



Global Compact Network Australia

Global Compact Network Australia Ltd

ABN 95 147 380 998

Financial Statements for the period ended 31 December 2021

GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

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For the period ended 31 December 2021

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GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Directors' Report

For the period ended 31 December 2021

The directors present their report, together with the financial statements on Global Compact Network Australia Ltd ("the GCNA") for the 18-month period ended 31 December 2021.

Directors

The following persons were directors of the GCNA during the whole of the financial period and up to the date of this report, unless otherwise stated:

David Cooke
Prudence Bennett
Sasha Courville
Laura McManus (appointed 2 December 2020)
Karen McWilliams (appointed 2 December 2020)
Howard Wigham (appointed 2 December 2020)
Vanessa Zimmerman
Kylie Porter (moved to ex-officio board member on 30 November 2021)
Rachel Nicolson (retired 26 November 2020)
Megan Saussey (nee Christensen) (retired 26 November 2020)

Operating results

The surplus for the GCNA after providing for income tax amounted to \$291,108 (30 June 2020: \$71,025).

Principal activities

During the financial period the principal continuing activity of the GCNA was to provide a platform through which companies can build capacity around corporate sustainability, implementing the principles of the GCNA in the area of human rights, labour, the environment and anti-corruption and contributing to the UN Sustainable Development Goals (SDGs).

Objectives

To empower business to act responsibly, set a positive example and create a sustainable future.

To accelerate the scale and global impact of business to create a sustainable future, and become a trusted platform for policy dialogue and engagement.

To work with business to help them align their operations and strategies to the UN Global Compact's Ten Principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals, including the SDGs.

Strategy to achieve objectives

We achieve our strategic objectives by delivering compelling and relevant programming in the areas of Business and Human Rights, Environment and Climate Change, Anti-Bribery and Corruption and Sustainable Development.

Our programming, which includes a range of events, roundtables, workshops, learning platforms and publications is supported by strategic communications and strong governance, that position GCNA as a trusted adviser and our participants as leaders in responsible business practices.

Our strategy is underpinned by enabling an environment for collective action between businesses, Government, civil society, business associations and academic. We connect, enable and lead businesses and stakeholders to drive stronger business outcomes and accountability, to create a sustainable future and find the opportunity for positive impact.

Performance measures

The GCNA's performance is measured by growth and retention of participants; participant satisfaction; achieving our budget and financial metrics; meeting the requirements of our grant funding and partnership arrangements; delivering a strong media and social media presence; and delivering on the value proposition designed for our participants.

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Directors' Report

For the period ended 31 December 2021

Information on directors

David Cooke	
Title	Independent Director
Qualifications	<ul style="list-style-type: none"> ▪ Fellow of the Institute of Managers & Leaders ▪ Graduate of the Australian Institute of Company Directors <p>He completed his doctorate in 2008. David's dissertation was titled "The Philanthropic Contract: Building Social Capital through Corporate Social Investment" which dealt with the role of profit-making corporations in furthering the work of the NGO sector. His work was awarded the Emerald Publishing Globally Responsible Leadership award for Social Impact in 2011 and in 2014 he was awarded the Top Alumnus of the last 20 years by the Southern Cross University Business School. In 2020 he was awarded an honorary doctorate by Edith Cowan University for his contribution to the promotion of responsible business.</p>
Experience and expertise	<p>Following 35 years in the tech sector where David integrated his philosophy of responsible business along with strong commercial outcomes David started consulting through the vehicle of ESG Advisory. David was previously appointed as the first non-Japanese Managing Director of Konica Minolta in Australia in 2013, and prior to that held senior management positions with Canon and Xerox.</p> <p>David led Konica Minolta Australia through a process of significant cultural change. This included a focus on gender equality leading to the awarding of the Workplace Gender Equality Agencies' citation as an employer of choice for four consecutive years. David has been a strong advocate for the implementation of the UN Sustainability Development Goals (SDGs)</p> <p>David is also Chair of the Australian Institute for Human Rights Advisory Committee and non-executive director of Sustainalytics Australia, a Morningstar subsidiary. He is also an Adjunct Professor at UTS Business School.</p>
Special responsibilities	Chair of the Board Member, Nominations and Governance Committee

Prudence Bennett	
Title	Independent Director
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Commerce – University of New South Wales ▪ Fellow – Chartered Accountants Australia & New Zealand ▪ Graduate of the Australian Institute of Company Directors
Experience and expertise	<p>Pru is a Fellow of the Chartered Accountants Australia and New Zealand and currently holds the following positions:</p> <ul style="list-style-type: none"> ▪ Partner at Brunswick Group ▪ Chair of the National Foundation for Australia China Relations ▪ Board member of the Value Reporting Foundation, ▪ Board member Global Compact Network Australia ▪ Council member of the Monetary Authority of Singapore's Corporate Advisory Council, ▪ Council member Asian Corporate Governance Association ▪ Council Member Oasis Capital ▪ Formerly, a Member of the Securities and Futures Commission of Hong Kong's Public Shareholder Group (six year term completed in 2021). <p>Until January 2019, Pru Bennett was a Managing Director at the world's largest asset manager, BlackRock, and Head of BlackRock's Investment Stewardship team for the APAC Region based in Hong Kong. At BlackRock, Pru was responsible for leading a team engaging with BlackRock's investee companies on ESG issues. Pru also oversaw the proxy voting process.</p> <p>Pru is an active participant in the public debate on corporate governance and stewardship. In 2018 Pru received the Asia Industry Leadership Award from 100 Women in Finance. In 2013, Pru was named as one of Australia's top 10 Women of Influence in Corporate Governance.</p> <p>Before taking on her role at BlackRock in August 2010 Pru was head of Corporate Governance at institutional adviser Regnan Governance and Research until 2010. From 1998 to 2009 Pru was a director of Australian proxy adviser Corporate Governance International, which was acquired by US proxy advisory firm, Glass Lewis & Co in 2006 and is now known as CGI Glass Lewis. Prior to working in corporate governance Pru was Investor Relations Manager for Qantas Airways Limited.</p> <p>Pru has a Bachelor of Commerce from the University of New South Wales, is a member of the Institute of Chartered Accountants Australia and New Zealand, a member of the Singapore Institute of Directors, and a graduate and member of the Australian Institute of Company Directors.</p>
Special responsibilities	Chair – Financial, Risk and Audit Committee from 26 November 2020

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Directors' Report

For the period ended 31 December 2021

Sasha Courville	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ PhD on coffee from the Australian National University (ANU) ▪ MSc – London School of Economics ▪ Bachelor of Environmental Studies – York University in Canada
Experience and expertise	<p>Sasha was appointed as Bank Australia's inaugural Chief Impact Officer, leading the sustainability, impact, strategic planning, corporate affairs and marketing teams, and contributing to Bank Australia's commitment to create positive impact for people and the planet in March 2022.</p> <p>Prior to this role, Sasha was Executive, Social Impact at NAB where she led efforts to embed sustainability into NAB's group strategy, focusing shared value responses to society's biggest challenges. She led NAB's climate action strategy including setting decarbonisation targets across its lending portfolio, in line with the Net Zero Banking Alliance, and strengthening investments in customer resilience, including through natural capital considerations. She also was responsible for overseeing NAB's natural disaster resilience efforts, its Reconciliation Action Plans, Accessibility Action Plans and integrated reporting. Previously, Sasha was Executive Director of the London-based ISEAL Alliance, the global association for sustainability standards and assurance systems. She has also worked as an international consultant on social justice and environmental sustainability issues in soft commodity sectors, and as an academic, based at the Regulatory Institutions Network at the ANU. Sasha was deeply involved in setting up the Fairtrade labelling system in Australia and New Zealand.</p> <p>Sasha is a Commissioner, Australian Centre for International Agricultural Research, and Director of the UN Global Compact Network Australia and of the Aluminium Stewardship Initiative. Sasha has a PhD on coffee from the ANU, an MSc from the London School of Economics and a Bachelor of Environmental Studies from York University in Canada.</p>
Special responsibilities	Chair – Environment and Climate Change Workstream
Laura McManus	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Master of Human Rights and Democratisation – University of Sydney ▪ Bachelor of Global Studies – University of Sydney ▪ Graduate of the Australian Institute of Company Directors
Experience and expertise	<p>Laura is a business and human rights practitioner with a keen interest in how companies embed meaningful human rights due diligence across operations and global supply chains.</p> <p>Beginning her career in the NGO sector, Laura has worked internationally a number of issues including child rights, youth participation, peacebuilding and modern slavery. Laura is a trained researcher, facilitator and social compliance auditor specialising in rights-based approaches to worker engagement. During her time at the Walk Free Foundation, Laura contributed research and writing to the Global Slavery Index and co-authored a publication, Tackling Modern Slavery in Supply Chains.</p> <p>Transitioning to the corporate sector, Laura first worked with Konica Minolta Australia to develop and implement its Ethical Sourcing Roadmap and Human Rights Position Statement. For this work she was recognised by the Australian Institute of Management as NSW Young Leader of the Year in 2017.</p> <p>Today, Laura is Senior Human Rights Manager - Modern Slavery, Risk and Strategy at Woolworths Group. In this role Laura oversees the development and implementation of the company's human rights and anti-modern slavery programs, including the development of the Group's Modern Slavery Statement.</p>
Special responsibilities	Member, Nominations and Governance Committee

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Directors' Report

For the period ended 31 December 2021

Karen McWilliams	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Graduate of the Australian Institute of Company Directors ▪ Fellow - Institute of Chartered Accountants in England and Wales ▪ Member – Chartered Accountants Australia & New Zealand ▪ Master of Arts in Mathematical Sciences – University of Oxford
Experience and expertise	<p>Karen is the Business Reform Leader in the Advocacy and Professional Standing team at Chartered Accountants Australia and New Zealand (CAANZ). She is responsible for shaping and influencing business reform issues of relevance to Chartered Accountants, including insolvency, corporate governance, anti-money laundering, corporations law and sustainability matters.</p> <p>In Australia, Karen represents CA ANZ on the ASX Corporate Governance Council, the Advisory Board of the Deakin Centre for Integrated Reporting and the G100 Sustainability Steering Group. Karen is also the technical adviser to CA ANZ's representative on IFAC's Professional Accountants in Business Advisory Group and represents CA ANZ on the GAA Sustainability working group, the Accounting for Sustainability Accounting Bodies Network and the Chartered Accountants Worldwide Sustainability Working Group.</p> <p>With over 20 years' experience in a variety of business and advisory roles, she started her career in the specialist field of audit and has held positions with Worley Parsons, Ernst and Young, and Deloitte in London.</p>
Special responsibilities	Chair, Nominations and Governance Committee (since December 2020)
Howard Wigham	
Title	Independent director
Qualifications	<ul style="list-style-type: none"> ▪ Honours degree in Chemistry and German – Aston University, United Kingdom. ▪ Completed employer-sponsored management programmes at the London Business School and INSEAD ▪ Graduate of the Australian Institute of Company Directors
Experience and expertise	<p>Howard is a Non-Executive Director of the Banksia Foundation and Chair of its Financial, Risk and Audit Committee. He is also the Executive Director of Navigate Business Advisory, which helps the owners, boards and CEOs of small and medium enterprises to thrive by assisting them to navigate strategic, financial, operational, organisational and personal challenges. Prior to this, Howard enjoyed a successful corporate career as a divisional CEO and subsidiary board member in a variety of sectors, including chemicals, technology, information management and supply chain logistics. His executive career included 14 years with Brambles where his roles included President of Recall Australasia and President of Chep Asia-Pacific. Howard has lived in Australia, United Kingdom and Germany, and worked extensively in Asia, Europe and North America.</p> <p>Howard donates time and money to various sustainability causes and is an investor in early stage companies with social and environmental purposes.</p> <p>Howard holds an honours degree in Chemistry and German from Aston University in UK, has completed employer-sponsored management programmes at the London Business School and INSEAD, and is a graduate of the Australian Institute of Company Directors.</p>
Special responsibilities	Member, Financial, Risk and Audit Committee

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Directors' Report

For the period ended 31 December 2021

Vanessa Zimmerman	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Master of Laws – Harvard University ▪ Bachelor of Laws (Hons) – Monash University, Australia ▪ Bachelor of Arts (Japanese) from Monash University, Australia
Experience and expertise	<p>Vanessa Zimmerman has been a Director of the GCNA since 2013. Vanessa chairs the GCNA's Human Rights workstream and Modern Slavery Community of Practice. She is also a member of the Nominations and Governance Committee.</p> <p>Vanessa is the CEO of Pillar-Two and a recognised global and domestic corporate sustainability expert focusing on human rights. Originally an anti-trust lawyer, Vanessa was a Legal Advisor to the UN Special Representative on Business and Human Rights, Harvard Professor John Ruggie and part of the core team drafting the internationally recognised UN Guiding Principles on Business and Human Rights. She then managed the implementation of Rio Tinto's human rights strategy for 7 years, including leading its response to the UK and Australian modern slavery legislation.</p> <p>In 2018, Vanessa founded Pillar Two, an advisory firm helping businesses take a principled, integrated and practical approach to managing their human rights risks. In 2016 she was recognised as one of 100 Australian Women of Influence and in 2018 was highly commended in the Agenda Setter of the Year category in the Women's Agenda Leadership Awards.</p> <p>In addition to her work at the GCNA, Vanessa holds various expert advisory roles including as a member of the Global Reporting Initiative's Technical Committee on Human Rights Disclosure, the Law Council of Australia and International Bar Association's Business and Human Rights Committees, the Australian National Roundtable on Human Trafficking and Slavery, the Australian Government's Modern Slavery Expert Advisory Group and the Department of Treasury's Governance and Advisory Board to the Australian National Contact Point. She is also a research fellow at the Institute for Human Rights and Business.</p>
Special responsibilities	<p>Company Secretary from 26 November 2020</p> <p>Member, Nominations and Governance Committee (until 26 November 2020)</p> <p>Chair, Business and Human Rights Workstream</p> <p>Member, Financial, Risk and Audit Committee</p>
Kylie Porter	
Title	<p>Executive Director</p> <p>Ex-officio board member</p>
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Business ▪ Bachelor of Arts ▪ Masters' of Social Science (International Development) ▪ Graduate of the Australian Institute of Company Directors
Experience and expertise	<p>Prior to joining the UNGCNA, Kylie worked in the financial services, professional services and international development sectors in Australia, the UK and Singapore which included expatriate work in Nigeria, Switzerland, France and South Africa. Kylie's last position was with National Australia Bank's (NAB) Royal Commission into Misconduct in the Financial Services Industry team where she held particular responsibility for engagement with consumer advocacy groups.</p> <p>Kylie is a member of the Australian Government's Modern Slavery Expert Advisory Group, the Cross-Sector International Partnerships Initiative's (XSPI) Advisory Group and the alternate-Chair for the UN Global Compact's Regional Network Council (Asia-Oceania). Kylie was previously a member of the Australian National Contact Point's (AusNCP) Governance and Advisory Board and the Climate Principles including Chair of the Project Finance and Corporate Banking Working Group. She was also a director of the Council for Single Women and their Children from 2017 to 2019.</p>

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For the period ended 31 December 2021

Rachel Nicolson	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Laws (LL.B.) ▪ Master of Public and International Laws
Experience and expertise	<p>Rachel specialises in Disputes and Investigations and is a partner at Allens, based in Melbourne. Before joining Allens, Rachel spent several years managing World Bank, ADB and Australian funded law reform projects in Asia.</p> <p>Rachel has particular expertise advising on complex regulatory and law enforcement investigations and is recognised as a market leader in anti-bribery and corruption and business crime matters as well as business human rights obligations. Rachel has strong experience engaging with a broad range of authorities including the AFP, DPP, ASIC, ACCC and the ATO. With local counsel, Rachel also acts in investigations conducted by the US DOJ and SEC and UK Serious Fraud Office.</p> <p>Additionally, Rachel's litigation experience includes advice on tort, competition and administrative law actions for clients across a range of sectors including mining, oil and gas, energy, banking, manufacturing, health and federal and state governments.</p> <p>Rachel has advised on regulatory disputes and litigation brought in Australia, the US, the UK and Papua New Guinea. Rachel has also advised on investigations and legal issues for offshore projects in China, Indonesia, India and across Africa.</p> <p>Rachel leads the firm's Risk & Compliance Advisory team and regularly advises clients on risk minimisation steps and compliance reviews including emanating from internal investigations or regulatory action.</p> <p>Rachel led the Allens team that advised the UN Special Representative on Business and Human Rights in development of the UN Guiding Principles on Business and Human Rights. Rachel was also on the IFC's Expert Panel for review of its 'Guidance for Projects and Companies on Designing Grievance Mechanisms', and on the International Commission of Jurists' Expert Panel on Corporate Complicity in Human Rights Violations.</p>
Special responsibilities	<p>Chair – Financial, Risk and Audit Committee until 26 November 2020</p> <p>Company secretary until 26 November 2020</p> <p>Workstream Chair Anti-Bribery and Corruption</p>

Megan Saussey (nee Christensen)	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Masters Business Administration (MBA) - University of NSW, Sydney ▪ Graduate of the Australian Institute of Company Directors ▪ Masters' of Law – LLM (underway)
Experience and expertise	<p>Megan is the General Manager Sustainability & Community, APA Group Sydney. She is a seasoned sustainability and corporate responsibility executive with more than 20 years' operational and corporate experience working across the upstream and mid-stream energy and property development sectors in Australia, the US, Papua New Guinea and the Middle East. She recently joined APA Group as General Manager Sustainability & Community after nine years at Papuan Oil Search, where she led the sustainability, environment and stakeholder engagement functions. At Oil Search, she was also responsible for establishing the sustainability function, capability and strategies, managing non-financial risk and social licence, and leading the enterprise change management approach to embed sustainability within organisation culture and decision-making. Relevant to today's webinar discussion, her accomplishments include leading the development of Oil Search's highly regarded TCFD climate disclosure approach and leading the corresponding successful ESG activist engagement and response. Prior to Oil Search, she worked at Lend Lease for more than 14 years in various operational and corporate roles in its Communities business in Australia and the US, the last three years of which were as Vice President of Sustainability and Community in the US.</p>
Special responsibilities	<p>Deputy Chair until 26 November 2020</p> <p>Chair, Nominations and Governance Committee until 26 November 2020</p>

Company secretary

Vanessa Zimmerman has held the role of company secretary since 26 November 2020. Prior to this Rachel Nicolson held the role since 2 April 2019.

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Directors' Report

For the period ended 31 December 2021

Meetings of directors

The number of meetings of the GCNA's Board of Directors ('the Board') held during the period ended 31 December 2021 and the number of meetings attended by each director were:

	Risk & Strategy	
	Eligible to attend	Number attended
David Cooke	9	9
Prudence Bennett	9	9
Sasha Courville	9	9
Laura McManus	7	6
Karen McWilliams	7	7
Howard Wigham	7	7
Vanessa Zimmerman	9	9
Kylie Porter	9	9
Rachel Nicolson	2	2
Megan Saussey (nee Christensen)	2	2

Contributions on winding up

The GCNA is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the GCNA is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the GCNA.

Membership class	Number of financial members	Individual members contributions on winding up of the company	Total members contribution on winding up of the company
Ordinary	197 (30 June 2020: 134)	\$1 (30 June 2020: \$1)	\$197 (30 June 2020: \$134)

Auditor's independence declaration

The lead auditor's independence declaration for the period ended 31 December 2021 has been received and can be found immediately after this directors' report.

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

.....
David Cooke, Director and Chair

Dated this 3rd day of May 2022

.....
Kylie Porter, Executive Director

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Auditor's Independence Declaration

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Statement of Profit or Loss and Other Comprehensive Income For the period ended 31 December 2021

	Note	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Revenue and other income			
Revenue	2.1	1,788,992	801,535
Other income	2.2	133,810	63,142
Total revenue and other income		1,922,802	864,677
Expenses			
Operating expenses	3.1	(472,389)	(299,655)
Employee benefits expense	3.2	(1,149,971)	(485,028)
Depreciation	4.2	(4,704)	(6,908)
Finance expense		(4,630)	(2,060)
Total expenses		(1,631,694)	(793,652)
Operating surplus before income tax		291,108	71,025
Income tax expense		-	-
Operating surplus after income tax		291,108	71,025
Total comprehensive income for the year		291,108	71,025

The accompanying notes form part of these financial statements

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	1,842,938	1,970,108
Trade and other receivables	5.1	1,116,961	91,764
Other assets	5.2	7,423	27,531
Total Current Assets		2,967,322	2,089,403
Non-Current Assets			
Plant and equipment	4.1	7,321	-
Total Non-Current Assets		7,321	-
TOTAL ASSETS		2,974,643	2,089,403
LIABILITIES			
Current Liabilities			
Trade and other payables	5.3	1,020,007	524,217
Employee benefits liabilities	3.3	59,301	29,841
Contract liabilities	5.4	946,233	887,047
Total Current Liabilities		2,025,541	1,441,105
Non-Current Liabilities			
Employee benefits liabilities	3.3	9,696	-
Total Non-Current Liabilities		9,696	-
TOTAL LIABILITIES		2,035,237	1,441,105
NET ASSETS		939,406	648,298
EQUITY			
Retained earnings		939,406	648,298
TOTAL EQUITY		939,406	648,298

The accompanying notes form part of these financial statements

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Statement of Changes in Equity

For the period ended 31 December 2021

	Retained earnings \$	Total equity \$
31 December 2021		
Balance at 1 July 2020	648,298	648,298
Surplus for the year	291,108	291,108
Balance at 31 December 2021	939,406	939,406
30 June 2020		
Balance at 1 July 2019	577,273	577,273
Surplus for the year	71,025	71,025
Balance at 30 June 2020	648,298	648,298

The accompanying notes form part of these financial statements

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Statement of Cash Flows

For the period ended 31 December 2021

	31 December 2021 (18 months)	30 June 2020 (12 months) (Restated)
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members and activities (including GST)	2,090,070	1,986,919
Payments to suppliers and employees (including GST)	(2,201,295)	(936,479)
Interest received	710	1,142
Finance costs	(4,630)	(2,061)
Net cash (used in)/provided by operating activities	6.2 <u>(115,145)</u>	<u>1,049,521</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,025)	(6,908)
Net cash used in investing activities	<u>(12,025)</u>	<u>(6,908)</u>
Net (decrease)/increase in cash and cash equivalents held	(127,170)	1,042,613
Cash and cash equivalents at beginning of financial year	1,970,108	927,495
Cash and cash equivalents at end of financial year	6.1 <u>1,842,938</u>	<u>1,970,108</u>

Notes to the Financial Statements

For the period ended 31 December 2021

Note 1 Summary of Significant Accounting Policies

The financial statements cover Global Compact Network Australia Ltd (“the GCNA”) as an individual entity, incorporated and domiciled in Australia. GCNA is a company limited by guarantee.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The GCNA has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), as appropriate for not-for-profit oriented entities.

The GCNA is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Change in reporting period

The GCNA changed its reporting date to 31 December to ensure that the reporting date aligned with the UN Global Compact. As a result, the period ended 31 December 2021 is for an 18-month financial period. As a result, comparative amounts presented in the financial statements are for a 12-month period and are not entirely comparable.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the GCNA's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes.

a) Company details

The registered office of the company is:	The principal place of business is:
Deutsche Bank Place	15 Lygon Street
Level 4, 126-130 Phillip Street	CARLTON VIC 3053
SYDNEY NSW 2001	

b) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the GCNA's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the GCNA's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 1 Summary of Significant Accounting Policies (cont.)

c) Income tax

No provision for income tax has been raised as the entity is exempt from income tax pursuant to Division 50, section 50-10 of the *Income Tax Assessment Act 1997*.

d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

e) Foreign currency translation

The financial statements are presented in Australian dollars, which is the GCNA's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

f) Restatement of prior period

During the financial period management noted a disclosure error in the previous period statement of cash flows in accordance with AASB 107 *Statement of Cash Flows* as these amounts did not include GST nor disclose finance costs. As a result, management has restated each of the effected financial statements for the 2020 financial year, as shown in the tables below:

	30 June 2020 Actual \$	30 June 2020 Restatement \$	30 June 2020 Restated \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and activities (including GST)	1,382,254	604,665	1,986,919
Payments to suppliers and employees (including GST)	(333,875)	(602,604)	(936,479)
Finance costs	-	(2,061)	(2,061)

Management also identified a number of missing disclosures from the prior year financial statements. The following notes have now been included in the current period with comparative information:

- Note 4.1 – reconciliation of property, plant and equipment
- Note 5.4 – reconciliation of contract liabilities and unsatisfied performance obligations
- Note 6.2 - reconciliation of cash flows from operating activities
- Note 6.3 - capital and leasing commitments
- Note 7.1 – financial instruments
- Note 8.1 – related parties
- Note 8.2 – key management personnel compensation
- Note 8.5 – members guarantee

Notes to the Financial Statements

For the period ended 31 December 2021

Note 2 Funding Delivery of Our Services

The GCNA is the Australian, business-led network of the UN Global Compact.

As the principal sustainability initiative in Australia, the GCNA brings together participants of the UN Global Compact, including a number of Australia’s leading companies, civil society organisations and universities, to advance responsible business and the private sector’s contribution to sustainable development.

The GCNA leads, enables and connects business and stakeholders to create a sustainable future by acting responsibly and finding opportunity for positive impact. Our activities guide businesses on how a principles-based approach to doing business that advances the Ten Principles and contributes to sustainable development drives long-term business success. We do this by providing a platform for dialogue, learning, influence and action that is practical and leading edge.

The GCNA is recognised as a trusted convener and adviser on responsible and sustainable business practices by sustainability practitioners. We provide business with a meeting point to share and build best practice and connect with networks and experts in Australia.

In addition to the above, the GCNA also engages with government around policy.

The above operations are funded from a range of revenue sources including government grants, membership subscriptions, events and through funding under our public-private-partnership in relation to the Bribery Prevention Network.

- 2.1: Revenue
- 2.2: Other income

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 2.1: Revenue		
Government grants	524,129	258,019
Membership subscriptions	896,266	489,067
Events – registrations	63,137	13,939
Events – sponsorship	36,771	6,150
Bribery Prevention Network hosting	256,128	33,030
Other revenue	12,561	1,330
Total revenue	1,788,992	801,535
Note 2.2: Other income		
Cashflow boost funding	50,000	50,000
JobKeeper subsidies	83,100	12,000
Interest	710	1,142
Total other income	133,810	63,142
Total revenue and other income	1,922,802	864,677

Notes to the Financial Statements

For the period ended 31 December 2021

Note 2 Funding Delivery of Our Services (cont.)

Revenue and other income recognition

The GCNA recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the GCNA is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the GCNA:

1. identifies the contract with a customer;
2. identifies the performance obligations in the contract;
3. determines the transaction price which takes into account estimates of variable consideration and the time value of money;
4. allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
5. recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Government grants

The GCNA enters funding arrangements with both the Australian Border Force (ABF) and the Department of Foreign Affairs and Trade (DFAT) to undertake a range of activities. The GCNA also has a public-private-partnership relationship with the Bribery Prevention Network.

Revenue is recognised under AASB 15 where there is an enforceable contract and performance obligations are sufficiently specific. Revenue is recognised over time, when the GCNA satisfies its performance obligations.

If and where performance obligation are not deemed sufficiently specific, revenue will be recognised under AASB 1058.

Membership subscriptions

The membership revenue stream focuses on providing members with a range of services offered by the GCNA during the membership period. Revenue is recognised as the members are provided these services. Under AASB 15, this happens over time as members pay in advance of receipt of this service. The consideration received in advance of providing these services is recognised as a contract liability. Therefore, revenue is recognised over time as the member consumes these services. The transaction price is determined with reference to the contract price as stated in the membership form.

Events revenue

Events revenue relates to registrations and sponsorship of the GCNA conferences and other events. Attendees and sponsors generally pay in advance and revenue is recognised when the event is held. Under AASB 15, this happens at a point in time. The consideration received in advance of providing the event is recognised as a contract liability. Revenue is recognised at completion of the event, when the service is provided. The transaction price is determined with reference to the contract price as stated in the relevant registration forms.

In both financial years JobKeeper and Cashflow Boost assistance funding were received from the Commonwealth Government in relation to impact of COVID-19. These amounts are recognised in accordance with AASB 1058.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 3 The Cost of Delivering Services

This section provides an account of the expenses incurred by GCNA in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

- 3.1: Breakdown of operating expenses
- 3.2: Employee benefits expense
- 3.3: Employee benefits in the statement of financial position

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 3.1: Breakdown of operating expenses		
Administration expenses	190,337	67,784
Conferences and events	71,977	43,113
Travel and accommodation	(3,441)	76,285
Consultancy	213,036	112,239
Foreign exchange	480	235
Total operating expenses	472,389	299,656

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Note 3.2: Employee benefits expense

Wages and salaries	988,245	410,117
Defined contribution superannuation expense	94,904	38,665
Movement in employee benefits provision	39,156	16,600
Workers insurance	3,300	7,129
Other employee expenses	24,366	12,517
Total employee benefits expense	1,149,971	485,028

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, levies, WorkCover premiums and other employee related expenses.

Contributions are made by the GCNA to an employee superannuation fund and are charged as expenses when incurred.

Note 3.3: Employee benefits in the statement of financial position

Current

Annual leave	59,301	29,841
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Non-Current

Long service leave	9,696	-
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Total employee benefits in the statement of financial position	68,997	29,841
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Employee benefits recognition

Provision is made for the GCNA'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 3 The Cost of Delivering Services (cont.)

Note 3.3: Employee benefits in the statement of financial position (cont.)

Critical accounting estimates and judgments: Employee benefits

As discussed above, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 4 Key Assets to Support Service Delivery

GCNA controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources to be utilised for delivery of those outputs.

4.1: Plant and equipment

4.2: Depreciation

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 4.1: Plant and equipment		
Computer equipment at cost	15,202	16,092
Less accumulated depreciation	(7,881)	(16,092)
Total computer equipment	<u>7,321</u>	<u>-</u>
Total plant and equipment	<u>7,321</u>	<u>-</u>

i) Reconciliations of the carrying amounts of each class of asset

	Computer equipment \$	Total \$
31 December 2021		
Balance at 1 July 2020	-	-
Additions	12,025	12,025
Disposals*	-	-
Depreciation	(4,704)	(4,704)
Carrying amount at 31 December 2021	<u>7,321</u>	<u>7,321</u>
30 June 2020		
Balance at 1 July 2019	-	-
Additions	6,908	6,908
Depreciation	(6,908)	(6,908)
Carrying amount at 30 June 2020	<u>-</u>	<u>-</u>

* During the financial year \$12,915 of fully written down assets were written off as these were no longer held by the GCNA.

Plant and equipment recognition

Each class of plant and equipment is carried at cost or fair value as indicated.

Computer equipment

Computer equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In accordance with the GCNA's *Financial Management Policy* the capitalisation threshold for fixed assets is \$1,000. This policy commenced in July 2021. Previously all computer equipment was fully depreciated in the period purchased.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the GCNA. Gains and losses between the carrying amount and the disposal proceeds are taken to statement of profit or loss.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.1: Plant and equipment (cont.)

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 in the statement of profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 4.2: Depreciation		
Computer equipment	4,704	6,908
Total depreciation	<u>4,704</u>	<u>6,908</u>

Depreciation recognition

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the GCNA commencing from the time the asset is held ready for use.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Depreciation is calculated on either a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of fixed asset	Useful life
Computer equipment	3 years

In the previous accounting period, all computer equipment was fully depreciated in the period purchased.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 5 Other Assets and Liabilities

This section sets out those assets and liabilities that arose from GCNA's operations.

- 5.1: Trade and other receivables
- 5.2: Other assets
- 5.3: Trade and other payables
- 5.4: Contract liabilities

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 5.1: Trade and other receivables		
Trade receivables	1,116,961	79,764
Accrued income	-	12,000
Total trade and other receivables	<u><u>1,116,961</u></u>	<u><u>91,764</u></u>

Receivables recognition

Receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The GCNA holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Due to the short-term nature of current trade and other receivables, their carrying value is assumed to approximate their fair value. Details about GCNA's impairment policies and its exposure to credit risk is set out in note 7.

Note 5.2: Other assets

Prepayments	7,423	27,531
Total other assets	<u><u>7,423</u></u>	<u><u>27,531</u></u>

Other assets recognition

Other assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.3: Trade and other payables

Trade payables	27,947	4,571
GST payable	73,727	41,690
Accrued expenses	29,356	6,800
UN Global Compact global fees	848,029	448,448
Other payables	40,948	22,708
Total trade and other payables	<u><u>1,020,007</u></u>	<u><u>524,217</u></u>

Payables recognition

These amounts represent liabilities for goods and services provided to the GCNA prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

The amount of UN Global Compact global fees are the gross amount payables as per the original Memorandum of Understanding.

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Notes to the Financial Statements

For the period ended 31 December 2021

Note 5 Other Assets and Liabilities (cont.)

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 5.4: Contract liabilities		
Government grants – DFAT	20,613	191,695
Government grants - ABF	120,087	98,134
Bribery Prevention Network (BPN) public-private-partnership (PPP)	165,008	323,135
Membership subscriptions	640,525	274,083
Total contract liabilities	946,233	887,047

Reconciliation

Reconciliation of the written down values at the beginning and end of the current financial period and previous financial year are set out below:

	DFAT	ABF \$	BPN PPP \$	Membership subscriptions \$	Total \$
31 December 2021					
Balance at 1 July 2020	191,695	98,134	323,135	274,083	887,047
Amounts raised/received in advance	250,000	125,000	98,000	640,525	1,113,525
Transfer to revenue – performance obligations satisfied in current period	(421,197)	(103,047)	(256,127)	(274,083)	(1,054,454)
Other	115	-	-	-	115
Carrying amount at 31 December 2021	20,613	120,087	165,008	640,525	946,233
30 June 2020					
Balance at 1 July 2019	198,348	-	-	207,895	406,243
Amounts raised/received in advance	250,000	99,500	356,165	274,083	979,748
Transfer to revenue – performance obligations satisfied in current period	(256,653)	(1,366)	(33,030)	(207,895)	(498,944)
Carrying amount at 30 June 2020	191,695	98,134	323,135	274,083	887,047

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$946,233 as at 31 December 2021 (\$887,047 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Within 6 months	140,700	-
6 to 12 months	805,533	887,047
	946,233	887,047

Notes to the Financial Statements

For the period ended 31 December 2021

Note 5 Other Assets and Liabilities (cont.)

Note 5.4: Contract liabilities (cont.)

Contract liabilities recognition

Contract liabilities represent the GCNA's obligation to transfer services to a customer/member that are recognised when a customer/member pays consideration, or when the GCNA recognises a receivable to reflect the unconditional right to consideration (whichever is earlier) before the GCNA has transferred the services to the customer/member.

Government grants

Revenue is recognised under AASB 15 where there is an enforceable contract and performance obligations are sufficiently specific. Revenue is recognised over time, when the GCNA satisfies its performance obligations. Where these performance obligations have not yet been met, the consideration received in advance of providing these services is recognised as a contract liability.

Membership subscriptions

Under AASB 15, revenue is recognised as the members are provided these services and this happens over time as members pay in advance of receipt of this service. The consideration received in advance of providing these services is recognised as a contract liability.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 6 How We Finance Our Operations

This section provides information on the sources of finance utilised by GCNA during its operations, along with other information related to financing activities of GCNA.

This section includes disclosures of balances that are financial instruments.

- 6.1: Cash and cash equivalents
- 6.2: Reconciliation of cash flows from operating activities
- 6.3: Capital and leasing commitments

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Note 6.1: Cash and cash equivalents		
<i>Current</i>		
Cash at bank	1,842,938	1,970,108
Total cash and cash equivalents	<u>1,842,938</u>	<u>1,970,108</u>
Cash and cash equivalents recognition		
Cash and cash equivalents comprises cash at bank.		
Note 6.2: Reconciliation of cash flows from operating activities		
Surplus for the year	291,108	71,025
Non-cash flows in surplus		
- Depreciation expense	4,704	6,908
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	(1,025,197)	36,505
- (increase)/decrease in other assets	20,108	(5,497)
- increase in trade and other payables	495,790	443,177
- increase in employee benefits liabilities	39,156	16,599
- increase in contract liabilities	59,186	480,804
Net cashflows from operating activities	<u>(115,145)</u>	<u>1,049,521</u>

Note 6.3: Capital and leasing commitments

There are no known capital or leasing commitments for the GCNA as at 31 December 2021 (30 June 2020: NIL).

Notes to the Financial Statements

For the period ended 31 December 2021

Note 7 Risks, Contingencies and Valuation Uncertainties

The GCNA is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied.

7.1: Financial instruments

7.2: Contingent assets and contingent liabilities

Note 7.1: Financial instruments

Financial instruments arise out of agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The GCNA classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The GCNA recognises the following assets in this category:

- cash and cash equivalents; and
- trade and other receivables.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

The GCNA recognises the following liabilities in this category:

- trade and other payables.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the GCNA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the GCNA has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the GCNA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the GCNA's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Notes to the Financial Statements

For the period ended 31 December 2021

Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

Note 7.1: Financial instruments (cont.)

Financial risk management objectives and policies

The GCNA's activities do expose itself to some financial risks which need to be actively managed. The main risks the GCNA are exposed to through its financial instruments is credit risk, liquidity risk and market risk consisting of interest rate risk. The main purpose in holding financial instruments is to prudentially manage the GCNA's financial risks within the parameters set by the Board of Directors.

Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The GCNA is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the GCNA to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The GCNA manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the GCNA's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Total
	%	\$	\$
31 December 2021			
<i>Non-interest bearing</i>			
Trade and other payables	-	1,020,007	1,020,007
Total		1,020,007	1,020,007
30 June 2020			
<i>Non-interest bearing</i>			
Trade and other payables	-	524,217	524,217
Total		524,217	524,217

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Market risk

The GCNA's exposure to market risk is limited.

Note 7.2: Contingent assets and contingent liabilities

There are no other known contingent assets or contingent liabilities for GCNA as at 31 December 2021 (30 June 2020: NIL).

Notes to the Financial Statements

For the period ended 31 December 2021

Note 8 Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

- 8.1: Related parties
- 8.2: Key management personnel compensation
- 8.3: Remuneration of the auditors
- 8.4: Events occurring after balance sheet date
- 8.5: Member's guarantee

Note 8.1: Related parties

Key management personnel

Disclosures relating to key management personnel are set out in note 8.2.

Transactions with related parties

Due to the nature of the organisation, the UN Global Compact is considered a related party. Other related parties relate to organisations which have a common relationship with key management personnel. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
<i>Receipts</i>		
Receipts received in relation to membership revenue	164,262	160,621
Receipts received in relation to other revenue and income	1,297	37,400
<i>Payments</i>		
Payments made to the UN Global Compact	553,538	54,292
Payments made for consultancy	18,147	-
Payments made for general expenses	8,654	2,932

There were no other material transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

Receivable

Balance receivable in relation to membership revenue	159,005	6,600
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Payable

UN Global Compact	848,029	448,448
University of Technology Sydney	18,147	-
Other	100	85

There were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Notes to the Financial Statements

For the period ended 31 December 2021

Note 8.2: Key management personnel compensation

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

The aggregate compensation made to directors and other members of key management personnel of the GCNA is set out below:

	31 December 2021 (18 months) \$	30 June 2020 (12 months) \$
Short-term employee benefits	281,274	166,439
Post-employment benefits	26,011	15,026
Other long-term benefits	3,613	-
Total key management personnel compensation	310,898	181,465

Note 8.3: Remuneration of the auditors

During the financial period the following fees were paid or payable for services provided by RSM Australia (2020: LWM Group*), the auditor of the company:

Audit of the financial statements	12,000	2,600
Other non-assurance services	3,000	-
	15,000	2,600

* RSM Australia and LWM Group merged on 1 July 2020.

Note 8.4: Events occurring after balance sheet date

The impact of the Coronavirus (COVID-19) pandemic is ongoing for the GCNA up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions, vaccine mandate and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the GCNA's operations, the results of those operations, or the GCNA's state of affairs in future financial years.

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Directors' Declaration

For the period ended 31 December 2021

In the directors' opinion:

1. The attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and associated regulations, and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of the Global Compact Network Australia Ltd's financial position as at 31 December 2021 and of its performance for the financial period ended on that date; and
3. There are reasonable grounds to believe that the Global Compact Network Australia Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors

.....
David Cooke, Director and Chair

.....
Kylie Porter, Executive Director

Dated this 3rd day of May 2022

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Independent Auditor's Report

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GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Independent Auditor's Report

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