

# **Global Compact Network Australia Limited**

ABN 95 147 380 998

## **Financial Statements**

For the Year Ended 30 June 2020

# Global Compact Network Australia Limited

ABN 95 147 380 998

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For the Year Ended 30 June 2020

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## **Global Compact Network Australia Limited**

ABN 95 147 380 998

## **Directors' Report**

**30 June 2020**

The directors present their report on Global Compact Network Australia Limited for the financial year ended 30 June 2020.

### **General information**

#### **Principal activities**

The principal activity of Global Compact Network Australia Limited during the financial year was providing a platform through which companies can build capacity around corporate sustainability, implementing the principles of the UN Global Compact in the area of human rights, labour, the environment and anti-corruption and contributing to the sustainable development goals.

The following significant changes in the operations occurred during the financial year:

- The announcement by the World Health Organisation regarding to the global pandemic outbreak of COVID-19 and the response of the Australian government may materially affect the operations of the organisation in future financial periods.
- The Organisation has received stimulus measures available during the COVID-19 pandemic. The board is of the opinion the Organisation is eligible for the measures on the basis it has satisfied the eligibility requirements.

#### **Operating results**

The profit of the organisation amounted to \$ 71,025 (2019: \$ 297,290).

#### **Other items**

#### **Environmental matters**

The Organisation's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

#### **Company secretary**

The following person held the position of Organisation secretary at the end of the financial year:

Rachel Nicholson has been the company secretary since 2 April 2019.

## **Directors' Report**

**30 June 2020**

### **Information on directors**

David Cooke

Position

Chair

Start date

Director since 20 September 2017

Special Responsibilities

Nominations and Governance Committee

Megan Saussey

Position

Deputy Chair

Start date

Director since 29 October 2012

Special Responsibilities

Chair of Nominations and Governance Committee

Rachel Nicolson

Position

Director

Start date

Director since 3 February 2011 (Incorporation)

Special Responsibilities

Chair of Finance, Risk and Audit Committee

Vanessa Zimmerman

Position

Director

Start date

Director since 27 November 2013

Special Responsibilities

Nominations and Governance Committee

Sasha Courville

Position

Director

Start date

Director since 23 May 2016

Michael Vavakis

Position

Director

Start date

Director since 2 April 2019 (Resigned 1 April 2020)

Special Responsibilities

Finance, Risk and Audit Committee

Kylie Porter

Position

Executive Director

Start date

Executive Director since 2 April 2019

Special Responsibilities

Finance, Risk and Audit Committee / Nominations and Governance Committee

Pru Bennett

Position

Director

Start date

Director since 1 April 2020

Special Responsibilities

Finance, Risk and Audit Committee

## Global Compact Network Australia Limited

ABN 95 147 380 998

### Directors' Report

30 June 2020

#### Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

| Directors' Meetings |                           |                 |
|---------------------|---------------------------|-----------------|
|                     | Number eligible to attend | Number attended |
| David Cooke         | 9                         | 8               |
| Megan Saussey       | 9                         | 8               |
| Rachel Nicolson     | 9                         | 8               |
| Vanessa Zimmerman   | 9                         | 9               |
| Sasha Courville     | 9                         | 9               |
| Michael Vavakis     | 5                         | 4               |
| Kylie Porter        | 9                         | 9               |
| Pru Bennett         | 4                         | 4               |

#### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:  .....  
David Cooke

Director:  .....  
Rachel Nicolson

Dated this 20 day of October 2020

**Global Compact Network Australia Limited**

ABN 95 147 380 998

**Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Global Compact Network Australia Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LWM Auditing Pty Limited



Matthew Moore  
Registered Company Auditor

DATE:

22-10-2020

Level 1, 106 Erina Street GOSFORD NSW 2250

[www.lwm.com.au](http://www.lwm.com.au)



## Global Compact Network Australia Limited

# Independent Audit Report to the members of Global Compact Network Australia Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Global Compact Network Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

#### 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 Company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, management is responsible for assessing the the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **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 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 the financial report.

LWM Auditing Pty Limited



Matthew Moore

Level 1, 106 Erina Street, GOSFORD NSW 2250

DATE: 22-10-2020

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**Global Compact Network Australia Limited**

ABN 95 147 380 998

**Statement of Profit or Loss and Other Comprehensive Income****For the Year Ended 30 June 2020**

|                                       |      | 2020          | 2019           |
|---------------------------------------|------|---------------|----------------|
|                                       | Note | \$            | \$             |
| Revenue                               | 4    | 864,677       | 746,723        |
| Other income                          |      | -             | 79,152         |
| Employee benefits expense             |      | (481,841)     | (296,822)      |
| Depreciation and amortisation expense |      | (6,908)       | (1,863)        |
| Other expenses                        |      | (302,843)     | (225,310)      |
| Finance costs                         |      | (2,060)       | (4,590)        |
| <b>Profit for the year</b>            |      | <b>71,025</b> | <b>297,290</b> |

The accompanying notes form part of these financial statements.

**Global Compact Network Australia Limited**

ABN 95 147 380 998

**Statement of Financial Position****30 June 2020**

|                             | Note | 2020<br>\$       | 2019<br>\$       |
|-----------------------------|------|------------------|------------------|
| <b>ASSETS</b>               |      |                  |                  |
| CURRENT ASSETS              |      |                  |                  |
| Cash and cash equivalents   | 5    | 1,970,108        | 927,495          |
| Trade and other receivables | 6    | 119,295          | 150,303          |
| TOTAL CURRENT ASSETS        |      | <u>2,089,403</u> | <u>1,077,798</u> |
| TOTAL ASSETS                |      | <u>2,089,403</u> | <u>1,077,798</u> |
| <b>LIABILITIES</b>          |      |                  |                  |
| CURRENT LIABILITIES         |      |                  |                  |
| Trade and other payables    | 7    | 554,058          | 94,281           |
| Other financial liabilities | 8    | 887,047          | 406,244          |
| TOTAL CURRENT LIABILITIES   |      | <u>1,441,105</u> | <u>500,525</u>   |
| TOTAL LIABILITIES           |      | <u>1,441,105</u> | <u>500,525</u>   |
| NET ASSETS                  |      | <u>648,298</u>   | <u>577,273</u>   |
| <b>MEMBERS' FUNDS</b>       |      |                  |                  |
| Members' Funds              | 9    | <u>648,298</u>   | <u>577,273</u>   |
| TOTAL MEMBERS' FUNDS        |      | <u>648,298</u>   | <u>577,273</u>   |

The accompanying notes form part of these financial statements.

## Global Compact Network Australia Limited

ABN 95 147 380 998

### Statement of Changes in Equity

For the Year Ended 30 June 2020

|  | Members<br>Funds |
|--|------------------|
|  | \$               |
| Balance at 1 July 2019                               | 577,273          |
| Profit or loss attributable to members of the entity | 71,025           |
| Balance at 30 June 2020                              | 648,298          |

|  | Members<br>Funds |
|--|------------------|
|  | \$               |
| Balance at 1 July 2018                               | 279,983          |
| Profit or loss attributable to members of the entity | 297,290          |
| Balance at 30 June 2019                              | 577,273          |

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 30 June 2020

|  | 2020<br>\$            | 2019<br>\$     |
|--|-----------------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>       |                       |                |
| Receipts from members and activities               | 676,845               | 797,604        |
| Payments to suppliers and employees                | (333,875)             | (764,178)      |
| Interest received                                  | 1,142                 | 967            |
| Receipt from grants                                | 705,409               | -              |
| Net cash received in operating activities          | <u>1,049,521</u>      | <u>34,393</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>       |                       |                |
| Purchase of property, plant and equipment          | (6,908)               | (1,863)        |
| Net cash used in investing activities              | <u>(6,908)</u>        | <u>(1,863)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>       |                       |                |
| Net increase in cash and cash equivalents held     | 1,042,613             | 32,530         |
| Cash and cash equivalents at beginning of year     | 927,495               | 894,965        |
| Cash and cash equivalents at end of financial year | <u>5    1,970,108</u> | <u>927,495</u> |

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

The financial report covers Global Compact Network Australia Limited as an individual entity. Global Compact Network Australia Limited is a not-for-profit Organisation limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Global Compact Network Australia Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Global Compact Network Australia Limited as an individual entity. Global Compact Network Australia Limited is a Organisation limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Global Compact Network Australia Limited is Australian dollars.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified.

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Organisation and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### **Grant revenue**

Grant revenue is recognised at fair value where there is reasonable assurance that the grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

##### **Interest revenue**

Interest is recognised using the effective interest method.

##### **Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **2 Summary of Significant Accounting Policies**

#### **(a) Revenue and other income**

##### **Membership income**

Membership income is recognised on a straight line basis over the financial year.

#### **(b) Income Tax**

The Organisation is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The organisation was registered with the Australian Charities & Not For Profit Commission on the 1 July 2019 and obtained an exemption from Income Tax.

#### **(c) Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

#### **(d) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **(e) Employee benefits**

Provision is made for the Organisation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### **4 Revenue and Other Income**

#### **Revenue from continuing operations**

|                            | <b>2020</b>    | <b>2019</b>    |
|----------------------------|----------------|----------------|
|                            | <b>\$</b>      | <b>\$</b>      |
| Finance income             |                |                |
| - Bank interest            | 1,142          | 967            |
| Other revenue              |                |                |
| - government grants        | 258,019        | 243,155        |
| - membership subscriptions | 489,067        | 317,210        |
| - other revenue            | 34,360         | 1,752          |
| - events - sponsorship     | 6,150          | 94,500         |
| - events - registrations   | 13,939         | 89,139         |
| - jobkeeper subsidies      | 62,000         | -              |
|                            | <b>864,677</b> | <b>746,723</b> |

### **5 Cash and cash equivalents**

|              |                  |                |
|--------------|------------------|----------------|
| Cash at bank | 1,970,108        | 927,495        |
|              | <b>1,970,108</b> | <b>927,495</b> |

### **6 Trade and other receivables**

|                   |                |                |
|-------------------|----------------|----------------|
| CURRENT           |                |                |
| Trade receivables | 79,764         | 126,693        |
| Prepayments       | 27,531         | 22,034         |
| Other receivables | 12,000         | 1,576          |
|                   | <b>119,295</b> | <b>150,303</b> |

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 7 Trade and other payables

|                               | 2020           | 2019          |
|-------------------------------|----------------|---------------|
|                               | \$             | \$            |
| CURRENT                       |                |               |
| Trade payables                | 4,571          | 14,338        |
| GST payable                   | 41,690         | 16,153        |
| Employee benefits             | 29,841         | 13,242        |
| Accrued expenses              | 6,800          | 10,100        |
| UN Global Compact global fees | 448,448        | 24,904        |
| Other payables                | 22,708         | 15,544        |
|                               | <b>554,058</b> | <b>94,281</b> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

The amount of UN Global Compact global fees are the gross amount payable as per the original Memorandum of Understanding. As at the date of the financial report, the board has requested relief in respect of the global fees. No response has been received at the date of this report.

### 8 Other Financial Liabilities

|   |                |                |
|---|----------------|----------------|
| CURRENT   |                |                |
| Government grants                                     | 289,829        | 198,348        |
| Bribery Prevention Network public-private-partnership | 323,135        | -              |
| Member subscriptions in advance                       | 274,083        | 207,896        |
|   | <b>887,047</b> | <b>406,244</b> |

Members subscriptions and government grants have been taken up as other financial liabilities as these amounts have been received in advance in relation to future financial years.

During the financial year, the organisation qualified and obtained 2 grants from the government. The balances of the grants are listed as per below as at the balance date:

Department of Foreign Affairs and Trade - \$191,694.80

Department of Home Affairs - ABF Grant - \$98,134.08

### 9 Members' Funds

|  |                |                |
|--|----------------|----------------|
| Members Funds at the beginning of the financial year | 577,273        | 279,983        |
| Net profit attributable to the members               | 71,025         | 297,290        |
| <b>Members Funds at end of the financial year</b>    | <b>648,298</b> | <b>577,273</b> |

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **10 Auditors' Remuneration**

#### **(a) Auditor's Remuneration**

|                                     | 2020         | 2019         |
|-------------------------------------|--------------|--------------|
|                                     | \$           | \$           |
| - auditing the financial statements | -            | 2,600        |
| - accrual of audit expense          | 2,600        | 2,600        |
| <b>Total</b>                        | <b>2,600</b> | <b>5,200</b> |

### **11 Contingencies**

In the opinion of the Directors, the Organisation did not have any contingencies at 30 June 2020 (30 June 2019: None).

### **12 Events Occurring After the Reporting Date**

The financial report was authorised for issue on \_\_\_\_\_ by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Organisation, the results of those operations, or the state of affairs of the Organisation in future financial years.

### **13 Company Details**

The registered office of the company is:

Global Compact Network Australia Limited  
Deutsche Bank Place - Level 4  
126-130 Phillip Street  
SYDNEY NSW 2001

The principal place of business is:

Global Compact Network Australia Limited  
15 Lygon Street  
CARLTON VIC 3053

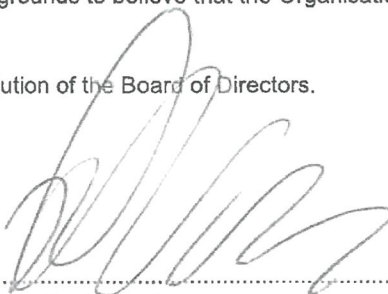
## Responsible Persons' Declaration

The directors of the Organisation declare that:

1. the financial statements and notes for the year ended 30 June 2020 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation 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 and performance of the Organisation;
2. In the directors' opinion, there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



David Cooke

Director .....



Rachel Nicolson

Dated this .....20..... day of .....October..... 2020