

DIPLOMACY TRAINING PROGRAM LIMITED

ABN: 31 003 925 148

**Financial Report For The Year Ended
30 June 2018**

HOUSTON & CO PTY LIMITED

Chartered Accountant

Diplomacy Training Program Limited

ABN: 31 003 925 148

Financial Report For The Year Ended 30 June 2018

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DIPLOMACY TRAINING PROGRAM LIMITED
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DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2018.

Directors

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

Paul Redmond resigned (14/06/2018)
Dr John Pace appointed (28/08/2001)
Philip Chung appointed (28/08/2001)
Andrew Byrnes appointed (24/07/2006)
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)
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 activities of the company during the financial year were:

- 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 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
- 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 company 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 rights
- Developing new relationships based on shared commitment to human rights values

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DIRECTORS' REPORT

Information on Directors

Emeritus Professor Paul Redmond AM	—	Chair until 14/06/2018
Qualifications	—	BA LLB LLM
Experience	—	Experience in tertiary legal education, human rights capacity building and academic administration
Dr John Pace	—	Director
Qualifications	—	BA LLD
Experience	—	International human rights protection and advocacy
Associate Professor Philip Chung	—	Director
Qualifications	—	Bec (Hons) 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
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 (Deputy Chair from 14/06/2018)
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.
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, 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

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DIRECTORS' REPORT

Professor David Dixon	—	Chair since 14/06/2018
Qualifications	—	BA Bphil PhD
Experience	—	Former Dean, Faculty of Law UNSW Sydney research, teaching and administration 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

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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:

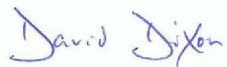
	Directors' Meetings	
	No. eligible to attend	No. attended
Paul Redmond	4	4
Dr John Pace	4	1
Philip Chung	4	4
Andrew Byrnes	4	3
Suwanee Dharmalingam	4	4
Michael do Rozario	4	4
Kenneth Woo	4	4
Justine Nolan	4	2
Dr Caroline Aebersold	4	4
Professor David Dixon	4	2
Brynn O'Brien	4	4
James Peter Fitzgerald	4	3

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 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$2(2017: \$2).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 7 of the financial report.

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



Director

David Dixon (Chair)

Dated this 11th December 2018



HOUSTON & CO Pty Limited
Chartered Accountant

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

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Diplomacy Training Program Limited, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012; 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 11th December 2018

Address Suite 4, 113 Willoughby Road

Crows Nest NSW 2065

DIPLOMACY TRAINING PROGRAM LIMITED
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
REVENUE			
Donations and gifts	2		
- monetary		113,817	75,083
- non-monetary		101,823	95,983
Grants	2		
- Department of Foreign Affairs and Trade		190,000	165,000
- Other Australian		44,551	50,447
- Other overseas		440,179	434,463
Investment income		3,282	3,718
Other income	2	56,530	36,899
TOTAL REVENUE		<u>950,182</u>	<u>861,593</u>
EXPENDITURE			
International Aid and Development Programs Expenditure			
- International programs			
- Funds to international programs		(632,187)	(656,237)
- Fundraising costs			
- Public		(48,656)	(42,324)
- Government & multilateral and private		-	-
- Accountability and Administration		(14,039)	(8,293)
- Non - Monetary Expenditure		(53,167)	(53,659)
Total International Aid and Development Programs Expenditure		<u>(748,049)</u>	<u>(760,513)</u>
Domestic Programs Expenditure			
- Domestic programs			
- Funds to domestic programs		(13,525)	(7,569)
- Accountability and Administration		(21,260)	(44,558)
- Non - Monetary Expenditure		(85,194)	(64,391)
Total Domestic Programs Expenditure		<u>(119,979)</u>	<u>(116,518)</u>
TOTAL EXPENDITURE		<u>(868,028)</u>	<u>(877,031)</u>
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE		<u>82,154</u>	<u>(15,438)</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
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	354,427	466,458
Trade and other receivables	5	254,760	25,925
Other current assets	6	2,881	-
TOTAL CURRENT ASSETS		<u>612,068</u>	<u>492,383</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	769	-
TOTAL NON-CURRENT ASSETS		<u>769</u>	<u>-</u>
TOTAL ASSETS		<u>612,837</u>	<u>492,383</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	195,187	155,273
Employee provisions	9	82,767	84,381
TOTAL CURRENT LIABILITIES		<u>277,954</u>	<u>239,654</u>
TOTAL LIABILITIES		<u>277,954</u>	<u>239,654</u>
NET ASSETS		<u>334,883</u>	<u>252,729</u>
EQUITY			
Reserves		141,266	141,266
Retained earnings		193,617	111,463
TOTAL EQUITY	14	<u>334,883</u>	<u>252,729</u>

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:
 - Current assets- Inventories
 - Current assets- Assets held for sale
 - Current assets - Other financial assets
 - Current Liabilities - Borrowings
 - Current Liabilities - Other financial liabilities
 - Current Liabilities - Other
 - Non-Current Liabilities

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

Note	Retained earnings			Total
	Restricted funds	Unrestricted funds	Gift Fund Reserve	
	\$	\$	\$	
Balance at 1 July 2016	129,866	(2,965)	141,266	268,167
Comprehensive Income				
Excess/(shortfall) of revenue over expenses	(13,964)	(1,474)		(15,438)
Transfer from Gift Fund reserve		70,720	(70,720)	-
Total other comprehensive income	(13,964)	69,246	(70,720)	(15,438)
Total comprehensive income	(13,964)	69,246	(70,720)	(15,438)
Balance at 30 June 2017	115,902	66,281	70,546	252,729
Comprehensive Income				
Excess/(shortfall) of revenue over expenses	48,010	34,144		82,154
Total comprehensive income	48,010	34,144	-	82,154
Balance at 30 June 2018	163,912	100,425	70,546	334,883

For a description of each reserve, refer to Note 14.

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 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		333,221	274,912
Receipt of government grants		190,000	165,000
Receipt of international grants		211,344	701,261
Interest received		3,282	3,718
Payment of program and operating expenditures		(557,277)	(649,794)
Payment to employees		(291,562)	(273,615)
Net cash generated from operating activities	12	<u>(110,992)</u>	<u>221,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,039)	-
Net cash used in investing activities		<u>(1,039)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		(112,031)	221,482
Cash on hand at beginning of the financial year		466,458	244,976
Cash on hand at end of the financial year	4	<u><u>354,427</u></u>	<u><u>466,458</u></u>

The accompanying notes form part of these financial statements.

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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

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Diplomacy Training Program Limited, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, the Charitable Fundraising Act 1991 and the Australian Council for International Development Code of Conduct (ACFID) financial reporting format. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 11th December 2018 by the directors of the Company.

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

(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

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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).

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.

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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 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 Estimates

(i) 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 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.

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Note 2 Revenue and Other Income

	2018	2017
	\$	\$
Revenue		
Revenue from (non-reciprocal) government grants and other grants		
— Donations and gifts		
- monetary	113,817	75,083
- non-monetary	101,823	95,983
— Grants - Australian	44,551	50,447
— Grants - Overseas	440,179	434,463
— DFAT	190,000	165,000
	<u>890,370</u>	<u>820,976</u>
Other revenue		
Interest received	3,282	3,718
	<u>3,282</u>	<u>3,718</u>
Total revenue	<u>893,652</u>	<u>824,694</u>
Other income		
— Other	56,530	36,899
Total other income	<u>56,530</u>	<u>36,899</u>
Total revenue and other income	<u>950,182</u>	<u>861,593</u>

Note 3 Surplus for the Year

	2018	2017
	\$	\$
(a) Expenditure		
International Aid and Development Programs Expenditure:		
— Funds to international programs	632,187	656,237
— Non-monetary - International	48,656	42,324
— Fundraising costs - Government multicultural	-	-
— Fundraising costs - Public	14,039	8,293
— Non-monetary - Domestic	53,167	53,659
Total International Aid and Development Programs Expenditure	<u>748,049</u>	<u>760,513</u>
Domestic Programs Expenditure		
— Domestic programs	13,525	7,569
— Accountability and administration - Domestic	21,260	44,558
— Accountability and administration - International	85,194	64,391
Total Domestic Programs Expenditure	<u>119,979</u>	<u>116,518</u>
Depreciation and amortisation:		
— furniture and equipment	1,243	1,243
Total depreciation and amortisation	<u>1,243</u>	<u>1,243</u>
Auditor fees		
— audit services	5,100	5,100
Total Audit Remuneration	<u>5,100</u>	<u>5,100</u>

Note 4 Cash on Hand

	2018	2017
	\$	\$
CURRENT		
Cash at bank	352,700	465,785
Cash float	1,727	673
Total cash and cash equivalents as stated in the statement of financial position	<u>354,427</u>	<u>466,458</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>354,427</u>	<u>466,458</u>

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Note 5 Accounts Receivable and Other Debtors

	Note	2018 \$	2017 \$
CURRENT			
Accounts receivable		254,760	25,925
Total current accounts receivable and other debtors	13	254,760	25,925

Note 6 Other Current Assets

	2018 \$	2017 \$
Prepayments	2,881	-
	2,881	-

Note 7 Property, Plant and Equipment

	2018 \$	2017 \$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	20,700	19,661
Less accumulated depreciation	(19,931)	(19,661)
	769	-
Total property, plant and equipment	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

	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 end of year	769	769

Note 8 Accounts Payable and Other Payables

	Note	2018 \$	2017 \$
CURRENT			
Accounts payable		5,375	5,175
Deferred income		171,097	137,899
Other current payables		18,715	12,199
		195,187	155,273

Note 9 Employee Provisions

	2018 \$	2017 \$
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 July 2017	84,381	68,048
Additional provisions raised during year	-	16,333
Amounts used	(1,614)	-
Balance at 30 June 2018	82,767	84,381

Analysis of Employee Provisions

	2018 \$	2017 \$
Current	82,767	84,381
Non-current	-	-
	82,767	84,381

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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.

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

Any person(s) having authority and responsibility for planning, directing

	2018	2017
Key Management Personnel Compensation	\$	\$
— Short-term benefits	155,470	153,850
	155,470	153,850

Note 12 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus

	2018	2017
	\$	\$
Excess/Shortfall	82,154	(15,438)
Non cash flows		
Depreciation and amortisation expense	270	-
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(228,835)	266,798
Increase/(decrease) in accounts payable and other payables	39,914	(46,211)
Increase/(decrease) in provisions for employee benefits	(1,614)	16,333
(Increase)/decrease in prepayments	(2,881)	-
	(110,992)	221,482

Note 13 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	2018	2017
		\$	\$
Financial assets			
Cash on Hand	4	354,427	466,458
Accounts Receivable and Other Debtors	5	254,760	25,925
Total financial assets		609,187	492,383
Financial liabilities			
— Accounts Payable and Other Payables	8	195,187	155,273
Total financial liabilities		195,187	155,273

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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.

Note 14 Equity

	2018	2017
(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.	100,425	66,281
(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	115,902
(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
	334,883	252,729
	334,883	252,729

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.

	2018	2017
	\$	\$
Volunteer services related to RDE	32,602	12,324
Gifts in kind related to RDE	1,710	
Other in kind support not related to RDE	18,827	37,000
	53,139	49,324
Total non-monetary expenditure for international aid and development	53,139	49,324

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Note 16 Information required by the NSW Charitable Fundraising Act 1991

a. Details of aggregate gross income and total expenditure of fundraising appeals

	2018	2017
	\$	\$
Donations	215,640	171,066
Gross Proceeds from Fundraising Appeals	<u>215,640</u>	<u>171,066</u>
Functions & Special Events	48,656	42,324
Cost of raising multilateral and private	-	-
Direct Costs of Fundraising Appeals	<u>48,656</u>	<u>42,324</u>
Net Surplus from Fund Raising Appeals	<u><u>166,984</u></u>	<u><u>128,742</u></u>

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

Net Surplus obtained from Fundraising Appeals	<u>166,984</u>	<u>128,742</u>
Applied for Charitable Purposes as follows:		
Donated Funds to overseas projects	632,187	656,237
Donated Funds: Other Project Costs	13,525	7,569
Accountability and administration	35,299	52,851
Non-monetary expenditure	138,361	118,050
Total Expenditure	<u>819,372</u>	<u>834,707</u>
Surplus/(Shortfall)	<u><u>-652,388</u></u>	<u><u>-705,965</u></u>
Shortfall was met by the following sources		
DFAT grants	190,000	165,000
Other Australian grants	44,551	50,447
Other overseas grants	440,179	434,463
Other income	<u>59,812</u>	<u>40,617</u>
	<u>734,542</u>	<u>690,527</u>
Net surplus transferred to accumulated funds	82,154	-15,438

Comparison by Monetary Figures & Percentages

Gross Income from fundraising appeals	215,640	171,066
Total direct cost of fundraising appeals	48,656	42,324
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	22.56%	24.74%
Net surplus from fundraising appeals	166,984	128,742
Net surplus from fundraising as a percentage of gross income from fundraising appeals	77.44%	75.26%
Total cost of direct services	645,712	663,806
Total expenditure (excluding direct cost of fundraising appeals)	819,372	834,707
Total cost of direct services as a percentage of total expenditure	78.81%	79.53%
Total Income received (including net profit from fundraising appeals)	901,526	819,269
Total cost of direct services as a percentage of total income received	71.62%	81.02%

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.

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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 8 to 19, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2018 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.

A handwritten signature in blue ink that reads "David Dixon". Below the signature is a horizontal line.

Director

David Dixon (Chair)

Dated this 11th December 2018



HOUSTON & CO Pty Limited
Chartered Accountant

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DIPLOMACY TRAINING PROGRAM LIMITED
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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 2018, 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 Australian Charities and Not-for-profits Commission Act 2012 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 Australian Charities and Not-for-profits Commission Act 2012.

Opinion

In our opinion, the financial report of Diplomacy Training Program Limited is in accordance with Australian Charities and Not-for-profits Commission Act 2012 including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012.



HOUSTON & CO Pty Limited

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DIPLOMACY TRAINING PROGRAM LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIPLOMACY TRAINING PROGRAM LIMITED

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

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 2018, 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

Report on the Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report

We have audited the Report of the Company, which comprises the statement of financial position as on 30 June 2018 and the income statement, statement of comprehensive income, statement of changes in equity for the year ended on the date and the directors declaration. The directors of the Company are responsible for the preparation and presentation of the Report in accordance with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct. Our responsibility is to express an opinion on the Report based on our audit conducted in accordance with the Australian Auditing Standards.

Opinion

In our opinion, The Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of Diplomacy Training Program Limited for the year ended 30 June 2018 complies with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct.

Name of Firm: Houston & Co Pty Limited

Name of Partner Owen Houston

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

Dated this 11th December 2018