DIPLOMACY TRAINING PROGRAM LIMITED

ABN: 31 003 925 148

Financial Report For The Year Ended
30 June 2014

Diplomacy Training Program Limited

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Financial Report For The Year Ended 30 June 2014

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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 2014.

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)
Elizabeth Jackson resigned (22/01/2014)

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

Key Performance Measures

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

• To assess the cost-effectiveness of projects

• To assess control over the company's administrative and other indirect costs

• To assess the effectiveness of overseas projects

• To assess the effectiveness of Australian projects

DIPLOMACY TRAINING PROGRAM LIMITED
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DIRECTORS' REPORT

	2014		2013	
	Actual	Benchmark	Actual	Benchmark
Cost as % of activity revenues				
Overseas projects	93.72%	100.00%	126.34%	100.00%
Domestic projects	109.19%	100.00%	91.22%	100.00%
Expenditure on activities as % of total income				
Overseas projects	49.15%	53.64%	57.32%	48.49%
Domestic projects	28.90%	35.42%	31.53%	31.34%
Number of overseas projects	8	9	5	4
Number of Australian projects	8	8	6	6

Information on Directors

Paul Redmond	—	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
Experience	—	legal education, information technology including as Executive Director, Australasian Legal Information Institute (AustLII)
Andrew Byrnes	—	Director
Qualifications	—	B.A LLB ANU LLM (Harv) and LLM(Columbia)
Experience	—	international human rights scholarship and training and tertiary legal education
Megan Davis	—	Director
Qualifications	—	BA LLB LLM GDLP PhD
Experience	—	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
Elizabeth Jackson	—	Director
Qualifications	—	Diploma of Law
Experience	—	senior levels of management in public and private sector

Meetings of Directors

During the financial year, 3 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Paul Redmond	3	3
John Pace	3	2
Philip Chung	3	2
Andrew Byrnes	3	1
Megan Davis	3	3
Suwanee Dharmalingam	3	3
Elizabeth Jackson	2	1

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DIRECTORS' REPORT

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 2014, the total amount that members of the company are liable to contribute if the company is wound up is $2(2013: $2).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 4 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 [day] 10th day of November ~~October~~ 2014

HOUSTON & CO Pty Limited
Chartered Accountant

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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

O Houston

Name of Partner Owen Houston

Date 17/11/2014

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 2014

	Note	2014 $	2013 $
REVENUE			
Donations and gifts	2		
- monetary		81,620	25,745
- non-monetary		194,270	185,287
Grants	2		
- Department of Foreign Affairs and Trade		86,141	-
- Other Australian		193,758	199,744
-Other overseas		410,382	207,860
Investment income		6,289	11,369
Other income	2	34,850	47,882
TOTAL REVENUE		1,007,310	677,887
EXPENDITURE			
International Aid and Development Programs Expenditure			
- International programs			
- Funds to international programs		(429,329)	(300,106)
- Fundraising costs			
- Public		(7,175)	(17,505)
- Accountability and Administration		(87,671)	(139,022)
- Non - Monetary Expenditure		(33,424)	(124,463)
Total International Aid and Development Programs Expenditure		(557,599)	(581,096)
Domestic Programs Expenditure			
- Domestic programs			
- Funds to domestic programs		(231,354)	(103,455)
- Accountability and Administration		(27,967)	-
- Non - Monetary Expenditure		(160,846)	(60,824)
Total Domestic Programs Expenditure		(420,167)	(164,279)
TOTAL EXPENDITURE		(977,766)	(745,375)
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE		29,544	(67,488)

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 Aid and Development Programs Expenditure – Fundraising costs- Public
- 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 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash on hand	4	194,371	309,105
Accounts receivable and other debtors	5	207,067	22,325
TOTAL CURRENT ASSETS		401,438	331,430
NON-CURRENT ASSETS			
Property, plant and equipment	6	535	1,778
TOTAL NON-CURRENT ASSETS		535	1,778
TOTAL ASSETS		401,973	333,208
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	108,233	76,431
Employee provisions	8	53,714	46,295
TOTAL CURRENT LIABILITIES		161,947	122,726
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		161,947	122,726
NET ASSETS		240,026	210,482
EQUITY			
Retained earnings		23,026	(6,518)
Reserves	14	217,000	217,000
TOTAL EQUITY		240,026	210,482

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained earnings			
		Restricted funds	Unrestricted funds	Reserves	Total
		$	$	$	$
Balance at 1 July 2012		18,694	42,276	217,000	277,970
Comprehensive Income					
Excess/(shortfall) of revenue over expenses		45,784	(113,272)		(67,488)
Balance at 30 June 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 comprehensive income		(64,478)	94,022	-	29,544
Balance at 30 June 2014		-	23,026	217,000	240,026

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 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		343,738	504,661
Receipt of government grants		86,141	-
Receipt of international corporate grants		410,382	
Interest received		6,289	11,369
Payment of program and operating expenditures		(702,322)	(298,023)
Payment to employees		(258,962)	(241,725)
Net cash generated from operating activities	11	(114,734)	(23,718)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(1,298)
Net cash used in investing activities		-	(1,298)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		(114,734)	(25,016)
Cash on hand at beginning of the financial year		309,105	334,121
Cash on hand at end of the financial year	4	194,371	309,105

The accompanying notes form part of these financial statements.

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

Note 1 Summary of Significant Accounting Policies

Accounting Policies

(a) Revenue

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

If conditions are attached to the grant which must be satisfied before 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).

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.

(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

At 30 June 2014 the directors reviewed the key assumptions made by the valuers at 30 June 2013. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June 2014.

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 thedonors 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.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

— AASB 9: Financial Instruments (December 2010) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017)

  These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Company on initial application of AASB 9 and associated amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012–10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the company's financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This Standard is not expected to significantly impact the company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only but is not expected to significantly impact the company's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company's financial statements.

— AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to significantly impact the company's financial statements.

— Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the company's financial statements.

— AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

— AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the company's financial statements.

— AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–5 amends AASB 10: Consolidated Financial Statements to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the company's financial statements.

Note 2 Revenue and Other Income

	2014	2013
Revenue	$	$
Revenue from (non-reciprocal) government grants and other grants		
— Donations and gifts		
- monetary	81,620	25,745

- non-monetary	194,270	185,287
— Grants - Australian	193,758	199,744
— Grants - Overseas	410,382	207,860
— DFAT	86,141	-
	966,171	618,636
Other revenue		
— Interest received on investments in government and fixed interest securities	6,289	11,369
	6,289	11,369
Total revenue	972,460	630,005
Other income		
— Other	34,850	47,882
Total other income	34,850	47,882
Total revenue and other income	1,007,310	677,887

Note 3 Surplus for the Year

	2014 $	2013 $
(a) Expenditure		
International Aid and Development Programs Expenditure:		
— Funds to international programs	429,329	300,106
— Fundraising costs	7,175	17,505
— Accountability and administration - International	87,671	139,022
— Non-monetary	33,424	124,463
Total International Aid and Development Programs Expenditure	557,599	581,096
Domestic Programs Expenditure		
— Domestic programs	231,354	103,455
— Accountability and administration - Australia	27,967	-
— Non-monetary	160,846	60,824
Total Domestic Programs Expenditure	420,167	164,279
Depreciation and amortisation:		
— furniture and equipment	1,243	1,424
Total depreciation and amortisation	1,243	1,424
Auditor fees		
— audit services	4,400	4,400
Total Audit Remuneration	4,400	4,400

Note 4 Cash on Hand

	2014 $	2013 $
CURRENT		
Cash at bank - unrestricted	190,241	309,027
Cash float	4,130	78
Total cash and cash equivalents as stated in the statement of financial position	194,371	309,105
Total cash and cash equivalents as stated in the cash flow statement	194,371	309,105

Note 5 Accounts Receivable and Other Debtors

	Note	2014 $	2013 $
CURRENT			
Accounts receivable		207,067	22,325
Total current accounts receivable and other debtors	12	207,067	22,325

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 6 Property, Plant and Equipment

	2014 $	2013 $
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	19,661	19,661
Less accumulated depreciation	(19,126)	(17,883)
	535	1,778
Total property, plant and equipment	535	1,778

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 $
2013		
Balance at the beginning of the year	1,904	1,904
Additions at cost	1,298	1,298
Disposals		-
Depreciation expense	(1,424)	(1,424)
Carrying amount at end of year	1,778	1,778
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	535	535

Note 7 Accounts Payable and Other Payables

	Note	2014 $	2013 $
CURRENT			
Accounts payable		13,829	28,066
Deferred income		70,403	26,470
Other current payables		24,001	21,895
	7(a)	108,233	76,431

		2014 $	2013 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
— Total current		108,233	76,431
— Total non-current		-	-
		108,233	76,431
Less deferred income			
Less other payables (net amount of GST payable)		-	-
Financial liabilities as trade and other payables	12	108,233	76,431

Note 8 Employee Provisions

	2014 $	2013 $
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 July 2013	46,295	41,438
Additional provisions raised during year	7,419	4,857
Amounts used	-	-
Balance at 30 June 2014	53,714	46,295

	2014	2013
Analysis of Employee Provisions	$	$
Current	53,714	46,295
Non-current	-	-
	53,714	46,295

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 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.

	2014	2013
Key Management Personnel Compensation	$	$
— Short-term benefits	145,223	145,976
— Post-employment benefits	-	-
— Other long-term benefits	-	-
	145,223	145,976

Note 11 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus	2014	2013
	$	$
Excess/Shortfall	29,544	(67,488)
Non cash flows		
Depreciation and amortisation expense	1,243	1,424
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(184,742)	40,140
Increase/(decrease) in accounts payable and other payables	31,802	(2,921)
Increase/(decrease) in provisions for employee benefits	7,419	4,857
	(114,734)	(23,988)

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:

		2014	**2013**
	Note	**$**	**$**
Financial assets			
Cash on hand	4	194,371	309,105
Accounts receivable and other debtors	5	207,067	22,325
Total financial assets		401,438	331,430

Financial liabilities

Financial liabilities at amortised cost

— accounts payable and other payables	7(a)	108,233	76,431
Total financial liabilities		108,233	76,431

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	2014 $	2013 $
Cash on hand			
— AA Rated		194,371	309,105
	4	194,371	309,105

Note 13 Reserves

	2014	2013
(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.	23,026	(70,996)
(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.	-	64,478
(c) Operating reserve		
The operating reserve records funds set aside for the contingency in case of late payment of grants or serious income shortfalls.	217,000	217,000
	240,026	210,482

DIPLOMACY TRAINING PROGRAM LIMITED
ABN: 31 003 925 148
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 14 Table of Cash Movements For Designated Purposes for the Year ended 30 June 2014

	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 23rd Annual Human Rights and Peoples' Diplomacy Program, Timor Leste	-	106,686	106,686	-	
Indigenous Peoples, Human Rights Advocacy and Development A Training Program for Indigenous Advocates from the Asia Pacific	-	73,114	73,114	-	
Capacity Building Program for Promoting and Protecting the Rights of Migrant Workers in the Middle East, North Africa and Asia, Qatar	-	75,000	72,251	2,749	
Capacity Building Program for Promoting and Protecting the Rights of Migrant Workers in the Middle East, North Africa and Asia, Nepal	-	65,466	64,594	872	
Capacity Building Program for Promoting and Protecting the Rights of Migrant Workers in MENA and Asia-2014	-	77,583	77,583	-	
Total for Other Non - Designated Purposes	309,105	448,702	567,055	190,750	
	309,105	846,550	961,282	194,371	

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.

	$
Volunteer services related to RDE	7,645
Gifts in kind related to RDE	1,666
Other in kind support not related to RDE	24,113
Total non-moentary expenditure for international aid and development	33,424

Note 16 Information - Charitable Fundraising Act 1991

Details of Aggregate Gross Income and Total Expenditure of Fundraising Appeals	2014	2013
	$	$
Donations	81,620	25,745
Functions & Special Events	-	-
Program Donations - Australia	193,758	199,744
Program Donations - Overseas	496,523	207,860
Gross Proceeds from Fundraising Appeals	771,901	433,349
Donations	-	-
Functions & Special Events	7,175	17,505

Program Donations	-	-
Cost of raising Government Grants	-	-
Cost of raising multilateral and private	-	-
Direct Costs of Fundraising Appeals	7,175	17,505
Net Surplus from Fund Raising Appeals	764,726	415,844

Statement showing how funds received are applied for Charitable Purposes

Net Surplus obtained from Fundraising Appeals	764,726	415,844
Applied for Charitable Purposes as follows:		
Expenditures on direct services		
Donated Funds to overseas projects	429,329	0
Donated Funds: Other Project Costs	231,354	300,106
Administration	27,967	17,505
Total Expenditure	688,650	317,611
Surplus/(Shortfall)	76,076	98,233

Comparison by Monetary Figures & Percentages

Gross Income from fundraising appeals	771,901	433,349
Total direct cost of fundraising appeals	7,175	17,505
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	0.93%	4.04%
Net surplus from fundraising appeals	764,726	415,844
Net surplus from fundraising as a percentage of gross income from fundraising appeals	99.07%	95.96%
Total cost of direct services	429,329	0
Total expenditure (excluding direct cost of fundraising appeals)	688,650	317,611
Total cost of direct services as a percentage of total expenditure	62.34%	0.00%
Total Income received (including net profit from fundraising appeals)	764,726	415,844
Total cost of direct services as a percentage of total income received	56.14%	0.00%

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 5 to 18, 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 2014 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 28th day of October 2014

HOUSTON & CO Pty Limited
Chartered Accountant

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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 2014, 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 2014 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 17th day of November 2014