



ODYSSEY
HOUSE

annual report 2012

A photograph of a man and a woman in an art studio. The man, on the left, is wearing glasses, a blue t-shirt, and a red apron. He is smiling broadly. The woman, on the right, is wearing a dark blue top with white polka dots and is also smiling. They are standing in front of a table covered with colorful art supplies and a large, colorful abstract painting. The background shows shelves with various art materials and a large abstract painting on the wall.

WHO WE ARE

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 dependence. He settled on the Odyssey House Program as one 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 enter Odyssey House were housed in tents from the army base at the Holsworthy Barracks and slept on bunks made of rough-hewn timber. Five dedicated individuals 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 operates one of the largest and most successful rehabilitation services in Australia for men and women dependent on alcohol and other drugs, assisting more than 30,000 people over the past 35 years. We are a shining example of what can be accomplished through dedication, hard work and a focus on relevant service delivery. 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.

Odyssey House McGrath Foundation has built its client service and staff culture on a set of values and practices known as the five pillars:

- Trust
- Honesty
- Responsibility
- Concern
- Love

We use these pillars, and our commitment to collaborate with our stakeholders, to guide how we engage with our clients and how we expect them to engage with us and other program participants.

Board members and staff at all levels reaffirm these values and are committed to using them in all communications and interactions both inside and outside the organisation.

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.

OUR VISION

Our vision is to save and improve the lives of people dependent on alcohol and other drugs.

By providing professional support in a safe environment and using a therapeutic community model and other evidence-based interventions, our goals are to:

- Support our clients to overcome their dependencies
- Empower them to address the causes of their dependence
- Assist them to develop a capacity for self-help
- Enable them to live within, and contribute to, the community.

In short, Odyssey House is dedicated to giving people something addictions never can: A future.

We achieve our vision through a strategic approach to planning. Our Strategic Plan 2012-2014 identifies nine priorities Odyssey House's board and staff have committed themselves to delivering:

- 1) Improve and consolidate the mix of Odyssey House programs and services
- 2) Strengthen our linkages and collaborations with key stakeholders
- 3) Embed quality into our internal operations
- 4) Secure our ongoing funding base
- 5) Enhance our research and evidence base
- 6) Pursue the establishment of an Odyssey House general practice and medical network model
- 7) Implement new marketing initiatives
- 8) Implement a capital improvement program
- 9) Implement an electronic client database

WHAT WE DO



Odyssey House provides a comprehensive range of drug and alcohol rehabilitation services, including:

- Admissions and Intake Centre
- Assessment and Referral Centre
- Medically Assisted Withdrawal Unit
- Residential 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 simple answers to the problems of drug misuse. However, research - and experience - has consistently shown that drug rehabilitation can work. Two-thirds (67 per cent) 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.

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.

report card

- 663 assessments completed by Admissions Centre

- Amphetamines withdrawal clients -22% of total

- 147 Crisis Intervention Sessions were run

- After Care admitted 118 new clients, conducted 166 therapy groups with a total of 1438 attendees

- 61% of assessed clients admitted to Residential Program

- 1114 GP Consultations

- 480 Private Therapy Sessions were run

- 901 Psychiatric Consultations

- 107 Treatment Planning Groups were run

- After Care conducted 431 Private Therapy sessions

- The Residential Program (Adult) averaged 80 clients month to month

- 70% of residential clients were on daily medication over the year.

- 103 Treatment Plans were prepared

- 327 Admissions to Withdrawal Unit

- 583 Therapy Groups run

- 187 Case Reviews were conducted

- OH&S: 77 Incidents and 64 Accidents were reported with 92% a Low/Medium Risk

- Opiate withdrawal clients - 42% of total

- 6385 residents attended these groups

- The Education Unit (PLC) conducted 166 Workshops with 3411 participants

- 117 Students were orientated

- Alcohol withdrawal clients - 15% of total

- 290 Therapy Episodes were completed

- The PLC conducted 276 classes with 1083 participants

- There were 7 complaints received for the year.

- THC withdrawal clients - 17% of total

- Mingu Yabun Group was the highest rating group - 4.9/5 (Annual average)



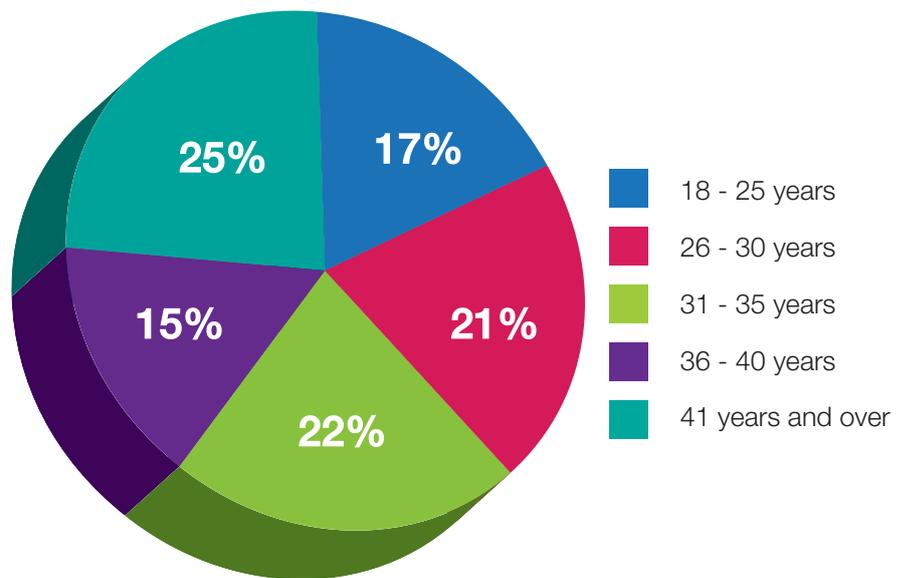
WHO WE SERVE

Odyssey House serves a challenging client population. On average, clients have had nine previous attempts at treatment and often see us as their last hope of breaking free of serious and long-standing dependence on alcohol and other drugs. More than half have co-existing mental health problems and a significant proportion have poor education and employment histories and have been before the courts. More than 30,000 telephone enquiries and 663 assessments of prospective clients were handled by the staff and crew at the Admissions and Intake Centre – providing information, drug and alcohol assessment, referrals and support to members of the community.

During the 2011–2012 financial year, 327 people entered the Odyssey House Withdrawal Unit and 643 people (including almost half of clients who completed the Withdrawal Program) were admitted to the Odyssey House Residential Program.

While young people continue to represent a significant proportion of our admissions to our main Residential Program, there is a continuing upward trend in the age of the people we serve: clients aged 31 years and over comprised two-thirds (62%) of admissions, including 25 per cent who were 41 years and over.

The age breakdown of clients who entered the Residential Program:



In total, 457 men and 186 women entered the Odyssey House Residential Program during the financial year; this ratio has remained constant for many years.

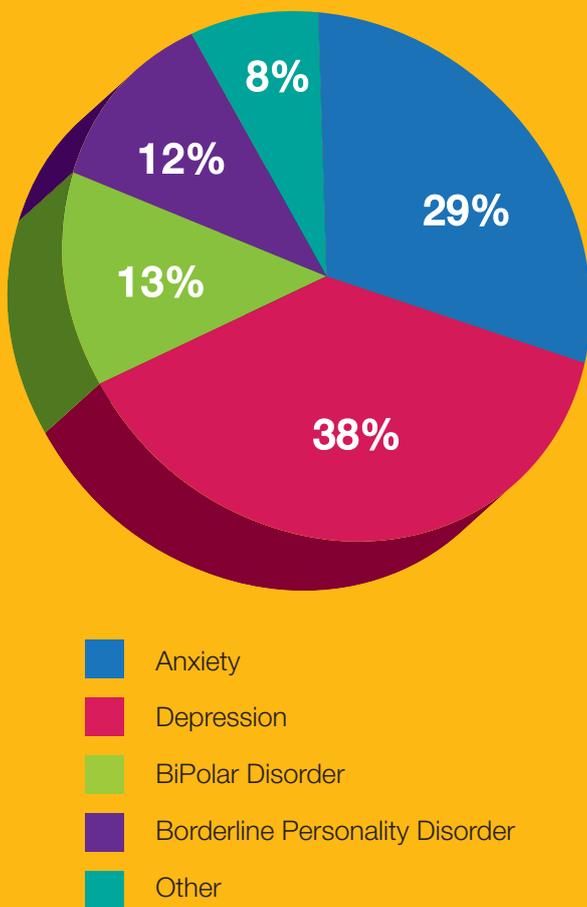
Almost half (46 per cent) of clients were under some legal stipulation to undertake rehabilitation: bonded, bailed, home detention order, court diversion program including Magistrates Early Referral Into Treatment Program (MERIT) or Court Alcohol and Drug Assessment Service (CADAS), or under probation and parole supervision. Defendants must be motivated to undertake drug treatment. For many, their admission to Odyssey House represents a major turning point in their lives, assisting them to deal with the reasons they resorted to drugs and rebuild their lives to become productive members of society.

In 2011-2012, Odyssey House residents accounted for over 33,256 drug-free and crime-free days. This amounted to a cost saving to society of more than \$18 million.

Mental illness and drug dependence

Drug dependence combined with mental health problems continues to be a significant issue and poses specific treatment challenges. Approximately 56 per cent of people accessing our residential services during the year – up 33 per cent from the previous year - had a co-existing mental illness such as depression, anxiety, bipolar disorder, schizophrenia, post-traumatic stress disorders or borderline personality disorders. This has been a continuing diagnostic trend since 1999, when 10 per cent of clients had a co-existing mental illness.

Clients with a dual diagnosis had the following mental illnesses:

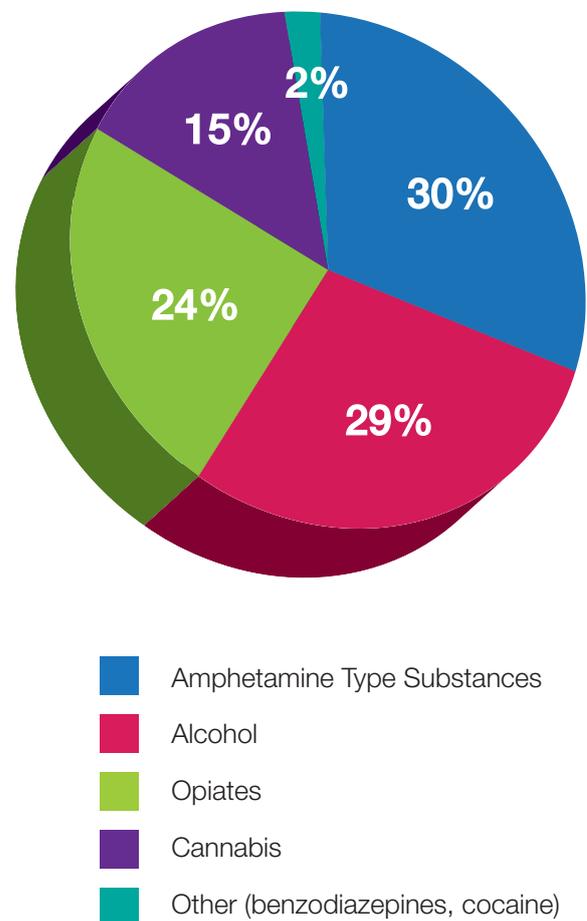


Fortunately, Odyssey House has always had a provision for psychiatric overview of clients and the ability to administer medication, where warranted, to address these conditions; 70 per cent of residential clients were on daily medication over the year. In addition to psychiatric services, clients participate in a specific dual diagnosis therapy group, which helps them understand their condition and the need to continue taking their medication, if prescribed, and provides access to support services to avoid relapse to mental illness and substance misuse.

Primary drugs of concern

For the past five years, alcohol has been the primary drug of concern for clients entering the Residential Program. While alcohol was a significant issue in 2011-12 – accounting for 29 per cent of admissions (30% in 2010-11) – Amphetamine Type Stimulants (e.g. crystal meth, speed, ice, base) overtook alcohol as the primary drug of concern, with 30 per cent of clients naming it as their main drug of choice prior to admission. Amphetamine Type Stimulants are a reported 20 per cent higher than 2010-2011 (25% of admissions) and up from 16 per cent in 2009-2010.

The principal drug of concern of clients entering the Residential Program during 2011-12 (many clients report multiple drug dependencies):



While Amphetamine Type Stimulants were also a concern for clients entering the Odyssey House Withdrawal Program (22%), opiates such as heroin, methadone, morphine and buprenorphine accounted for 42 per cent of clients seeking our medically supervised withdrawal services during the year. Alcohol was the primary drug of concern for 15 per cent of withdrawal clients, while cannabis dependence accounted for 17 per cent of withdrawal admissions.



CHAIRMAN'S REPORT

This is my first report as Chairman of Odyssey House McGrath Foundation.

Odyssey House celebrates our 35th year in operation supporting in 2012. This milestone demonstrates that the Therapeutic Community model of care works and remains an important part of community health services.

Over 35,000 people have participated in an Odyssey Program. Many have been able to rebuild their own shattered lives, not to mention the families and friends who are affected indirectly.

It is an appropriate opportunity to recognize the leadership of James Pitts and the commitment of the people of Odyssey House, previous Boards and our many supporters and friends.

The past twelve months has been productive for Odyssey House. We produced a positive financial result on a cash basis. Our balance sheet is strong and we received a renewal of our Commonwealth Funding for the next 3 years. Our NSW government funding has been maintained while a review of funding to NGO's is undertaken.

Odyssey raises 30% of its funding through non-government sources including fees, donations and fund raising events. This year we saw a slight improvement largely through the additional efforts of James, the marketing staff and fund raising committees. Many thanks to our donors and to the generosity of those who attended events.

The "Brand" of Odyssey House remains strong in the minds of the public due to our reputation and the awareness gained through media

activity which assists fund raising. However the incumbency of an established, successful service, the increase in demand for private funds from for research, education and services across the community and the ongoing effects of the GFC continues to present a challenge fundraising.

Odyssey delivers the majority of our services through 5 facilities. The Admissions and Intake Centre in Surry Hills; The Medically Assisted Withdrawal Unit and The Assessment and Referral Centre in Ingleburn; the Residential facility at Eagle Vale and After Care in Campbelltown. Each of these facilities requires ongoing maintenance or expansion.

In addition to governance, funding ongoing operations and capital works is the central role of the Board of a not for profit organisation.

The Board, met 8 times during the year. The Operations, Finance & Risk Management and Fundraising subcommittees met monthly. Each Board member participates in a committee.

The Board attended the annual Strategic Planning conference in August.

Mr Jonathon Fisk, Mr Ian Brown, Mr Greg Bundy and Ms Linda Simonsen retired from the Board. I would like to thank them for their contribution.

We look forward to our 36th year and continuing the good work of Odyssey House.



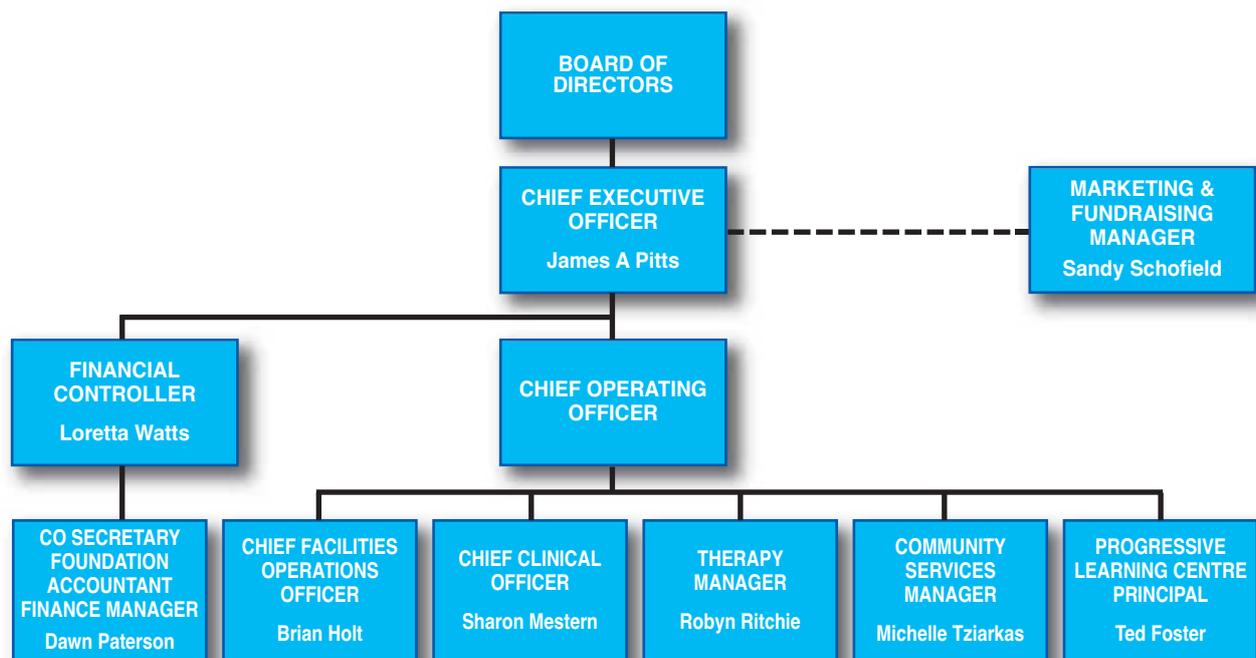
Doug Sneddon

MAJOR SUPPORTERS

R O ALBERT
 ASX THOMSON REUTERS CHARITY FOUNDATION
 AUSTRALIAN FUND MANAGERS FOUNDATION
 AUSTRALIAN YOUTH & HEALTH FOUNDATION
 S CHISHOLM
 J DAVID
 DEPT OF EDUCATION & COMMUNITIES
 DEPT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
 DEPT OF HEALTH & AGEING
 P & R ESPIE
 FERRIS FAMILY FOUNDATION
 GANDEVIA FOUNDATION
 C GRAY
 C GRUBB
 HUNT FAMILY FOUNDATION
 JAMES N KIRBY FOUNDATION
 JOHN LAMBLE FOUNDATION
 LIANGROVE FOUNDATION

W LOEWENTHAL
 S MALCOLM
 R MAPLE-BROWN
 C & J MURRAY
 NEDIGI PTY LTD
 NSW MINISTRY OF HEALTH
 RODNEY & JUDITH O'NEIL FOUNDATION
 OZHARVEST
 D PARADICE
 S POIDEVIN
 D SNEDDEN
 VICTOR SMORGAN FOUNDATION
 R & H WATERS
 P WIGGS
 G WILSON
 J WILSON
 VINCENT FAIRFAX FAMILY FOUNDATION

OUR PEOPLE



Odyssey House staff are dedicated to providing quality services and care. They come from a diverse range of backgrounds and cultures, which enriches the service delivery environment and supports our commitment to diversity and employment equity. 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!

Odyssey House cares for its staff in this demanding work environment. We are committed to providing a safe workplace for all employees in accordance with the Occupational Health and Safety Act, and staff attend comprehensive courses on OH&S, infection control, first aid and fire training. Of the 77 incidents and 64 accidents reported during the year, 92 per cent were in the low-medium risk category. Staff take part in fortnightly debriefs with their peers to discuss any issues. Odyssey House also provides an external Employee Assistance Program, which provides free and confidential counselling and advice to staff and their families on work-related and personal matters.



CHIEF EXECUTIVE OFFICER'S REPORT

Our mission states: "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".

Our client profiles indicate the seriousness of their drug misuse and its accompanying problems:

- 9 previous attempts at treatment on average
- Started misusing drugs at 13 years of age on average
- High rates of psychological and psychiatric pathology
- Poor work and vocational histories
- Engaged in risk-taking behaviours such as sharing needles and syringes prior to entry to Odyssey House.

As in previous years, our main challenges lie in continuing to meet the complex needs of our challenging client population while operating within demanding regulatory and funding frameworks and a difficult economic climate that means we need to demonstrate excellent service outcomes on very tight budgets. Accordingly, we are continuing to undertake various initiatives to enable us to monitor the efficacy of our clinical interventions and activities to demonstrate positive outcomes,

both for our clients and for funding bodies requiring proven 'return on investment'.

Two years ago we underwent an organisation-wide survey by the Australian Council on Healthcare Standards (ACHS) and received full accreditation as a healthcare facility. In conjunction with recommendations through this process we developed a comprehensive Continuous Quality Improvement (CQI) process and established benchmarks of our clinical interventions and their outcomes.

As part of this process, this year we engaged an external consultant to conduct an organisational clinical case review, which reaffirmed the efficacy of our treatment and clinical interventions.

We also conducted a strategic planning workshop in collaboration with external experts, Odyssey House staff, senior residents and stakeholder representatives including the NSW Department of Health's Mental Health and Drug and Alcohol Office, Campbelltown Hospital, Tharawal Aboriginal Corporation and the Sydney South West Local Health District. The resultant Strategic Plan for 2012-2014 will serve our direction in service delivery and organisational development over the next two years.

Strong relationships with related organisations assist us to

enhance our therapeutic services and ensure our clients have access to assistance and support services to maintain their new abstinent lifestyle after they leave our care.

Indigenous clients often benefit from culturally-sensitive interventions. Our memorandum of understanding with the local Tharawal Aboriginal Corporation has enabled us to run an effective culturally-specific therapy program – the Mingu Yabun Group – to help our indigenous clients engage in and remain in rehabilitation. We have also established a working relationship with the Illawarra Aboriginal Medical Service.

Finding affordable housing can be an issue for clients leaving Odyssey House. Accordingly, we established a memorandum of understanding with Argyle Housing to assist clients who complete rehabilitation to gain access to affordable housing. Women who have participated in our Residential Program, including the Parents' and Children's Program, can also access the Drug and Alcohol Women's Network (DAWN), which provides low cost housing for single women and their families who are recovering from alcohol and other drug misuse. Odyssey House also provides services to DAWN clients on a case management basis through our After Care program.

In addition we work closely with the University of Western Sydney (UWS) in Campbelltown. We provide placements for third-year nursing students interested in learning more about alcohol and other drug issues, as well as UWS psychology students completing their Masters Degree in Clinical Psychology. During the year, 117 students were orientated and provided supervised assistance to our staff and clients.

Funding is a perennial challenge. This year we navigated the sometimes choppy waters of government funding. The Federal Department of Health and Ageing underwent a restructure of its Drug Services Branch, which funded three Odyssey House programs under the Non-Government Organisations Treatment Grants Program. Having applied for a continuation funding under the new Substance Misuse Service Delivery Grants Program, we were shocked to be told initially that two of the programs – the Parents' and Children's program and the JANUS program, which assists clients with mental health issues – would not be re-funded! Thankfully the Minister for Mental Health and Ageing, Mark Butler, interceded and restored our funding and that of many other non-government providers who had been affected. In NSW, the Department of Health through the Mental Health and Drug and Alcohol Office proposed a number of changes to their model of funding. These changes were still being finalised at the end of the reporting year.

Last year saw Fair Work Australia approve of the new Social, Community, Home Care and Disability Services Industry Award, which was scheduled to go into effect from July 1, 2012. The new award will prove to be a challenge as it provides for a number of salary increases to workers employed under the award over the next seven years to bring workers' salaries into parity with their counterparts in the public sector. There has as yet been no agreement by the federal and NSW governments as to how the increases are to be subsidised. This decision may have serious financial ramifications for

Odyssey House and other service providers in the sector.

On the staffing front, we have seen some old faces leave us, and some new ones join the organisation. Kerry Waters, who was Principal of our education unit, the Progressive Learning Centre, resigned after 13 years of dedicated service. She made a significant contribution to the educational component, and the organisation overall. Kerry's replacement is Ted Foster, who has had a distinguished career as an educator in the public school system and most recently as Principal at the Kariong Juvenile Justice Centre on the NSW Central Coast.

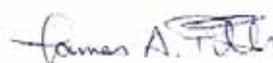
At the board level, Chairperson Cathy Doyle resigned to pursue private interests. She has been replaced by Doug Snedden who has a long history of working within the non-government sector, having served on the boards of the Black Dog Institute and Beyond Blue.

Last year we continued to be a reliable and consistent public commentator on issues related to alcohol and other drugs. We had over 105 favourable media items about, or including Odyssey House, providing an audience reach of 11.4 million opportunities to hear/see coverage about Odyssey House with an average impact of 3.5 out of 5! We achieved significant national and metropolitan media exposure including ten feature stories in print media and 15 talk segments on television and radio. These included: Marie Claire, That's Life, Sunrise, The Morning Show, Kerri-Anne, Aljazeera's 101 East and ABC Radio's Night Life and 702 ABC Drive Program. Our local media also continue to be very supportive of Odyssey House.

Our fundraising events calendar was busy again over the year, helping to supplement our government funding and offset the shortfall in our annual budget. Key events included: the Real Men Cook celebrity luncheon at bel mondo restaurant in The Rocks; the Paradise Investment, Wilson Asset Management Charity Cycling 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 Award; and the Macarthur Weight Loss Challenge, all of which contributed to another successful fundraising campaign over the year in spite of a very difficult fundraising climate.

In closing, we continued to meet the needs of our client population through evidence-based clinical interventions and external oversight. We engaged with a number of organisations to provide ancillary services for our client population and reciprocated where appropriate. Our efforts and standing within the alcohol and other drug sector was rewarded by the re-funding of three of our major program services by the federal government.

We have been able to accomplish much over the year despite operating in a difficult economic climate. The credit for this success is due to the hard work and commitment of our dedicated staff and board of directors. We continue to strive to provide the best services for the disadvantaged client group we serve.



James A Pitts, MA



Rose's story of
dependence, rehab,
recovery and living
life to the full

Rose, 48, is a happy, successful businesswoman and mother of two who has been 'in recovery' since graduating from the Odyssey House rehabilitation program in 1989 after overcoming a serious dependence on heroin and other drugs.

People who have overcome dependence are often said to be 'in recovery' rather than 'recovered', indicating the ongoing nature of the recovery process and the potential for relapse.

While the more than two years she spent in rehab as a young woman were often arduous and confronting, Rose believes the biggest part of recovery is after rehab, when you have to rebuild your life, create a new lifestyle and daily habits, and deal with life without resorting to drugs.

"I owe my life to my time with Odyssey House. I wouldn't be living the vibrant life I am today or be the confident, positive, outgoing person I am without it," Rose says.

"Odyssey helps you deal with lots of personal baggage and provides many practical tools to work with, but it's the practice of all that that determines your ongoing success after rehab. I have practised for the last 23 years and have been fortunate to continue to grow as a person because of this, an unfolding and emerging process.

"There's a quote on the front steps of Odyssey House that to this day I cannot finish saying without choking up with a tear: By first doing, I proved it could be done. The second doing followed with ease. The third slipped by unnoticed; I had a habit of living. I like to think I'm a good example of that philosophy: living life to the fullest is what I am doing."

Rose had a traumatic and turbulent upbringing, exposed to violence, emotional abuse and family dysfunction. She didn't get to be a carefree teenager and adopted a persona of being the biggest, loudest and toughest in order to cope, along with misusing alcohol and other drugs.

Rose started drinking at the age of 12 and by 14 was binge drinking every weekend and smoking pot. After being kicked out of home at 16, she started using cannabis daily, progressed to using speed and then heroin. She lived a 'sordid lifestyle' for three years in her late teens that left her with a serious drug problem and a dark, futureless outlook on life.

At the age of 20, Rose was arrested and sent to jail. Although the court gave her the option of entering rehabilitation as an alternative, she resisted, until after four weeks she was eventually released on her own recognisance... the day of her release she used heroin again.

Upon facing the reality of the path she was once more travelling, Rose approached her solicitor the next day, had her bail conditions changed and turned to Odyssey House for help. She entered the residential rehabilitation program in 1985 and progressed well through the program, attending regular therapy sessions, interacting with other residents in the therapeutic community, and learning to deal with and communicate her feelings.

After 11 months, felt she was ready to leave. Her counsellors disagreed, believing she had more work to do on overcoming

the reasons she resorted to drugs and developing coping skills.

After 18 months back in the community, Rose relapsed. She had been faced with the same situations that had driven her to the drug-using lifestyle: family, same friends, same way of life.....it was a matter of time. She began drinking and then used speed. She knew she was on the road back down, but also knew what she had to do — and she returned to Odyssey House to get the help she needed.

Rose spent a further six months as a resident, followed by eight months in the Outpatients Program (now known as the After Care Program), which provided the support for Rose as she began establishing a new lifestyle. Rose was proud to finally graduate the Odyssey House program in 1989.

She went on to have two children (her daughter is now 23 and her son is 20) and entered the University of Western Sydney as a mature age student. Rose thrived, receiving first class honours in an Environmental Management degree and winning the university medal.

Combining her love of cooking with her eco-interests, Rose now runs the kitchen at an outdoor recreational and environmental education camp in the Blue Mountains for a Sydney private school. She also caters for functions and plans to teach sustainability at a community college in 2013.

Challenges in life still arise and the demons from her childhood still hang around at times, but Rose has a solid sense of self now and has learnt and practised the art of living in a manner where they do not affect her ability to live life to the fullest and make positive strides in her day.

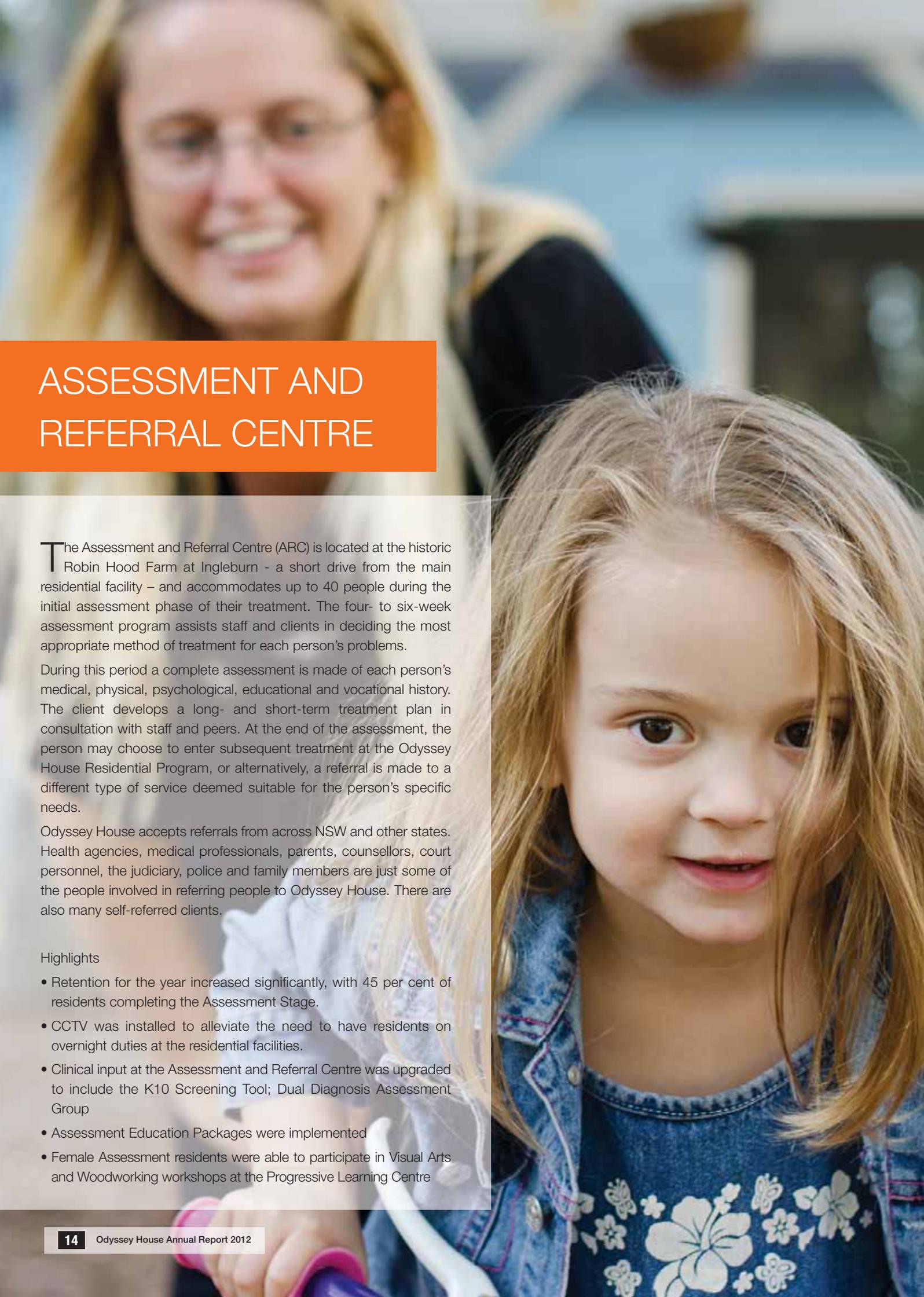
"While I didn't think it at the time, in retrospect I regard all that I have gone through as a great gift. I have an enormous array of insight and the vibrancy and will to share it. If I can inspire one other person with my journey, I am happy, and this is what I do.

"It is an honour to have the opportunity to do some motivational speaking and mentoring, and share my story with others who need to know that anything is possible. It was particularly moving to return to Odyssey House to speak at the 2011 Celebrate Recovery Day festivities to recognise all those people who have come through the same doors I did, seeking to change their lives.

"People who knew me in my late teens and early twenties wouldn't recognise me now. I actually look the same except for a couple of wrinkles, but the sparkle in my eye is very different.

"I used to struggle to communicate my feelings, I couldn't connect with people, particularly women, and I lacked confidence. Now, I embrace life, I have a wide circle of close female friends, two great children, a passion for cooking and a very positive outlook, and I can talk under water with marbles in my mouth!

"The wrinkles I have formed are not from frowning but from laughter. I have been blessed with a full life."



ASSESSMENT AND REFERRAL CENTRE

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 each person's problems.

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, the person may choose to enter subsequent treatment at the Odyssey House Residential Program, or alternatively, a referral is made to a different type of service deemed suitable for the person's specific needs.

Odyssey House accepts referrals from across NSW 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 people to Odyssey House. There are also many self-referred clients.

Highlights

- Retention for the year increased significantly, with 45 per cent of residents completing the Assessment Stage.
- CCTV was installed to alleviate the need to have residents on overnight duties at the residential facilities.
- Clinical input at the Assessment and Referral Centre was upgraded to include the K10 Screening Tool; Dual Diagnosis Assessment Group
- Assessment Education Packages were implemented
- Female Assessment residents were able to participate in Visual Arts and Woodworking workshops at the Progressive Learning Centre



CLINICAL SERVICES

Medically Assisted Withdrawal Unit

The Odyssey House Medically Assisted 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 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

- 327 people entered the Odyssey House Withdrawal Unit and 78 per cent completed their treatment
- 47 per cent of completing clients transferred to the Odyssey House Residential Program for further treatment
- There was a significant improvement in psychological wellbeing as measured by the K10 protocol for residents at the Withdrawal Unit

Clinical Department

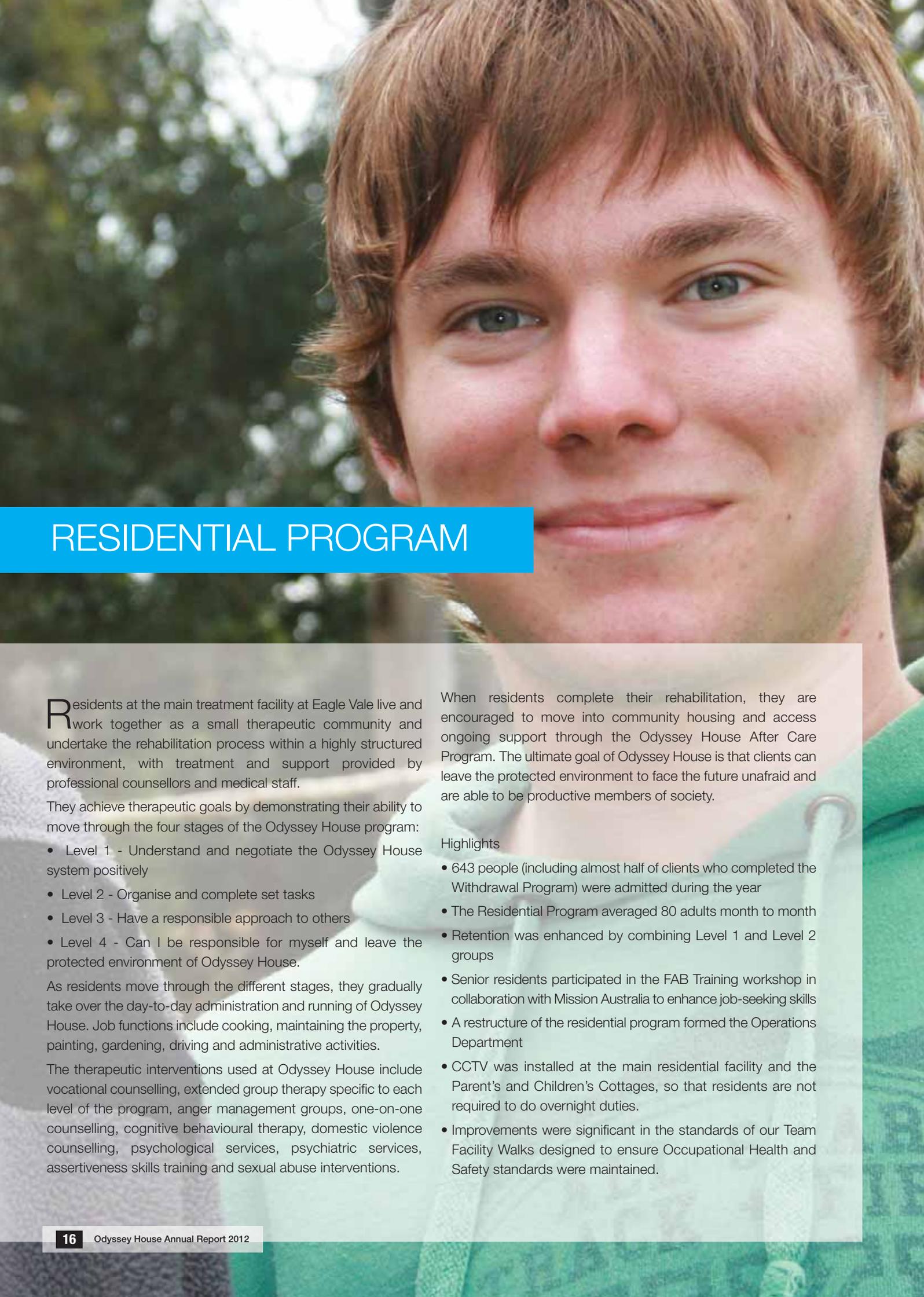
Odyssey House has an extensive Clinical Department which includes psychologists, therapists, General Practitioner and Psychiatric consultants.

This snapshot of our therapeutic services during the year gives an indication of the extent of the services necessary to assist our clients:

- 1114 GP consultations
- 901 psychiatric consultations
- 583 therapy group sessions
- 290 therapy episodes
- 147 crisis intervention sessions
- 480 private therapy sessions
- 107 treatment planning group sessions
- 103 treatment plans
- 187 case reviews

Highlights

- Received continued funding for the Medically Assisted Withdrawal Unit, the Parents' and Children's Program and the JANUS Mental Health Program
- Established a Memorandum of Understanding with University of Western Sydney to accept nursing student placements
- Developed a Memorandum of Understanding with the Sydney South West Area Health Service to provide in-house women's health screening and participation in women's health research
- Received funding to install an electronic client file system



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 - Can I be responsible for myself and leave the protected environment of Odyssey House.

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

- 643 people (including almost half of clients who completed the Withdrawal Program) were admitted during the year
- The Residential Program averaged 80 adults month to month
- Retention was enhanced by combining Level 1 and Level 2 groups
- Senior residents participated in the FAB Training workshop in collaboration with Mission Australia to enhance job-seeking skills
- A restructure of the residential program formed the Operations Department
- CCTV was installed at the main residential facility and the Parent's and Children's Cottages, so that residents are not required to do overnight duties.
- Improvements were significant in the standards of our Team Facility Walks designed to ensure Occupational Health and Safety standards were maintained.

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 young 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

- 19 children aged 0 to 11 years participated in the program during the year
- 7 families (44% of clients) had NSW Department of Family and Community Services supervisions on admission
- 15 families engaged in external social activities to enhance their transition to society including visits to Luna Park, Lollipops Playland and the Campbelltown Art Centre
- 14 children and 10 adults enjoyed a four-day summer holiday at Kiama
- 27 parents participated in the Positive Parenting Program (TripleP) facilitated by the Parents' and Children's Program staff
- A number of upgrades were made, including:
 - Fencing the front yard to increase space and safety
 - Internal painting of both cottages
 - Remodelling both cottage kitchens to improve the space and make them more user-friendly



PROGRESSIVE LEARNING CENTRE

The Progressive Learning Centre (PLC) is the education unit at Odyssey House. It aims to provide educational experiences that 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 Communities 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, woodwork, ceramics 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 PLC conducted 166 workshops and 276 classes during the year
- We welcomed the new Principal, Ted Foster
- The centre received new computers as part of a Federal Government initiative
- Students attended three plays during the year at the Sydney Theatre Company
- The Visual Arts crew, accompanied by teacher Melissa Cranfield, attended the Museum of Contemporary Art
- Residents who participated in the choir sang at the Narellan Congressional Centre and other events throughout the year
- Ceramics and visual art students attended 'Sculpture by the Sea' with teacher Clara Hali who also had an exhibit



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

- After Care admitted 118 new clients and conducted 166 therapy groups and
- 431 private therapy sessions
- Staff delivered 153 educational group and 89 support

groups, covering:

- Communication
 - Triggers and cravings
 - Stress management
 - Harm minimisation
- After Care worked with Reaction Employment to establish a 'Step Forward' Employment Training Course. The course is funded by Mission Australia and is also attended by senior residents and community members accessing After Care
 - A memorandum of understanding is in place with the Drug and Alcohol Women's Network (DAWN). There has been increased communication and client support between the agencies. After Care has supported 21 DAWN clients, providing group and individual counselling.
 - After Care clients benefited from the program's relationship with Argyle Housing.
 - After Care clients participated in the money skills course provided by Lifeline; 37 clients completed the workshop



MERIT PROGRAM

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 with demonstrated illicit drug use problems who are charged with criminal offences and whose matters are being heard in the local court. Defendants must 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 services to clients who work full-time.

Highlights

- 86 clients were referred to the MERIT Program over the year; 65 were accepted. Of these clients, 47 (72.3%) completed the three-month program.
- Positive outcomes achieved by clients over the past year included:
 - Enrolment in further education
 - Participation in employment training
 - Participation in culturally relevant services
 - Significant reductions in substance misuse, including abstinence
- The MERIT team continued to build and maintain strong relationships with associated treatment services, and participated in interagency meetings and ongoing networking with new services in the area.

WHAT IS A THERAPEUTIC COMMUNITY?

The primary goal of a Therapeutic Community (TC) is to foster personal growth. This is accomplished by changing an individual's lifestyle through a community of concerned people working together to help themselves and each other.

The Therapeutic Community represents a highly structured environment with defined boundaries, both moral and ethical. It employs community imposed sanctions and penalties as well as earned advancement of status and privileges as part of the recovery and growth process. Being part of something greater than oneself is an especially important factor in facilitating positive growth.

People in a Therapeutic Community are members, as in any family setting, not patients, as in an institution. These members play a significant role in managing the TC and acting as positive role models for others to emulate.

Members and staff act as facilitators, emphasising personal responsibility for one's own life and for self-improvement. The members are supported by staff as well as being serviced by staff, and there is a sharing of meaningful labour so that there is a true investment in the community, sometimes for the purpose of survival.

Peer pressure is often the catalyst that converts criticism and personal insight into positive change. High expectations and high commitment from both members and staff support this positive change. Insight into one's problems is gained through group and individual interaction, but learning through experience, failing and succeeding and experiencing the consequences, is considered to be the most potent influence toward achieving lasting change.

The TC emphasises the integration of an individual within this community, and the progress is measured within the context of the community against the community's expectations. It is the community, along with the individual, that accomplishes the process of positive change in the member. The tension created between the individual, and the community eventually resolves in favour of the individual, and this transition is taken as an important measure of readiness to move toward integration into the larger society.

Authority is both horizontal and vertical, encouraging the concepts of sharing responsibility, and supporting the process of participating in decision making when this is feasible and consistent with the philosophy and objectives of the Therapeutic Community.



board of directors



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.



Christine Bishop

Christine has been a Director of the Odyssey House McGrath Foundation since August 2011.



Greg Bundy

Greg was a Director of the Odyssey House McGrath Foundation from August 2011 to June 2012.



Ian Brown

Ian Brown has a Master of Arts, majoring in History, from the University of Sydney. Ian is a consultant in financial communications and was a Director of the Odyssey House McGrath Foundation from May 1992 to Nov 2011.



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.

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.



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.



Jonathan
Fisk

Jonathan Fisk is a leading consultant in the IT and business process outsourcing industries. Jonathan has been a Director of Odyssey House McGrath Foundation from April 1992 to Nov 2011.



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.



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.

board of directors



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 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 was a Director of the Odyssey House McGrath Foundation from August 2009 to Feb 2012.



Douglas
Snedden

Douglas has been the Chairman of the Odyssey House McGrath Foundation since October 2011. Formerly managing director of Accenture managing director, he is director of the Black Dog Institute and the St James Ethics Centre, an advisory council member of the Centre for Social Impact, and a non-executive director of Transfield Services.



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.



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 2012

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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 2012 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	Gregory Allen Bundy	Jonathon David Fulton Fisk	Linda Simonsen
Christine Anne Bishop	(appointed 15 August 2011, resigned 12 June 2012)	(resigned 21 November 2011)	(resigned 28 February 2012)
(appointed 29 August 2011)		Timothy Michael Green	Douglas Norman Snedden
Ian James Brown	Jan Copeland	Valerie Hoogstad	(appointed 17 October 2011)
(resigned 21 November 2011)	John Francis Coughlan	Lucy Fiona Pryor	Sean Patrick Straney
			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 2012 were 10 (2011: 11).

- 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 loss of the Foundation for the year ended 30 June 2012 was \$190,376 (2011: net profit \$990,002).

- 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 June 2010 to present	6 from 8
Christine Anne Bishop	BA, LLB, B Sc (Hons), M.Psych (For) (Hons), MFMH	Director	29 August 2011 to present	4 from 6
Ian James Brown	MA	Business Manager	18 May 1992 to 21 November 2011	2 from 3
Gregory Allen Bundy	BA	Senior Advisor	15 August 2011 to 12 June 2012	1 from 6
Jan Copeland	PhD, BSc(Psych) Hons, SRN, SRM	Professor & Director, NCPIC, UNSW	21 February 2005 to present	7 from 8
John Francis Coughlan	BEc, Dip Rur.Acc (UNE), FCA, FCPA, FAIM	Director	16 October 2006 to present	6 from 8
Jonathon David Fulton Fisk	-	Director	13 April 1992 to 21 November 2011	0 from 8
Timothy Michael Green	BCom	CEO	20 November 2006 to present	6 from 8
Valerie Hoogstad	BA, MA	Director, Senior Lecturer	21 October 1996 to present	8 from 8
Lucy Fiona Pryor	BBus(IntBus)	Senior Consultant	7 September 2009 to present	3 from 8
Linda Simonsen	BA (Psych & HR)	Managing Director	17 August 2009 to 28 February 2012	5 from 6
Douglas Norman Snedden (Chairman)	BEc	Company Director	17 October 2011 to present	5 from 6
Sean Patrick Straney	BA	Business Consultant	20 May 2002 to present	0 from 8
Geoffrey James Wilson	BSc	Chairman	19 May 2008 to present	6 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

officers' liability insurance contracts for the year ended 30 June 2012 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 2013. 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 28 and forms part of the directors' report for the financial year ended 30 June 2012.

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:



Doug Snedden
Director



John Coughlan
Director

Sydney

Dated: 23 October 2012

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 2012 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 'Cameron Roan', written over a faint KPMG logo.

KPMG

A handwritten signature in black ink, appearing to read 'Cameron Roan', written over a faint KPMG logo.

Cameron Roan
Partner

Sydney

Dated: 23 October 2012

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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 Company), which comprises the statement of financial position as at 30 June 2012, 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 24 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 company 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 Company'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*.

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 Company's financial position as at 30 June 2012 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 2012;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2011 to 30 June 2012, 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 2011 to 30 June 2012 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: 23 October 2012

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Firm of the KPMG network of independence member
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("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under
Professional Standards Legislation

Directors' Declaration

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

- (a) the financial statements and notes, set out on pages 30 to 45 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2012 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 Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 23rd day of October 2012.

Signed in accordance with a resolution of the directors:



Doug Shedden
Director



John Coughlan
Director

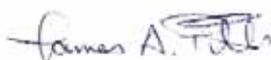
Sydney

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 2012;
- (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 2012;
- (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 2012; 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 23rd day of October 2012



James Pitts
Chief Executive Officer

Statement Of Comprehensive Income

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue			
Revenue	4	5,999,045	6,870,257
Total revenue		<u>5,999,045</u>	<u>6,870,257</u>
Expenses			
Employee benefits expense	5	(4,716,139)	(4,427,470)
Depreciation and amortisation expenses	5	(258,288)	(251,788)
Fundraising expenses	23	(61,706)	(51,800)
Operating expenses		<u>(1,272,940)</u>	<u>(1,237,082)</u>
Total expenses		<u>(6,309,073)</u>	<u>(5,968,140)</u>
Finance income		140,509	98,772
Finance expense		<u>(20,857)</u>	<u>(10,887)</u>
Net finance income	6	<u>119,652</u>	<u>87,885</u>
PROFIT BEFORE INCOME TAX		(190,376)	990,002
Income tax expense	3k	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>(190,376)</u>	<u>990,002</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(190,376)</u>	<u>990,002</u>

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

Statement of Financial Position

as at 30 June 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	7	168,406	541,400
Trade and other receivables	8	1,842,435	2,322,166
Inventories	9	41,808	28,604
Prepayments	10	9,984	-
TOTAL CURRENT ASSETS		<u>2,062,633</u>	<u>2,892,170</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	18,550	18,550
Property, plant and equipment	11	2,263,177	2,317,733
TOTAL NON-CURRENT ASSETS		<u>2,281,727</u>	<u>2,336,283</u>
TOTAL ASSETS		<u>4,344,360</u>	<u>5,228,453</u>
CURRENT LIABILITIES			
Trade and other payables	12	432,664	402,361
Deferred revenue	13	117,288	853,925
Loans and borrowings	14	72,044	106,184
Employee benefits	15	602,243	579,261
TOTAL CURRENT LIABILITIES		<u>1,224,239</u>	<u>1,941,730</u>
NON-CURRENT LIABILITIES			
Deferred revenue	13	54,432	65,319
Loans and borrowings	14	208,016	165,904
Employee benefits	15	76,831	84,282
TOTAL NON-CURRENT LIABILITIES		<u>339,279</u>	<u>315,505</u>
TOTAL LIABILITIES		<u>1,563,518</u>	<u>2,257,235</u>
NET ASSETS		<u>2,780,842</u>	<u>2,971,218</u>
EQUITY			
Contributed equity		15,000	15,000
Retained profits		2765,842	2,956,218
TOTAL EQUITY		<u>2,780,842</u>	<u>2,971,218</u>

**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 2012

	Retained surplus -	Total members' funds	Total
Opening balance at 1 July 2010	1,966,216	15,000	1,981,216
Total comprehensive income for the period			
Surplus for the year	990,002	-	990,002
Other comprehensive income	-	-	-
Total comprehensive income for the period	990,002	-	990,002
Closing balance at 30 June 2011	2,956,218	15,000	2,971,218

	Retained surplus -	Total members' funds	Total
Opening balance at 1 July 2011	2,956,218	15,000	2,971,218
Total comprehensive income for the year			
Surplus (deficit) for the year	(190,376)	-	(190,376)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(190,376)	-	(190,376)
Closing balance at 30 June 2012	2,765,842	15,000	2,780,842

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 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		6,153,223	7,562,477
Cash paid to suppliers and employees		(6,431,918)	(6,622,455)
Interest received		128,315	87,885
Interest paid		(8,663)	(6,444)
Net cash from operating activities	17ii	<u>(159,043)</u>	<u>1,021,463</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		65,764	-
Payments for property, plant and equipment		(203,731)	(174,383)
Investment in Term Deposits		(85,311)	(451,006)
Net cash used in investing activities		<u>(223,278)</u>	<u>(625,389)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		7,972	(57,444)
Net cash used in financing activities		<u>7,972</u>	<u>(57,444)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(374,349)	338,360
Cash and cash equivalents at the beginning of the financial year		<u>436,354</u>	<u>97,724</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17i	<u><u>62,005</u></u>	<u><u>436,354</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 2012

1 REPORTING ENTITY

Odyssey House McGrath Foundation (the 'Foundation') is a company domiciled in Australia. The address of the company's registered office is 13a Moonstone Place, Eagle Vale. The Company 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 Company 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 Company 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 financial statements were approved by the Board of Directors on 23 October 2012.

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 Company has applied the reduced disclosure requirements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 with maturities of three months or less.

(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 and, 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 Company 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.

iv Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

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.

Notes To The Financial Statements cont.

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.

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 recognized as in 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 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

	2012	2011
	\$	\$
Donations	458,338	1,365,397
Grants	3,988,667	3,936,480
Treatment cost and fees	1,177,022	1,124,246
Fundraising income	251,015	348,606
Other income	58,239	95,528
Profit on disposal of property, plant and equipment	65,764	-
	<u>5,999,045</u>	<u>6,870,257</u>

Notes To The Financial Statements cont.

	2012 \$	2011 \$
5 EXPENSES		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	126,532	123,921
Amortisation of leasehold improvements	131,756	127,867
	<u>258,288</u>	<u>251,788</u>
Employee benefits expense		
Wages, salaries and on-costs	4,312,037	4,006,763
Contributions to defined contribution superannuation funds	388,571	363,857
Increase in liability for employee benefits provision	15,531	56,850
	<u>4,716,139</u>	<u>4,427,470</u>
Operating lease rental expense - minimum lease payments	<u>94,605</u>	<u>83,599</u>
6 NET FINANCE INCOME		
Interest income - other parties	129,622	87,885
Unwind of discount on financial liabilities	10,887	10,887
Total finance income	<u>140,509</u>	<u>98,772</u>
Interest expense - other parties	-	-
Unwind of discount on financial liabilities	(20,857)	(10,887)
Total finance expense	<u>(20,857)</u>	<u>(10,887)</u>
Net finance income	<u>119,652</u>	<u>87,885</u>
7 CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	1,750	1,550
Cash at bank	166,656	539,850
	<u>168,406</u>	<u>541,400</u>
8 TRADE AND OTHER RECEIVABLES		
Current		
Cash on deposit	1,778,089	1,692,779
Other debtors	64,346	629,387
	<u>1,842,435</u>	<u>2,322,166</u>
Non-Current		
Rental bond	<u>18,550</u>	<u>18,550</u>
9 INVENTORIES		
Current		
Stock on hand	<u>41,808</u>	<u>28,604</u>

Notes To The Financial Statements cont.

	2012 \$	2011 \$
10 PREPAYMENTS		
Current		
Prepayments	9,984	-
11 PROPERTY, PLANT AND EQUIPMENT		
Non-Current		
Land and buildings - at cost	348,440	345,427
Less: Accumulated depreciation	(63,875)	(49,182)
	284,565	296,245
Plant and equipment - at cost	415,411	349,746
Less: Accumulated depreciation	(243,095)	(180,875)
	172,316	168,871
Motor vehicles - at cost	208,330	204,018
Less: Accumulated depreciation	(95,450)	(138,479)
	112,880	65,539
Leasehold improvements - at cost	3,861,378	3,823,284
Less: Accumulated amortisation	(2,167,962)	(2,036,206)
	1,693,416	1,787,078
	<u>2,263,177</u>	<u>2,317,733</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	296,245	311,466
Additions	3,013	-
Disposals	-	-
Depreciation	(14,693)	(15,221)
Carrying amount at end of year	<u>284,565</u>	<u>296,245</u>

Plant and Equipment

Carrying amount at beginning of year	168,871	116,269
Additions	65,666	103,334
Disposals	-	-
Depreciation	(62,221)	(50,732)
Carrying amount at end of year	<u>172,316</u>	<u>168,871</u>

Notes To The Financial Statements cont.

	2012	2011
	\$	\$
Motor Vehicles		
Carrying amount at beginning of year	65,539	123,507
Additions	96,961	-
Disposals	(92,650)	-
Depreciation	43,030	(57,968)
	<u>112,880</u>	<u>65,539</u>
Carrying amount at end of year	<u><u>112,880</u></u>	<u><u>65,539</u></u>
Leasehold Improvements		
Carrying amount at beginning of year	1,787,078	1,843,896
Additions	38,095	71,049
Disposals	-	-
Amortisation	(131,756)	(127,867)
	<u>1,693,417</u>	<u>1,787,078</u>
Carrying amount at end of year	<u><u>1,693,417</u></u>	<u><u>1,787,078</u></u>
12	TRADE AND OTHER PAYABLES	
	Current	
Sundry creditors	<u>432,664</u>	<u>402,361</u>
13	DEFERRED INCOME	
	Current	
Deferred income	10,887	10,887
Residents welfare accounts	106,401	105,046
Unexpired specific grants	-	737,992
	<u>117,288</u>	<u>853,925</u>
	<u><u>117,288</u></u>	<u><u>853,925</u></u>
	Non-current	
Deferred income	<u>54,432</u>	<u>65,319</u>
	<u><u>54,432</u></u>	<u><u>65,319</u></u>
14	LOANS AND BORROWINGS	
	Current	
Finance leases	44,481	77,243
Loan - Campbelltown property (secured)	27,563	28,941
	<u>72,044</u>	<u>106,184</u>
	<u><u>72,044</u></u>	<u><u>106,184</u></u>
	Non-Current	
Finance leases	76,256	27,439
Loan - Campbelltown property (secured)	131,760	138,465
	<u>208,016</u>	<u>165,904</u>
	<u><u>208,016</u></u>	<u><u>165,904</u></u>

Notes To The Financial Statements cont.

	2012	2011
	\$	\$
15 EMPLOYEE BENEFITS		
Current		
Liability for annual leave	232,554	309,986
Liability for long service leave	300,045	269,274
Liability for Time in Lieu	69,644	-
	<u>602,243</u>	<u>579,260</u>
Non-Current		
Liability for long service leave	<u>76,831</u>	<u>84,282</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:

Less than one year	106,236	95,106
Between one and five years	45,524	162,389
More than five years	3	4
	<u>151,763</u>	<u>257,499</u>

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

17 NOTES TO THE STATEMENT OF CASH FLOWS

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:

Cash on hand	1,750	1,550
Cash at bank	166,656	539,850
Cash on deposit	-	-
	<u>168,406</u>	<u>541,400</u>
Less: amount owing-Residents		
Welfare accounts	<u>(106,401)</u>	<u>(105,046)</u>
	<u>62,005</u>	<u>436,354</u>

ii Reconciliation of Cash Flows from Operating Activities

Profit for the year	(190,376)	990,002
Depreciation	126,532	123,921
Amortisation	131,756	127,867
(Profit)/loss on disposal of property, plant and equipment	(65,764)	-
Changes in working capital and provisions		
Change in trade and other receivables	565,041	(432,475)
Change in prepayments	(9,984)	24,898
Change in inventories	(13,204)	(23,329)
Change in trade and other payables	30,303	(108,312)
Change in deferred income	(748,879)	238,573
Change in loans and borrowings	-	23,469
Change in employee benefits	15,532	56,850
	<u>(159,043)</u>	<u>1,021,464</u>
Net cash from operating activities		

Notes To The Financial Statements cont.

18 DIRECTOR DISCLOSURES

Directors

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

Natalie Nicole Archer	John Francis Coughlan	Linda Simonsen
Christine Anne Bishop	Jonathon David Fulton Fisk	Douglas Norman Snedden (Chair)
Ian James Brown	Timothy Michael Green	Sean Patrick Straney
Gregory Allen Bundy	Valerie Hoogstad	Geoffrey James Wilson
Jan Copeland	Lucy Fiona Pryor	

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.

19 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:

	2012	2011
	\$	\$
Short term employee benefits	372,714	346,903
Long term employee benefits	48,791	47,049
	<u>421,505</u>	<u>393,952</u>

20 AUDITORS' REMUNERATION

	2012	2011
	\$	\$
Audit services		
Auditors of the company - KPMG	47,500	35,500
- Audit of the financial report		

21 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 2012.

22 CONTINGENCIES

The Foundation had no contingent liabilities as at 30 June 2012.

Notes To The Financial Statements cont.

23 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

	2012	2011
	\$	\$
Gross Proceeds from Fundraising Appeals		
Corporate donations	8,000	156,000
Fundraising functions	312,433	348,606
Donations from charitable trusts and foundations	245,348	157,868
General donations	203,554	1,051,530
	<u>769,335</u>	<u>1,714,004</u>
Fundraising Functions		
Real Men Cook	45,650	33,459
Fund Managers Awards (FMA)	98,890	114,526
Donation from FMA Function	18,000	18,000
Macarthur Challenge	5,200	-
Citi Cycling Classic	60,073	81,097
Women's Luncheon	-	6,500
Directors' Luncheon	-	39,984
Odyssey by the Bay	31,320	38,720
ASX Thomson Reuters Charity Fdn Art Union	53,300	16,320
	<u>312,433</u>	<u>348,606</u>
ii Less: Cost of Fundraising Functions		
Real Men Cook Expenses	11,135	12,069
Fund Managers Awards Expenses	-	-
Macarthur Challenge	501	-
Citi Cycling Classic	9,370	3,919
Odyssey by the Bay	5,629	7,812
ASX Thomson Reuters Charity Fdn Art Union	35,071	28,000
	<u>61,706</u>	<u>51,800</u>
Less: Cost of Other Fundraising Appeals	<u>193,782</u>	<u>142,256</u>
Less: Total Cost of Fundraising Appeals	<u>255,488</u>	<u>194,056</u>
iii Net Surplus Obtained from Fundraising Appeals	<u>513,847</u>	<u>1,519,948</u>

Notes To The Financial Statements cont.

23 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

	2012	2011
	\$	\$
Net surplus obtained from fundraising appeals	513,847	1,519,948
This is applied to the charitable purposes in the following manner:		
• To supplement Government assistance in funding the Odyssey House programmes	513,847	1,519,948

d Comparisons by Monetary Figures and Percentages

	2012	
	\$	%
Total cost of fundraising/gross income from fundraising	255,488/769,335	33
Net surplus from fundraising/gross income from fundraising	513,847/769,335	67
	2011	
	\$	%
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

24 ECONOMIC DEPENDENCY

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



DISCLAIMER

The additional financial information presented on pages 34 to 35 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 company for the year ended 30 June 2012. 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 company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG
Sydney
23 October 2012

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Detailed Statement Of Comprehensive Income

for the year ended 30 June 2012

	2012	2011
	\$	\$
INCOME		
Donations	405,876	1,365,397
Grants	4,037,796	3,936,480
Treatment cost and fees	1,177,022	1,188,959
Function income - net	254,348	348,606
Other income	69,126	30,814
Profit on disposal of property, plant and equipment	65,764	-
Interest received	129,622	87,885
	<u>6,139,554</u>	<u>6,958,141</u>
EXPENSES		
Affiliation fees/subscriptions	19,506	24,833
Amortisation of leased assets	131,756	127,867
Audit fees	52,221	32,471
Bedding and linen	-	2,351
Clinical supervision	3,568	8,894
Computer/IT expenses	47,592	49,963
Conferences	3,601	4,667
Consultants fees	94,041	60,089
Depreciation	126,532	123,921
Development and public relations	3,434	2,867
Equipment purchases	13,010	8,285
Equipment rental and maintenance	24,256	42,516
Evaluation costs	-	-
Food and beverages	183,999	183,942
Hygiene supplies	57,654	47,057
Insurances	80,095	76,142
Interest Paid	8,663	-
Kitchen supplies	666	2,465
Maintenance of buildings and grounds	138,816	138,525
Marketing expense	44,762	33,287
Medical supplies and testing	31,426	18,512
Motor vehicle expenses	42,644	27,565
Occupancy - building rentals	84,777	84,619
Occupancy - utilities	112,257	149,607
Office supplies, postage and printing	40,049	42,186
Recreation expense	17,539	23,615
Recruiting costs	13,987	6,900
Salaries and on costs	4,716,139	4,472,705
Staff training	32,225	30,769
Strata fees	16,818	12,010
Sundry expenses	62,165	15,169
Supervision/administration/research costs	1,123	-
Telephone	79,471	74,046
Text books, teaching aids and reference materials	8,697	13,395
Transport	36,441	26,900
	<u>6,329,930</u>	<u>5,968,140</u>
PROFIT BEFORE INCOME TAX	<u>(190,376)</u>	<u>990,002</u>



'A life worth living'

While turning 21 marks the start of adult life for many young Australians, for Jamie it marks the start of 'a life worth living' after spending his youth battling emotional issues and dependence on alcohol and other drugs.

"As a young toddler I was removed from my birth parents, as they suffered from their own dependence issues at the time. My three-year-old sister Sarah was also removed, while my brother and three other sisters were much older and had already been fostered out to homes. I had very limited contact with my older siblings and eventually we just drifted apart.

"Sarah and I were adopted by a local couple who cared for us immensely, but unfortunately it would take me a long time to appreciate just how much I was loved.

"From a very young age I would isolate myself and become withdrawn. School wasn't a great experience for me as I was the target of constant teasing. I was the kid with glasses, a serious speech disability, anxiety, low self-esteem, a lack of confidence and identity and abandonment issues over not understanding why my birth parents gave me up.

"Things started looking up when I found an interest in BMX racing, and competed in the Australian and World Titles. Unfortunately after two serious racing accidents that potential career was cut short and I quickly retreated back into my shell.

"After years of built-up anxiety and abandonment issues, I began to resent my adopted parents and rejected all the love, care and values they had tried to instil in me. I was angry and didn't know how to express my feelings. I only rebelled against the people who cared about me; my parents bore the brunt of my anger and resentment, while

to everyone else I appeared relaxed, happy and normal.

"When I was 15 and a crew of friends offered me alcohol, I couldn't say "No". I was a people pleaser, a yes-man; I yearned to belong.

"The alcohol gave me a fake sense of confidence and invincibility. I thought it was a cure to block out the pain, the feeling of abandonment, the anxiety, but I now know it only masked what was deep inside. I soon began to drink anything I could get my hands on. I was the one in our group of friends who would always get drunk, beyond memory.

"After a year I made friends with some guys who were doing drugs. Speed, weed, ecstasy - they allowed me to escape and feel like I was untouchable. I was always trying to be someone I wasn't.

"I finished school in year 10 and worked here and there, but I could never hold a stable job because of the choices I made. Work was a way of paying for my addiction, and I borrowed money from family and friends, to fuel my ever growing addiction.

"I was in a bad state, thought of suicide and felt I had no worth. It's sad to say that alcohol became my best friend.

"At 17 I began looking for more excitement: stealing cars, breaking and entering, and being 'drunk and disorderly' kept me amused. Never thinking of the consequences ahead.

"At home my parents took out an Apprehended Violence Order (AVO) against me and I spent eight months at UnitingCare Burnside, which works with young people. Unfortunately the addiction didn't stop - I just got clever at hiding it.

"While at Burnside I spent a few nights in juvenile detention and ended up in court. Through it all, my adoptive parents still supported me. It was very difficult to be in the same room as them and not be able to talk to them to express how sorry I was for my actions.

"The AVO was lifted and I returned home. I was 18 and past self-defeating behaviours slowly started to creep back. "My probation and parole officer recommended Odyssey House, but it was a big step and I put it off for about four months.

"I officially advised the court that I would go to Odyssey House, but the night before I decided to party for one last time. After downing a bottle of Jim Beam, I yearned for a bigger buzz and went to my mum's drawer and downed a bottle of pills.

"Luckily, my mum found me and called an ambulance. I ran away and when the police finally caught up with me they classed my binge as a suicide attempt and I was placed at the Brunji Youth Mental Health Unit. Four weeks later I was once more given the option to go to Odyssey House, and this time I went.

"Initially Odyssey House was just an escape to get away, a place to stay and just go through the motions. I didn't really want to be there. However, I soon noticed positive changes in myself and how I viewed others. I realised there was a light at the end of the tunnel and I had an opportunity to change my life – an opportunity I had to take.

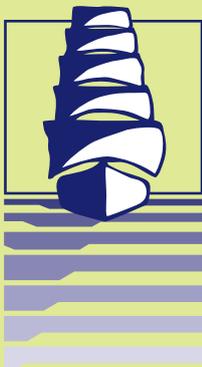
"I spent 19 months at Odyssey and it was certainly an up and down journey, but I discovered some really important things.

1. I discovered who I was and what I stand for - my identity, values, beliefs, morals.
2. I was able to reintroduce into my life the family and true friends I had neglected for so long.
3. I finally found that I was somebody worthwhile and could be proud of what I had achieved and where I was going. I learnt to express myself without worrying about others judging me.

"Odyssey House saved me. I am now doing an apprenticeship in Carpentry while attending TAFE, utilising some of the skills I learned in woodwork classes at Odyssey. I am also working as a farm hand on the weekends. My final words of advice for others looking for help: Be more concerned about your character than your reputation. Your character is who you really are, while your reputation is merely what others think of you."

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

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HOUSE**



*'A Calm in
the Sea of
Addiction'*

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