

DIPLOMACY TRAINING PROGRAM LIMITED

ABN: 31 003 925 148

**Financial Report For The Year Ended
30 June 2021**

HOUSTON & CO PTY LTD
Chartered Accountant

Diplomacy Training Program Limited

ABN: 31 003 925 148

Financial Report For The Year Ended 30 June 2021

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DIPLOMACY TRAINING PROGRAM LIMITED
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DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2021.

Directors

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

Dr John Pace appointed (28/08/2001)
Philip Chung appointed (28/08/2001)
Andrew Byrnes appointed (24/07/2006)
Suwanee Dharmalingam appointed (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 activity of the entity during the financial year was:

- Developing and delivering human rights training programs for human rights defenders working in the Middle-East, Asia and the Pacific
- Developing and delivering capacity building programs focused on 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 contemporary human rights issues
- Engaging with and providing support to DTP alumni
- Seeking philanthropic and grant funding to support the Diplomacy Training Program's work for human rights defenders

Short-term and Long-term Objectives

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

- To build the knowledge skills, networks and capacities of those working to advance human rights to achieve a world in which all people have the freedom to advocate for the promotion and protection of human rights and are able to realise their human rights and achieve dignity.
- To build the knowledge and skills of human rights defenders to be more effective in their work to protect and promote human rights
- To contribute development of regional human rights movements
- To build the knowledge, skills and networks of individuals and organisations working for Indigenous peoples rights, the rights of migrant workers and other human rights
- To build and sustain diversified funding sources

Strategies

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

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

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DIRECTORS' REPORT

Information on Directors

Dr John Pace	—	Director
Qualifications	—	BA LLB
Experience	—	International human rights protection and advocacy
Philip Chung	—	Director
Qualifications	—	Bec (Hons) LLB PhD
Experience	—	Legal education, information technology including as Executive Director, Australasian Legal Information Institute (AustLil)
Andrew Byrnes	—	Director
Qualifications	—	B.A LLB ANU LLM (Harv) and LLM (Columbia)
Experience	—	International human rights scholarship and training and tertiary legal education
Suwanee Dharmalingam	—	Director
Qualifications	—	B Comm (Accounting and Finance) LLB
Experience	—	Managing wealth and investment strategies for various sectors including not-for-profit, families, medical specialists, businesses, executives and retirees, domestic and overseas
Michael do Rozario	—	Director
Qualifications	—	B Inf Tech LLB
Experience	—	Partner in the Litigation Division of Corrs Chambers Westgarth in Sydney, experience in product liability law, inquiries and investigations, commercial litigation, constitutional law, administrative law, insurance, insolvency and privacy, coordinator of the pro-bono practice.
Kenneth Woo	—	Director
Qualifications	—	BCom LLB
Experience	—	Partner in PricewaterhouseCoopers Australia, specialising in asset management, main specialities are industry trends, tax and superannuation, global networks, product design and innovation, operational tax risk, investment structures and vehicles, fund reporting and compliance. Fellow Chartered Accountants Australia and New Zealand; chartered tax advisor.
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, Professor, 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 and Director at KPMG
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

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DIRECTORS' REPORT

Brynn O'Brien	—	Director
Qualifications	—	BMedSc LLB (UTS) LLM (Columbia)
Experience	—	International law, corporations' law, not-for-profit strategy, governance and fundraising, investment, human rights and climate change advocacy
James Peter Fitzgerald	—	Director
Qualifications	—	BA (Political Science) LLB (UNSW)
Experience	—	Lawyer, land access consultant, strategist, negotiator and mediator, founding partner of Chalk & Fitzgerald Lawyers, involved in the development of native title law and land use policy throughout Australia since 1994, consults on major projects land access and community development in emerging economies

Meetings of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director were as follows:

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

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2021, the total amount that members of the entity are liable to contribute if the entity is wound up is \$2 (2020: \$2).

Dividends

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 6 of the financial report.

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

Director 
David Dixon

David Dixon

Dated this

7 Dec 2021

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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 Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Diplomacy Training Program Limited. As the audit partner for the audit of the financial report of Diplomacy Training Program Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm Houston & Co Pty Limited



Name of Partner Owen Houston

Date 7th December 2021

Address Suite 4, 113 Willoughby Road
Crows Nest NSW 2065

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue			
Donations and gifts			
- Monetary		100,492	59,540
- Non-monetary		43,510	61,846
Grants			
- Department of Foreign Affairs and Trade		122,000	150,000
- Other Australian		-	51,140
- Other overseas		133,272	207,459
Investment income		455	1,556
Commercial activities income		-	59,217
Other income		65,325	59,207
Total Revenue	2	<u>465,054</u>	<u>649,965</u>
Expenditure			
International Aid and Development Programs Expenditure			
International programs			
- Funds to international programs		(246,780)	(322,810)
Fundraising costs			
- Public		(3,792)	(10,405)
Accountability and administration		(24,940)	(17,193)
Non-monetary expenditure		(43,510)	(32,740)
Total International Aid and Development Programs Expenditure	3	<u>(319,022)</u>	<u>(383,148)</u>
Domestic Programs Expenditure			
Domestic programs			
- Domestic programs expenditure		(29,015)	(66,140)
- Accountability and administration		(58,664)	(72,586)
- Other expenditure		-	(29,106)
Total Domestic Programs Expenditure	3	<u>(87,679)</u>	<u>(167,832)</u>
Total Expenditure		<u>(406,701)</u>	<u>(550,980)</u>
SURPLUS/(DEFICIT)		<u>58,353</u>	<u>98,985</u>
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		<u>58,353</u>	<u>98,985</u>

Notes:

- The accompanying notes form part of these financial statements.
- During the financial year, the signatory organisation had no transactions in the following categories:
 - Bequests 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

DIPLOMACY TRAINING PROGRAM LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	751,286	537,924
Trade and other receivables	5	78,432	14,265
TOTAL CURRENT ASSETS		<u>829,718</u>	<u>552,189</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	-	-
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>829,718</u>	<u>552,189</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	269,098	66,577
Employee provisions	8	103,011	86,356
TOTAL CURRENT LIABILITIES		<u>372,109</u>	<u>152,933</u>
TOTAL LIABILITIES		<u>372,109</u>	<u>152,933</u>
NET ASSETS		<u>457,609</u>	<u>399,256</u>
EQUITY			
Retained earnings		387,063	231,581
Reserves		70,546	70,546
TOTAL EQUITY	13	<u>457,609</u>	<u>302,127</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained earnings		Total
		Unrestricted funds	Gift fund reserve	
		\$	\$	\$
Balance at 1 July 2019		229,725	70,546	300,271
Comprehensive Income				
Excess/(Shortfall) of revenue over expenses		98,985		98,985
Balance at 30 June 2020		328,710	70,546	399,256
Comprehensive Income				
Excess/(Shortfall) of revenue over expenses		58,353		58,353
Balance at 30 June 2021		387,063	70,546	457,609

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 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		101,650	386,266
Interest received		455	1,556
Receipt of government grants		165,000	150,000
Receipt of international grants		191,756	207,459
Payment of program and operating expenditures		(243,975)	(516,975)
Net cash generated from operating activities	11	<u>214,886</u>	<u>228,306</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,524)	-
Net cash used in investing activities		<u>(1,524)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		213,362	228,306
Cash on hand at beginning of the financial year		537,924	309,618
Cash on hand at end of the financial year	4	<u><u>751,286</u></u>	<u><u>537,924</u></u>

The accompanying notes form part of these financial statements.

DIPLOMACY TRAINING PROGRAM LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

Note 1 Summary of Significant Accounting Policies

Accounting Policies

(a) Revenue

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

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

(b) Fair Value of Assets and Liabilities

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

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

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

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

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

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

(c) Property, Plant and Equipment

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

Plant and Equipment

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

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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	100%

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

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

(d) Employee Provisions

Short-term employee provisions

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

Other long-term employee provisions

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

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

(e) Cash and cash equivalents

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

(f) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(g) Goods and Services Tax (GST)

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(h) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(i) Provisions

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

(j) Comparative Figures

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

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

(k) Accounts Payable and Other Payables

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

(l) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates

(i) Employee benefits

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

(m) Economic Dependence

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2 Revenue and Other Income

	2021	2020
	\$	\$
Revenue		
Revenue from (non-reciprocal) government grants and other grants		
Donations and gifts		
— Monetary	100,492	59,540
— Non-monetary	43,510	61,846
— Department of Foreign Affairs and Trade	122,000	150,000
— Other Australian	-	51,140
— Other overseas	133,272	207,459
— Commercial activities income	-	59,217
	399,274	589,202
Other revenue		
— Interest received	455	1,556
	455	1,556
Total revenue	399,729	590,758
Other income		
— Other	65,325	59,207
Total other income	65,325	59,207
Total revenue and other income	465,054	649,965

Note 3 Surplus for the year

	2021	2020
	\$	\$
a. Expenditure		
International Aid and Development Programs Expenditure		
— Funds to international programs	246,780	322,810
— Fundraising costs - Public	3,792	10,405
— Accountability and administration (overseas)	24,940	17,193
— Non-monetary expenditure	43,510	32,740
Total International Aid and Development Programs Expenditure	319,022	383,148
Domestic Programs Expenditure		
— Funds to domestic programs	29,015	66,140
— Accountability and administration	58,664	72,586
— Non-monetary expenditure	-	29,106
Total employee benefits expense	87,679	167,832
Depreciation and amortisation:		
— Furniture and equipment	1,524	1,856
Total depreciation and amortisation	1,524	1,856
— Audit services	5,100	5,100
Total audit remuneration	5,100	5,100

Note 4 Cash and Cash Equivalents

	2021	2020
	\$	\$
CURRENT		
Cash at bank	749,916	536,554
Cash float	1,370	1,370
Total cash and cash equivalents as stated in the statement of financial position	751,286	537,924
Total cash and cash equivalents as stated in the cash flow statement	751,286	537,924

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 5 Accounts Receivable and Other Debtors

	Note	2021 \$	2020 \$
CURRENT			
Accounts receivable		-	-
Other receivables		78,432	14,265
Total current accounts receivable and other debtors		<u>78,432</u>	<u>14,265</u>

Note 6 Property, Plant and Equipment

		2021 \$	2020 \$
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		24,080	22,556
Less accumulated depreciation		(24,080)	(22,556)
Total property, plant and equipment		<u>-</u>	<u>-</u>

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 \$
2020		
Balance at the beginning of the year	-	-
Additions at cost	1,856	1,856
Depreciation expense	(1,856)	(1,856)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>
2021		
Balance at the beginning of the year	-	-
Additions at cost	1,524	1,524
Depreciation expense	(1,524)	(1,524)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>

Note 7 Accounts Payable and Other Payables

	Note	2021 \$	2020 \$
CURRENT			
Accounts payable		13,480	-
Other current payables		23,090	13,965
Unspent project funds		232,528	52,612
		<u>269,098</u>	<u>66,577</u>

Note 8 Employee Provisions

		2021 \$	2020 \$
CURRENT			
Provision for employee benefits: annual leave		55,387	43,520
Provision for employee benefits: long service leave		47,624	42,836
		<u>103,011</u>	<u>86,356</u>
Analysis of total provisions:			
	Employee Benefits		Total
Opening balance at 1 July 2020	86,356		86,356
Additional provisions raised during the year	29,532		29,532
Amounts used	(12,877)		(12,877)
Balance at 30 June 2021	<u>103,011</u>		<u>103,011</u>

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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 entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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

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

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

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

	2021	2020
	\$	\$
KMP compensation:		
— Short-term benefits	160,681	158,739
	<u>160,681</u>	<u>158,739</u>

Note 11 Cash Flow Information

a. Reconciliation of Cash Flows from Operating Activities with Current Year Surplus

	2021	2020
	\$	\$
Surplus/Deficit	58,353	98,985
Non cash flows		
Depreciation and amortisation expense	1,524	1,856
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(64,167)	157,162
Increase/(decrease) in accounts payable and other payables	202,521	(33,227)
Increase/(decrease) in employee benefits	16,655	3,530
	<u>214,886</u>	<u>228,306</u>

Note 12 Financial Risk Management

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

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

	Note	2021	2020
		\$	\$
Financial assets			
Financial assets at fair value through profit or loss:			
Financial assets designated as at fair value through profit or loss:			
— held for trading Australian listed shares			
Financial assets at amortised cost:			
— cash and cash equivalents	4	751,286	537,924
— accounts receivable and other debtors	5	78,432	14,265
Total financial assets		<u>829,718</u>	<u>552,189</u>
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	8	269,098	66,577
Total financial liabilities		<u>269,098</u>	<u>66,577</u>

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Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

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

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

(a) Credit risk

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

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

Credit risk exposures

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

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

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

Note 13 Equity

	2021	2020
	\$	\$
(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.	387,063	229,725
(b) 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
	457,609	300,271

Note 14 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.

	2021	2020
	\$	\$
Volunteer services related to RDE	39,638	25,846
Gifts in kind related to RDE	-	-
Other in kind support not related to RDE	3,872	36,000
Total non-monetary expenditure for international aid and development	43,510	61,846

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Note 15 Information required by the NSW Charitable Fundraising Act 1991

a. Details of aggregate gross income and total expenditure of fundraising appeals	2021	2020
	\$	\$
Donations	<u>100,492</u>	<u>59,540</u>
Gross Proceeds from Fundraising Appeals	<u>100,492</u>	<u>59,540</u>
Functions & Special Events	<u>3,792</u>	<u>10,405</u>
Direct Costs of Fundraising Appeals	<u>3,792</u>	<u>10,405</u>
Net Surplus from Fund Raising Appeals	<u>96,700</u>	<u>49,135</u>
b. Statement showing how funds received are applied for Charitable Purposes		
Net Surplus obtained from Fundraising Appeals	<u>96,700</u>	<u>49,135</u>
Applied for Charitable Purposes as follows:		
Donated Funds to overseas projects	246,780	322,810
Donated Funds: Other Project Costs	-	-
Accountability and administration	<u>83,604</u>	<u>89,779</u>
Total Expenditure	<u>330,384</u>	<u>412,589</u>
Surplus/(Shortfall)	(233,684)	(363,454)
Shortfall was met by the following sources		
DFAT grants	122,000	150,000
Other Australian grants	-	51,140
Other overseas grants	133,272	207,459
Other income	<u>65,780</u>	<u>60,763</u>
	<u>321,052</u>	<u>469,362</u>
Net surplus transferred to accumulated funds	87,368	105,908
Comparison by Monetary Figures & Percentages		
Gross Income from fundraising appeals	100,492	59,540
Total direct cost of fundraising appeals	3,792	10,405
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	3.77%	17.48%
Net surplus from fundraising appeals	96,700	49,135
Net surplus from fundraising as a percentage of gross income from fundraising appeals	96.23%	82.52%
Total cost of direct services	246,780	322,810
Total expenditure (excluding direct cost of fundraising appeals)	330,384	412,589
Total cost of direct services as a percentage of total expenditure	74.69%	78.24%
Total Income received (including net profit from fundraising appeals)	417,752	518,497
Total cost of direct services as a percentage of total income received	59.07%	62.26%

Note 16 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 17 Members' Guarantee

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

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DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 7 to 18, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2021 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

Charitable Fundraising Act 1991 (NSW)

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

- (a) the financial report of the entity shows a true and fair view of the financial results of the fundraising appeals for the year ended 30 June 2021;
- (b) the financial report and associated records of the entity have been properly kept during the year in accordance with the Act;
- (c) money received as a result of fundraising appeals conducted during the year ended 30 June 2021 has been properly accounted for and applied in accordance with the Act; and
- (d) as at the date of this statement there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due.

Director



David Dixon

Dated this

7 Dec 2021



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

Opinion

We have audited the financial report of Diplomacy Training Program Limited (the registered entity), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- i. giving a true and fair view of the registered entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

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

Opinion

In our opinion, the financial report of Diplomacy Training Program Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2021, in all material respects, in accordance with:

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

Auditor's name and signature: Owen Houston



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

Dated this 7th December 2021