

**Odyssey House Trust**

**Financial Statements**

**For the year ended 30 June 2023**

## Table of Contents

Statement of responsibility	3
Independent Auditor's report	4
Non financial information	7
Statement of service performance	8
Statement of comprehensive revenue and expense	14
Statement of financial position	15
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17
Note 1 - Reporting entity	17
Note 2 - Basis of preparation	17
Note 3 - Use of judgements and estimates	17
Note 4 - Significant accounting policies	17
Note 5 - Revenue and other income	21
Note 6 - Expenses	21
Note 7 - Cash and cash equivalents	22
Note 8 - Trade and other receivables	22
Note 9 - Investments	22
Note 10 - Property, plant and equipment	23
Note 11 - Trade and other payables	23
Note 12 - Employee entitlements	24
Note 13 - Funds received in advance	24
Note 14 - Equity	24
Note 15 - Reconciliation of net surplus/(deficit) to net cash flow from operating activities	25
Note 16 - Capital commitments and operating leases	25
Note 17 - Contingencies	25
Note 18 - Related party transactions	26
Note 19 - Events after balance date	26

## STATEMENT OF RESPONSIBILITY

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We are responsible for the preparation of Odyssey House Trust's financial statements and for the judgements made in them.

We are responsible for any end-of-year performance information provided by Odyssey House Trust in accordance with the Financial Reporting Act 2013, International Public Sector Accounting Standards issued in New Zealand (PBE IPSAS RDR) and section 42 (a) of the Charities Act 2005.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements fairly reflect the financial position and operations of Odyssey House Trust for the year ended 30 June 2023.

The Board, or any other body, does not have the power to amend these financial statements once issued.

Signed on behalf of the Board:



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**Chairman**

Dated: 20 December 2023



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**Trustee**

Dated: 20 December 2023

# Independent Auditor's Report

## To the Trustees of Odyssey House Trust

### Report on the Audit of the financial report

#### Opinion

We have audited the financial report of Odyssey House Trust (the "Entity") which comprise:

- a. the financial statements set out on pages 14 to 26, which comprise the statement of financial position as at 30 June 2023, statement of comprehensive revenue and expense, 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
- b. the statement of service performance on page 8 to 13.

In our opinion, the accompanying financial report present fairly, in all material respects:

- a. the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended; and
- b. the service performance for the year ended 30 June 2023 in accordance with the Entity's service performance criteria

in accordance with the Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR) issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) issued by the New Zealand Auditing and Assurance Standards Board. 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 Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Entity.

#### Other Information

The Trustees are responsible for the other information. The other information comprises the Statement of Responsibility and Non-Financial information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in

the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Those Charged with Governance for the Financial Report**

Those charged with governance are responsible on behalf of the Entity for:

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with PBE IPSAS RDR issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with PBE IPSAS RDR; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees on behalf of the Entity 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 those charged with governance either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

### **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 are 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 ISAs (NZ) 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 ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, 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 the entity's 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 management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance 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 statements 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's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the service performance information, including the disclosures, and whether the financial statements and the service performance information represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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.

**Restriction on use of our report**

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees, as a body, those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entity and its Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited****Auckland, New Zealand****20 December 2023**

**ODYSSEY HOUSE TRUST**  
**NON FINANCIAL INFORMATION**

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**ENTITY INFORMATION**

<b>Legal name of entity</b>	Odyssey House Trust
<b>Type of entity and legal basis</b>	Charitable trust and registered charity
<b>Registration number</b>	CC21143

**Entity's purpose or mission**

Odyssey House Trust was incorporated under the Charitable Trusts Act 1957 on the 5th day of March 1980.

The objects are set out in clause 2 of the Trust Deed of Odyssey House Trust dated 16th day of August 2000 with the purpose of providing the best possible outcomes for clients.

The objects of Odyssey House Trust are to do anywhere within the dominion of New Zealand, any of the following acts or things, namely:

(a) To establish, maintain or promote the establishment and maintenance of rehabilitation facilities of all types including homes, hospitals, clinics and other residences for persons who have misused or abused drugs or are dependent upon drugs of addiction of all kinds.

(b) To provide counselling services and other assistance support and help to persons seeking or in need of such services as result of abuse of or dependence upon drugs.

(c) To educate the public and to promote and encourage educational campaigns of the problems and dangers of the use and misuse of narcotics and drugs of addiction of all kinds.

(d) To gather and disseminate knowledge and information about, and to undertake research into, all manner of social problems and in particular drug abuse and the problems associated therewith.

**Entity's structure**

**Board of Trustees**

There are currently nine trustees comprising of the chairman and eight board members. From time to time this number may increase or decrease provided that the number of trustees be not less than five nor more than twenty. The board comprises of:

Pat Snedden	Chairman
Dr Erena Wikaire	Trustee
Dr Huhana Hickey	Trustee
Manu Sione	Trustee
Dr Clive Bensemann	Trustee
Darren Johnson	Trustee, Treasurer
Maraea Mokaraka	Trustee
Tui Kaumoana from 07/08/23	Trustee
Jessica Apanui from 07/08/23	Trustee
Allen Bollard until 12/6/2023	Trustee
Mary Shanahan until 5/12/2022	Trustee
Robert Roydhouse until 5/12/2022	Trustee

**Operations**

**Executive leadership Team**

The executive leadership team comprises:

Fiona Trevelyan	Chief Executive Officer
Glenn Manson	Chief Financial Officer
Jenny Boyle	General Manager - Operations
Pete Sciascia	Pou Matua
Lyndsay Fortune from 04/01/2023	General Manager - Organisational Development & Support
Dave Burnside from 04/01/2023	Lived Experience Lead

**Entity's main source of cash and resources**

Odyssey House Trust received revenue from a mixture of crown entities, government departments, donations, grants and bank interest.

Revenue received was mainly provided by crown entities and government departments. The crown entities being the district health boards and health promotion agency. The government departments being Ministry of Health (from 01 July 2022 Te Whatu Ora – Health New Zealand), Department of Corrections, Ministry of Social Development, Ministry of Education, and Oranga Tamariki - Ministry for Children.

**Entity's reliance on volunteers and donated goods or services**

Odyssey House Trust receives voluntary services from a Maori advisory culture group. The group consists of kaumatua and kaukuia who represent mana whenua and wider Maori. Odyssey House Trust does not rely on receiving donated goods or services.



## Statement of Service Performance

Year Ended 30 June 2023

### Ko wai mātou | Who we are

Odyssey is a Tier 2 charitable trust domiciled in Aotearoa New Zealand. Since 1980, Odyssey has supported thousands of New Zealanders whose lives are affected by drug, alcohol or other addiction challenges. As an organisation, we have come a long way since opening a house in Parnell four decades ago. Today we employ more than 200 people and support more than 3500 tāngata whai ora (people seeking wellness) each year in a wide range of settings: in residential programmes, in schools, in custodial settings and in the community. Our services are based in Tāmaki Makaurau, Te Tai Tokerau, and Waikato, and our reach is nation-wide.

### Tō tātou matakiteinga | Our vision

Poutia, heretia tuia te muka tangata ki te pou tokomanawa ka tū mana motuhake, ka noho herekore i ngā waranga me ngā wero nui o te ao.

People, whānau, and communities are connected and supported to live the lives they want, free from drug, alcohol, and other addiction challenges.

### Te ara whata ki te rangi | How we achieve our vision

The objects of our constitution (below) inform the actions we carry out to achieve our vision:

- (a) We establish, maintain or promote the establishment and maintenance of rehabilitation facilities of all types including homes, hospitals, clinics and other residences for persons who have misused or abused drugs or are dependent upon drugs or addictions of all kinds.
- (b) We provide counselling services and other assistance, support and help to persons seeking or in need of such services as a result of abuse of or dependence upon drugs.
- (c) We educate the public and promote and encourage educational campaigns of the problems and dangers of the use and misuse of narcotics and drugs of addiction of all kinds.
- (d) We gather and disseminate knowledge and information about, and undertake research into, all manner of social problems and in particular drug abuse and the problems associated therewith.

Our work takes place in partnership with tāngata whai ora and their whānau. We collaborate with a range of stakeholders, including iwi and community-based and government organisations.



## Drugs of concern to tāngata whai ora

Over the last five years, the top drugs of concern for tāngata whai ora have been alcohol, amphetamines, and cannabis. This data supports us to determine information and interventions used to support tāngata whai ora.

The data represents the drugs of concern at the point of initial assessment for all adult tāngata whai ora seeking admission into a residential program.

Year	Alcohol	Amphetamine	Cannabis
2022	63%	63%	53%
2023	66%	58%	54%

## Te taumata i ekengia | How we performed

### Action One: Establishment and maintenance of rehabilitation facilities

We established, maintained, or promoted the establishment and maintenance of rehabilitation facilities of all types including homes, hospitals, clinics and other residences for persons who have misused or abused drugs or are dependent upon drugs of addiction of all kinds.

Outputs	Service Performance Measures	Actual 2023	Actual 2022
Rehabilitation facilities provided for pakeke (adults)	Number of pakeke who used our rehabilitation facilities	Total - 2084 Māori - 923 Pasifika - 218	Total - 1914 Māori - 846 Pasifika - 191
Rehabilitation facilities provided for rangatahi (youth).	Number of rangatahi who used our rehabilitation facilities	Total - 1292 Māori - 565 Pasifika - 390	Total - 1028 Māori - 449 Pasifika - 264

### Outcome measures

Odyssey uses outcome measurement tools to evaluate the effectiveness of its services, two of which are REC-CAP (a tool for measuring Recovery Capital), and the Alcohol and Other Drug Outcome Measure (ADOM).

#### REC-CAP

Odyssey participates in international data collection and research using the REC-CAP. Data from REC-CAP show services using the Therapeutic Community model are very effective for residents who remain in the programme for enough time to complete both first and follow up outcome measures.

In 2023, 46% of tāngata whai ora remained in the programme for > 80 days, which is when the baseline REC-CAP is undertaken, and 32% were in the programme 70 days later when the follow up REC-CAP is used. (72% and 52% respectively in 2022)

Improvements in Recovery Capital for people in Odyssey's services are equivalent to, and sometimes better than, international benchmark data. Equitable levels of improvement outcomes for tāngata whai ora are seen across all measured ethnicities (Māori, Pacific, NZ European and others).

## ADOM

The ADOM is a tool used nationally by publicly funded addiction services. Odyssey's data reflects a reduction in all substance use, as well as significant improvements in holistic measures of health. This includes physical and mental health, whānau relationships, meaningful activity, and work frequency. Outcomes measured by ADOM show improvements that are similar, or better than, national benchmark data. The initial data is collected at the point of assessment for our adult residential programs and then post treatment by our continuing care community team.

### Substance use measured by ADOM – 2023

	Before	After
Alcohol	69%	36%
Cannabis	44%	9%
Amphetamine	34%	3%

### Substance use measured by ADOM – 2022

	Before	After
Alcohol	72%	20%
Cannabis	55%	7%
Amphetamine	54%	15%

### A decade of Alcohol and Other Drug Treatment Courts in Tāmaki Makaurau

During the year ended 30 June 2023, the Alcohol and Other Drug Treatment Court (AODTC) in Tāmaki Makaurau, Te Whare Whakapiki Wairua, celebrated its 10th birthday.

- The AODTC was established to work with people whose offending has been influenced by alcohol and other drugs. In 2019, an Outcomes Evaluation Report indicated that, two years after graduating, graduates are less likely to offend, be incarcerated, or be involved with police. Re-offending is less likely to be serious. Graduates were observed to have closer relationships with whānau, better health, and improved education, training, and work prospects.
- During the year ended 30 June 2023, 31 graduated from AODTC. (2022 – 20, noting numbers during this period were impacted by COVID).
- The Court continues to evolve and develop. Starting with four case managers and peer support specialists, the team has grown to include two Pou Oranga, an employment specialist, a housing coordinator, and two whānau ora specialists across the two Auckland courts.

## Action Two: Counselling services and other assistance

We provided counselling services and other assistance, support and help to persons seeking or in need of such services as a result of abuse of or dependence upon drugs.

Output	Service Performance Measures	Actual 2023	Actual 2022
Counselling services are provided	Number of tāngata whai ora who received counselling (face to face contact)	2384	2054
	Number of counselling sessions (face to face contacts) provided	29,453	25,574

### Ala Mai Pasifika

- Originally developed in 2020 for Odyssey's Te Ngahere Intensive Treatment Programme in prison, now offered in other Odyssey services.
- Consists of 6-8 weekly group sessions. 114 people engaged in this programme in 2023. (2022: 108 attended these sessions)
- Aims to facilitate behaviour change by bringing awareness to the way substance use may impact holistic wellbeing in Pacific context(s).
- Explores each aspect of the Fonofale model: family, physical, spirituality, mental wellbeing, recovery from AOD issues, and culture.
- Uses cultural protocols such as prayer, hymns, songs, and proverbs along with talanoa, motivational interviewing, stages of change, and relapse prevention.

## Action Three: Education

We educated the public and we promoted and encouraged educational campaigns of the problems and dangers of the use and misuse of narcotics and drugs of addiction of all kinds.

Output	Service Performance Measures/ Comments	Actual 2023	Actual 2022
Education on the problems and dangers of the use and misuse of narcotics and drugs of addiction was provided	Education and health promotion via social media: Facebook posts		
	<ul style="list-style-type: none"> <li>• Odyssey Trust page</li> <li>• Odyssey Youth page</li> </ul>	38 49	24 90
	Instagram posts (youth only)	44	139
	Education and health promotion sessions:	43	29

## Action Four: Research, disseminating knowledge and information.

We gathered and disseminated knowledge and information about, and undertook research into, all manner of social problems and in particular drug abuse and the problems associated therewith.

Outputs	Service Performance Measures	Actual 2023	Actual 2022
Research was carried out	Recovery Capital research – in conjunction with Professor David Best and Leeds Trinity University <ul style="list-style-type: none"> <li>• REC-CAP evaluation tool</li> <li>• Social Recovery Model research               <ul style="list-style-type: none"> <li>○ use of Social Identity Map (SIM)</li> </ul> </li> </ul>	Data submitted  Data under analysis for paper publication	Data submitted  SIMs collected
Knowledge and information was disseminated	Presentations at external forums, conferences, etc. <ul style="list-style-type: none"> <li>• Cutting Edge</li> <li>• Cutting Edge Summer Series</li> </ul>	Four presentations, one workshop  One presentation	Nil – conference cancelled  Nil – not held 2022

## Tāngata whai ora experience of services

### Real Time Feedback

Odyssey was a leader in the use of the national Mārama RealTime Feedback tool before it was discontinued in March 2023. Recognising the value of the information provided by this, Odyssey continued to gather Real Time Feedback, aligned with the Mārama tool, to measure tāngata whai ora and whānau service satisfaction. This enables us to have a consistent dataset of core information over time. Using the online Real Time Feedback survey, tāngata whai ora and whānau can provide anonymous feedback to help improve services. Feedback is used to guide quality improvement projects, and outcomes are shared with tāngata whai ora.

- Across seven services at Odyssey, 69% (2022: 71%) of tāngata whai ora who provided feedback would recommend our services.

### What tāngata whai ora say

People using our services reported the following outcomes:

- Embarked on a recovery journey
- Connected and reconnected with whānau
- Gained confidence
- Regained custody of children
- Learned life and community skills
- Improved communication skills
- Built hope and mana
- Improved mental health
- Set goals and found direction
- Had broadly positive and transformational experiences
- Felt supported
- Found employment and housing
- Enjoyed a positive environment

## Disclosure of Judgements

We have made several judgements on what to include in our Statement of Service Performance (SSP). This statement summarises these judgements.

Our SSP reports our non-financial performance against the objects of our constitution and our Vision. Our SSP uses both indicators that measure our outputs (the services provided) and the narratives that illustrate the impact our services and programmes have for the pakeke (adults) and rangatahi (youth) with whom we work. These outcomes are what enable us to achieve the objects of our constitution and realise our Vision.

Our SSP focuses on key priorities and metrics that outline actions that directly impact on our rehabilitation and counselling services provided to tāngata whai ora. We report at a high level on the education, research, and knowledge dissemination actions listed in how we achieve our vision as they are contributors and enablers to the overall outcome - the provision of rehabilitation and counselling.

Data provided in Action two re 'counselling services and other assistance, support and help' is derived from a count of all face-to-face contacts with tāngata whai ora provided by our community-based teams. It does not include counselling provided within residential programmes, as these are not recorded separately.

In this, our first year of presenting a Statement of Service Performance, our focus has been primarily on high level output data.

The statement was developed in consultation with the Odyssey House Trust Executive Leadership Team.

**ODYSSEY HOUSE TRUST**  
**FINANCIAL INFORMATION**

**ODYSSEY HOUSE TRUST**  
**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
<b>Revenue</b>			
Revenue	5a (i)	24,674,009	24,140,754
Other income	5	1,129,444	377,141
Other non operational income	5a(iii)	6,983	2,009
<b>Total revenue</b>		<b>25,810,436</b>	<b>24,519,904</b>
<b>Expenses</b>			
Personnel costs		15,587,924	15,401,972
Outsourced services		4,283,291	3,792,920
Client care costs		2,160,894	1,862,905
Infrastructure and non-clinical costs		673,544	584,981
Property occupancy and maintenance costs		1,075,979	888,942
Transport and travel costs		465,951	338,615
Depreciation costs	10	993,302	986,143
Other non operational expense	6(ii)	34,033	51,094
<b>Total expenses</b>	6(i)	<b>25,274,918</b>	<b>23,907,572</b>
<b>Surplus for the year</b>		<b>535,518</b>	<b>612,332</b>
Other comprehensive revenue and expense		-	-
<b>Other comprehensive revenue and expense for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>535,518</b>	<b>612,332</b>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

**ODYSSEY HOUSE TRUST**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Notes	2023	2022
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents for Odyssey House	7 (a)	2,317,721	2,466,549
Cash and cash equivalents for the Client Trust	7 (b)	21,360	14,981
Trade and other receivables from non-exchange transactions	8	2,155,362	2,301,592
Investments	9	1,511,347	1,507,638
<b>Total current assets</b>		<b>6,005,790</b>	<b>6,290,760</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	15,251,181	14,728,379
<b>Total non-current assets</b>		<b>15,251,181</b>	<b>14,728,379</b>
<b>Total assets</b>		<b>21,256,971</b>	<b>21,019,139</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	1,342,333	1,012,636
Employee entitlements	12	1,215,410	1,828,310
Odyssey House Client Trust		21,360	15,248
Funds received in advance	13	90,077	110,672
<b>Total current liabilities</b>		<b>2,669,180</b>	<b>2,966,866</b>
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>2,669,180</b>	<b>2,966,866</b>
<b>Net assets</b>		<b>18,587,791</b>	<b>18,052,273</b>
Equity	14	18,587,791	18,052,273
<b>Total equity</b>		<b>18,587,791</b>	<b>18,052,273</b>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023	2022
		\$	\$
Balance at 1 July		18,052,273	17,439,941
Total comprehensive revenue and expense for the year		535,518	612,332
Capital contribution		-	-
<b>Balance at 30 June</b>	14	<b>18,587,791</b>	<b>18,052,273</b>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Rendering of services		25,078,774	23,531,097
Donations and grants		792,426	250,960
Interest from investments		69,443	19,133
Odyssey House client trust deposits by WINZ		17,393	10,328
		<u>25,958,036</u>	<u>23,811,518</u>
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(24,647,938)	(22,516,563)
Odyssey House client trust withdrawals by clients		(11,280)	(7,882)
		<u>(24,659,218)</u>	<u>(22,524,445)</u>
<b>Net cash inflow from operating activities</b>	15	<b>1,298,818</b>	<b>1,287,073</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Disposal of Property, plant and equipment		10,434	2,609
Investments into term deposits		(3,709)	(3,186)
		<u>6,725</u>	<u>(577)</u>
<b>Cash was applied to:</b>			
Purchase of Property, plant and equipment		(1,447,992)	(609,756)
		<u>(1,447,992)</u>	<u>(609,756)</u>
<b>Net cash outflow from investing activities</b>		<b>(1,441,267)</b>	<b>(610,333)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash inflow/(outflow) from financing activities</b>		-	-
Cash at the beginning of the year		2,481,530	1,804,790
Net increase/(decrease) in cash and cash equivalents		(142,449)	676,740
<b>Cash and cash equivalents at the end of year</b>		<b>2,339,081</b>	<b>2,481,530</b>
Odyssey House Trust cash at the end of the year	7 (a)	2,317,721	2,466,549
Client Trust cash at the end of the year	7 (b)	21,360	14,981
<b>Cash and cash equivalents at the end of year</b>		<b>2,339,081</b>	<b>2,481,530</b>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.



## ODYSSEY HOUSE TRUST NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 REPORTING ENTITY

Odyssey House Trust (the "Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The Trust is a charitable organisation, incorporated under the Charitable Trusts Act 1957 and registered under the Charities Act 2005. Activities are based in Auckland, Northland and Waikato.

The Trust provides drug, alcohol and gambling addiction treatment services. The Trust is a registered Charitable Trust and as such is exempt from taxation on its income to the extent that it is applied to charitable purposes.

### NOTE 2 BASIS OF PREPARATION

#### (a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the International Public Sector Accounting Standards Reduced Disclosure Regime ("PBE IPSAS RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Trust qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by the board on 20 December 2023.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

#### (b) Measurement basis

The financial statements have been prepared on the historical cost basis.

#### (c) Functional and presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

There has been no change in the functional currency of the entity during the year.

#### (d) Changes in accounting policies during the year

There have been no changes in the accounting policies of the Trust in the year ended 30 June 2023, other than the adoption of new PBE Standards and amendments to PBE Standards as disclosed below:

(i) PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and has been adopted by the Trust on that date.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, the measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has had an immaterial impact on the Trust's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised costs.

(i) PBE FRS 48 Service Performance Reporting is effective from 1 January 2022 and was adopted by the Trust on that date.

PBE FRS 48 required specific disclosures for the reporting of service performance information which have been provided in the Statement of Service Performance.

### NOTE 3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

There has been no significant judgements or estimates made in applying accounting policies on the amounts recognised in the financial statements for the year ended 30 June 2023 (2022: nil).

### NOTE 4 SIGNIFICANT ACCOUNTING POLICIES

#### Revenue from non-exchange transactions

Non-exchange transactions are those where the organisation receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the organisation will receive an inflow of economic benefits or service potential; and
- The fair value of can be measured reliably.

#### (i) Service income

Service income is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Any funds received for the which the requirements under the contract agreement have not been completed are carried as liabilities until all conditions have been fulfilled.

## **(ii) Grants**

Grants received are recognised in the profit and loss component of the statements of comprehensive revenue and expense when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities (funds received in advance) until all the conditions have been fulfilled.

The recognition of non-exchange revenue from grants depends on whether the grant comes with any stipulations imposed on the use of a transferred asset.

Stipulations that are 'conditions' specifically require the organisation to return the inflow of resources received if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the organisation to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

## **(iii) Donation income**

Received donations have no stipulations that are 'conditions' specifically requiring the group to return the inflow of resources received if they are not utilised in the way stipulated.

## **Leases**

### **(i) Finance leases**

The Trust has no finance leases.

### **(ii) Operating lease**

The Trust is the lessee.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss component of the statement of comprehensive revenue and expense on a straight-line basis over the period of the lease.

## **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 an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position, if applicable.

## **Foreign currency transactions**

Foreign currency transactions, being payments only, are translated into NZ\$ (the functional currency) using the ASB bank sell exchange rates at the dates of the payment. There are no foreign currency revenue transactions and no foreign exchange gains or losses.

## **Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

A provision for impairment of trade receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss component of the statement of comprehensive revenue and expense within 'expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'expenses' in profit and loss component of the statement of comprehensive revenue and expense.

## **Financial instruments**

### **Classification and subsequent measurement**

Financial assets and financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets are classified using the following categories which also determines their subsequent measurement:

- Financial assets at amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); or
- Fair value through surplus or deficit (FVTSD).

Financial assets are classified to the above categories on the basis of both:

- (a) The entity's management model for financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

Financial asset shall be measured at amortised cost if both the following conditions are met and is not designated as FVTSD:

- The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flow and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit. The Trust's cash and cash equivalents, trade and other receivables and investments are classified and measured at amortised cost. These assets were previously classified as "loans and receivables".

Financial assets shall be measured at FVOCRE if both of the following conditions are met:

- The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

The Trust does not have any financial assets at FVOCRE or FVTSD.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

Except for short-term receivables and payables, at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTSD, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial liabilities are subsequently measured either at amortised cost or at FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

The Trust's trade and other payables, employee entitlements, funds received in advance and other borrowings are classified and measured at amortised cost.

#### **Impairment**

The Trust measures loss allowances at an amount equal to lifetime expected credit loss (ECL). Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment and including forward-looking information.

#### **Investments**

##### **Bank term deposits**

Investments in bank term deposits are initially measured at fair value being the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

#### **Property, plant and equipment**

All property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are charged to the profit and loss component of the statement of comprehensive revenue and expense during the financial period in which they are incurred.

#### **Additions**

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

### **Subsequent costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the profit and loss component of the statement of comprehensive revenue and expense as they are incurred.

### **Depreciation**

Depreciation is provided on a diminishing value basis on all property, plant, and equipment other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Land	Not depreciated
Buildings	5%
Plant & equipment, furniture & fittings	20-33%
Motor vehicles	20%

### **Non-cash-generating assets**

Property, plant, and equipment assets held at cost that have a finite useful life 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 service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the profit and loss component of the statement of comprehensive revenue and expense.

The reversal of an impairment loss is also recognised in the profit and loss component of the statement of comprehensive revenue and expense.

### **Trade and other payables**

Short-term payables are recorded at their face value.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **Employee entitlements**

Short-term employee entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for employee entitlements is carried at the present value of the estimated future cash flows.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

There are no long-term employee entitlements.

### **Equity**

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated surplus/(deficit)
- Capital contribution

### **Goods and services tax ("GST")**

The profit and loss component of the statement of comprehensive revenue and expense has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

The Trust is a charitable trust and is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

**NOTE 5 Revenue and other income**

	2023	2022
	\$	\$
<b>5a(i) Revenue from operations</b>		
Department of Corrections	4,356,038	4,550,621
Ministry of Health – DHBs other	2,816,403	2,868,470
Ministry of Health – Methamphetamine Programme	1,722,372	1,660,758
Work and Income Benefits	703,467	663,013
Oranga Tamariki - Ministry for Children	1,006,989	987,294
MSD – vocational training grant	58,085	46,352
MSD – E Ara E	754,047	723,563
Ministry of Health – DHBs Northern Regional Alliance	9,761,520	9,886,069
Ministry of Education	136,159	128,267
Problem Gambling	325,900	292,163
Alcohol and other drug – sector development funding	200,000	-
Alcohol and other drug – treatment courts	2,833,029	2,334,184
	<b>24,674,009</b>	<b>24,140,754</b>
<b>5a(ii) Other operational revenue</b>		
Grants – private	713,251	27,775
Interest on investments	104,154	24,217
Other income	135,539	174,541
	<b>952,944</b>	<b>226,533</b>
<b>5a(iii) Other non operational income</b>		
Gain on disposal of fixed assets	6,983	2,009
	<b>6,983</b>	<b>2,009</b>
Donations	176,500	150,608
<b>Total revenue</b>	<b>25,810,436</b>	<b>24,519,904</b>

The \$176,500 donations received includes \$100,000 donated by Foundation North. (2022: \$100,000)

**NOTE 6 Expenses**

	2023	2022
	\$	\$
<b>6(i) Expenditure disclosure</b>		
There are specific accounting disclosure for expense items required under IPSAS. Odyssey House Trust total expenses include:		
<u>Personnel costs</u>		
ACC levy	110,026	105,337
<u>Infrastructure and non-clinical costs</u>		
Audit fees	44,600	36,000
<u>Property occupancy and maintenance costs</u>		
Rent	413,887	366,392
<b>6(ii) Other non operational expense</b>		
Write off of Fixed Assets	34,033	51,094
	<b>34,033</b>	<b>51,094</b>

**NOTE 7 Cash and cash equivalents**

	2023	2022
	\$	\$
<b>7(a) Cash and cash equivalents for the Trust</b>		
ASB – call account	1,797,921	1,962,572
ASB – imprest account	2,429	1,827
ASB – short term deposit up to 90 days	516,521	500,000
Cash on hand	850	2,150
<b>Cash at bank and in hand</b>	<b>2,317,721</b>	<b>2,466,549</b>
<b>7(b) Cash and cash equivalents for the Client Trust</b>		
ASB – holding account	21,360	14,981
<b>Cash at bank and in hand</b>	<b>21,360</b>	<b>14,981</b>

There are restrictions on this balance which include that all client money is stored in a trust account separate from Odyssey House accounts and is only applied to clients.

**NOTE 8 Trade and other receivables from non-exchange transactions****8(a) Trade receivables**

	2023	2022
	\$	\$
<b>Current</b>		
Trade receivables	1,669,393	2,110,518
Revenue accrued	292,631	9,291
Receivables (gross)	1,962,024	2,119,809
Less: provision for impairment	-	-
<b>Total receivables</b>	<b>1,962,024</b>	<b>2,119,809</b>

The ageing profile of receivables at year end is detailed below:

	2023			2022		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	1,888,979	-	1,888,979	1,788,956	-	1,788,956
Past due 1-30 days	73,045	-	73,045	180,939	-	180,939
Past due over 30 days	-	-	-	149,914	-	149,914
<b>Total</b>	<b>1,962,024</b>	<b>-</b>	<b>1,962,024</b>	<b>2,119,809</b>	<b>-</b>	<b>2,119,809</b>

There is no provision for impairment. As the Trust receives 97% of funding from crown entities and government departments and the Trust has no history of significant write-offs, an impairment provision is not considered necessary.

**8 (b) Other receivables**

	2023	2022
	\$	\$
Prepayments	193,338	181,783
<b>Total receivables</b>	<b>2,155,362</b>	<b>2,301,592</b>

**NOTE 9 Investments**

	2023	2022
	\$	\$
<b>Current portion</b>		
ASB – Short Term deposit account	1,511,347	1,507,638
<b>Total current portion</b>	<b>1,511,347</b>	<b>1,507,638</b>
<b>Total investments</b>	<b>1,511,347</b>	<b>1,507,638</b>

There is no impairment provision for investments.

**NOTE 10 Property, plant and equipment**

Movements for each class of property, plant and equipment are as follows:

	Land and buildings	Plant and equipment	Furniture and fittings	Motor vehicles	Capital WIP	Total
<b>Cost or valuation</b>						
Balance at 30 June 2021	17,378,568	2,049,105	1,340,636	1,262,818	201,609	22,232,736
Additions	98,970	271,887	59,721	196,888	411	627,877
Revaluation increase	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Disposals	-	(303,372)	(66,016)	(15,387)	-	(384,775)
Balance at 30 June 2022	17,477,538	2,017,620	1,334,341	1,444,319	202,020	22,475,838
Additions	-	287,849	129,784	208,498	927,457	1,553,588
Revaluation increase	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Disposals	-	(214,861)	(38,974)	(53,798)	-	(307,633)
Balance at 30 June 2023	17,477,538	2,090,608	1,425,151	1,599,019	1,129,477	23,721,793
<b>Accumulated depreciation and impairment losses</b>						
Balance at 30 June 2021	4,332,054	1,164,270	746,837	851,236	-	7,094,397
Depreciation expense	501,666	271,567	122,891	90,019	-	986,143
Elimination on disposal	-	(259,150)	(59,144)	(14,787)	-	(333,081)
Elimination on revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
Balance at 30 June 2022	4,833,720	1,176,687	810,584	926,468	-	7,747,459
Depreciation expense	479,975	283,416	113,170	116,741	-	993,302
Elimination on disposal	-	(184,628)	(35,174)	(50,347)	-	(270,149)
Elimination on revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
Balance at 30 June 2023	5,313,695	1,275,475	888,580	992,862	-	8,470,612
<b>Carrying amounts</b>						
At 30 June 2022	12,643,818	840,933	523,757	517,851	202,020	14,728,379
At 30 June 2023	12,163,843	815,133	536,571	606,157	1,129,477	15,251,181

**NOTE 11 Trade and other payables**

	2023	2022
	\$	\$
<b>Payables under exchange transactions</b>		
Trade payables	753,372	451,491
Accruals	157,045	245,167
PAYE payable	273,978	124,185
ACC accrual	42,677	45,424
GST payable	115,261	146,369
<b>Total payables</b>	<b>1,342,333</b>	<b>1,012,636</b>

**NOTE 12 Employee entitlements**

	2023	2022
	\$	\$
<b>Current portion</b>		
Salary accrual	50,000	660,327
Holiday pay accrual	1,005,642	1,088,591
Provision for sick leave	12,030	5,908
Long service leave	33,261	19,963
Other deductions	114,477	53,521
<i>Total current portion</i>	1,215,410	1,828,310
<b>Non-current portion</b>	-	-
<b>Total employee entitlements</b>	<b>1,215,410</b>	<b>1,828,310</b>

**NOTE 13 Funds received in advance**

	2023	2022
	\$	\$
<b>Payables under exchange transactions</b>		
Crown Entities	750	13,347
Grants	89,327	97,325
<b>Total payables under exchange transactions</b>	<b>90,077</b>	<b>110,672</b>

**NOTE 14 Equity**

	2023	2022
	\$	\$
<b>Contributed capital</b>		
Balance at 1 July	-	-
Capital contribution	-	-
Balance at 30 June	-	-
<b>Accumulated surplus/(deficit)</b>		
Balance at 1 July	18,052,273	17,439,941
Surplus/(deficit) for the year	535,518	612,332
Balance at 30 June	18,587,791	18,052,273
<b>Total equity</b>	<b>18,587,791</b>	<b>18,052,273</b>



**NOTE 15 Reconciliation of net surplus/(deficit) to net cash flow from operating activities**

	2023	2022
	\$	\$
<b>Net surplus/(deficit)</b>	535,518	612,332
<b>Adjustments for:</b>		
Depreciation	993,302	986,143
Write off of fixed assets	34,033	51,094
Loss/(Gain) on fixed asset disposal	(6,983)	(2,009)
Changes in working capital relating to operating activities:		
Trade and other receivables	146,231	(745,466)
Trade and other payables	230,212	(26,894)
Employee entitlements	(612,900)	419,686
Funds received in advance	(20,595)	(7,813)
<b>Net cash inflow from operating activities</b>	<u>1,298,818</u>	<u>1,287,073</u>

**NOTE 16 Capital commitments and operating leases**

	2023	2022
	\$	\$
<b>Capital commitments</b>		
Trust capital commitments	<u>2,022,183</u>	<u>53,985</u>
<b>Operating leases as lessee</b>		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
	2023	2022
	\$	\$
Not later than one year	310,310	276,853
Later than one year and not later than five years	285,321	317,696
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<u>595,631</u>	<u>594,549</u>

**NOTE 17 Contingencies****Contingent liabilities**

There were no contingent liabilities at 30 June 2023 (2022: nil).

## NOTE 18 Related party transactions

There were no related party transactions required to be disclosed for the year ended 30 June 2023 (2022: nil), other than key management personnel compensation.

### Key management personnel compensation

	2023	2022
	\$	\$
<b>Board of Trustees Members</b>		
Board remuneration	\$101,667	\$93,333
Full-time equivalent members	9.0	10.0
<b>Executive Leadership Team</b>		
Remuneration	\$1,106,838	\$696,117
Full-time equivalent members	6.0	4.0
<b>Total key management personnel remuneration</b>	<b>\$1,208,505</b>	<b>\$789,450</b>
<b>Total full time equivalent personnel</b>	<b>15.0</b>	<b>14.0</b>

For year ended 30 June 2022 and for the year ended 30 June 2023 there was Board remuneration of \$10,000 per annum for each board member and an additional \$10,000 per annum for the chairperson.

Mary Shanahan, Trustee, may provide legal services for the Trust from time to time. There were no fees charged during the year.

## NOTE 19 Events after the balance date

In October and November of 2023 respectively Odyssey House Trust received notification from Te Whatu Ora, firstly that we had been unsuccessful through an RFP process in retaining our contract to Prevent and Minimize Gambling Harm and then secondly that all of its funding for the Odyssey Youth Residential Service would be terminated due to underutilization. The combined impact of these changes is a loss of revenue of \$0.4m in the 23/24 year and \$1.7m in the 24/25 year. The loss of the contracts does not have a significant impact to the Board's assessment of the entity as a going concern.