

DESTINY RESCUE INCORPORATED
FINANCIAL STATEMENTS
For the year ended 31 December 2014

Financial Report for the year ended 31 December 2014

COMMITTEE'S REPORT

Your committee members present this report on the association for the year ended 31 December 2014.

Committee Members

The names of each person who has been a committee member during the period and to the date of this report are:

Tony Kirwan – President

Thor Bouttell – Treasurer (appointed 25/3/2014)

Jo-Ellen Bouttell – Secretary (appointed 25/3/2014)

Jennifer Kirwan – Committee Member

Craig Anderson – Committee Member (resigned 6/11/2014)

John Strange – Secretary/ Treasurer (resigned 25/3/2014)

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

Principal Activities

The principal activity of the association during the period was to rescue children from human trafficking and sexual exploitation.

Significant Changes

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

Operating Result

The surplus for the year ended 31 December 2014 amounted to \$117,106

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2014 has been received and can be found on page 2 of the financial report.

Signed in accordance with a resolution of the members of the committee.



Tony Kirwan (President)

Dated this 25TH day of AUGUST 20 15.

DESTINY RESCUE INCORPORATED



AUDITOR'S INDEPENDENCE DECLARATION UNDER s60.40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE COMMITTEE MEMBERS OF DESTINY RESCUE INC

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014 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.

A handwritten signature in cursive script that reads "Bentleys".

Bentleys Brisbane (Audit) Pty Ltd

Chartered Accountants

A handwritten signature in cursive script that reads "Martin Power".

PM Power

Director

Brisbane

26 August 2015

DESTINY RESCUE INCORPORATED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014	6 Months Ended 31 December 2013
		\$	\$
REVENUE			
Awareness/ Donations		90,209	57,529
Interest		1,594	826
Other Income		8,175	3,157
Sales		240,686	267,631
Team Fees		295,861	171,385
Donation from DROAF		993,082	614,802
TOTAL INCOME		1,629,607	1,115,330
COST OF SALES			
Opening Stock on Hand		9,384	395,981
Purchases		41,341	28,646
Commissions		-	9,537
Discounts		161	1,706
Other Direct Costs		5,457	1,280
Delivery		4,943	2,025
Less Closing Stock		(22,010)	(9,384)
TOTAL COST OF SALES		39,276	429,791
EXPENDITURE			
Advertising & Promotion		22,234	1,992
Asset write-off		-	46,858
Audit Fees		10,708	7,700
Bank Fees & Charges		835	393
Cleaning /Rubbish Removal		1,557	757
Computer Expenses		8,890	9,798
Community Awareness		34,545	33,682
Commission - Global Development Group		54,057	33,546
Depreciation		31,097	17,836
Electricity		3,434	1,808
Equipment & Site Expenses		9,172	9,951
Fees & Charges		-	-
Fringe Benefits Tax		-	(4,710)
Gifts		-	-
Insurance		13,603	5,629
Interest Paid		6,454	3,656
Late Fees Paid		-	40
Lease Payments		4,529	1,735

DESTINY RESCUE INCORPORATED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014	6 Months Ended 31 December 2013
		\$	\$
Legal Expenses		348	27,882
Lost stock		-	167
Moselle loan write-off		-	3,610
MV Expenses		14,052	14,231
MV Rego & Insurance		4,456	1,975
MV Repairs and Maintenance		6,081	1,278
Merchant Fees		10,680	5,776
New Zealand Establishment costs		80,001	31,705
Office Equipment Expense		8,291	4,684
Online Expenses		14,597	4,067
Other Employee Expenses		222	276
Program Distribution		-	-
Postage, Printing & Stationery		47,131	33,984
Rates		541	-
Registrations & Subscriptions		14,323	8,503
Rent		41,051	22,704
Repairs & Maintenance		230	376
Staff Amenities		5,190	2,079
Staff Recruitment		2,964	6,289
Staff Training		4,128	7,870
Sundry Expenses		4,108	25,154
Superannuation		66,028	50,834
Team Expenses		215,476	110,918
Telephone		32,703	19,864
Travel, Accommodation & Conferences		15,447	37,018
Uniforms		345	547
Wages		658,521	595,816
Work Cover		25,196	13,493
TOTAL EXPENSES		1,473,225	1,201,771
 Profit/(Loss) for the year		 117,106	 (516,232)
 Other comprehensive income		 -	 -
TOTAL COMPREHENSIVE INCOME		117,106	(516,232)

The accompanying notes form part of these financial statements.

DESTINY RESCUE INCORPORATED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	2	106,865	138,440
Accounts Receivable	3	25,683	8,659
Stock on Hand		22,010	9,384
TOTAL CURRENT ASSETS		154,558	156,483
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	68,214	97,454
TOTAL NON-CURRENT ASSETS		68,214	97,454
TOTAL ASSETS		222,772	253,937
CURRENT LIABILITIES			
Payables	5	68,162	182,960
Current Tax Liabilities	6	3,371	12,309
Superannuation Payable		5,423	6,965
Financial Liabilities	7	18,217	16,783
TOTAL CURRENT LIABILITIES		95,173	219,017
NON-CURRENT LIABILITIES			
Financial Liabilities	7	45,462	63,679
Payables	5	-	6,210
TOTAL NON-CURRENT LIABILITIES		45,462	69,889
TOTAL LIABILITIES		140,635	288,906
NET ASSETS/ DEFICIENCY		82,137	(34,969)
MEMBER'S FUNDS			
Retained Profits / (Accumulated Losses)		(34,969)	481,263
Current Year Profit/(Loss)		117,106	(516,232)
TOTAL MEMBER'S FUNDS		82,137	(34,969)

The accompanying notes form part of these financial statements.

DESTINY RESCUE INCORPORATED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Retained Surplus
		\$
Balance at 1 July 2013		481,263
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Comprehensive income		
Loss for the period attributable to members of the entity		(516,232)
Other comprehensive income for the period		-
Total comprehensive income attributable to members of the entity		<u>(516,232)</u>
Balance at 31 December 2013		<u>(34,969)</u>
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Comprehensive income		
Surplus for the year attributable to members of the entity		117,106
Other comprehensive income for the year		-
Total comprehensive income attributable to members of the entity		<u>117,106</u>
Balance at 31 December 2014		<u>82,137</u>

The accompanying notes form part of these financial statements.

DESTINY RESCUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The financial statements cover Destiny Rescue Incorporated as an individual entity, incorporated and domiciled in Australia.

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

The committee has prepared the financial statements on the basis that the association is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Queensland Incorporations Act* and the *Australian Charities and not-for profits Commission Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity 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 entity 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.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues 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.

b. Inventories on Hand

Inventories are measured at the lower of cost and net realisable value.

DESTINY RESCUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont.)

C. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is 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.

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 in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

DESTINY RESCUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont.)

d. Employee Provisions

Short-term employee benefits

Provision is made for the association'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 association's obligations for short term employee benefits such as wages and are recognised as a part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

e. Cash and cash equivalents

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

f. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. 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.

g. Good 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.

h. 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.

DESTINY RESCUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont)

i. Comparative Figures

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

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

j. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for good and services received by the association during the reporting period which remain unpaid. The balance is recognised as current liability with the amount being normally paid within 30 days of recognition of the liability.

k. 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 trends and economic data, obtained both externally and within the association.

DESTINY RESCUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont)

	31 December 2014	31 December 2013
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank	106,345	137,783
Cash on Hand	520	657
	<u>106,865</u>	<u>138,440</u>
 NOTE 3: ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
CURRENT		
Accounts receivable	17,987	963
Rental Bond	7,696	7,696
	<u>25,683</u>	<u>8,659</u>
 NOTE 4: PLANT AND EQUIPMENT		
Plant and Equipment - at cost	10,084	10,084
Less accumulated depreciation	(7,229)	(4,326)
	<u>2,855</u>	<u>5,758</u>
Office Equipment – at cost	30,918	29,060
Less accumulated depreciation	(22,464)	(13,035)
	<u>8,454</u>	<u>16,025</u>
Furniture and fixtures – at cost	4,482	4,482
Less accumulated depreciation	(2,054)	(1,447)
	<u>2,428</u>	<u>3,035</u>
Motor vehicles –at cost	99,971	99,971
Less accumulated depreciation	(45,494)	(27,335)
	<u>54,477</u>	<u>72,636</u>
	<u>68,214</u>	<u>97,454</u>
Net carrying amount		

DESTINY RESCUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont)

	31 December 2014	31 December 2013
	\$	\$
Note 5: Accounts Payable and Other Payables		
CURRENT		
Accounts payable	39,366	133,390
Employee provisions	28,796	49,570
Provision for Audit Fees	-	-
	68,162	182,960
NON-CURRENT		
Loan from Jeremy Kronk	-	6,210
	-	6,210
NOTE 6: TAX LIABILITIES		
GST Payable	(5,392)	(4,754)
PAYG Payable	8,763	17,063
	3,371	12,309
NOTE 7: FINANCIAL LIABILITIES		
Current		
- Hire Purchase liabilities	18,217	16,783
	18,217	16,783
Non – current		
- Hire Purchase liabilities	45,462	63,679
- Loan Payable	-	-
	45,462	63,679

DESTINY RESCUE INCORPORATED

NOTE 8: CHANGE IN REPORTING PERIOD

The association changed its financial year end in 2013 to align with reporting periods of funding providers. As a result the Financial Statements in 2013 covered the 6 months from 1 July 2013 to 31 December 2013. The current year figures noted cover the normal 12 month period from 1 January 2014 to 31 December 2014..

As a result, the prior period information is not comparable for the statement of profit and loss and other comprehensive income and statement of changes in equity and the notes to the financial statements.

DESTINY RESCUE INCORPORATED

STATEMENT BY THE MEMBERS OF THE COMMITTEE

We, being members of the committee of Destiny Rescue Association Incorporated, certify that -:

The statements attached to this certificate give a true and fair view of the financial position and performance of Destiny Rescue Incorporated during and at the end of the year ended 31 December 2014 and complies with the requirements of the *Queensland Incorporations Act* and the *Australian Charities and Not-for-Profits Commission Act 2012*.

Signed:



Dated: 25TH AUGUST 2015

Signed:



Dated: 25.8.15.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESTINY INCORPORATED

We have audited the accompanying financial report, being a special purpose financial report, of Destiny Rescue Incorporated (the association), which comprises the statement of financial position as at 31 December 2014, the statement of profit and loss and other comprehensive income 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.

Committee's Responsibility for the Financial Report

The committee of Destiny Rescue Incorporated is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Queensland Incorporations Act* and the *Australian Charities and not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation of a 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 have 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 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 judgment, 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 association'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 in the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion

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

- a) Giving a true and fair view of the association's financial position as at 31 December 2014 and of its performance for the year ended on that date, and
- b) Complying in accounting policies described in Note 1 to the financial statements, the *Queensland Incorporations Act* and the *Australian Charities and Not-for-profits Commission Act 2012*.

DESTINY RESCUE INCORPORATED



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESTINY INCORPORATED

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Destiny Rescue Incorporated to meet the requirements of the *Queensland Incorporations Act* and the *Australian Charities and not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in cursive that reads "Bentleys".

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

A handwritten signature in cursive that reads "PM Power".

PM Power
Director
Brisbane

26 August 2015