

DIPLOMACY TRAINING PROGRAM LIMITED

ABN: 31 003 925 148

**Financial Report For The Year Ended
30 June 2015**

HOUSTON & CO PTY LIMITED

Chartered Accountant

Diplomacy Training Program Limited

ABN: 31 003 925 148

Financial Report For The Year Ended 30 June 2015

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DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2015.

Directors

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

Paul Redmond appointed (26/10/1998)
John Pace appointed (28/08/2001)
Philip Chung appointed (28/08/2001)
Andrew Byrnes appointed (24/07/2006)
Megan Davis appointed (11/11/2009)
Suwanee Dharmalingam appointed (24/06/2013)
Michael do Rozario appointed (25/06/2015)
Kenneth Woo appointed (25/06/2015)
Justine Nolan appointed (25/06/2015)
Caroline Aebersold appointed (25/06/2015)

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 company during the financial year was:

- Developing and facilitating human rights training programs for over 200 human rights defenders from over 20 countries in the Asia-Pacific region
- Delivered the migrant workers programs focused on the challenges of implementing agreed international human rights and labour rights standards to ensure migrant workers are treated with respect for their dignity and rights
- Delivered programs aimed at providing opportunities for Aboriginal and Torres Strait Islander peoples from regional and remote locations to access human rights and advocacy training.
- Seeking funding to continue organising the Diplomacy Training Program's flagship annual three-week training program
- Engaging with its alumni in specific countries – including with the assistance of Australian diplomatic missions that have hosted receptions for alumni

Short-term and Long-term Objectives

The company'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 in the Asia-Pacific region
- Contribute to development of regional human rights movements
- Contribute to development of Australian and regional Indigenous human rights movements
- Sustain, build and diversify funding sources

Strategies

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

- Providing programs for skill development and transfer knowledge
- Building and maintaining alumni network
- Building broader awareness of human rights relevance
- Providing specialist funded programs
- Providing opportunistic programs
- Engaging interns in developmental activities
- Maintaining existing relationships
- Developing new relationships

DIPLOMACY TRAINING PROGRAM LIMITED

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DIRECTORS' REPORT

Information on Directors

| | | |
|------------------------------------|---|--|
| Emeritus Professor Paul Redmond AM | — | Chair |
| Qualifications | — | BA LLB LLM |
| Experience | — | tertiary legal education and academic administration |
| John Pace | — | Director |
| Qualifications | — | BA LLD |
| Experience | — | international human rights protection and advocacy |
| Philip Chung | — | Director |
| Qualifications | — | BEC LLB PhD |
| Experience | — | legal education, information technology including as Executive Director, Australasian Legal Information Institute (AustLII) |
| Professor Andrew Byrnes | — | Director |
| Qualifications | — | B.A LLB ANU LLM (Harv) and LLM(Columbia) |
| Experience | — | international human rights scholarship and training and tertiary legal education |
| Professor Megan Davis | — | Director |
| Qualifications | — | BA LLB LLM GDLP PhD |
| Experience | — | Chair of United Nations Permanent forum on Indigenous Issues, tertiary legal education and Indigenous Peoples rights, including as Director, Indigenous Law Centre, Faculty of Law, UNSW |
| 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, inquires and investigations, commercial litigation, constitutional law, administrative law, insurance, insolvency and privacy, coordinator of the pro-bono practice. |
| Kenneth Woo | — | Director |
| Qualifications | — | BCom / LLB, University of NSW |
| 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. |
| Associate Professor 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, including as Deputy Director of the Australian Human Rights Centre. |
| Caroline Aebersold | — | Director |
| Qualifications | — | BA (Sociology), BA/BSc (Hons, Psychology), MAICD, SJD Candidate |
| Experience | — | not-for-profit strategy and governance, human rights and foreign investment, fundraising including as Chief Executive Officer of The Song Room and Deputy Chair of Suicide Prevention Australia |

DIPLOMACY TRAINING PROGRAM LIMITED
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DIRECTORS' REPORT

Meetings of Directors

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

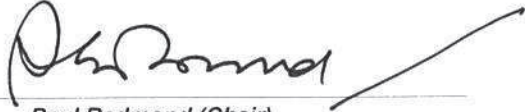
| | Directors' Meetings | |
|----------------------|------------------------|--------------|
| | No. eligible to attend | No. attended |
| Paul Redmond | 4 | 4 |
| John Pace | 4 | 3 |
| Philip Chung | 4 | 4 |
| Andrew Byrnes | 4 | 4 |
| Megan Davis | 4 | - |
| Suwanee Dharmalingam | 4 | 3 |
| Michael do Rozario | 1 | 1 |
| Kenneth Woo | 1 | 1 |
| Justine Nolan | 1 | 1 |
| Caroline Aebersold | 1 | 1 |


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 \$2 each towards meeting any outstanding obligations of the company. At 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$2(2014: \$2).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 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.

Director 
Paul Redmond (Chair)

Dated this ^{10 November}~~23rd October~~ 2015 



HOUSTON & CO Pty Limited
Chartered Accountant

Owen Houston CA

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Crows Nest NSW 2065

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DIPLOMACY TRAINING PROGRAM LIMITED

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DIPLOMACY TRAINING PROGRAM LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* 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

Name of Partner Owen Houston

Date 10th November 2015

Address Suite 4, 113 Willoughby Road
Crows Nest NSW 2065

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|------------------|------------------|
| REVENUE | | | |
| Donations and gifts | 2 | | |
| - monetary | | 63,905 | 81,620 |
| - non-monetary | | 106,430 | 194,270 |
| Grants | 2 | | |
| - Department of Foreign Affairs and Trade | | 153,685 | 86,141 |
| - Other Australian | | 221,401 | 193,758 |
| -Other overseas | | 360,638 | 410,382 |
| Investment income | | 3,972 | 6,289 |
| Other income | 2 | 48,884 | 34,850 |
| TOTAL REVENUE | | <u>958,915</u> | <u>1,007,310</u> |
| EXPENDITURE | | | |
| International Aid and Development Programs Expenditure | | | |
| - International programs | | | |
| - Funds to international programs | | (542,441) | (429,329) |
| - Fundraising costs | | | |
| - Public | | (3,512) | (7,175) |
| - Government & multilateral and private | | (24,437) | - |
| - Accountability and Administration | | (13,137) | (87,671) |
| - Non - Monetary Expenditure | | (41,881) | (33,424) |
| Total International Aid and Development Programs Expenditure | | <u>(625,408)</u> | <u>(557,599)</u> |
| Domestic Programs Expenditure | | | |
| - Domestic programs | | | |
| - Funds to domestic programs | | (53,264) | (231,354) |
| - Accountability and Administration | | (119,670) | (27,967) |
| - Non - Monetary Expenditure | | (64,550) | (160,846) |
| Total Domestic Programs Expenditure | | <u>(237,484)</u> | <u>(420,167)</u> |
| TOTAL EXPENDITURE | | <u>(862,892)</u> | <u>(977,766)</u> |
| EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE | | <u>96,023</u> | <u>29,544</u> |

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:
 - Requests and Legacies revenue
 - Revenue for International Political or Religious Adherence Promotion Programs
 - International programs- Program support costs
 - International Aid and Development Programs Expenditure – Community education costs
 - International Political or Religious Adherence Promotion Programs Expenditure
 - Domestic programs – Program support costs
 - Domestic programs – Community education
 - Domestic programs - Fundraising costs

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

| | Note | 2015 \$ | 2014 \$ |
|---------------------------------------|-------------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash on hand | 4 | 495,740 | 194,371 |
| Accounts receivable and other debtors | 5 | 102,965 | 207,067 |
| TOTAL CURRENT ASSETS | | <u>598,705</u> | <u>401,438</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | - | 535 |
| TOTAL NON-CURRENT ASSETS | | <u>-</u> | <u>535</u> |
| TOTAL ASSETS | | <u>598,705</u> | <u>401,973</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and other payables | 7 | 203,552 | 108,233 |
| Employee provisions | 8 | 59,104 | 53,714 |
| TOTAL CURRENT LIABILITIES | | <u>262,656</u> | <u>161,947</u> |
| NON-CURRENT LIABILITIES | | | |
| TOTAL NON-CURRENT LIABILITIES | | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | | <u>262,656</u> | <u>161,947</u> |
| NET ASSETS | | <u>336,049</u> | <u>240,026</u> |
| EQUITY | | | |
| Retained earnings | | 194,783 | 23,026 |
| Reserves | | 141,266 | 217,000 |
| TOTAL EQUITY | 13 | <u>336,049</u> | <u>240,026</u> |

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 2015

| | Note | Retained earnings | | Gift Fund Reserve | Total |
|---|------|-------------------|--------------------|-------------------|---------|
| | | Restricted funds | Unrestricted funds | | |
| | | \$ | \$ | \$ | \$ |
| Balance at 1 July 2013 | | 64,478 | (70,996) | 217,000 | 210,482 |
| Comprehensive Income | | | | | |
| Excess/(shortfall) of revenue over expenses | | | 29,544 | | 29,544 |
| Transfer from restricted to unrestricted | | (64,478) | 64,478 | | - |
| Total other comprehensive income | | (64,478) | 94,022 | - | 29,544 |
| Total comprehensive income | | (64,478) | 94,022 | - | 29,544 |
| Balance at 30 June 2014 | | - | 23,026 | 217,000 | 240,026 |
| Comprehensive Income | | | | | |
| Excess/(shortfall) of revenue over expenses | | 218,516 | (122,493) | | 96,023 |
| Transfer from Gift Fund reserve | | | 75,734 | (75,734) | - |
| Total comprehensive income | | 218,516 | (46,759) | (75,734) | 96,023 |
| Balance at 30 June 2015 | | 218,516 | (23,733) | 141,266 | 336,049 |

For a description of each reserve, refer to Note 13.

The accompanying notes form part of these financial statements.

DIPLOMACY TRAINING PROGRAM LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

| | Note | 2015 \$ | 2014 \$ |
|---|-------------|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from donations, bequests and raffles | | 544,722 | 343,738 |
| Receipt of government grants | | 203,709 | - |
| Receipt of international corporate grants | | 360,638 | |
| Interest received | | 3,972 | 6,289 |
| Payment of program and operating expenditures | | (536,369) | (702,322) |
| Payment to employees | | (275,303) | (258,962) |
| Net cash generated from operating activities | 11 | 301,369 | (114,734) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | - | - |
| Net cash used in investing activities | | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net cash used in financing activities | | - | - |
| Net increase in cash held | | 301,369 | (114,734) |
| Cash on hand at beginning of the financial year | | 194,371 | 309,105 |
| Cash on hand at end of the financial year | 4 | 495,740 | 194,371 |

The accompanying notes form part of these financial statements.

DIPLOMACY TRAINING PROGRAM LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 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.

Diplomacy Training Program Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of 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 (GST).

(b) Fair Value of Assets and Liabilities

The company 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 (ie 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 (ie 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(f) for details of impairment).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 company'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.

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 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 a part of employee benefits expense.

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

(e) Cash on Hand

Cash on hand 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(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 rate 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.

DIPLOMACY TRAINING PROGRAM LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(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 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 company 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 comparative 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 company 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 Judgments

The directors evaluate estimates and judgments 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 company.

Key Judgements

(ii) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. 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 the donors 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 donors will not continue to support Diplomacy Training Program Limited.

Note 2 Revenue and Other Income

| | 2015 | 2014 |
|--|---------|-----------|
| | \$ | \$ |
| Revenue | | |
| Revenue from (non-reciprocal) government grants and other grants | | |
| — Donations and gifts | | |
| - monetary | 63,905 | 81,620 |
| - non-monetary | 106,430 | 194,270 |
| — Grants - Australian | 221,401 | 193,758 |
| — Grants - Overseas | 360,638 | 410,382 |
| — DFAT | 153,685 | 86,141 |
| | <hr/> | <hr/> |
| | 906,059 | 966,171 |
| Other revenue | | |
| — Interest received on investments in government and fixed interest securities | 3,972 | 6,289 |
| | <hr/> | <hr/> |
| | 3,972 | 6,289 |
| Total revenue | <hr/> | <hr/> |
| | 910,031 | 972,460 |
| Other income | | |
| — Other | 48,884 | 34,850 |
| Total other income | <hr/> | <hr/> |
| | 48,884 | 34,850 |
| Total revenue and other income | <hr/> | <hr/> |
| | 958,915 | 1,007,310 |

DIPLOMACY TRAINING PROGRAM LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 3 Surplus for the Year

| | 2015 | 2014 |
|--|---------|---------|
| | \$ | \$ |
| (a) Expenditure | | |
| International Aid and Development Programs Expenditure: | | |
| — Funds to international programs | 542,441 | 429,329 |
| — Fundraising costs - public | 3,512 | 7,175 |
| — Fundraising costs - Government multicultural | 24,437 | - |
| — Accountability and administration - International | 13,137 | 87,671 |
| — Non-monetary | 41,881 | 33,424 |
| Total International Aid and Development Programs Expenditure | 625,408 | 557,599 |
| Domestic Programs Expenditure | | |
| — Domestic programs | 53,264 | 231,354 |
| — Accountability and administration - Australia | 119,670 | 27,967 |
| — Non-monetary | 64,550 | 160,846 |
| Total Domestic Programs Expenditure | 237,484 | 420,167 |
| Depreciation and amortisation: | | |
| — furniture and equipment | 1,243 | 1,424 |
| Total depreciation and amortisation | 1,243 | 1,424 |
| Auditor fees | | |
| — audit services | 5,100 | 4,600 |
| Total Audit Remuneration | 5,100 | 4,600 |

Note 4 Cash on Hand

| | 2015 | 2014 |
|--|---------|---------|
| | \$ | \$ |
| CURRENT | | |
| Cash at bank | 495,618 | 190,241 |
| Cash float | 122 | 4,130 |
| Total cash and cash equivalents as stated in the statement of financial position | 495,740 | 194,371 |
| Total cash and cash equivalents as stated in the cash flow statement | 495,740 | 194,371 |

Note 5 Accounts Receivable and Other Debtors

| | Note | 2015 | 2014 |
|---|------|---------|---------|
| | | \$ | \$ |
| CURRENT | | | |
| Accounts receivable | | 102,965 | 207,067 |
| Total current accounts receivable and other debtors | 12 | 102,965 | 207,067 |

Note 6 Property, Plant and Equipment

| | 2015 | 2014 |
|-------------------------------------|----------|----------|
| | \$ | \$ |
| PLANT AND EQUIPMENT | | |
| Plant and equipment | | |
| At cost | 19,661 | 19,661 |
| Less accumulated depreciation | (19,661) | (19,126) |
| | - | 535 |
| Total property, plant and equipment | - | 535 |

DIPLOMACY TRAINING PROGRAM LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 \$ |
|--------------------------------------|-------------------------------------|-------------|
| 2014 | | |
| Balance at the beginning of the year | 1,778 | 1,778 |
| Additions at cost | | - |
| Disposals | | - |
| Depreciation expense | (1,243) | (1,243) |
| Carrying amount at end of year | <u>535</u> | <u>535</u> |
| 2015 | | |
| Balance at the beginning of the year | 535 | 535 |
| Additions at cost | | - |
| Disposals | | - |
| Depreciation expense | (535) | (535) |
| Carrying amount at end of year | <u>-</u> | <u>-</u> |

Note 7 Accounts Payable and Other Payables

| | 2015 \$ | 2014 \$ |
|------------------------|----------------|----------------|
| Note | | |
| CURRENT | | |
| Accounts payable | 10,831 | 13,829 |
| Deferred income | 161,337 | 70,403 |
| Other current payables | 31,384 | 24,001 |
| | <u>203,552</u> | <u>108,233</u> |

Note 8 Employee Provisions

| | 2015 \$ | 2014 \$ |
|--|---------------|---------------|
| CURRENT | | |
| Short-term Employee Benefits | | |
| Opening balance at 1 July 2014 | 53,714 | 46,295 |
| Additional provisions raised during year | 5,390 | 7,419 |
| Amounts used | - | - |
| Balance at 30 June 2015 | <u>59,104</u> | <u>53,714</u> |

| | 2015 \$ | 2014 \$ |
|--|---------------|---------------|
| Analysis of Employee Provisions | | |
| Current | 59,104 | 53,714 |
| Non-current | - | - |
| | <u>59,104</u> | <u>53,714</u> |

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 company 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 company 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 9 Events After the Reporting Period

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

Note 10 Related Party Transactions

a. Key Management Personnel

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

| | 2015 | 2014 |
|---------------------------------------|----------------|----------------|
| Key Management Personnel Compensation | \$ | \$ |
| — Short-term benefits | 148,803 | 145,223 |
| — Post-employment benefits | - | - |
| — Other long-term benefits | - | - |
| | <u>148,803</u> | <u>145,223</u> |

Note 11 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus

| | 2015 | 2014 |
|--|----------------|------------------|
| | \$ | \$ |
| Excess/Shortfall | 96,023 | 29,544 |
| Non cash flows | | |
| Depreciation and amortisation expense | 535 | 1,243 |
| Changes in assets and liabilities | | |
| (Increase)/decrease in accounts receivable and other debtors | 104,102 | (184,742) |
| Increase/(decrease) in accounts payable and other payables | 95,319 | 31,802 |
| Increase/(decrease) in provisions for employee benefits | 5,390 | 7,419 |
| | <u>301,369</u> | <u>(114,734)</u> |

Note 12 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

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

| | Note | 2015 | 2014 |
|---|-------------|----------------|----------------|
| | | \$ | \$ |
| Financial assets | | | |
| Cash on hand | 4 | 495,740 | 194,371 |
| Accounts receivable and other debtors | 5 | <u>102,965</u> | <u>207,067</u> |
| Total financial assets | | <u>598,705</u> | <u>401,438</u> |
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| — accounts payable and other payables | 7(a) | <u>203,552</u> | <u>108,233</u> |
| Total financial liabilities | | <u>203,552</u> | <u>108,233</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Financial Risk Management Policies

The finance committee is responsible for monitoring and managing the company'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 company in meeting its financial targets whilst 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 company 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 company 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 company has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Accounts Receivable and Other Debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

| | Note | 2015 | 2014 |
|--------------|-------------|----------------|----------------|
| | | \$ | \$ |
| Cash on hand | | | |
| — AA Rated | 4 | 495,740 | 194,371 |
| | | <u>495,740</u> | <u>194,371</u> |

Note 13 Equity

| | 2015 | 2014 |
|--|----------------|----------------|
| (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. | (23,733) | 23,026 |
| (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 Diplomcy Training Program work. | 218,516 | - |
| (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. | 141,266 | 217,000 |
| | <u>336,049</u> | <u>240,026</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 14 Table of Cash Movements For Designated Purposes for the Year ended 30 June 2015

| | Cash available at beginning of year | Cash Raised during year | Cash disbursed during year | Cash available at end of year | Comments |
|---|--|----------------------------|----------------------------------|-------------------------------------|----------|
| | Cash | Cash Raised | Cash | Cash | Comments |
| DTP 24th Annual Human Rights and Peoples' Diplomacy Program, Timor Leste | - | 151,148 | (151,148) | - | |
| Human Rights and Development – Regional Capacity Building Program for Civil Society Advocates | - | 84,262 | (84,262) | - | |
| Learning the Lesson workshop Dubai | - | 67,746 | (67,746) | - | |
| Human Rights Advocacy and Migrant Workers in the Middle-East - Doha Qatar | - | 56,436 | (56,436) | - | |
| The Human Rights of Migrant Workers – Sri Lanka Human Rights Advocacy and Migrant Workers in the Middle-East - Kuwait | - | 90,684 | (40,112) | 50,572 | |
| | | 86,034 | (86,034) | - | |
| Total for Other Non - Designated Purposes | 194,371 | 545,857 | (295,060) | 445,168 | |
| | <u>194,371</u> | <u>1,113,041</u> | <u>(811,672)</u> | <u>495,740</u> | |

The Table of Cash Movements is only required to disclose cash raised for a designated purpose if it exceeds 10% of total international aid and development revenue.

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.

| | 2015 \$ | 2014 \$ |
|--|---------------|---------------|
| Volunteer services related to RDE | 29,330 | 7,645 |
| Gifts in kind related to RDE | 2,290 | 1,666 |
| Other in kind support not related to RDE | 24,302 | 24,113 |
| Total non-monetary expenditure for international aid and development | <u>55,922</u> | <u>33,424</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 16 Information required by the NSW Charitable Fundraising Act 1991

| a. Details of aggregate gross income and total expenditure of fundraising appeals | 2015 | 2014 |
|---|------------------------|------------------------|
| | \$ | \$ |
| Donations | 170,335 | 275,890 |
| Functions & Special Events | - | - |
| Gross Proceeds from Fundraising Appeals | <u>170,335</u> | <u>275,890</u> |
| Functions & Special Events | 3,512 | 7,175 |
| Cost of raising multilateral and private | 24,437 | - |
| Direct Costs of Fundraising Appeals | <u>27,949</u> | <u>7,175</u> |
| Net Surplus from Fund Raising Appeals | <u><u>142,386</u></u> | <u><u>268,715</u></u> |
| b. Statement showing how funds received are applied for Charitable Purposes | | |
| Net Surplus obtained from Fundraising Appeals | <u>142,386</u> | <u>268,715</u> |
| Applied for Charitable Purposes as follows: | | |
| Donated Funds to overseas projects | 542,441 | 429,329 |
| Donated Funds: Other Project Costs | 53,264 | 231,354 |
| Accountability and administration | 132,807 | 115,638 |
| Non-monetary expenditure | 106,431 | 194,270 |
| Total Expenditure | <u>834,943</u> | <u>970,591</u> |
| Surplus/(Shortfall) | <u><u>-692,557</u></u> | <u><u>-701,876</u></u> |
| Shortfall was met by the following sources | | |
| DFAT grants | 153,685 | 86,141 |
| Other Australian grants | 221,401 | 193,758 |
| Other overseas grants | 360,638 | 410,382 |
| Other income | <u>52,856</u> | <u>41,139</u> |
| | <u>788,580</u> | <u>731,420</u> |
| Net surplus transferred to accumulated funds | 96,023 | 29,544 |
| Comparison by Monetary Figures & Percentages | | |
| Gross Income from fundraising appeals | 170,335 | 275,890 |
| Total direct cost of fundraising appeals | 27,949 | 7,175 |
| Total direct cost of fundraising as a percentage of gross income from fundraising appeals | 16.41% | 2.60% |
| Net surplus from fundraising appeals | 142,386 | 268,715 |
| Net surplus from fundraising as a percentage of gross income from fundraising appeals | 83.59% | 97.40% |
| Total cost of direct services | 595,705 | 660,683 |
| Total expenditure (excluding direct cost of fundraising appeals) | 834,943 | 970,591 |
| Total cost of direct services as a percentage of total expenditure | 71.35% | 68.07% |
| Total Income received (including net profit from fundraising appeals) | 930,966 | 1,000,135 |
| Total cost of direct services as a percentage of total income received | 63.99% | 66.06% |

DIPLOMACY TRAINING PROGRAM LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 each towards meeting any outstandings and obligations of the entity.

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Diplomacy Training Program Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 20, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with international financial reporting standards (IFRS); and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2015 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Director



Paul Redmond (Chair)

Dated this

10 November
23rd October 2015 



HOUSTON & CO Pty Limited

Chartered Accountant

Owen Houston CA

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Crows Nest NSW 2065

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

Report on the Financial Report

We have audited the accompanying financial report of Diplomacy Training Program Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Diplomacy Training Program Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Diplomacy Training Program Limited is in accordance with Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Auditor's signature:

Address:

Suite 4, 113 Willoughby Road, Crows Nest NSW 2065

Dated this

10th November 2015