



Global Compact Network Australia

Global Compact Network Australia Ltd

ABN 95 147 380 998

Financial Statements for the year ended 31 December 2023

GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

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For the year ended 31 December 2023

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GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Directors' Report

For the year ended 31 December 2023

The directors present their report, together with the financial statements on Global Compact Network Australia Ltd trading as UN Global Compact Network Australia ("UNGCNA") for the year ended 31 December 2023.

Directors

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

Fiona Reynolds
Prudence Bennett
Sunita Gloster (appointed 21 February 2023)
Laura McManus
Karen McWilliams
Robin Mellon (appointed 21 February 2023)
Susan Mizrahi (appointed 21 February 2023)
Anna Stewart
Howard Wigham

Operating results

The surplus for UNGCNA after providing for income tax amounted to \$39,771 (2022: deficit of \$317,015 (restated)).

Purpose and principal activities

UNGCNA is the local Australian network of the United Nations Global Compact. UNGCNA exists to mobilise Australia's 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 UNGCNA 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 United Nations 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

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

Strategy to achieve objectives

UNGCNA 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 opportunities for positive impact.

UNGCNA 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 UNGCNA as a well-regarded commentator and trusted convenor, and our participants as leaders in responsible business practices.

Performance measures

UNGCNA'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.

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Directors' Report

For the year ended 31 December 2023

Information on directors

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.</p> <p>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

Prudence Bennett	
Title	Independent Director
Qualifications	<ul style="list-style-type: none">▪ Bachelor of Commerce – University of New South Wales▪ Fellow, Chartered Accountants Australia and 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▪ Member of Australia's Financial Reporting Council▪ Board member of Global Compact Network Australia▪ Council member of the Monetary Authority of Singapore's Corporate Advisory Council▪ Council member of Asian Corporate Governance Association▪ Council member of Oasis Capital <p>Pru is a partner of global advisory firm Brunswick Group advising clients on critical issues relating to ESG and sustainable business. 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>
Special responsibilities	Chair, Financial, Risk and Audit Committee

Directors' Report

For the year ended 31 December 2023

Information on directors (cont.)

Sunita Gloster	
Title	Independent Director
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Business – University of South Australia ▪ Graduate of the Australian Institute of Company Directors
Experience and expertise	<p>Sunita serves as a Non-Executive Director for Maurice Blackburn Lawyers and the UN Global Compact Network Australia. Additionally, she is a Senior Advisor at Accenture and co-chairs the Tech Council of Australia's media and marketing committee.</p> <p>She brings to the board expertise in customer and brand strategy, digital platforms, customer technology, corporate reputation, and sustainability. With a rich background in professional services, Sunita brings seasoned judgement cultivated across diverse clients and sectors. Recognised with a Member of the Order of Australia honor for her significant service in the media and marketing industry and advocacy for gender equality, Sunita is a globally acknowledged leader in her field. Holding a consistent position in Australia's B&T Women in Media Power list for nine years, she is currently ranked third.</p> <p>Sunita is an active member of Chief Executive Women, a graduate of the Australian Institute of Company Directors, and an alumni of the AICD Chair's Mentoring Program for women in ASX Board roles. Beyond her Board and Advisory work, she is a sought-after keynote speaker, commentator, and guest panelist on ABCTV Gruen.</p>
Special responsibilities	<ul style="list-style-type: none"> ▪ Member, Nominations and Governance Committee ▪ Member, Member Advisory Group

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 on 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 Head of Human Rights 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	<ul style="list-style-type: none"> ▪ Co-Chair, Member Advisory Group ▪ Member, Nominations and Governance Committee

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Directors' Report

For the year ended 31 December 2023

Information on directors (cont.)

Karen McWilliams	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Graduate of the Australian Institute of Company Directors ▪ Fellow, Chartered Accountants Australia and New Zealand ▪ Fellow, Institute of Chartered Accountants in England and Wales ▪ Master of Arts in Mathematical Sciences – University of Oxford
Experience and expertise	<p>Karen is the Sustainability and Business Reform Leader in the Advocacy 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 was recently appointed to the Australian Government's Nature Finance Council. Karen also represents CAANZ on the ASX Corporate Governance Council, the Advisory Board of the Deakin Centre for Integrated Reporting and the G100 Sustainability Steering Group. Karen is co-chair of the Global Accounting Alliance Sustainability working group and the Accounting for Sustainability (A4S) Accounting Bodies Network. She is also a technical adviser to CAANZ's representative on IFAC's Professional Accountants in Business Advisory Group and represents CAANZ 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	Member, Financial, Risk and Audit Committee
Robin Mellon	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Science (Hons), Valuation and Estate Management – UWE, Bristol ▪ Master of Science, Real Estate – UNSW, Sydney ▪ Graduate of the Australian Institute of Company Directors
Experience and expertise	<p>As a business member representative of the Board, Robin Mellon has combined his love of the environment, passion for sustainability, experience with supply chains, and qualifications in finance and real estate to become one of Australia's experts on sustainable supply chains. The former Chief Operating Officer of the Green Building Council of Australia, and founding Chief Executive Officer of Australia's Supply Chain Sustainability School, Robin is now CEO of sustainability consultancy Better Sydney, the Project Manager for the Property Council of Australia's Human Rights and Modern Slavery Working Group and Supplier Platform, and one of the International WELL Building Institute's Community Advisory. Robin was a member of the Australian Government's first Modern Slavery Advisory Committee and is currently a member of Waverley Council's Sustainability Expert Advisory Panel, as well as Chair of Judging for the NSW Sustainability Awards and National Banksia Awards.</p>
Special responsibilities	<ul style="list-style-type: none"> ▪ Chair, Nominations and Governance Committee ▪ Member, Member Advisory Group

Directors' Report

For the year ended 31 December 2023

Information on directors (cont.)

Susan Mizrahi	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Graduate of the Australian Institute of Company Directors ▪ Master in International Relations and Asian Politics – University of Queensland ▪ Master of Management (Supply Chains) – University of Melbourne ▪ Bachelor of Arts – RMIT University
Experience and expertise	<p>Susan Mizrahi is a senior sustainability strategist and has over 25 years' experience working in Australia, Asia, Europe and North America on international, business sustainability and human rights issues.</p> <p>Susan was one of Australia's first Chief Sustainability Officers and is one of its best-known sustainability executives. She is an Honorary Fellow with Melbourne Climate Futures at the University of Melbourne.</p> <p>Susan is committed to leading positive, systemic change on social and environmental issues and has worked in the private, government, academic and not-for-profit sectors. Until 2023, Susan was Chief Sustainability Officer at one of Australia's most trusted brands, Australia Post, leading the business's science-based approach to achieve Net Zero and its advocacy of the UN Sustainable Development Goals. Susan has also held several industry leadership roles, including Chair of the Australian Retailers Association's Sustainability Advisory Committee (2021-23) and Chair of the London Benchmarking Group Australia and NZ (now Business for Societal Impact) (2017-20).</p> <p>Susan has been repeatedly named as a sustainability thought leader and featured in the Sustainability Top 100 lists globally (BizClick). Her diverse subject matter expertise includes sustainability frameworks and theories; supply chain sustainability; modern slavery and labour rights; ESG and climate risk; diversity and inclusion; and the China-Tibet issue.</p>
Special responsibilities	<ul style="list-style-type: none"> ▪ Member, Financial, Risk and Audit Committee ▪ Co-Chair, Member Advisory Group

Anna Stewart	
Title	Director
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Arts (Hons) – University of Melbourne ▪ Bachelor of Laws (Hons) – University of Melbourne
Experience and expertise	<p>Anna is nominated as a business-member representative of the Board.</p> <p>Anna has around 15 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 9 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 Working Group

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Directors' Report

For the year ended 31 December 2023

Information on directors (cont.)

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 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, Finance, Risk and Audit and of Nominations and Governance Committees

Company secretary

Prudence Bennett has held the role of company secretary since 23 August 2022.

Meetings of directors

The number of meetings of UNGCNA's Board of Directors ('the Board') held during the year ended 31 December 2023 and the number of meetings attended by each director were:

	Board meetings	
	Eligible to attend	Number attended
Fiona Reynolds	7	7
Prudence Bennett	7	6
Sunita Gloster	7	7
Laura McManus	7	6
Karen McWilliams	7	5
Robin Mellon	7	6
Susan Mizrahi	7	6
Anna Stewart	7	7
Howard Wigham	7	6

Contributions on winding up

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

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	316 (2022: 250)	\$1 (2022: \$1)	\$316 (2022: \$250)

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Directors' Report

For the year ended 31 December 2023

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 31 December 2023 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

.....
Fiona Reynolds, Director and Chair

Dated this 28th day of March 2024

Prudence Bennett

.....
Prudence Bennett, Director

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350

PO Box 685 Ballarat VIC 3353

T +61(0) 3 5330 5800

F +61(0) 3 5330 5890

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 2023, 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



JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 28th day of March 2024

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 2023

	Note	2023 \$	2022 \$ (Restated)
Revenue and other income			
Revenue	2.1	1,639,103	1,053,450
Other income	2.2	51,060	-
Total revenue and other income		1,690,163	1,053,450
Expenses			
Operating expenses	3.1	(347,711)	(247,823)
Employee benefits expense	3.2	(1,292,918)	(1,113,519)
Depreciation	4.2	(5,381)	(3,621)
Finance expense		(4,382)	(5,502)
Total expenses		(1,650,392)	(1,370,465)
Operating surplus/(deficit) before income tax		39,771	(317,015)
Income tax expense		-	-
Operating surplus/(deficit) after income tax		39,771	(317,015)
Total comprehensive income for the year		39,771	(317,015)

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 2023

	Note	2023 \$	2022 \$ (Restated)	1 Jan 2022 \$
ASSETS				
Current Assets				
Cash and cash equivalents	6.1	3,249,539	2,806,018	1,842,938
Trade and other receivables	5.1	1,037,750	855,643	1,116,961
Other assets	5.2	63,284	13,358	7,423
Total Current Assets		4,350,573	3,675,019	2,967,322
Non-Current Assets				
Plant and equipment	4.1	7,974	10,448	7,321
Total Non-Current Assets		7,974	10,448	7,321
TOTAL ASSETS		4,358,547	3,685,467	2,974,643
LIABILITIES				
Current Liabilities				
Trade and other payables	5.3	2,236,405	1,660,570	1,099,159
Employee benefits liabilities	3.3	48,776	14,973	59,301
Contract liabilities	5.4	1,482,112	1,464,372	946,233
Total Current Liabilities		3,767,293	3,139,915	2,104,693
Non-Current Liabilities				
Employee benefits liabilities	3.3	8,244	2,313	9,696
Total Non-Current Liabilities		8,244	2,313	9,696
TOTAL LIABILITIES		3,775,537	3,142,228	2,114,389
NET ASSETS		583,010	543,239	860,254
EQUITY				
Retained earnings		583,010	543,239	860,254
TOTAL EQUITY		583,010	543,239	860,254

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 2023

	Retained earnings \$	Total equity \$
2023		
Balance at 1 January 2023	543,239	543,239
Surplus for the year	39,771	39,771
Balance at 31 December 2023	583,010	583,010
2022		
Balance at 1 January 2022	939,406	939,406
Restatement of opening balance	(79,152)	(79,152)
Balance at 1 January 2022 (restated)	860,254	860,254
Deficit for the year (restated)	(317,015)	(317,015)
Balance at 31 December 2022	543,239	543,239

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 2023

	Note	2023 \$	2022 \$ (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and activities (including GST)		2,385,140	2,878,108
Payments to suppliers and employees (including GST)		(1,946,858)	(1,902,778)
Interest received		12,528	-
Finance costs		(4,382)	(5,502)
Net cash provided by operating activities	6.2	446,428	969,828
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,907)	(6,748)
Net cash used in investing activities		(2,907)	(6,748)
Net increase in cash and cash equivalents held		443,521	963,080
Cash and cash equivalents at beginning of financial year		2,806,018	1,842,938
Cash and cash equivalents at end of financial year	6.1	3,249,539	2,806,018

The accompanying notes form part of these financial statements

Notes to the Financial Statements
For the year ended 31 December 2023

Note 1 Summary of Significant Accounting Policies

The financial statements cover Global Compact Network Australia Ltd trading as UN Global Compact Network Australia ("UNGCNA") as an individual entity, incorporated and domiciled in Australia. UNGCNA 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

UNGCNA 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.

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

The financial statements:

- have been prepared under the historical cost convention;
- are presented in Australian dollars, which is UNGCNA's functional and presentation currency; and
- have also been prepared on a going concern basis.

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 UNGCNA'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 UNGCNA'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 UNGCNA'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 2023

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) Prior year restatement

During the year, management identified that the accounting treatment in relation to the UN Global Compact global fees liability was incorrect and that foreign exchange adjustments had been taken into consideration. Upon further investigation, all foreign exchange risks were borne by the UN Global Compact (USA) which resulted in a net reduction of the liability of \$53,356 and a reduction in the operating deficit of \$132,508 for the year ended 31 December 2022.

	2022	2022	2022
	Reported in	Restatement	Restated
	prior year		balance in
	\$	\$	current year
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income			
Operating expenses	380,331	(132,508)	247,823
Operating deficit after income tax	(449,523)	132,508	(317,015)
Statement of Financial Position			
Trade and other payables	1,713,926	(53,356)	1,660,570
Retained earnings	489,883	53,356	543,239

GLOBAL COMPACT NETWORK AUSTRALIA LTD

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Notes to the Financial Statements

For the year ended 31 December 2023

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

	2023	2022
	\$	\$
		(Restated)
Note 2.1: Revenue		
Grant revenue	99,692	165,933
Membership subscriptions	1,069,629	717,998
Events – registrations	122,869	33,616
Events – sponsorship	41,364	591
Bribery Prevention Network hosting	138,702	128,465
GCO fee retention	155,000	-
Other revenue	11,847	6,847
Total revenue	1,639,103	1,053,450

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical regions

Australia	1,639,103	1,053,450
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Note 2.2: Other income

Grant income	38,532	-
Interest received	12,528	-
Total other income	51,060	-
Total revenue and other income	1,690,163	1,053,450

Revenue and other income recognition

UNGCNA recognises revenue as follows:

Revenue from contracts with customers

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

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.

Notes to the Financial Statements
For the year ended 31 December 2023

Note 2 Funding Delivery of Our Services (cont.)

Government grants

UNGCNA has entered funding arrangements with the Australian Border Force (ABF) and the Department of Foreign Affairs and Trade (DFAT) and National Native Title Council Ltd to undertake a range of activities. UNGCNA 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 UNGCNA 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 UNGCNA 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 UNGCNA 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.

GCO fee retention

UNGCNA is entitled to receive a rebate based on the amount of membership subscriptions which surpasses \$100,000 USD of certain membership categories. This is recognised under AASB 15, over time of the membership period of those subscriptions.

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 2023

Note 3 The Cost of Delivering Services

This section provides an account of the expenses incurred by UNGCNA 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

	2023 \$	2022 \$ (Restated)
Note 3.1: Breakdown of operating expenses		
Administration expenses	144,165	117,863
Conferences and events	53,772	9,459
Travel and accommodation	58,735	58,755
Consultancy	90,625	61,649
Foreign exchange	414	97
Total operating expenses	347,711	247,823

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

Note 3.2: Employee benefits expense		
Wages and salaries	1,061,586	1,018,070
Defined contribution superannuation expense	132,158	121,787
Movement in employee benefits provision	39,732	(51,710)
Workers insurance	7,063	7,920
Other employee expenses	52,379	17,452
Total employee benefits expense	1,292,918	1,113,519

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 UNGCNA 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	48,776	14,973
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Non-current

Long service leave	8,244	2,313
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Total employee benefits in the statement of financial position	57,020	17,286
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Employee benefits recognition

Provision is made for UNGCNA'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 2023

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 year ended 31 December 2023

Note 4 Key Assets to Support Service Delivery

UNGCNA 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

	2023 \$	2022 \$ (Restated)
Note 4.1: Plant and equipment		
Computer equipment at cost	17,298	17,816
Less accumulated depreciation	<u>(11,261)</u>	<u>(10,690)</u>
Total computer equipment	<u>6,037</u>	<u>7,126</u>
Furniture at cost	4,134	4,134
Less accumulated depreciation	<u>(2,197)</u>	<u>(812)</u>
Total furniture	<u>1,937</u>	<u>3,322</u>
Total plant and equipment	<u>7,974</u>	<u>10,448</u>

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

	Computer equipment \$	Furniture \$	Total \$
2023			
Balance at 1 January 2023	7,126	3,322	10,448
Additions	2,907	-	2,907
Depreciation	<u>(3,996)</u>	<u>(1,385)</u>	<u>(5,381)</u>
Carrying amount at 31 December 2023	<u>6,037</u>	<u>1,937</u>	<u>7,974</u>
2022			
Balance at 1 January 2022	7,321	-	7,321
Additions	2,614	4,134	6,748
Depreciation	<u>(2,809)</u>	<u>(812)</u>	<u>(3,621)</u>
Carrying amount at 31 December 2022	<u>7,126</u>	<u>3,322</u>	<u>10,448</u>

Plant and equipment recognition

Each class of plant and equipment is carried at cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In accordance with UNGCNA's Financial Management Policy the capitalisation threshold for fixed assets is \$1,000.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to UNGCNA. 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.

Notes to the Financial Statements

For the year ended 31 December 2023

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

Note 4.1: Plant and equipment (cont.)

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.

	2023 \$	2022 \$ (Restated)
Note 4.2: Depreciation		
Computer equipment	3,996	2,809
Furniture	1,385	812
Total depreciation	<u>5,381</u>	<u>3,621</u>

Depreciation recognition

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to UNGCNA 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 plant and equipment 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 2023

Note 5 Other Assets and Liabilities

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

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

	2023 \$	2022 \$ (Restated)
Note 5.1: Trade and other receivables		
Trade receivables	1,037,750	855,643
Total trade and other receivables	<u>1,037,750</u>	<u>855,643</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. UNGCNA 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 UNGCNA's impairment policies and its exposure to credit risk is set out in note 7.

Note 5.2: Other assets

Prepayments	63,284	13,358
Total other assets	<u>63,284</u>	<u>13,358</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	-	2,107
GST payable	98,917	96,914
Accrued expenses	39,086	23,295
UN Global Compact global fees	2,009,527	1,479,679
Credit cards	467	-
Other payables	88,408	58,575
Total trade and other payables	<u>2,236,405</u>	<u>1,660,570</u>

Payables recognition

These amounts represent liabilities for goods and services provided to UNGCNA 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 2023

Note 5 Other Assets and Liabilities (cont.)

	2023 \$	2022 \$ (Restated)
Note 5.4: Contract liabilities		
Government grants – ABF	-	37,230
Bribery Prevention Network (BPN) Public-Private-Partnership (PPP)	303,022	383,088
Membership subscriptions	1,178,595	1,022,277
Income in advance – events	495	21,777
Total contract liabilities	1,482,112	1,464,372

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 \$
2023							
Balance at 1 January 2023	-	37,230	383,088	1,022,277	21,777	-	1,464,372
Amounts raised/received in advance	-	62,462	58,636	1,225,947	142,951	-	1,489,996
Transfer to revenue – performance obligations satisfied in current period	-	(99,692)	(138,702)	(1,069,629)	(164,233)	-	(1,472,256)
Carrying amount at 31 December 2023	-	-	303,022	1,178,595	495	-	1,482,112
2022							
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)
Carrying amount at 31 December 2022	-	37,230	383,088	1,022,277	21,777	-	1,464,372

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 \$1,482,112 as at 31 December 2023 (2022: \$1,464,372) and is expected to be recognised as revenue in future periods as follows:

	2023 \$	2022 \$ (Restated)
Within 6 months	741,303	761,690
6 to 12 months	740,809	702,682
Total	1,482,112	1,464,372

Notes to the Financial Statements

For the year ended 31 December 2023

Note 5 Other Assets and Liabilities (cont.)

Note 5.4: Contract liabilities (cont.)

Contract liabilities recognition

Contract liabilities represent UNGCNA's obligation to transfer services to a customer/member that are recognised when a customer/member pays consideration, or when UNGCNA recognises a receivable to reflect the unconditional right to consideration (whichever is earlier) before UNGCNA 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 UNGCNA 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 2023

Note 6 How We Finance Our Operations

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

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

	2023	2022
	\$	\$
		(Restated)
Note 6.1: Cash and cash equivalents		
<i>Current</i>		
Cash at bank	2,349,539	2,806,018
Term deposits	900,000	-
Total cash and cash equivalents	<u>3,249,539</u>	<u>2,806,018</u>

Cash and cash equivalents recognition

Cash and cash equivalents comprises cash at bank and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 6.2: Reconciliation of cash flows from operating activities

Surplus/(deficit) for the year	39,771	(317,015)
Non-cash flows in surplus/(deficit)		
- depreciation expense	5,381	3,621
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	(182,107)	261,318
- (increase) in other assets	(49,926)	(5,935)
- increase in trade and other payables	575,836	561,411
- increase/(decrease) in employee benefits liabilities	39,733	(51,711)
- increase in contract liabilities	17,740	518,139
Net cashflows from operating activities	<u>446,428</u>	<u>969,828</u>

Note 6.3: Capital and leasing commitments

There are no known material capital or leasing commitments for UNGCNA as at 31 December 2023 (2022: NIL).

Notes to the Financial Statements
For the year ended 31 December 2023

Note 7 Risks, Contingencies and Valuation Uncertainties

UNGCNA 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. UNGCNA 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.

UNGCNA 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.

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

Notes to the Financial Statements
For the year ended 31 December 2023

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

Note 7.1: Financial instruments (cont.)

Financial liabilities

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

Financial risk management objectives and policies

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

Liquidity risk

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

UNGCNA 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 UNGCNA'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 \$
2023			
<i>Non-interest bearing</i>			
Trade and other payables	-	2,236,405	2,236,405
Total		2,236,405	2,236,405
2022			
<i>Non-interest bearing</i>			
Trade and other payables	-	1,660,570	1,660,570
Total		1,660,570	1,660,570

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

UNGCNA'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 UNGCNA as at 31 December 2023 (2022: NIL).

Notes to the Financial Statements
For the year ended 31 December 2023

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.

	2023	2022
	\$	\$
		(Restated)
<i>Receipts</i>		
Receipts received in relation to membership revenue	18,800	217,600
Receipts received in relation to BPN	-	119,545
Receipts received in relation to other revenue and income	21,713	2,054
<i>Payments</i>		
Payments made to the United Nations Global Compact	204,162	332,011
Payments made for consultancy	10,000	-
Payments made for general expenses	-	41,265

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	8,450	233,670
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Payable

United Nations Global Compact	2,009,527	1,479,679
Other	-	1,245

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 2023

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 UNGCNA, 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 UNGCNA is set out below:

	2023 \$	2022 \$ (Restated)
Short-term employee benefits	152,746	212,572
Post-employment benefits	17,413	23,353
Other long term benefits	2,741	-
Total key management personnel compensation	172,900	235,925

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	13,400	12,000
Other non-assurance services	2,680	3,000
Total remuneration of auditors	16,080	15,000

Note 8.4: Events occurring after balance sheet date

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect UNGCNA's operations, the results of those operations, or UNGCNA's state of affairs in future financial years.

Note 8.5 Members' guarantee

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

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	316 (2022: 250)	\$1 (2022: \$1)	\$316 (2022: \$250)

GLOBAL COMPACT NETWORK AUSTRALIA LTD

ABN 95 147 380 998

Directors' Declaration

For the year ended 31 December 2023

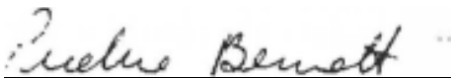
In the directors' opinion:

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 trading as UN Global Compact Network Australia's financial position as at 31 December 2023 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 trading as UN Global Compact Network Australia will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors



.....
Fiona Reynolds, Director and Chair



.....
Prudence Bennett, Director

Dated this 28th day of March 2024

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 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report 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* (ACNC Act), including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2023 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 2022*.

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 2023, 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

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



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 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.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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/Home.aspx>. This description forms part of our auditor's report.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of Global Compact Network Australia Ltd, would be in the same terms if given to the company as at the time of this auditor's report.

RSM

RSM AUSTRALIA PARTNERS

John Findlay

JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 28th day of March 2024