



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



odyssey house annual report 2013

**ODYSSEY
HOUSE**



*'A Calm in
the Sea of
Addiction'*

WHO WE ARE

Odyssey House McGrath Foundation was founded in 1977 by Sydney businessman, Walter McGrath, following the death of his son from a heroin overdose. As a testament to his son, McGrath committed himself to finding a program to help other young people who suffered from problems with drug dependence. After much international research, McGrath felt that the Odyssey House Program would be easily transferrable to Australia.

Odyssey House opened its therapeutic doors on 30 October, 1977. From humble beginnings, the program has expanded and prospered. The first residents to enter Odyssey House were housed in tents and slept on timber bunks.

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. More than 35,000 people have been helped over the past 35 years.

Services offered by Odyssey House are provided through a continuum-of-care model from medically assisted withdrawal and short- to long-term rehabilitation, through to after care following residential rehabilitation.

Odyssey House has built its client service and staff culture based on five values or pillars:

- Trust
- Honesty
- Responsibility
- Concern
- Love

These pillars, along with our commitment to collaboration with our stakeholders, 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 within 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 participants to overcome their 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

To save and improve the lives of people dependent on alcohol and other drugs.

OUR GOALS

By providing professional support in a safe environment and using the therapeutic community model, our goals are to:

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

Odyssey House is dedicated to giving people something addictions never can: a future.

Our goals are aligned to the Odyssey House Strategic Plan 2012-14, which identifies nine priorities the board and staff have committed to delivering:

1. Improve and consolidate the mix of programs and services
2. Strengthen our linkages and collaborations with key stakeholders
3. Embed quality into our internal operations
4. Secure an ongoing funding base
5. Enhance our research and evidence base
6. Pursue the establishment of a 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
 - Parents in Contact Program
 - Vocational and educational services
 - After Care Program
 - Magistrates Early Referral Into Treatment (MERIT)

The treatment methods used by 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 their 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 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%) 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 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.

WHO WE SERVE

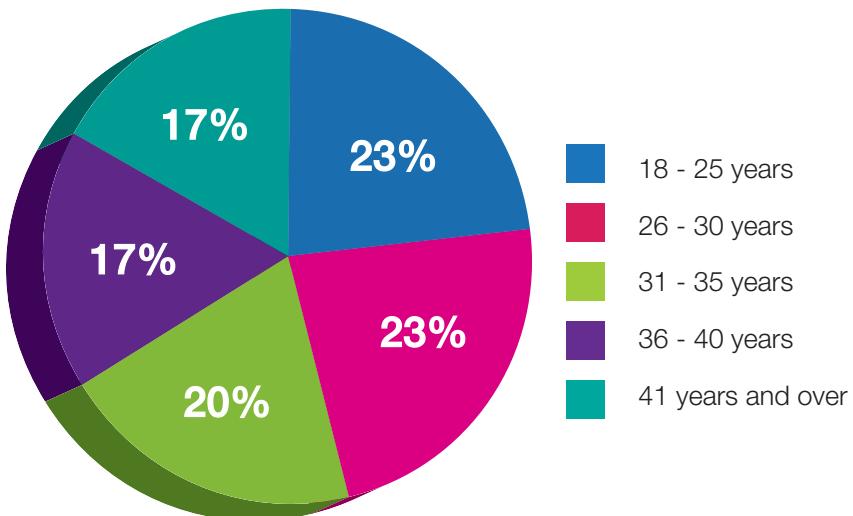
Odyssey House serves a challenging client population. On average, clients have had nine previous attempts at treatment and often see us as their last hope of breaking free of serious and long-standing dependence on alcohol and other drugs. More than half have co-existing mental health problems and a significant proportion have poor education and employment histories and have been before the courts.

The Admissions and Intake Centre takes thousands of calls a year, providing information, drug and alcohol assessment, referrals and support to members of the community.

During the 2012-2013 financial year, 652 people were admitted into Odyssey House alcohol and other drug residential rehabilitation programs: 457 men (70% of clients) and 195 women. Of these, 318 people entered treatment at the Odyssey House Medically Assisted Withdrawal Unit and 334 people were admitted directly into the Odyssey House Residential Program.

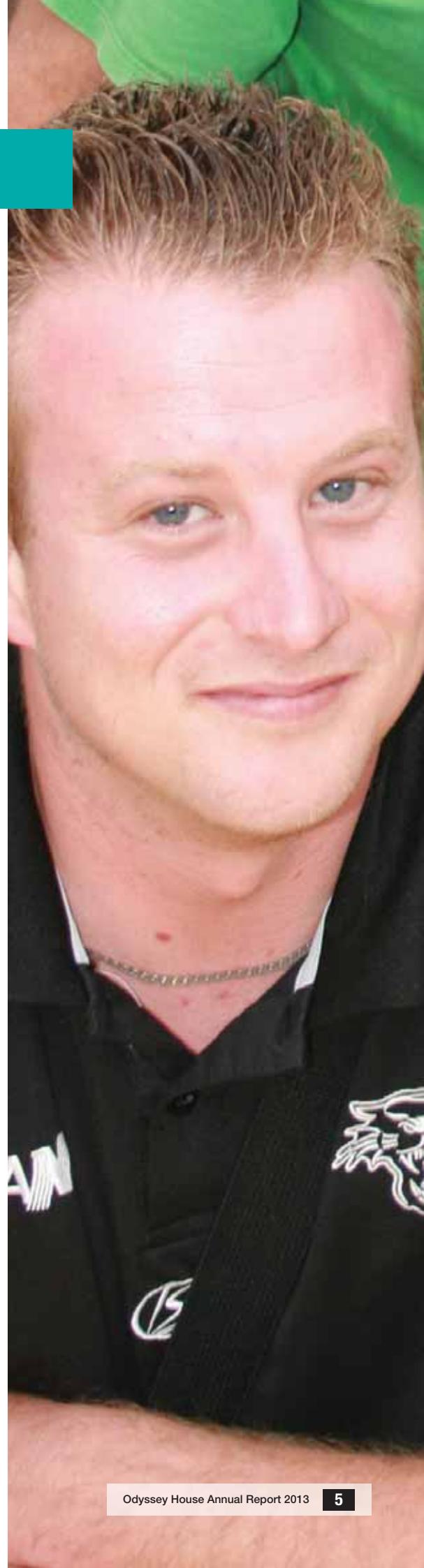
Just over three-quarters (78%) of Withdrawal Unit clients completed the program and half (50%) of these clients then transferred into the Odyssey House Residential Program; other clients were referred on for other follow-up treatment or support as required.

The age breakdown of clients who entered Odyssey House programs during the year was:



Almost half (46%) of clients admitted to Odyssey House were under some legal stipulation: bonded, bailed, court diversion program including Magistrates Early Referral Into Treatment Program (MERIT) or Court Alcohol and Drug Assessment Service (CADAS) or under probation, parole supervision or home detention order. 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.

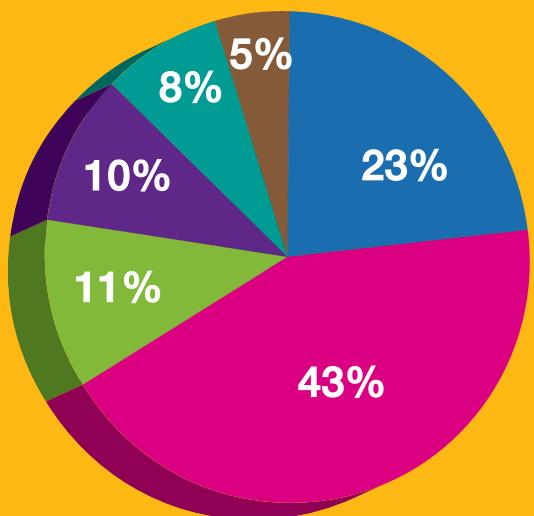
In 2012-2013 Odyssey House residents accounted for over 29,312 drug-free and crime-free days. This amounted to a cost saving to society of more than \$14,856,766.



Mental illness and drug dependence

Drug dependence combined with mental health problems continues to be a significant issue and poses specific treatment challenges. Approximately 51 per cent of people accessing our residential services during the 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:

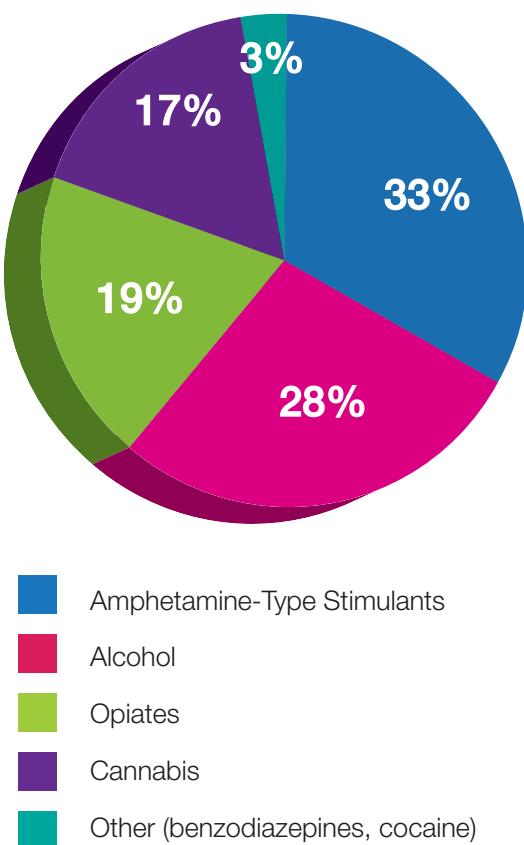


- █ Anxiety
- █ Depression
- █ Schizophrenia
- █ Bipolar Disorder
- █ Borderline Personality Disorder
- █ Other psychiatric disorder

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

The principal drug of concern of clients nominated entering the Residential Program during 2012-13 (many clients report multiple drug dependencies):



Amphetamine-Type Stimulants (ATS: crystal meth, speed, ice, base) was the principal drug class of concern for one in three Odyssey House clients admitted during the year. This represents a 10 per cent increase on 2012 (30% of clients nominated ATS) and a 106 per cent increase since 2010 (16% of clients), when this upward trend recommenced after four years of decline.

Alcohol remains a significant drug of concern, nominated by 28 per cent of clients as their principal drug of concern and by 70 per cent as one of their drugs of concern. Alcohol was the leading principal drug of concern for Odyssey House clients from 2007 to 2011, and was overtaken by ATS in 2012. Alcohol misuse is a significant health problem due to the direct harms related to misuse, its correlation with anxiety and depression, and the medical challenges of withdrawal for those who are seriously dependent. In addition, alcohol often acts as a gateway drug for illicit substance misuse, raising significant relapse risks for alcohol and other drugs when clients return to the community after rehabilitation.

Opiates (including heroin and methadone) declined as the principal drug of concern by 21 per cent over the previous year, from 24 per cent in 2012 to 19 per cent in 2013. With 17 per cent of clients reporting cannabis as their principal drug of concern, this reflects a relatively constant level that has varied minimally over the past ten years (14%-18%).



CHAIRMAN'S REPORT

2013 is our 36th year in operation, demonstrating that the rehabilitation programs offered by Odyssey House work and remain relevant.

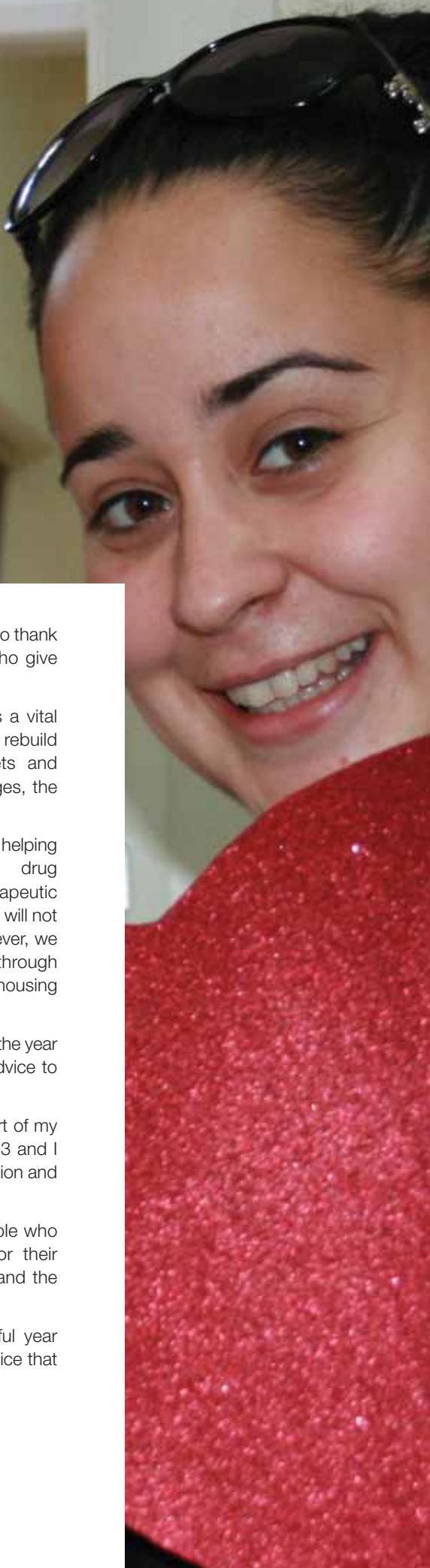
Odyssey House has assisted over 35,000 people to rebuild their lives, since our doors opened.

Demand for our services has been strong throughout the year. For much of the year our residential facility has been a full house. Unlike most businesses, for us this results in increasing costs.

2013 has been a challenging year for Odyssey House. Costs have increased across the board, with salary increases for community sector workers taking effect during this year. While the board and management support these increases, supplementary funding by the government has fallen well short of actual costs.

We receive almost eighty percent of our operational funds from the state and federal government. The remainder comes from fundraising, special grants and donations. We need to increase the focus on fundraising, diversify our sources of income and collaborate with other partners to deliver services.

The bulk of our fundraising is used to meet operational or program costs, leaving insufficient funds for ongoing repairs and facilities maintenance. As such, in-kind donations assist Odyssey House to maintain a safe environment for staff and clients.



Donors play a vital role and I would like to thank those organisations and individuals who give generously throughout the year.

The work of Odyssey House provides a vital community service helping people to rebuild their lives. Whilst balancing budgets and fundraising present enormous challenges, the efforts are well worth it.

The cornerstone remains our mission of helping people with alcohol and other drug dependencies through the therapeutic community model of care. Future years will not see a deviation from what we do, however, we plan to add programs and services through collaboration with education, training, housing and employment services.

The board has met regularly throughout the year to advise on operations and provide advice to James Pitts and his team.

I would like to acknowledge the support of my fellow board members throughout 2013 and I would like to thank staff for their dedication and professionalism.

I would also like to recognise the people who have participated in our programs for their determination, personal achievement and the support they provide each other.

We look forward to another successful year continuing the good work and vital service that is Odyssey House.



Doug Snedden



CHIEF EXECUTIVE OFFICER'S REPORT

The past year has been challenging as well as rewarding, yet, as always, Odyssey House staff have ably managed to assist our clients, most of whom represent a most challenging profile.

Over half of all admissions (51%) to our residential service over the past year were diagnosed with a co-occurring substance misuse and mental health disorder. This condition is difficult to treat unless done so using a holistic and integrated approach that addresses both components. The most common diagnostic categories have been depression and anxiety which are seen in 56 per cent of men and 70 per cent of women who access our services. To address these issues we introduced a group intervention during the early stages of the program which has proven to be successful in assisting individuals to remain in the program.

To ensure the quality of our interventions, like the one just described, we participate in a Continuous Quality Improvement (CQI) process, which is overseen by the Australian Council on Healthcare Standards (ACHS). We participated in a periodic review conducted by two ACHS surveyors in August 2012. They reported: "In summary the surveyors were most satisfied with all aspects of the mandatory criteria assessed during the

periodic review. Odyssey management and staff are congratulated on their achievements in improving the quality and safety of their service and in completing the review cycle." We were most pleased with the results of the review and we continue to maintain that very high standard.

To ensure our services remain relevant to meet the legitimate needs of our clients, we take an introspective approach and once a year hold our Staff Retreat to take time out from client care and discuss issues and ideas. One of the major discussions at our April 2013 retreat related to the need to review our programs and services and, as a result, we committed to carry out a full review of the content, relevance and time lines of our programs. The Program Review commenced in late June 2013 and is planned for completion in November 2013.

During the year we remained proactive in participating with other organisations to strengthen our service delivery and contribute to the alcohol and other drugs field. Odyssey House became a member of the "Partners In Recovery" consortium, which is funded by the Department of Health and Ageing (DOHA) to provide seamless services for people with

chronic mental health issues. The consortium is led by the NSW Schizophrenia Fellowship and the South West Health District Medicare Local. We have entered into a Memorandum of understanding with the Maryfields Recovery Centre which is sponsored by St Vincent de Paul. We anticipate these working relationships will enhance our ability to provide quality services to our clients.

We maintained formal relationships with the Tharawal Aboriginal Corporation; the Drug and Alcohol Women's Network (DAWN); the Illawarra Aboriginal Medical Service; the University of Western Sydney's Medical School; and the UWS Psychology Department, where we have students complete their external placement requirements with us. In addition we benefit from food collection through Oz Harvest, which "rescues" food from companies and institutions so it can be distributed to charitable organisations like ours.

We have had change to our staff at a senior level. Our long-time accountant and company secretary, Dawn Paterson, left us after a career covering 16 years. We were joined by Margaret Noonan as Chief Operations Officer, who has had extensive experience working in the non-government field and has consolidated our senior management team.

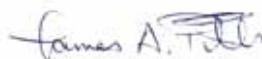
As always, securing sufficient funding to maintain the quality of our programs is a priority. We were faced with a substantial challenge at the end of the year to maintain our level of services, due to an administrative error during our last funding submissions to the Commonwealth Department of Health and Ageing (DOHA). This resulted in a possible severe budget shortfall pertaining to our Medically Assisted Withdrawal Unit and our Parents' and Children's Program. We were able to make a business case to DOHA to reinstate the funding, which covered the administrative costs of the programs. We appreciated the assistance of the DOHA staff and particularly that of the Minister, Mark Butler. The support of DOHA was a testament to the esteem in which Odyssey House and its services are held.

Our status as a key commentator on alcohol and other drug issues and policy was maintained again over the past year. More than 300 media items about Odyssey House appeared in various media platforms with an average impact of 4.3 out of 5, generating more than 17.2 million opportunities to see/hear positive coverage about Odyssey House, the work we do, and the people we assist. We achieved 166 talk segments, 125 news items and 12 feature stories in various media, with highlights including That's Life magazine, Sunrise, The Morning Show, a Channel 9 News feature, and segments on ABC Radio's Life Matters, World Today, Nightlife and AM programs. Our local Macarthur media continue to highlight news of our achievements and our clients, which we believe contributes to a more supportive community not only for our organisation but also for our clients in recovery.

In October 2012, I was gratified to open the Plenary Session of the World Federation of Therapeutic Communities in Bali, Indonesia, and spoke on "The contribution of the therapeutic community to recovery". In April 2013, I was honoured to receive a 2013 University of Western Sydney Community Award, which "recognises outstanding individuals who contribute above and beyond to the Greater Western Sydney community".

Our fundraising events featured prominently during the year to assist us to meet our financial obligations. Key events were: Real Men Cook celebrity luncheon which was held at bel mondo restaurant in The Rocks; the Paradice Investment/Wilson Asset Management Charity Cycle Ride; the ASX Thomson Reuters Charity Foundation Regatta, Golf Day and dinner; the Australian Fund Managers Awards; and the Odyssey House Corporate Luncheon, all of which contributed to a successful fundraising campaign for the year.

In closing, as an organisation, we continued to meet the significant needs of the population we serve through evidence based practice and interventions. We have developed good working relationships with other organisations to assist our clients to access ancillary services that support their recoveries. We have been able to accomplish much through the hard work and support of our board of directors. Lastly, it is the commitment of our staff whose insight enables them to see through the veneer of anger and hostility displayed initially by our clients to their true worth and potential! I congratulate them!



James A Pitts, MA



Mel's story

A chronic alcohol problem was the gateway to a bigger drug problem for Mel, but her desire to build a better life for her young daughter and herself has seen her graduate Odyssey House after 17 months of treatment, including almost a year at the renowned Parents' and Children's Program.

"I started drinking when I was about 16. It started out as the perfect way to unwind with friends, feel more confident and be 'normal' in social situations. Over time it became a regular three-night binge every week at the pub, starting on Thursdays and ending in a disoriented blur on Sundays while I tried to remember what I'd done. It was a habit I could afford because I had a job at an accounting firm. I told myself I was just young and enjoying myself like everyone else my age, including my friends who were into the same lifestyle."

"By age 22, my 12-drinks-a-night party lifestyle was seriously affecting my life. I remember vomiting in the gutter on occasion, sometimes calling in sick from work because of blinding hangover headaches, behaving irresponsibly and getting myself into dangerous situations. Some of my boyfriends were pretty big drinkers too and I was assaulted by some of them while I was drunk. I guess I'm lucky I wasn't also assaulted by strangers. I took a long hard look at myself and managed to cut back on my drinking."

"For 12 years I had it under control, but by 34 I felt my life was going nowhere and I went back to my old friend alcohol for comfort. From a glass of bubbly at home, I soon returned to binge drinking, but this time around alcohol wasn't enough for me and it became a gateway to other drugs... I started using amphetamines and my drinking problem became a bigger drug problem. People sometimes forget alcohol is a drug too."

"Two years later I had my daughter Isabelle, but although I fell completely in love with her, becoming a mother didn't stop my drug use as I struggled with the demands of single motherhood. It was when I finally realised my drug dependence was affecting my ability to care for Isabelle – and that I could in fact lose her – that I admitted the shocking truth of my addiction to myself. As a result, I then also admitted myself to the Odyssey House residential rehabilitation program while Isabelle stayed with carers."

"I don't think I would have sought help if it hadn't been for my little girl; I started out doing it for her, but over time I also began doing it for myself too."

"Being abstinent and not having the crutch of alcohol and amphetamines was incredibly tough at first. The structured environment of Odyssey House and group therapy really helped, as well as the supportive community of other people who are facing similar challenges and working hard to change their lives."

"Six months into my rehabilitation, Isabelle was able to join me and we moved into Odyssey's Parents' & Children's program, which is located on the grounds of the main

residential facility. The cottages can house eight families in private rooms, with access to a communal kitchen and dining room, ensuring that family members can live together and also interact with other families with similar experiences.

"Being reunited with Isabelle made me so happy, and even more committed to seeing my treatment through for both of us. Odyssey House is one of the very few rehabilitation programs in Australia where young children can live with their parents while the adults undertake treatment, so I felt very fortunate to have the opportunity. Not only could I focus on dealing with the underlying personal reasons I resorted to alcohol and other drugs, but I could also learn how to be a better mother thanks to the intensive support, family-specific therapy and practical parenting training that's provided by child psychologists, family support workers and therapists. They not only assist the parents, but also the children to ensure their wellbeing and help develop a happy, healthy, self-supporting family unit."

"I began to feel like I was a good mum, and Isabelle blossomed thanks to Odyssey House."

"Finally, after 17 months of rehabilitation my counsellors and I felt I was ready to leave Odyssey House to start my life afresh. Isabelle and I moved into housing with help from the Drug and Alcohol Women's Network. It was great to live independently while still having access to Odyssey's support networks such as the groups run by the After Care Program. I'm also able to go back to Odyssey whenever I wish to talk to staff members or just reground myself."

"I was so proud to officially graduate from Odyssey House on 28 October 2012 - Celebrate Recovery Day - and to hear the applause and cheers from the hundreds of people there to congratulate me and my peers, including three other mothers from the Parents' and Children's Program. Isabelle also got to come up on stage with me."

"I spent New Year's Eve with friends and had a brilliant time, proving to myself that I could have fun without alcohol. I know it won't be easy given alcohol is so accessible and such a part of the Australian way of life, but I'm determined."

"I'm now studying floristry at TAFE, which I love. Isabelle is a thriving, happy four-year-old living a normal life with a mother who hasn't touched alcohol or amphetamines for two years."

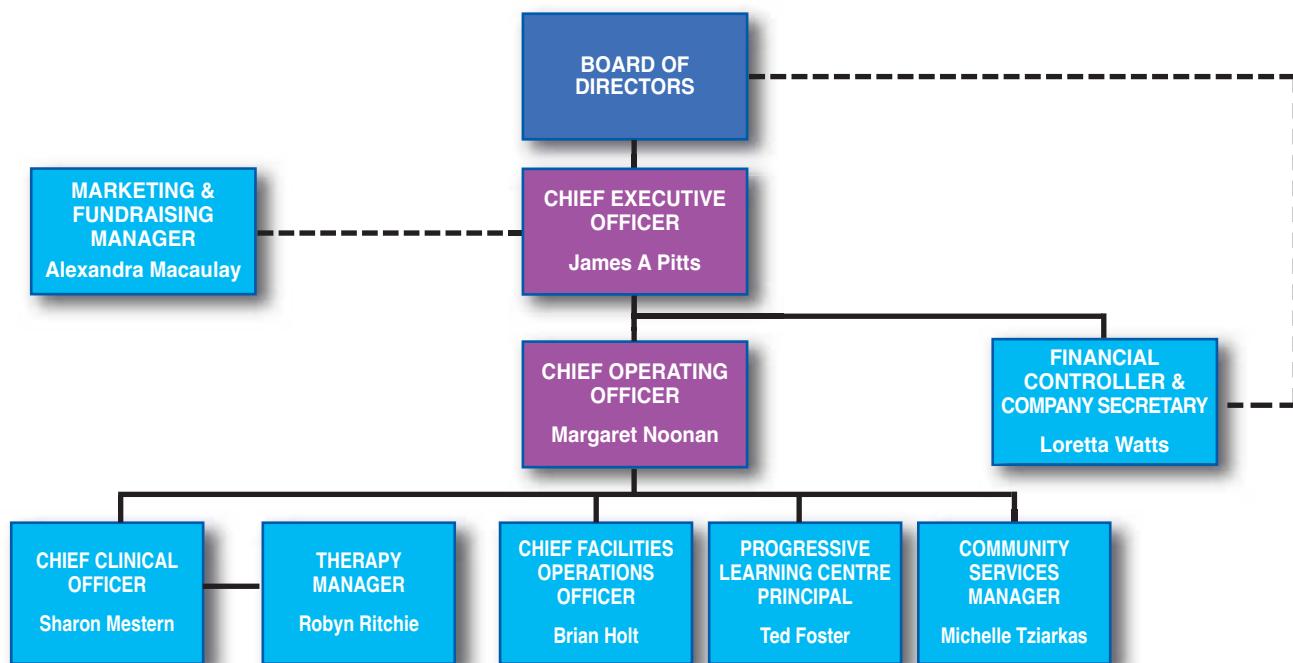
"I'm so grateful for the new life I've been able to build. Odyssey House was a real pivotal part of my recovery. I learned so much there and had so much support from staff and residents alike. Odyssey House gave me the tools to help me stay in recovery and be a contributing member of society."

"I hope telling my story helps other people to make the life-changing decision to get professional help to overcome their problems with alcohol and other drugs."

MAJOR SUPPORTERS

A Rogers
AMP - Gift Match - A Kinloch
Andrew Love
Australian Fund Managers Foundation
Australian Youth & Health Foundation
Bruce Soloman (Albion Hotel)
C Grubb
Campbelltown Catholic Club
Cheers Bar and Grill
D Snedden
D Maloney
Dick Austen
Dr M. Morrow
Ferris Family Foundation
Fesq & Company
G Wilson
G Pratt
G Wayling
H Waters
Interrisk Australia
J Wilkinson
James N Kirby Foundation
John Lamble Foundation (Listed)
King & Wood Mallesons
L Green
Liangrove Foundation
Liangrove Foundation
Lower Blue Mountains Rotary Club
M O'Connor
Nandaroo Pty Ltd
Nedigi (Listed)
NSW Government
P Wiggs
R Albert AO
R Keldoulis
R Waters
S Maple-Brown
The RA Gale Foundation
The Rodney & Judith O'Neil Foundation (Listed)
The Vernon Foundation
The Victor Smorgan Charitable Fund

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 Workplace Health and Safety Act, and staff attend comprehensive courses on OH&S, infection control, first aid and fire training.

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.



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 phase 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

- The orientation and employment of additional staff
- Capital work to improve the access road into the ARC
- Significant increase in the number of Assessment residents





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. Some clients transition to the Odyssey House Residential Program from the Odyssey House Withdrawal Unit, while others enter from the community.

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

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

As residents move through the different stages, they gradually take over the day-to-day administration and running of Odyssey House. Job functions include cooking, maintaining the property, painting, gardening, driving and administrative activities.

The therapeutic interventions used at Odyssey House include vocational counselling, extended group therapy specific to each level of the program, anger management groups, one-on-one counselling, cognitive behavioural therapy, domestic violence counselling, psychological services, psychiatric services, assertiveness skills training and sexual abuse interventions.

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

Highlights

- During the 2012-2013 financial year, 652 people were admitted into Odyssey House alcohol and other drug residential rehabilitation programs: of these, 318 people entered treatment at the Odyssey House Medically Assisted Withdrawal Unit and 334 people were admitted directly into the Odyssey House Residential Program.



Operations Department

A restructure of the Residential Program in 2012 formed the Operations Department, which oversees administrative, financial and maintenance initiatives to ensure the smooth and efficient running of the Odyssey House administrative functions (Centreline), kitchens and building/operations.

Centreline / Administration

- The Centreline department has had significant success with residents graduating from job functions in the department: five out of six staff are graduates (not including night staff)
- The department is functioning more smoothly and efficiently as a result of monthly staff meetings, clearly defined roles and responsibilities, improved communication and stronger teamwork
- More residents are signing up for State Debt Recovery and their fines are being paid off in full based on all the work they do at Odyssey

Kitchens

- Weekly kitchen department meetings, weekly ordering, improved communication and consistent meals between the main facility and ARC
- Weekly cultural dinners have become a highlight
- Menus tailored to meet nutritional benchmarks
- Kitchen crew educational workshops, including training in nutrition and budgeting
- Systemised and regular orientations on all equipment
- New equipment in main facility kitchen

Building/operations

- Demolition of centre wall of main driveway and planting of new garden
- Installation of new bathroom ventilation systems and new windows in the ARC male dormitory
- Purchase of fuel shed, new lawn edging equipment
- Upgrading of staff duress system
- Internal painting of both Parents' & Children's Cottage buildings and external painting of one building; carpet steam cleaning in cottages
- Repairs at the Assessment & Referral Centre (ARC) including to the septic system, the Stone House walls, the laundry wall, timber bunk beds
- Installation of new fly screens and new mattresses for the male and female bedrooms at the residential facility
- Ongoing repairs to dryers and washing machines at both facilities
- New pathways at the residential facility as well as well as repairs to existing pathways
- Repairs to top verandah gyprock and cornice work at main facility.



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

- The Withdrawal Unit had 324 admissions to the service during 2012-13
- 248 people completed their withdrawal during this time and 124 transferred to our residential therapeutic community
- 19 per cent of clients showed improvements in their mental health during their withdrawal according to the K- 10 protocol, which measures mental health status

Clinical Department

Odyssey House has an extensive Clinical Department, which includes psychologists, therapists, general practitioner and psychiatric consultants.

Highlights

- 14 students obtained placement during the reporting period: four were intern psychologists, seven were counseling students; and two were TAFE students enrolled in Certificate 4 for Alcohol and Other Drugs work and/or Diploma in Community Services
- Clinicians administered the following psychometric measures:
 - 203 General Health Questionnaires (GHQ)
 - 150 Gambling Screens
 - 422 K10 scale
 - 5 Personality Assessment Inventory
 - 58 WAIS-IV assessments
- 317 private therapy sessions and 114 crisis intervention sessions were provided
- 50 Assessment-stage Dual Diagnosis groups were facilitated to 306 attendees. The most prominent diagnosis within the client cohort in the Assessment Phase was depression, followed by anxiety and schizophrenia
- 52 Treatment-stage Dual Diagnosis groups were facilitated to 366 attendees. Depression and anxiety were two equally prominent diagnoses within the post-Assessment phase. Other co-morbid trends indicated the presence of schizophrenia, post traumatic stress disorder, eating disorder, antisocial personality disorder and borderline personality disorder
- 11 Men's Groups were facilitated to 272 male attendees in the treatment phase
- 12 Women's groups were facilitated to 113 female attendees in the treatment phase.

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 parents accessed the program with 27 children aged from birth to 11 years, including 17 single parent families and one two-parent family
- 7 parents received the Green Dot Certificate and completed the parenting education component of the program (36.8%)
- 13 parents reached the re-entry stage, ready to integrate into the community
- 4 parents graduated from the program (21.1%)
- 13 families with Department of Family and Community Services supervision participated in the program (72.2% population)
- 7 parents transferred from the Adult Residential Program
- 1 healthy baby born while their parents were in the program
- 21 Parents completed Triple P (Positive Parenting Program)
- Overall the parents reported that the content of the Parents Group was informative, it was presented satisfactorily and the information was very useful. Within the reporting period the average rating of the group is 4.45 on a 5- point Likert scale
- 14 families engaged in many external social activities to ensure confident re-entry phase, such as duck pond walks, swimming lessons, Kiama holiday, Park Central and Pancakes on the Rocks



PARENTS IN CONTACT PROGRAM



Odyssey House assists parents who are participating in the main residential program and therefore living away from their children during rehabilitation. The Parents in Contact (PIC) group supports and encourages these parents to maintain or establish contact with their children, recognising that people who overcome drug or alcohol abuse in the long term most often have family support.

Highlights

- 76 parents utilised PIC resources in the last 12 months
- 6 parents had their children restored to their care
- 5 parents completed the PIC program, receiving a certificate of recognition for taking a responsible approach towards their parenting
- 30 residents with Family and Community Services supervision worked towards ongoing contact or restoration of their children

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 Training and is a member of The Association of Independent Schools (AIS).

Dynamic and innovative in their approach, staff at the centre teach courses in remedial English and maths, computer skills and visual arts. As well as the skills content in each subject area, teachers focus on helping clients to achieve personal growth and enhance their social skills.

The art-as-therapy component enables residents to create something they can be proud of, express their feelings and interact better with others in a non-threatening 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

- PLC passed registration in August 2012 from the NSW Board of Studies entitling us to operate for a further five years (until 31 December 2017)
- During the year the PLC staff administered 249 WRAT screening tests to residents
- PLC staff participated in the 'Extended School Year' - attending for one week each vacation period - therefore extending the school year by four weeks, providing extra classes and activities in an effort to retain more Assessment-stage residents
- Applied through the Building Grants Assistance Scheme 2013 for repairs to the Assessment and Referral Centre (ARC) driveway – this will be recommended to the Department of Education, Employment and Workplace Relations (DEEWR) by the AIS in September 2013
- Applied through the NSW Environment Trust for the 'Food Gardens in Schools' Program, which promotes food garden projects that use resources efficiently and aids the development of knowledge, values and behaviour that supports health sustainable living (the Minister for the Environment will announce successful applicants in October 2013)
- Successfully secured seven laptops from the Association of Independent Schools as part of a surplus rollout
- Secured a \$16,000 grant for computer server upgrade for wireless capability in the PLC at both the residential facility and the ARC
- Introduced a pilot program on behalf of the 'School of Volunteer Management' leading to a Certificate 2 in Active Volunteering
- Introduction of Art Therapy on Thursdays for the Withdrawal Unit residents
- An Assessment-stage music workshop has been introduced in the curriculum
- Vocational Guidance Groups for Level 3 Residents are facilitated at least four times per year (once per term) using the DISC model instead of the costly Myer Briggs
- PLC introduced a 'Men's Group' - Time Out for Men - based on the training manual from the TCU/DATAR Project, as utilised by Odyssey House Melbourne
- 78 residents attended four plays at Sydney Theatre Company as part of the Educational Program
- Mel Cranfield (PLC Coordinator) facilitated workshops at After Care on an outreach basis
- Visual Arts printed T-shirts for Real Men Cook
- PLC staff participated throughout the year in hosting various psych, medical and social welfare students
- Clara Hali, PLC Ceramics teacher, donated her bronze sculpture (from the Sculpture by the Sea exhibition) to fundraise for auction
- Effectiveness of courses: Of the 540 evaluations completed during this reporting period, it is rewarding to note that the PLC objective which received the highest rating was that students believe that the PLC courses and job functions play an important part in the Odyssey House Program. The next highest objective was that students believed that the PLC staff provided positive role modelling for them.

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 After Care Program is supported by funding from the Non-Government Organisations Treatment Grants Program (NGOTGP) which is an ongoing initiative that provides funding to non-government organisations to operate a range of drug and alcohol treatment services. The NGOTGP aims to increase treatment places and improve service outcomes.

The After Care 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

- The After Care Program has inducted 112 new clients over the 12 month period.
- Odyssey House After Care Program has continued to work with Reaction Employment to run the Step Forward Employment Training Course aimed at supporting people to re-enter employment. The program is funded by Mission Australia in Campbelltown. The program is currently being provided to current residents of the Odyssey House Residential Program and members of the community who are accessing the After Care Program.
- Memorandum of Understanding was established with the Maryfields Day Recovery Program (an initiative of the St Vincent de Paul Society) to provide ongoing services to their dual-diagnosis clients who have completed their program. While this program is only in its early stage, it has been well received by the participants.
- Lifeline Financial Counsellors conducted two money skills workshops every eight weeks for the clients who are attending the Relapse Prevention Education Course. They have conducted six workshops this past year and 48 people completed the workshop. This is an excellent program and is highly rated by the clients.
- The After Care Relapse Prevention Education Course continues to be successful in attracting many referrals from local Community Offender Services (Probation Parole) and the Department of Health and Ageing - Family and Community Services. Sixty-six groups were run with a total

of 568 attendances; 43 people completed the program. Topics included: Communication, Triggers and Cravings, Harm Minimisation, Problem Solving, Relationships, Stress Management, Support and Services, Financial Management and Budgeting.

- Housing support in conjunction with Argyle Housing continues to provide benefits to clients of the After Care Program.
- The bridging of the Odyssey House Janus program and the After Care Program has provided comprehensive and ongoing support for people in the After Care Program who have dual diagnosis. This program has created stronger links with mental health organisations and working more closely in supporting clients' needs. Forty-five groups were run for Janus Program clients with a total of 568 attendees. Each group was rated in excess of 4.5/5 by attendees.
- The After Care Program delivered 110 Support Groups over the period with over 650 attendees. Support groups provide ongoing connection and guidance to individuals who are maintaining their recovery in the community. Clients need support with finding new ways to deal with stress, relationships and other ongoing personal issues without reverting to alcohol or other drug misuse.
- After Care staff delivered 482 individual counselling sessions, an increase of 12 per cent over the previous period.
- Organised outings have become a feature of the After Care Program. Outings encourage clients to experience enjoyable recreational activities without drugs or alcohol. For many this is a new experience and these outings have been enthusiastically received. Eleven outings were conducted over the year with over 150 attendees.
- After Care staff participated in an increased number of Forum Sentencing sessions over the year. The Forum Sentencing Program is an initiative of the Attorney General's Department and provides an opportunity for offenders, victims and services to devise appropriate and acceptable treatment programs for offenders.
- The After Care Program has also offered a number of new activities through the year, including yoga classes, dealing with problem gambling, nutrition education and CPR. These were all very well received and will be added to and expanded over the coming year.
- After Care Staff ran stalls at the NSW Law Expo and for Drug Action Week, creating a valuable opportunity to get the Odyssey House message out into the community.



MERIT PROGRAM

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

Once assessed as suitable and accepted onto the program, participants attend counselling and case management sessions for a period of 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 the final sentencing.

Odyssey House was 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 team is based at the Odyssey House Assessment and Intake Centre in Surry Hills. The MERIT case managers attend Waverley Local Court twice per week to receive and assess new referrals and provide feedback to the magistrate about the progress of defendants currently in the program.

Highlights

- Odyssey House MERIT achieved positive client outcomes that compare favourably with MERIT teams state wide
- 90 clients were referred to the MERIT team in the financial year with 87 assessed and 76 accepted; 101 people fully completed the program (this higher number relates to clients being carried over from the previous year)
- Positive client outcomes have included: successfully completing TAFE courses; maintaining employment; entering detoxification units and rehabilitation programs; enthusiastically engaging in counselling and making active lifestyle changes; achieving abstinence or a significant reduction in substance use
- Janice Grossetti joined the Odyssey House MERIT team
- MERIT Case Managers continue their professional development activities: Lance Shepherd has graduated his Diploma of Counselling and has commenced the Diploma of Emotionally Focused Counselling; Janice Grossetti has enrolled in the Bachelor of Social Science (Welfare)
- Odyssey House MERIT has continued to build and maintain strong relationships with services in the areas, and a diverse range of rehabilitation programs that can assist clients to make the required changes in their lives.

QUALITY AND ASSURANCE DEPARTMENT

The Quality and Assurance Department evolved as the result of Odyssey House's participation in the process of accreditation with the rating agency Australian Council on Healthcare Standards (ACHS). The department assures we are compliant with the standards needed to maintain our accreditation status. As a result it documents many of the activities we offer to our clients and they are rated for their quality.

Highlights

- 8 staff were trained as Health and Safety Representatives
- The department developed a streamlined Key Performance Indicator (KPI) process
- Began preparing standards and criterion responses for the next ACHS review in 2014
- Completed four Consumer Satisfaction surveys and reports
- Developed an Incident Management System for more efficiency
- Placed all policies and procedures on the Odyssey House Media Drive on our website for access by all staff



board of directors



Natalie Archer

Natalie Archer is a co-founding Director of Bendelta and a practice area expert in strategy, cultural alignment, governance and leadership, working with clients across both the public and private sector. Natalie has a BA and BCom and post graduate studies in strategic motivation. Natalie has been on the board since 2010 and has over 10 years' experience sitting on boards in the private and NGO sector.



Christine Bishop

Christine Bishop has been a Director of Odyssey House since 2011. After twenty-five years in legal practice and eight years with the Department of Juvenile Justice as a psychologist specialising in alcohol and other drug issues with young people, Christine brings a wealth of experience to Odyssey House. She has an interest in pathways to recovery that balance the medical, legal and social issues so clients leave treatment with skills to lead pro-social and productive lives. Christine is a member of the Mental Health Review Tribunal and a Fellow of the Institute of Company Directors, and has served on several not for profit boards. She was a founding member of the Sydney Symphony Orchestra board and is a member of the SSO Council.



Jan Copeland

Professor Jan Copeland (PhD, BSc Psych (Hons)) is the founding Director of the National Cannabis Prevention and Information Centre (NCPIC) at the University of New South Wales since 2007. She has worked in the addictions field for more than 20 years over a range of topics. She is best known for her studies developing and testing brief interventions for the management of cannabis use disorder among adults and adolescents.



John Coughlan

John Coughlan (BEc, Dip RurAcc, FCA) enjoyed a 25-year career in the Racing Industry occupying Chief Executive positions in the Thoroughbred, Harness and Greyhound industries in NSW and Queensland, after an eight-year career in Chartered Accounting. He is Chairman of Sire Custodians Ltd and has been a board member of Odyssey House since 2006, being chairman of the Finance and Risk Management Committee since that time.



Marina Go

Marina Go (MBA, BA Mass Comm.) is CEO of Private Media, which publishes Crikey, Women's Agenda, Smart Company, Property Observer and Startup Smart. She has edited leading women's and newspaper-inserted magazines. Her previous roles include Publishing Director of EMAP Australia, Group Publisher and Editor-in-Chief of Pacific Publications and General Manager of Magazines at Fairfax. She is a Director of Sydney Symphony Vanguard.

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.



**Jeremy
Goff**

With 25 years' experience in the private and public sectors, Jeremy Goff's career spans from university lecturer to the 1996 Stolen Generation Inquiry through state and federal parliaments, corporate strategy, PR and government relations, the defence industry, forestry, manufacturing, information technology, regional development and the arts. Jeremy has been a board member of Odyssey House since 2013.



**Tim
Green**

Tim Green (BComm) is the Executive Chairman of AOS Studley. Tim has been a Director of Odyssey House since 2006.



**Valerie
Hoogstad**

Valerie Hoogstad has lectured at several universities in Communication studies and International education. She was the Director for International Education at Australian Catholic University. She is currently working at Sydney University and is also Chair of the Centre for Volunteering NSW. Valerie has been on the Board of Odyssey House for over 15 years.



**Douglas
Snedden**

Douglas Snedden has been the Chairman of Odyssey House since October 2011. Formerly Managing Director of Accenture, he is director of The Black Dog Institute, the St James Ethics Centre, Transfield Services Ltd, UXC Ltd and Hillgrove Resources Ltd and an advisory council member of the Centre for Social Impact.



**Geoff
Wilson**

Geoff Wilson is the Chairman and founder of independent investment manager Wilson Asset Management. Geoff holds a number of public company and charitable Board positions. He has a Bachelor of Science and a Graduate Management qualification. Geoff is a Fellow of the Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia. 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 2013

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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 2013 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	Timothy Michael Green	Douglas Norman Snedden	Marina Go
Christine Anne Bishop	Valerie Hoogstad	Sean Patrick Straney (resigned 27 November 2012)	(appointed 16 April 2013)
Jan Copeland	Lucy Fiona Pryor		Jeremy Goff
John Francis Coughlan	(resigned 27 November 2012)	Geoffrey James Wilson	(appointed 16 April 2013)

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 2013 was 11 (2012: 10).

3 Company Secretary

Ms Loretta Watts was appointed to the position of company secretary on 16 April 2013.

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 2013 was \$325,043 (2012: net loss \$190,376).

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	4 from 6
Christine Anne Bishop	BA, LLB, B Sc (Hons), M. Psych (For) (Hons), MFMH	Director	29 August 2011 to present	4 from 6
Jan Copeland	PhD, BSc(Psych) Hons, SRN, SRM	Professor & Director, NCPIC, UNSW	21 February 2005 to present	5 from 6
John Francis Coughlan	BEc Dip Rur.Acc (UNE), FCA, FCPA, FAIM	Director	16 October 2006 to present	5 from 6
Timothy Michael Green	BCom	CEO	20 November 2006 to present	4 from 6
Valerie Hoogstad	BA, MA	Director, Senior Lecturer	21 October 1996 to present	4 from 6
Lucy Fiona Pryor	BBus(IntBus)	Senior Consultant	7 September 2009 to 27 November 2012	2 from 2
Douglas Norman Snedden (Chairman)	BEc	Company Director	17 October 2011 to present	6 from 6
Sean Patrick Straney	BA	Business Consultant	20 May 2002 to 27 November 2012	0 from 3
Geoffrey James Wilson	BSc	Chairman	19 May 2008 to present	3 from 6
Marina Go	BA, MBA	Publishing	16 April 2013 to present	2 from 3
Jeremy Goff	BA (Hons 1)	Corporate Relations	16 April 2013 to present	2 from 3

11 Meetings of Directors During the Financial Year

During the financial year eight meetings of directors were held.

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

12 Environmental Regulations

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

13 Indemnification and Insurance of Officers and Auditors

Indemnification

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

Insurance Premiums

During the financial year the Foundation has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 30 June 2013 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 2014. 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 2013.

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
Chairman

John Coughlan
Director

Sydney
Dated: 4 September 2013

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 2013 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".

KPMG

A handwritten signature in black ink, appearing to read "Sydney".

Cameron Roan
Partner

Sydney
Dated: 4 September 2013

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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 2013, 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 23 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Odyssey House McGrath Foundation on 4 September 2013, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2013 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 (NSW) 1991

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 2013;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2012 to 30 June 2013, 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 2012 to 30 June 2013 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.

Cameron Roan
Partner

Sydney
Dated: 5 September 2013

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Directors' Declaration

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

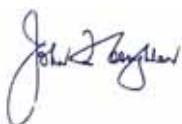
- (a) the financial statements and notes, set out on pages 31 to 45 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2013 and of its performance for the financial period ended on that date; and
 - (ii) 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 4th day of September 2013.

Signed in accordance with a resolution of the directors:



Doug Snedden
Chairman



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 2013;
- (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 2013;
- (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 2013; 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 4th day of September 2013



James Pitts
Chief Executive Officer

Statement Of Comprehensive Income

for the year ended 30 June 2013

	Note	2013	2012
		\$	\$
Revenue			
Revenue	4	6,006,431	5,999,045
Total revenue		<u>6,006,431</u>	<u>5,999,045</u>
Expenses			
Employee benefits expense	5	(4,782,296)	(4,716,139)
Depreciation and amortisation expenses	5	(250,775)	(258,288)
Fundraising expenses	22	(89,938)	(61,706)
Operating expenses		<u>(1,294,605)</u>	<u>(1,272,940)</u>
Total expenses		<u>(6,417,614)</u>	<u>(6,309,073)</u>
Finance income		107,312	140,509
Finance expense		(21,172)	(20,857)
Net finance income	6	<u>86,140</u>	<u>119,652</u>
PROFIT BEFORE INCOME TAX		<u>(325,043)</u>	<u>(190,376)</u>
Income tax expense	3k	-	-
PROFIT FOR THE YEAR		<u>(325,043)</u>	<u>(190,376)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(325,043)</u>	<u>(190,376)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	7	834,587	168,406
Trade and other receivables	8	1,265,819	1,842,435
Inventories	9	39,546	41,808
Prepayments	10	18,283	9,984
TOTAL CURRENT ASSETS		<u>2,158,235</u>	<u>2,062,633</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	18,550	18,550
Property, plant and equipment	11	2,182,185	2,263,177
TOTAL NON-CURRENT ASSETS		<u>2,200,735</u>	<u>2,281,727</u>
TOTAL ASSETS		<u>4,358,970</u>	<u>4,344,360</u>
CURRENT LIABILITIES			
Trade and other payables	12	545,226	432,664
Deferred revenue	13	393,254	117,288
Loans and borrowings	14	51,476	72,044
Employee benefits	15	565,452	602,243
TOTAL CURRENT LIABILITIES		<u>1,555,408</u>	<u>1,224,239</u>
NON-CURRENT LIABILITIES			
Deferred revenue	13	43,546	54,432
Loans and borrowings	14	213,829	208,017
Employee benefits	15	90,388	76,831
TOTAL NON-CURRENT LIABILITIES		<u>347,763</u>	<u>339,279</u>
TOTAL LIABILITIES		<u>1,903,171</u>	<u>1,563,518</u>
NET ASSETS		<u>2,455,799</u>	<u>2,780,842</u>
EQUITY			
Contributed equity		15,000	15,000
Retained profits		2,440,799	2,765,842
TOTAL EQUITY		<u>2,455,799</u>	<u>2,780,842</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 2013

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

	Retained surplus	Total members' funds	Total
Opening balance at 1 July 2012	2,765,842	15,000	2,780,842
Total comprehensive loss for the year			
Deficit for the year	(325,043)	-	(325,043)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	<u>(325,043)</u>	-	<u>(325,043)</u>
Closing balance at 30 June 2013	<u>2,440,799</u>	<u>15,000</u>	<u>2,455,799</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2013

	Note	2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		6,604,797	6,153,223
Cash paid to suppliers and employees		(6,518,159)	(6,431,918)
Interest received		96,425	128,315
Interest paid		(9,266)	(8,663)
Net cash from / (used in) operating activities	17ii	<u>173,797</u>	<u>(159,043)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	65,764
Payments for property, plant and equipment		(138,696)	(203,731)
Proceeds from/(investments in) term deposits		<u>666,824</u>	<u>(85,311)</u>
Net cash from / (used in) investing activities		<u>528,128</u>	<u>(223,278)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(repayment of) borrowings		<u>(17,885)</u>	<u>7,972</u>
Net cash from / (used in) financing activities		<u>(17,885)</u>	<u>7,972</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		684,040	(374,349)
Cash and cash equivalents at the beginning of the financial year		<u>62,005</u>	<u>436,354</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17i	<u>746,045</u>	<u>62,005</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes To The Financial Statements

for the year ended 30 June 2013

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) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The Company is a not for profit entity for the purpose of preparing the financial statements.

The financial statements were approved by the Board of Directors on 4th September 2013.

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.

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.

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

Notes To The Financial Statements

for the year ended 30 June 2013

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 (continued)

(i) Non-derivative financial assets

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

for the year ended 30 June 2013

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Foundation 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 Foundation 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

for the year ended 30 June 2013

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 an integral part of the total lease expense, over the lease term.

j Finance income and expenses

Finance income comprises interest income on funds invested.

Finance expenses comprise interest expense.

k Income tax

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

l Goods and services tax

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

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

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

m New standards not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, 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 2016 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

	2013	2012
	\$	\$
Donations	333,675	458,338
Grants	4,116,763	3,988,667
Treatment cost and fees	1,164,144	1,177,022
Fundraising income	307,102	251,015
Other income	56,789	58,239
Profit on disposal of property, plant and equipment	27,958	65,764
	<hr/>	<hr/>
	6,006,431	5,999,045
	<hr/>	<hr/>

Notes To The Financial Statements

for the year ended 30 June 2013

	2013 \$	2012 \$
5 EXPENSES		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	117,042	126,532
Amortisation of leasehold improvements	<u>133,733</u>	<u>131,756</u>
	<u>250,775</u>	<u>258,288</u>
Employee benefits expense		
Wages, salaries and on-costs	4,419,151	4,312,037
Contributions to defined contribution superannuation funds	386,378	388,571
Increase in liability for employee benefits provision	<u>(23,233)</u>	<u>15,531</u>
	<u>4,782,296</u>	<u>4,716,139</u>
Operating lease rental expense		
- minimum lease payments	<u>98,424</u>	<u>94,605</u>
6 NET FINANCE INCOME		
Interest income - other parties	96,425	129,622
Unwind of discount on financial liabilities	<u>10,887</u>	<u>10,887</u>
Total finance income	<u>107,312</u>	<u>140,509</u>
Interest expense - other parties	(9,266)	-
Unwind of discount on financial liabilities	<u>(11,906)</u>	<u>(20,857)</u>
Total finance expense	<u>(21,172)</u>	<u>(20,857)</u>
Net finance income	<u>86,140</u>	<u>119,652</u>
7 CASH		
Current		
Cash on hand	2,251	1,750
Cash at bank	832,336	166,656
Cash on deposit	-	-
	<u>834,587</u>	<u>168,406</u>
8 TRADE AND OTHER RECEIVABLES		
Current		
Cash on deposit	1,111,266	1,778,089
Trade debtors	63,663	29,715
Other debtors	<u>90,890</u>	<u>34,631</u>
	<u>1,265,819</u>	<u>1,842,435</u>
Non-Current		
Rental bond	<u>18,550</u>	<u>18,550</u>
9 INVENTORIES		
Current		
Stock on hand	<u>39,546</u>	<u>41,808</u>
10 PREPAYMENTS		
Current		
Prepayments	<u>18,283</u>	<u>9,984</u>

Notes To The Financial Statements

for the year ended 30 June 2013

	2013 \$	2012 \$
11 PROPERTY, PLANT AND EQUIPMENT		
Non-Current		
Land and buildings - at cost	348,440	348,440
Less: Accumulated depreciation	(78,370)	(63,875)
	<u>270,070</u>	<u>294,565</u>
Plant and equipment - at cost	474,178	416,411
Less: Accumulated depreciation	(303,340)	(243,095)
	<u>170,838</u>	<u>172,316</u>
Motor vehicles - at cost	208,330	208,330
Less: Accumulated depreciation	(82,649)	(95,450)
	<u>125,682</u>	<u>112,880</u>
Leasehold improvements - at cost	3,920,650	3,861,378
Less: Accumulated amortisation	(2,305,055)	(2,167,962)
	<u>1,615,595</u>	<u>1,693,416</u>
	<u>2,182,185</u>	<u>2,263,177</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	284,565	296,245
Additions	-	3,013
Disposals	-	-
Depreciation	(14,495)	(14,693)
Carrying amount at end of year	<u>270,070</u>	<u>284,565</u>
Plant and Equipment		
Carrying amount at beginning of year	172,316	168,871
Additions	58,766	65,666
Disposals	-	-
Depreciation	(60,244)	(62,221)
Carrying amount at end of year	<u>170,838</u>	<u>172,316</u>
Motor Vehicles		
Carrying amount at beginning of year	112,880	65,539
Additions	51,745	96,961
Disposals	(5,499)	(92,650)
Depreciation	(33,444)	(43,030)
Carrying amount at end of year	<u>125,682</u>	<u>112,880</u>
Leasehold Improvements		
Carrying amount at beginning of year	1,693,416	1,787,078
Additions	59,273	38,095
Disposals	-	-
Amortisation	(137,094)	(131,756)
Carrying amount at end of year	<u>1,615,595</u>	<u>1,693,416</u>

Notes To The Financial Statements

for the year ended 30 June 2013

	2013 \$	2012 \$
12 TRADE AND OTHER PAYABLES		
Current		
Trade Creditors	223,407	134,284
Sundry Creditors	<u>321,819</u>	<u>298,379</u>
	<u>545,226</u>	<u>432,664</u>
13 DEFERRED INCOME		
Current		
Deferred income	10,887	10,887
Residents welfare accounts	88,542	106,401
Unexpired specific grants	<u>293,825</u>	<u>-</u>
	<u>545,226</u>	<u>117,288</u>
Non-current		
Deferred income	<u>43,546</u>	<u>54,432</u>
14 LOANS AND BORROWINGS		
Current		
Finance leases	23,913	44,482
Loan - Campbelltown property (secured)	<u>27,563</u>	<u>27,563</u>
	<u>51,476</u>	<u>72,045</u>
Non-Current		
Finance leases	100,552	76,256
Loan - Campbelltown property (secured)	<u>113,277</u>	<u>131,760</u>
	<u>213,829</u>	<u>208,016</u>
15 EMPLOYEE BENEFITS		
Current		
Liability for annual leave	252,878	207,637
Liability for long service leave	231,993	267,897
Liability for on costs	67,191	64,526
Liability for TIL and RDO	<u>13,390</u>	<u>62,182</u>
	<u>565,452</u>	<u>602,243</u>
Non-Current		
Liability for long service leave	80,704	68,959
Liability for on costs	<u>9,864</u>	<u>8,232</u>
	<u>90,388</u>	<u>76,831</u>

Notes To The Financial Statements

for the year ended 30 June 2013

	2013	2012
	\$	\$
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	64,068	106,236
Between one and five years	-	45,524
More than five years	2	3
	64,070	151 763

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

Finance lease commitments are payable as follows:

Less than one year	22,667	44,794
Between one and five years	100,405	76,762
More than five years	-	-
	123,072	121,556

The Foundation motor vehicles under finance leases for terms of 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	2,250	1,750
Cash at bank	832,336	166,656
Cash on deposit	-	-
	834,586	168,406
Less: amount owing-Residents		
Welfare accounts	(88,542)	(106,401)
	746,045	62,005

Notes To The Financial Statements

for the year ended 30 June 2013

18 DIRECTOR DISCLOSURES

Directors

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

Natalie Nicole Archer	Jeremy Goff	John Coughlan
Christine Anne Bishop	Timothy Michael Green	Douglas Norman Snedden (Chair)
Jan Copeland	Valerie Hoogstad	Sean Patrick Straney
Marina Go	Lucy Fiona Pryor	Geoffrey James Wilson

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, Ms M Noonan and Ms L Watts.

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

	2013	2012
	\$	\$
Short term employee benefits	366,021	372,714
Long term employee benefits	<u>62,772</u>	<u>48,791</u>
	<u><u>428,793</u></u>	<u><u>421,505</u></u>

20 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 2013.

21 CONTINGENCIES

The Foundation had no contingent liabilities as at 30 June 2013.

Notes To The Financial Statements

for the year ended 30 June 2013

22 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

	2013	2012
	\$	\$
Gross Proceeds from Fundraising Appeals		
Corporate donations	-	8,000
Fundraising functions	397,072	312,433
Donations from charitable trusts and foundations	209,785	245,348
General donations	114,580	203,554
	721,437	769,335
Fundraising Functions		
Real Men Cook	40,057	45,650
Fund Managers Awards (FMA)	111,329	98,890
Donation from FMA Function	-	18,000
Macarthur Challenge	-	5,200
Citi Cycling Classic	85,898	60,073
Corporate Luncheon	104,482	-
Odyssey by the Bay	1,486	31,320
ASX Thomson Reuters Charity Fdn Art Union	53,820	53,300
	397,072	312,433
ii Less: Cost of Fundraising Functions		
Real Men Cook Expenses	12,196	11,135
Macarthur Challenge	-	501
Citi Cycling Classic	15,932	9,370
Corporate Luncheon	23,832	-
Open Day	3,151	-
Odyssey by the Bay	-	5,629
ASX Thomson Reuters Charity Fdn Art Union	34,827	35,071
	89,938	61,706
Less: Cost of Other Fundraising Appeals		
	279,476	193,782
Less: Total Cost of Fundraising Appeals		
	369,414	255,488
iii Net Surplus Obtained from Fundraising Appeals		
	352,023	513,847

Notes To The Financial Statements

for the year ended 30 June 2013

22 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

	2013	2012
	\$	\$
Net surplus obtained from fundraising appeals	352,023	<u>513,847</u>

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

- To supplement Government assistance in funding the Odyssey House programmes

352,023 513,847

d Comparisons by Monetary Figures and Percentages

	2013	2012
	\$	%
Total cost of fundraising/gross income from fundraising	369,414/721,437	51
Net surplus from fundraising/gross income from fundraising	352,023/721,437	49
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

24 ECONOMIC DEPENDENCY

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



DISCLAIMER

The additional financial information presented on page 46 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 2013. 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
5 September 2013

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Detailed Statement Of Comprehensive Income

for the year ended 30 June 2013

	2013	2012
	\$	\$
INCOME		
Donations	333,675	405,876
Grants	4,116,763	4,037,796
Treatment cost and fees	1,164,144	1,177,022
Function income - net	307,102	254,348
Other income	56,789	69,126
Profit on disposal of property, plant and equipment	27,958	65,764
Interest received	96,425	129,622
	6,102,856	6,139,554
EXPENSES		
Affiliation fees/subscriptions	26,149	19,506
Amortisation of leased assets	133,733	131,756
Audit fees	55,600	52,221
Bedding and linen	754	-
Clinical supervision	6,925	3,568
Computer/IT expenses	54,322	47,592
Conferences	7,230	3,601
Consultants fees	80,811	94,041
Depreciation	117,042	126,532
Development and public relations	325	3,434
Equipment purchases	5,093	13,010
Equipment rental and maintenance	23,710	24,256
Evaluation costs	-	-
Food and beverages	172,809	183,999
Hygiene supplies	51,362	57,654
Insurances	108,461	80,095
Interest Paid	9,266	8,663
Kitchen supplies	3,191	666
Legal Fees	13,182	
Maintenance of buildings and grounds	179,801	138,816
Marketing expense	34,410	44,762
Medical supplies and testing	18,995	31,426
Motor vehicle expenses	42,727	42,644
Occupancy - building rentals	98,424	84,777
Occupancy - utilities	131,586	112,257
Office supplies, postage and printing	47,958	40,049
Recreation expense	21,325	17,539
Recruiting costs	35,562	13,987
Salaries and on costs	4,782,296	4,716,139
Staff training	31,921	32,225
Strata fees	14,008	16,818
Sundry expenses	13,537	62,165
Supervision/administration/research costs	366	1,123
Telephone	64,024	79,471
Text books, teaching aids and reference materials	13,113	8,697
Transport	27,877	36,441
	6,427,899	6,329,930
PROFIT BEFORE INCOME TAX		
	(325,043)	(190,376)

Ezra's Story



"I was 14 and living a happy childhood when my life changed. I discovered Dad was not my real father, who had left the family before I could remember him and never been spoken about or made contact with me. I felt lost and alone, confused and very angry, and totally lost trust in Mum. I felt she had betrayed me. I questioned if anybody was related to me. Could I trust anything my parents had told me? Who was I really? I questioned my life.

"I was 14 when I had my first drink and 15 when I started drinking heavily. Mum and Dad split up. I began to give up on school and eventually started using speed, acid and ecstasy in addition to the drinking; it helped me feel part of something and I didn't need to acknowledge how I truly felt.

"When I was 16, Mum came out as a lesbian and her girlfriend moved in. I felt second rate, unloved and discarded. It wasn't long before I was kicked out of home for being aggressive. I sank really low, using drugs and alcohol to hide from reality. I stopped caring and didn't speak to my family for five years.

"By my mid-twenties I'd stopped using drugs – I got bored, drugs were no fun anymore and they cost money I didn't have. However, alcohol continued to be my antidote to life. I managed to hold down cooking jobs and met my partner, but my insecurities were ever-present and drinking was my way of coping. When she fell pregnant, the fear of fatherhood sent my addictive spiral deeper.

"Finally in my early thirties I realised I had to do something serious about my alcohol problem. I was hurting my partner and we had three beautiful children - now aged four, three and 10 months - who deserved a better father.

"I knew what I had to do to. My younger brother Jacob had come to Odyssey for help with his drug issues in 2008. His change and growth since Odyssey has made him an inspiration and role model and he is now a constant source of strength and balance in my life. "My 16 months at Odyssey House have been the most personally confronting and the most comforting times of my life.

"Breaking down the initial barriers of mistrust and insecurity that protected me for so long was my biggest challenge, particularly without alcohol as a coping mechanism. I faced up to the fact I used my addiction to distance myself from emotional connections and to hide from myself. Hearing my peers share their experiences, I started to realise I was as normal and as valued as everybody else. The community spirit was almost overwhelming and I felt such relief and strength. I realised it was entirely up to me to continue forward. It's been a tough journey.

"I didn't finish high school and never completed qualifications in commercial cookery, despite working in hospitality for 15 years. Graduating from Odyssey House is such an accomplishment for me, an experience that turned my life around.

"My partner and I are excited about what the future holds and have no illusions that things won't get tough at times. Whatever happens, I know I will give it my best and do what it takes to make my life drug- and alcohol-free. I have no desire to drink now – I've had enough alcohol to last me a lifetime. In the unlikely event I may have thoughts of relapse, I have my peers a phone call away, a local support group, and my brother, a graduate, for encouragement. If need be I wouldn't hesitate to return to Odyssey as a method of relapse prevention. I am strong enough to ask for help if I need to, and I have the courage to do so.

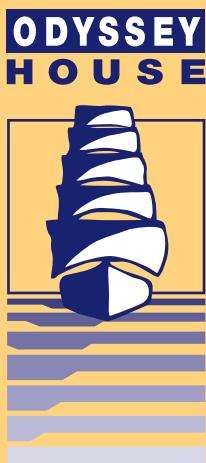
"A career change is an absolute must for me, as the hospitality industry is a minefield of bad decisions waiting to happen. I will not take that risk; I'm worth more than that. The next challenge lies in my TAFE courses in computer-aided design. I am aiming for drafting with a possible view to architecture. In the meantime I have meaningful work to tide me over. My dream is to design our house in the country to raise our family. Before my Odyssey I never would have thought this possible.

"I will be the father I never had. I will make time to cook for and nourish my children and partner. I will be a physical presence in our home, make time to read bedtime stories, play in bubble baths, walk my daughter to kindergarten, rock my youngest to sleep and play in the dirt with my little man. I will be gentle when things get tough. I will provide emotional flexibility to nurture my children's growth. I will provide financial stability, so my family will never want for anything. I will walk my children to school and help with homework. I will encourage and empower them so I can see them grow. I will talk openly about my experiences so they can avoid the same mistakes. I will give them time, energy, a safe environment and a positive role model. Everything I have learned about myself I will offer to them.

"I don't believe I am 'cured' of addiction or that I will live on easy street. My mind still returns to the good times I had under the influence. Was it worth the risk of nearly losing what I now have? No! I am not the same person I was when I rang Odyssey House, when I reached the bottom. Now, I am at ease with my emotions and sharing them. Self-knowledge and my values are the tools that guide my choices.

"I will not forget how I hurt my family or what I was depriving my children of, or how much time and hard work I have put into my Odyssey. My view of life is clear and optimistic. I know where I have been and I know what path to take into the future."

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



*'A Calm in
the Sea of
Addiction'*

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Odyssey House McGrath Foundation incorporated and domiciled in Australia, is a public company limited by guarantee.

Donations to Odyssey House of \$2.00 and above are tax deductible.