



# Odyssey House Trust Financial Statements

For the year ended 30 June 2022









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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.

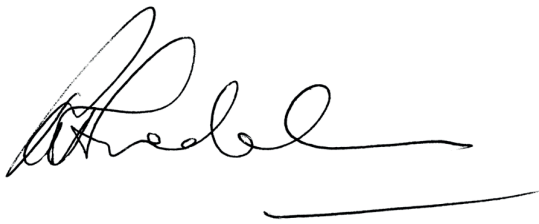
We are responsible for any end-of-year performance information provided by Odyssey House Trust in accordance with the Financial Reporting Act 2013, International Public Sector Accounting Standards issued in New Zealand (PBE IPSAS RDR) and section 42 (a) of the Charities Act 2005.

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 2022.

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: 3 October 2022



**Trustee**

Dated: 3 October 2022



# Independent Auditor's Report

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## To the Trustees of Odyssey House Trust

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Odyssey House Trust (the "Trust") on pages 8 to 26 which comprise the statement of financial position as at 30 June 2022, and the 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with 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 in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) 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 Statements* section of our report. We are independent of the Trust 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 interests in, the Trust.

#### Other Information

The Directors 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 connections 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.

#### Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with PBE IPSAS RDR issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance 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, Trustees on behalf of the entity are responsible for assessing the Trust 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) 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 the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

#### **Restriction on use of our report**

This report is made solely to the Trustees. Our audit work has been undertaken so that we might state to the Trustees, 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 for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**

*Grant Thornton*

**Auckland, New Zealand**

**3 October 2022**



# Non Financial Information

## 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 from 4/7/2022	Chairman
Allen Bollard	Trustee, Chairman until 4/7/2022
Darren Johnson	Trustee, Treasurer
Robert Roydhouse	Trustee
Mary Shanahan	Trustee
Dr Clive Bensemam	Trustee
Terry Huriwai until 6/9/2021	Trustee
Manu Sione	Trustee
Dr Erena Wikaire	Trustee
Dr Huhana Hickey	Trustee
Maraea Mocaraka from 1/8/2022	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
Pani Paora-Chamberlin until 27/01/2022	Kaiwhakahaere Matua
Pete Sciascia from 30/05/2022	Kaiwhakahaere Matua

## 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.

# Odyssey House Trust

## Financial information

### Odyssey House Trust

#### Statement of comprehensive revenue and expense for year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Revenue</b>			
Revenue	5a (i)	24,140,754	22,421,972
Other income	5a(ii), 5b	377,141	307,790
Other non operational income	5a(iii)	2,009	4,196
<b>Total revenue</b>		<b>24,519,904</b>	<b>22,733,958</b>
<b>Expenses</b>			
Personnel costs		15,401,972	13,508,557
Outsourced services		3,792,920	4,125,860
Client care costs		1,862,905	2,074,900
Infrastructure and non-clinical costs		584,981	582,232
Property occupancy and maintenance costs		888,942	989,367
Transport and travel costs		338,615	354,572
Depreciation costs	10	986,143	1,040,378
Other non operational expense	6(ii)	51,094	446,938
<b>Total expenses</b>	<b>6(i)</b>	<b>23,907,572</b>	<b>23,122,804</b>
<b>Surplus/(Deficit) for the year</b>		<b>612,332</b>	<b>(388,846)</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>612,332</b>	<b>(388,846)</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 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents for Odyssey House Trust	7 (a)	2,466,549	1,791,980
Cash and cash equivalents for the Client Trust	7 (b)	14,981	12,810
Trade and other receivables from exchange transactions	8	2,301,592	1,556,125
Investments	9	1,507,638	1,504,452
<b>Total current assets</b>		<b>6,290,760</b>	<b>4,865,367</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	14,728,379	15,138,338
<b>Total non-current assets</b>		<b>14,728,379</b>	<b>15,138,338</b>
<b>Total assets</b>		<b>21,019,139</b>	<b>20,003,705</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	1,012,636	1,023,853
Employee entitlements	12	1,828,310	1,408,624
Odyssey House Client Trust		15,248	12,802
Funds received in advance	13	110,672	118,485
<b>Total current liabilities</b>		<b>2,966,866</b>	<b>2,563,764</b>
<b>Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,966,866</b>	<b>2,563,764</b>
<b>Net assets</b>		<b>18,052,273</b>	<b>17,439,941</b>
Equity	14	18,052,273	17,439,941
<b>Total equity</b>		<b>18,052,273</b>	<b>17,439,941</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 2022

	Notes	2022 \$	2021 \$
Balance at 1 July		17,439,941	17,828,787
Total comprehensive revenue and expense for the year		612,332	(388,846)
Capital contribution		-	-
<b>Balance at 30 June</b>	<b>14</b>	<b>18,052,273</b>	<b>17,439,941</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 2022

	Notes	2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Rendering of services		23,531,097	23,845,695
Donations and grants		250,960	91,178
Interest from investments		19,133	22,818
Odyssey House client trust deposits by WINZ		10,328	13,505
		<b>23,811,518</b>	<b>23,973,196</b>
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(22,516,563)	(22,220,334)
Odyssey House client trust withdrawals by clients		(7,882)	(13,177)
		<b>(22,524,445)</b>	<b>(22,233,511)</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15</b>	<b>1,287,073</b>	<b>1,739,685</b>



**Statement of Cash Flows for the year ended 30 June 2022 (continued)**

	Notes	2022 \$	2021 \$
<b>Cash Flows from Investing Activities</b>			
<b>Cash was provided from:</b>			
Disposal of fixed assets		2,609	14,348
Withdrawals from term deposits		(3,186)	(504,452)
		<b>(577)</b>	<b>(490,104)</b>
<b>Cash was applied to:</b>			
Purchase of fixed assets		(609,756)	(734,448)
		<b>(609,756)</b>	<b>(734,448)</b>
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(610,333)</b>	<b>(1,224,552)</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		1,804,790	1,289,657
Net increase/(decrease) in cash and cash equivalents		676,740	515,133
<b>Cash and cash equivalents at the end of year</b>		<b>2,481,530</b>	<b>1,804,790</b>
Odyssey House Trust cash at end of period	7 (a)	2,466,549	1,791,980
Client Trust cash at end of period	7 (b)	14,981	12,810
<b>Cash and cash equivalents at the end of year</b>		<b>2,481,530</b>	<b>1,804,790</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 3 October 2022.

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.



## 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 2022 (2021: 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 are 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, if applicable.

## 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.

**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>	20–33%
<b>Motor vehicles</b>	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.

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.

**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

	2022 \$	2021 \$
<b>Revenue from exchange transactions</b>		
<b>5a(i) Revenue from operations</b>		
Department of Corrections	4,550,621	4,456,038
Ministry of Health – DHBs other	2,868,470	2,728,141
Ministry of Health – Methamphetamine Programme	1,660,758	1,595,084
Work and Income Benefits	663,013	743,139
Oranga Tamariki – Ministry for Children	987,294	761,873
MSD – vocational training grant	46,352	41,939
MSD – E Ara E	723,563	172,950
Ministry of Health – DHBs Northern Regional Alliance	9,886,069	9,094,393
Ministry of Education	128,267	143,076
Problem Gambling	292,163	355,602
Accident Compensation Corporation	-	-
Alcohol and other drug – sector development funding	-	92,163
Alcohol and other drug – treatment courts	2,334,184	2,237,574
	<b>24,140,754</b>	<b>22,421,972</b>
<b>5a(ii) Other operational revenue</b>		
Grants – private	27,775	33,445
Interest on investments	24,217	13,785
Other income	174,541	110,480
	<b>226,533</b>	<b>157,710</b>
<b>5a(iii) Other non operational income</b>		
Gain on disposal of fixed assets	2,009	4,196
	<b>2,009</b>	<b>4,196</b>
<b>Total exchange revenue</b>	<b>24,369,296</b>	<b>22,583,878</b>
<b>5b Revenue from non exchange transactions</b>		
Donations	150,608	150,080
<b>Total non exchange revenue</b>	<b>150,608</b>	<b>150,080</b>
<b>Total exchange and non exchange revenue</b>	<b>24,519,904</b>	<b>22,733,958</b>

The \$150,608 donations received includes \$100,000 donated by Foundation North. (2021: \$120,000)



## NOTE 6 | Expenses

	2022 \$	2021 \$
<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	105,337	105,116
<b>Infrastructure and non-clinical costs</b>		
Audit fees	36,000	33,000
<b>Property occupancy and maintenance costs</b>		
Rent	366,392	388,891
<b>6(ii) Other non operational expense</b>		
Extraordinary Capital Expense	-	432,809
Write off of fixed assets	51,094	14,129
	<b>51,094</b>	<b>446,938</b>

## NOTE 7 | Cash and cash equivalents

	2022 \$	2021 \$
<b>7(a) Cash and cash equivalents for the Trust</b>		
ASB – call account	1,962,572	1,785,428
ASB – imprest account	1,827	2,472
ASB – short term deposit up to 90 days	500,000	-
Cash on hand	2,150	4,080
<b>Cash at bank and in hand</b>	<b>2,466,549</b>	<b>1,791,980</b>
<b>7(b) Cash and cash equivalents for the Client Trust</b>		
ASB – holding account	14,981	12,810
<b>Cash at bank and in hand</b>	<b>14,981</b>	<b>12,810</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**

	2022 \$	2021 \$
<b>8(a) Trade receivables</b>		
<b>Current</b>		
Trade receivables	2,110,518	1,402,023
Revenue accrued	9,291	8,894
Receivables (gross)	2,119,809	1,410,917
Less: provision for impairment	-	-
<b>Total receivables</b>	<b>2,119,809</b>	<b>1,410,917</b>

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

	2022 \$			2021 \$		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	1,788,956	-	1,788,956	1,393,826	-	1,393,826
Past due 1-30 days	180,939	-	180,939	-	-	-
Past due over 30 days	149,914	-	149,914	17,091	-	17,091
<b>Total</b>	<b>2,119,809</b>	<b>-</b>	<b>2,119,809</b>	<b>1,410,917</b>	<b>-</b>	<b>1,410,917</b>

There is no provision for impairment. As the Trust receives 99% 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.

	2022 \$	2021 \$
<b>8 (b) Other receivables</b>		
Prepayments	181,783	145,208
<b>Total receivables</b>	<b>2,301,592</b>	<b>1,556,125</b>

## NOTE 9 | Investments

	2022 \$	2021 \$
<b>Current portion</b>		
ASB – Short Term deposit account	1,507,638	1,504,452
<i>Total current portion</i>	1,507,638	1,504,452
<b>Total investments</b>	<b>1,507,638</b>	<b>1,504,452</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 2020	17,168,144	1,894,063	1,284,390	1,143,680	341,359	21,831,636
Additions	93,807	221,623	112,027	138,442	-	565,899
Revaluation increase	-	-	-	-	-	-
Transfers	116,617	23,133	-	-	(139,750)	-
Impairment losses	-	-	-	-	-	-
Disposals	-	(89,714)	(55,782)	(19,304)	-	(164,800)
Balance at 30 June 2021	17,378,568	2,049,105	1,340,635	1,262,818	201,609	22,232,735
Additions	98,970	271,887	59,722	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	1,334,340	1,444,319	202,020	22,475,838



**NOTE 10 | Property, plant and equipment (continued)**

	Land & buildings	Plant & equipment	Furniture & fittings	Motor vehicles	Capital WIP	Total
<b>Accumulated depreciation and impairment losses</b>						
Balance at 30 June 2020	3,806,789	938,206	670,498	779,043	-	6,194,536
Depreciation expense	525,265	305,769	127,997	81,347	-	1,040,378
Elimination on disposal	-	(79,705)	(51,658)	(9,154)	-	(140,517)
Elimination on revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
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
<b>Carrying amounts</b>						
At 30 June 2021	13,046,514	884,835	593,798	411,582	201,609	15,138,338
At 30 June 2022	12,643,818	840,932	523,757	517,851	202,020	14,728,379

**NOTE 11 | Trade and other payables**

	2022 \$	2021 \$
<b>Payables under exchange transactions</b>		
Trade payables	451,491	678,819
Accruals	245,167	76,585
PAYE payable	124,185	116,622
ACC accrual	45,424	42,445
GST payable	146,369	109,382
<b>Total payables</b>	<b>1,012,636</b>	<b>1,023,853</b>

**NOTE 12 | Employee entitlements**

	2022 \$	2021 \$
<b>Current portion</b>		
Salary accrual	660,327	420,512
Holiday pay accrual	1,088,591	900,250
Provision for sick leave	5,908	28,295
Long service leave	19,963	9,061
Other deductions	53,521	50,506
<b>Total current portion</b>	<b>1,828,310</b>	<b>1,408,624</b>
<b>Non-current portion</b>	<b>-</b>	<b>-</b>
<b>Total employee entitlements</b>	<b>1,828,310</b>	<b>1,408,624</b>

**NOTE 13 | Funds received in advance**

	2022 \$	2021 \$
<b>Payables under exchange transactions</b>		
Crown Entities	13,347	27,000
Grants	97,325	91,485
<b>Total payables under exchange transactions</b>	<b>110,672</b>	<b>118,485</b>

**NOTE 14 | Equity**

	2022 \$	2021 \$
<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	17,439,941	17,828,787
Surplus/(deficit) for the year	612,332	(388,846)
<b>Balance at 30 June</b>	<b>18,052,273</b>	<b>17,439,941</b>
<b>Total equity</b>	<b>18,052,273</b>	<b>17,439,941</b>

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

	2022 \$	2021 \$
<b>Net surplus/(deficit)</b>	<b>612,332</b>	<b>(388,846)</b>
<b>Adjustments for:</b>		
Depreciation	986,143	1,040,378
Write off of fixed assets	51,094	14,129
Loss/(Gain) on fixed asset disposal	(2,009)	(4,196)
<b>Changes in working capital relating to operating activities:</b>		
Trade and other receivables	(745,466)	1,278,642
Trade and other payables	(26,894)	(261,387)
Employee entitlements	419,686	128,522
Funds received in advance	(7,813)	(67,557)
<b>Net cash inflow from operating activities</b>	<b>1,287,073</b>	<b>1,739,685</b>



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

	2022 \$	2021 \$
<b>Capital commitments</b>		
Trust capital commitments	53,985	1,533

**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	276,853	342,591
Later than one year and not later than five years	317,696	578,587
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>594,549</b>	<b>921,178</b>

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

There were no contingent liabilities at 30 June 2022 (2021: nil).

**NOTE 18 | Related party transactions**

There were no related party transactions required to be disclosed for the year ended 30 June 2022 (2021: nil), other than key management personnel compensation.

**Key management personnel compensation**

	2022 \$	2021 \$
<b>Board of Trustees Members</b>		
Board remuneration	\$93,333	\$97,500
Full-time equivalent members	10.0	9.0
<b>Executive Leadership Team</b>		
Remuneration	\$696,117	\$763,035
Full-time equivalent members	4.0	3.5
<b>Total key management personnel remuneration</b>	<b>\$789,450</b>	<b>\$860,535</b>
<b>Total full time equivalent personnel</b>	<b>14.0</b>	<b>12.5</b>

For year ended 30 June 2021 and for the year ended 30 June 2022 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

On the 15th of August 2022 Odyssey House Trust signed an agreement to receive funding from Te Whatu Ora out of the Proceeds of Crime fund. The total funding of \$2.7m over a two-year period is almost exclusively for the capital expenditure of the expansion and extension of existing buildings and fixtures.





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