



# Global Compact Network Australia

## Global Compact Network Australia Ltd

ABN 95 147 380 998

Financial Statements for the year ended 31 December 2022

# GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

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For the year ended 31 December 2022

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# GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

## Directors' Report

For the year ended 31 December 2022

The directors present their report, together with the financial statements on Global Compact Network Australia Ltd ("GCNA") for the year ended 31 December 2022.

### Directors

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

David Cooke (resigned 25 October 2022)  
Prudence Bennett  
Sasha Courville (resigned 24 May 2022)  
Laura McManus  
Karen McWilliams  
Howard Wigham  
Vanessa Zimmerman  
Kylie Porter (resigned from the organisation on 23 November 2022, with a final date of employment being the 23 December 2022)  
Anna Stewart (appointed 24 May 2022)  
Fiona Reynolds (appointed 23 August 2022)

### Operating results

The deficit for GCNA after providing for income tax amounted to \$449,523 (2021: surplus of \$291,108).

### Purpose and principal activities

GCNA is the local Australian network of the UN Global Compact. GCNA exists to mobilise Australia' leading businesses to create a sustainable future and find opportunities to impact our world - for good.

During the financial year the principal continuing activity of GCNA was to provide a practical and leading-edge platform for dialogue, learning, influence and action. This platform enables companies to build capacity around corporate sustainability, implement the principles of UN Global Compact in the areas of Business and Human Rights, Environment and Climate Change, Anti-Bribery and Corruption, and contribute to achieving the UN Sustainable Development Goals (SDGs).

### Objectives

GCNA aims to build a local network of accountable companies and ecosystems that enable change, empowering business to act responsibly, set a positive example and align their operations and strategies to the UN Global Compact's Ten Principles and take action in support of UN goals, including the SDGs.

### Strategy to achieve objectives

GCNA achieves its objectives by leading, enabling and connecting businesses and stakeholders including Government, civil society, business associations and academia to drive stronger business outcomes and accountability, to create a sustainable future and find the opportunity for positive impact.

GCNA delivers 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 includes a range of multi-stakeholder events, roundtables, workshops, accelerators, communities of practice, learning platforms and publications and is supported by strategic communications and strong governance, that position GCNA as a well-regarded commentator and trusted convenor, and our participants as leaders in responsible business practices.

### Performance measures

GCNA's performance is measured by growth, retention and impact 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.

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

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### Directors' Report

For the year ended 31 December 2022

#### Information on directors

David Cooke	
Title	Independent Director
Qualifications	<ul style="list-style-type: none"> <li>▪ Fellow of the Institute of Managers &amp; Leaders</li> <li>▪ Graduate of the Australian Institute of Company Directors</li> </ul> <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.</p> <p>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. 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	<p>Chair of the Board</p> <p>Member, Nominations and Governance Committee</p>
Prudence Bennett	
Title	Independent Director
Qualifications	<ul style="list-style-type: none"> <li>▪ Bachelor of Commerce – University of New South Wales</li> <li>▪ Fellow – Chartered Accountants Australia &amp; New Zealand</li> <li>▪ Graduate of the Australian Institute of Company Directors</li> </ul>
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"> <li>▪ Partner at Brunswick Group</li> <li>▪ Chair of the National Foundation for Australia China Relations</li> <li>▪ Board member Global Compact Network Australia</li> <li>▪ Council member of the Monetary Authority of Singapore's Corporate Advisory Council,</li> <li>▪ Council member Asian Corporate Governance Association</li> <li>▪ Council Member Oasis Capital</li> <li>▪ Formerly, a Member of the Securities and Futures Commission of Hong Kong's Public Shareholder Group (six year term completed in 2021).</li> </ul> <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 &amp; 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. 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	<p>Chair – Financial, Risk and Audit Committee from 26 November 2020</p>

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

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### Directors' Report

For the year ended 31 December 2022

Sasha Courville	
Title	Director
Qualifications	<ul style="list-style-type: none"> <li>▪ PhD on coffee – Australian National University (ANU)</li> <li>▪ MSc – London School of Economics</li> <li>▪ Bachelor of Environmental Studies – York University, Canada</li> </ul>
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 Aluminum 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"> <li>▪ Master of Human Rights and Democratisation – University of Sydney</li> <li>▪ Bachelor of Global Studies – University of Sydney</li> <li>▪ Graduate of the Australian Institute of Company Directors</li> </ul>
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

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

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### Directors' Report

For the year ended 31 December 2022

Karen McWilliams	
Title	Director
Qualifications	<ul style="list-style-type: none"> <li>▪ Graduate of the Australian Institute of Company Directors</li> <li>▪ Fellow – Chartered Accountants Australia &amp; New Zealand</li> <li>▪ Fellow – Institute of Chartered Accountants in England and Wales</li> <li>▪ Master of Arts in Mathematical Sciences – University of Oxford</li> </ul>
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 AASB/AuASB Sustainability Reporting Advisory Panel, the Advisory Board of the Deakin Centre for Integrated Reporting and the G100 Sustainability Steering Group. Karen is co-chair of the GAA Sustainability working group and the Accounting for Sustainability (A4S) Accounting Bodies Network. She is also a technical adviser to CA ANZ's representative on IFAC's Professional Accountants in Business Advisory Group and represents CA ANZ on the ISSB Technical Reference 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
Howard Wigham	
Title	Independent director
Qualifications	<ul style="list-style-type: none"> <li>▪ Honours degree in Chemistry and German – Aston University, United Kingdom.</li> <li>▪ Completed employer-sponsored management programmes at the London Business School and INSEAD</li> <li>▪ Graduate of the Australian Institute of Company Directors</li> </ul>
Experience and expertise	<p>Howard is a Non-Executive Director and Chair of Yume, and until February 2023 was a Non-Executive Director of the Banksia Foundation and Chair of its Finance, 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 of Finance, Risk and Audit and of Nominations and Governance Committees

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

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### Directors' Report

For the year ended 31 December 2022

Vanessa Zimmerman	
Title	Director
Qualifications	<ul style="list-style-type: none"><li>▪ Master of Laws – Harvard University</li><li>▪ Bachelor of Laws (Hons) – Monash University, Australia</li><li>▪ Bachelor of Arts (Japanese) – Monash University, Australia</li></ul>
Experience and expertise	<p>Vanessa Zimmerman has been a Director of GCNA since 2013. Vanessa chairs 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 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) Chair, Business and Human Rights Workstream</p> <p>Member, Financial, Risk and Audit Committee</p>
Kylie Porter	
Title	Executive Director
Qualifications	<ul style="list-style-type: none"><li>▪ Bachelor of Business</li><li>▪ Bachelor of Arts</li><li>▪ Masters' of Social Science (International Development)</li><li>▪ Graduate of the Australian Institute of Company Directors</li></ul>
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>

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

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### Directors' Report

For the year ended 31 December 2022

Anna Stewart	
Title	Director
Qualifications	<ul style="list-style-type: none"> <li>▪ Bachelor of Arts (Hons) – University of Melbourne</li> <li>▪ Bachelor of Laws (Hons) – University of Melbourne</li> </ul>
Experience and expertise	<p>Anna is nominated as a business-member representative of the Board.</p> <p>Anna has more than 14 years' experience in corporate sustainability roles in ASX listed companies and brings deep experience in ESG reporting frameworks and stakeholder engagement. She was appointed to the role of Head of Sustainability Governance and Engagement at Coles in May 2022. Anna spent eight years at ANZ and, until April 2022, was the Head of ESG Governance and Reporting, responsible for the bank's external ESG disclosures (including the annual ESG Supplement), responding to external ESG assessments and supporting the bank's key ESG governance bodies – the Board Ethics and ESG Committee and the executive Ethics and Responsible Business Committee.</p> <p>Prior to joining ANZ Anna spent almost ten years at AGL, primarily in the regulatory affairs team where she focused on energy and climate policy, before moving into sustainability reporting and community investment.</p> <p>Anna started her career as lawyer, working in both the corporate and community sectors.</p>
Special responsibilities	Chair, Environment and Climate Change

Fiona Reynolds	
Title	Director and Chair
Qualifications	Deakin University, Public Policy
Experience and expertise	<p>Fiona Reynolds served as the CEO of the Principles for Responsible Investment (PRI) for over nine years, stepping down at the beginning of 2022. As part of her role in the UK, she was on the board of a number of organisations including UN Global Compact, Climate Action 100+, the UK Green Finance Institute, the Greening the Belt and Road Global Committee, and the Asset Owners Net Zero Alliance.</p> <p>Fiona has 25 years' experience in the financial services and pension sector. She joined the PRI from the Australian Institute of Superannuation Trustees (AIST), where she spent seven years as CEO. Fiona was named one of the 20 most influential people in sustainability globally by Barron's magazine and has twice been named one of Australia's one hundred women of influence by the Australian Financial Review.</p> <p>Fiona also serves on the Board of Frontier Investment Consulting, the investment Committee of the Laudes Foundation and Advisory Boards of Quinbrook Infrastructure Partners, PWC, Affirmative Investment Management and the Advisory board of BASF.</p>
Special responsibilities	Chair of the Board

### Company secretary

Prudence Bennett has held the role of company secretary since 23 August 2022. Prior to this Vanessa Zimmerman held the role since 26 November 2020.

### Meetings of directors

The number of meetings of GCNA's Board of Directors ('the Board') held during the year ended 31 December 2022 and the number of meetings attended by each director were:

	Board meetings	
	Eligible to attend	Number attended
David Cooke	5	5
Prudence Bennett	7	5
Sasha Courville	2	2
Laura McManus	7	7
Karen McWilliams	7	7
Howard Wigham	7	7
Vanessa Zimmerman	7	5
Kylie Porter	7	7
Anna Stewart	5	5
Fiona Reynolds	3	3



# GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

## Directors' Report

For the year ended 31 December 2022

### Contributions on winding up

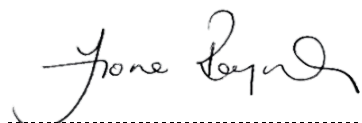
GCNA is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If GCNA is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of GCNA.

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	250 (2021: 197)	\$1 (2021: \$1)	\$250 (2021: \$197)

### Auditor's independence declaration

The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found immediately after this directors' report.

Signed in accordance with a resolution of the Board of Directors



.....  
Fiona Reynolds, Director and Chair



.....  
Evangelina Sanopoulos, Interim Executive Director

Dated this 18<sup>th</sup> day of April 2023

## AUDITOR'S INDEPENDENCE DECLARATION

### RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350  
PO Box 685 Ballarat VIC 3353

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F +61 (0) 3 5330 5890

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

As lead auditor for the audit of the financial report of the Global Compact Network Australia Ltd for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in Division 60 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.

*RSM*

### RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "John Findlay".

### JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 18<sup>th</sup> day of April 2023

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

# GLOBAL COMPACT NETWORK AUSTRALIA LTD

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## Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2022

	Note	2022 (12 months) \$	2021 (18 months) \$
<b>Revenue and other income</b>			
Revenue	2.1	1,053,450	1,788,992
Other income	2.2	-	133,810
<b>Total revenue and other income</b>		<b>1,053,450</b>	<b>1,922,802</b>
<b>Expenses</b>			
Operating expenses	3.1	(380,331)	(472,389)
Employee benefits expense	3.2	(1,113,519)	(1,149,971)
Depreciation	4.2	(3,621)	(4,704)
Finance expense		(5,502)	(4,630)
<b>Total expenses</b>		<b>(1,502,973)</b>	<b>(1,631,694)</b>
<b>Operating (deficit)/surplus before income tax</b>		<b>(449,523)</b>	<b>291,108</b>
Income tax expense		-	-
<b>Operating (deficit)/surplus after income tax</b>		<b>(449,523)</b>	<b>291,108</b>
<b>Total comprehensive income for the year</b>		<b>(449,523)</b>	<b>291,108</b>

The accompanying notes form part of these financial statements

# GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

## Statement of Financial Position

As at 31 December 2022

	Note	2022 (12 months) \$	2021 (18 months) \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	2,806,018	1,842,938
Trade and other receivables	5.1	855,643	1,116,961
Other assets	5.2	13,358	7,423
<b>Total Current Assets</b>		<b>3,675,019</b>	<b>2,967,322</b>
<b>Non-Current Assets</b>			
Plant and equipment	4.1	10,448	7,321
<b>Total Non-Current Assets</b>		<b>10,448</b>	<b>7,321</b>
<b>TOTAL ASSETS</b>		<b>3,685,467</b>	<b>2,974,643</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5.3	1,713,926	1,020,007
Employee benefits liabilities	3.3	14,973	59,301
Contract liabilities	5.4	1,464,372	946,233
<b>Total Current Liabilities</b>		<b>3,193,271</b>	<b>2,025,541</b>
<b>Non-Current Liabilities</b>			
Employee benefits liabilities	3.3	2,313	9,696
<b>Total Non-Current Liabilities</b>		<b>2,313</b>	<b>9,696</b>
<b>TOTAL LIABILITIES</b>		<b>3,195,584</b>	<b>2,035,237</b>
<b>NET ASSETS</b>		<b>489,883</b>	<b>939,406</b>
<b>EQUITY</b>			
Retained earnings		489,883	939,406
<b>TOTAL EQUITY</b>		<b>489,883</b>	<b>939,406</b>

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 year ended 31 December 2022

	Retained earnings \$	Total equity \$
<b>2022</b>		
Balance at 1 January 2022	939,406	939,406
Deficit for the year	(449,523)	(449,523)
<b>Balance at 31 December 2022</b>	<b>489,883</b>	<b>489,883</b>
<b>2021</b>		
Balance at 1 July 2020	648,298	648,298
Surplus for the year	291,108	291,108
<b>Balance at 31 December 2021</b>	<b>939,406</b>	<b>939,406</b>

The accompanying notes form part of these financial statements

# GLOBAL COMPACT NETWORK AUSTRALIA LTD

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## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 (12 months) \$	2021 (18 months) \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and activities (including GST)		2,878,109	2,090,070
Payments to suppliers and employees (including GST)		(1,902,779)	(2,201,295)
Interest received		-	710
Finance costs		(5,502)	(4,630)
<b>Net cash provided by/(used in) operating activities</b>	6.2	<b>969,828</b>	<b>(115,145)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(6,748)	(12,025)
<b>Net cash used in investing activities</b>		<b>(6,748)</b>	<b>(12,025)</b>
Net increase/(decrease) in cash and cash equivalents held		963,080	(127,170)
Cash and cash equivalents at beginning of financial year		1,842,938	1,970,108
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>2,806,018</b>	<b>1,842,938</b>

The accompanying notes form part of these financial statements

**Notes to the Financial Statements**  
For the year ended 31 December 2022

**Note 1 Summary of Significant Accounting Policies**

The financial statements cover Global Compact Network Australia Ltd (“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**

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.

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

*Change in reporting period*

GCNA changed its reporting date to 31 December to ensure that the reporting date aligned with the UN Global Compact in the prior year. As a result, the period ended 31 December 2021 is for an 18-month financial period while the year ended 31 December 2022 is for a 12-month year. As a result, comparative amounts presented in the financial statements 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 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:

Deutsche Bank Place  
Level 4, 126-130 Phillip Street  
Sydney NSW 2001

The principal place of business is:

15 Lygon Street  
Carlton VIC 3053

**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 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 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 year ended 31 December 2022

**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 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.



## GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

### Notes to the Financial Statements

For the year ended 31 December 2022

#### Note 2 Funding Delivery of Our Services

The 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

	2022 (12 months) \$	2021 (18 months) \$
<b>Note 2.1: Revenue</b>		
Government grants	165,933	524,129
Membership subscriptions	717,998	896,266
Events – registrations	33,616	63,137
Events – sponsorship	591	36,771
Bribery Prevention Network hosting	128,465	256,128
Other revenue	6,847	12,561
<b>Total revenue</b>	<b>1,053,450</b>	<b>1,788,992</b>
<b>Note 2.2: Other income</b>		
Cashflow boost funding	-	50,000
JobKeeper subsidies	-	83,100
Interest	-	710
<b>Total other income</b>	<b>-</b>	<b>133,810</b>
<b>Total revenue and other income</b>	<b>1,053,450</b>	<b>1,922,802</b>

#### Revenue and other income recognition

GCNA recognises revenue as follows:

##### *Revenue from contracts with customers*

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

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. 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 GCNA satisfies its performance obligations.

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

**Notes to the Financial Statements**

For the year ended 31 December 2022

**Note 2 Funding Delivery of Our Services (cont.)**

*Membership subscriptions*

The membership revenue stream focuses on providing members with a range of services offered by 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 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 the prior year, 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 year ended 31 December 2022

**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

	<b>2022</b> <b>(12 months)</b> <b>\$</b>	<b>2021</b> <b>(18 months)</b> <b>\$</b>
<b>Note 3.1: Breakdown of operating expenses</b>		
Administration expenses	117,863	190,337
Conferences and events	9,459	71,977
Travel and accommodation	58,755	(3,441)
Consultancy	61,649	213,036
Foreign exchange	132,605	480
<b>Total operating expenses</b>	<b><u>380,331</u></b>	<b><u>472,389</u></b>

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

<b>Note 3.2: Employee benefits expense</b>		
Wages and salaries	1,018,070	988,245
Defined contribution superannuation expense	121,787	94,904
Movement in employee benefits provision	(51,710)	39,156
Workers insurance	7,920	3,300
Other employee expenses	17,452	24,366
<b>Total employee benefits expense</b>	<b><u>1,113,519</u></b>	<b><u>1,149,971</u></b>

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 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	14,973	59,301
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*Non-Current*

Long service leave	2,313	9,696
<b>Total employee benefits in the statement of financial position</b>	<b><u>17,286</u></b>	<b><u>68,997</u></b>

**Employee benefits recognition**

Provision is made for 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 year ended 31 December 2022

**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.

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

### Notes to the Financial Statements

For the year ended 31 December 2022

#### 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

	2022 (12 months) \$	2021 (18 months) \$
<b>Note 4.1: Plant and equipment</b>		
Computer equipment at cost	17,816	15,202
Less accumulated depreciation	(10,690)	(7,881)
<b>Total computer equipment</b>	<b>7,126</b>	<b>7,321</b>
Furniture at cost	4,134	-
Less accumulated depreciation	(812)	-
<b>Total furniture</b>	<b>3,322</b>	<b>-</b>
<b>Total plant and equipment</b>	<b>10,448</b>	<b>7,321</b>

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

	Computer equipment \$	Furniture \$	Total \$
<b>2022</b>			
Balance at 1 January 2022	7,321	-	7,321
Additions	2,614	4,134	6,748
Depreciation	(2,809)	(812)	(3,621)
<b>Carrying amount at 31 December 2022</b>	<b>7,126</b>	<b>3,322</b>	<b>10,448</b>
<b>2021</b>			
Balance at 1 July 2020	-	-	-
Additions	12,025	-	12,025
Depreciation	(4,704)	-	(4,704)
<b>Carrying amount at 31 December 2021</b>	<b>7,321</b>	<b>-</b>	<b>7,321</b>

#### 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 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.

##### *Furniture*

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

**Notes to the Financial Statements**

For the year ended 31 December 2022

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

**Note 4.1: Plant and equipment (cont.)**

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

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.

	<b>2022</b> <b>(12 months)</b> \$	<b>2021</b> <b>(18 months)</b> \$
<b>Note 4.2: Depreciation</b>		
Computer equipment	2,809	4,704
Furniture	812	-
<b>Total depreciation</b>	<u><u>3,621</u></u>	<u><u>4,704</u></u>

**Depreciation recognition**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to 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
Furniture	3 years

**Notes to the Financial Statements**  
For the year ended 31 December 2022

**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

	<b>2022</b> <b>(12 months)</b> <b>\$</b>	<b>2021</b> <b>(18 months)</b> <b>\$</b>
<b>Note 5.1: Trade and other receivables</b>		
Trade receivables	855,643	1,116,961
<b>Total trade and other receivables</b>	<b><u>855,643</u></b>	<b><u>1,116,961</u></b>

**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. 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	13,358	7,423
<b>Total other assets</b>	<b><u>13,358</u></b>	<b><u>7,423</u></b>

**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	2,107	27,947
GST payable	96,914	73,727
Accrued expenses	23,295	29,356
UN Global Compact global fees	1,533,035	848,029
Other payables	58,575	40,948
<b>Total trade and other payables</b>	<b><u>1,713,926</u></b>	<b><u>1,020,007</u></b>

**Payables recognition**

These amounts represent liabilities for goods and services provided to 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.

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

### Notes to the Financial Statements For the year ended 31 December 2022

#### Note 5 Other Assets and Liabilities (cont.)

	2022 (12 months) \$	2021 (18 months) \$
<b>Note 5.4: Contract liabilities</b>		
Government grants – DFAT	-	20,613
Government grants – ABF	37,230	120,087
Income in advance	21,777	-
Bribery Prevention Network (BPN) public-private-partnership (PPP)	383,088	165,008
Membership subscriptions	1,022,277	640,525
<b>Total contract liabilities</b>	<b>1,464,372</b>	<b>946,233</b>

#### 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 \$	Events \$	Other \$	Total \$
<b>2022</b>							
Balance at 1 January 2022	20,613	120,087	165,008	640,525	-	-	946,233
Amounts raised/received in advance	-	62,463	349,545	1,099,750	55,984	6,847	1,574,589
Transfer to revenue – performance obligations satisfied in current period	(20,613)	(145,320)	(128,465)	(717,998)	(34,207)	(6,847)	(1,053,450)
Other	-	-	(3,000)	-	-	-	(3,000)
<b>Carrying amount at 31 December 2022</b>	<b>-</b>	<b>37,230</b>	<b>383,088</b>	<b>1,022,277</b>	<b>21,777</b>	<b>-</b>	<b>1,464,372</b>
<b>2021</b>							
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	1,262,708	99,908	12,561	1,848,177
Transfer to revenue – performance obligations satisfied in current period*	(421,082)	(103,047)	(256,127)	(896,266)	(99,908)	(12,561)	(1,788,991)
<b>Carrying amount at 31 December 2021</b>	<b>20,613</b>	<b>120,087</b>	<b>165,008</b>	<b>640,525</b>	<b>-</b>	<b>-</b>	<b>946,233</b>

\*Comparative figures have been updated in accordance with AASB 15 upon an error noted in the allocation.

#### 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 \$1,464,372 as at 31 December 2022 (2021: \$946,233) and is expected to be recognised as revenue in future periods as follows:

	2022 (12 months) \$	2021 (18 months) \$
Within 6 months	511,139	140,700
6 to 12 months	511,138	805,533
<b>Total</b>	<b>1,022,277</b>	<b>946,233</b>



**Notes to the Financial Statements**

For the year ended 31 December 2022

**Note 5 Other Assets and Liabilities (cont.)**

**Note 5.4: Contract liabilities (cont.)**

**Contract liabilities recognition**

Contract liabilities represent GCNA's obligation to transfer services to a customer/member that are recognised when a customer/member pays consideration, or when GCNA recognises a receivable to reflect the unconditional right to consideration (whichever is earlier) before 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 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 year ended 31 December 2022

**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

	<b>2022</b> <b>(12 months)</b> <b>\$</b>	<b>2021</b> <b>(18 months)</b> <b>\$</b>
<b>Note 6.1: Cash and cash equivalents</b>		
<i>Current</i>		
Cash at bank	2,806,018	1,842,938
<b>Total cash and cash equivalents</b>	<b><u>2,806,018</u></b>	<b><u>1,842,938</u></b>
<b>Cash and cash equivalents recognition</b>		
Cash and cash equivalents comprises cash at bank.		
<b>Note 6.2: Reconciliation of cash flows from operating activities</b>		
(Deficit)/surplus for the year	(449,523)	291,108
Non-cash flows in surplus		
- depreciation expense	3,621	4,704
Changes in assets and liabilities		
- decrease/(increase) in trade and other receivables	261,318	(1,025,197)
- (increase)/decrease in other assets	(5,935)	20,108
- increase in trade and other payables	693,919	495,790
- (decrease)/increase in employee benefits liabilities	(51,711)	39,156
- increase in contract liabilities	518,139	59,186
<b>Net cashflows from operating activities</b>	<b><u>969,828</u></b>	<b><u>(115,145)</u></b>

**Note 6.3: Capital and leasing commitments**

There are no known capital or leasing commitments for GCNA as at 31 December 2022 (2021: NIL).

**Notes to the Financial Statements**

For the year ended 31 December 2022

**Note 7 Risks, Contingencies and Valuation Uncertainties**

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. 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.

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.

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
- 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
- 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 GCNA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of 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 year ended 31 December 2022

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

**Note 7.1: Financial instruments (cont.)**

**Financial risk management objectives and policies**

GCNA's activities do expose itself to some financial risks which need to be actively managed. The main risks 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 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. GCNA is not exposed to any significant credit risk.

*Liquidity risk*

Vigilant liquidity risk management requires 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.

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 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 \$
<b>2022</b>			
<i>Non-interest bearing</i>			
Trade and other payables	-	1,713,926	1,713,926
<b>Total</b>		<b>1,713,926</b>	<b>1,713,926</b>
<b>2021</b>			
<i>Non-interest bearing</i>			
Trade and other payables	-	1,020,007	1,020,007
<b>Total</b>		<b>1,020,007</b>	<b>1,020,007</b>

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*

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 2022 (2021: NIL).

**Notes to the Financial Statements**  
For the year ended 31 December 2022

**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 auditors
- 8.4: Events occurring after balance sheet date
- 8.5: Members 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.

	<b>2022</b> <b>(12 months)</b>	<b>2021</b> <b>(18 months)</b>
	<b>\$</b>	<b>\$</b>
<i>Receipts</i>		
Receipts received in relation to membership revenue	217,600	164,262
Receipts received in relation to BPN	119,545	-
Receipts received in relation to other revenue and income	2,054	1,297
<i>Payments</i>		
Payments made to the UN Global Compact	332,011	553,538
Payments made for consultancy	-	18,147
Payments made for general expenses	41,265	8,654

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	233,670	159,005
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*Payable*

UN Global Compact	1,533,035	848,029
University of Technology Sydney	-	18,147
Other	1,245	100

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.

**Notes to the Financial Statements**

For the year ended 31 December 2022

**Note 8 Other Disclosures (cont.)**

**Note 8.2: Key management personnel compensation**

Any persons having authority and responsibility for planning, directing and controlling the activities of 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 GCNA is set out below:

	<b>2022</b> <b>(12 months)</b>	<b>2021</b> <b>(18 months)</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	212,572	281,274
Post-employment benefits	23,353	26,011
Other long-term benefits	-	3,613
<b>Total key management personnel compensation</b>	<b>235,925</b>	<b>310,898</b>

**Note 8.3: Remuneration of auditors**

During the financial period the following fees were paid or payable for services provided by RSM Australia, the auditor of the company:

Audit of the financial statements	12,000	12,000
Other non-assurance services	3,000	3,000
<b>Total remuneration of the auditors</b>	<b>15,000</b>	<b>15,000</b>

**Note 8.4: Events occurring after balance sheet date**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect GCNA's operations, the results of those operations, or GCNA's state of affairs in future financial years.

**Note 8.5 Members guarantee**

GCNA is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If 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 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	250 (2021: 197)	\$1 (2021: \$1)	\$250 (2021: \$197)

## GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

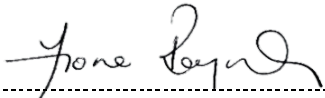
### Directors' Report

For the year ended 31 December 2022

In the directors' opinion:

1. The attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the 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 2022 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



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Fiona Reynolds, Director and Chair



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Evangeline Sanopoulos, Interim Executive Director

Dated this 18<sup>th</sup> day of April 2023

## INDEPENDENT AUDITOR'S REPORT To the Members of Global Compact Network Australia Ltd

**RSM Australia Partners**

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### Opinion

We have audited the financial report of Global Compact Network Australia Ltd, which comprises the statement of financial position as at 31 December 2022, 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 financial report of Global Compact Network Australia Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### 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 Global Compact Network Australia Ltd in accordance with 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.

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Global Compact Network Australia Ltd's annual report for the year ended 31 December 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determine 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.

In preparing the financial report, Directors are responsible for assessing Global Compact Network Australia Ltd'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 Global Compact Network Australia Ltd or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*RSM*

**RSM AUSTRALIA PARTNERS**



**JOHN FINDLAY**

Partner

Ballarat, Victoria

Dated this 18<sup>th</sup> day of April 2023