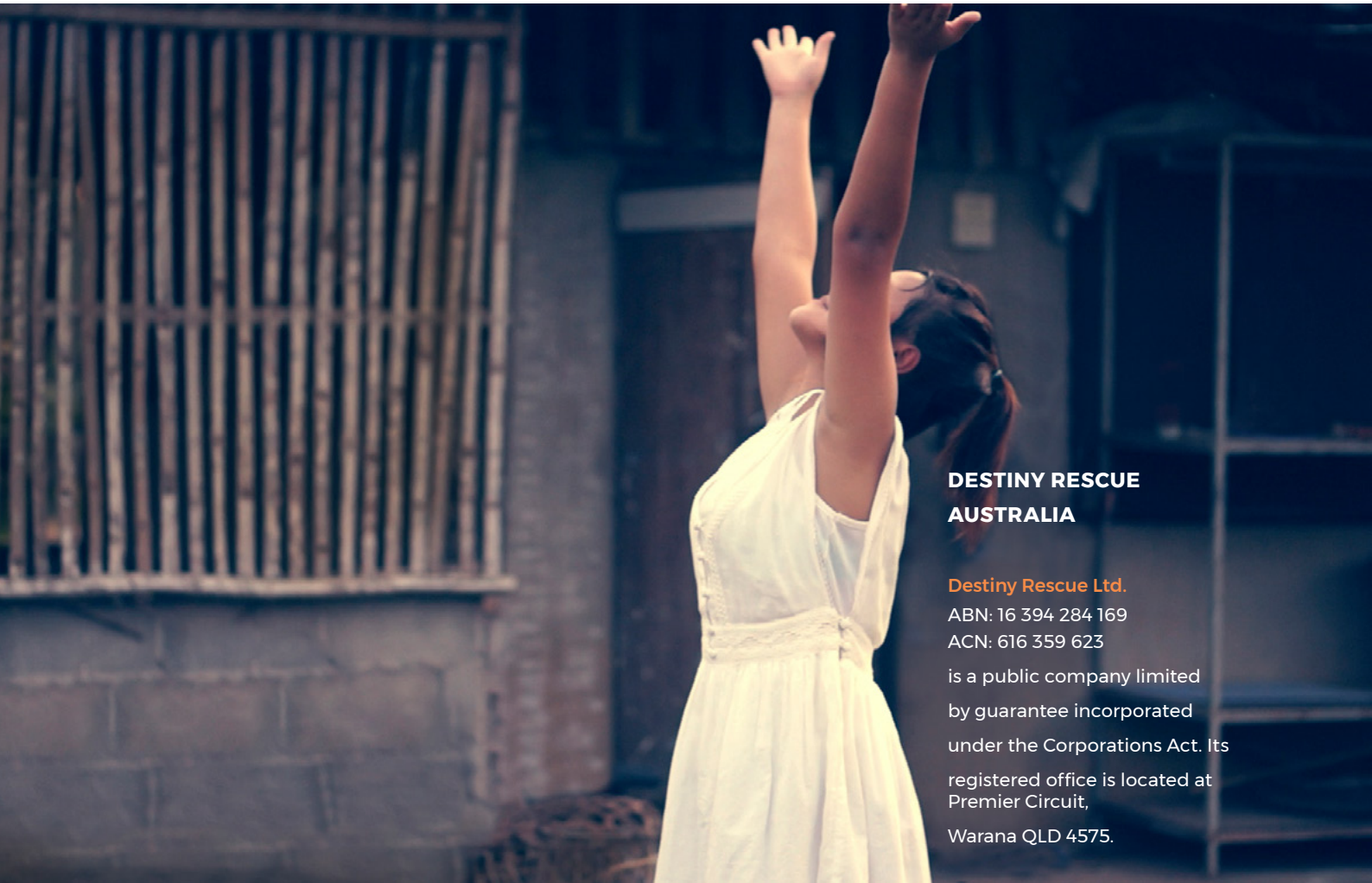


Annual Report

Destiny Rescue

2017





DESTINY RESCUE AUSTRALIA

Destiny Rescue Ltd.

ABN: 16 394 284 169

ACN: 616 359 623

is a public company limited
by guarantee incorporated
under the Corporations Act. Its
registered office is located at
Premier Circuit,
Warana QLD 4575.

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A Message from **Tony Kirwan**

Thanks to you this has been our best year ever, we were able to rescue 620 children and youth from some of the most horrific circumstances you could imagine.

As with every year there have been challenges to overcome, battles to fight, we had some losses but through it all we saw incredible victories! Being the reason another child steps into a life of freedom and hope is truly an honour that is hard to measure... and to do this journey with you has been a privilege.

Children being forced to have sex with adults is a blight on humanity that demands a response. Thank you for standing beside me as we go into battle for these kids!

I look forward to rescuing and restoring even more young lives with you in 2018



Tony Kirwan
Founder & President
Destiny Rescue International





INTRODUCTION

A Message from **Michelle Winsor**

In 2017 we saw our biggest year yet! Working together as a team worldwide we were able to rescue 620 children and youth from the most horrific circumstances you can imagine.

Thank you to each and every one of you who stood in this fight with us. Without you we cannot do what we do. As I sit here in reflection, we still have a huge fight ahead of us, as many more children are in the darkness waiting for us. But as Edmund Burke said "the only thing necessary for the triumph of evil is that good men do nothing" and I know that as we push forward we will never be silent.

This past 12 months I had the privilege of visiting our projects in Thailand and India. To see kids being kids, laughing and playing without a care in the world, filled me with incredible joy. There were many warm hugs and lots of smiling faces. I can say without a doubt that these children really are slaves in the truest form. The extreme poverty and disregard for human life saddened me greatly.

Our teams are working tirelessly to bring children into the light every day, restore their smiles and empower them to stay free.

As we celebrate the record-breaking numbers from 2017, I thank you all for the part you have played no matter how big or small. What you give these children is priceless – FREEDOM!

Whether you Rescue A Child, Sponsor A Home or host a jewellery party, you make this possible. In partnership with YOU we are changing destinies.



MICHELLE WINSER

CEO - Destiny Rescue Australia



Highlights

Highlights of 2017

620

INDIVIDUAL RESCUES

A record year for individual rescues across all project nations

12

MAJOR RAIDS

Our aim is to see 25% increase in successful raids moving forward

80%

RETENTION RATE

Our highest rate since DR's inception 16 years ago

346

PROTECTED

Protection of vulnerable children remains a high priority throughout our projects

2017 a breakthrough in **Rescue Numbers!**

We are excited to share with you the forward progress in our mission that you helped make possible in 2017.

620 young lives have been rescued during the 2017 year, many new vocational and education opportunities were pursued as girls become empowered towards their true destinies.

Over 346 children were protected from exploitation through our prevention programs and we have more supporters than ever before using their voices to speak up for these children!



620 Individual Rescues

About us



Who **We Are**

Since 2011, we've rescued over 2600 children enslaved around the world, helped keep hundreds more from entering the sex trade through our various prevention programs, ensured justice for those who have been wronged, and raised awareness to untold numbers. And we'll continue to expand to reach even more children in the days ahead!

Destiny Rescue realises that human trafficking is a global problem. We're determined to respond to God's call to set captives free worldwide. Until no more children are sold, forced or coerced into the sex trade, Destiny Rescue is fully committed to fighting for their freedom, their restoration and their futures.

VISION

To see child sex slavery abolished in our lifetime.

MISSION

Destiny Rescue exists to Rescue, Restore, Protect, and be a Voice for the Voiceless.

VALUES

We believe in God's call to 'set the captive free' - so this is exactly what we do.

What **We Do**

Rescue



Restore



Reintegrate





How **We Rescue**

"We Identify and remove Targets from the sex trade. We do this voluntarily and with the help of law enforcement agencies."

DAMIAN MAY,
Director of Rescues

Our international frontline teams venture into bars, massage parlours and brothels in S.E. Asia, posing as customers. They work covertly right under the noses of mamasans and pimps to develop relationships of trust with the young girls, to gather intelligence, and to eventually facilitate raids. Larger raids are conducted in partnership with the FBI, the AFP, federal and local authorities. However, smaller covert operations also occur, where brothel owners are paid a "bar fine" which allows them to take the girls back to hotels, creating the opportunity to whisk them away to safety. Once safe, our qualified aftercare staff take over and with much love and patience, over time, win their trust and friendship and accompany them on their journey of physical, mental and emotional recovery.

We are now official informants for the DSI Thailand. We work with the CSD Thailand, PNP Philippines and the NBI Philippines to conduct rescue operations.



1

Primary Target

18 years and under, from point of initial contact, in the sex trade.

2

Secondary Target

Over 18 when in a dependent/ supportive relationship with the Primary Target and thus instrumental in the rescue of a Primary Target.

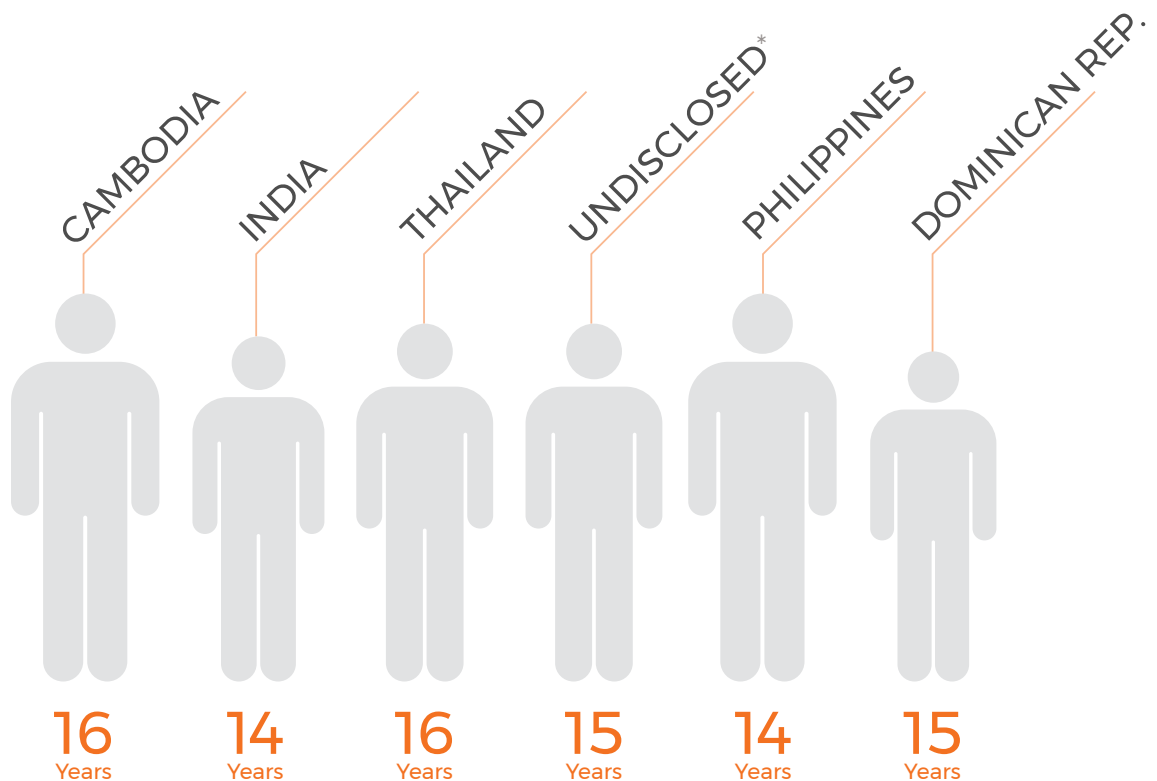
3

Future Targets

- Slave labour of children
- Trafficking of body parts
- Involvement of outside agencies"

RESCUED CHILDREN

Demographics



Average age of rescued children by country.

This year, the youngest child we rescued was a mere 4 years old.

All children are given age-appropriate care upon entering our aftercare programs.

*for reasons of political sensitivity & security reasons, we don't name this country publicly

Average Age

15



97%

3%

In 2017, 4 boys were rescued.

While the majority of the children we rescue are girls, Destiny Rescue's efforts bring boys to freedom as well.



How **We Restore**

DR Aftercare Services currently operate under two basic models:

1. INSIDE PROGRAM RESIDENTIAL CARE

A 6 month program which involves delivery of education in the following areas: Life Skills, Christian Studies, English studies, Vocational training, psychoeducation, medical health access, and work experience.

The goal of this program is to equip each child with healing and the skills necessary to live safely within his/her community following the six month period.



2. OUTSIDE PROGRAM FAMILY-BASED CARE

A 12 month program which involves delivery of education and casework support through the following: Assistance in school enrolment, medical health access and support, family support and access to community resources, education of the entire family unit in areas of human trafficking, online safety, child protection and women's rights, 'safe touch' - child protection policies, gospel message and discipleship.

The goal of this program is to not only equip the girls with emotional and physical healing and support but also to work with the family unit and community as a whole. Reintegration and care plans are made with the caseworker and family.





How **We** **Reintegrate**

Reintegration takes place following each program once the children have successfully met goals set in the care plan created by their caseworker and in some cases family members.

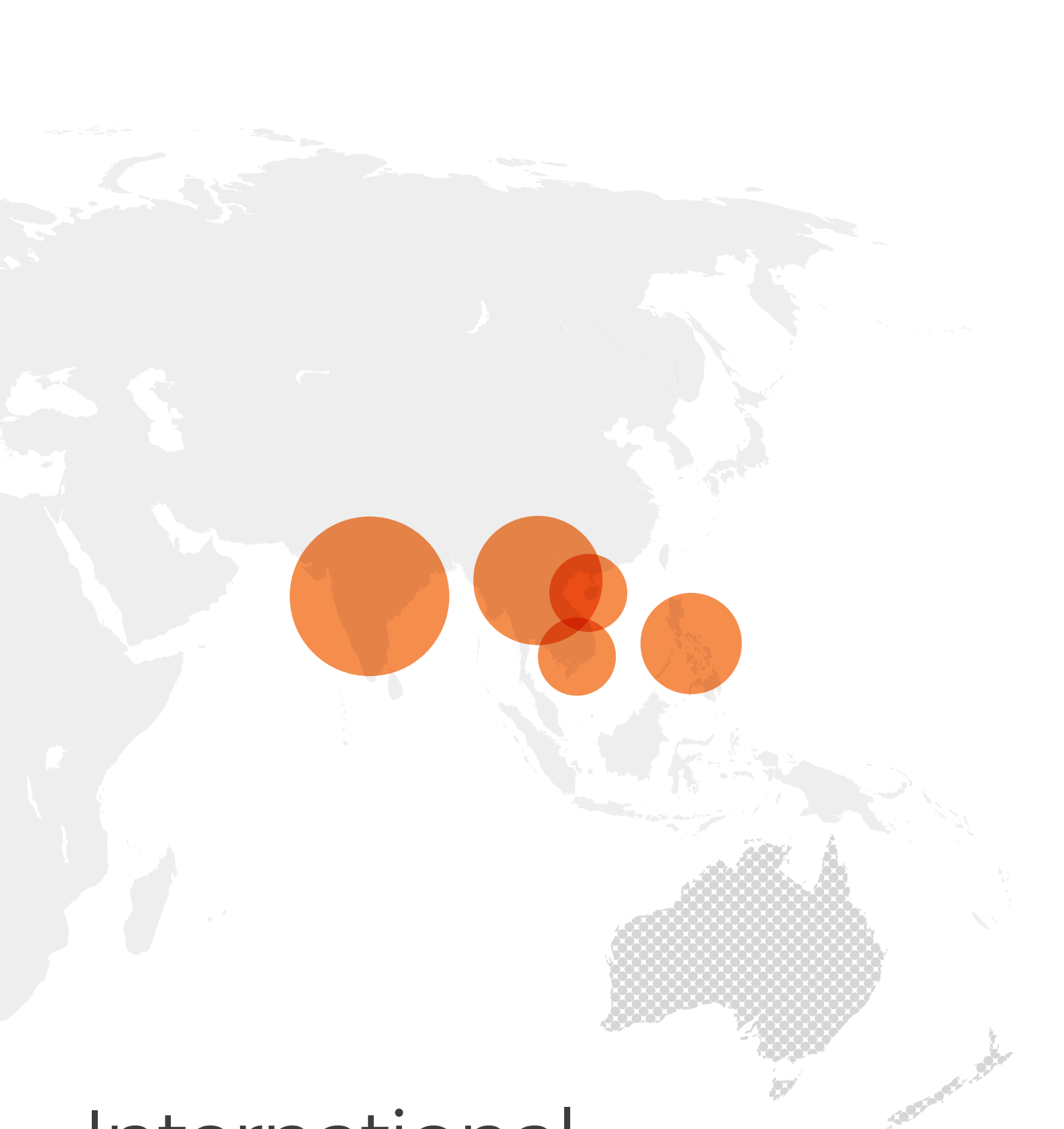
Some of these goals include:

1. Proven emotional improvement
2. Graduating the EMPOWER program
3. Demonstrating an understanding of available community support and legal rights
4. Ability to show practical employability skills
5. Showing consistent responsibility in maintaining emotional and physical health

Reintegration can take place in the form of gaining full-time employment, re-entry to school alongside part-time/casual work, and/or placement back with family if deemed appropriate and family has demonstrated ability to safely support their child.

Results





International **Program/Results**

Destiny Rescue has 6 Project Nations where we are focusing our efforts to see children set free!



IN FOCUS

Thailand

158

Rescues
in 2017

248

Children
in Care

3

Aftercare
Locations

STORIES OF HOPE

Moey's Story

Moey came to Thailand's Promise home after running away from her village home where she suffered emotional abuse in her relationship with her mother.

No longer being able to handle the strain her relationship with her mother caused, Moey decided to run away and find work in a city bar. It was this bar where one of our rescue agents found Moey. She had suffered greatly after having fled from one terrible situation at home to another at work, which was causing her to live in a state of high alert and fear.

After arriving into the care of our aftercare teams, Moey faced yet another challenge. She did not have any identification and as a result became stateless within her own country. This is a big problem in Thailand with over four hundred thousand nationals without the identification required to be declared citizens and gain access to government support, education, and be able to work legally in-country. However, since coming into Destiny Rescue, Moey's caseworker was able to guide her through the process of applying for citizenship, a process unfamiliar and too expensive for many Thai families to navigate through without support.

Moey now has full citizenship after two years of patiently waiting and trusting her caseworker through the process. She now has access to medical support, education, and a full range of employment opportunities.

Moey is flourishing despite the challenges life has thrown her way and is a worship leader in her church. She has also recently become part of a team who travel to various villages to share the gospel message, and dreams of being a tour guide in the future. With the help of Moey's house parents she has also been able to re-establish relationships with members of her family.

*Name changed to protect identity





IN FOCUS

Cambodia

107

Rescues
in 2017

248

Children
in Care

3

Aftercare
Locations



IN FOCUS

Undisclosed*

57

Rescues
in 2017

57

Children
in Care

2

Aftercare
Locations

*for reasons of political sensitivity & security reasons, we don't name this country publicly

STORIES OF HOPE

Amphone's Story



Amphone has come from a family in a small village in Laos that has struggled to meet her basic needs of healthy meals and a place to live safely in.

As a result, Amphone ventured into the city at the young age of 13 to find a job that would help support herself and her family.

Unfortunately, Amphone found herself in a workplace that exploited her lack of skills and desperation to find a job by forcing her to work in the darkness of sexual slavery. They promise her a wage she never received and a safe home that she never got to live in. This is, unfortunately, a very common story that many of our girls have had to endure.

Thankfully with the help of our rescue team, Amphone was able to escape this nightmare and come into a home filled with love and a safe place to rest. She has been with us for eight months now and is making the most of her new environment. Taking on new challenges every day and overcoming them. Amphone graduated the first phase of our program in November last year and has since become a part of our internship program. Amphone is now learning new skills in the hospitality industry and loves sharing her experiences with anyone who will listen!

Her internship supervisors have been so impressed with her willingness to learn and work hard that they have offered her full-time employment at the end of her internship. This was great news for all of us! Amphone has not only overcome the challenges her past created, but she has excelled in the opportunities provided for her and now has an exciting future ahead of her.

We have no doubt that Amphone will continue to move forward in leaps and bounds!

*Name changed to protect identity



IN FOCUS

Philippines

122

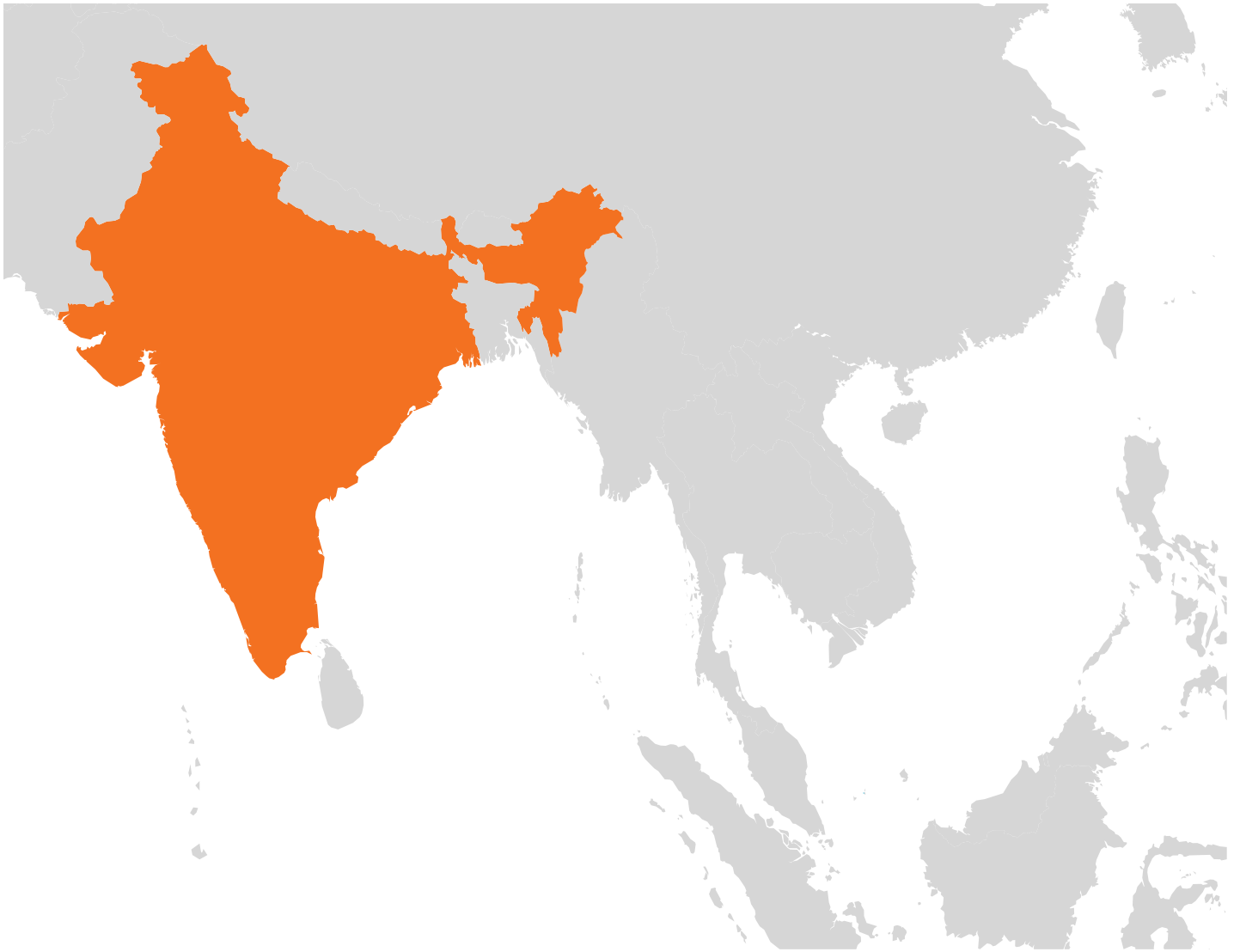
Rescues
in 2017

114

Children
in Care

1

Aftercare
Locations



IN FOCUS

India

163

Rescues
in 2017

120

Children
in Care

1

Aftercare
Locations



IN FOCUS

Dominican Rep.

13

Rescues
in 2017

5

Children
in Care

1

Aftercare
Locations



Destiny Rescue **Partnerships**

Partnering with individuals and groups in many different ways, Destiny Rescue is empowered by supporters to actively and successfully make a positive difference in the lives of many trafficked and sexually exploited children.

In 2017, our partners included churches, schools, businesses, corporations, ambassadors and volunteers, as well as mum and dads, who are all fundamental in our mission to rescue, restore and reintegrate children, who have been enslaved in the sex industry.

Fundraisers

Destiny Rescue Australia currently partners with two online fundraising services: Raisely and, to a lesser extent, EveryDay Hero, which allow supporters to create their own online fundraising presence via a dedicated fundraising page. In 2017 354 individuals who chose to fundraise for Destiny Rescue, in a variety of ways including cycling from Melbourne to the Sunshine Coast, beauty pageants, gala dinners, Bollywood nights, movie nights, inviting wedding guests to donate to Destiny Rescue in lieu of wedding gifts, fashion parades, jewellery parties – even teenagers giving up sweets for an entire month – and many other. The average amount raised by fundraisers and advocates was \$222.72. A total of \$78,842.88 was raised via their events and activities..

Volunteers

Destiny Rescue Australia is blessed to be supported by a group of passionate volunteers, giving up their time and investing their skills to cover assistance predominantly with administration and event management tasks. 244 advocates and volunteers worked approx. 36,608 hours saving DR approx. \$447,544.00

Business

We saw an increased involvement by the business community in 2017, predominantly via Workplace Giving, where employees commit a small weekly contribution via pre-tax income to help rescue children from sexual slavery, with employers often matching employer contributions. Workplace Giving contributions in Australia alone raised \$37,248.56.

Local Sunshine Coast Businessman Scott Armstrong, Managing Director Sunshine Coast Hotels held a Locker Room Lunch featuring cricketing legends: Kim Hughes & Jeff Thomson. Destiny Rescue was gifted \$16,435.00

Media

Destiny Rescue Australia Media Partners in 2017 included Network Seven's The Daily Edition, who ran an Expose on the rescue work of Destiny Rescue in Asia, with interviews with founder and president Tony Kirwan and Australia's CEO Michelle Winser. A number of regional and local newspapers, radio and TV networks between Melbourne and the Sunshine Coast supported Destiny Rescue Australia, helping to promote the Road to Happiness - Melbourne to Sunshine - Coast cycling event. Our CEO Michelle Winser was also profiled as a finalist in the Sunshine Coast Business Woman of the Year Award in My Weekly Preview. Media support contributed greatly to strengthening our brand and attracted new supporters, resulting in increased donations and advocate and volunteer sign-ups.

Ministries

Throughout Australia local churches are some of our most passionate supporters, helping us to spread awareness on the topic of child trafficking and exploitation, inviting us to have a presence at public events or to speak in front of their congregations. In 2017 74 engaged in some way with Destiny Rescue. Many hold Sponsorship Sundays raising funds for Destiny Rescue or book a team trip, sending members over to the projects. Imagine Nations Church in Sydney gifted \$25,000 for new restoration home in India.

Community

Community support increased in 2017, with a growing number of service clubs, women's clubs and schools requesting us to speak at events on the topic of "Human Trafficking". Our educational presentations have prompted numerous fundraising initiatives, sponsorships and direct donations to Destiny Rescue.

Chapters of Rotary have been especially active and raised a total of \$87,337.60 for Destiny Rescue.

Why We Exist

We exist because we believe no child should be forced to have sex with adults - ever!

With human trafficking being the fastest growing crime in the world - not far behind to the #1 crime of drug trafficking - with over one million children trafficked into situations of sexual exploitation, Destiny Rescue has made a commitment to be instrumental in helping to reverse these figures.

All children have the right to feel safe and should expect adults to protect them from harm. The reality, sadly, does not support this expectation. And while there are a variety of reasons that some adults victimise rather than protect children, Destiny Rescue has made it their mission to make a positive and lasting change.

Destiny Rescue for 16 years has waged war against traffickers and paedophiles, has increased awareness of the problem, has protected high-risk children from being snatched, rescued, restored many of the victims and will continue to do so until, it is our hope, child exploitation no longer exists.

The current statistics may seem overwhelming, but we are doing something in the midst of it...

40.3m

Current research estimate of people enslaved worldwide

10m

25% of all those enslaved are children under the age of 18

FORCED LABOUR IN NUMBERS:

| Types of Forced Labour | Millions | Adults/Children | Male/Female |
|---|------------------|-----------------|----------------|
| Forced Labour Exploitation (Agriculture, Construction, Domestic Work or Manufacturing) | 16 (64%) | 81%/19% | 42%/58% |
| Forced Sexual Exploitation | 4.8 (20%) | 79%/21% | 1%/99% |
| State Imposed Forced Labour (Prisons, or in work imposed by the state military or by rebel armed forces) | 4.1 (16%) | 93%/7% | 59%/41% |
| TOTAL/AVERAGE | \$24.9m* | 84%/16% | 34%/66% |

* Remainder of the 40.3 million enslaved today (15.4 million) are in Forced Marriage

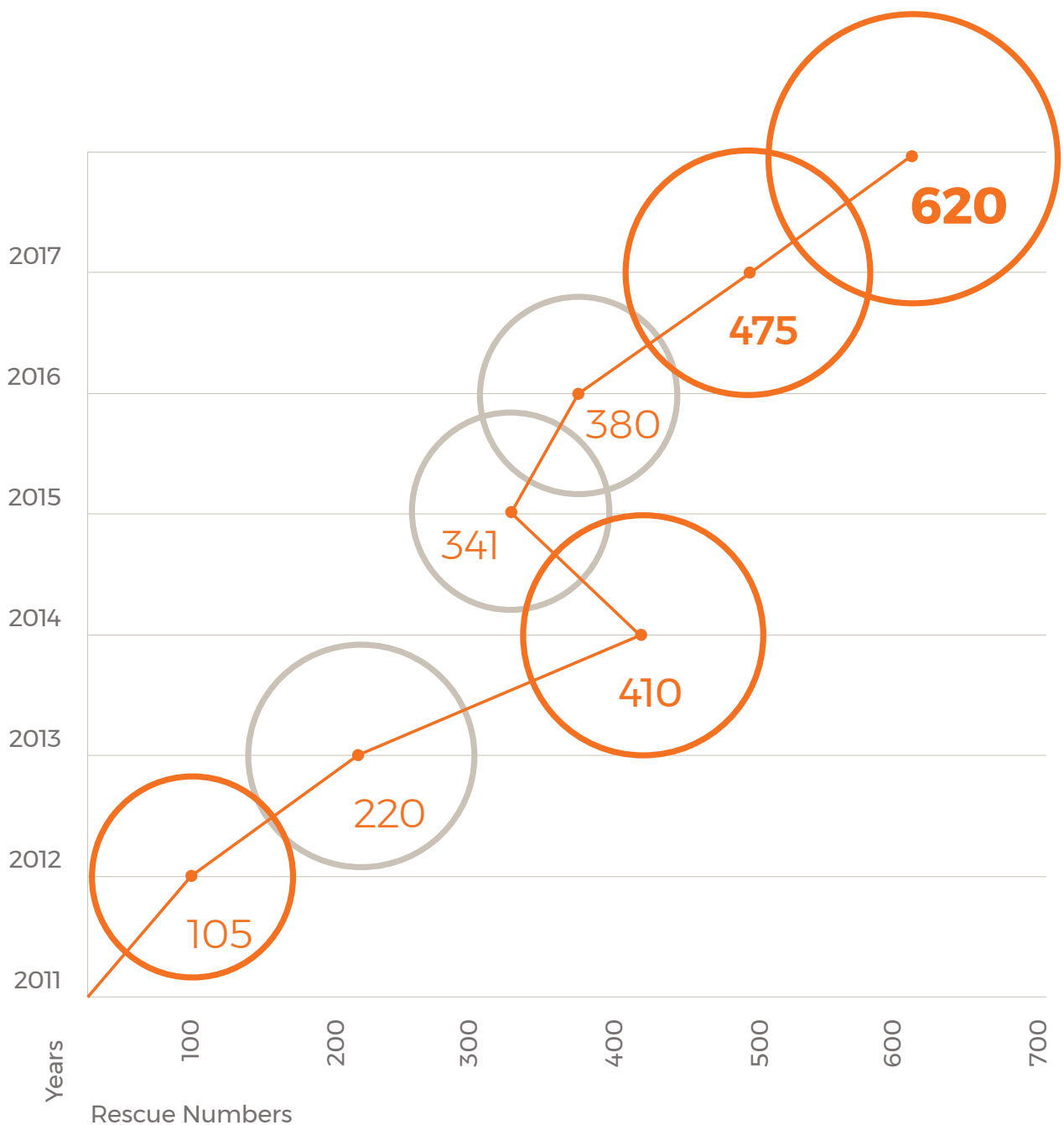
SOURCES:

1. http://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf
2. <http://www.humanrightsfirst.org/sites/default/files/TraffickingbytheNumbers.pdf>

DESTINY RESCUE

Ministry Goals

After eclipsing our previous rescue record of 475 with 620 in 2017, our goal for 2018 will be to rescue 1,000 children.





DESTINY RESCUE AUSTRALIA

The Board and Governance

The Board currently consists of four members each with unique skills and experience united by one passion; the rescue, restoration and reintegration of children and ultimately, the eradication of child exploitation.



Tony Kirwan

President & Founder

Tony Kirwan has always had a heart to see children rescued from poverty and abuse, and after running his own electrical contracting company for ten years, he sold everything and began Destiny Rescue in 2001.

Tony believes in leading from the front. Residing in Thailand, he and his teams around the world are actively involved in the rescue of young children from the sex industry and building an organisation that combats this crime against humanity.



Jenni Kirwan

Member

Jenni Kirwan has been instrumental in Tony's vision and his work. Since uprooting their then young family to move to Thailand in 2001, Jenni has not only been Tony's rock throughout the journey from humble beginnings to today's highly respected non-profit organisation with over 100 staff & volunteers but has also become a strong voice for Destiny Rescue. She is the perfect spokeswoman and makes appearances at a variety of events, including Women's Conferences.



Michelle Winser

Company Secretary/CEO

Michelle has been involved in Business leadership for over 20 years. Her earlier career was based in merchant banking in Sydney's CBD. Michelle then went on to managing several businesses before running her own successful business for five years.

Michelle has a heart for children and a heart for Destiny Rescue and is excited to see slavery ended in our lifetime and the rescue of 100,000 children by the year 2020.



Lauchlan Anderson

Treasurer

Lachlan has completed his Bachelor of Finance at Latrobe University in Melbourne and has been in the financial services industry since 2010. He is currently working as a Financial Planner in Melbourne, and believes this experience has helped provide insights and effective leadership for Destiny Rescue.

Lachlan has visited some of the projects of Destiny Rescue and personally believes we are making a real positive difference in the lives of those who need it the most!

Financials



Destiny Rescue Ltd and Controlled Entity
Financial report for the year ended 31 December 2017

Director's Report

Your directors present their report on the company and its controlled entity for the financial year ended 31 December 2017.

Directors

The names of the each person who has been a director during the year and to the date of this report are:

- Tony Kirwan – Director
- Lachlan Anderson – Director
- Michelle Winser – Secretary, Director
- Jennifer Kirwan – Director

Directors 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.

Short-Term and Long-Term Objectives

The company's short-term objectives are to:

- provide mentoring and specialist children support services that develop wellbeing, resilience and transfer life skills;
- support underprivileged and at-risk children by engaging all sectors of the community in ongoing partnerships and support programs; and
- be a recognised leader in the provision of specialist children services as evidenced by the success of programs and practices.

The company's long-term objects are to:

- establish and maintain relationships that foster social inclusion and community reconnection for underprivileged and at-risk children; and
- be sustainable and strive for continuous improvement so as to offer the best possible outcomes for the children requiring its assistance.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- The company strives to attract and retain quality staff and volunteers who are committed to working with underprivileged and at-risk children. The directors consider that attracting and retaining quality staff and volunteers are essential for the company to continue providing the services that it does, and critical to it achieving all of its short-term and long-term objectives.
- The company establishes and fosters working partnerships with a range of community stakeholders.

By actively encouraging and facilitating stakeholder involvement in the entity's activities, the company will be able to achieve its short-term objectives of supporting children by engaging sectors from the community and being a recognised leader in the provision of children services.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Information on Directors

Tony Kirwan

| | | |
|--------------------------|---|---|
| | – | Director & Founder |
| Experience & Expertise | – | Involvement in business ownership & management for over 22 years. Member of the Australian Institute of Company Directors |
| Special Responsibilities | – | President & Chairman of Destiny Rescue International |

Lachlan Anderson

| | | |
|--------------------------|---|--|
| 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 | – | None |

Michelle Winser

| | | |
|--------------------------|---|--|
| Experience & Expertise | – | Involvement in business ownership/ management for over 20 years. Member of the Australian Institute of Company Directors. |
| Special Responsibilities | – | CEO of Destiny Rescue Australia. |

Jennifer Kirwan

| | | |
|--------------------------|---|--|
| | – | Director |
| Experience & Expertise | – | Business involvement within either management or membership for over 22 years. |
| Special Responsibilities | – | None |

Meeting of Directors

During the financial year, 4 director's meetings were held. Attendances by each director were as follows:

| | Director's Meetings | |
|------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Tony Kirwan | 4 | 4 |
| Jennifer Kirwan | 4 | 4 |
| Michelle Winser | 4 | 4 |
| Lachlan Anderson | 4 | 4 |

Members' Guarantee

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

At 31 December 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$40.

Operating Result

The operating loss for the year ended 31 December 2017 amounted to \$70,552 (2016: \$143,797).

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 31 December 2017 is set out on the following page.

This director's report is signed in accordance with a resolution of the Board of Directors:



Tony Kirwan (President)

Date 27 April 2018



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF DESTINY RESCUE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017 there have been:

- (i) no contraventions of the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle

Ashley Carle
Director

Brisbane, 2 May 2018



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Destiny Rescue Ltd and Controlled Entity
Financial report for the year ended 31 December 2017

Profit or Loss

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017

| | Note | Consolidated Group | |
|--|------|--------------------|------------------|
| | | 2017 | 2016 |
| | | \$ | \$ |
| Revenue | 3 | 2,950,445 | 3,240,424 |
| Other income | 3 | 179,191 | 188,818 |
| Cost of sales | 4 | (6,654) | (18,259) |
| Employee benefits expense | | (940,827) | (951,425) |
| Depreciation and amortisation | | (19,841) | (26,348) |
| Fees and charges | | (33,483) | (37,054) |
| Project expenses | 4 | (1,789,444) | (2,131,877) |
| Repairs and maintenance | | (3,746) | (1,792) |
| Rent | | (79,147) | (70,793) |
| Other expenses | | (326,042) | (330,986) |
| Finance costs | | (1,004) | (4,505) |
| Surplus/(Deficit) before income tax | | (70,552) | (143,797) |
| Income tax (expense) benefit | 1(b) | - | - |
| Surplus/(Deficit) for the year | | (70,552) | (143,797) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | (70,552) | (143,797) |

Financial Position

Consolidated statement of financial position
as at 31 December 2017

| | Note | Consolidated Group | |
|-------------------------------|------|--------------------|----------------|
| | | 2017 | 2016 |
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 262,385 | 309,058 |
| Trade and other receivables | 7 | 45,747 | 68,180 |
| Inventories | | 7,400 | 8,352 |
| TOTAL CURRENT ASSETS | | 315,532 | 385,590 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 29,460 | 44,857 |
| TOTAL NON-CURRENT ASSETS | | 29,460 | 44,857 |
| TOTAL ASSETS | | 344,992 | 430,447 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 69,303 | 78,066 |
| Current tax liabilities | 11 | 12,472 | 5,126 |
| Financial liabilities | 12 | 19,921 | 20,293 |
| TOTAL CURRENT LIABILITIES | | 101,696 | 103,485 |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | 12 | - | 13,114 |
| TOTAL NON-CURRENT LIABILITIES | | - | 13,114 |
| TOTAL LIABILITIES | | 101,696 | 116,599 |
| NET ASSETS | | 243,296 | 313,848 |
| MEMBER'S FUNDS | | | |
| Retained surplus | | 243,296 | 313,848 |
| TOTAL MEMBER'S FUNDS | | 243,296 | 313,848 |

Changes in Equity

Consolidated statement of changes in equity
for the year ended 31 December 2017

| Consolidated Group | |
|--|----------------|
| Retained Earnings | |
| \$ | |
| Balance at 1 January 2016 | 457,645 |
| Total comprehensive income/(loss) for the year | (143,797) |
| Balance at 31 December 2016 | 313,848 |
| | |
| Balance at 1 January 2017 | 313,848 |
| Total comprehensive income/(loss) for the year | (70,552) |
| Balance at 31 December 2017 | 243,296 |

Cash Flows

Consolidated statement of cash flows
for the year ended 31 December 2017

| | Note | Consolidated Group | |
|---|----------|--------------------|----------------|
| | | 2017 | 2016 |
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 3,172,524 | 3,424,573 |
| Program payments and payments to suppliers and employees | | (3,203,166) | (3,516,544) |
| Interest received | | 1,980 | 5,874 |
| Interest paid | | (1,004) | (4,505) |
| Net cash generated by/(used in) operating activities | 18 | (29,666) | (90,602) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (4,444) | (16,172) |
| Net cash used in investing activities | | (4,444) | (16,172) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | | (12,563) | (19,708) |
| Net cash used in financing activities | | (12,563) | (19,708) |
| Net increase/(decrease) in cash and cash equivalents held | | (46,673) | (126,482) |
| Cash and cash equivalents at beginning of financial year | | 309,058 | 435,540 |
| Cash and cash equivalents at end of financial year | 6 | 262,385 | 309,058 |

Notes

Notes to the financial statements for the year ended 31 December 2017

The consolidated financial statements and notes represent those of Destiny Rescue Ltd and Controlled Entity (the “consolidated group” or “group”).

The financial statements were authorised for issue on the date that the director’s declaration was signed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Destiny Rescue Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB1053: Application of Tiers of Australian Accounting Standards.

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 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 noncurrent 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 Ltd) 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 profit or loss and other comprehensive income.

Notes

Notes to the financial statements for the year ended 31 December 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. 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). 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

diminishing value 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 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.

Notes

Notes to the financial statements for the year ended 31 December 2017

Leased assets are depreciated on a diminishing value 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.

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.

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

Notes

Notes to the financial statements for the year ended 31 December 2017

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

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 sale of goods or rendering of a service is recognised upon the delivery of the goods or services 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 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.

Notes

Notes to the financial statements for the year ended 31 December 2017

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 directors evaluate 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 company that may be indicative of impairment triggers.

Notes

Notes to the financial statements for the year ended 31 December 2017

NOTE 2: PARENT INFORMATION

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

| | Consolidated Group | |
|---|--------------------|-----------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Statement of Financial Position | | |
| ASSETS | | |
| Current assets | 76,727 | 136,431 |
| Non-current assets | 29,460 | 44,858 |
| TOTAL ASSETS | 106,187 | 181,289 |
| LIABILITIES | | |
| Current liabilities | 101,695 | 103,485 |
| Non-current liabilities | - | 13,114 |
| TOTAL LIABILITIES | 101,695 | 116,599 |
| EQUITY | | |
| Retained surplus | 4,492 | 64,690 |
| TOTAL EQUITY | 4,492 | 64,690 |
| Statement of Profit or Loss and Other Comprehensive Income | | |
| Total surplus | (60,198) | (45,192) |
| Total comprehensive income | (60,198) | (45,192) |

Guarantees

Destiny Rescue Ltd has not entered into any guarantees in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent Liabilities

At 31 December 2017 Destiny Rescue Ltd did not have any contingent liabilities relating to guarantees provided to its controlled entities (2016: Nil).

Contractual Commitments

At 31 December 2017 Destiny Rescue Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment.

Notes

Notes to the financial statements for the year ended 31 December 2017

NOTE 3: REVENUE AND OTHER INCOME

| | Consolidated Group | |
|-----------------------|--------------------|------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Revenue | | |
| - Awareness/Donations | 1,743,585 | 1,824,748 |
| - Sponsorship | 1,105,934 | 1,126,104 |
| - Team fees | 100,926 | 289,572 |
| | 2,950,445 | 3,240,424 |
| Other income: | | |
| - Sales | 137,998 | 148,828 |
| - Interest received | 1,980 | 5,874 |
| - Grants received | 30,209 | - |
| - Other income | 9,004 | 34,116 |
| | 179,191 | 188,818 |
| Total revenue | 3,129,636 | 3,429,242 |

NOTE 4: SURPLUS/(DEFICIT) FOR THE YEAR

| | Consolidated Group | |
|--|--------------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| The surplus/(deficit) for the year has been determined after charging the following costs: | | |
| Cost of sales: | | |
| Opening stock on hand | 8,352 | 14,234 |
| Purchases | - | 3,791 |
| Other direct costs | 5,702 | 8,586 |
| Less Closing stock | (7,400) | (8,352) |
| Total cost of sales | 6,654 | 18,259 |

Notes

Notes to the financial statements
for the year ended 31 December 2017

NOTE 4: SURPLUS/(DEFICIT) FOR THE YEAR (CONT'D)

| | Consolidated Group | |
|--------------------------------|--------------------|------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Project expenses: | | |
| Program distributions: | | |
| Thailand | 474,497 | 902,819 |
| Cambodia | 660,465 | 420,082 |
| India | 114,685 | 39,480 |
| Laos | 5,595 | 144,029 |
| Philippines | 5,845 | 6,936 |
| Destiny Rescue International | 239,773 | 195,553 |
| Program distribution fees | 164,085 | 178,824 |
| | 1,664,945 | 1,887,723 |
| Other Project Expenses: | | |
| Fundraising platform fees | 13,859 | 6,850 |
| Project expenses | 43,429 | 9,517 |
| Team expenses | 61,472 | 212,678 |
| General expenses | 5,739 | 15,109 |
| | 124,499 | 244,154 |
| | 1,789,444 | 2,131,877 |

The payments for Cambodia, India, Thailand, 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.

Notes

Notes to the financial statements for the year ended 31 December 2017

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:

| | 2017 | 2016 |
|---------------------------------------|---------|---------|
| | \$ | \$ |
| Key management personnel compensation | 394,130 | 289,648 |

This remuneration was paid by the parent entity to the KMP.

Other KMP transactions

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

NOTE 6: CASH AND CASH EQUIVALENTS

| | Consolidated Group | |
|----------------|--------------------|---------|
| | 2017 | 2016 |
| | \$ | \$ |
| CURRENT | | |
| Cash at bank | 258,581 | 308,312 |
| Cash on hand | 3,804 | 746 |
| | 262,385 | 309,058 |

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 | 262,385 | 309,058 |
| | 262,385 | 309,058 |

Notes

Notes to the financial statements for the year ended 31 December 2017

NOTE 7: TRADE AND OTHER RECEIVABLES

| | Consolidated Group | |
|--|--------------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 26,429 | 40,478 |
| Rental bond | 19,318 | 19,318 |
| Prepayments | - | 8,384 |
| Total current trade and other receivables | 45,747 | 68,180 |

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* | |
|----------------------------------|-----------------------------|---------------------------------------|------|
| | | 2017 | 2016 |
| | | % | % |
| 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

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

Notes

Notes to the financial statements
for the year ended 31 December 2017

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

| | Consolidated Group | |
|--------------------------------|--------------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Plant and equipment: | | |
| At cost | 10,626 | 10,626 |
| Accumulated depreciation | (9,856) | (9,453) |
| | 770 | 1,173 |
| Office equipment: | | |
| At cost | 60,179 | 55,735 |
| Accumulated depreciation | (54,471) | (42,694) |
| | 5,708 | 13,041 |
| Furniture and fixtures: | | |
| At cost | 5,185 | 5,185 |
| Accumulated depreciation | (5,185) | (5,185) |
| | - | - |
| Motor vehicles: | | |
| At cost | 99,971 | 99,971 |
| Accumulated depreciation | (76,989) | (69,328) |
| | 22,982 | 30,643 |
| Total net carrying amount | 29,460 | 44,857 |

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

Notes

Notes to the financial statements
for the year ended 31 December 2017

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (cont'd)

| | Plant and equipment | Office equipment | Furniture and fixtures | Motor vehicles | Total |
|--|------------------------|---------------------|---------------------------|-------------------|---------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2017 | | | | | |
| Carrying amount opening balance | 1,173 | 13,041 | - | 30,643 | 44,857 |
| Add: additions | - | 4,444 | - | - | 4,444 |
| Less: depreciation expense | (403) | (11,777) | - | (7,661) | (19,841) |
| Carrying amount closing balance | 770 | 5,708 | - | 22,982 | 29,460 |

NOTE 10: TRADE AND OTHER PAYABLES

| | Consolidated Group | |
|---------------------|--------------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| CURRENT | | |
| Trade payables | 31,816 | 30,187 |
| Employee provisions | 37,487 | 47,879 |
| | 69,303 | 78,066 |

NOTE 11: TAX LIABILITIES

| | Consolidated Group | |
|----------------------------|--------------------|--------------|
| | 2017 | 2016 |
| | \$ | \$ |
| CURRENT | | |
| GST payable / (receivable) | 3,288 | (4,106) |
| PAYG payable | 9,184 | 9,232 |
| | 12,472 | 5,126 |

Notes

Notes to the financial statements
for the year ended 31 December 2017

NOTE 12: FINANCIAL LIABILITIES

| | Consolidated Group | |
|------------------------------------|--------------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| CURRENT | | |
| Hire purchase | 13,114 | 12,563 |
| Credit card | 6,807 | 7,730 |
| | 19,921 | 20,293 |
| NON-CURRENT | | |
| Hire purchase | - | 13,114 |
| Credit card | - | 13,114 |
| Total financial liabilities | 19,921 | 33,407 |

NOTE 13: CAPITAL AND LEASING COMMITMENTS

| | Consolidated Group | |
|--|--------------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| a. Finance Lease Commitments | | |
| Payable - minimum lease payments: | | |
| - not later than 12 months | 13,529 | 14,396 |
| - between 12 months and five years | - | 13,529 |
| Minimum lease payments | 13,529 | 27,925 |
| Less: finance cost | (415) | (2,248) |
| | 13,114 | 25,677 |

Notes

Notes to the financial statements for the year ended 31 December 2017

NOTE 13: CAPITAL AND LEASING COMMITMENTS (CONT'D)

| | Consolidated Group | |
|--|--------------------|----------------|
| | 2017 | 2016 |
| | \$ | \$ |
| 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 | 62,867 | 60,747 |
| - between 12 months and five years | 86,642 | 149,509 |
| - later than five years | - | - |
| | 149,509 | 210,256 |

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

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

The directors are 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 directors (whether executive or otherwise), are 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.

Notes

Notes to the financial statements for the year ended 31 December 2017

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 \$239,773 (2016: \$195,553) 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 Ltd 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:

| | Note | Consolidated Group | |
|--|------|--------------------|----------------|
| | | 2017 | 2016 |
| | | \$ | \$ |
| Financial assets | | | |
| Cash and cash equivalents | 6 | 262,385 | 309,058 |
| Loans and receivables | 7 | 26,429 | 40,478 |
| | | 288,814 | 349,536 |
| Total financial assets | | 288,814 | 349,536 |
| | | | |
| Financial liabilities | | | |
| Financial liabilities at amortised cost: | | | |
| – trade payables | 10 | 31,816 | 30,187 |
| – current tax liabilities | 11 | 12,472 | 5,126 |
| – borrowings | 12 | 19,921 | 33,407 |
| Total financial liabilities | | 64,209 | 68,720 |

Notes

Notes to the financial statements for the year ended 31 December 2017

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 | |
|--|--------------------|-----------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Surplus/(deficit) for the year | (70,552) | (143,797) |
| Add/(deduct) non-cash items: | | |
| Depreciation | 19,841 | 26,348 |
| Changes in operating assets and liabilities: | | |
| (Increase)/Decrease in receivables | 22,433 | 14,001 |
| (Increase)/Decrease in inventories | 952 | 5,882 |
| Increase/(Decrease) in payables | (2,340) | 6,964 |
| Net cash inflow/(outflow) from operating activities | (29,666) | (90,602) |

Director's Declaration

Destiny Rescue Ltd and Controlled Entity
Financial report for the year ended 31 December 2017

The directors of Destiny Rescue Ltd declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 5 to 23, are in accordance with 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 of Destiny Rescue Ltd and Controlled Entity as at 31 December 2017 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that Destiny Rescue Ltd will be able to pay its debts as and when they become due and payable.

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



Tony Kirwan (President)

Dated this27th... day of April 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DESTINY RESCUE LIMITED**



Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Destiny Rescue Limited (the Company and its controlled entities (the "Group")), which comprises the consolidated statement of financial position as at 31 December 2017, 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 directors' declaration.

In our opinion the consolidated financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards (Reduced Disclosure Requirements), and Division 60 of the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Responsibility of the Directors' for the Financial Report

The directors of the Group are responsible for the preparation and fair presentation in accordance with Australian Accounting Standards and of the financial report the *Australian Charities and Not-for-Profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Group's financial reporting process.



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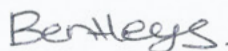
Auditor's Responsibilities for the Audit of the Financial Report

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

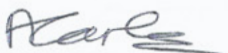
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane, 2 May 2018



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Accountants
Auditors
Advisors

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