



Common Ground Queensland Ltd

Financial Report

For the Year Ended 30 June 2018

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

DIRECTORS REPORT

Your directors present this report on the company for the financial year ended 30 June 2018.

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	-	9	10
Mark Fenton	10/08/2015	-	9	10
Mark Lightfoot	27/11/2013	-	9	10
Joanna Spanjaard	07/10/2015	-	8	10
Deanna Nott	23/11/2015	-	9	10
Michael Ryall	27/02/2017	-	9	10
Arabella Douglas	20/05/2017	-	7	10
Christine Grose	17/05/2017	-	9	10

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 2018

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

	Actual	Benchmark	Achieved Yes/No
Financial Sustainability			
Rent Revenue	0.56% on budget	=/> budget	Yes
Commercial Revenue	1.56% on budget	=/> budget	Yes
Investment Revenue	79.22% on budget	=/> budget	Yes
Expenses	-22.72% on budget	=/< budget	Yes
Uncollected Rent	0.23%	<5% of rent	Yes
Bad Debts	0.30%	<1.5% of rent	Yes
Rent Foregone	0.80%	<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	51% male / 49% female	50/50 with < 10% variance	Yes
Evictions into Homelessness	0	0	Yes
Eviction Rate	4.95%	<7%	Yes
Vacancy Rate	0.33%	<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, Ex officio of the 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

Deanna Nott	Director
Qualifications	Bachelor of Arts, Master of Defence Studies, Graduate of the Australian Institute of Company Directors.
Experience	Director since October 2015. Extensive experience in communications, marketing and public relations in both the private and public sector.
Special Responsibilities	Member Nominations and Remuneration Committee, Chair Supporter Engagement and Advocacy Committee.
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.
Arabella Douglas	Director
Qualifications	Bachelor of Arts, Bachelor of Law, Bachelor of Business (Hons)(First Class), Graduate of AICD. PhD Candidate.
Experience	Director since May 2017. An environment and planning lawyer having worked in the areas of social and environmental sustainability, resources and housing as a Senior Development and Environmental Lawyer, Government Adviser, Senior Executive of Public and Corporate Sector. Principle and Board Director focusing on large-scale infrastructure, environment and planning. Social and economic sustainability and strategic business improvement.
Special Responsibilities	Member Supporter Engagement and Advocacy Committee, Member Future Projects 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 2018.

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



Peter Pearce (Chairman)

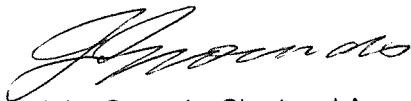
Dated this 5th day of SEPTEMBER 2018.

Common Ground Queensland Ltd
ACN 134 647 331 ABN 16 134 647 331

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE
Australian Charities and Not-for-profits Commission Act 2012
TO THE DIRECTORS OF
COMMON GROUND QUEENSLAND LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, 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

20 August, 2018



STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

	Note	2018	2017
Assets			
Current Assets			
Cash at Bank & on Hand	4	1,305,415	1,215,126
Receivables & Prepayments	5	89,549	105,542
Total Current Assets		1,394,964	1,320,668
Property Plant & Equipment			
Plant Equipment & Chattels	6	181,417	219,984
Total Property Plant & Equipment		181,417	219,984
Total Assets		1,576,381	1,540,652
Liabilities			
Current Liabilities			
Creditors & Accruals	7	680,490	750,667
Provisions	8	95,817	96,176
Total Current Liabilities		776,307	846,843
Non-Current Liabilities			
Grants received in advance	7	558,813	499,690
Provisions	8	36,523	12,479
Total Non-Current Liabilities		595,336	512,169
Total Liabilities		1,371,643	1,359,012
Net Assets		204,738	181,640
Accumulated Funds			
<i>Accumulated Funds – General</i>			
Retained Earnings		181,640	144,593
Net Surplus (Deficit) for period		23,098	37,047
Total Accumulated Funds		204,738	181,640

The accompanying Notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Note	2018	2017
<u>Operating Income</u>			
Commission Income		1,768	1,524
Donations Received		9,797	2,268
Grants Utilised – Capital		54,119	54,119
Grants Utilised – Recurrent	9	636,480	605,468
Grants Utilised - Non Recurrent	9	-	33,870
Rental Revenue		1,573,413	1,515,078
Revenue from investments		23,412	23,902
Volunteer Contribution Income		29,750	-
Other revenue		5,876	8,223
Gross Income		2,334,615	2,244,452
<u>Operating Expenses</u>			
Advertising & Promotion Costs		14,716	6,412
Audit Fees		7,000	5,000
Bad Debts		8,322	3,344
Bank Charges		3,813	3,928
Building Services Contract Costs		75,249	77,882
Computer & Software Expenses		33,272	31,473
Consultancy, Planning & Compliance Costs		17,682	34,490
Depreciation		69,385	67,326
Electricity		120,988	177,479
Employment Expenses/HR Resources Costs		1,307,081	1,290,325
Expensed Equipment		6,690	2,803
Fees, Permits, Subscriptions		3,969	4,712
Function & Meeting Expenses		8,842	9,972
Insurance		47,102	38,296
Leasing & Hiring Charges		12,711	15,495
Office Supplies, Printing, Postage		10,421	9,093
Property Costs – Planned		190,332	84,084
Property Costs – Responsive		111,949	103,530
Rates		48,266	42,097
Telephone		18,383	19,834
Travel & Accommodation		4,813	2,873
Water Rates & Sewerage		146,820	147,912
Sundry Building Expenses		2,310	853
Tenant Support		2,664	8,696
Volunteer Contribution Expense		29,750	-
Other Expenses		8,987	19,496
Total Operating Expenses		2,311,517	2,207,405
Net Ordinary Surplus (Deficit)		23,098	37,047

The accompanying Notes form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2018

	Note	2018	2017
Cash Flows From Operating Activities			
Receipts from trading, fund raising and donations		2,221,209	2,072,575
Payments to suppliers and employees including GST input credits paid		(2,123,515)	(2,078,371)
Interest received		23,412	23,902
Net cash provided by (used in) operating activities	4	121,106	18,106
Cash Flows From Investing Activities			
Purchase of property, plant and equipment, including expensed equipment		(30,817)	(16,299)
Net cash provided by (used in) investing activities		(30,817)	(16,299)
Net increase (decrease) in cash held		90,289	1,807
Cash as at 1 July		1,215,126	1,213,319
Cash as at 30 June		1,305,415	1,215,126

The accompanying Notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

	Note	Retained Earnings	Reserves	TOTAL
Balance at 1 July 2016		144,593	-	144,593
Add				
Surplus (Deficit) attributable to members		37,047	-	37,047
Balance at 30 June 2017		181,640	-	181,640
Add				
Surplus (Deficit) attributable to members		23,098	-	23,098
Balance at 30 June 2018		204,738	-	204,738

The accompanying Notes form part of the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

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.

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.

(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.

The most significant estimate has been the rate of depreciation for furniture and whitegoods assets.

(j) CHANGES IN ACCOUNTING POLICIES

There has been one Revised Standard that is effective for these financial statements:

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets for Not-for Profit Entities.

This Standard amends AASB 136 Impairment of Assets to:

- Remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and
- Clarify that the recoverable amount of primarily no-cash-generating assets of not for profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement.

- 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 Verg Media, Leo Tellam and HWL Ebsworth.

(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

	2018	2017
Profit from ordinary activities has been determined after		
(a) Expenses - Remuneration of Auditor	6,000	5,000
(b) Expenses - Depreciation & Amortisation (refer note 6)	69,385	67,326
(c) Expenses - Bad & Doubtful Debts	8,322	3,334

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 2018 the number of members was 21 (2017:20).

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

NOTE 4: CASH FLOW INFORMATION

	2018	2017
(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	1,305,415	1,215,126
	<u>1,305,415</u>	<u>1,215,126</u>
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating Profit/(Loss) after Income Tax	23,098	37,047
Non-cash flows in operating surplus		
Depreciation & expensed equipment	69,385	67,326
Changes in assets and liabilities		
Decrease /(Increase) in trade and term debtors	8,951	6,731
Decrease / (increase) in prepayments	7,042	(3,924)
(Decrease) / increase in trade creditors and accruals	(11,055)	(121,154)
(Decrease) / increase in employee provisions	23,685	32,079
Cash flows from operations	<u>121,106</u>	<u>18,106</u>

NOTE 5: RECEIVABLES & PREPAYMENTS

	2018	2017
Trade & Other Debtors	44,280	53,231
Prepayments	45,269	52,311
Total Receivables & Prepayments	<u>89,549</u>	<u>105,542</u>

NOTE 6: FIXED ASSETS

	2018	2017
Plant & Equipment		
Plant Equipment & Chattels at cost / valuation	940,295	909,478
Accumulated Depreciation	(758,878)	(689,493)
Total Plant & Equipment	<u>181,417</u>	<u>219,984</u>

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

	2018	2017
Trade Creditors & Accruals		
Current		
Trade & Other Creditors	296,432	242,552
Accrued Expenses	74,030	65,365
Grant monies received in advance	310,028	442,750
Total Current Creditors & Accruals	<u>680,490</u>	<u>750,667</u>
Non-Current Grants received in advance	450,574	337,332
Non-Current Deferred Income	108,239	162,358
Total Non-Current Liabilities	<u>558,813</u>	<u>499,690</u>

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

NOTE 8: PROVISIONS

	2018	2017
Annual Leave	69,647	71,609
Sick Leave	26,023	24,437
Unpaid Employee Entitlements	147	130
Long Service Leave	36,523	12,479
Total Provisions	132,340	108,655
Current Component	95,817	96,176
Non-Current Component	36,523	12,479

NOTE 9: GRANTS RECEIVED IN ADVANCE

	2018	2017
Balance at beginning of year	780,082	886,420
Received for 2017	617,000	533,000
Total received	1,397,082	1,419,420
Taken to P&L	(636,480)	(639,338)
Unexpended	760,602	780,082

A portion of the unexpended funds have been applied to fund 2017/18 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

2018	2017
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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 without consideration.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Board members are not remunerated.

Total Key Management Personnel Remuneration	341,046	328,667
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NOTE 11: CONTINGENCIES AND CAPITAL COMMITMENTS

There are no contingent liabilities that have been incurred by the company in relation to 2018 or 2017.

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 (2017: \$200).

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 2018, 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 2018 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 2018, 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


6 September, 2018.

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 2018 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 5th day of SEPTEMBER 2018.



Mark Fenton (Chairman, Audit and Risk Committee)

Dated this 5th day of September 2018.