



ODYSSEY
changing lives

FINANCIAL STATEMENTS

18/19



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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 2019.

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

Signed on behalf of the Board:



Allen Bollard
Chairman

4 November 2019



Darren Johnson
Trustee

4 November 2019



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 2019;
- 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 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 2019, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

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.

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, and will 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.



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 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.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bramley.

For and on behalf of:

A handwritten signature in black ink that reads 'PriewaterhouseCoopers'.

Chartered Accountants
4 November 2019

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
Judge David McNaughton (until 06/03/2019)	Trustee
Robyn Reynolds	Trustee
Robert Roydhouse	Trustee
Mary Shanahan	Trustee
Dr Clive Bensemenn	Trustee
Terry Huriwai (from 01/04/2019)	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
William Ward (until 17/08/2018)	General Manager - Improvement and Development
Sam White (from 15/10/2018)	General Manager - Improvement and Development
Ken Kerehoma	Cultural Advisor
River Paton	Clinical Director

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 Māori advisory culture group. The group consists of kaumātua and kaukuia who represent mana whenua and wider Māori. Odyssey House Trust does not rely on receiving donated goods or services.

Odyssey House Trust Statement of Comprehensive Revenue and Expense

FOR YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue			
Revenue	5a (i)	19,731,425	19,144,979
Other income	5a(ii), 5b	586,492	582,175
Other non operational other income/(expense)	5a(iii)	(18,479)	(13,398)
Total revenue		20,299,438	19,713,756
Expenses			
Personnel costs		12,438,725	11,212,521
Outsourced services		3,272,091	3,404,488
Client care costs		2,166,039	2,111,778
Infrastructure and non-clinical costs		549,838	548,054
Property occupancy and maintenance costs		1,055,035	1,194,269
Transport and travel costs		395,896	330,702
Depreciation costs	10	719,051	647,611
Total expenses	6	20,596,675	19,449,423
Surplus for the year		(297,237)	264,333
Other comprehensive revenue and expense		-	-
Total other comprehensive revenue and expense for the year		-	-
Total comprehensive revenue and expense for the year		(297,237)	264,333

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 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents for Odyssey House Trust	7 (a)	857,301	1,491,700
Cash and cash equivalents for Odyssey House Client Trust	7 (b)	10,892	11,309
Trade and other receivables	8	2,091,548	1,977,856
Investments	9	1,171,826	3,861,434
Total current assets		4,131,567	7,342,299
Non-current assets			
Investments	9	-	1,123,319
Property, plant and equipment	10	16,029,865	11,656,034
Total non-current assets		16,029,865	12,779,353
Total assets		20,161,432	20,121,652
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,474,592	1,238,362
Employee entitlements	12	922,717	880,572
Odyssey House Client Trust		10,892	11,309
Funds received in advance	13	165,879	106,820
Total current liabilities		2,574,080	2,237,063
Non-current liabilities			
Employee entitlements	12	-	-
Total non-current liabilities		-	-
Total liabilities		2,574,080	2,237,063
Net assets		17,587,352	17,884,589
Equity	14	17,587,352	17,884,589
Total equity		17,587,352	17,884,589

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 2018

	Notes	2019 \$	2018 \$
Balance at 1 July		17,884,589	17,620,256
Total comprehensive revenue and expense for the year		(297,237)	264,333
Capital contribution		-	-
Balance at 30 June	14	17,587,352	17,884,589

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

Odyssey House Trust Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Rendering of services		19,762,540	18,806,373
Donations and grants		371,915	165,169
Interest from investments		144,044	270,647
Odyssey house client trust deposits by WINZ		9,951	18,184
		20,288,450	19,260,373
Cash was applied to:			
Payments to suppliers and employees		(19,741,862)	(18,765,691)
Odyssey house client trust withdrawals by clients		(10,368)	(17,320)
		(19,752,230)	(18,783,011)
Net cash inflow from operating activities	15	536,220	477,362
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Disposal of fixed assets		1,912	11,525
Withdrawals from term deposits		3,812,927	1,912,725
		3,814,839	1,924,250
Cash was applied to:			
Term deposits		-	-
Purchase of fixed assets		(4,985,875)	(2,416,943)
Purchase of intangible assets		-	-
		(4,985,875)	(2,416,943)
Net cash (outflow)/inflow from investing activities		(1,171,036)	(492,693)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (outflow)/inflow from financing activities		-	-
Cash at beginning of period		1,503,009	1,518,340
Net (decrease)/increase in cash and cash equivalents		(634,816)	(15,331)
Cash and cash equivalents at the end of year		868,193	1,503,009
Odyssey house trust cash at end of period	7 (a)	857,301	1,491,700
Odyssey house client trust cash at end of period	7 (b)	10,892	11,309
Cash and cash equivalents at the end of year		868,193	1,503,009

The above statement should be read in conjunction with the notes to and forming part of 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 Charitable Trusts 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 4 November 2019.

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 2019 (2018: 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 statement 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

(i) 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 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 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 include:

- 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 useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Land	Not depreciated	Not depreciated
Buildings	20 years	5%
Plant & equipment, furniture & fittings	5 years	20%
Motor vehicles	3 to 5 years	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, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, 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

	2019 \$	2018 \$
REVENUE FROM EXCHANGE TRANSACTIONS		
5a(i) Revenue from operations		
Department of Corrections	4,342,404	4,169,886
Ministry of Health – DHBs other	2,030,667	1,936,440
Ministry of Health – methamphetamine programme	1,493,444	1,429,232
Work and Income Benefits	662,305	637,826
Child Youth & Family	412,297	363,231
MSD – CYF Fresh Start	255,425	252,000
MSD – vocational training grant	46,630	34,614
Ministry of Health – DHBs Northern Regional Alliance	7,777,195	7,598,347
Ministry of Education	123,582	150,129
Problem Gambling	255,879	255,879
Accident Compensation Corporation	43,879	-
Alcohol and other drug – sector development funding	92,188	154,395
Alcohol and other drug – treatment courts	2,195,530	2,163,000
	19,731,425	19,144,979
5a(ii) Other operational revenue		
Grants – private	225,545	127,652
Interest on investments	124,437	248,271
Other income	130,595	159,735
	480,577	535,658
5a(iii) Other non operational income/(expense)		
Extraordinary Capital Expense	(8,732)	-
Gain/(Loss) on disposal of fixed assets	(2,254)	4,679
Write off of fixed assets	(7,493)	(18,077)
	(18,479)	(13,398)
Total exchange revenue	20,193,523	19,667,239
5b Revenue from non exchange transactions		
Donations	105,915	46,517
Total non exchange revenue	105,915	46,517
Total exchange and non exchange revenue	20,299,438	19,713,756

The \$105,915 donations received includes \$79,844 donated by Foundation North.

Note 6 - Expenses

There are specific accounting disclosure for expense items required under IPSAS. Odyssey House Trust total expenses of \$20,596,675 include:

	2019 \$	2018 \$
<u>Personnel costs</u>		
ACC levy	125,167	124,519
<u>Infrastructure and non-clinical costs</u>		
Audit fees	25,410	24,214
<u>Property occupancy and maintenance costs</u>		
Rent	485,115	454,635

Note 7 - Cash and Cash Equivalents

	2019 \$	2018 \$
7(a) Cash and cash equivalents for the Trust		
ASB – call account	651,106	983,113
ASB – imprest account	2,245	5,037
ASB – short term deposit up to 90 days	200,000	500,000
Cash on hand	3,950	3,550
Cash at bank and in hand	857,301	1,491,700
7(b) Cash and cash equivalents for the Client Trust		
ASB – holding account	10,892	11,309
Cash at bank and in hand	10,892	11,309

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

8 (a) Trade receivables

	2019 \$	2018 \$
Current		
Trade receivables	1,966,110	1,794,269
Revenue accrued	7,550	89,646
Receivables (gross)	1,973,660	1,883,915
Less: provision for impairment	-	-
Total receivables	1,973,660	1,883,915
Total receivables comprises:		
Receivables from the sale of goods and services (exchange transactions)	1,973,660	1,883,915
Receivables from donations and grants (non-exchange transactions)	-	-

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

	2019 \$			2018 \$		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	1,762,791	-	1,762,791	1,805,444	-	1,805,444
Past due 1-30 days	43,515	-	43,515	46,112	-	46,112
Past due over 30 days	167,354	-	167,354	32,359	-	32,359
Total	1,973,660	-	1,973,660	1,883,915	-	1,883,915

There is no provision for impairment. As the Trust receives 97% of funding from crown entities and government departments, an impairment assessment is considered not necessary.

8 (b) Other receivables

	2019 \$	2018 \$
Prepayments	117,888	93,941
Total receivables	2,091,548	1,977,856

Note 9 - Investments

	2019 \$	2018 \$
Current portion		
ASB – Term deposit account	1,171,826	3,861,434
Total current portion	1,171,826	3,861,434
Non-current portion		
ASB – Term deposit account	-	1,123,319
Total non-current portion	-	1,123,319
Total investments	1,171,826	4,984,753

There is no impairment provision for investments.

Note 10 - Plant, Property 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
Cost or valuation						
Balance at 30 June 2017	10,700,032	1,856,396	1,138,846	880,928	204,025	14,780,227
Additions	2,203	361,139	375,874	135,899	1,810,836	2,685,951
Revaluation increase	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Disposals	-	(287,348)	-	(23,043)	-	(310,391)
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
Accumulated depreciation and impairment losses						
Balance at 30 June 2017	2,713,901	1,112,765	723,098	587,846	-	5,137,610
Depreciation expense	280,520	185,995	104,736	76,360	-	647,611
Elimination on disposal	(1)	(268,179)	-	(17,288)	-	(285,468)
Elimination on revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
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	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
Balance at 30 June 2019	3,268,896	1,237,578	739,711	702,328	-	5,948,513
Carrying amounts						
At 30 June 2018	7,707,815	899,606	686,886	346,866	2,014,861	11,656,034
At 30 June 2019	7,627,096	1,030,480	708,878	339,595	6,323,816	16,029,865

Note 11 - Trade and Other Payables

	2019 \$	2018 \$
Payables under exchange transactions		
Trade payables	861,268	987,546
Accruals	371,634	48,752
Total payables under exchange transactions	1,232,902	1,036,298
Payables under non-exchange transactions		
PAYE payable	95,444	93,414
ACC accrual	55,157	55,610
GST payable	91,089	53,040
Total payables under non-exchange transactions	241,690	202,064
Total payables	1,474,592	1,238,362

Note 12 - Employee Entitlements

	2019 \$	2018 \$
Current portion		
Salary accrual	247,114	249,841
Holiday pay accrual	622,159	576,010
Provision for sick leave	9,191	10,847
Long service leave	2,708	4,776
Other deductions	41,545	39,098
Total current portion	922,717	880,572
Non-current portion	-	-
Total employee entitlements	922,717	880,572

Note 13 - Funds Received in Advance

	2019 \$	2018 \$
Payables under exchange transactions		
Crown Entities	5,277	-
Grants	160,602	106,820
Total payables under exchange transactions	165,879	106,820

Note 14 - Equity

	2019 \$	2018 \$
Contributed capital		
Balance at 1 July	-	-
Capital contribution	-	-
Balance at 30 June	-	-
Accumulated surplus/(deficit)		
Balance at 1 July	17,884,589	17,602,256
Surplus/(deficit) for the year	(297,237)	264,333
Balance at 30 June	17,587,352	17,884,589
Total equity	17,587,352	17,884,589

Note 15 - Reconciliation of Net Surplus/(Deficit) to Net Cash Flow From Operating Activities

	2019 \$	2018 \$
Net surplus/(loss)	(297,237)	264,333
Adjustments for:		
Depreciation and amortisation	719,051	647,611
Write off of fixed assets	7,493	18,077
Gain on fixed asset disposal	2,254	(4,679)
Changes in working capital relating to operating activities:		
Trade and other receivables	(113,692)	(421,516)
Trade and other payables	117,147	(81,995)
Employee entitlements	42,145	131,885
Funds received in advance	59,059	(76,354)
Net cash inflow from operating activities	536,220	477,362

Note 16 - Capital Commitments and Operating Leases

	2019 \$	2018 \$
Capital commitments		
Trust capital commitments	48,749	3,766,725

Operating leases as lessee

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

	2019 \$	2018 \$
Not later than one year	321,986	457,888
Later than one year and not later than five years	138,247	348,570
Later than five years	-	-
Total non-cancellable operating leases	460,233	806,458

Note 17 - Contingencies

Contingent liabilities

There were no contingent liabilities at 30 June 2019 (2018: nil).

Note 18 - Related Party Transactions

There were no related party transactions required to be disclosed for the year ended 30 June 2019 (2018: nil) other than key management personnel compensation.

Key management personnel compensation

	2019	2018
Board of Trustees Members		
Remuneration	90,000	90,000
Full-time equivalent members	8	8
Executive Leadership Team		
Remuneration	897,585	844,730
Full-time equivalent members	6	6
Total key management personnel remuneration	987,585	934,730
Total full time equivalent personnel	14	14

For year ended 30 June 2018 and for the year ended 30 June 2019 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

There have been no events post balance date that users of the financial statements should be aware of.

Whāngai ka tupu ka puawai

That which is nurtured, blossoms then grows

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