Odyssey House Victoria

ABN 11 005 583 960

Financial Report - 30 June 2021

Odyssey House Victoria
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30 June 2021

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General information

The financial statements cover Odyssey House Victoria as an individual entity. The financial statements are presented in Australian dollars, which is Odyssey House Victoria's functional and presentation currency.

Odyssey House Victoria is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
660 Bridge Road, Richmond, Victoria	28 Bonds Road, Lower Plenty, Victoria

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 October 2021. The directors have the power to amend and reissue the financial statements.

At the end of every year, we celebrate the graduation of those who have completed their commitment to bring about big changes in their lives. It is a time of great pride for the individuals and their families and for the staff and Board members of Odyssey House. For me it's always very moving to hear of the obstacles overcome and the determination to build a better life. This is why Odyssey House is here, to support people as they recover from serious addictions to alcohol and drugs.

This commitment by clients, staff and the Board of Odyssey House has continued in the face of the COVID-19 pandemic. Despite the necessary restrictions that have been put in place to keep clients and staff safe, we have seen an increase in the reach of Odyssey's services through the delivery of new programs of support.

The last 12 months have continued to challenge people all over the world due to the global Coronavirus (COVID-19) pandemic. For many Australians, this has led to an increase in stress, financial difficulties, mental health problems, and a greater reliance on alcohol or other drugs as a way of coping with loss of employment, lockdown restrictions and uncertainty about the future.

Despite the ongoing growth of our programs and strong demand for our services, lockdown restrictions did have some impact on the way in which we were able to provide support last year. Our bed capacity in residential services was reduced at times to enhance infection control and social distancing, which affected the number of people we could support in those services. It was also difficult to reach out to some of the most vulnerable members of our community due to restrictions on our outreach staff.

Nevertheless, we continued to operate all Odyssey House programs and services with secure funding from the Victorian State and Commonwealth Governments. We also established some new and expanded programs in response to COVID-19 issues, especially for young people. In the 2020/21 year, we provided treatment and support to more than 17,000 Victorians and their families through a combination of residential, face-to-face, video and telephone services. This included more than 800 people in residential rehabilitation, and over 75,000 contacts in our community-based services.

There were also some changes in drug use behaviour. Over the previous 12 months, we saw an increase in the proportion of people seeking help for alcohol as their main problem (38% of all clients), as COVID-19 has both increased the drinking of many Australians and reduced access to many illicit drugs. Despite the increase in price and difficulties obtaining it, crystal methamphetamine (Ice) continues to be the primary presenting issue for around 35% of Odyssey House clients, with cannabis being the main issue for 12% of our clients, heroin, and other opiates 7%, prescription medication 4%, and all the other drugs including cocaine and GHB making up the rest (4%).

Through the Odyssey Institute, our registered training organization, we provided nationally accredited training courses such as the Cert IV and Diploma in Community Services (AOD and mental health) to more than 450 health professionals, as well as seminars and other training in First Aid. We also delivered Drink and Drug Driving behaviour change and education programs to over 600 Victorians to enable them to get their driving licenses back.

A strong financial result was achieved through careful management of program funding and modest donations, and through the maintenance of very low administration costs. Consecutive years of surplus results has allowed us to invest in the redevelopment and expansion of our Circuit Breaker facility at Molyullah, with building scheduled to commence in early 2022, subject to planning approval. We appreciate the hard work of Jeff Wilson, our Executive Manager of Finance in achieving this outcome.

The Odyssey House Hope Centre in Lucknow, just outside Bairnsdale, completed its first year of operations in April 2021. We await a suitable time to meet with all funders and stakeholders to officially open it when vaccination rates and the easing of COVID-19 restrictions allow this.

After 10 years of successfully collaborating, our Stepping Up consortium was officially wound down in March 2021. We thank Taskforce and Youth Projects for the great impact we achieved together over so many years, and the legacy we have left. Continuity of the former Stepping Up services has been maintained, with Odyssey House taking over operations of all the programs in Geelong and Colac and across the Barwon Region, whilst Taskforce will continue to operate the programs in Melbourne's south east and the Mornington Peninsula.

Odyssey House Victoria has been busy planning a new residential rehabilitation service to be established in Wangaratta in late 2021, with our partner Gateway Health, who will lead the program. The facility has been funded by the Victorian Government and is in the final stages of construction. It is expected to help reduce wait times for AOD treatment in the north east of the state and will work closely with our Circuit Breaker program near Benalla to achieve this.

Other new programs have been developed to respond to some current, unique challenges. A mentoring program has been connecting residents with supportive mentors to support their transition back into the community after residential treatment. One project in collaboration with the Australian African Welfare Bureau, Positive Mental Health Program, and the Youth Support and Advocacy Service will target support to, and build capacity within, African Communities through a combination of AOD Education programs and AOD bi-cultural, youth outreach workers. Another project in collaboration with Deakin and Miami Universities, and fellow service provider Windana, will examine the effectiveness of an online relationship program to reduce relationship conflict and enhance AOD recovery. This will be supported by an Alcohol and Drug Research Innovation Agenda grant that we were fortunate to receive. A further program, Caring Dads, conducted in partnership with Kids First and the University of Melbourne will support partners in their parenting role, whilst addressing issues of family violence and alcohol or other drug use. This program is also being evaluated with support of an Australian Research Council Linkage grant.

For the past decade, Odyssey House Victoria has participated in regular “Staff Voice” surveys through Macquarie University, who have engaged with over 3 million employees and 3,000 projects across Australia. By utilising our staff feedback and the benchmark data, we have been able to enhance the engagement, satisfaction and wellbeing of our staff and improve the progress and performance of Odyssey House Victoria. In recognition of our very strong achievements, we were delighted to receive a 2021 Voice Project, *Best Workplace Award.*

Once again, Odyssey House Victoria achieved high client satisfaction of our programs and services, with a very low number of complaints and lots of positive feedback about the difference we are making. Likewise, the number of critical incidents remained low, and this stands as a testament to the great work done by the Odyssey House staff in keeping people safe when faced by many complex challenges in their lives.

Odyssey House maintained consistent and high-quality services across all sites, as evidenced by our re-certification to ISO 9001 quality standards and to the Australasian Therapeutic Community standards, without any non-conformances.
In 2021, we completed an Odyssey House Practice Framework to document the values, principles and evidence that informs our work, and we began working towards the “Rainbow Tick” certification to ensure our services are safe and relevant for those who identify as Lesbian, Gay, Bisexual, Transgender, Queer, or Intersex. We also started work on a stronger Inclusion Strategy and enhanced our Workplace Gender Equality practices.

Strong partnerships continue with multiple organisations to enhance the holistic support we provide. We are especially grateful for members of our South East Consortium of Alcohol and Drug Agencies (SECADA), North West Metro AOD Service, and our Goulburn Valley Alcohol and Drugs Services (GVADS) consortia that have assisted Odyssey House to extend our reach across the State.

Important contributions have been made to several government reviews including the Royal Commission into Mental Health and to several Boards and Committees including the Victorian Council of Social Service, the Victorian Alcohol and other Drugs Association (VAADA), and the Australasian Therapeutic Communities Association.

Despite some lockdown challenges, Odyssey House Victoria continues to develop our third Reconciliation Action Plan to enhance our commitment to closing the gap in health outcomes for Aboriginal and Torres Strait Islander peoples.

Thank you to all my fellow Board Directors who continue to volunteer their time and provide strong governance oversight. A particular note of thanks to Hilary Chandler and Shawn Wolfe who retired this year as Directors, and who provided clinical and financial technical expertise respectively over many years. I would also like to extend a warm welcome to Gail Bradley and Sue Carter who have joined the Board to contribute to these roles.

I thank all the Odyssey House staff for their hard work and dedication to some of the most vulnerable Victorians. Thanks go to members of the Executive team. Dr Stefan Gruenert our CEO continues to deliver outstanding leadership, together with Jeff Wilson around Finance, and Janet Beaumont public relations, development, and fundraising; Neos Zavrou and Peter Matthews for our community services; and Eric Allan for oversight of our Residential Services. I would particularly like to thank the managers of our residential programs who have continued to provide face-to-face treatment throughout the

COVID pandemic and support to staff, including Tim Flora (Melbourne), Andy Hicks (Benalla), and Andrew Adam (Bairnsdale).
There remains ongoing high demand for our services and we expect these to continue as the effects of the COVID-19 pandemic play out over many years. Significant investment will be required to reduce wait times for treatment across Australia, to maintain and upgrade facilities, and to build a sufficient workforce to meet this demand.

Whilst public opinion is more conducive to a supportive rather than punitive approach to those with substance use disorders, there is still much work to be done to reduce the stigma faced by individuals and families impacted by addiction.

We could not make the impact we do without help and support from many others. In particular, our partnerships with State and Federal Governments, and the Primary Health Networks continue to be very positive, and we thank them for their ongoing investment in changing lives. We know that investing in drug and alcohol treatment brings a return in community benefits of at least $7 for every $1 invested.

We also rely on and are deeply grateful for all those who provide resources and in-kind support to Odyssey House Victoria. The Board, the staff, and most importantly, the people we assist thank the many individuals, businesses, trusts and foundations, estates, and other donors who have provided financial support to Odyssey House Victoria this year, including:

- Alinta & Loy Yang B
- Alliance Fleet Services
- Ann Miller
- Annie and John Patterson Foundation
- Bill Vivas & John Zervoudakis
- Consolidated Chemicals
- Dimmick Charitable Trust
- Edward Miller
- Geok Hua Wong Charitable Trust
- Goldin Foundation
- Helen Macpherson Smith Trust
- Jack & Ethel Goldin Foundation
- Joe White Bequest
- Planet Shakers Empower Ltd
- Roy Morgan Research Institute
- The Lochtenberg Foundation
- Walter Campbell Memorial Trust
- The William Angliss (Victoria) Charitable Fund

In addition to financial support, many other people and organisations have provided their expertise or services in an integrated way so that we can operate successfully. They include:

- Research partners Deakin, LaTrobe, Melbourne, Swinburne, Griffiths, and Victoria Universities, and TurningPoint;
- Consultant General Practitioners Dr. Madeline Philip, Dr. Anthony Michaelson and Dr Cameron Ewert at Lower Plenty, Dr. Julian Fidge in Benalla, and Dr. Ari Kantzides in Bairnsdale;
- Consultant Psychiatrists Dr. Ranvir Sood, Dr. Greta Moon at St.Vincents, and Dr. Chris Walshe;
- Consultant Psychologists JLA Consulting;
- Pharmacists Thompson's Amcal Pharmacy (Eltham), Jenny Milner – Marsha Watson Pharmacy (Benalla), and Advantage Pharmacy (Bairnsdale);
- Education supporters Principal Dean Simpson at Lower Plenty Primary School, Montmorency South Primary School, Mission Australia Early Learning Centres, Amy Pitts MCH Nurse, Banyule City Council, Launchpad Early Learning Centre, and Bairnsdale TAFE;
- Lawyers William Bartley and Sallyanne Everett at Clayton Utz;
- Planning consultancy from Peter Jewell at Jewell Partnership;
- Building technical advice and support from Colin Jordan and Bruce Cochrane;
- Volunteer tutors Catherine Green, Judi Hester, Ray Hester, and Steve Enfield;
- Volunteer Board Committee members Chrissie Feagins and Stephen Marovitch;
- Yoga, mindfulness, and meditation provider Yong Kooi Kuo;
- Ambassadors Dennis Armfield, Dave Pate and Laura Turner.

Lastly, we rely on our advisers, partners and those providing in kind support, who include:

- 360 Edge Consulting
- Aaron Short Awareness Association
- African Australian Welfare Bureau (AAWB)
- Aldara Yenara
- Alfred Hospital
- Alliance Fleet Services
- Anglicare Victoria
- Austin Hospital
- Australasian Therapeutic Community Association
- Australian Community Support Organisation
- Australian Drug Foundation
- Australian Quilters Association
- Bairnsdale Regional Health Service
- Banyule Community Health Service
- Barwon Child, Youth & Family Services
- Benalla Pony Club and Equestrian Centre
- Berry Street
- Broadmeadows Children's Court
- Bunnings Eltham
- Bunurong Health Service
- Centrelink
- Clayton Utz
- Cohealth
- Collingwood Neighbourhood Justice Centre
- Corrections Victoria
- Daylesford Christmas Cheer
- Family Drug Treatment Court
- Financial and Consumer Rights Council Inc
- Financial Counselling Australia
- Gateway Community Health
- Good Shepherd
- Goulburn Valley Health
- Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC)
- headspace Elsternwick & Shepparton
- Hope Restart Centre Inc
- Imagenation
- Kids First
- Mackillop Family Services
- Magistrates Court/Melbourne Drug Court
- Matchworks
- Melbourne Magistrates Koori Court
- Legal Aid
- Melton Secondary College
- Monash Health
- Modscape
- MyCentre
- National Centre for Education and Training on Addictions (NCETA)
- Ngwala Willumbong Ltd.
- North East Dual Diagnosis Service
- North West Melbourne Primary Health Network
- Northern Nexus
- OMD
- Onward Athletics
- Planet Shakers
- Positive Mental Health Program (PMHP)
- Reclink
- Redbourne - rediCASE
- Regent Honeyeater Project

- Road Runner Mobile Tyres
- Salvation Army (St.Kilda Crisis Centre, MYAF, Wangaratta, Shepparton)
- Self Help Addictions Resource Centre (SHARC)
- Shadows Gym Eltham
- Share The Dignity
- Shepparton Koori Court
- South Eastern Primary Health Network
- St Kilda Mums
- Stonnington Council
- Sunbury and Cobaw Community Health
- Taskforce
- Taylors Lakes Secondary College
- Templestowe Rotary Club
- The Bouverie Centre
- The Clifton Group
- The Royal Women's Hospital, Women's Alcohol and Drug Service
- Today Tomorrow Foundation
- Turning Point, Eastern Health
- Uniting
- Victoria Police
- Victorian Aboriginal Community Controlled Health Organisation (VACCHO)
- Victorian Aboriginal Health Service (VAHS)
- Victorian Aboriginal Legal Service (VALS)
- Victorian Alcohol And Drug Association (VAADA)
- Victorian Dual Diagnosis Association (VDDA)
- Victorian Responsible Gambling Foundation
- Visionary Images
- Windana
- Window to Window Arts Festival
- Youth Projects
- Youth Support and Advocacy Service (YSAS)

Jenny Macklin
Chair

13 October 2021

Odyssey House Victoria
Directors' report
30 June 2021

The directors present their report on the company for the financial year ended 30 June 2021.

Directors
The following persons were directors of Odyssey House Victoria during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David W Broadbent
Ms Rowena Allsop
Mr David E F Bullard
Ms Hilary Chandler (resigned 21/04/21)
Mr Edgar S Doble
Prof Margarita Frederico
His Honour Michael J Strong
Mr Shawn A Wolfe (resigned 17/11/2020)
Ms Jenny Macklin
Ms Laura Turner
Ms Clare Flintoff Phillips
Mr Peter Allen
Ms Gail Bradley (appointed 05/03/2021)
Ms Susan Carter (appointed 05/03/2021)

Operating results
The surplus of the company for the financial year amounted to $2,495,277 (2020: $1,686,782).

Principal activities
The principal activity of the company during the financial year was the provision of residential and non-residential drug rehabilitation services in Victoria. No significant change in the nature of these activities occurred during the year.

Performance measures
The company has an electronic system to monitor the key deliverables, targets and reporting requirements of each program and project. The chief executive officer reports to the board on the status of these programs and projects at each meeting.

The company has a finance committee that reports to the board at each meeting on the status of income and expenditure against annual budgets.

Short and long term objectives of the company
The company's short-term objectives are to strengthen its core residential and community based alcohol and other drug treatment, training and support activities; to further develop the alcohol and other drug, mental health and family skills of its staff; and to build and maintain key relationships and partnerships to address emerging client needs.

The company's long-term objectives are to secure recurrent and new financial resources in order to grow its capacity to service those with alcohol and other drug problems; to support community prevention and early intervention initiatives; and to better evaluate and communicate client outcomes.

Odyssey House Victoria
Directors' report
30 June 2021

Information on directors

Name:	Ms Rowena Allsop
Title:	Board member
Qualifications:	OAM
Experience and expertise:	A board member since 1996, Ms Allsop has previous experience as an honorary juvenile probation and community corrections officer, Independent Third Person (ITP) with the Office of the Public Advocate and over 22 years as a bail justice. She has participated in honorary community work with the Moonee Valley City Council as a member of the various community committees (Festival, Recreation and Arts Advisory Committees) and still is an active member of the Moonee Valley Athletics Track committee. In 1994, she received the Victorian of the Year Award for 'Outstanding contributions to the Victorian Community', in 1995 was awarded an Order of Australia Medal (OAM) and in 2001 received an 'Australia Day Medallion' for community service from the City of Moonee Valley. Rowena worked in the Department of Education and Training for over 42 years – as a teacher and as the Coordinator of the Information and Referral Service, Communications Division. Rowena is a keen Master athlete – rowing in the single scull.

Name:	Mr David E F Bullard
Title:	Board member
Qualifications:	OBE, RFD, ED, LLB
Experience and expertise:	A founding board member and past Chairman, Mr Bullard, a Barrister and Solicitor and Partner of Bullards is a retired Lt. Colonel of the Australian Army Reserve and a past Chairman and President of the RACV.
Special responsibilities:	Deputy Chair

Name:	Prof Margarita Frederico
Title:	Board member
Qualifications:	BA, Dip Social Stud, MSW, MBA
Experience and expertise:	A board member since December 1994, Professor Frederico is Graduate Research Coordinator – Social Work and Social Policy at La Trobe University, Bundoora, with a particular interest in Not-For-Profit Governance and quality practice. She has long experience in practice research and education in relation to social and emotional wellbeing of children and families. Margarita's experience includes work in this area in the USA, Indonesia, United Kingdom and the Philippines. She is an elected Life Member of the Australian Association of Social Work and of Berry Street.

Name:	His Honour Michael J Strong
Title:	Board member
Experience and expertise:	Michael is a former solicitor, barrister, Prosecutor for the Queen, judge of the County Court of Victoria, Vice President of the Victorian Civil and Administrative Tribunal, Director of the Office of Police Integrity (Victoria) and Australian Criminal Intelligence Commission Examiner. He has a current appointment as Victoria's Principal Public Interest Monitor. He is a long-serving former director and President of Berry Street, Victoria's largest independent child and family welfare agency and the immediate past Chairman of Phoenix Australia Centre for Posttraumatic Mental Health at the University of Melbourne. He has served on boards and committees of numerous other organisations.

Name:	Ms Hilary Chandler (resigned 21/04/2021)
Title:	Board member
Qualifications:	BBSc (Hons) MA (Clin Psych) MAPS
Experience and expertise:	Hilary has practised as a clinical psychologist and psychotherapist since 1987. Over the years, as well as working in private practice, she has worked in various public mental health settings as a senior psychologist offering psychological services, specialist secondary consultation, training and supervision to clinicians and organisations working with clients with complex presentations.

Name:	Mr Edgar S Doble
Title:	Board member
Experience and expertise:	Ed has over 35 years' experience as a general management, branding, marketing and communications consultant in Australia/Asia Pacific region. He has a Bachelor Degree in Economics from Monash University (Australia). Born in the UK, Ed started his Australian career as a Brand Manager with Unilever before starting his own ad agency, Burrows Doble Lawrence. Other Melbourne-based roles held by Ed are Marketing & Sales Director of Canada Packers Australia, Managing Director of WCRS/Ball Partnership, Managing Director of Y&R Mattingly, and Chairman/ CEO of McCann-Erickson. Ed worked for J Walter Thompson in 1992 as Managing Director JWT Melbourne and then COO JWT Australasia ultimately becoming International Vice President of JWT, and appointed Regional President of JWT Ventures Asia Pacific. By 2000, Ed was Executive Vice President JWT Asia Pacific, and a Member of the Regional Board. Leaving full-time employment in 2004, Ed remains in consulting and is the Principal of Doble and Company Pty Ltd based in Melbourne.
Name:	Mr David W Broadbent
Title:	Board member
Experience and expertise:	David Broadbent is former newspaper and television journalist with more than 35 years experience covering Federal and State Politics. A former Director of News for Channel Seven Melbourne and Sydney, he has worked in Canberra, Bangkok, Brisbane, Sydney and Melbourne. In 2007 he joined the Victorian State Government, leading the Communications Divisions in Arts Victoria, the Department of Education and Early Childhood Development and the Department of Business and Innovation. He currently runs his own Media and Government Relations consultancy and is a former director of the Melbourne Press Club.
Name:	Mr Shawn A Wolfe (resigned 17/11/2020)
Title:	Board member
Experience and expertise:	Shawn has experience as an executive, project leader, commercial advisor and company director with a particular focus on government, regulated businesses, infrastructure and communities. He has been Chief Financial Officer at Peter MacCallum Cancer Centre and Goulburn Valley Water. Shawn has held senior positions with PricewaterhouseCoopers, KPMG and the Victorian Government. Past board memberships include Eltham College of Education, Habitat for Humanity, Northern Melbourne Regional Development Australia Committee and Yarra Ranges Regional Marketing Limited. Shawn is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia, has post-graduate qualifications in Applied Investment and Finance, and a Bachelor of Business (Acc). Shawn has worked across Australia, in London and Washington D.C.
Special responsibilities:	Treasurer

Name:	Ms Jenny Macklin
Title:	Board member
Experience and expertise:	Jenny Macklin is a Vice-Chancellor's Fellow at the University of Melbourne, in the School of Government. Prior to this, she served 23 years as the Federal Member for Jagajaga. Jenny was the longest serving woman in the House of Representatives, and was the first woman to become the Deputy Leader of a major Australian political party. She was the Deputy Leader of the Federal Parliamentary Labor Party from 2001-2006 and Senior Vice President of the Australian Labor Party. Jenny served as the Minister for Families, Housing, Community Services and Indigenous Affairs and the Minister for Disability Reform in the Rudd and Gillard Labor Governments. As Minister, she oversaw the Apology to the Stolen Generations and development of the Closing the Gap framework, the introduction of Australia's first National Paid Parental Leave Scheme, delivered the largest increase to the Pension in the history of the payment, was responsible for the design and implementation of the National Disability Insurance Scheme and was an integral part of the establishment of the Royal Commission in to Institutional Responses to Child Sexual Abuse. She was a member of the Expenditure Review Committee of Cabinet in Government and Opposition for 20 years. Jenny holds a Bachelor of Commerce (honours) from the University of Melbourne.
Special responsibilities:	Chair

Name:	Ms Laura Turner
Title:	Board member
Experience and expertise:	Laura Turner is a senior reporter for Channel Nine and returned in early 2017 from a two year stint as the US Correspondent. She has covered some of the biggest news stories in the world including the mass shooting deaths of fifty people in Orlando Florida, the election campaign of Donald Trump, and the disappearance of Malaysia Airlines flights MH370 and MH17. Laura is particularly interested in issues of social justice and it was the tragic death of her own sister from a heroin overdose which has propelled Laura to further her interest in the area of harm minimisation and drug law reform. Laura is a strong supporter of the campaign for a Medically Supervised Injecting Centre in North Richmond Victoria and often participates in marches and forums attempting to educate the public on issues surrounding addiction. Laura believes stigma plays a huge role in an addict's ability to break free from addiction and she is working toward making every person who suffers from addiction feel valued and empowered.

Name:	Ms Clare Flintoff Phillips
Title:	Board member
Experience and expertise:	Clare is a consumer, brand and innovation strategist, with 20 years of experience both agency and client side, across insurance, banking, consumer goods and government in the UK, Europe, US and Australia. Clare now consults to the Not for Profit and Social Impact sector, with a particular interest in purpose led organisations in sustainability, social justice and addressing in-equality.

Name:	Mr Peter Allen
Title:	Board member
Experience and expertise:	Peter Allen spent more than 20 years in the Victorian Public service in which time he served as Deputy Secretary in the Department of Health and Community Services, Victoria's Chief Drug Strategy Officer, Director of Schools, Secretary of the Department of Education and Training, Secretary of the Department of Tourism, Sport and the Commonwealth Games and the Victorian Public Sector Standards Commissioner. In the mid 1990s he headed the Secretariat of the initial Victorian drug enquiry chaired by Prof David Pennington. Before joining the Victorian Public Service he was Director of Social Policy and Research at the Brotherhood of St Laurence. He is currently based at the Australia and New Zealand School of Government (ANZSoG) where he worked as Deputy Dean from 2009-2016.

Name:	Gail Bradley (appointed 05/03/2021)
Title:	Board member
Experience and expertise:	Gail Bradley is a clinical psychologist and mental health services manager with over 30 year's experience in public mental health in Victoria. She is passionate about providing person-centred, recovery-focused and evidence-based care for service consumers. Gail held the role of Psychology Advisor for North Western Mental Health program for seven years with professional responsibility for a workforce of over 100 psychologists. She has worked in senior management roles for over 10 years, including her current role as Area Manager for the Inner West Area Mental Health Service – Royal Melbourne Hospital. In addition to working in the public mental health system, Gail has a small private clinical practice, and is an endorsed supervisor with the Australian Health Practitioners Regulation Agency. She has extensive experience in both direct work and designing programs for with people with complex issues.
Name:	Susan Carter (appointed 05/03/2021)
Title:	Board member
Experience and expertise:	Sue Carter is a company director, and consultant in corporate governance and board effectiveness. For many years she was a tutor for the Australian Institute of Company Directors, facilitating programs covering directors' duties, financial reporting and board processes. She qualified as a Chartered Accountant with KPMG in the UK, and holds a BA (Hons) in Economics and History together with a Graduate Diploma in Applied Finance and Investment and a Master of Applied Science (Organisation dynamics). Sue is currently a non-executive director of the Medical Indemnity Protection Society and chairs the board of an industry redundancy fund. She is also Treasurer of Equine Pathways Australia, a not for profit company in the disability sector. Her previous work experience includes 10 years in senior finance roles with ANZ Bank, including 4 years as Chief Financial Officer of ANZ Funds Management. She was ASIC Regional Commissioner for Victoria from 1999 to 2001. She also has over 20 years experience on the boards of for-purpose organisations, private and public companies and state and federal government entities.
Special responsibilities:	Treasurer

Meetings of directors

Directors	Directors' meetings Number eligible to attend	Directors' meetings Number attended
Mr David W Broadbent	5	4
Ms Rowena Allsop	5	5
Mr David E F Bullard	5	5
Mr Hilary Chandler (resigned 21/04/2021)	4	4
Mr Edgar S Doble	5	4
Prof Margarita Frederico	5	4
His Honour Michael J Strong	5	4
Mr Shawn Wolfe (resigned 17/11/2020)	2	2
Ms Jenny Macklin	5	5
Ms Laura Turner	5	4
Ms Clare Flintoff Phillips	5	3
Mr Peter Allen	5	4
Susan Carter (appointed 05/03/2021)	1	1
Gail Bradley (appointed 05/03/2021)	1	1

Member's liability

The liability of the members of Odyssey House Victoria is limited. Each member has undertaken to contribute to the assets of Odyssey House Victoria in the event of the Company being wound up while a member, or within one year after ceasing to be a member for payment of debts. The amount of each member's liability is limited to $50. At balance date there were 12 (2020: 12) members.

Events after the reporting period
No matters or circumstances has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration
The lead auditor's independence declaration for the year ended 30 June 2021 is set out on page 13.

Signed in accordance with a resolution of the board of directors.

On behalf of the directors

Jenny Macklin
Chair

13 October 2021

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DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF ODYSSEY HOUSE VICTORIA

As lead auditor of Odyssey House Victoria for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 13 October 2021

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Odyssey House Victoria
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue	3	32,574,079	30,773,159
Expenses			
Finance costs	5	(172,998)	(181,454)
Employee benefits expense		(18,542,934)	(17,302,141)
Depreciation expense	4	(2,024,989)	(1,656,266)
Lease expenses		(575,458)	(673,376)
Utilities expenses		(612,522)	(464,336)
Resident food and personal needs		(1,981,796)	(2,091,313)
Motor vehicles expenses		(254,386)	(310,493)
Funding provided to partner organisations		(3,759,080)	(4,053,039)
Repairs and maintenance		(647,338)	(828,689)
Other expenses		(1,507,301)	(1,525,270)
Surplus before income tax expense	4	2,495,277	1,686,782
Income tax expense		-	-
Surplus after income tax expense for the year		2,495,277	1,686,782
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings, net of tax		775,000	-
Other comprehensive income for the year, net of tax		775,000	-
Total comprehensive income for the year		3,270,277	1,686,782

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Odyssey House Victoria
Statement of financial position
As at 30 June 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	6	11,042,736	7,664,105
Trade and other receivables	7	388,713	221,667
Other assets	9	124,565	127,403
Total current assets		11,556,014	8,013,175
Non-current assets			
Property, plant and equipment	10	10,972,018	10,126,480
Right-of-use assets	8	3,584,482	3,874,141
Total non-current assets		14,556,500	14,000,621
Total assets		26,112,514	22,013,796
Liabilities			
Current liabilities			
Trade and other payables	11	2,260,510	1,138,271
Lease liabilities	13	746,367	772,191
Employee benefits	14	2,410,415	2,084,885
Total current liabilities		5,417,292	3,995,347
Non-current liabilities			
Borrowings	12	-	350,000
Lease liabilities	13	3,032,948	3,221,512
Employee benefits	14	154,780	209,720
Total non-current liabilities		3,187,728	3,781,232
Total liabilities		8,605,020	7,776,579
Net assets		17,507,494	14,237,217
Equity			
Reserves		1,979,307	1,204,307
Retained surplus		15,528,187	13,032,910
Total equity		17,507,494	14,237,217

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

Odyssey House Victoria
Statement of changes in equity
For the year ended 30 June 2021

	Asset revaluation reserves (1) $	Retained surplus $	Total equity $
Balance at 1 July 2019	1,204,307	11,346,128	12,550,435
Surplus after income tax expense for the year	-	1,686,782	1,686,782
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,686,782	1,686,782
Balance at 30 June 2020	1,204,307	13,032,910	14,237,217

	Asset revaluation reserves (1) $	Retained surplus $	Total equity $
Balance at 1 July 2020	1,204,307	13,032,910	14,237,217
Surplus after income tax expense for the year	-	2,495,277	2,495,277
Other comprehensive income for the year, net of tax	775,000	-	775,000
Total comprehensive income for the year	775,000	2,495,277	3,270,277
Balance at 30 June 2021	1,979,307	15,528,187	17,507,494

(1) The asset revaluation reserve records revaluations of freehold land.

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

Odyssey House Victoria
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
State and Federal Government funding		27,064,580	24,808,139
Client fees		1,814,143	2,044,965
Payments to suppliers and employees		(27,013,490)	(28,956,639)
Donations and fundraising		967,080	845,888
Interest received		37,248	82,842
Finance costs		(172,998)	(181,454)
Other receipts received		3,039,201	3,478,637
Net cash from operating activities	20	5,735,764	2,122,378
Cash flows from investing activities			
Payments for property, plant and equipment	10	(1,149,382)	(523,086)
Proceeds from release of security deposits		13,750	-
Net cash used in investing activities		(1,135,632)	(523,086)
Cash flows from financing activities			
Repayment of borrowings		(350,000)	-
Repayment of lease liabilities		(871,501)	(953,670)
Net cash used in financing activities		(1,221,501)	(953,670)
Net increase in cash and cash equivalents		3,378,631	645,622
Cash and cash equivalents at the beginning of the financial year		7,664,105	7,018,483
Cash and cash equivalents at the end of the financial year	6	11,042,736	7,664,105

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

Odyssey House Victoria
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, as appropriate for not-for-profit oriented entities.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non- current assets. Cost is based on the fair values of the consideration given in exchange for assets. All values are rounded to the nearest dollar.

A statement of compliance with International Financial Reporting Standards cannot be made as the company is considered to be a not-for-profit entity and has prepared the financial statements in accordance with the requirements regarding Not-for-Profit entities as contained in Australian Accounting Standards.

The financial statements have been prepared on a going concern basis, which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax
As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Significant accounting policies (continued)

Borrowing costs
Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset. No borrowing costs were capitalised during the financial year ended 30 June 2021 (2020: Nil).

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

The 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 if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern depreciation rates. These are reviewed annually by the directors to ensure that assets are being appropriately depreciated.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the directors consider have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
As discussed in note 14, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2021 $	2020 $
State Government Grants (DHHS)	20,901,928	18,312,136
Other Government Funding (non DHHS)	2,476,436	2,307,702
Client fees	1,298,924	1,478,304
Other program income	3,853,262	4,188,301
Related party reimbursements	2,528,103	3,072,848
Donations and fundraising	967,080	845,888
Interest	37,248	82,842
Other revenue	511,098	485,138
Revenue	32,574,079	30,773,159

Accounting policy for revenue recognition
Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Donations
Donations are recognised at the time the pledge is made.

Grants
Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 4. Surplus before tax

	2021 $	2020 $
Result before income tax has been determined after charging as expenses:		
Depreciation expenses		
- Buildings	624,523	182,087
- Leasehold improvements	93,109	295,012
- Motor vehicles	18,174	10,712
- Plant & equipment	29,422	35,781
- Improvements	313,616	297,342
- Right-of-use assets (motor vehicle)	598,159	495,907
- Right-of-use assets (property)	347,986	339,425
	2,024,989	1,656,266
Remuneration of the auditors for:		
- Audit or review services	29,400	24,500
- Financial statement preparation	7,600	7,600
	37,000	32,100
Superannuation contribution expense	1,472,955	1,380,329
	1,472,955	1,380,329

Note 5. Finance costs

	2021 $	2020 $
Interest and finance charges paid/payable on borrowings	-	1,009
Interest and finance charges paid/payable on lease liabilities	172,998	180,445
	172,998	181,454

Note 6. Cash and cash equivalents

	2021 $	2020 $
Current assets		
Cash at bank	11,025,162	7,645,930
Cash on hand	17,574	18,175
	11,042,736	7,664,105

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	2021 $	2020 $
Current assets		
Trade receivables	388,713	221,667

Note 7. Trade and other receivables (continued)

As at 30 June 2021, the ageing analysis of trade receivables is as follows:

	Current	30 days	60 days	90 days	Total
2021 - $	388,713	-	-	-	388,713
2021 - %	100%	-	-	-	100%
2020 - $	200,329	-	1,191	20,147	221,667
2020 - %	90%	-	1%	9%	100%

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 8. Right-of-use assets

	2021 $	2020 $
Non-current assets		
Motor vehicles - right-of-use	1,566,096	1,317,854
Less: Accumulated depreciation	(772,929)	(495,907)
	793,167	821,947
Property - right-of-use	3,478,725	3,391,619
Less: Accumulated depreciation	(687,410)	(339,425)
	2,791,315	3,052,194
	3,584,482	3,874,141

Additions to the right-of-use assets during the year were $496,066.

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at fair value where the company has adopted a fair value measurement basis for investment property assets.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 9. Other assets

	2021 $	2020 $
Current assets		
Deposit for bank guarantee	94,052	92,890
Security bond	15,760	29,510
Loan receivable Stepping Up Consortium	14,753	5,003
	124,565	127,403

Note 10. Property, plant and equipment

	2021 $	2020 $
Non-current assets		
Freehold land - at independent valuation	2,600,000	1,825,000
Buildings - at cost	3,922,677	3,792,076
Less: Accumulated depreciation	(1,346,642)	(722,119)
	2,576,035	3,069,957
Leasehold improvements - at cost	1,014,200	661,341
Less: Accumulated depreciation	(605,657)	(512,548)
	408,543	148,793
Improvements - at cost	8,329,979	7,710,576
Less: Accumulated depreciation	(3,083,440)	(2,769,824)
	5,246,539	4,940,752
Plant and equipment - at cost	1,870,738	1,824,218
Less: Accumulated depreciation	(1,770,562)	(1,741,139)
	100,176	83,079
Motor vehicles - at cost	133,459	133,459
Less: Accumulated depreciation	(92,734)	(74,560)
	40,725	58,899
	10,972,018	10,126,480

Note 10. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold Land $	Buildings $	Leasehold Improve-ments $	Improve-ments $	Plant & Equipment $	Motor Vehicles $	Total $
Balance at 1 July 2019	1,825,000	3,018,500	443,805	5,031,431	94,624	10,971	10,424,331
Additions	-	233,547	-	206,663	24,236	58,640	523,086
Depreciation expense	-	(182,090)	(295,012)	(297,342)	(35,781)	(10,712)	(820,937)
Balance at 30 June 2020	1,825,000	3,069,957	148,793	4,940,752	83,079	58,899	10,126,480
Additions	-	130,601	352,859	619,403	46,519	-	1,149,382
Revaluation increments	775,000	-	-	-	-	-	775,000
Depreciation expense	-	(624,523)	(93,109)	(313,616)	(29,422)	(18,174)	(1,078,844)
Balance at 30 June 2021	2,600,000	2,576,035	408,543	5,246,539	100,176	40,725	10,972,018

Valuations of freehold land
The basis of the valuation of land is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location. The land at Lower Plenty was valued at $2,200,000 on 17 June 2021 based on an independent assessment by Egan National Valuers (VIC). The land at Benalla was valued at $400,000 on 28 April 2021 based on an independent assessment by Opteon (Goulburn North East Victoria) Pty Ltd.
Refer to note 16 for further information on fair value measurement.

Accounting policy for property, plant and equipment
Land is measured at fair value and buildings are measured at cost. based on periodic valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Each class of property, plant and equipment is recorded at cost or fair value, as indicated, less any accumulated depreciation and any impairment in value.

Freehold land is measured at fair value based on periodic valuations by external independent valuers. Buildings, plant and equipment are measured on the cost basis.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of fixed asset	Depreciation rates %	Depreciation basis
Buildings	2.00%	Straight Line
Leasehold improvements	20.00%	Straight Line
Motor vehicles	22.50%	Straight Line
Plant and equipment	33.00%	Straight Line
Improvements	10.00%	Straight Line

Note 10. Property, plant and equipment (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 11. Trade and other payables

	2021 $	2020 $
Current liabilities		
Trade and other creditors	1,631,835	808,948
Contract liabilities	403,675	104,323
Stepping Up Consortium Float	225,000	225,000
	2,260,510	1,138,271

Fair Value
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 12. Borrowings

	2021 $	2020 $
Non-current liabilities		
Loans	-	350,000

The loan is to be spent on "Hope Centre" in Lucknow. The loan is interest free and fully settled during the financial year.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 13. Lease liabilities

	2021 $	2020 $
Current liabilities		
Property leases	306,046	277,757
Vehicle leases	440,321	494,434
	746,367	772,191
Non-current liabilities		
Property leases	2,690,689	2,914,321
Vehicle leases	342,259	307,191
	3,032,948	3,221,512

Refer to note 15 for further information on financial instruments.

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 14. Employee benefits

	2021 $	2020 $
Current liabilities		
Annual leave	1,540,567	1,207,276
Long service leave	869,848	877,609
	2,410,415	2,084,885
Non-current liabilities		
Long service leave	154,780	209,720

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 14. Employee benefits (continued)

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation
The amount charged to the profit or loss in respect of superannuation represents the contributions made by the entity to the employees' nominated superannuation funds.

Note 15. Financial instruments

Financial risk management objectives
The company's principal financial instruments comprise receivables, payables, borrowings and cash and short–term deposits. These activities expose the company to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk.

Although the company does not have documented policies and procedures, the Board manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rates and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through general business budgets and forecasts.

Market risk

Foreign currency risk
The company is not exposed to fluctuations in foreign currencies.

Price risk
The company is not exposed to any significant price risk.

Interest rate risk
The company's exposure to market interest rates relates primarily to cash and short term deposits held.

Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The company trades only with recognised, creditworthy third parties, and as such collateral is not requested as it is the company's policy to scrutinise its trade or other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Liquidity risk
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 15. Financial instruments (continued)

Net fair value of financial instruments
The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

The net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Maturities of financial liabilities
The table below analyses the company's financial liabilities.

	Weighted average interest rate %	Maturing within year $	Maturing 1 to 5 years $	Total $
2021				
Financial liabilities				
Trade and other payables	-	2,260,510	-	2,260,510
Lease liability	-	746,367	3,032,948	3,779,315
Total financial liabilities		3,006,877	3,032,948	6,039,825
2020				
Financial liabilities				
Trade and other payables	-	1,098,949	-	1,098,949
Loan	-	-	350,000	350,000
Lease liability	-	772,191	3,221,512	3,993,703
Total financial liabilities		1,871,140	3,571,512	5,442,652

Note 16. Fair value measurement

The company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Land

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

- 2021	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Non-financial assets				
Freehold land (note 10)	-	-	2,600,000	2,600,000
Total assets	-	-	2,600,000	2,600,000

- 2020	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Non-financial assets				
Freehold land (note 10)	-	-	1,825,000	1,825,000
Total assets	-	-	1,825,000	1,825,000

There were no transfers between levels during the financial year.

The basis of the valuation of land is fair value. Opteon (Goulburn North East Victoria) Pty Ltd has revalued the land and buildings at Benalla on 28 April 2021, with Egan National Valuers (VIC) revaluing the land and buildings at Lower Plenty on 21 June 2021, on an independent basis to which both valuers have recent experience in the location and category being valued. As only land is recognised at fair value, the land portion of the review has been taken up by Odyssey House Victoria and recognised a revaluation surplus in the current year. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Level 3 assets and liabilities
Valuation techniques used to derive level 3 fair values.

(a) Recurring fair value measurement

For its freehold land (classified as property, plant and equipment), the company obtains independent valuations at least every five years. At the end of each reporting period, the board of directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The board of directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the board members consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Note 16. Fair value measurement (continued)

All resulting fair value estimates for freehold land are included in level 3. The level 3 fair value of land and buildings has been derived using the direct comparison approach where the subject property is compared directly with sales of other properties in similar locations and adjustments made for small points of difference. More specifically for this method, adjustments were made for differences compared to the subject site, such as for contour, size, location and views. The most significant input into this valuation approach is recent sale of nearby properties adjusted for the differences in the physical attributes of the properties using a percentage adjustment for these factors which is considered to result in a more consistent analysis and more confirming value for the subject property.

(b) Valuation inputs and relations to fair value

Description	Fair value at 30 June 2021	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Freehold land – 1619 Kilfeera Road, Benalla (Independent valuation dated 28 April 2021)	$400,000	Indicative land value based on recent sales of properties of similar size in similar locality	Area = 8.12 hectares to 19.03 hectares Sale Price inc. Buildings = $730,000 - $840,000 Sale Price Land Only = $300,000 - $400,000 Indicative Land Value = $400,000	The lower the sale price and indicative land value, the lower the fair value
Freehold land – 28 Bonds Road, Lower Plenty (Independent valuation dated 21 June 2021)	$2,200,000	Recent sales of properties in similar locality closest in land size and contour of property being fair valued (14.59 hectares)	Area = 1.04 hectares to 12.58 hectares Sale Price = $1.2 million - $1.85 million Size Premium: 10% to 20% Sale Price Range Adjusted for Premium = $1.5 million - $3.55 million	The lower the sale price, the lower the fair value The lower the size premium, the lower the fair value

Note 17. Directors' remuneration and related party transactions

(a) Directors' Remuneration

No director received remuneration from the company.
The names of directors who have held office during the financial year are:
Mr Peter Allen
Ms Rowena Allsop
Ms Gail Bradley (appointed 05/03/2021)
Mr David W Broadbent
Mr David E F Bullard
Ms Susan Carter (appointed 05/03/2021)
Ms Hilary Chandler (resigned 21/04/2021)
Mr Edgar S Doble
Ms Clare Flintoff Phillips
Assoc. Prof Margarita Frederico
Ms Jenny Macklin
His Honour Michael J Strong
Ms Laura Turner
Mr Shawn Wolfe (resigned 17/11/2020)

Mr D Bullard is a partner with Bullards Barristers and Solicitors who have provided legal advice on an honorary basis.

(b) Related Party Transactions

Odyssey House Victoria is one of three members of the Stepping Up Consortium joint venture. The Consortium is a non-profit organisation established to provide therapeutic and community based services to clients with complex needs at the intersection of addiction, disability, mental health, unemployment and justice sectors by identifying gaps in services provision and developing innovative responses that deliver improved client outcomes. For the year ended 30 June 2021 the company received $2,528,103 (2020: $3,072,848) for the provision of administrative services to, and the reimbursement of expenditures paid on behalf of the Consortium.

In March 2021, the Stepping Up Consortium has been wound down as agreed by Odyssey House, Taskforce and Youth Projects. There has been agreement with the three parties that the continuity of the former Stepping Up services will be maintained by the parties involved to ensure that services are continued in their respective areas. However, the finalisation of this split is expected to be completed post year end.

Note 18. Key management personnel disclosures

The following table discloses the aggregate of Key Management personnel compensation.

Key management personnel consist of the Chief Executive of the company and the five key executive managers.

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2021 $	2020 $
Short-term employee benefits	1,109,218	1,086,704
Post-employment benefits	88,906	86,857
	1,198,124	1,173,561

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 20. Reconciliation of surplus after income tax to net cash from operating activities

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	17,574	18,175
Cash at bank	11,025,162	7,645,930
	11,042,736	7,664,105

(b) Reconciliation of cash flow from operations with surplus after income tax

	2021 $	2020 $
Surplus after income tax expense for the year	2,495,277	1,686,782
Adjustments for:		
Depreciation and amortisation	2,024,989	1,656,266
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	(167,046)	76,166
Decrease/(increase) in other assets	(10,912)	(5,515)
Increase/(decrease) in payables	1,122,866	(1,564,428)
Increase/(decrease)in provisions	270,590	273,107
Net cash from operating activities	5,735,764	2,122,378

(c) Non-cash investing and financing activities

There were no non-cash investing or financing activities throughout the year (2020: $Nil).

Note 21. Contingent liabilities and contingent assets

(a) The company's bank has provided a guarantee of $50,000 (2020: $50,000) as security for the premises that the company occupies. The bank holds term deposits as security for this guarantee.
(b) The ANZ Bank holds an undischarged mortgage over the company's property at 28 Bonds Road, Lower Plenty, Victoria.

Odyssey House Victoria
Directors' declaration
30 June 2021

In the directors' opinion:

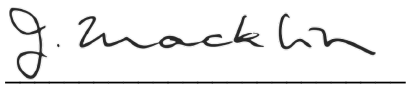
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

On behalf of the directors



Jenny Macklin
Chair

13 October 2021

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NDEPENDENT AUDITOR'S REPORT

To the members of Odyssey House Victoria

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Odyssey House Victoria (the company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Odyssey House Victoria, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the company's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of responsible entities for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, 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.

In preparing the financial report, directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

James Mooney
Director

Melbourne, 13 October 2021