



Common Ground Queensland Ltd

Financial Report

For the Year Ended 30 June 2019

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS REPORT

Your directors present this report on the company for the financial year ended 30 June 2019.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

| | Date Appointed | Date of Cessation | Meetings Attended | Eligible Meetings |
|------------------|-------------------|----------------------|----------------------|----------------------|
| Peter Pearce | 10/08/2015 | - | 8 | 8 |
| Mark Fenton | 10/08/2015 | - | 7 | 8 |
| Mark Lightfoot | 27/11/2013 | - | 5 | 8 |
| Joanna Spanjaard | 07/10/2015 | - | 7 | 8 |
| Deanna Nott | 23/11/2015 | 01/05/2019 | 6 | 7 |
| Michael Ryall | 27/02/2017 | - | 7 | 8 |
| Arabella Douglas | 20/05/2017 | 17/10/2018 | 0 | 2 |
| Christine Grose | 17/05/2017 | - | 6 | 8 |
| Candice Sgori | 12/06/2019 | - | 1 | 1 |

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was to provide supportive housing property and tenancy management services to people who have experienced chronic homelessness and people on low incomes.

SHORT AND LONG-TERM OBJECTIVES

The company's short and long term objectives are to:

- End homelessness in the communities in which we operate.
- Create supportive housing solutions through effective public, private, and community partnerships.
- Provide affordable supportive housing to those that have the need
- Provide specialist staff who support tenants to maintain housing and establish stable and secure lifestyles.
- Promote and seek to provide quality living environments that are sustainable, cost effective, and well located.
- To become and remain financially sustainable and managed prudently in accordance with good commercial practice.
- Be accountable to government and community for property assets and funds provided to the company.

STRATEGIES

To achieve the stated objectives the company has adopted the following strategies:

Develop strategic partnerships, alliances, and relationships with government, corporate, and community stakeholders to deliver measurable benefits and value to our tenants and people in the community.

Participate in independent research to determine tenant outcomes and evidence of the efficacy of the Common Ground model in benefitting people who were formerly homeless.

Operate a financially viable property and tenancy management service at Brisbane Common Ground and develop mechanisms to ensure future sustainability and profitability for the organisation.

Communicate with stakeholders and broader community regarding the success of Common Ground supportive housing model as a solution to chronic homelessness.

Create systems that deliver timely and accurate data, information and knowledge to assist in the provision of integrated services to tenants.

Ensure our Board, management, staff, and volunteers have the skills, resources, and expertise within structures aligned to our strategies that will deliver successful tenant outcomes.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The company measures performance through the establishment and monitoring of benchmarks:

| | | Actual | Benchmark | Achieved Yes/No |
|---------------------------------|--|-----------------------|---------------------------|--------------------|
| Financial Sustainability | | | | |
| | Rent Revenue | -1.31% on budget | =/> budget | No |
| | Commercial Revenue | 17.75% on budget | =/> budget | Yes |
| | Investment Revenue | 83.17% on budget | =/> budget | Yes |
| | Expenses | -15.31% on budget | =/< budget | Yes |
| | Uncollected Rent | 0.12% | <5% of rent | Yes |
| | Bad Debts | 0.20% | <1.5% of rent | Yes |
| | Rent Foregone | 0.70% | <4% of rent | Yes |
| Tenancy Management | | | | |
| | Tenancy Mix – Between Formerly Homeless and Affordable Housing Tenants | 50%/50% | 50/50 with < 5% variance | Yes |
| | Tenancy Mix – Gender | 50% male / 50% female | 50/50 with < 10% variance | Yes |
| | Evictions into Homelessness | 0 | 0 | Yes |
| | Eviction Rate | 5.13% | <7% | Yes |
| | Vacancy Rate | 0.26% | <5% | Yes |

Information on Directors

Peter Pearce

Chairman

Qualifications

Master of Public Sector Management, Graduate Diploma in Social Science, Associate Diploma in Business, Master of Ethics and Legal Studies.

Experience

Director since August 2015. Over 30 years' experience in not-for-profit governance with organisations working in employment, homelessness, housing, child and family support, acute health care and child care. He has worked in senior roles in aged care, health, politics, public service, business development and general management. Peter has completed advanced company director studies with the AICD and applied corporate law studies with Chartered Secretaries Australia.

Special Responsibilities

Chair Nominations and Remuneration Committee, Member Supporter Engagement and Advocacy Committee.

Mark Fenton

Deputy Chairman, Director

Qualifications

Master of Business Administration, Bachelor of Business, CPA Program and Company Directors Course Diploma.

Experience

Director since August 2015. Over 15 years of experience as a company director in arts, membership and education related organisations and is the Chairman for the Queensland Alliance for Mental Health Ltd. 25 years' experience as a finance executive and currently the CFO for Endeavour Foundation

Special Responsibilities

Chair Audit and Risk Committee, Member Nominations and Remuneration Committee.

Mark Lightfoot

Director

Qualifications

Bachelor of Commerce (Banking and Finance), Bachelor of Laws, Solicitor of the Supreme Court of Queensland.

Experience

Director since 2013. Partner in the Banking and Financial Services Group of HWL Ebsworth. Experience includes documenting and advising on the structuring of debt finance transactions including property development and investment, construction and project financing.

Special Responsibilities

Member Supporter Engagement and Advocacy Committee, Member Future Projects Committee.

Joanna Spanjaard

Director

Qualifications

Bachelor of Engineering, Masters of Science in Engineering, Graduate of the Australian Institute of Company Directors.

Experience

Director since October 2015. Partner with Deloitte Touche Tohmatsu and leads the risk advisory service in Queensland. She has over 20 years' experience in risk management developing, implementing and providing assurance over all aspects of risk management including risk frameworks, risk appetite, risk maturity diagnostics, risk governance, culture and operating models. Joanna also has deep experience in many industry sectors including not-for-profits, health, public safety, energy, mining and water and regularly facilitates emerging, strategic and operational risk workshops with Boards and senior executives.

Special Responsibilities

Member Audit and Risk Committee.

Information on Directors

Michael Ryall

Director

Qualifications

Masters of Professional Accounting, post graduate qualifications in Applied Finance, Graduate of the Australian Institute of Company Directors. He also holds qualifications in Strata Management and Hotel Management.

Experience

Director since February 2017. Over 20 years' experience in hospitality and property organisations in Australia, UK and the Middle East. Expertise in community and property management, financial management and reporting, governance, business management and project management.

Special Responsibilities

Chair Future Projects Committee, Member Audit and Risk Committee.

Christine Grose

Director

Qualifications

Bachelor of Business Communications (Public Relations).

Experience

Director since May 2017. Over 3 decades of direct service delivery and management experience in the community sector – in particular in the areas of homelessness and youth at risk.

Special Responsibilities

Member Supporter Engagement and Advocacy Committee, Member Future Projects Committee.

Candice Sgroi

Director

Qualifications

Bachelor of Arts (Journalism), Graduate Diploma in Applied Corporate Governance.

Experience

Director since June 2019. Over 20 years experience as a journalist and corporate communications professional obtained in Australia, the United Kingdom and Middle East.

Special Responsibilities

Member Supporter Engagement and Advocacy Committee,

Member Guarantee

In accordance with the Company's constitution each member is liable to contribute \$10 in the event that the company is wound up. The total amount members would contribute is \$210.

Auditor's Independence

The Auditor's declaration of independence appears on page 8 and forms part of the Directors report for the year ended 30 June 2019.

This director's report is signed in accordance with a resolution of the Board of Directors.



Peter Pearce (Chairman)

Dated this 4th day of September 2019.

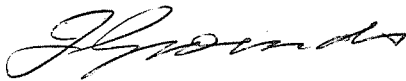
Common Ground Queensland Ltd
ABN 16 134 647 331

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF COMMON GROUND QUEENSLAND LTD UNDER SECTION 60-40
OF THE *Australian Charities and Not-for-profits Commission Act 2012*

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



John Grounds, Chartered Accountant
Registered Company Auditor # 87656
Brisbane

22 August, 2019



STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

| | Note | 2019 | 2018 |
|--|------|------------------|------------------|
| <u>Assets</u> | | | |
| Current Assets | | | |
| Cash at Bank & on Hand | 4 | 1,160,455 | 1,305,415 |
| Receivables & Prepayments | 5 | 139,705 | 89,549 |
| Total Current Assets | | 1,300,160 | 1,394,964 |
| <u>Property Plant & Equipment</u> | | | |
| Plant Equipment & Chattels | 6 | 246,108 | 181,417 |
| Total Property Plant & Equipment | | 246,108 | 181,417 |
| Total Assets | | 1,546,268 | 1,576,381 |
| <u>Liabilities</u> | | | |
| <u>Current Liabilities</u> | | | |
| Creditors & Accruals | 7 | 582,868 | 680,490 |
| Provisions | 8 | 85,032 | 95,817 |
| Total Current Liabilities | | 667,900 | 776,307 |
| <u>Non-Current Liabilities</u> | | | |
| Grants received in advance | 7 | 335,955 | 558,813 |
| Provisions | 8 | 55,235 | 36,523 |
| Total Non-Current Liabilities | | 391,190 | 595,336 |
| Total Liabilities | | 1,059,090 | 1,371,643 |
| Net Assets | | 487,178 | 204,738 |
| <u>Accumulated Funds</u> | | | |
| <i>Accumulated Funds –</i> | | | |
| Retained Earnings | | 336,842 | 204,738 |
| Maintenance Reserve | | 150,336 | - |
| Total Accumulated Funds | | 487,178 | 204,738 |

The accompanying Notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2019

| | Note | 2019 | 2018 |
|--|------|------------------|------------------|
| <u>Operating Income</u> | | | |
| Commission Income | | 1,720 | 1,768 |
| Donations Received | | 14,447 | 9,797 |
| Grants Utilised – Capital | | 54,119 | 54,119 |
| Grants Utilised – Recurrent | 9 | 993,246 | 636,480 |
| Rental Revenue | | 1,601,837 | 1,573,413 |
| Revenue from investments | | 25,637 | 23,412 |
| Volunteer Contribution Income | | 12,000 | 29,750 |
| Other revenue | | 1,585 | 5,876 |
| Gross Income | | 2,704,591 | 2,334,615 |
| <u>Operating Expenses</u> | | | |
| Advertising & Promotion Costs | | 10,437 | 14,716 |
| Fees paid to Independent Auditor | | 7,000 | 7,000 |
| Bad Debts | | (2,937) | 8,322 |
| Bank Charges | | 3,629 | 3,813 |
| Building Services Contract Costs | | 72,154 | 75,249 |
| Computer & Software Expenses | | 39,259 | 33,272 |
| Consultancy, Planning & Compliance Costs | | 15,989 | 17,682 |
| Depreciation | | 86,868 | 69,385 |
| Electricity | | 128,373 | 120,988 |
| Employment Expenses/HR Resources Costs | | 1,396,066 | 1,307,081 |
| Expensed Equipment | | 6,803 | 6,690 |
| Fees, Permits, Subscriptions | | 3,385 | 3,969 |
| Function & Meeting Expenses | | 12,827 | 8,842 |
| Insurance | | 42,875 | 47,102 |
| Leasing & Hiring Charges | | 10,098 | 12,711 |
| Office Supplies, Printing, Postage | | 10,942 | 10,421 |
| Property Costs – Planned | | 289,775 | 190,332 |
| Property Costs – Responsive | | 84,988 | 111,949 |
| Rates | | 37,654 | 48,266 |
| Telephone | | 18,718 | 18,383 |
| Travel & Accommodation | | 5,869 | 4,813 |
| Water Rates & Sewerage | | 116,184 | 146,820 |
| Sundry Building Expenses | | 176 | 2,310 |
| Tenant Support | | 3,000 | 2,664 |
| Volunteer Contribution Expense | | 12,000 | 29,750 |
| Other Expenses | | 10,019 | 8,987 |
| Total Operating Expenses | | 2,422,151 | 2,311,517 |
| Net Ordinary Surplus (Deficit) | | 282,440 | 23,098 |

The accompanying Notes form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2019

| | Note | 2019 | 2018 |
|---|------|------------------|------------------|
| Cash Flows From Operating Activities | | | |
| Receipts from trading, fund raising and donations | | 2,282,837 | 2,221,209 |
| Payments to suppliers and employees including GST input credits paid | | (2,301,875) | (2,123,515) |
| Interest received | | 25,637 | 23,412 |
| Net cash provided by operating activities | 4 | 6,599 | 121,106 |
| Cash Flows From Investing Activities | | | |
| Purchase of property, plant and equipment, including expensed equipment | | (151,559) | (30,817) |
| Net cash provided by (used in) investing activities | | (151,559) | (30,817) |
| Net increase (decrease) in cash held | | (144,960) | 90,289 |
| Cash as at 1 July | | 1,305,415 | 1,215,126 |
| Cash as at 30 June | | 1,160,455 | 1,305,415 |

The accompanying Notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

| | Note | Retained Earnings | Reserves | TOTAL |
|---------------------------------|------|-------------------|----------------|----------------|
| Balance at 1 July 2017 | | 181,640 | - | 181,640 |
| Add | | | | |
| Surplus attributable to members | | 23,098 | - | 23,098 |
| Balance at 30 June 2018 | | 204,738 | - | 204,738 |
| Add | | | | |
| Surplus attributable to members | | 282,440 | - | 282,440 |
| Transfer to Reserves | | (150,336) | 150,336 | - |
| Balance at 30 June 2019 | | 336,842 | 150,336 | 487,178 |

The accompanying Notes form part of the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Company is a not-for-profit, public sector entity which is not publicly accountable. The financial statements are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporation Act 2001 and the *Australian Charities and Not-for-Profits Commission Act 2012*.

REPORTING BASIS AND CONVENTIONS

The report has been prepared on an accruals basis and is based on historic costs and financial assets and financial liabilities on which the fair value basis accounting has been applied.

The following material policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) INCOME TAX

As a not for profit entity, the company is entitled to an exemption from the Australian Taxation Office from the payment of Income Tax on income derived by it and from the lodgement of income tax returns.

(b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and in at call deposits with banks or financial institutions.

(c) REVENUE

If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Revenue is recognised as services are performed and at year end until the service is delivered. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Interest revenue is recognised upon receipt. All revenue is stated net of the amount of GST.

Contracts with tenants are REIQ leases for residential tenancies. Revenue is recognised monthly.

The nature and terms of the building lease includes:

- (i) Lease payments - \$1 per annum
- (ii) Lease term – 7.5 years commencing from 5 February 2016
- (iii) Description of the underlying asset – building with 146 units
- (iv) CGQ is required to use the building to provide accommodation to residents who meet the eligibility requirements set out by the Department of Housing and Public Works and any other lawful use of the premises including the non-residential space to meet the objectives of the Program that is also specified by the Department of Housing and Public Works.

(d) GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these cases, GST is recognised as part of the cost of acquisition of the asset or the expense. Receivables and Payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis.

(e) PROPERTY, PLANT and EQUIPMENT

Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets. The Directors have determined an Asset Recognition Threshold of \$1,000.

The recoverable amount is expected to be materially the same as fair value under AASB13.

(f) DEPRECIATION

Depreciation is charged to the accounts using general rates for each category of plant, equipment and chattels.

| Class of Fixed Asset | Depreciation Rate |
|---------------------------|-------------------|
| Plant & Equipment | 5% to 25% |
| IT Equipment and Software | 20% to 50% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(g) EMPLOYEE ENTITLEMENTS

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date.

Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Sick leave provision has been capped at two weeks entitlement.

(h) PROVISIONS

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the entity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A significant estimate has been the rate of depreciation for furniture and whitegoods assets and the recognition of Grant Revenue.

(j) CHANGES IN ACCOUNTING POLICIES

There has been one Standard that is effective for these financial statements: AASB 15 Revenue from Contracts with Customers.

- The company has recognised volunteer services received as the fair value of those services can be measured reliably. The entity's financial statements have recognised material volunteer services from Mark Lightfoot.

(k) GRANTS RECEIVED IN ADVANCE

The liability for grants received in advance is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after the reporting date or the conditions will only be satisfied more than twelve months after the reporting date, the liability is presented as long term.

NOTE 2: Profit from Ordinary Activities

| | 2019 | 2018 |
|--|---------|--------|
| Profit from ordinary activities has been determined after | | |
| (a) Expenses - Remuneration of Auditor | | |
| - Audit of the Accounts | 6,000 | 6,000 |
| - Advice regarding Superannuation Guarantee Levy | 1,000 | - |
| (b) Expenses - Depreciation & Amortisation (refer note 6) | 86,868 | 69,385 |
| (c) Expenses - Bad & Doubtful Debts | (2,937) | 8,322 |

NOTE 3: Legal Status

The company is a company limited by guarantee and subject to the regulation of the Australian Securities & Investments Commission and Australian Charities and Not-for-Profits Commission Act 2012.

At 30 June 2019 the number of members was 21 (2018:21).

The principal place of business is 15 Hope Street, South Brisbane, Qld 4101.

NOTE 4: CASH FLOW INFORMATION

| | 2019 | 2018 |
|--|------------------|------------------|
| (a) Reconciliation of Cash | | |
| Cash at end of the financial period as showing in the Statements of Cash Flows is reconciled to the related items in the balance sheet as follows: | | |
| Cash at bank | 1,160,455 | 1,305,415 |
| | <u>1,160,455</u> | <u>1,305,415</u> |

(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax

| | | |
|---|----------------|----------------|
| Operating Profit/(Loss) after Income Tax | 282,440 | 23,098 |
| Non-cash flows in operating surplus | | |
| Depreciation & expensed equipment | 86,868 | 69,385 |
| Changes in assets and liabilities | | |
| Decrease /(Increase) in trade and term debtors | (44,371) | 8,951 |
| Decrease / (increase) in prepayments | (5,785) | 7,042 |
| (Decrease) / increase in trade creditors and accruals | (320,481) | (11,055) |
| (Decrease) / increase in employee provisions | 7,928 | 23,685 |
| Cash flows from operations | 6,599 | 121,106 |

NOTE 5: RECEIVABLES & PREPAYMENTS

| | 2019 | 2018 |
|--|----------------|---------------|
| Trade & Other Debtors | 88,651 | 44,280 |
| Prepayments | 51,054 | 45,269 |
| Total Receivables & Prepayments | 139,705 | 89,549 |

NOTE 6: FIXED ASSETS

| | 2018 | 2017 |
|--|----------------|----------------|
| Plant & Equipment | | |
| Plant Equipment & Chattels at cost / valuation | 1,091,854 | 940,295 |
| Accumulated Depreciation | (845,746) | (758,878) |
| Total Plant & Equipment | 246,108 | 181,417 |

The company has little history of estimating its assets useful lives. Initially depreciation was calculated by reference to accommodation rates for similar businesses. As the company has now a history of six years, estimated useful lives of assets have been reassessed based upon actual timing of replacements. The assets primarily comprise furniture and whitegoods used in each dwelling unit.

NOTE 7: CREDITORS, ACCRUALS & TAX LIABILITIES

| | 2019 | 2018 |
|---|----------------|----------------|
| Trade Creditors & Accruals | | |
| Current | | |
| Trade & Other Creditors | 268,012 | 296,432 |
| Accrued Expenses | 146,118 | 74,030 |
| Grant monies received in advance | 168,738 | 310,028 |
| Total Current Creditors & Accruals | 582,868 | 680,490 |
| Non-Current Grants received in advance | 281,836 | 450,574 |
| Non-Current Deferred Income | 54,119 | 108,239 |
| Total Non-Current Liabilities | 335,955 | 558,813 |

The Current Grant monies received in advance has been determined by the authorised use of \$168,738 (2018 \$310,028) of existing surplus funds.

NOTE 8: PROVISIONS

| | 2019 | 2018 |
|------------------------------|----------------|----------------|
| Annual Leave | 56,887 | 69,647 |
| Sick Leave | 27,992 | 26,023 |
| Unpaid Employee Entitlements | 153 | 147 |
| Long Service Leave | 55,235 | 36,523 |
| Total Provisions | 140,267 | 132,340 |
| Current Component | 85,032 | 95,817 |
| Non-Current Component | 55,235 | 36,523 |

NOTE 9: GRANTS RECEIVED IN ADVANCE

| | 2019 | 2018 |
|------------------------------|----------------|----------------|
| Balance at beginning of year | 760,602 | 780,082 |
| Received for 2019 | 683,218 | 617,000 |
| Total received | 1,443,820 | 1,397,082 |
| Taken to P&L | (993,246) | (636,480) |
| Unexpended | 450,574 | 760,602 |

A portion of the unexpended funds have been applied to fund operating costs, the balance of surplus funds are required to be utilised in accordance with Surplus Funding Guidelines provided by the Department of Housing and Public Works.

NOTE 10: RELATED PARTIES

| | 2019 | 2018 |
|--|------|------|
|--|------|------|

GRANT FUNDING

The company receives grant funding from Queensland Government through the Department of Housing and Public Works which provides operational funding under an agreement.

Operational grant funding amounts utilised under the agreement are being brought to revenue in the Statement of Profit and Loss and Other Comprehensive income; unexpended funds (in advance of requirements) are recorded as liabilities as shown at Note 9. Initial funding was also provided for the acquisition of furniture and whitegoods assets and these funds are brought to revenue in line with depreciation of the related assets. The Queensland Government has leased the Brisbane Common Ground Building to Common Ground Queensland with minimal consideration.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Board members are not remunerated.

| | | |
|---|---------|---------|
| Total Key Management Personnel Remuneration | 348,066 | 341,046 |
|---|---------|---------|

NOTE 11: CONTINGENCIES AND CAPITAL COMMITMENTS

There are no contingent liabilities that have been incurred by the company in relation to 2019 or 2018.

The company does not have any significant capital commitments at year end.

NOTE 12: POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

NOTE 13: MEMBER'S 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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the Company are liable to contribute if the Company wound up is \$210 (2018: \$210).

INDEPENDENT AUDITOR'S REPORT

To the Members of Common Ground Queensland Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Common Ground Queensland Ltd, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion the financial report of Common Ground Queensland 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 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the registered entity 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors of the company are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

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

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

Responsibilities of Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the **Liability limited by a scheme approved under Professional Standards Legislation**

going concern basis of accounting unless the directors either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

However, future events or conditions may cause the registered entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



John Grounds, Chartered Accountant


5 September, 2019.

Registered Company Auditor #87656
44 Ferguson Road, Wavell Heights, Queensland

DIRECTORS DECLARATION

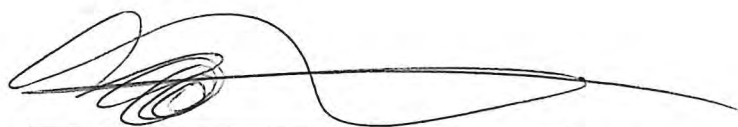
In accordance with resolution of the directors of Common Ground Queensland Ltd. The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 - 15 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
 - b. Give a true and fair view of the financial position of the company as at 30 June 2019 and its performance for the year ended on that date.
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.



Peter Pearce (Chairman)

Dated this 4th day of SEPTEMBER 2019.



Mark Fenton (Chairman, Audit and Risk Committee)

Dated this 4th day of September 2019.