



Common Ground Queensland Ltd

Financial Report

for the Year Ended 30 June 2023

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS REPORT

Your directors present this report on the company for the financial year ended 30 June 2023.

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
Justin Hogg	21/07/2021	-	8	10
Mark Lightfoot	27/11/2013	-	7	10
Joanna Spanjaard	07/10/2015	-	8	10
Michael Ryall	27/02/2017	-	10	10
Christine Grose	17/05/2017	-	7	10
Kate Jones	02/02/2021	-	6	10
Mark Neave	26/05/2021	-	10	10
Joell Ogilvie	26/05/2021	-	6	10

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was to provide supportive housing property and tenancy management services to individuals and families who have experienced or at risk of 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 that 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 our supportive housing approach in benefitting people who are formerly homeless or at risk of homelessness.

Operate a financially viable property and tenancy management service at Brisbane Common Ground, Supportive Housing for Families and in our other supportive housing offerings and develop mechanisms to ensure future sustainability for the organisation.

Communicate with stakeholders and broader community regarding the success of Common Ground and single site supportive housing models 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 2023

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

	Actual	Benchmark	Achieved Yes/No
Financial Sustainability			
Common Ground Queensland Revenue and Expenditure			
Rent Revenue	3.01% on budget	=/> budget	Yes
Commercial Revenue	-1.85% on budget	=/> budget	No
Investment Revenue	55.95% on budget	=/> budget	Yes
Expenses	-0.25% on budget	=/< budget	Yes
Brisbane Common Ground – Tenancy Management			
Uncollected Rent	0.40%	<4% of rent	Yes
Bad Debts	0.03%	<1.5% of rent	Yes
Tenancy Mix – Between Formerly Homeless and Affordable Housing Tenants	53%/47%	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	5.44%	<7%	Yes
Vacancy Rate	0.10%	</=0.83%	Yes

Commercial income continues to be negatively impacted by COVID19 with reduced use of our function rooms at Brisbane Common Ground. In response to the housing crisis, CGQ has prioritised vacancies at Brisbane Common Ground to people who are experiencing homelessness.

Information on Directors

Michael Ryall	Co-Chairperson
Qualifications	Masters of Professional Accounting, post graduate qualifications in Applied Finance, Graduate of the Australian Institute of Company Directors. Michael 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	Co-Chairperson
Kate Jones	Co-Chairperson
Qualifications	Masters in Environmental Law and a Bachelor of Arts, Journalism Major.
Experience	Director since February 2021. Kate has more than 20 years experience in senior government and leadership positions. Kate served as a Minister in the Queensland Government for more than eight years in a range of portfolios including State Development, Education, Tourism and Major Events and Innovation and Climate Change. Kate was also the Minister for the Gold Coast Commonwealth Games.
Special Responsibilities	Co-Chairperson, Member of Supporter Engagement and Advocacy Committee.
Peter Pearce	Director
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. Peter has over 40 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 aero-medical retrieval, aged care, health, energy, politics, public service, business development and general management.
Special Responsibilities	Member of Audit and Risk Committee, Member of Supporter Engagement and Advocacy Committee, Member of Growth and Innovation 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	Chair of Supporter Engagement and Advocacy 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. 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

Mark Neave	Director
Qualifications	Masters of Business Communication Studies, Graduate Diploma in Communication, and Bachelor of Social Work, Double Certificates in Social Welfare.
Experience	Director since May 2021. Over 40 years' experience working within the Health and Welfare sectors as a frontline worker ranging from direct clinical work as a social worker in mental health, child safety and acute care and in Executive positions within Government and Non-Government organisations.
Special Responsibilities	Member Growth and Innovation 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	Chair Growth and Innovation Committee, Member Supporter Engagement and Advocacy Committee.
Joell Ogilvie	Director
Experience	Director since May 2021. Joell is the Executive General Manager for the Flight Centre Travel Group (FCTG) and has over 30 years' experience working for Flight Centre. Joell is responsible for a diverse group of businesses within the FCTG. Joell has extensive experience in all aspects of running these businesses with a strong focus on delivering growth and development programs for her team.
Special Responsibilities	Member of Supporter Engagement and Advocacy Committee.
Justin Hogg	Director
Qualifications	Bachelor of Commerce, Graduate Diploma of Applied Corporate Governance.
Experience	Director since July 2021. Justin Hogg has worked as an accountant in a number of industries including overseeing teams responsible for billion-dollar business ventures through to working with charities to further their goals. Justin is passionate about the not-for-profit space and helping those who help others. Justin serves in Director and Company Secretary positions for several not-for-profits currently as well as running his own business that supports not-for-profits. Justin Hogg is a Member of CPA Australia and a Fellow Member of the Governance Institute of Australia.
Special Responsibilities	Chair of Audit and Risk 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 \$220.

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 2023.

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



Michael Ryall (Co-Chairperson)

Dated this 18 day of September 2023.



INDEPENDENT AUDIT SERVICES

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33 Queen Street
BRISBANE QLD 4000

Auditor's Independence Declaration under Section 60 40 of the Charities and Not for profits Commission Act 2012 to the Responsible Persons of Common Ground Queensland

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- 1 No contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- 2 No contraventions of any applicable code of professional conduct in relation to the audit.

INDEPENDENT AUDIT SERVICES
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Jiahui Thum', written over a horizontal line.

Jiahui (Jeremiah) Thum

Director
Brisbane, QLD

Dated: 18 September 2023

STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	Note	2023	2022
<u>Assets</u>			
Current Assets			
Cash at Bank & on Hand		2,423,466	2,470,030
Receivables & Prepayments	4	345,092	333,168
Total Current Assets		2,768,558	2,803,198
<u>Property Plant & Equipment</u>			
Plant Equipment & Chattels	5	190,469	222,107
Total Property Plant & Equipment		190,469	222,107
Total Assets		2,959,027	3,025,305
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Creditors & Accruals	6	691,229	761,143
Provisions	7	153,958	126,076
Total Current Liabilities		845,187	887,219
<u>Non-Current Liabilities</u>			
Grants received in advance	6	-	237,013
Provisions	7	8,323	65,868
Total Non-Current Liabilities		8,323	302,881
Total Liabilities		853,510	1,190,100
Net Assets		2,105,517	1,835,205
<u>Accumulated Funds</u>			
<i>Accumulated Funds –</i>			
Retained Earnings		728,518	746,499
Maintenance Reserve		1,376,999	1,088,706
Total Accumulated Funds		2,105,517	1,835,205

The accompanying Notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2023

	Note	2023	2022
<u>Operating Income</u>			
Revenue	8	2,567,578	2,220,657
Grants Utilised – Recurrent	9	1,917,805	1,797,480
Grants Utilised – Non Recurrent		1,404	-
Finance income – interest		2,921	2,708
Other income		527	3,154
Gross Income		4,490,235	4,023,999
<u>Operating Expenses</u>			
Depreciation and amortisation expenses		89,185	72,765
Finance expenses – interest		869	549
Administration expenses		499,000	364,384
Planned maintenance expenses		280,912	249,008
Responsive maintenance expenses		146,094	97,563
General building expenses		1,105,903	981,604
Tenant charges		115,992	113,131
Human resources		1,981,968	1,720,215
Total Operating Expenses		4,219,923	3,599,213
Net Ordinary Surplus (Deficit)		270,312	424,786

The accompanying Notes form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2023

	Note	2023	2022
Cash Flows From Operating Activities			
Receipts from trading, fund raising and donations		4,075,055	4,069,209
Payments to suppliers and employees including GST input credits paid		(4,066,993)	(3,231,060)
Interest received		2,921	2,708
Net cash provided by operating activities		10,983	840,857
Cash Flows From Investing Activities			
Purchase of property, plant and equipment, including expensed equipment		(57,547)	(101,793)
Net cash provided by (used in) investing activities		(57,547)	(101,793)
Net increase (decrease) in cash held		(46,564)	739,064
Cash as at 1 July		2,470,030	1,730,966
Cash as at 30 June		2,423,466	2,470,030

The accompanying Notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Note	Retained Earnings	Reserves	TOTAL
Balance at 1 July 2021		762,141	648,278	1,410,419
Add				
Surplus attributable to members		424,786	-	424,786
Transfer to Reserves		(440,428)	440,428	-
Balance at 30 June 2022		746,499	1,088,706	1,835,205
Add				
Surplus attributable to members		270,312	-	270,312
Transfer to Reserves		(288,293)	288,293	-
Balance at 30 June 2023		728,518	1,376,999	2,105,517

The accompanying Notes form part of the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Company is a not-for-profit, private 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 – Simplified Disclosures for For-Profit and Not-For Profit tier 2 entities 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) 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. The Department of Housing and Public Works has advised that part of the annual surplus can be retained by the company and used for future maintenance. This has been transferred to a reserve for the 2019, 2020, 2021 and 2022 financial years.

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.

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.

(c) 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.

(d) DEPRECIATION

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

Class of Fixed Asset	Depreciation Rate
Units Contents	20%
Common Area Furniture and Equipment	5% to 20%
Office Furniture and Equipment	15% to 35%
Operational Plant and Equipment	10% to 20%

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 statement of profit or loss.

(e) 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.

(f) 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.

(g) 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.

Significant estimates have been the rate of depreciation for furniture and whitegoods assets, the recognition of Grant Revenue and electricity rebates.

(h) VOLUNTEER SERVICES

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 HWL Ebsworth and other legal advisors.

(i) 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

	2023	2022
Profit from ordinary activities has been determined after		
(a) Expenses - Remuneration of Auditor	6,500	6,000
(b) Expenses - Depreciation & Amortisation (refer note 6)	89,185	72,765
(c) Expenses - Bad & Doubtful Debts	24,592	9,355

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 2023 the number of members was 22 (2022:22).

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

NOTE 4: RECEIVABLES & PREPAYMENTS

	2023	2022
Trade & Other Debtors	203,576	174,350
Prepayments	141,516	158,818
Total Receivables & Prepayments	345,092	333,168

NOTE 5: FIXED ASSETS

At Cost 30 June 2023		Units Contents	Common Area	Office Furniture & Equipment	Operational Plant & Equipment	Total Plant & Equipment
	Cost	745,527	189,776	249,054	100,821	1,285,178
	Additions	-	2,390	22,300	32,857	57,547
	Disposals	-	-	-	-39,019	-39,019
	Closing	745,527	192,166	271,354	94,659	1,303,706
Accumulated Depreciation	Opening	-729,927	-95,358	-176,422	-61,364	-1,063,071
	Disposals	-	-	-	39,019	39,019
	Depreciation	-13,000	-9,412	-39,526	-27,247	-89,185
	Closing	-742,927	-104,770	-215,948	-49,592	-1,113,237
	Written Down Value	2,600	87,396	55,406	45,067	190,469
At Cost 30 June 2022		Units Contents	Common Area	Office Furniture & Equipment	Operational Plant & Equipment	Total Plant & Equipment
	Cost	745,527	177,254	201,320	74,494	1,198,595
	Additions	-	12,522	47,734	41,536	86,583
	Disposals	-	-	-	-15,209	-
	Closing	745,527	189,776	249,054	100,821	1,285,178
Accumulated Depreciation	Opening	-716,927	-87,872	-150,387	-50,330	-1,005,516
	Disposals	-	-	-	15,209	15,209
	Depreciation	-13,000	-7,486	-26,035	-26,243	-72,764
	Closing	-729,927	-95,358	-176,422	-61,364	-1,063,071
	Written Down Value	15,600	94,418	72,632	39,457	222,107

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 ten 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 6: CREDITORS, ACCRUALS & TAX LIABILITIES

	2023	2022
Trade Creditors & Accruals		
Current		
Trade & Other Creditors	341,814	448,301
Accrued Expenses	86,832	52,720
Grant monies received in advance	262,583	260,122
Total Current Creditors & Accruals	691,229	761,143
Non-Current Grants received in advance	-	237,013
Total Non-Current Liabilities	-	237,013

The Current Grant monies received in advance has been determined by the authorised use of \$262,583 (2022 \$260,122) of existing surplus funds.

NOTE 7: PROVISIONS

	2023	2022
Annual Leave	78,133	76,875
Sick Leave	29,314	28,545
Unpaid Employee Entitlements	1,002	822
Long Service Leave	53,832	85,702
Total Provisions	162,281	191,944
Current Component	153,958	126,076
Non-Current Component	8,323	65,868

NOTE 8: REVENUE

	2023	2022
Rental Revenue	1,917,081	1,671,880
Tenant Payments	111,578	112,538
Commercial Revenue	179,043	164,873
Fundraising Event Revenue	181,734	-
Commission Income	1,144	1,559
Donations	108,673	194,807
Volunteer Income	68,325	75,000
Total Provisions	2,567,578	2,220,657

NOTE 9: GRANTS RECEIVED IN ADVANCE

	2023	2022
Balance at beginning of year	497,135	324,628
Received for 2023	1,683,253	1,969,987
Total received	2,180,388	2,294,615
Taken to P&L	(1,917,805)	(1,797,480)
Unexpended (Refer Note 6)	262,583	497,135

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

	2023	2022
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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 agreements.

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	498,603	402,145
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The 2023 figure increase is due to Long Service Leave payout for prior CEO, Sonya Keep, and there was a 3 month overlap for handover to the new CEO, Sue Pope.

NOTE 11: CONTINGENCIES AND CAPITAL COMMITMENTS

There are no contingent liabilities that have been incurred by the company in relation to 2023 or 2022.

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 2023, the total amount that members of the Company are liable to contribute if the Company wound up is \$220 (2022: \$220).

NOTE 14: ECONOMIC DEPENDENCY

Common Ground Queensland is dependent on the ongoing receipt of financial assistance from the Queensland State Government to continue delivering its charitable programs. The Directors have no reason to believe that the government will discontinue its support of Common Ground 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 - 16 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - a. Comply with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-For Profit tier 2 entities 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 2023 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.



Michael Ryall (Co-Chairperson)

Dated this 18 day of September 2023.



Justin Hogg (Chairman, Audit and Risk Committee)

Dated this 18 day of September 2023.



INDEPENDENT AUDIT SERVICES

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Independent Audit Report to the members of Common Ground Queensland

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Common Ground Queensland, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial report of Common Ground Queensland is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Opening Balances

We have been appointed as auditors for the year ended 30 June 2023. Given we are unable to verify the opening balances brought forward from the financial year ended 30 June 2022, we cannot provide an audit opinion on the opening balances for the entity. We have therefore qualified on the opening balances for the Entity.

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 Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 qualified opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The responsible persons of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Responsibilities of Management and Those Charged with Governance

In preparing the financial report, the responsible persons are responsible for assessing the Entity'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 the responsible entities either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDIT SERVICES

Chartered Accountants



Jiahui (Jeremiah) Thum

Director

Brisbane, QLD

Dated: 18 September 2023