DIPLOMACY TRAINING PROGRAM LIMITED

ABN: 31 003 925 148

Financial Report For The Year Ended
30 June 2019

HOUSTON & CO PTY LTD
Chartered Accountant

Diplomacy Training Program Limited

ABN: 31 003 925 148

Financial Report For The Year Ended 30 June 2019

CONTENTS **Page**

DIPLOMACY TRAINING PROGRAM LIMITED
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DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2019.

Directors

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

Dr John Pace appointed (28/08/2001)
Philip Chung appointed (28/08/2001)
Andrew Byrnes appointed (24/07/2006)
Suwanee Dharmalingam appointed
Michael do Rozario appointed (25/06/2015)
Kenneth Woo appointed (25/06/2015)
Justine Nolan appointed (25/06/2015)
Dr Caroline Aebersold appointed (25/06/2015)
Professor David Dixon appointed (19/09/2017)
Brynn O'Brien appointed (19/09/2017)
James Peter Fitzgerald appointed (19/09/2017)

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 activity of the entity during the financial year was:

• Developing and delivering human rights training programs for human rights defenders working in the Middle-East, Asia and the Pacific

• Developing and delivering capacity building programs focused on promoting the human rights and dignity of migrant workers from Asia

• Developing and delivering capacity building programs focused on the rights of Indigenous peoples in Asia and the Pacific

• Building knowledge and understanding of human rights, the Convention on the Rights of the Child, the UN Sustainable Development Goals, UN Guiding Principles on Business and Human Rights and the UN Global Compact of Safe Migration and contemporary human rights issues

• Engaging with and providing support to DTP alumni

• Seeking philanthropic and grant funding to support the Diplomacy Training Program's work for human rights defenders

Short-term and Long-term Objectives

The entity's short and long term objectives are to:

• To build the knowledge and skills of human rights defenders to be more effective in their work to protect and promote human rights
• To contribute development of regional human rights movements
• To build the knowledge, skills and networks of individuals and organisations working for Indigenous peoples rights, the rights of migrant workers and other human rights
• To build and sustain diversified funding sources

Strategies

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

• Providing programs for skill development and knowledge transfer and network building
• Building and maintaining DTP alumni networks
• Developing effective and collaborative partnerships with other organisations in Australia and internationally
• Providing specialist programs
• Developing specialist capacity building programs
• Engaging interns and volunteers in its activities
• Maintaining existing relationships with partners, alumni, funders and others committed in promoting and protecting human
• Developing new relationships based on shared commitment to human rights values

Information on Directors

Dr John Pace	—	Director
Qualifications	—	BA LLD
Experience	—	International human rights protection and advocacy
Philip Chung	—	Director
Qualifications	—	Bec (Hons) LLB PhD
Experience	—	Legal education, information technology including as Executive Director, Australiasian Legal Information Institute (AustLiI)
Andrew Byrnes	—	Director
Qualifications	—	B.A LLB ANU LLM (Harv) and LLM (Columbia)
Experience	—	International human rights scholarship and training and tertiary legal education
Suwanee Dharmalingam	—	Director
Qualifications	—	B Comm (Accounting and Finance) LLB
Experience	—	Managing wealth and investment strategies for various sectors including not-for-profit, families, medical specialists, businesses, executives and retirees, domestic and overseas
Michael do Rozario	—	Director
Qualifications	—	B Inf Tech LLB
Experience	—	Partner in the Litigation Division of Corrs Chambers Westgarth in Sydney, experience in product liability law, inquiries and investigations, commercial litigation, constitutional law, administrative law, insurance, insolvency and privacy, coordinator of the pro-bono practice.
Kenneth Woo	—	Director
Qualifications	—	BCom LLB
Experience	—	Partner in PricewaterhouseCoopers Australia, specialising in asset management, main specialities are industry trends, tax and superannuation, global networks, product design and innovation, operational tax risk, investment structures and vehicles, fund reporting and compliance.
Justine Nolan	—	Director
Qualifications	—	BSc LLB (Hons) ANU MPP University of California Berkeley
Experience	—	Private and public sectors law, tertiary legal education and business and human rights, Associate Dean (Academic), Faculty of Law, UNSW Sydney
Dr Caroline Aebersold	—	Director (Deputy Chair from 14/06/2018)
Qualifications	—	SJD (Human Rights Law), BA (Sociology), BA/BSc (Hons, Psychology), MAICD
Experience	—	Not-for-profit strategy and governance, human rights and business, fundraising, including as not-for-profit CEO and Board Director
Professor David Dixon	—	Chair since 14/06/2018
Qualifications	—	BA Bphil PhD
Experience	—	Former Dean, Faculty of Law UNSW Sydney research, teaching and administraion in tertiary education
Brynn O'Brien	—	Director
Qualifications	—	BMedSc LLB (UTS) LLM (Columbia)
Experience	—	International law, corporations' law, not-for-profit strategy, governance and fundraising, investment, human rights and climate change advocacy

James Peter Fitzgerald	Director
Qualifications	**BA** (Political Science) LLB **(UNSW)**
Experience	Lawyer, land access consultant, strategist, negotiator and mediator, founding partner of Chalk & Fitzgerald Lawyers, involved in the development of native title law and land use policy throughout Australia since 1994, consults on major projects land access and community development in emerging economies

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr John Pace	4	2
Philip Chung	4	3
Andrew Byrnes	4	3
Suwanee Dharmalingam	4	3
Michael do Rozario	4	3
Kenneth Woo	4	4
Justine Nolan	4	3
Dr Caroline Aebersold	4	4
Professor David Dixon	4	3
Brynn O'Brien	4	2
James Peter Fitzgerald	4	3

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the entity are liable to contribute if the entity is wound up is $2 (2018: $2).

Dividends

The company's Constitution does not permit dividends to be paid.

Auditor 's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 6 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

David Dixon

Director ______________________________

David Dixon

Dated this 10th December 2019

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DIPLOMACY TRAINING PROGRAM LIMITED

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Diplomacy Training Program Limited. As the audit partner for the audit of the financial report of Diplomacy Training Program Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

(i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Name of Firm Houston & Co Pty Limited

O Houston

Name of Partner Owen Houston

Date 10th December 2019

Address Suite 4, 113 Willoughby Road

Crows Nest NSW 2065

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
REVENUE			
Donations and gifts			
- Monetary		258,557	113,817
- Non monetary		67,586	101,823
Grants			
- Department of Foreign Affairs and Trade		150,000	190,000
- Other Australian		15,271	44,551
- Other overseas		435,852	440,179
Investment income		4,631	3,282
Other income		29,254	56,530
TOTAL REVENUE	2	961,151	950,182
EXPENDITURE			
International Aid and Devleopment Programs Expenditure			
International programs			
- Funds to international programs		(667,985)	(632,187)
Fundraising costs			
- Public		(13,828)	(14,039)
- Government, multilateral and private		-	-
Accountability and administration		(32,880)	(85,194)
Non-monetary expenditure		(44,964)	(48,656)
Total International Aid and Development Programs Expenditure	3	(759,657)	(780,076)
Domestic Programs Expenditure			
Domestic programs			
- Domestic programs expenditure		-	(13,525)
- Accountability and administration		(49,572)	(21,260)
- Other expenditure		(22,622)	(53,167)
Total Domestic Programs Expenditure	3	(72,194)	(87,952)
TOTAL EXPENDITURE		(831,851)	(868,028)
Net current year surplus		129,300	82,154

Notes:
1. The accompanying notes form part of these financial statements.
2. During the financial year, the signatory organisation had no transactions in the following categories:
- Bequests and Legacies revenue
- Commercial activities income revenue
- Revenue for International Political or Religious Adherence Promotion Programs
- International programs - Program support costs
- International Aid and Development Programs Expenditure – Community education costs
- Fundraising costs – Government, multilateral and private
- International Political or Religious Adherence Promotion Programs Expenditure
- Other comprehensive income

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	309,618	354,427
Trade and other receivables	5	171,427	254,760
Other current assets	6	-	2,881
TOTAL CURRENT ASSETS		481,045	612,068
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,856	769
TOTAL NON-CURRENT ASSETS		1,856	769
TOTAL ASSETS		482,901	612,837
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	99,804	195,187
Employee provisions	9	82,826	82,767
TOTAL CURRENT LIABILITIES		182,630	277,954
TOTAL LIABILITIES		182,630	277,954
NET ASSETS		300,271	334,883
EQUITY			
Retained earnings		229,725	193,617
Reserves		70,546	141,266
TOTAL EQUITY	14	300,271	334,883

The accompanying notes form part of these financial statements.

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained earnings Restricted funds $	Unrestricted funds $	Gift fund reserve $	Total $
Balance at 1 July 2017		115,902	66,281	70,546	252,729
Comprehensive Income					
Excess/(Shortfall) of revenue over expenses		48,010	34,144		82,154
Balance at 30 June 2018		163,912	100,425	70,546	334,883
Adjustment upon adoption of accounting standard AASB15	1(o)	(163,912)			(163,912)
Balance at 1 July 2018 (restated)		-	100,425	70,546	170,971
Comprehensive Income					
Excess/(Shortfall) of revenue over expenses			129,300		129,300
Balance at 30 June 2019		-	229,725	70,546	300,271

The accompanying notes form part of these financial statements.

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		209,637	333,221
Interest received		4,631	3,282
Receipt of government grants		150,000	190,000
Receipt of international grants		519,185	211,344
Payment of program and operating expenditures		(926,406)	(557,277)
Payment of employees		-	(291,562)
Net cash generated from operating activities	12	(42,953)	(110,992)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,856)	(1,039)
Net cash used in investing activities		(1,856)	(1,039)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		(44,809)	(112,031)
Cash on hand at beginning of the financial year		354,427	466,458
Cash on hand at end of the financial year	4	309,618	354,427

The accompanying notes form part of these financial statements.

The financial statements cover Diplomacy Training Program Limited as an individual entity, incorporated and domiciled in Australia. Diplomacy Training Program Limited is a company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in 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 the entity 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.

Diplomacy Training Program Limited receives non-reciprocal contributions of assets from the government and other parties for no or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate 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 customer.

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

(b) Fair Value of Assets and Liabilities

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

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

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Property, Plant and Equipment

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

Plant and Equipment

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

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 - 33.33%

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

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

(d) Employee Provisions

Short-term employee provisions

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

Other long-term employee provisions

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

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

(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, and bank overdrafts.

(f) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold 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.

Accounts receivable 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 the determination of impairment losses.

(g) Goods and Services Tax (GST)

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

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

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

(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*.

(i) Provisions

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

(j) Comparative Figures

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

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

(k) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) 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 entity.

Key Estimates

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(m) Economic Dependence

Diplomacy Training Program Limited is dependent on Federal and State government departments for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the departments will not continue to support Diplomacy Training Program Limited.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The directors have decided not to early adopt the following new and amended pronouncements.

Impact of Standards Issued But Not Yet Applied by the Entity

As at the reporting date, the directors have concluded that the impact of AASB 16 would not be material on the financial statements.

— AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

The entity has chosen not to early-adopt AASB 16. However, the Entity has conducted a preliminary assessment of the impact of this new Standard, as follows.

A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees as the standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new standard. There are however two exceptions allowed being short-term and low-value leases.

Basis of preparation

The accounting for the entity's operating leases will be primarily affected by this new Standard.

AASB 16 will be applied by the entity from its mandatory adoption date of 1 July 2019. The entity's net surplus after tax is not expected to be materially affected in 2020.

(o) New and Amended Accounting Policies Adopted by the Entity

As at the reporting date, the directors have concluded that the impact of AASB 1058 and AASB 15 will have a material affect on the financial statements.

— AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019) and AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019)

The entity has chosen to early-adopt AASB 1058 and AASB 15. However, the entity has conducted a high-level assessment of the impact of these new Standards, as follows.

A core change of AASB 1058 and AASB 15 is that it shifts the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. AASB 1058 is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

— Income arising from an excess of the initial carrying amount of an asset over the ‘related amount’ (being contributions by owners, increases in liabilities, decreases in assets and revenue arising from a contract with a customer in accordance with AASB 15*) should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

— Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the entity satisfies its obligations under the transfer.

*AASB 15 applies where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations which results in income being recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. AASB 15 introduced a 5-step approach to revenue recognition which is far more prescriptive than AASB 118.

Basis of preparation

AASB 15 and AASB 1058 has been be applied by the entity from 1 July 2018. The modified transition approach will be the chosen approach, and thus the comparative amounts for the year prior to first adoption will not be restated and the entity will recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application (1 July 2018) which is $163,912.

The income recognition for each grant has been assessed on a high-level basis to determine whether it is enforceable and whether its performance obligations are sufficiently specific. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise.

Following the adoption of this new Standard, the entity’s net profit is expected to increase by approximately $163,912 in 2019 and unspent project monies will be $51,974.

Note 2 Revenue and Other Income

	2019	2018
Revenue	$	$
Revenue from (non-reciprocal) government grants and other grants		
Donations and gifts		
— Monetary	258,557	113,817
— Non monetary	67,586	101,823
— Department of Foreign Affairs and Trade	150,000	190,000
— Other Australian	15,271	44,551
— Other overseas	435,852	440,179
	927,266	890,370
Other revenue		
— Interest received		
	4,631	3,282
	4,631	3,282
Total revenue	931,897	893,652
Other income		
— Other	29,254	56,530

Total other income	29,254	56,530
Total revenue and other income	961,151	950,182

Note 3 Surplus for the year

	2019 $	2018 $
a. Expenditure		
International Aid and Development Programs Expenditure		
— Funds to international programs	667,985	632,187
— Fundraising costs - Public	13,828	14,039
— Fundraising costs - Government, multilateral and private	-	-
— Accountability and administration	32,880	85,194
— Non-monetary expenditure	44,964	48,656
Total International Aid and Development Programs Expenditure	759,657	780,076
Domestic Programs Expenditure		
— Funds to domestic programs	-	13,525
— Accountability and administration	49,572	21,260
— Non-monetary expenditure	22,622	53,167
Total employee benefits expense	72,194	87,952
Depreciation and amortisation:		
— Furniture and equipment	769	270
Total depreciation and amortisation	769	270
— Audit services	5,100	5,100
Total audit remuneration	5,100	5,100

Note 4 Cash and Cash Equivalents

	2019 $	2018 $
CURRENT		
Cash at bank	307,417	352,700
Cash float	2,201	1,727
Total cash and cash equivalents as stated in the statement of financial position	309,618	354,427
Total cash and cash equivalents as stated in the cash flow statement	309,618	354,427

Note 5 Accounts Receivable and Other Debtors

	Note	2019 $	2018 $
CURRENT			
Accounts receivable		171,427	254,760
Total current accounts receivable and other debtors		171,427	254,760

Note 6 Other Current Assets

	2019 $	2018 $
Prepayments	-	2,881
	-	2,881

Note 7 Property, Plant and Equipment

	2019 $	2018 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	22,556	20,700
Less accumulated depreciation	(20,700)	(19,931)
Total property, plant and equipment	1,856	769

Movements in Carrying Amounts

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

	Furniture and Equipment $	Total $
2018		
Balance at the beginning of the year	-	-
Additions at cost	1,039	1,039
Depreciation expense	(270)	(270)
Carrying amount at the end of the year	769	769
2019		
Balance at the beginning of the year	769	769
Additions at cost	1,856	1,856
Depreciation expense	(769)	(769)
Carrying amount at the end of the year	1,856	1,856

Note 8 Accounts Payable and Other Payables

	Note	2019 $	2018 $
CURRENT			
Accounts payable		31,036	5,375
Unspent project monies		51,974	171,097
Other current payables		16,794	18,715
		99,804	195,187

Note 9 Employee Provisions

CURRENT	2019 $	2018 $
Provision for employee benefits: annual leave	46,176	49,115
Provision for employee benefits: long service leave	36,650	33,652
	82,826	82,767

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 July 2018	82,767	82,767
Additional provisions raised during the year	59	59
Amounts used	-	-
Balance at 30 June 2019	82,826	82,826

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 10 Events After the Reporting Period

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

Note 11 Related Party Transactions

a. Key Management Personnel

The totals of remuneration paid to KMP of the entity during the year are as follows:

	2019 $	2018 $
KMP compensation:		

— Short-term benefits	160,337	155,470
	160,337	155,470

Note 12 Cash Flow Information

	2019	2018
	$	$
a. Reconciliation of Cash Flows from Operating Activities with Current Year Surplus		
Excess/(Shortfall)	129,300	82,154
Non cash flows		
Depreciation and amortisation expense	769	270
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	83,333	(228,835)
Increase/(decrease) in accounts payable and other payables	(95,383)	39,914
Increase/(decrease) in employee benefits	59	(1,614)
(Increase)/decrease in prepayments	2,881	(2,881)
Adjustment upon adoption of accounting standard AASB15	(163,912)	-
	(42,953)	(110,992)

Note 13 Financial Risk Management

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

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

	Note	2019 $	2018 $
Financial assets			
Financial assets at fair value through profit or loss:			
Financial assets designated as at fair value through profit or loss			
— held for trading Australian listed shares			
Financial assets at amortised cost:			
— cash and cash equivalents	4	309,618	354,427
— accounts receivable and other debtors	5	171,427	254,760
Total financial assets		481,045	609,187
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	8	99,804	195,187
Total financial liabilities		99,804	195,187

Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

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

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

(a) Credit risk

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

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

Credit risk exposures

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

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

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

Note 14 Equity

	2019 $	2018 $
(a) Unrestricted funds Unrestricted funds are not restricted or designated for use in particular programs or some other defined or designated purpose. These funds are available to be allocated according to the discretion of the directors.	229,725	100,425
(b) Restricted funds Restricted funds are tied to particular purposes specified by donors or as identified at the time of a public appeal; but no obligation to return unspent funds to donors. They are not available for use in other Diplomacy Training Program activities.	-	163,912
(c) Gift fund reserve The gift fund reserve records funds set aside for the contingency in case of late payment of grants or serious income shortfalls.	70,546	70,546
	300,271	334,883

Note 15 Volunteer services and donations in-kind

For the purpose of claiming Department of Foreign Affairs and Trade "DFAT" Recognised Development Expenditure "RDE" the following information has been prepared in accordance with rates approved by DFAT.

	2019 $	2018 $
Volunteer services related to RDE	3,639	32,602
Gifts in kind related to RDE	32,636	1,710
Other in kind support not related to RDE	31,311	18,827
Total non-monetary expenditure for international aid and development	67,586	53,139

Note 16 Information required by the NSW Charitable Fundraising Act 1991

a. Details of aggregate gross income and total expenditure of fundraising appeals	2019 $	2018 $
Donations	258,557	113,817
Gross Proceeds from Fundraising Appeals	258,557	113,817
Functions & Special Events	13,828	14,039
Direct Costs of Fundraising Appeals	13,828	14,039
Net Surplus from Fund Raising Appeals	244,729	99,778

b. Statement showing how funds received are applied for Charitable Purposes

Net Surplus obtained from Fundraising Appeals	244,729	99,778
Applied for Charitable Purposes as follows:		
Donated Funds to overseas projects	667,985	632,187
Donated Funds: Other Project Costs	-	13,525
Accountability and administration	82,452	106,454
Total Expenditure	750,437	752,166
Surplus/(Shortfall)	-505,708	-652,388
Shortfall was met by the following sources		
DFAT grants	150,000	190,000
Other Australian grants	15,271	44,551
Other overseas grants	435,852	440,179
Other income	33,885	59,812
	635,008	734,542

Net surplus transferred to accumulated funds	129,300	82,154

Comparison by Monetary Figures & Percentages

Gross Income from fundraising appeals	258,557	113,817
Total direct cost of fundraising appeals	13,828	14,039
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	5.35%	12.33%
Net surplus from fundraising appeals	244,729	99,778
Net surplus from fundraising as a percentage of gross income from fundraising appeals	94.65%	87.67%
Total cost of direct services	667,985	645,712
Total expenditure (excluding direct cost of fundraising appeals)	750,437	752,166
Total cost of direct services as a percentage of total expenditure	89.01%	85.85%
Total Income received (including net profit from fundraising appeals)	879,737	834,320
Total cost of direct services as a percentage of total income received	75.93%	77.39%

Note 17 Entity Details

The registered office of the entity is:

Diplomacy Training Program Limited
Faculty of Law University of New South Wales NSW 2052

The principal place of business is:

Diplomacy Training Program Limited
Faculty of Law University of New South Wales NSW 2052

Note 18 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $2 towards meeting any outstandings and obligations of the entity.

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31003925 148
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Diplomacy Training Program Limited, the directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 7 to 19, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2019 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

Charitable Fundraising Act 1991 (NSW)

The financial operations of the entity are in accordance with the Charitable Fundraising Act 1991 (NSW), including:

(a) the financial report of the entity shows a true and fair view of the financial results of the fundraising appeals for the year ended 30 June 2019;

(b) the financial report and associated records of the entity have been properly kept during the year in accordance with the Act;

(c) money received as a result of fundraising appeals conducted during the year ended 30 June 2019 has been properly accounted for and applied in accordance with the Act; and

(d) as at the date of this statement there are reasonable grounds to believe that the entity **will** be able to pay its debts as and when they fall due.

David Dixon

Director ______________________________

David Dixon

Dated this 10th December 2019

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DIPLOMACY TRAINING PROGRAM LIMITED

Opinion

We have audited the financial report of Diplomacy Training Program Limited (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

i. giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Also in our opinion the financial report gives a true and fair view with the provisions of the Charitable Fundraising Act 1991 (NSW).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

— Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

— Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining and understanding of the internal control structure for fundraising appeal activities and examination, on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion, the financial report of Diplomacy Training Program Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2019, in all material respects, in accordance with:

a sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
b sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015

Auditor's name and signature: Owen Houston

O Houston

Address: Suite 4, 113 Willoughby Road
Crows Nest NSW 2065

Dated this 10th December 2019