

Global Compact Network Australia Limited

95 147 380 998

Financial Statements

For the Year Ended 30 June 2012

Global Compact Network Australia Limited

95 147 380 998

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30 June 2012

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Global Compact Network Australia Limited

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**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of Global Compact Network
Australia Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012, there have been:

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



Ian Lamont RCA 1264

15 NOVEMBER 2012

Gosford

Global Compact Network Australia Limited

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Statement of Comprehensive Income

For the Year Ended 30 June 2012

	2012	2011
Note	\$	\$
Revenue	205,549	98,925
Other expenses	<u>(133,107)</u>	<u>(11,504)</u>
Profit before income tax	72,442	87,421
Income tax expense	-	-
Profit from continuing operations	<u>72,442</u>	<u>87,421</u>
Profit for the year	<u>72,442</u>	<u>87,421</u>
Other comprehensive income:		
Total comprehensive income for the year	<u>72,442</u>	<u>87,421</u>

The accompanying notes form part of these financial statements.

Global Compact Network Australia Limited

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Statement of Financial Position

As At 30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	154,466	83,870
Trade and other receivables	3	43,780	8,800
TOTAL CURRENT ASSETS		198,246	92,670
NON-CURRENT ASSETS			
TOTAL ASSETS		198,246	92,670
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	30,932	4,248
Current tax liabilities		7,452	1,001
TOTAL CURRENT LIABILITIES		38,384	5,249
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		38,384	5,249
NET ASSETS		159,862	87,421
EQUITY			
Retained earnings		159,862	87,421
TOTAL EQUITY		159,862	87,421

The accompanying notes form part of these financial statements.

Global Compact Network Australia Limited

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Statement of Cash Flows For the Year Ended 30 June 2012

	2012	2011
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	205,200	90,885
Payments to suppliers and employees	<u>(132,758)</u>	<u>(7,015)</u>
Net cash provided by (used in) operating activities	10 <u>72,442</u>	83,870
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in cash and cash equivalents held	70,596	83,870
Cash and cash equivalents at beginning of year	<u>83,870</u>	-
Cash and cash equivalents at end of financial year	2 <u><u>154,466</u></u>	<u><u>83,870</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2012

The financial statements are for Global Compact Network Australia Limited as a not-for-profit individual entity.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The comparative figures covered the period 3 February 2011 (the date of Incorporation) to 30 June 2011.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Trade and other payables

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

(e) Income tax

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

(f) Revenue and other income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Global Compact Network Australia Limited's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(f) Revenue and other income continued

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Subscriptions

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

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

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Global Compact Network Australia Limited.

Standard Name	Impact
AASB 1053 Application of Tiers of Australian Accounting Standards and amending standards	The adoption of these standards resulting in the removal of a number of disclosures in the general purpose financial statements in accordance with the Reduced Disclosure Requirements. There was no impact on the reported financial position and performance
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	No significant changes on adoption of this standard.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	No significant changes on adoption of this standard.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	No significant changes on adoption of this standard.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(h) Adoption of new and revised accounting standards continued

Standard Name	Impact
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	No significant changes on adoption of this standard.
AASB 2010-9 / Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	Minimal impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011 – 5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]	The group does not have any not-for-profit entities and therefore there is no impact from the adoption of this standard.

2 Cash and Cash Equivalents

	2012	2011
Note	\$	\$
Cash at bank and in hand	154,466	83,870

3 Trade and Other Receivables

	2012	2011
Note	\$	\$
CURRENT		
Trade receivables	43,780	8,800
	<u>43,780</u>	<u>8,800</u>
Total current trade and other receivables	<u><u>43,780</u></u>	<u><u>8,800</u></u>

4 Trade and Other Payables

	2012	2011
Note	\$	\$
CURRENT		
Trade payables	30,932	4,248

5 Financial Risk Management

The main risks Global Compact Network Australia Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

Notes to the Financial Statements

For the Year Ended 30 June 2012

5 Financial Risk Management continued

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note	2012 \$	2011 \$
Financial Assets		
Cash and cash equivalents	154,466	83,870
Total financial assets	154,466	83,870
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	30,932	4,248
Total financial liabilities	30,932	4,248

Net fair values

Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

6 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the company. At 30 June 2012 the number of members was 40 (2011: 14).

7 Revenue and Other Income

Revenue from continuing operations

Note	2012 \$	2011 \$
Other revenue		
- interest received	349	40
- member subscriptions	203,500	98,885
- other trading revenue	1,700	-
	205,549	98,925

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Notes to the Financial Statements

For the Year Ended 30 June 2012

7 Revenue and Other Income continued

	2012	2011
Note	\$	\$
Total Revenue	<u>205,549</u>	<u>98,925</u>

8 Result for the Year

(a) Expenses

	2012	2011
	\$	\$
Depreciation and Amortisation		
Other expenses		
Rental expense on operating leases	<u>133,107</u>	<u>11,504</u>

9 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the company did not have any contingencies at 30 June 2012 (30 June 2011:None).

10 Cash Flow Information

(a) Reconciliation of cash

	2012	2011
Note	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	154,466	83,870

11 Events after the end of the Reporting Period

The financial report was authorised for issue on 14/11/12 by the Board of Directors.

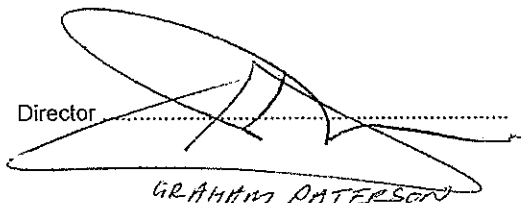
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

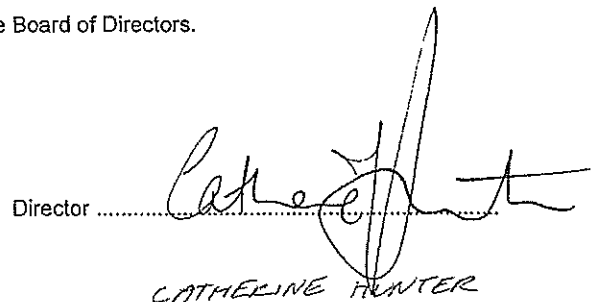
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 to 9, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirement; and
 - b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director

GRAHAM PATERSON
Dated 14/11/12

Director

CATHERINE HUNTER
14/11/12

Global Compact Network Australia Limited

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

Report on the Financial Report

We have audited the accompanying financial report of Global Compact Network Australia Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 - Reduced Disclosure Requirements and the *Corporations Act 2001* 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Global Compact Network Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

Global Compact Network Australia Limited

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

In our opinion the financial report of Global Compact Network Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

LWM Group
Chartered Accountants


Ian Lamont RCA 1264

15 NOVEMBER 2012

Level 1, 106-108 Erina Street