABILITIES		103,747	97,673
NON-CURRENT LIABILITIES			
Financial liabilities	12	25,596	45,462
TOTAL NON-CURRENT LIABILITIES		25,596	45,462
TOTAL LIABILITIES		129,343	143,135
NET ASSETS		457,645	714,270
MEMBER'S FUNDS			
Retained surplus		457,645	714,270
TOTAL MEMBER'S FUNDS		457,645	714,270

The accompanying notes form part of these financial statements.

Destiny Rescue Incorporated and Controlled Entity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated Group
	Retained Surplus
	\$
Balance at 1 January 2014	228,351
Total comprehensive income for the year	485,919
Balance at 31 December 2014	<u>714,270</u>
Balance at 1 January 2015	714,270
Total comprehensive Income/(loss) for the year	(256,625)
Balance at 31 December 2015	<u>457,645</u>

The accompanying notes form part of these financial statements.

Destiny Rescue Incorporated and Controlled Entity

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated Group	
		2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,534,553	4,010,627
Program payments and payments to suppliers and employees		(3,772,799)	(3,717,847)
Interest received		8,332	9,467
Net cash generated by/(used in) operating activities	18	(229,914)	302,247
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(9,890)	(1,858)
Net cash used in investing activities		(9,890)	(1,858)
Net increase/(decrease) in cash and cash equivalents held		(239,804)	300,389
Cash and cash equivalents at beginning of financial year		675,344	374,955
Cash and cash equivalents at end of financial year	6	435,540	675,344

The accompanying notes form part of these financial statements.

Destiny Rescue Incorporated and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The consolidated financial statements and notes represent those of Destiny Rescue Incorporated and Controlled Entity (the "consolidated group" or "group").

The financial statements were authorised for issue on the date that the statement by the members of committee was signed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board, *Queensland Incorporations Act* and the *Australian Charities and not-for profits Commission Act 2012*. Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Destiny Rescue Incorporated) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 8.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Destiny Rescue Incorporated and Controlled Entity

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Income Tax

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

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

d. Property, Plant and Equipment

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

Plant and equipment

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

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-66%
Office machinery	50-66%
Furniture and fixtures	20%
Motor vehicles	25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as

Destiny Rescue Incorporated and Controlled Entity

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information, and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency. There has been no change in the functional and presentation currency of the Group.

h. Employee Benefits

Short-term employee benefits

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

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

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

k. Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss when the Group obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Group and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Group receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current

Destiny Rescue Incorporated and Controlled Entity

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on determination of impairment losses.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Goods and Services Tax (GST)

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

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

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

o. Comparative Figures

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

p. Critical Accounting Estimates and Judgements

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

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the fund that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Group expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the following 12-month period, obligations for annual leave entitlements are classified under AASB 119 as other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(ii) Provision for impairment of receivables

Included in accounts receivable and other debtors at the end of the reporting period are amounts receivable from members in relation to unpaid subscriptions from 2015 amounting to \$55,755. The committee has received undertakings from the member debtors that such amounts will be paid and therefore no provision for impairment has been made.

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NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent Destiny Rescue Incorporated and has been prepared in accordance with Australian Accounting Standards.

	2015	2014
	\$	\$
Statement of Financial Position		
ASSETS		
Current assets	184,188	154,558
Non-current assets	55,033	68,214
TOTAL ASSETS	<u>239,221</u>	<u>222,772</u>
LIABILITIES		
Current liabilities	103,743	95,173
Non-current liabilities	25,596	45,462
TOTAL LIABILITIES	<u>129,339</u>	<u>140,635</u>
EQUITY		
Retained surplus	109,882	82,137
TOTAL EQUITY	<u>109,882</u>	<u>82,137</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus	27,745	117,106
Total comprehensive income	<u>27,745</u>	<u>117,106</u>

Destiny Rescue Incorporated and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated Group	
	2015	2014
	\$	\$
Revenue		
- Awareness/Donations	1,921,352	1,924,891
- Child Sponsorship	1,165,515	1,592,757
- Team fees	266,979	295,861
	3,353,846	3,813,509
Other income:		
- Sales	172,268	240,686
- Interest received	8,332	9,466
- Other income	3,235	8,176
	183,835	258,328
Total revenue	3,537,681	4,071,837

NOTE 4: SURPLUS/(DEFICIT) FOR THE YEAR

	Consolidated Group	
	2015	2014
	\$	\$
The surplus/(deficit) for the year has been determined after charging the following costs:		
Cost of sales:		
Opening stock on hand	22,010	9,384
Purchases	(5,533)	41,341
Other direct costs	9,283	10,561
Less Closing stock	(14,234)	(22,010)
Total cost of sales	11,526	39,276

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	Consolidated Group	
	2015	2014
	\$	\$
Project expenses:		
Program distributions:		
Thailand	1,522,005	1,554,445
Cambodia	124,262	280,580
India	11,482	3,720
Myanmar	-	29,358
Laos	173,488	36,878
Philippines	141,446	133,839
Destiny Rescue International	88,550	-
	2,061,233	2,038,820
Other Project Expenses:		
Fundraising platform fees	5,531	8,471
Project expenses	41,902	-
Team expenses	196,594	215,476
General expenses	36,319	34,544
	280,346	258,491
	2,341,579	2,297,311

The payments for Cambodia, India, Thailand, Myanmar, Laos, Philippines and Destiny Rescue International were made to Global Development Group Pty Ltd (Registered Charity No 1385, ABN: 57 102 400 993) for forwarding to the applicable programs.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

	2015	2014
	\$	\$
Key management personnel compensation	338,854	286,755

No remuneration was paid by the parent entity to KMP.

Other KMP transactions

For details of other transactions with KMP, refer to Note 15.

Destiny Rescue Incorporated and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2015	2014
	\$	\$
CURRENT		
Cash at bank	435,095	674,824
Cash on hand	445	520
	435,540	675,344
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	435,540	675,344
	435,540	675,344

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2015	2014
	\$	\$
CURRENT		
Trade receivables	62,863	84,144
Rental bond	19,318	7,693
Total current trade and other receivables	82,181	91,837

NOTE 8: INTERESTS IN SUBSIDIARY

a. Information about Subsidiary

The subsidiary listed below is controlled and owned directly by the parent entity. The assets, liabilities, income and expenses of the subsidiary have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. The subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group*	
		2015	2014
		%	%
Destiny Rescue Overseas Aid Fund	Australia	100	100

* Percentage of voting power in proportion to ownership

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

Other than the following, there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

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NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2015	2014
	\$	\$
Plant and equipment:		
At cost	10,626	10,084
Accumulated depreciation	(8,652)	(7,229)
	1,974	2,855
Office equipment:		
At cost	39,563	30,918
Accumulated depreciation	(29,910)	(22,464)
	9,653	8,454
Furniture and fixtures:		
At cost	5,185	4,482
Accumulated depreciation	(2,637)	(2,054)
	2,548	2,428
Motor vehicles:		
At cost	99,971	99,971
Accumulated depreciation	(59,113)	(45,494)
	40,858	54,477
Total net carrying amount	55,033	68,214

(b) Reconciliation of carrying amounts at the beginning and end of the period

	Plant and equipment	Office equipment	Furniture and fixtures	Motor vehicles	Total
	\$	\$	\$	\$	\$
2015					
Carrying amount opening balance	2,855	8,454	2,428	54,477	68,214
Add: additions	542	8,645	703	-	9,890
Less: depreciation expense	(1,423)	(7,446)	(583)	(13,619)	(23,071)
Carrying amount closing balance	1,974	9,653	2,548	40,858	55,033

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2015	2014
	\$	\$
CURRENT		
Trade payables	40,502	47,289
Employee provisions	26,802	28,796
	67,304	76,085

Destiny Rescue Incorporated and Controlled Entity

NOTE 11: TAX LIABILITIES

	Consolidated Group	
	2015	2014
	\$	\$
CURRENT		
GST payable	(5,303)	(5,392)
PAYG payable	13,218	8,763
	7,915	3,371

NOTE 12: FINANCIAL LIABILITIES

	Consolidated Group	
	2015	2014
	\$	\$
CURRENT		
Hire purchase	19,789	18,217
Credit card	8,739	-
	28,528	18,217
NON-CURRENT		
Hire purchase	25,596	45,462
	25,596	45,462
Total financial liabilities	54,124	63,679

NOTE 13: CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2015	2014
	\$	\$
a. Finance Lease Commitments		
Payable – minimum lease payments:		
– not later than 12 months	23,094	23,094
– between 12 months and five years	27,851	50,809
Minimum lease payments	50,945	73,703
Less: finance cost	(5,560)	(10,024)
	45,385	63,679
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	58,305	13,938
– between 12 months and five years	210,266	3,456
– later than five years	-	-
	268,561	17,394

The property lease is a non-cancellable lease with a 5 term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments

Destiny Rescue Incorporated and Controlled Entity

shall be increased by 4.5% per annum. An option exists to renew the lease at the end of the term for an additional term of 1 years. The lease disallows for subletting of all lease areas.

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

The committee is not aware of any significant events since the end of the reporting period.

NOTE 15: RELATED PARTY TRANSACTIONS

Related Parties

The Group's main related parties are as follows:

a. Key management personnel

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

For details of disclosures relating to key management personnel, refer to Note 5.

b. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their close family members.

c. Transactions with related parties

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

During the year, the Group made program distributions of \$88,550 (2014: nil) to Destiny Rescue International via Global Development Group Pty Ltd (refer Note 4). Destiny Rescue International is based in United States and is a related party because they are the umbrella organisation which provides policy, guidance and oversight of Destiny Rescue Inc and Destiny Rescue Overseas Aid Fund as of the 22nd June 2015. Tony Kirwan is also the President of Destiny Rescue International.

NOTE 16: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

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NOTE 16: FINANCIAL RISK MANAGEMENT

		Consolidated Group	
	Note	2015	2014
		\$	\$
Financial assets			
Cash and cash equivalents	6	435,540	675,344
Loans and receivables	7	82,181	91,837
		517,721	767,181
Total financial assets		517,721	767,181
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	10	67,304	76,085
- Current tax liabilities	11	7,915	3,371
- borrowings	12	54,124	63,679
		129,343	143,135
Total financial liabilities		129,343	143,135

NOTE 17: FAIR VALUE MEASUREMENTS

The Group does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

NOTE 18: RECONCILIATION OF SURPLUS/(DEFICIT) AFTER INCOME TAX TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

		Consolidated Group	
		2015	2014
		\$	\$
Surplus/(deficit) for the year		(256,625)	485,919
Add/(deduct) non-cash items:			
Depreciation		23,071	31,097
Changes in operating assets and liabilities:			
(Increase)/Decrease in receivables		9,655	(51,743)
(Increase)/Decrease in inventories		7,776	(12,626)
Increase/(Decrease) in payables		(13,791)	(150,400)
Net cash inflow/(outflow) from operating activities		(229,914)	302,247

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STATEMENT BY THE MEMBERS OF THE COMMITTEE

We, being members of the committee of Destiny Rescue Incorporated, declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the requirements of the *Queensland Incorporations Act* and the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the consolidated group.
2. In the committee's opinion there are reasonable grounds to believe that Destiny Rescue Incorporated will be able to pay its debts as and when they become due and payable.



Tony Kirwan (President)

Date 19 / 4 / 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESTINY RESCUE INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report of Destiny Rescue Incorporated, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee of the consolidated entity comprising the association and the entities it controlled at the year's end or from time to time during the financial year.

Committee's Responsibility for the Financial Report

The committee of the Destiny Rescue Incorporated is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Queensland Incorporations Act* and the *Australian Charities and not-for-profits Commission Act 2012* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and not-for-profits Commission Act 2012*.

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Auditor's Opinion

In our opinion, the financial report of Destiny Rescue Incorporated is in accordance with the *Queensland Incorporations Act*, including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Queensland Incorporations Act* and the *Australian Charities and not-for-profits Commission Act 2012*.

Bentleys

Bentleys Brisbane (Audit) Pty Ltd

Maarten Power

PM Power

Director

Level 9, 123 Albert Street

Brisbane, QLD 4000

Australia

Date *27 April* 2016