



**THE HAYMARKET FOUNDATION LTD**  
**ABN 24 001 397 986**

**FINANCIAL REPORT - 30 JUNE 2018**

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**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' REPORT**

The Haymarket Foundation Ltd is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors present the report on The Haymarket Foundation Ltd for the financial year ended 30 June 2018 and report are as follows:

**DIRECTORS**

The names and other information of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

<b>DIRECTOR'S NAME</b>	<b>QUALIFICATIONS, EXPERIENCE &amp; OTHER INFORMATION</b>
<p><b>The Hon Kevin R. Rozzoli (AM)</b>  <b>Date appointed:</b>  <b>Qualifications and experience:</b></p>	<p>Chairman            25 May 1976            The Hon Kevin Rozzoli (AM) is a founding Director of the Haymarket Foundation and has worked in the role of Chairman for the past 30 years. Mr Rozzoli holds a Diploma of Laws and was a member of the NSW Legislative assembly from 1973 to 2003, serving in the role of Speaker of the Parliament from 1988 to 1995. Kevin is a tireless advocate for socially and economically disadvantaged members of the community, and also sits as a board member of the NSW Law and Justice Foundation as well as the NSW Public Interest Advocacy Centre.</p>
<p><b>Mr Richard Boyer</b>  <b>Date appointed:</b>  <b>Qualifications and experience:</b></p>	<p>Deputy Chairman            17 October 2011            Richard Boyer has been a Director of the Haymarket Foundation for the past six years. Mr Boyer holds a degree in Economics and Computer Sciences from the University of Canberra and was a senior executive in the financial services sector specialising in strategy, technology and service management. Since retirement, Richard has committed his time to supporting community and environmental causes as well as managing farming enterprises in South Australia.</p>
<p><b>Mr Peter Valpiani</b>  <b>Date appointed:</b>  <b>Qualifications and experience:</b></p>	<p>Company Secretary            9 October 2017            Peter Valpiani was appointed as a Director and Company Secretary of the Haymarket Foundation in October 2017. Mr Valpiani is an MBA Candidate at the Macquarie Graduate School of Management, holds a degree in Communications from Griffith University, as well as professional qualifications in Project and Change Management. Peter is currently the Chief Executive Officer of the Haymarket Foundation, and has spent his career working in the Homelessness and Not for Profit Sector.</p>

**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' REPORT**

<b>DIRECTOR'S NAME</b>	<b>QUALIFICATIONS, EXPERIENCE &amp; OTHER INFORMATION</b>
<p><b>Mr Jeff Smith</b>  <b><i>Date appointed:</i></b>  <b><i>Qualifications and experience:</i></b></p>	<p>Director  18 May 2016  Jeff Smith has been a Director of the Haymarket Foundation for the past two years. Mr Smith is a solicitor and holds a Master of Laws from Sydney University and a Bachelor of Arts/Law from Macquarie University. Jeff works as a senior consultant at Westwood Spice, a purpose-based consultancy firm where he specialises in governance, sustainability, and environmental law. He is a passionate supporter of social justice, having sat on the boards of the Total Environment Centre, the Environmental Planning and Law Association and Community Legal Centres NSW.</p>
<p><b>Ms Patricia Bramble</b>  <b><i>Date appointed:</i></b>  <b><i>Qualifications and experience:</i></b></p>	<p>Director  15 September 2010  Trish Bramble has been a Director of the Haymarket Foundation for the past eight years. Ms Bramble holds degrees in management and adult education from the University of Technology Sydney and has spent her career working in the Community Services Sector. Trish is an experienced NFP executive who has led multiple services and change initiatives, and currently sits as the Chairwoman of Homelessness NSW.</p>
<p><b>Dr Stephen Wilson</b>  <b><i>Date appointed:</i></b>  <b><i>Qualifications and experience:</i></b></p>	<p>Director  20 August 2008  Dr Stephen Wilson has been a Director of the Haymarket Foundation for the past ten years. Stephen is a rehabilitation physician with clinical experience in managing the health of people suffering homelessness. Dr Wilson is involved in teaching as an Adjunct Associate Professor at the University of Notre Dame, and has Clinical Appointments at the Mater Hospital and the Royal North Shore Hospital.</p>
<p><b>Mr John Sheahan (QC)</b>  <b><i>Date appointed:</i></b>  <b><i>Qualifications and experience:</i></b></p>	<p>Director  20 July 2011  John Sheahan QC has been a Director of the Haymarket Foundation for the past seven years. Mr Sheahan was admitted as a barrister in 1984, took silk in 1997, and has worked on many high-profile cases including as Council Assisting the Special Commission of Inquiry into transactions involving James Hardie. John is also a member of the board of governors of the Law and Justice Foundation and was appointed to the Takeovers Panel in 2014. John was granted a leave of absence from the Haymarket Board in May 2018 due to his commitments as part of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.</p>

**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' REPORT**

<b>DIRECTOR'S NAME</b>	<b>QUALIFICATIONS, EXPERIENCE &amp; OTHER INFORMATION</b>
<p><b>Ms Helen Gillam</b>  <b>Date appointed:</b>  <b>Date resigned:</b></p>	<p>Director  1 January 2017  12 December 2017  Helen Gillam is a qualified accountant and a Lecturer in the accounting Discipline Group at the University of Technology Sydney. Helen resigned as Treasurer and Director of the Haymarket Foundation in December 2017.</p>
<p><b>Ms Lesley Butt</b>  <b>Date appointed:</b>  <b>Date resigned:</b>  <b>Qualifications and experience:</b></p>	<p>Director  17 April 2017  19 October 2017  Lesley Butt is an experienced executive in the community services sector, and served as a Director of the Haymarket Foundation for ten years. Lesley resigned as a Director of the Haymarket Foundation in October 2017.</p>
<p><b>Mr Matthew Flynn</b>  <b>Date appointed:</b>  <b>Date resigned:</b>  <b>Qualifications and experience:</b></p>	<p>19 November 2014  15 September 2017  Matthew Flynn is an experienced executive in the community services sector, and worked as the Chief Executive Officer and Company Secretary of the Haymarket Foundation for just under three years. Matthew resigned as Company Secretary and Director of the Haymarket Foundation in September 2017.</p>

**PRINCIPAL ACTIVITIES**

The principal activities of the Haymarket Foundation Ltd over the course of the financial year were delivered across two key domains, Specialist Homelessness Services (SHS) and Alcohol and Other Drugs (AOD) Services.

The Foundation delivered three Specialist Homelessness Services (SHS) programs; The Haymarket Centre, Rapid Response Program (Rapid), and the Sydney Homelessness Early Intervention Service (SHEIS). An operational summary of each programs is outlined below.

- *The Haymarket Centre:* The Haymarket Centre ("The Centre", THC) is a 24-bed crisis accommodation facility funded by the Department of Family and Community Services. Bed availability is split into 11 male beds, 11 female beds, and two transgender beds. To be admitted into this service, clients must; be homeless, have a diagnosed mental health condition, and still using drugs or alcohol. The service is always open (24 hours per day, 365 days a year), with case management services delivered using a harm minimisation, trauma informed approach. The goal of this service is to stabilise clients through pro-active case management and advocacy work to establish pathways to permanent accommodation.

**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' REPORT****PRINCIPAL ACTIVITIES (CONTINUED)**

- *Rapid Response Program:* The Rapid Response Program (Rapid) aims to quickly re-accommodate people who are newly homeless. This program is led by the Young Women's Christian Association (YWCA), with the Haymarket Foundation providing high effort case work and community-based accommodation to men and women under a sub-contracting, Joint Working Agreement (JWA). Case management services are delivered across the Central and Inner Western Suburbs of Sydney between 8:00am to 4:00pm Monday to Friday, with clients staying in transitional community-based accommodation for up to three months. The goal of this service is to identify and transition clients to permanent accommodation to prevent long-term homelessness.
- *Sydney Homelessness Early Intervention Service:* The Sydney Homelessness Early Intervention Service (SHEIS) provides short-term case work and brokerage services to people who are at risk of, or who are newly homeless. This program is led by Mission Australia (MA), with the Haymarket Foundation providing high effort case work and brokerage services to men and women under a sub-contracting, Joint Working Agreement (JWA). Case management services are delivered across the Central and Inner Western Suburbs of Sydney between 8:00am to 4:00pm Monday to Friday, with clients receiving brokerage (e.g. support in clearing rental arrears) and additional service linkages to remain in secure accommodation. The goal of this service is to support clients to remain in permanent accommodation and prevent primary homelessness from occurring.

The Foundation also delivered four Alcohol and Other Drugs Programs; the HIV/AOD Integrated Care Program, the Bourke Street Project, the AOD Counselling Service, and a Waiting List Support Service. An operational summary of each of these programs is outlined below:

- *HIV/AOD Integrated Care Program:* The HIV/AOD Integrated Care Program is a four-bed stabilisation unit located within The Haymarket Centre funded by the South Eastern Sydney Local Health District (SESLHD). Clients are typically referred to this service from the AIDS Dementia and HIV Psychiatry Service (ADAHPS), and must be HIV positive, homeless, have a diagnosed mental health condition, and still using drugs or alcohol to be admitted into the service. The service is always open (24 hours per day, 365 days a year), with social work and case management services co-delivered by Haymarket, the NSW Health HIV Community Team and the Bobby Goldsmith Foundation (BGF) using a harm minimisation, trauma informed approach. Clients stay until they are stable and are then transitioned to the Bobby Goldsmith Foundation's Floating Care Program.
- *The Bourke Street Project:* The Bourke Street Program is a community living skills and accommodation program funded by the SESLHD for up to 24 men who have completed a residential rehabilitation program and require additional support to maintain a drug free lifestyle. Clients are typically referred to this program from residential rehabilitation services and must be clean/sober for at least 30 days to be considered for admission. Case management, group therapy, and living skills programs are delivered using a strengths-based approach between 10.00am to 6:00pm Mondays, and 8:00am to 4:00pm Tuesdays to Fridays. The goal of this service is to support men to rebuild their lives and to build the strengths required to remain clean and sober in broader society.

**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' REPORT****PRINCIPAL ACTIVITIES (CONTINUED)**

- AOD Counselling Service: The AOD Counselling service is a face to face service that provides counselling support to people who are trying to achieve and maintain a drug free lifestyle. The service is funded by the Central and Eastern Primary Health District (CESPHN) with the psychologist also conducting group therapy and outreach clinics to Foster House and the Ozenam Learning Centre and supports the Haymarket staff in their case management of clients by providing clinical supervision or crisis intervention.
- Waiting List Support Service: The Waiting List Support Service (WLSS) is a telephone and face-to-face service that provides support and assistance to people who having difficulties navigating or waiting to access rehabilitation services. WLSS is funded by the Central and Eastern Primary Health District (CESPHN) with the aim to provide ongoing emotional support to help individuals stay on treatment service wait lists, support to clients in accessing community & treatment services, provide information on available treatment services, and care coordination and advocacy.

**OPERATING RESULT**

The operating result of the company for the financial year was a deficit of \$182,754 (2017: deficit \$320,244).

**OBJECTIVES OF THE COMPANY**

The short-term objectives of the company are;

- Build fundraising capability in order to diversify revenue.
- Complete cost efficiency programs to ensure maximum resource allocation to frontline service delivery.
- Implement outcomes focused data models to demonstrate the impact and outcomes of services.

The long-term objectives of the company are;

- Implement and embed Human Centered Design processes across all client facing services. Develop research partnerships with government and research bodies to identify and further pursue best practice and quality service approaches through empirical research.
- Provide relevant, innovative primary health services to people experiencing homelessness in Sydney.

The Company has adopted the following strategies to achieve its objectives;

- Undertake re-accreditation to ACHS EQUIP 6 standards.
- Improvements to governance and mission through the adoption of a new constitution, vision, mission and core values.
- Improvements to financial management and compliance processes improvements to human resources processes.
- Re-capitalisation of physical assets.
- Development of new marketing and communications assets adoption of new technology and business intelligence frameworks.

**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' REPORT****MEETINGS OF DIRECTORS**

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	<b>Board of Directors</b>		<b>Finance Committee</b>	
	<b>Eligible</b>	<b>Attended</b>	<b>Eligible</b>	<b>Attended</b>
Kevin Rozzoli	12	12	2	2
Richard Boyer	12	11	2	2
Peter Valpiani*	9	9	2	2
Jeff Smith	12	5	-	-
Patricia Bramble	12	10	-	-
Stephen Wilson	12	10	-	-
John Sheahan	12	6	-	-
Helen Gillam**	6	1	-	-
Lesley Butt**	4	0	-	-
Mathew Flynn**	2	2	-	-

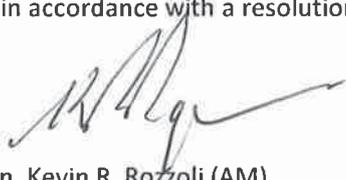
\* *Appointed during the year*

\*\* *Resigned during the year*

**MEMBERS LIABILITY**

The Haymarket Foundation Ltd is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each toward meeting any outstanding obligations of the company. As at 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$140 (2017: \$180).

Signed in accordance with a resolution of the Board of Directors.



The Hon. Kevin R. Rozzoli (AM)  
Chairman and Director

Sydney, 28 August 2018

**THE HAYMARKET FOUNDATION LTD**  
**ABN 24 001 397 986**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,163,892	1,036,250
Trade and other receivables	7	61,254	7,339
<i>Total current assets</i>		<u>1,225,146</u>	<u>1,043,589</u>
<b>Non-current assets</b>			
Financial assets	8	3,037,115	-
Property, plant and equipment	9	39,747	3,577,186
<i>Total non-current assets</i>		<u>3,076,862</u>	<u>3,577,186</u>
<b>TOTAL ASSETS</b>		<u>4,302,008</u>	<u>4,620,775</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	113,352	120,539
Provisions	11	257,720	412,329
<i>Total current liabilities</i>		<u>371,072</u>	<u>532,868</u>
<b>Non-current liabilities</b>			
Provisions	11	44,486	55,818
<i>Total non-current liabilities</i>		<u>44,486</u>	<u>55,818</u>
<b>TOTAL LIABILITIES</b>		<u>415,558</u>	<u>588,686</u>
<b>NET ASSETS</b>		<u><b>3,886,450</b></u>	<u><b>4,032,089</b></u>
<b>FUNDS</b>			
Accumulated funds		3,849,335	809,676
Reserves		37,115	3,222,413
<b>TOTAL FUNDS</b>		<u><b>3,886,450</b></u>	<u><b>4,032,089</b></u>

**THE HAYMARKET FOUNDATION LTD****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Revenue</b>	4	2,870,223	2,893,011
		<u>2,870,223</u>	<u>2,893,011</u>
<b>Expenses</b>			
Administration and other expenses		(230,630)	(302,010)
Employee benefits expense	5	(2,100,437)	(2,248,041)
Depreciation and amortisation	5	(29,071)	(20,721)
Service costs		(78,926)	(79,968)
Occupancy costs		(548,782)	(562,515)
Other expenses		(65,131)	-
		<u>(3,052,977)</u>	<u>(3,213,255)</u>
<b>Surplus (deficit) before income tax</b>		(182,754)	(320,244)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
<b>Surplus (deficit) for the year</b>		<u>(182,754)</u>	<u>(320,244)</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gains on available-for-sale financial assets		37,115	-
<b>Total other comprehensive income for the year</b>		<u>37,115</u>	<u>-</u>
<b>Total comprehensive income (loss) for the year</b>		<u><u>(145,639)</u></u>	<u><u>(320,244)</u></u>

**THE HAYMARKET FOUNDATION LTD****STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Accummulated Funds	Financial Assets Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	1,129,920	-	3,222,413	4,352,333
<b>Comprehensive income</b>				
Surplus (deficit) for the year	(320,244)	-	-	(320,244)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income (loss) for the year</b>	<u>(320,244)</u>	<u>-</u>	<u>-</u>	<u>(320,244)</u>
<b>Balance at 30 June 2017</b>	<u><b>809,676</b></u>	<u>-</u>	<u><b>3,222,413</b></u>	<u><b>4,032,089</b></u>
<b>Balance at 1 July 2017</b>	809,676	-	3,222,413	4,032,089
<b>Comprehensive income</b>				
Surplus (deficit) for the year	(182,754)	-	-	(182,754)
Other comprehensive income	-	37,115	-	37,115
<b>Total comprehensive income (loss) for the year</b>	<u>(182,754)</u>	<u>37,115</u>	<u>-</u>	<u>(145,639)</u>
Transfers to/from reserves	3,222,413	-	(3,222,413)	-
<b>Balance at 30 June 2018</b>	<u><b>3,849,335</b></u>	<u><b>37,115</b></u>	<u>-</u>	<u><b>3,886,450</b></u>

**THE HAYMARKET FOUNDATION LTD****STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government		3,378,791	2,856,256
Payments to suppliers and employees		(3,737,160)	(3,176,117)
Investment income received		42,774	37,921
<i>Net cash flows from operating activities</i>		<u>(315,595)</u>	<u>(281,940)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		3,449,921	-
Purchase of property, plant and equipment		(6,684)	-
Purchase of financial assets		(3,000,000)	-
<i>Net cash flows from investing activities</i>		<u>443,237</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		127,642	(281,940)
Cash and cash equivalents at the beginning of the financial year		<u>1,036,250</u>	<u>1,318,190</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,163,892</u></u>	<u><u>1,036,250</u></u>

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 1 - Reporting entity**

The financial report includes the financial statements and notes of The Haymarket Foundation Ltd. The Haymarket Foundation Ltd is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements were approved by the Board of Directors on 28 August 2018.

**Note 2 - Basis of preparation*****Statement of compliance***

The Haymarket Foundation Ltd has adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards* and *AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

***Basis of measurement***

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

***Comparatives***

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed

***Critical accounting estimates and judgements***

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 2 - Basis of preparation (continued)*****Critical accounting estimates and judgements (continued)*****Key estimates*****Impairment***

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

***Long service leave provision***

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of rates and pay increases through promotion and inflation have been taken into account.

***New and revised standards that are effective for these financial statements***

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2017, however none have significantly impacted the company's financial statements.

***New standards and interpretations not yet adopted***

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the company. These include:

- AASB 9 *Financial Instruments* (effective for the year ending 30 June 2019)
- AASB 15 *Revenue from Contracts with Customers* (effective for the year ending 30 June 2020)
- AASB 16 *Leases* (effective for the year ending 30 June 2020)
- AASB 1058 *Income of Not-for-profit Entities* (effective for the year ending 30 June 2020)

The Directors' assessment of the impact of these new standards (to the extent applicable to the company) is that none are expected to significantly impact the company's financial statements in future reporting periods.

**Note 3 - Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

***Income Tax***

The Haymarket Foundation Ltd is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 3 - Significant accounting policies (continued)*****Goods and Services Tax (GST)***

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

***Revenue recognition***

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

***Grants, donations and bequests***

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

***Interest***

Interest revenue is recognised as it accrues using the effective interest method.

***Other revenue***

Other revenue is recognised when it is received or when the right to receive payment is established.

***Cash and cash equivalents***

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

***Trade receivables***

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

**THE HAYMARKET FOUNDATION LTD**

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

**Note 3 - Significant accounting policies (continued)**

***Property, plant and equipment***

**Recognition and measurement**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

**Depreciation**

The depreciable amount of all property, plant and equipment including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Leasehold improvements	10%
Plant and equipment	20%-33.33%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

***Impairment of assets***

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

***Financial instruments***

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)*****Classification and subsequent measurement**

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

***Non-derivative financial assets***

The company classifies its non-derivative financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its non-derivative financial assets at initial recognition and re-evaluates this designation at each reporting date.

***Financial assets at fair value through profit or loss***

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if the possibility exists that it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

***Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. This includes the capital index bonds and deposits held with financial institutions with original maturity dates of greater than twelve months held by the company.

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)****Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months after the end of the reporting period.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The company only holds financial instruments that are traded in an active market. The fair value of financial instruments traded in active markets (such as publicly traded securities and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment

At the end of each reporting period, the Directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

***Trade and other payables***

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 3 - Significant accounting policies (continued)*****Employee benefits***

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

***Provisions***

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

***Fair value of assets and liabilities***

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value.

Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

THE HAYMARKET FOUNDATION LTDNOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b><u>Note 4 - Revenue</u></b>		
<b>Revenue</b>		
Grants revenue - government	2,074,725	2,004,080
Grants revenue - other	497,924	451,435
Clients fees	151,816	177,743
Donations	3,395	3,214
Investment income	82,218	36,730
	<u>2,810,078</u>	<u>2,673,202</u>
<b>Other revenue</b>		
ERO income	-	98,449
Rental income	-	60,955
Other revenue	60,145	60,405
	<u>60,145</u>	<u>219,809</u>
<i>Total revenue</i>	<u><u>2,870,223</u></u>	<u><u>2,893,011</u></u>
<b><u>Note 5 - Expenses</u></b>		
Depreciation expense	29,071	20,721
Employee benefits expense	2,100,437	2,248,041
Loss on disposal of property, plant and equipment	65,131	-
Rental expenses	343,831	372,794
<b><u>Note 6 - Cash and cash equivalents</u></b>		
Cash at bank and on hand	313,009	206,688
Cash on deposit	850,883	829,562
<i>Total cash and cash equivalents</i>	<u><u>1,163,892</u></u>	<u><u>1,036,250</u></u>
<b><u>Note 7 - Trade and other receivables</u></b>		
<b><u>Current</u></b>		
Accrued income	46,783	7,339
Other receivables	12,284	-
Prepayments	2,187	-
<i>Total current trade and other receivables</i>	<u><u>61,254</u></u>	<u><u>7,339</u></u>

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>Note 8 - Financial assets</b>		
<u>Non-current</u>		
Available-for-sale financial assets		
Units in managed funds	3,037,115	-
<i>Total non-current financial assets</i>	<u>3,037,115</u>	<u>-</u>

**Movements in carrying amount**

Opening net carrying amount	-	-
Additions	3,000,000	-
Revaluations	37,115	-
Closing net carrying amount	<u>3,037,115</u>	<u>-</u>

**Note 9 - Property, plant and equipment**

	Land and Buildings \$	Leasehold Improvements \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
<b>At 30 June 2017</b>					
Cost	-	16,100	209,462	133,636	359,198
Fair value	3,500,000	-	-	-	3,500,000
Accumulated depreciation	-	(13,312)	(186,645)	(82,055)	(282,012)
<i>Net carrying amount</i>	<u>3,500,000</u>	<u>2,788</u>	<u>22,817</u>	<u>51,581</u>	<u>3,577,186</u>

**Movements in carrying amounts**

Opening net carrying amount	3,500,000	2,788	22,817	51,581	3,577,186
Additions	-	-	6,684	-	6,684
Disposals	(3,500,000)	-	(15,052)	-	(3,515,052)
Depreciation charge for the year	-	(1,610)	(7,033)	(20,428)	(29,071)
Closing net carrying amount	<u>-</u>	<u>1,178</u>	<u>7,416</u>	<u>31,153</u>	<u>39,747</u>

**At 30 June 2018**

Cost	-	16,100	36,415	102,139	154,654
Accumulated depreciation	-	(14,922)	(28,999)	(70,986)	(114,907)
<i>Net carrying amount</i>	<u>-</u>	<u>1,178</u>	<u>7,416</u>	<u>31,153</u>	<u>39,747</u>

	2018 \$	2017 \$
<b>Note 10 - Trade and other payables</b>		
<u>Current</u>		
Trade payables	19,711	45,039
GST payable	20,185	24,518
Other payables	73,456	50,982
<i>Total current trade and other payables</i>	<u>113,352</u>	<u>120,539</u>

**THE HAYMARKET FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b><u>Note 11 - Provisions</u></b>		
<u>Current</u>		
Employee entitlements - annual leave	186,954	124,233
Employee entitlements - long service leave	70,766	51,909
Provision - redundancies	-	225,137
Provision - Ecclesia Housing	-	11,050
<i>Total current provisions</i>	<u>257,720</u>	<u>412,329</u>
<u>Non-current</u>		
Employee entitlements - long service leave	44,486	55,818
<i>Total non-current provisions</i>	<u>44,486</u>	<u>55,818</u>
<b><u>Note 12 - Key management personnel compensation</u></b>		
The aggregate amount of compensation paid to key personnel during the year was:	<u>204,223</u>	<u>315,179</u>
<b><u>Note 13 - Commitments</u></b>		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	405,402	339,431
Later than 1 year not later than 5 years	121,609	343,802
	<u>527,011</u>	<u>683,233</u>

**Note 14 - Economic Dependency**

The Haymarket Foundation is dependent on various state and federal government departments and agencies for the majority of its revenue used to operate the business. At 30 June 2018 the Directors have no reason to believe these departments will not continue to support the company.

**Note 15 - Contingent liabilities**

At balance date the Directors of the company are not aware of the existence of any contingent liability.

**Note 16 - Events occurring after balance date**

There were no significant events occurring after balance date

**Note 17 - Limitation of members' liability**

The company is registered as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$20 per member. At 30 June 2018 the number of members of this company was 7 (2017: 9).

**THE HAYMARKET FOUNDATION LTD****ABN 24 001 397 986****FINANCIAL REPORT - 30 JUNE 2018****DIRECTORS' DECLARATION**

The Directors of The Haymarket Foundation Ltd declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 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 as at 30 June 2018 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



The Hon. Kevin R. Rozzoli (AM)  
Chairman and Director

Sydney, 28 August 2018

**THE HAYMARKET FOUNDATION LTD**

**ABN 24 001 397 986**

**FINANCIAL REPORT - 30 JUNE 2018**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE HAYMARKET FOUNDATION LTD**

***Opinion***

We have audited the financial report of The Haymarket Foundation Ltd which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of The Haymarket Foundation Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company'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 - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

***Directors' Responsibility for the Financial Report***

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company'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 Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

**THE HAYMARKET FOUNDATION LTD**  
**ABN 24 001 397 986**

**FINANCIAL REPORT - 30 JUNE 2018**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**THE HAYMARKET FOUNDATION LTD**

***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We 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 we identify during our audit.



**Stewart Brown**  
Chartered Accountants



**Stuart Hutcheon**  
Partner

28 August 2018