



**ODYSSEY
HOUSE**



*'A Calm in
the Sea of
Addiction'*

2011

**Odyssey House
Annual Report**



Our History

Odyssey House McGrath Foundation was founded in 1977 by Sydney businessman, Walter McGrath. Mr McGrath's son James had died of a heroin overdose and, as a testament to James, Walter McGrath committed himself to finding a program to help other young people who suffered from the same problems as his son.

After receiving a small grant from the NSW Department of Health, Walter travelled to the United States where he viewed several programs for the rehabilitation of drug addiction. He settled on the Odyssey House Program as one which he felt would be transferable to the Australian culture and its society.

Odyssey House opened its therapeutic doors on 30 October, 1977. From humble beginnings the program has grown and prospered. The first residents to enrol at Odyssey House in 1977 were housed in tents obtained from the army base at the Holsworthy Barracks. The residents slept on bunks made of rough-hewn timber. There were five dedicated individuals who made up the first staff contingent.

Despite protests from a few people in the local community, Odyssey House was able to overcome concerns by honest and open communication. Today, Odyssey House is a shining example of what can be accomplished through dedication, hard work and a focus on relevant service delivery.

Who We Are

Odyssey House operates one of the largest and most successful rehabilitation services in Australia for men and women dependent on alcohol and other drugs.

These services are provided through a continuum of care model from medically assisted withdrawal and short - to long-term rehabilitation, through to after care services following residential rehabilitation.



Our Mission

Odyssey House McGrath Foundation is a not-for-profit organisation dedicated to providing a dynamic and diverse range of services to our clients. Our programs assist the participating individuals to overcome their drug dependencies on harmful substances by empowering them through the concept of self-help and the ability to integrate, live within and contribute to the community.

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What We Do

Odyssey House provides a comprehensive range of services, including:

- Admissions and Intake Centre
- Assessment and Referral Centre
- Medically Assisted Withdrawal Unit
- Residential drug and alcohol rehabilitation programs, including
 - Parents and Children's Program
 - Vocational and educational services
- After Care program
- Magistrates Early Referral Into Treatment (MERIT)

The treatment methods used at Odyssey House are unique in treating problematic drug misuse and its attendant behaviours as symptomatic of underlying personal problems (e.g. low self esteem, sexual abuse, domestic violence, parental drug misuse, health problems, family/relationship issues), which must be addressed to successfully overcome drug dependence and remain abstinent in the long term.

Our programs are not easy. In order for personal growth to replace drug dependency, clients work hard to change any negative attitudes and values, confront the reasons they resorted to drug misuse, and learn strategies for

dealing with the ups and downs of daily life. The journey to become an individual with self confidence, a sense of adequacy and coping ability is arduous, but worthwhile.

Research shows that the longer a person engages with rehabilitation, the better their chances of remaining abstinent in the long term. Most of our residential clients live at Odyssey House for at least several months, some for more than a year.

There are no easy answers to the problems of drug misuse. However, research – and experience – has consistently shown that drug rehabilitation can work. Two-thirds (67%) of a sample of Odyssey House residents were drug-free when followed up three years after completing treatment, according to the Australian Treatment Outcome Study (2007) conducted by the National Drug and Alcohol Research Centre. On average, clients had nine previous attempts at treatment before entering the Odyssey House program.



Who We Serve

During the 2010-2011 financial year, 661 people were admitted into the Odyssey House alcohol and other drug programs: 328 individuals were admitted into the Withdrawal Unit and 333 individuals into the residential program.

More than half (57%) of clients who completed the withdrawal program entered the Odyssey House residential program.

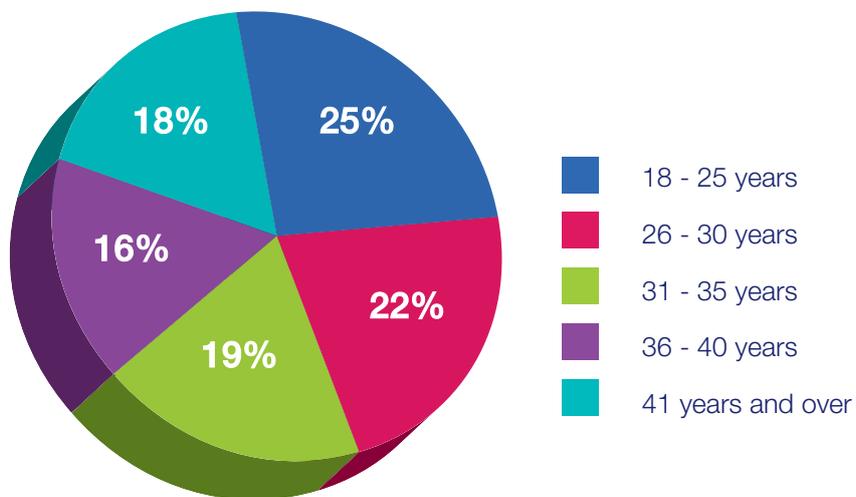
Over 3,000 calls were handled by the staff and crew at the Admissions and Intake Centre during the year – providing information, drug and alcohol assessment, referrals and support to members of the community.

Almost half (47%) of all clients admitted into the Odyssey House Residential rehabilitation programs during the year were 18-30 years of age. The breakdown of the age groups of clients who entered the residential facility was:

In the total, 452 males and 209 females entered either the Withdrawal Unit or the residential facility.

Odyssey House has helped these people to become productive members of society. Through our comprehensive services we have helped more than 30,000 people since 1977.

In 2010-2011, Odyssey House residents accounted for over 33,000 drug-free and crime-free days. This amounted to a cost saving to society of over \$70 million!





Our Performance Figures and Trends

Over the year Odyssey House has continued to expand and adapt its services to meet the changing needs of the challenging client population.

Mental illness and drug dependence

Clients presenting with drug dependence as well as mental health problems continue to be a significant issue. Approximately 42 per cent of people accessing our residential services have a co-existing mental illness such as depression, anxiety, bi-polar disorder, schizophrenia, post traumatic stress disorders and borderline personality disorders. This has been a continuing diagnostic trend since 2006, when 30 per cent of clients had a co-existing mental illness.

Fortunately, Odyssey House has always had a provision for psychiatric overview of clients and the ability to administer medication, where warranted, to address these conditions. In addition to psychiatric services, a specific psycho-social intervention has been developed for this client group. Its focus is on assisting clients to understand their condition and the need to continue taking their medication, if prescribed; and providing access to support services to avoid relapse to mental illness and substance misuse.

Primary drugs of concern

For the fifth year in a row, alcohol was the leading substance of concern identified by clients entering our residential

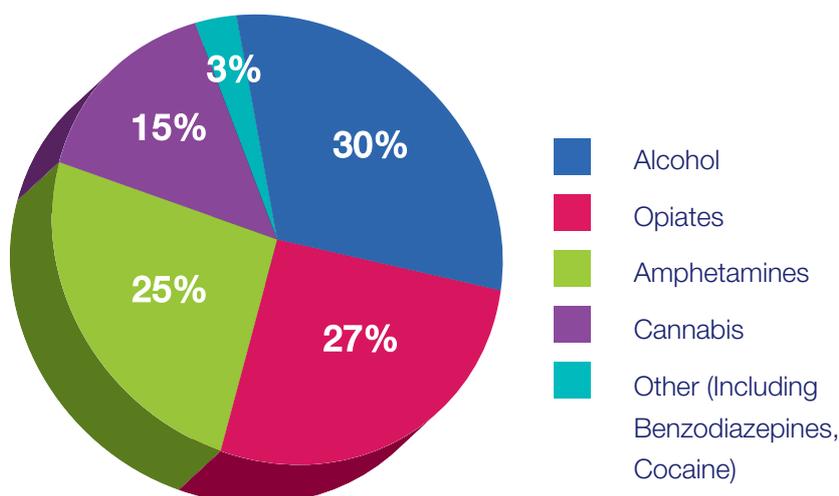
rehabilitation program, with 30 per cent of clients naming it as their main drug of choice (many clients report multiple drug dependencies). While this represents a 21 per cent decrease on the previous year, it is still the second highest figure for alcohol admissions recorded at Odyssey House. Despite its legal status, alcohol is a significant drug issue given the association between alcohol misuse and other drug use and mental illness.

Alcohol use with a diagnosis of depression continues to be the highest occurring dual disorder identified among clients.

In addition, the reported average age of first intoxication (usually alcohol or cannabis) among clients remains at 12-13 years of age. This is of particular concern not only because of the damaging effect of drugs on developing brains, but also due to the developmental physical and social milestones these clients have missed out on. This places a greater burden on our services not only to rehabilitate in terms of alcohol and other drug issues but also to 'habilitate' by teaching these adult clients practical living and social skills.

Another significant trend this year is the 56 per cent increase in the proportion of clients reporting Amphetamine-Type Stimulants (base, speed, ice) as their primary substance of choice on admission, up from 16 per cent last year to 25 per cent this year.

The principal drug of concern of clients entering the residential rehabilitation facility during the year was:





Mick's Story

Growing up in a humble Brisbane suburb, I had no idea that my family life was so dysfunctional and that my journey in life would have so many challenges ahead of it.

“ I was invincible - and who was going to stop me ”

My mum was an abusive alcoholic which resulted in my parents being divorced by the time I was four. My sister and I were left in her custody and before long we started to bear the impact of her drinking.

At a very young age we were forced to look after ourselves. By the time I was 7, our mum would disappear for days at a time. We would steal food to eat, and soon we would steal just for fun.

No parent and no rules allowed me the freedom to run riot, not go to school, to get into fights and continue to cause havoc.

“I was invincible - and who was going to stop me”.

My dad moved to Sydney with his new wife when I was 12 and gained custody of my sister and I to help us regain control of our lives and put some firm rules in place. While at the time we all ‘buted heads’ I appreciate now just how important those actions were.

As I finally started going to high school, I really had no interest in studying - I did discover an opportunity to sell ‘pot’ to other students to make some cash. As I also always looked older than my age I also started the purchasing and selling of alcohol to under age drinkers.

By the time I reached University I had practically become a full time drug dealer, selling pot, ecstasy, cocaine, speed – whatever it was people wanted. Though I never took the drugs myself – I was soon asked to leave the University due to my unwanted behaviour.

The cash soon ran dry and it was time to find a job. Though it wasn't the dream job my parents were hoping for, I discovered the underground of drug users and drug dealers, and joined them.

“ Doctors told me I would die if I kept using, I didn't care ”

The next couple of years were some of the most horrific years of my life. I soon became more of a user than a seller. Starting on Nurofen Plus and then I worked my way up to Oxycotin and what ever prescription medication I could get my hands on.

“ I learnt that you can't run away from anything - you need to face your fears ”

I was able to consume up to 40 tablets at a time and would do this up to two times a day. The impact of so many prescriptions resulted in a stomach ulcer which perforated.

“Doctors told me I would die if I kept using, I didn't care”.

Out of hospital, I continued to take my prescription cocktail until I was finally confronted by my dad and my step mum over my drug use and they explained that watching me slowly fading away was killing them.

It was time, time to stop and get the help I really needed - and so I found Odyssey House.

My journey at Odyssey House took nearly two years, as I tried to avoid the underlying issues of my drug misuse. With the care and support of the staff and other residents in the program, and the unconditional support of my family, I was finally able to get through it all.

“I learnt that you can't run away from anything - you need to face your fears”.

I have started back at University (and doing it the right way this time) and I still continue to be a part of Odyssey so that I can give support to others on their journey and to thank Odyssey House for giving me the chance to get my life back.



Chairman's Report

As I prepare this report it is hard to believe that another year has passed us by so quickly. I am also reminded how much we have achieved during this time.

The Board has also worked diligently over this time to improve its processes and Corporate Governance to be a more efficient Board for the Foundation. The sub committees continued to work well. These committees are as follows: Marketing and Fundraising; Nominations; Risk, Audit and Governance; Finance and Investment; and Operations.

The Board continues to concentrate its efforts on securing financial sustainability for Odyssey House. James Pitts and his team were involved in a number of key fundraising initiatives in the past financial year which included:

- Odyssey by the Bay - Cocktail Party
- ASX Thomson Reuters Charity Regatta, Golf Day and Gala Dinner
- Milton Luger Forum
- Women's Luncheon
- Real Men Cook for Odyssey
- Paradise Investment Management Goulburn to Citi Classic Corporate Charity Ride
- Australian Fund Managers Awards
- Odyssey House Open Day
- ASX Thomson Reuters Regatta

We express our deepest thanks and applaud James and his staff at Odyssey on the successful work in relation to the recent survey report from the Australian Council on Healthcare Standards (ACHS). Odyssey House received an MA rating in all mandatory categories which is required

and necessary to receive accreditation. What is incredibly inspiring is that we also received EA ratings (Extensive) in categories concerning how healthcare is delivered and consumer involvement.

This was an extremely hard working and diligent process and we commend all the staff for achieving this wonderful result.

With regret after six years on the Board Cathy Doyle stepped down as Board Chairman to face new challenges. Cathy is very passionate about Odyssey and was a very dedicated Chairman. We wish her the best for the future.

The Board also farewelled two Directors, Bianca Tulich and Audrey Page. Bianca has been an excellent member of the Finance Committee and the Board for nearly 4 years. Audrey has been a tireless contributor on the Board and a member of every Sub Committee over the last 18 years - an outstanding effort really!

Odyssey moved under my leadership to the new Chairman Doug Snedden. I know that Doug will receive your continuing generosity and support, as we have since 1977.

The Board looks forward to the future with confidence and I hope you will continue to support Odyssey House as I intend.

John Coughlan
Interim Chair
Odyssey House McGrath Foundation



Chief Executive Officer's Report

The past year, like those that have preceded it, has been a challenge. While Odyssey House cannot impact in any major way on the macro forces that support drug misuse, we can and do deliver services that have a positive impact on those individuals who participate in our programs.

This was verified through the accreditation we undertook through the Australian Council on Healthcare Standards (ACHS). This was an extensive and comprehensive process that assessed our ability to comply with standards in three areas:

- Clinical, which assesses care models and their implementation
- Support, which assesses operational systems
- Corporate, which assesses the governance and management structures and processes of the organisation.

There were 42 standards that had to be met at an evaluative rating of MA (Moderate Achievement) in order to receive accreditation. We achieved these and additionally were awarded ratings of EA (Extensive Achievement) in three standards:

- Consumer rights and responsibilities
- Consumer involvement in planning, service delivery and evaluation
- Care evaluation by health care providers, carers and consumers.

The attainment of this accreditation ensures that Odyssey House is an organisation that meets best practice standards in service delivery.

Our operations continued to improve as we completed the refurbishment of the Assessment and Referral Centre kitchen and dormitory areas, and the installation of a new waste water management system. These improvements contributed greatly to the amenity at the Assessment centre. We were fortunate to secure a contract with the food recovery organisation Oz Harvest, a beneficial relationship that reduces our food costs while providing nutritious food to residents.

Retention - the ability to keep people in treatment long enough to benefit from the experience - is a critical component of successful rehabilitation. To help us accomplish this we undertake an ongoing assessment of the needs of our residents. Last year we implemented program interventions to address the needs of the young adult component of the population. Supported by a grant from the Vincent Fairfax Family Foundation, we hired a counsellor for the 18-25 year old residents within the program. They engaged in a dedicated therapy group to address relevant issues and started to attend dragon boat racing, Kung Fu and physical fitness classes on a regular basis. These activities have had tangible therapeutic benefits as well as being enjoyed by the participants.

We have been on the 'front foot' in our engagement with the new NSW Government, attending several meetings with ministers to discuss their proposed plans and policies for alcohol and other drugs services. We feel we are well prepared to engage with the government as they seek to make use of the talents of the not-for-profit sector in the implementation of their policies. In preparation for new government initiatives, we have taken steps this past year to assess the possibility of expanding our Medically Assisted Withdrawal Unit, and had preliminary plans drawn by the architectural firm of Julian Benchley and Associates. We have outgrown our current facility and the establishment of a new one would increase our service capacity and improve facilities for staff and clients.

During the year we welcomed Ms Loretta Watts as our new Financial Controller. Loretta has a wealth of not-for-profit sector experience and her appointment has proven beneficial to the re-organisation of the Finance Department.

We continued our efforts to be at the forefront of commenting on issues related to alcohol and other drugs. We had 264 items of media coverage across television, radio, newspapers and consumer magazines. These provided an audience reach of 28.5 million with an average impact of 3.8 out of 5.0!



These included commentary by myself on a range of Topics, as well as Odyssey House events, case studies and the success stories of Odyssey House residents and graduates.

We continued to receive positive publicity across a range of media including The Kerrie-Anne Show on Channel 9; Sunrise and The Morning Show on Channel 7; The 7:30 Report on ABC; numerous radio interviews on all commercial stations; interviews on ABC radio by Richard Glover and Tony Delroy; extensive newspaper coverage on our Parent's and Children's Program in The Daily Telegraph; and magazine articles in MindFood, Take 5 and Marie Claire.

Our involvement in our local Macarthur community continued to be a highlight. Our After Care Program hosted Mental Health Week and Odyssey House was an organising member in the first Macarthur Drug Free Expo in Campbelltown during National Drug Action Week. We held our annual Open Day in October last year with over 450 guests in attendance; NSW MP Graham West was our guest speaker. The Odyssey House choir sang at the opening of The Australasian Therapeutic Communities Association (ATCA) conference in September last year.

We continued our formal association with our Indigenous partners The Tharawal Aboriginal Corporation and the Illawarra Area Medical Service. We highlighted the development of these relationships at the first National Indigenous Drug and Alcohol Conference (NIDAC) held in Adelaide in June, 2010, with a paper I co-authored with Leanne Lawrence on "Indigenous Programming in a Therapeutic Community Setting".

We also made a scientific presentation at the Winter School In The Sun Conference in Brisbane last July, presenting a paper on "The Evolution of The Therapeutic Community in Australasia".

Our fundraising efforts continued as a necessary component of our income streams. We received a grant from the St George Foundation to hire a much needed child care worker for our Parents and Children's Program.

The Vincent Fairfax Foundation provided us with a one-off grant in honour of their 50th anniversary. This enabled us to recruit a Marketing Assistant to assist with planning and sourcing fundraising/marketing events and initiatives. We received funding from the New South Wales Community Partnerships Program to enhance the infrastructure at our main facility located in Campbelltown. The NSW Department of Environment, Climate Change and Water provided funds for us to install water saving devices and energy saving lighting fixtures.

The 'Events' calendar was full last year. It included Real Men Cook held at bel mondo restaurant in The Rocks; the Paradise Investment Goulburn to Citi Corporate Charity Cycle ride; Odyssey By The Bay, a cocktail party hosted by Ros and Paul Espie; the ASX Thomson Reuters Charity Foundation Regatta, Golf Day and Dinner; The Australian Fund Managers Awards; and the Odyssey House Women's Luncheon, all of which contributed to a successful fundraising year.

In summary, our work entails working with a very challenging and high risk group of clients who have significant needs. We have done this work successfully despite staff shortages and an ongoing difficult economic climate, and have been able to stop to 'smell the roses' and appreciate our accomplishments. We are regarded favourably by State and Federal Governments, private trusts and foundations, corporations, institutions, media, individuals and the local community. We appreciate the trust and faith they have invested in us over the past year. In looking forward, we are committed to retain and enhance these relationships into the future as we continue to provide high standards of service to our clients.

James A Pitts, M.A.
Chief Executive Officer
Odyssey House McGrath Foundation



Sally's Story



Sally is the oldest of three children in her family. Even though her parents had a somewhat turbulent relationship, the family remained quite close.

Sally did well at school and did all of the usual activities growing up, such as Brownies, Girl Guides and Netball. Little did she know that the boy she would meet in Year 12 would have such an impact on her life.

"When I was 17 I met Byron (he was 20). We started going out straight away".

“ It all started so innocently, once every three to four weeks I started using Ecstasy, this then escalated to Speed and then Ice ”

Sally was still determined to finish her school year though her attendance in class began to whither and she became more dependent on the drugs.

"While I was doing my HSC I discovered I was pregnant, I also knew that I was not ready to be a parent and I knew that I did not want to have a permanent attachment with Byron, so I had my first abortion."

Still with Byron, by the time Sally finished the HSC she was using on a daily basis and now she was injecting ICE.

"At first Byron would do it for me, and then I figured I could do it myself. That was worse as I had the control to over use. After my first injection I was always chasing the 'rush' of that first time".

The relationship continued for another two years in which time Sally had her second abortion. "Our relationship was toxic. Byron had stopped using and did not want to be around a drug user any more". The relationship finally ended.

Sally had started at University in Newcastle. Focusing her interests more on the social scene, Sally didn't actually attend any classes and soon found herself back in Sydney.

Sally had managed to hold down a full time job at a bottle shop; eventually Sally lost the job due to her addiction.

Feeling lost and not having any control all Sally could think of was her next hit.

"I started dealing drugs so I could support my own habit, and ended up in another toxic relationship with my drug supplier".

In July 2009 Sally was arrested for 'Possession and Supply' and was granted bail. While the case was going through court in November Sally was arrested for a second time for 'Possession of multiple substances' and was fortunate to be granted bail once more.

Sally was not so fortunate in December when she was arrested for her third drug offence, and this time the judge was not so lenient and refused bail. Sally was sent to Silverwater Correctional Facility where she spent her birthday - not what she had planned.

While in jail, Sally's Drug and Alcohol worker contacted Odyssey House. Sally was accepted and became the last Christmas induction on 23 December into the program.

“ I loved the program from the start, I was happy to be anywhere than jail. I knew when I got to Odyssey that this was my chance - I had to do something ”

"My family was very supportive. In fact my mum virtually did the program with me as she supported me through every step of the program. I never realised the pain that I caused my family, the people who love me; addiction is not worth it".

"The later stages of the program were hard for me; I had a few 'hiccups' but the hard work was all worth it. Now I have found the zest for life that I had lost during my addiction as I chased a fake happiness".

Sally has recently completed the program and is now looking into furthering her education. In the meantime Sally continues to be a support and a mentor for other women who are in the Odyssey House program.



Our Supporters

Odyssey House continued to receive tremendous support from individuals, corporations, private trusts, foundations and governments.

The NSW Government provided funding through its Non-Government Organisations Drug and Alcohol program.

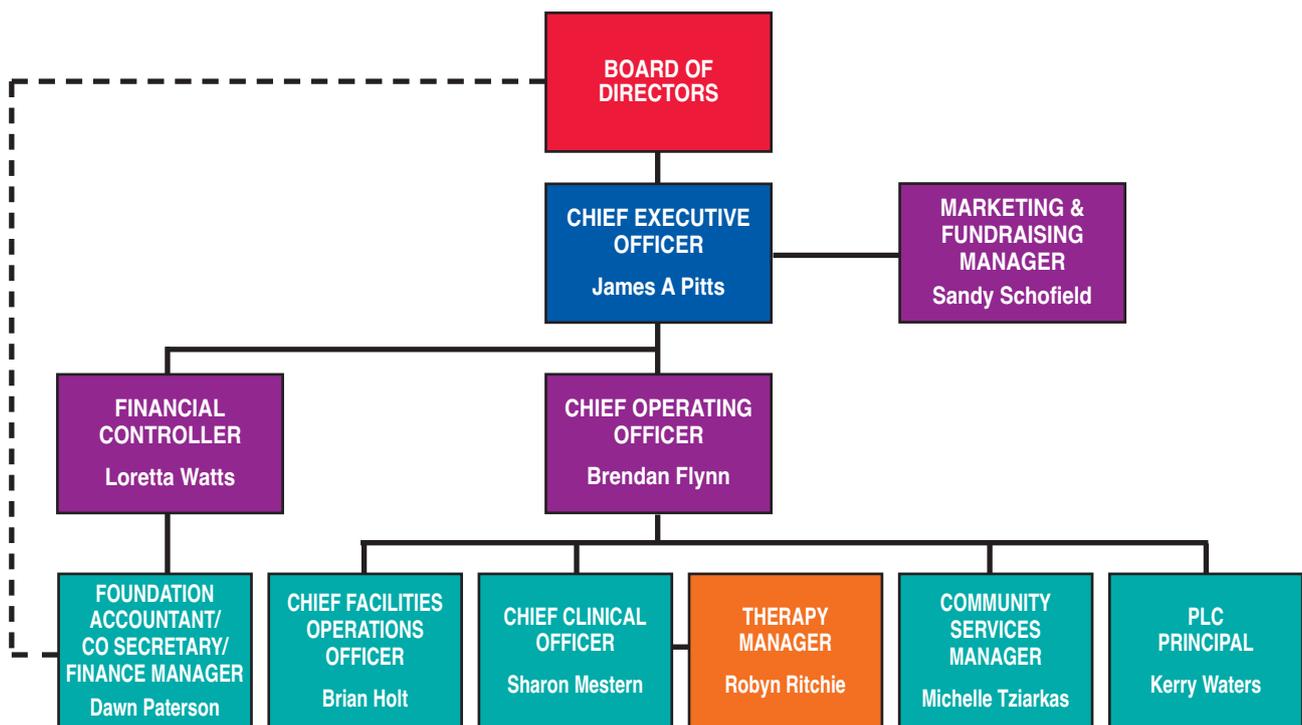
We received funding support from the Federal Government through its Non-Government Organisations Treatment Grants Program administered by the Department of Health and Ageing. In addition we received funding from the Federal Attorney-General's Department's Proceeds of Crime Act.

List of major supporters

R O ALBERT	JAMES N KIRBY FOUNDATION	SOUTHERN CROSS EQUITIES
ALBION HOTEL	JOHN LAMBLE FOUNDATION	VERNON FOUNDATION
AUSTRALIAN YOUTH & HEALTH FOUNDATION	LIANGROVE FOUNDATION	VICTOR SMORGAN FOUNDATION
A BANNON	W LOEWENTHAL	R WATERS
S & S CHISHOLM	S MALCOLM	P WIGGS
CHRISTOPHER CUFFE FOUNDATION	R MAPLE-BROWN	WILSON FOUNDATION
P ESPIE	J MURRAY	G WILSON
FERRIS FAMILY FOUNDATION	NEDIGI PTY LTD	ASX-THOMSON REUTERS CHARITY FOUNDATION
FESQ & CO	ESTATE OF HON PETER PHILIPS A M	AUSTRALIAN FUND MANAGERS FOUNDATION
C GRAY	G PRATT	R GRANT
M GREEN	QBE MANAGEMENT SERVICES	OZHARVEST
C GRUBB	R RICH	D PARADICE
HUNT FAMILY FOUNDATION	S ROBERTS	PERPETUAL
G KARANTZIAS	RODNEY & JUDITH O'NEIL FOUNDATION	S POIDEVIN
R KELDOULIS	A ROGERS	



Organisational Structure





Our staff

The staff of Odyssey House are committed to providing quality services and care. They come from a diverse range of backgrounds, which enriches the service delivery environment.

As always, the staff are to be commended for their ability to deal with a demanding client population whose needs become greater and greater. It is the staff who are able to see through the veneer of hostility or reticence often presented by our clients, to see the potential that lies beneath that façade. They provide the consistency within the treatment environment that allows our clients to make lasting changes to overcome their dependency on alcohol and other drugs. A third of our staff have been part of the Odyssey House family for more than ten years. We thank them!



Would you care more about heroin addicts if they were cute and furry?

It's easy to feel sorry for an endangered animal. But what about endangered humans?

Humans who have got into heroin for a variety of reasons. For many, it's a history of physical or sexual abuse. For others its experimentation gone too far.

But for all of them, it's a struggle to survive.

Since 1977, Odyssey House has helped tens of thousands of

people with drug, alcohol or gambling dependencies. More than 70% of these people are still drug and crime free after a year.

Now, Odyssey House itself could be endangered.

Without public support in the form of donations our life saving programmes can't continue.

Call Odyssey House on (02) 9820 9999 if you can help. Our very survival depends on it.

**ODYSSEY
HOUSE**



Assessment and Referral Centre (ARC)

The Assessment and Referral Centre (ARC) is located at the historic Robin Hood Farm at Ingleburn - a short drive from the main residential facility - and accommodates up to 40 people during the initial assessment phase of their treatment. The four- to six-week assessment program assists staff and clients in deciding the most appropriate method of treatment for the problems of each individual. During this period a complete assessment is made of each person's medical, physical, psychological, educational and vocational history. The client develops a long- and short-term treatment plan in consultation with staff and peers. At the end of the assessment, two options are available. The person may choose to enter subsequent treatment at Odyssey House, or alternatively, a referral is made to a different type of service that is deemed suitable for the individual needs of that person.

Odyssey House accepts referrals from suburban, regional and rural New South Wales and other states. Health agencies, medical professionals, parents, counsellors, court personnel, the judiciary, police and family members are just some of the people involved in referring individuals to Odyssey House. There are also many self-referred clients. Odyssey House is closely linked to professional groups like the Network of Alcohol and Other Drugs Agencies, the Australasian Therapeutic Communities Association, the World Federation of Therapeutic Communities, and the Alcohol and other Drugs Council of Australia.

Highlights

- Alicia Constable, who had been part of the After Care staff, was appointed ARC administrator following the departure of long-time Administrator, Steph Leau, who took up a private sector position in New Zealand.
- The ARC staff achieved a high rate of client retention over the year, despite the loss of the centre's mental health worker.
- The refurbishment of the kitchen, dining room and dormitory areas was completed and staff and residents returned to occupy the facility in July 2010. A new television and new furniture for the office and male dormitory further improved the facilities.



Clinical Services (Withdrawal Unit)

The Odyssey House Withdrawal Unit is housed in a modern facility built on the grounds of Robin Hood Farm in 1999. The rural setting provides an ideal environment of privacy and comfort, which helps the men and women who are attempting to withdraw from a range of licit and illicit drugs. The Withdrawal Unit accommodates up to 13 people in need of medically supervised withdrawal. Qualified nurses staff the unit on a 24-hour basis. All clients are reviewed and assessed by a doctor to determine an appropriate withdrawal regime. The program lasts from seven to ten days and includes a social and medical assessment and an individually tailored withdrawal regime as well as supportive individual and group counselling. Participants are also taught relaxation techniques and receive educational information on relapse prevention.

Highlights

- Clinical Services presented a paper on dual diagnosis at the Australasian Therapeutic Communities Association Symposium.
- The Medically Assisted Withdrawal Unit continued to achieve high completion rates (85%) and transfer rates (53%) to the residential rehabilitation program.
- The medical office co-ordinated 1500 General Practitioner assessment and review consultations, ensuring a high standard of complex medical and mental healthcare was provided.
- Achieved four years accreditation status with the Australian Council on Healthcare Standards (ACHS). In addition to meeting the criteria for the 45 Standards, we received three Extensive Achievements!



Residential Program

Residents at the main treatment facility at Eagle Vale live and work together as a small therapeutic community and undertake the rehabilitation process within a highly structured environment, with treatment and support provided by professional counsellors and medical staff.

They achieve therapeutic goals by demonstrating their ability to move through the four stages of the Odyssey House program:

- Level 1 - Understand and negotiate the Odyssey House system positively
- Level 2 - Organise and complete set tasks
- Level 3 - Have a responsible approach to others
- Level 4 - Be responsible for your own welfare

As residents move through the different stages, they gradually take over the day-to-day administration and running of Odyssey House. Job functions include cooking, maintaining the property, painting, gardening, driving and administrative activities. The therapeutic interventions used at Odyssey House include vocational counselling, extended group therapy specific to each level of the program, anger management groups, one-on-one counselling, cognitive behavioural therapy, domestic violence counselling, psychological services, psychiatric services, assertiveness skills training and sexual abuse interventions.

When residents complete their rehabilitation, they are encouraged to move into community housing and access ongoing support through the Odyssey House After Care Program. The ultimate goal of Odyssey House is that clients can leave the protected environment to face the future unafraid and are able to be productive members of society.

Highlights

- Upgraded the facility by painting the dining room and lounge areas, purchased new lounges and installed new refrigerators and microwave ovens donated by Jayco.
- Improved security by building doors to all external access paths and providing duress alarms to staff members.
- We completed our human resources upgrade with Wentworth Human Resources and were able to:
 - Complete management training
 - Implement new human resources policies
 - Complete staff performance management workshop
- Recruited a Quality Assurance Officer/Aboriginal Liaison Officer.



Parents and Children's Program

The Parents and Children's program at Odyssey House makes it possible for parents in the drug rehabilitation program to live with their dependent children in self-contained cottages with communal dining facilities. With residents living together as a family, the program teaches parenting skills and seeks to develop a happy, healthy, self supporting unit that strives to break the cycle of generational drug misuse. It is a program dedicated to meeting the individual needs of the parent with their drug rehabilitation and parenting, the young child/children with their educational, emotional and physical development, and the family's wellbeing as a whole. Children are encouraged to attend the local day care facility or primary school, and are provided with supervised play and recreational activities. When parents finish their rehabilitation and they, along with staff, recognise they have achieved confidence and responsibility in the upbringing of their child, they have the option of graduating from the program.

Highlights

- There was a general upgrade of the facility which included:
 - The painting of one of the cottage buildings
 - A demountable erected to act as a lounge/meeting area
 - Construction of a new staff bedroom
 - Construction of an awning to cover the walkway from the cottages to the play therapy room
- United Way provided volunteers for a "backyard blitz" that revamped the backyard including the construction of a sand pit, shade sail, vegetable garden and a compost bin.
- Throughout the year the bed capacity has been at maximum.
- The program featured prominently in the media via articles in The Daily Telegraph and Take 5 magazine; and a DVD on the program which was shown at various fundraising events.



Progressive Learning Centre

The Progressive Learning Centre (PLC) is the education unit at Odyssey House. It aims to provide educational experiences which foster personal growth, enabling our clients to effectively participate in the wider community without the influence of drugs or alcohol.

The Progressive Learning Centre is registered by the NSW Department of Education and Training and is a member of The Association of Independent Schools.

Dynamic and innovative in their approach, staff at the centre teach courses in remedial English and Maths, Computer Skills and Visual Arts. As well as the skills content in each subject area, teachers focus on helping clients to achieve personal growth and enhance their social skills.

The art-as-therapy component enables residents to create something they can be proud of, express their feelings and interact better with others in a nonthreatening environment. Artistic activity – from woodworking and screen printing to drawing, painting and clay work – has recognised benefits for people with poor social or communication skills, low self esteem or mental health problems, which often co-exist with alcohol and other drug dependence.

Vocational guidance seminars and individual career consultations provided by the PLC greatly assist residents in the re-entry phase of the program, helping them identify what careers would be appropriate for their personality and their professional growth and which ones may be relapse triggers.

Popular experiences provided by the Progressive Learning Centre include attending Sydney Theatre Company performances and Odyssey House choir performances at fundraising activities and local retirement villages.

Highlights

- The Progressive Learning Centre received additional printers and computers through the Commonwealth Government's National Secondary Schools Computer Fund, as well as an electronic white board.
- A grant for \$23,145 to install energy saving globes and water saving fixtures was received from the Public Facilities Program Community Savers Team.
- Community involvement by the students included:
 - Dragon Boat racing and competitions in the Chinese New Year events at Darling Harbour and at the Penrith International Regatta Centre
 - The choir performed at fundraising events, Carols by Candlelight in Campbelltown and a senior citizens facility
 - Visual arts students painted a mural in the local area as part of a beautification project in Campbelltown
 - Students attended the Sculpture by the Sea exhibition along Bondi and Tamarama beaches
 - Students attended productions at the Sydney Theatre Company during the year.



After Care Program

The Odyssey House After Care Program aims to support people who are in recovery from alcohol and other drug problems. The After Care Program is open to individuals who have achieved their recovery through Odyssey House or other interventions. The program aims to enhance participants' skills, support networks and coping abilities to assist them in moving on with their lives to become productive members of their community without dependence on alcohol or other drugs. The educational and counselling sessions focus on implementing relapse prevention strategies and developing social and personal skills.

Highlights

- Established and held the first Macarthur Drug Free Expo which was attended by community members and service agencies.
- Memorandum of Understanding (MOU) put in place with the Drug and Alcohol Women's Network (DAWN) housing program.
- After Care staff conducted a number of outings where clients' families and friends joined them on outings, including:
 - A weekend camping trip
 - Barbecues
 - Trips to the beach
 - Tennis tournaments
 - Bowling
 - Theatre visits
- Staff held 168 educational groups and 40 life skill groups. Topics included: communication; triggers and cravings; stress management; healthy eating; budgeting; and cooking.
- After Care staff delivered 406 individual counselling Sessions.

The After Care Program was evaluated by Not-For-Profit Partners, an external counselling firm, as a condition of funding from the Federal Attorney-General's Department's Proceeds of Crime Act (POCA) funding. The evaluation and its results are available on our website: www.odysseyhouse.com.au.



Merit Program

The Magistrates Early Referral Into Treatment (MERIT) Program is a drug-crime diversion initiative based in Local Courts throughout NSW and aimed at breaking the drug-crime cycle. The MERIT program provides treatment to people who are charged with criminal offences and whose matters are being heard in the local court. Defendants must demonstrate illicit drug use problems and be motivated to undertake drug treatment.

Once assessed as suitable and accepted into the program, participants attend counselling and case management sessions for approximately 12 weeks, with bail conditions specifying they must attend MERIT sessions. Defendants are closely managed by the MERIT team throughout the program with the magistrate receiving regular reports on participation. Magistrates are able to consider the defendants' progress in treatment as part of their final sentencing.

Odyssey House is the first non-government organisation to oversee management of a MERIT program in a major metropolitan area. The Odyssey House MERIT team provides services to clients in the four police local area commands of Eastern Beaches, Eastern Suburbs, Rose Bay and Botany Bay. The MERIT team is based at the Odyssey House Admissions and Intake Centre in Surry Hills. They also provide after-hours access to clients who work full-time.

Highlights

- A total of 86 clients were referred to the MERIT team during the year. Of these, 82 were assessed and 67 accepted as appropriate for the program; 39 clients completed the three-month program.
- Positive client outcomes have included:
 - Successfully completing TAFE courses
 - Obtaining and maintaining employment
 - Making active lifestyle changes
 - Achieving abstinence or a significant reduction in substance misuse.
- MERIT has built solid relationships with referral sources e.g. MERIT team members attend court twice weekly to assist Aboriginal Legal Service clients.

Board of Directors

The Odyssey House McGrath Foundation Board of Directors plays an important role in the management of Odyssey House. The Board is committed to building and strengthening Odyssey House and represent the community as well as the residents.

These are the Directors during the reporting period.



Natalie
Archer

Natalie Archer is the founding Director of Bendelta. Natalie is Bendelta's Practice Leader for Partner Effectiveness Programs (PEP) and is also a Certified Master Coach with the Behavioural Coaching Institute. Natalie has been a Director of the Odyssey House McGrath Foundation since June 2010.



Ian
Brown

Ian Brown has a Master of Arts, specialising in History, from the University of Sydney. Ian is a consultant in financial communications and has been a Director of the Odyssey House McGrath Foundation since May 1992.



Prof Jan
Copeland

Professor Jan Copeland is the Director of the National Cannabis Prevention & Information Centre and Assistant Director of the National Drug and Alcohol Research Centre, University of New South Wales. Jan has a PhD and a Bachelor of Science (Psychology) Honours degree. Jan has been a Director of the Odyssey House McGrath Foundation since February 2005.



John
Coughlan

John Coughlan was the former Chief Executive of the Greyhound and Harness Racing Regulatory Authority. John has a Bachelor of Economics and a Diploma in Rural Accounting and is a Fellow of the Institute of Chartered Accountants. John has been a Director of Odyssey House McGrath Foundation since October 2006.



Cathy
Doyle

Cathy Doyle is Group Executive Perpetual Investments Business Services and Chief Operating officer Australian Equities for Perpetual Limited. Cathy has an MBA, Grad Dip Psychology, Grad Dip Vocational Education and Training and a Bachelor of Social Science. Cathy was the former Chairman of the Odyssey House McGrath Foundation and served on the Board in various roles from February 2006 to April 2011.

Board of Directors



Jonathan
Fisk

Jonathan Fisk is a leading consultant in the IT and business process outsourcing industries. Johnathan has been a Director of Odyssey House McGrath Foundation since April 1992.



Tim
Green

Tim Green is the founder and CEO of Tim Green Commercial. Tim holds a Bachelor of Commerce and has been a Director of Odyssey House McGrath Foundation since November 2006.



Valerie
Hoogstad

Valerie Hoogstad has a Masters degree and has been a Director of the Odyssey House McGrath Foundation since October 1996.



Richard
Lyle

Richard Lyle is the Director of Program Standards and Chief Classification Officer for the Nine Network in Australia. Richard is the nephew of Walter McGrath, the founder of the Odyssey House McGrath Foundation. Richard was a Director of the Odyssey House McGrath Foundation from September 1991 to February 2011. Richard now consults to the Board.



Audrey
Page

Audrey Page is the Chairman of Audrey Page & Associates, career management specialists. Audrey has a Bachelor of Science, majoring in Psychology. Audrey was a Director of the Odyssey House McGrath Foundation from September 1992 to November 2010.

Board of Directors



Lucy
Pryor

Lucy Pryor is a Senior Consultant at Tria Investment Partners. Lucy holds a Bachelor of Business Degree (majoring in economics and international business) and has over 15 years' financial services experience. She is a member of the Institute of Company Directors and serves on various boards and business committees. She has been a Director of the Odyssey House McGrath Foundation since September 2009.



Linda
Simonsen

Linda is the founder and Managing Director of FuturePeople Recruitment. Linda has over 12 years' experience in senior management within the Australian recruitment industry. She holds tertiary qualifications in psychology and human resources from the University of Sydney and is an Accredited Professional Member of the Recruitment and Consulting Services Association (RCSA). Linda has been a Director of the Odyssey House McGrath Foundation since August 2009.



Sean
Straney

Sean Straney is General Manager Distribution for St Andrew's Australia. He has a Bachelor of Arts from the University of Sydney and Post Graduate Diploma in Applied Finance from the Securities Institute of Australia. Sean has been a Director of Odyssey House McGrath Foundation since May 2002.



Bianca
Tulich

Bianca Tulich is a Senior Executive for Tulich Family Communities, a leading aged care provider. She has a Bachelor of Commerce and is an ASA CPA. Bianca was a Director of Odyssey House McGrath Foundation from November 2006 to October 2010. Bianca now consults to the Board.



Geoff
Wilson

Geoff Wilson is Chairman of Wilson Asset Management. He has a Bachelor of Science and is a Fellow of the Institute of Company Directors. Geoff has been a Director of Odyssey House McGrath Foundation since May 2008.

Financial Report

Odyssey House McGrath Foundation

ABN 49 001 418 257

Annual Report for the Year Ended 30 June 2011

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Directors' Report

The directors present their report together with the financial report of Odyssey House McGrath Foundation (the 'Foundation'), for the financial year ended 30 June 2011 and the auditors' report thereon.

1 Directors The directors of the Foundation at any time during or since the financial year are:

Natalie Nicole Archer	Jan Copeland	Valerie Hoogstad	Linda Simonsen
Christine Anne Bishop (appointed 29 August 2011)	John Francis Coughlan	Richard Damien Wilson Lyle (resigned 21 February 2011)	Douglas Norman Snedden (appointed 17 October 2011)
Gregory Allen Bundy (appointed 15 August 2011)	Cathy Ann Doyle (resigned 21 April 2011)	Audrey Janet Page (resigned 12 November 2010)	Sean Patrick Straney
Ian James Brown	Jonathon David Fulton Fisk	Lucy Fiona Pryor	Bianca Tulich (resigned 15 October 2010)
	Timothy Michael Green		Geoffrey James Wilson

2 Company Particulars Odyssey House McGrath Foundation, incorporated and domiciled in Australia, is a public company limited by guarantee. The address of the registered office is:
13a Moonstone Place EAGLE VALE NSW 2558.

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50.00 each towards meeting any outstanding obligations of the entity. The number of members as at 30 June 2011 were 11 (2010: 15).

3 Company Secretary Mrs Dawn Paterson was appointed to the position of company secretary on 5 January 1998.

4 Principal Activity

The principal activity of the Foundation during the financial year was the provision of residential and non-residential drug and alcohol rehabilitation centres and a detoxification unit.

There was no significant change in the nature of this activity during the financial year.

The entity's long term objectives are to:

- be sustainable and strive for continuous improvement so as to offer the best possible outcomes for the clients requiring our assistance.

The entity's short term objectives are to:

- improve service delivery and organisation structure.

To achieve these objectives, the entity has adopted the following strategies:

Service Delivery Priorities:

- 1) Continuously improve the delivery of core business services, and measure improvements against each stated success measures.
- 2) Successfully complete the accreditation process and embed quality improvement across our organisation's operations.
- 3) Strengthen our relationships and partnerships with stakeholders, including:
 - social housing providers; and
 - employment, education and training providers including TAFE, the Aboriginal service system.

Organisation Priorities:

- 4) Secure an ongoing funding base for Odyssey House's core business.
- 5) Develop and implement an electronic client database that will streamline staff access to information and support improved client service delivery.
- 6) Increase public and community awareness of Odyssey House as a successful drug and alcohol service provider, including via our publications and website.
- 7) Build a strong evidence-based culture throughout the organisation based on quality data gathering and outcome reporting.

5 Operating and Financial Review The Foundation continued to engage in its principal activity during the financial year. The net profit of the Foundation for the year ended 30 June 2011 was \$990,002 (2010: \$398,261).

6 Dividends No dividends will be paid as the payment of a dividend is forbidden by the Articles.

7 State of Affairs No significant changes in the state of affairs of the Foundation occurred during the financial year.

8 Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Foundation, to significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

9 Likely Developments

The Foundation will continue to pursue its principal activities. It is not expected that the results in future years will be adversely affected by the continuation of these operations.

Further disclosure of information regarding likely developments in the operations of the Foundation in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Foundation. Accordingly, this information has not been disclosed in this report.

10 Information on Directors

Directors	Qualifications	Occupation	Period as Director	Directors Meetings Attended
Natalie Nicole Archer	BA, BCom	Director	21 Jun 2010 to present	7 from 8
Christine Anne Bishop	BA, LLB, B Sc (Hons), M.Psych (For) (Hons), MFMH	Director	29 Aug 2011 to present	0 from 0
Gregory Allen Bundy	BA	Senior Advisor	15 Aug 2011 to present	0 from 0
Ian James Brown	MA	Business Manager	18 May 1992 to present	5 from 8
Jan Copeland	PhD, BSc(Psych) Hons, SRN, SRM	Professor & Director, National Cannabis Prevention & Information Centre, UNSW	21 Feb 2005 to present	5 from 8
John Francis Coughlan	BEd, Dip Rur.Acc (UNE), FCA, FCPA, FAIM	Director	16 Oct 2006 to present	6 from 8
Cathy Ann Doyle	MBA, Grad Dip Psyc, Grad Dip VET BSSc and GAICD	Group Executive People and Culture	20 Feb 2006 to 21 Apr 2011	3 from 6
Jonathon David Fulton Fisk	-	Director	13 Apr 1992 to present (On leave of absence for 12 months from Feb 2011)	1 from 8
Timothy Michael Green	BCom	CEO	20 Nov 2006 to present	8 from 8
Valerie Hoogstad	BA, MA	Director, Senior Lecturer	21 Oct 1996 to present	8 from 8
Richard Damien Wilson Lyle	-	Classification Officer	16 Sep 1991 to 21 Feb 2011	0 from 3
Audrey Janet Page	BS(Psych)	Executive Chairman	21 Sep 1992 to 12 Nov 2010	1 from 2
Lucy Fiona Pryor	BBus(IntBus)	Senior Consultant	7 Sep 2009 to present	6 from 8
Linda Simonsen	BA (Psych & HR)	Managing Director	17 Aug 2009 to present	6 from 8
Douglas Norman Snedden	BEd	Company Director	17 Oct 2011 to present	0 from 0
Sean Patrick Straney	BA	Business Consultant	20 May 2002 to present (On leave of absence for 12 months from Feb 2011)	1 from 8
Bianca Tulich	BCom, ASA, CPA	Senior Executive	20 Nov 2006 to 15 Oct 2010	0 from 1
Geoffrey James Wilson	BSc	Chairman	19 May 2008 to present	3 from 8

11 Meetings of Directors During the Financial Year

During the financial year eight meetings of directors were held.

The directors who were eligible to attend these meetings were those listed in point 10.

12 Environmental Regulations

The Foundation's operations are not subject to any significant environmental regulations under Australian Law.

13 Indemnification and Insurance of Officers and Auditors

Indemnification

Since the end of the previous financial year, the Foundation has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Foundation.

Insurance Premiums

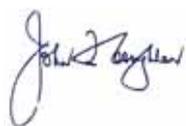
During the financial year the Foundation has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 30 June 2011 and since the financial year, the Foundation has paid or agreed to pay, premiums in respect of such insurance contracts for the year ending 30 June 2012. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Foundation.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contracts.

14 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 7 and forms part of the directors' report for the financial year ended 30 June 2011.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



John Coughlan
Director



Geoff Wilson
Director

Sydney

Dated: 17 October 2011

Lead Auditor's Independence Declaration Under Section 307c of the Corporations Act 2001



To: the directors of Odyssey House McGrath Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'C. Roan'.

KPMG

A handwritten signature in black ink, appearing to read 'C. Roan'.

Cameron Roan
Partner

Sydney
Dated: 17 October 2011

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG" International), a Swiss entity.

Independent Auditors' Report

to the members of Odyssey House McGrath Foundation



Report on the financial report

We have audited the accompanying financial report of Odyssey House McGrath Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 25 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Foundation's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Foundation on 17 October 2011, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

In our opinion the financial report of Odyssey House McGrath Foundation is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Foundation's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Audit opinion pursuant to the Charitable Fundraising Act 1991(NSW)

In our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the period ended 30 June 2011;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2010 to 30 June 2011, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2010 to 30 June 2011 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d) there are reasonable grounds to believe that Odyssey House McGrath Foundation will be able to pay its debts as and when they fall due.

KPMG

Cameron Roan
Partner

Sydney

Dated: 21 October 2011

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG" International), a Swiss entity.

Directors' Declaration

In the opinion of the directors of Odyssey House McGrath Foundation ("the Foundation"):

- (a) the financial statements and notes, set out on pages 33 to 49 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Foundation as at 30 June 2011 and of its performance for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



John Coughlan
Director



Geoff Wilson
Director

Sydney

Dated: 17 October 2011

Declaration by responsible officer in respect of Fundraising Appeals

I, James Pitts, Chief Executive Officer and responsible officer of Odyssey House McGrath Foundation, declare in my opinion that:

- (a) the financial report gives a true and fair view of all income and expenditure of Odyssey House McGrath Foundation with respect to fundraising appeal activities for the year ended 30 June 2011;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities for the year ended 30 June 2011;
- (c) the provisions of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the authority have been complied with for the year ended 30 June 2011; and
- (d) the internal controls exercised by Odyssey House McGrath Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Date at Sydney this 17th day of October 2011



James Pitts
CEO

Statement Of Comprehensive Income

for the year ended 30 June 2011

	Note	2011 \$	2010* (Restated) \$
Revenue			
Revenue	4	6,870,257	6,660,742
Total revenue		<u>6,870,257</u>	<u>6,660,742</u>
Expenses			
Employee benefits expense	5	(4,427,470)	(4,599,221)
Depreciation and amortisation expenses	5	(251,788)	(239,560)
Fundraising expenses	24	(51,800)	(122,374)
Operating expenses		<u>(1,237,082)</u>	<u>(1,362,441)</u>
Total expenses		<u>(5,968,140)</u>	<u>(6,323,596)</u>
Finance income		98,772	84,308
Finance expense		(10,887)	(23,193)
Net finance income	6	<u>87,885</u>	<u>61,115</u>
PROFIT BEFORE INCOME TAX		990,002	398,261
Income tax expense	3k	-	-
PROFIT FOR THE YEAR		<u>990,002</u>	<u>398,261</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>990,002</u>	<u>398,261</u>

* See note 18

**The above statement of financial position should be read
in conjunction with the accompanying notes.**

Statement of Financial Position

as at 30 June 2011

	Note	2011 \$	2010 Restated* \$	2009 Restated* \$
CURRENT ASSETS				
Cash and cash equivalents	7	2,234,179	1,490,289	1,655,208
Trade and other receivables	8	629,387	196,912	263,685
Inventories	9	28,604	5,275	5,073
Prepayments	10	-	24,898	29,293
TOTAL CURRENT ASSETS		2,892,170	1,717,374	1,953,259
NON-CURRENT ASSETS				
Trade and other receivables	8	18,550	18,550	18,550
Property, plant and equipment	11	2,317,733	2,395,138	1,739,912
TOTAL NON-CURRENT ASSETS		2,336,283	2,413,688	1,758,462
TOTAL ASSETS		5,228,453	4,131,062	3,711,721
CURRENT LIABILITIES				
Trade and other payables	12	402,361	510,673	471,966
Deferred revenue	13	853,925	650,212	824,260
Loans and borrowings	14	106,184	49,438	96,750
Employee benefits	15	579,260	544,304	419,010
TOTAL CURRENT LIABILITIES		1,941,730	1,754,627	1,811,986
NON-CURRENT LIABILITIES				
Deferred revenue	13	65,319	76,205	87,092
Loans and borrowings	14	165,904	256,625	163,355
Employee benefits	15	84,282	62,389	66,333
TOTAL NON-CURRENT LIABILITIES		315,505	395,219	316,780
TOTAL LIABILITIES		2,257,235	2,149,846	2,128,766
NET ASSETS		2,971,218	1,981,216	1,582,955
EQUITY				
Contributed equity		15,000	15,000	15,000
Retained profits		2,956,218	1,966,216	1,567,955
TOTAL EQUITY		2,971,218	1,981,216	1,582,955

* See note 18

**The above statement of financial position should be read
in conjunction with the accompanying notes.**

Statement of Changes In Equity

for the year ended 30 June 2011

	Retained surplus -	Total members' funds
Opening balance at 1 July 2009	1,574,539	15,000
Prior period restatement*	(6,584)	-
Total comprehensive income for the period		
Surplus for the period - restated*	398,261	-
Other comprehensive income	-	-
Total comprehensive income for the period	<u>398,261</u>	<u>-</u>
Closing balance at 30 June 2010	<u>1,966,216</u>	<u>15,000</u>

	Retained surplus -	Total members' funds
Opening balance at 1 July 2010	1,966,216	15,000
Total comprehensive income for the year		
Surplus for the year	990,002	-
Other comprehensive income	-	-
Total comprehensive income for the year	<u>990,002</u>	<u>-</u>
Closing balance at 30 June 2011	<u>2,956,218</u>	<u>15,000</u>

* See note 18

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		7,562,477	7,016,155
Cash paid to suppliers and employees		(6,622,455)	(6,430,340)
Interest received		87,885	73,421
Interest paid		(6,444)	-
Net cash from operating activities	17ii	<u>1,021,463</u>	<u>659,236</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	33,000
Payments for property, plant and equipment		(174,383)	(770,652)
Net cash used in investing activities		<u>(174,383)</u>	<u>(737,652)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(57,444)	(96,750)
Net cash used in financing activities		<u>(57,444)</u>	<u>(96,750)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		789,636	(175,166)
Cash and cash equivalents at the beginning of the financial year		<u>1,339,497</u>	<u>1,514,663</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17i	<u><u>2,129,133</u></u>	<u><u>1,339,497</u></u>

**The above statement of financial position should be read
in conjunction with the accompanying notes.**

Notes To The Financial Statements

for the year ended 30 June 2011

1 REPORTING ENTITY

Odyssey House McGrath Foundation (the 'Foundation') is a company domiciled in Australia. The address of the Foundation's registered office is 13a Moonstone Place, Eagle Vale. The Foundation is involved in the provision of residential and non-residential drug and alcohol rehabilitation centres and a detoxification unit.

2 BASIS OF PREPARATION

a Statement of compliance

The Foundation early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning 1 July 2009 to prepare Tier 2 general purpose financial statements.

The financial statements of the Foundation are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards-Reduced Disclosure Requirements (AASB-RDRs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The Foundation is a not-for-profit entity for the purpose of preparing the financial statements. The financial statements were approved by the Board of Directors on 17 October 2011.

b Basis of measurement

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

c Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Foundation's functional currency.

d Use of estimates and judgements

The preparation of financial statements requires 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 these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

e Changes in accounting policies

Starting as of 1 July 2010, the Foundation has applied the reduced disclosure requirements (refer note 3(m)).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2(e).

a Financial instruments

(i) Non-derivative financial assets

The Foundation initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes To The Financial Statements cont.

The Foundation has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Non-derivative financial liabilities

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Financial liabilities comprise loans and borrowings, and trade and other payables.

b Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation and amortisation

Depreciation and amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

• Plant and equipment	5 years
• Motor vehicles	4.4 years
• Leasehold improvements	20 years
• Land and Buildings	20 years
• Leased motor vehicles	Over the lease term

Depreciation and amortisation methods, useful lives and residual values are reassessed at the reporting date.

c Leased assets

Leases in terms of which the Foundation assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Foundation's statement of financial position.

d Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Notes To The Financial Statements cont.

e Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Foundation considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Foundation's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f Employee benefits

(i) Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Other long-term employee benefits

The Foundation's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government bonds that have maturity dates approximating the terms of the Foundation's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Foundation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

g Provisions

A provision is recognised if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

h Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

(i) Other income

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

Notes To The Financial Statements cont.

(ii) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Foundation will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

i Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the lease term.

j Finance income and expenses

Finance income comprises interest income on funds invested.

Finance expenses comprise interest expense.

k Income tax

The Foundation is a registered charity and, in accordance with Section 50-5 of the Income Tax Assessment Act 1997, is exempt from income tax.

l Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m Presentation of financial statements

The Foundation early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

Comparative information has been re-presented or removed so that it also conforms to the new disclosure requirements.

n New standards not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Foundation, except for AASB 9 Financial Instruments, which becomes mandatory for the Foundation's 2014 financial statements and could change the classification and measurement of financial assets. The Foundation does not plan to adopt this standard early and the extent of the impact has not been determined.

4 REVENUE

	2011	2010
	\$	\$
Donations	1,365,397	573,137
Grants	3,936,480	4,396,117
Treatment cost and fees	1,124,246	983,177
Fundraising income	348,606	525,127
Other income	95,528	169,934
Profit on disposal of property, plant and equipment	-	13,250
	<u>6,870,257</u>	<u>6,660,742</u>

Notes To The Financial Statements cont.

5 EXPENSES

	2011 \$	2010 \$
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	123,921	110,489
Amortisation of leasehold improvements	127,867	129,071
	<u>251,788</u>	<u>239,560</u>
Employee benefits expense		
Wages, salaries and on-costs	4,006,763	4,130,861
Contributions to defined contribution superannuation funds	363,857	347,010
Increase in liability for employee benefits provision	56,850	121,350
	<u>4,427,470</u>	<u>4,599,221</u>
Operating lease rental expense - minimum lease payments	<u>83,599</u>	<u>77,688</u>

6 NET FINANCE INCOME

		Restated*
Interest income - other parties	87,885	73,421
Unwind of discount on financial liabilities	10,887	10,887
Total finance income	<u>98,772</u>	<u>84,308</u>
Interest expense - other parties	-	(6,896)
Unwind of discount on financial liabilities	(10,887)	(16,297)
Total finance expense	<u>(10,887)</u>	<u>23,193</u>
Net finance income	<u>87,885</u>	<u>61,115</u>

7 CASH AND CASH EQUIVALENTS

Current		
Cash on hand	1,550	1,600
Cash at bank	539,850	246,916
Cash on deposit	1,692,779	1,241,773
	<u>2,234,179</u>	<u>1,490,289</u>

8 TRADE AND OTHER RECEIVABLES

Current		
Other debtors	629,387	196,912
Non-Current		
Rental bond	18,550	18,550

9 INVENTORIES

Current		
Stock on hand	28,604	5,275

Notes To The Financial Statements cont.

	2011	2010
	\$	\$
		Restated*
10 PREPAYMENTS		
Current		
Prepayments	-	24,898
	<u> </u>	<u> </u>
11 PROPERTY, PLANT AND EQUIPMENT		
Non-Current		
Land and buildings - at cost	345,427	345,427
Less: Accumulated depreciation	(49,182)	(33,961)
	<u> </u>	<u> </u>
	296,245	311,466
Plant and equipment - at cost	349,746	249,432
Less: Accumulated depreciation	(180,875)	(133,163)
	<u> </u>	<u> </u>
	168,871	116,269
Motor vehicles - at cost	204,018	204,018
Less: Accumulated depreciation	(138,479)	(80,511)
	<u> </u>	<u> </u>
	65,539	123,507
Leasehold improvements - at cost	3,823,284	3,752,181
Less: Accumulated amortisation	(2,036,206)	(1,908,285)
	<u> </u>	<u> </u>
	1,787,078	1,843,896
	<u> </u>	<u> </u>
	<u>2,317,733</u>	<u>2,395,138</u>
	<u> </u>	<u> </u>
Reconciliations		
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:		
Land and buildings - at cost		
Carrying amount at beginning of year	311,466	324,732
Additions	-	3,000
Disposals	-	-
Depreciation	(15,221)	(16,266)
	<u> </u>	<u> </u>
Carrying amount at end of year	<u>296,245</u>	<u>311,466</u>
Plant and Equipment		
Carrying amount at beginning of year	116,269	138,293
Additions	103,334	19,613
Disposals	-	-
Depreciation	(50,732)	(41,637)
	<u> </u>	<u> </u>
Carrying amount at end of year	<u>168,871</u>	<u>116,269</u>

Notes To The Financial Statements cont.

	2011 \$	2010 \$ Restated*
Motor Vehicles		
Carrying amount at beginning of year	123,507	51,959
Additions	-	143,884
Disposals	-	(19,750)
Depreciation	<u>(57,968)</u>	<u>(52,586)</u>
Carrying amount at end of year	<u><u>65,539</u></u>	<u><u>123,507</u></u>

Leasehold Improvements		
Carrying amount at beginning of year	1,843,896	1,224,928
Additions	71,049	748,039
Disposals	-	-
Amortisation	<u>(127,867)</u>	<u>(129,071)</u>
Carrying amount at end of year	<u><u>1,787,078</u></u>	<u><u>1,843,896</u></u>

12 TRADE AND OTHER PAYABLES

Current		
Sundry creditors	<u>402,361</u>	<u>510,673</u>

13 DEFERRED INCOME

	2011 \$	2010 \$ Restated*	2009 \$ Restated*
Current			
Deferred income	10,887	10,887	10,887
Residents welfare accounts	105,046	150,792	140,545
Unexpired specific grants	<u>737,992</u>	<u>488,533</u>	<u>672,828</u>
	<u><u>853,925</u></u>	<u><u>650,212</u></u>	<u><u>824,260</u></u>
Non-current			
Deferred income	<u><u>65,319</u></u>	<u><u>76,205</u></u>	<u><u>87,092</u></u>

Notes To The Financial Statements cont.

	2011	2010	2009
	\$	\$	\$
		Restated*	Restated*
14 LOANS AND BORROWINGS			
Current			
Loan - NSW Health Dept	-	-	70,500
Finance leases	77,243	21,875	-
Loan - Campbelltown property	28,941	27,563	26,250
	<u>106,184</u>	<u>49,438</u>	<u>96,750</u>
Non-Current			
Finance leases	27,439	104,536	-
Loan – Campbelltown property	138,465	152,089	163,355
	<u>165,904</u>	<u>256,625</u>	<u>189,605</u>

	2011	2010
	\$	\$
15 EMPLOYEE BENEFITS		
Current		
Liability for annual leave	309,986	288,556
Liability for long service leave	269,274	255,748
	<u>579,260</u>	<u>544,304</u>
Non-Current		
Liability for long service leave	<u>84,282</u>	<u>62,389</u>

16 COMMITMENTS FOR EXPENDITURE

Non-cancellable operating lease rentals are payable as follows:

Future operating lease commitments not provided for in the financial statements and payable:

	2011	2010
	\$	\$
Less than one year	95,106	84,161
Between one and five years	162,389	1,504
More than five years	4	5
	<u>257,499</u>	<u>85,670</u>

The Foundation leases property under operating leases expiring from three to nine years.

Notes To The Financial Statements cont.

17 NOTES TO THE STATEMENT OF CASH FLOWS

i I For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand and 'at call' deposits with financial institutions, net of the balance of the residents welfare accounts.

Cash and cash equivalents as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2011	2010
	\$	\$
Cash on hand	1,550	1,600
Cash at bank	539,850	246,916
Cash on deposit	1,692,779	1,241,773
	<u>2,234,179</u>	<u>1,490,289</u>
Less: amount owing-Residents Welfare accounts	<u>(105,046)</u>	<u>(150,792)</u>
	<u><u>2,129,133</u></u>	<u><u>1,339,497</u></u>

ii Reconciliation of Cash Flows from Operating Activities

Profit for the year	990,002	398,261
Depreciation	123,921	67,231
Amortisation	127,867	129,071
(Profit)/loss on disposal of property, plant and equipment	-	(13,250)
Changes in working capital and provisions		
Change in trade and other receivables	(432,475)	66,773
Change in prepayments	24,898	4,395
Change in inventories	(23,329)	(202)
Change in trade and other payables	(108,312)	38,707
Change in deferred income	238,573	(184,295)
Change in loans and borrowings	23,469	31,195
Change in employee benefits	56,850	121,350
	<u>56,850</u>	<u>121,350</u>
Net cash from operating activities	<u><u>1,021,464</u></u>	<u><u>659,236</u></u>

18 RESTATEMENT OF PRIOR YEAR AMOUNTS

(i) Leased assets

The Foundation classified leased motor vehicle assets as operating leases in the financial statements for the year ended 30 June 2010. These leases meet the definition of a finance lease, and therefore, the leased assets and corresponding liability should be recognised on the statement of financial position.

The finance leases have been restated in the financial statements for the year ended 30 June 2011, resulting in increases in property, plant and equipment of \$100,626, loans and borrowings of \$126,411, depreciation expense of \$43,258, interest expense of \$6,896 and decrease in other expenses of \$24,369.

(ii) Interest free loan

The Foundation was advanced an interest free loan for the purchase of a property in Campbelltown on 1 July 2008. This was a loan for \$306,000 over a 10 year period, with monthly repayments increasing annually.

The Foundation recognised the loan at cost in the financial statements for the years ended 30 June 2009 and 30 June 2010. The loan should be measured at amortised cost with initial recognition at the fair value of the future cash flows.

The loan has been restated in the financial statements for the year ended 30 June 2011, resulting in:

- for 30 June 2010, a decrease in loans and borrowings of \$75,098, an increase in unearned revenue of \$87,092 and an increase in net finance costs of \$5,410; and
- for 30 June 2009, a decrease loans and borrowings of \$91,395, an increase in unearned revenue of \$97,979 and an increase in net finance costs of \$6,584.

Notes To The Financial Statements cont.

18 RESTATEMENT OF PRIOR YEAR AMOUNTS (CONTINUED)	Original financial statement	Prior year adjustment	Restated values
	\$	\$	\$
Balance sheet 2010			
Property, plant & equipment	2,294,512	100,626	2,395,138
Total non-current assets	2,313,062	100,626	2,413,688
Deferred income	(639,325)	(10,887)	(650,212)
Loans and borrowings	(26,250)	(23,188)	(49,438)
Total current liabilities	(1,720,552)	(34,075)	(1,754,627)
Deferred income	-	(76,205)	(76,205)
Loans and borrowings	(228,500)	(28,125)	(256,625)
Total non-current liabilities	(290,889)	(104,330)	(395,219)
Net assets	2,018,995	(37,779)	1,981,216
Retained earnings	2,003,995	(37,779)	1,966,216
Total equity	2,018,995	(37,779)	1,981,216
Income statement 2010			
Depreciation expense	(196,302)	(43,258)	239,560
Other operating expenses	(1,386,810)	24,369	1,362,441
Results from operating activities	356,035	(18,889)	337,146
Net finance income	73,421	(12,306)	61,115
Surplus before income tax	429,456	(31,195)	398,261
Income tax expense	-	-	-
Surplus for the year	429,456	(31,195)	398,261
Balance sheet 2009			
Deferred income	(813,373)	(10,887)	(824,260)
Total current liabilities	(1,801,099)	(10,887)	(1,811,986)
Deferred income	-	(87,092)	(87,092)
Loans and borrowings	(254,750)	91,395	(163,355)
Total non-current liabilities	(321,083)	4,303	(316,780)
Net assets	1,589,539	(6,584)	1,582,955
Retained earnings	1,574,539	(6,584)	1,567,955
Total equity	1,589,539	(6,584)	1,582,955
Income statement 2009			
Net finance income	96,972	(6,584)	90,388
Surplus before income tax	382,938	(6,584)	376,354
Income tax expense	-	-	-
Surplus for the year	382,938	(6,584)	376,354

Notes To The Financial Statements cont.

19 DIRECTOR DISCLOSURES

Directors

The following were non-executive directors of the Foundation at any time during the reporting period.

Natalie Nicole Archer	Cathy Ann Doyle	Richard Damien Wilson Lyle	Sean Patrick Straney
Ian James Brown	Jonathon David Fulton Fisk	Audrey Janet Page	Bianca Tulich
Jan Copeland	Timothy Michael Green	Lucy Fiona Pryor	Geoffrey James Wilson
John Francis Coughlan (Chair)	Valerie Hoogstad	Linda Simonsen	

No director of the Foundation has received any compensation from the Foundation during the year.

No director has entered into a material contract with the Foundation since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

The key management personnel of the Foundation were Mr J Pitts, Mr B Flynn and Ms L Watts.

The compensation of the specified executives, being the key management personnel of the Foundation, is set out below:

	2011 \$	2010 \$
Short term employee benefits	346,903	289,276
Long term employee benefits	47,049	29,205
	<u>393,952</u>	<u>318,481</u>

21 AUDITORS' REMUNERATION

	2011 \$	2010 \$
Audit services		
Auditors of the Foundation - Nexia Court & Co		
- Audit of the financial report	-	30,000
Auditors of the Foundation - KPMG	35,500	-
- Audit of the financial report		
Other services		
Auditors of the Foundation - Nexia Court & Co		
- Other accounting services	-	11,189

22 SUBSEQUENT EVENTS

There have been no events subsequent to balance date which would have a material effect on the Foundation's financial statements as at 30 June 2011.

23 CONTINGENCIES

The Foundation had no contingent liabilities as at 30 June 2011.

Notes To The Financial Statements cont.

24 INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991. DETAILS OF AGGREGATE GROSS INCOME AND TOTAL EXPENSES OF FUNDRAISING APPEALS

a i Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals

	2011	2010
	\$	\$
Gross Proceeds from Fundraising Appeals		
Corporate donations	156,000	149,200
Fundraising functions	348,606	525,127
Donations from charitable trusts and foundations	157,868	278,031
General donations	1,051,530	145,906
	<u>1,714,004</u>	<u>1,098,264</u>
Fundraising Functions		
Real Men Cook	33,459	37,980
Fund Managers Awards (FMA)	114,526	106,857
Donation from FMA Function	18,000	18,000
Rugby Dinner	-	146,628
Citi Cycling Classic	81,097	110,743
Art Union	-	14,000
Women's Luncheon	6,500	14,585
Directors' Luncheon	39,984	13,300
Odyssey by the Bay	38,720	34,894
ASX Thomson Reuters Charity Fdn Art Union	16,320	28,140
	<u>348,606</u>	<u>525,127</u>
ii Less: Cost of Fundraising Functions		
Real Men Cook Expenses	12,069	3,639
Fund Managers Awards Expenses	-	-
Rugby Dinner Expenses	-	94,034
Citi Cycling Classic	3,919	722
Art Union	-	-
Odyssey by the Bay	7,812	6,479
ASX Thomson Reuters Charity Fdn Art Union	28,000	17,500
	<u>51,800</u>	<u>122,374</u>
Less: Cost of Other Fundraising Appeals	<u>142,256</u>	<u>200,295</u>
Less: Total Cost of Fundraising Appeals	<u>194,056</u>	<u>322,669</u>
iii Net Surplus Obtained from Fundraising Appeals	<u>1,519,948</u>	<u>775,595</u>

Notes To The Financial Statements cont.

24 INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991. DETAILS OF AGGREGATE GROSS INCOME AND TOTAL EXPENSES OF FUNDRAISING APPEALS (Continued)

b Fundraising Appeals Conducted During the Financial Year

The Foundation received donations from Corporate Organisations, Charitable Trusts, Foundations and the general public.

Fundraising appeals held during the year included Real Men Cook, the Citi Cycling Classic, the Fund Managers Awards, Women's Luncheon, Odyssey by the Bay and the ASX Thomson Reuters Charity Foundation Art Union.

c Statement Showing how Funds Received were applied to Charitable Purposes

	2011 \$	2010 \$
Net surplus obtained from fundraising appeals	1,519,948	775,595

This is applied to the charitable purposes in the following manner:

• To supplement Government assistance in funding the Odyssey House programmes	1,519,948	775,595
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d Comparisons by Monetary Figures and Percentages

	2011 \$	2010 \$	%
Total cost of fundraising/gross income from fundraising	194,056/1,714,004		11
Net surplus from fundraising/gross income from fundraising	1,519,948/1,714,004		89
		2010 \$	%
Total cost of fundraising/gross income from fundraising	322,669/1,098,264		29
Net surplus from fundraising/gross income from fundraising	775,595/1,098,264		71

25 ECONOMIC DEPENDENCY

The Foundation is dependent on government funding to maintain its current level of operations.



DISCLAIMER

The additional financial information presented on page 50 is in accordance with the books and records of Odyssey House McGrath Foundation which have been subjected to the auditing procedures applied in our statutory audit of the Foundation for the year ended 30 June 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Foundation) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG
Sydney
21 October 2011

Detailed Statement of Comprehensive Income

for the year ended 30 June 2011

	2011	2010
	\$	Restated \$
INCOME		
Donations	1,365,397	573,137
Grants	3,936,480	4,396,117
Treatment cost and fees	1,124,246	983,177
Function income - net	348,606	402,753
Other income	95,528	169,934
Profit on disposal of property, plant and equipment		13,250
Interest received	87,885	61,115
	<u>6,958,142</u>	<u>6,599,483</u>
EXPENSES		
Affiliation fees/subscriptions	24,833	20,012
Amortisation of leased assets	127,867	172,329
Audit fees	32,471	41,189
Bedding and linen	2,351	20,198
Clinical supervision	8,894	8,405
Computer/IT expenses	49,963	47,458
Conferences	4,667	4,900
Consultants fees	60,089	162,549
Depreciation	123,921	67,231
Development and public relations	2,867	1,224
Equipment purchases	8,285	4,499
Equipment rental and maintenance	42,516	27,713
Evaluation costs	-	8,000
Food and beverages	183,942	173,110
Hygiene supplies	47,057	54,654
Insurances	76,142	89,312
Kitchen supplies	2,465	5,601
Maintenance of buildings and grounds	138,525	101,203
Marketing expense	33,287	21,112
Medical supplies and testing	18,512	16,892
Motor vehicle expenses	27,565	34,080
Occupancy - building rentals	84,619	162,013
Occupancy - utilities	149,607	100,517
Office supplies, postage and printing	42,186	38,143
Recreation expense	23,615	15,461
Recruiting costs	6,900	28,507
Salaries and on costs	4,472,705	4,599,221
Staff training	30,769	25,997
Strata fees	12,010	12,691
Sundry expenses	15,170	4,665
Supervision/administration/research costs	-	24,500
Telephone	74,046	75,053
Text books, teaching aids and reference materials	13,395	16,228
Transport	26,900	16,555
	<u>5,968,140</u>	<u>6,201,222</u>
PROFIT BEFORE INCOME TAX	<u>990,002</u>	<u>398,261</u>



Odyssey House
has been saving
lives since 1977
and we cant do
it without your
support.
Thank You.

Odyssey House
is dedicated to
giving people
something
addictions like
alcohol & drugs
never came a
future.

**ODYSSEY
HOUSE**



*'A Calm in
the Sea of
Addiction'*

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ABN: 49 001 418 257

Odyssey House McGrath Foundation
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Donations to Odyssey House of \$2.00 and
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