



# Odyssey House Trust Financial Statements

For the year ended 30 June 2020





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# Statement of Responsibility

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, Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards 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 2020.

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

**Signed on behalf of the Board:**



**Chairman**

Dated: 2 November 2020



**Trustee**

Dated: 2 November 2020



## *Independent auditor's report*

To the Trustees of Odyssey House Trust

We have audited the financial statements which comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### *Our opinion*

In our opinion, the accompanying financial statements of Odyssey House Trust (the Trust), present fairly, in all material respects, the financial position of the Trust as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

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### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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### *Information other than the financial statements and auditor's report*

The Trustees are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

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 on the other information that we obtained prior to the date of this auditor's report, 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, except that not all other information was available to us at the date of our signing.

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### *Responsibilities of the Trustees for the financial statements*

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime,



and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements, 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) and ISAs 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our auditor's report.

### *Who we report to*

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state 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 Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

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The engagement leader on the audit resulting in this independent auditor's report is Jade Kennedy.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'PwC representative', written over a light blue horizontal line.

Chartered Accountants  
2 November 2020

Auckland

# Non Financial Information

## Entity information

Legal name of entity	Odyssey House Trust
Type of entity and legal basis	Charitable trust and registered charity
Registration number	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 eight trustees comprising of the chairman and seven 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:

Allen Bollard	Chairman
Darren Johnson	Trustee, Treasurer
Dr Ann Hood	Trustee
Robyn Reynolds until 03/09/2020	Trustee
Robert Roydhouse	Trustee
Mary Shanahan	Trustee
Dr Clive Bensemam	Trustee
Terry Huriwai	Trustee
Manu Sione from 03/07/2020	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
River Paton	Clinical Director
Samantha White until 16/04/2020	General Manager - Innovation & Development
Ken Kerehoma until 24/07/2020	Cultural Advisor

## 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, Department of Corrections, Ministry of Social Development and Ministry of Education.

## 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.



# Odyssey House Trust

## Financial information

### Odyssey House Trust

#### Statement of comprehensive revenue and expense for year ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>Revenue</b>			
Revenue	5a (i)	21,268,760	19,731,425
Other income	5a(ii), 5b	735,503	586,492
Other non operational income	5a(iii)	180	-
<b>Total revenue</b>		<b>22,004,443</b>	<b>20,317,917</b>
<b>Expenses</b>			
Personnel costs		12,889,271	12,438,725
Outsourced services		3,522,962	3,272,091
Client care costs		2,163,109	2,166,039
Infrastructure and non-clinical costs		606,623	549,838
Property occupancy and maintenance costs		903,206	1,055,035
Transport and travel costs		363,840	395,896
Depreciation costs	10	991,700	719,051
Other non operational expense	6(ii)	322,297	18,479
<b>Total expenses</b>	<b>6(i)</b>	<b>21,763,008</b>	<b>20,615,154</b>
<b>Surplus/(Deficit) for the year</b>		<b>241,435</b>	<b>(297,237)</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>241,435</b>	<b>(297,237)</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 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents for Odyssey	7 (a)	1,277,239	857,301
Cash and cash equivalents for Client	7 (b)	12,418	10,892
Trade and other receivables	8	2,834,767	2,091,548
Investments	9	1,000,000	1,171,826
<b>Total current assets</b>		<b>5,124,424</b>	<b>4,131,567</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	15,637,100	16,029,865
<b>Total non-current assets</b>		<b>15,637,100</b>	<b>16,029,865</b>
<b>Total assets</b>		<b>20,761,524</b>	<b>20,161,432</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	1,454,075	1,474,592
Employee entitlements	12	1,280,102	922,717
Odyssey House Client Trust		12,518	10,892
Funds received in advance	13	186,042	165,879
<b>Total current liabilities</b>		<b>2,932,737</b>	<b>2,574,080</b>
<b>Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,932,737</b>	<b>2,574,080</b>
<b>Net assets</b>		<b>17,828,787</b>	<b>17,587,352</b>
Equity	14	17,828,787	17,587,352
<b>Total equity</b>		<b>17,828,787</b>	<b>17,587,352</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 Changes in Equity for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Balance at 1 July		17,587,352	17,884,589
Total comprehensive revenue and expense for the year		241,435	(297,237)
Capital contribution		-	-
<b>Balance at 30 June</b>	<b>14</b>	<b>17,828,787</b>	<b>17,587,352</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 2020

	Notes	2020 \$	2019 \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Rendering of services		20,670,830	19,762,540
Donations and grants		593,412	371,915
Interest from investments		25,441	144,044
Odyssey house client trust deposits by WINZ		14,833	9,951
		<b>21,304,516</b>	<b>20,288,450</b>
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(20,111,882)	(19,741,862)
Odyssey house client trust withdrawals by clients		(13,206)	(10,368)
		<b>(20,125,088)</b>	<b>(19,752,230)</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15</b>	<b>1,179,428</b>	<b>536,220</b>

**Statement of Cash Flows for the year ended 30 June 2020 (continued)**

	Notes	2020 \$	2019 \$
<b>Cash Flows from Investing Activities</b>			
<b>Cash was provided from:</b>			
Disposal of fixed assets		180	1,912
Withdrawals from term deposits		171,826	3,812,927
		<b>172,006</b>	<b>3,814,839</b>
<b>Cash was applied to:</b>			
Purchase of fixed assets		(929,970)	(4,985,875)
		<b>(929,970)</b>	<b>(4,985,875)</b>
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(757,964)</b>	<b>(1,171,036)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Net cash inflow/(outflow) from financing activities</b>		<b>-</b>	<b>-</b>
Cash at beginning of period		868,193	1,503,009
Net increase/(decrease) in cash and cash equivalents		421,464	(634,816)
<b>Cash and cash equivalents at the end of year</b>		<b>1,289,657</b>	<b>868,193</b>
Odyssey House Trust cash at end of period	7 (a)	1,277,239	857,301
Client Trust cash at end of period	7 (b)	12,418	10,892
<b>Cash and cash equivalents at the end of year</b>		<b>1,289,657</b>	<b>868,193</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 Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards 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 2 November 2020.

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) Novel Coronavirus ("COVID-19") impact

The impact of the COVID-19 was assessed during the preparation of these financial statements, including whether there were any indicators affecting the Trust's ability to operate as a going concern. No such indicators were noted.

## 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 2020 (2019: nil).

## NOTE 4 | Significant accounting policies

### Revenue recognition for exchange transactions

Revenue recognition comprises the fair value of the consideration receivable for services, donations received, and other grant funding, including any amounts to fund capital projects.

#### (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 received

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.

#### (iii) Interest revenue

Interest income is recognised on a time-proportion basis using the effective interest method.

### Revenue recognition for non exchange transactions

#### 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.

#### Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. There is no discretionary grant expenditure.

#### 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 is no foreign currency revenue transactions and no foreign exchange gains or losses.

## 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.

## 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 assets

The Trust classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets at initial recognition and re-evaluates this designation at every reporting date.

### (i) Classification

#### *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Trust's loans and receivables comprise 'trade and other receivables', 'investments' and 'cash and cash equivalents' in the statement of financial position.

**(ii) Offsetting financial instruments**

The Trust does not apply offsetting to any financial assets or liabilities as the intention is to settle on a gross basis. The Trust does not have any material financial assets or liabilities which are subject to enforceable master netting arrangements or similar agreements.

**(iii) Impairment of financial assets***Assets carried at amortised cost*

The Trust assesses at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Trust uses to determine that there is objective evidence of an impairment loss includes:

- Significant financial difficulty of the customer;
- A breach of contract, such as a default or delinquency in payments.

**(iv) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Trust commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Trust has transferred substantially all risks and rewards or ownership.

**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.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation.

All other assets classes are measured at cost, less accumulated depreciation and impairment losses.



**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:

<b>Land</b>	Not depreciated
<b>Buildings</b>	5%
<b>Plant &amp; equipment, furniture &amp; fittings</b>	20%
<b>Motor vehicles</b>	20-33%

**Non-cash-generating assets**

Property, plant, and equipment and intangible 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

	2020 \$	2019 \$
<b>Revenue from exchange transactions</b>		
<b>5a(i) Revenue from operations</b>		
Department of Corrections	4,140,131	4,342,404
Ministry of Health – DHBs other	2,182,271	2,030,667
Ministry of Health – Methamphetamine Programme	1,581,668	1,493,444
Work and Income Benefits	670,024	662,305
Child youth & family	432,831	412,297
MSD – CYF Fresh Start	274,584	255,425
MSD – vocational training grant	39,841	46,630
Ministry of Health – DHBs Northern Regional Alliance	9,123,267	7,777,195
Ministry of Education	149,785	123,582
Problem Gambling	265,602	255,879
Accident Compensation Corporation	59,285	43,879
Alcohol and other drug – sector development funding	122,091	92,188
Alcohol and other drug – treatment courts	2,227,380	2,195,530
	<b>21,268,760</b>	<b>19,731,425</b>
<b>5a(ii) Other operational revenue</b>		
Grants – private	411,608	225,545
Interest on investments	29,756	124,437
Other income	103,975	130,595
	<b>545,339</b>	<b>480,577</b>
<b>5a(iii) Other non operational income</b>		
Gain on disposal of fixed assets	180	-
	<b>180</b>	<b>-</b>
<b>Total exchange revenue</b>	<b>21,814,279</b>	<b>20,212,002</b>
<b>5b Revenue from non exchange transactions</b>		
Donations	190,164	105,915
<b>Total non exchange revenue</b>	<b>190,164</b>	<b>105,915</b>
<b>Total exchange and non exchange revenue</b>	<b>22,004,443</b>	<b>20,317,917</b>

The \$190,164 donations received includes \$99,600 donated by Foundation North (2019: \$79,844)

**NOTE 6 | Expenses**

	2020 \$	2019 \$
<b>6(i) Expenditure disclosure</b>		
There are specific accounting disclosure for expense items required under IPSAS. Odyssey House Trust total expenses include:		
<b>Personnel costs</b>		
ACC levy	127,119	125,167
<b>Infrastructure and non-clinical costs</b>		
Audit fees	42,000	25,410
<b>Property occupancy and maintenance costs</b>		
Rent	399,126	485,115
<b>6(ii) Other non operational expense</b>		
Extraordinary Capital Expense	281,141	8,732
Loss on disposal of fixed assets	-	2,254
Write off of fixed assets	41,156	7,493
	<b>322,297</b>	<b>18,479</b>

**NOTE 7 | Cash and cash equivalents**

	2020 \$	2019 \$
<b>7(a) Cash and cash equivalents for the Trust</b>		
ASB – call account	1,268,541	651,106
ASB – imprest account	4,168	2,245
ASB – short term deposit up to 90 days	-	200,000
Cash on hand	4,530	3,950
<b>Cash at bank and in hand</b>	<b>1,277,239</b>	<b>857,301</b>
<b>7(b) Cash and cash equivalents for the Client Trust</b>		
ASB – holding account	12,418	10,892
<b>Cash at bank and in hand</b>	<b>12,418</b>	<b>10,892</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**

	2020 \$	2019 \$
<b>8(a) Trade receivables</b>		
<b>Current</b>		
Trade receivables	1,433,866	1,966,110
Revenue accrued	1,274,536	7,550
Receivables (gross)	2,708,402	1,973,660
Less: provision for impairment	-	-
<b>Total receivables</b>	<b>2,708,402</b>	<b>1,973,660</b>
<b>Total receivables comprises:</b>		
Receivables from the sale of goods and services (exchange transactions)	2,708,402	1,973,660
Receivables from donations and grants (non-exchange transactions)	-	-

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

	2020 \$			2019 \$		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	2,707,177	-	2,707,177	1,762,791	-	1,762,791
Past due 1-30 days	-	-	-	43,515	-	43,515
Past due over 30 days	1,225	-	1,225	167,354	-	167,354
<b>Total</b>	<b>2,708,402</b>	<b>-</b>	<b>2,708,402</b>	<b>1,973,660</b>	<b>-</b>	<b>1,973,660</b>

There is no provision for impairment. As the Trust receives 98% 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.

	2020 \$	2019 \$
<b>8 (b) Other receivables</b>		
Prepayments	126,365	117,888
<b>Total receivables</b>	<b>2,834,767</b>	<b>2,091,548</b>

## NOTE 9 | Investments

	2020 \$	2019 \$
<b>Current portion</b>		
ASB – Short Term deposit account	1,000,000	1,171,826
<i>Total current portion</i>	1,000,000	1,171,826
<b>Total investments</b>	<b>1,000,000</b>	<b>1,171,826</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 & buildings	Plant & equipment	Furniture & fittings	Motor vehicles	Capital WIP	Total
<b>Cost or valuation</b>						
Balance at 30 June 2018	10,702,235	1,930,187	1,514,720	993,784	2,014,861	17,155,787
Additions	193,757	337,871	186,219	77,739	4,308,955	5,104,541
Revaluation increase	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Disposals	-	-	(252,350)	(29,600)	-	(281,950)
Balance at 30 June 2019	10,895,992	2,268,058	1,448,589	1,041,923	6,323,816	21,978,378
Additions	112,308	177,755	70,883	101,757	177,387	640,090
Revaluation increase	-	-	-	-	-	-
Transfers	6,159,844	-	-	-	(6,159,844)	-
Impairment losses	-	-	-	-	-	-
Disposals	-	(551,750)	(235,082)	-	-	(786,832)
Balance at 30 June 2020	17,168,144	1,894,063	1,284,390	1,143,680	341,359	21,831,636

	Land & buildings	Plant & equipment	Furniture & fittings	Motor vehicles	Capital WIP	Total
<b>Accumulated depreciation and impairment losses</b>						
Balance at 30 June 2018	2,994,420	1,030,581	827,834	646,918	-	5,499,753
Depreciation expense	274,476	206,997	156,735	80,843	-	719,051
Elimination on disposal	-	-	(244,858)	(25,433)	-	(270,291)
Elimination on revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Balance at 30 June 2019	3,268,896	1,237,578	739,711	702,328	-	5,948,513
Depreciation expense	537,893	225,619	151,473	76,715	-	991,700
Elimination on disposal	-	(524,991)	(220,686)	-	-	(745,677)
Elimination on revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
Balance at 30 June 2020	3,806,789	938,206	670,498	779,043	-	6,194,536
<b>Carrying amounts</b>						
At 30 June 2019	7,627,096	1,030,480	708,878	339,595	6,323,816	16,029,865
At 30 June 2020	13,361,355	955,857	613,892	364,637	341,359	15,637,100

**NOTE 11 | Trade and other payables**

	2020 \$	2019 \$
<b>Payables under exchange transactions</b>		
Trade payables	645,039	861,268
Accruals	400,484	371,634
<b>Total payables under exchange transactions</b>	<b>1,045,523</b>	<b>1,232,902</b>
<b>Payables under non-exchange transactions</b>		
PAYE payable	100,233	95,444
ACC accrual	43,455	55,157
GST payable	264,864	91,089
<b>Total payables under non-exchange transactions</b>	<b>408,552</b>	<b>241,690</b>
<b>Total payables</b>	<b>1,454,075</b>	<b>1,474,592</b>

**NOTE 12 | Employee entitlements**

	2020 \$	2019 \$
<b>Current portion</b>		
Salary accrual	349,676	247,114
Holiday pay accrual	862,088	622,159
Provision for sick leave	14,490	9,191
Long service leave	12,088	2,708
Other deductions	41,760	41,545
<b>Total current portion</b>	<b>1,280,102</b>	<b>922,717</b>
<b>Non-current portion</b>	-	-
<b>Total employee entitlements</b>	<b>1,280,102</b>	<b>922,717</b>

**NOTE 13 | Funds received in advance**

	2020 \$	2019 \$
<b>Payables under exchange transactions</b>		
Crown Entities	-	5,277
Grants	186,042	160,602
<b>Total payables under exchange transactions</b>	<b>186,042</b>	<b>165,879</b>



**NOTE 14 | Equity**

	2020 \$	2019 \$
<b>Contributed capital</b>		
Balance at 1 July	-	-
Capital contribution	-	-
<b>Balance at 30 June</b>	-	-
<b>Accumulated surplus/(deficit)</b>		
Balance at 1 July	17,587,352	17,884,589
Surplus/(deficit) for the year	241,435	(297,237)
<b>Balance at 30 June</b>	<b>17,828,787</b>	<b>17,587,352</b>
<b>Total equity</b>	<b>17,828,787</b>	<b>17,587,352</b>

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

	2020 \$	2019 \$
<b>Net surplus/(deficit)</b>	<b>241,435</b>	<b>(297,237)</b>
<b>Adjustments for:</b>		
Depreciation	991,700	719,051
Write off of fixed assets	41,156	7,493
Loss/(Gain) on fixed asset disposal	(180)	2,254
<b>Changes in working capital relating to operating activities:</b>		
Trade and other receivables	(743,219)	(113,692)
Trade and other payables	270,988	117,147
Employee entitlements	357,385	42,145
Funds received in advance	20,163	59,059
<b>Net cash inflow from operating activities</b>	<b>1,179,428</b>	<b>536,220</b>

**NOTE 16 | Capital commitments and operating leases**

	2020 \$	2019 \$
<b>Capital commitments</b>		
Trust capital commitments	51,527	48,749

**Operating leases as lessee**

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Not later than one year	186,168	321,986
Later than one year and not later than five years	113,503	138,247
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>299,671</b>	<b>460,233</b>

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

There were no contingent liabilities at 30 June 2020 (2019: nil).

**NOTE 18 | Related party transactions**

There were no related party transactions required to be disclosed for the year ended 30 June 2020 (2019: nil), other than key management personnel compensation.

**Key management personnel compensation**

	2020 \$	2019 \$
<b>Board of Trustees Members</b>		
Board remuneration	\$90,000	\$90,000
Full-time equivalent members	8	8
<b>Executive Leadership Team</b>		
Remuneration	\$950,969	\$897,585
Full-time equivalent members	6	6
<b>Total key management personnel remuneration</b>	<b>\$1,040,969</b>	<b>\$987,585</b>
<b>Total full time equivalent personnel</b>	<b>14</b>	<b>14</b>

For year ended 30 June 2019 and for the year ended 30 June 2020 there was Board remuneration of \$10,000 per annum for each board member and an additional \$10,000 per annum for the chairperson.

## NOTE 19 | Events after the balance date

On 11 August 2020, it was announced that the Greater Auckland region would be placed under COVID-19 alert level 3 restrictions with only essential businesses able to operate, while the remainder of New Zealand was placed under COVID-19 alert level 2 restrictions. Subsequently, the alert level for the Greater Auckland region was downgraded to COVID-19 alert level 2 (with extra restrictions) effective 30 August 2020 and COVID-19 alert level 2 (without extra restrictions) effective 23 September 2020. The remainder of New Zealand was downgraded to COVID-19 alert level 1 effective 21 September 2020. These latest COVID-19 related developments have not had a significant impact on the Trust or the Trust's financial statements.

On 5 October 2020 a right of renewal on the lease for the premises at 61 Campbell Road was exercised. This is for a period of five years at an annual rental of \$98,462.



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