



HOPES INC
ANNUAL
REPORT
2016/17

*Supporting Tasmanian adults
with acquired brain injury and/or
neurological disabilities to achieve
independence in an innovative,
co-operative environment*



Who, and Where, We Are.



ABN 99 357 694 185

Board Members 2016-2017

President:	Alison Jacob
Vice President:	Sue Hodgson OAM
Treasurer:	Ronald Cridland
Members:	Ros Calvert Rob Hill <i>until 21.06.2017</i> Barbara Olsen John Stublely <i>from 24th Feb 2017</i>
Public Officer:	Ronald Cridland

Staff Members

Co-ordinator:	Chris Oriel <i>from December 2016</i> Sara McNamara <i>until December 2016</i>
Admin Assistant:	Eliza White Karen Fall <i>from October 2016</i>
HASP Co-ordinator:	Kate Leitch

Location

Unit 8, 35 Hopkins Street, Moonah. 7009

Postal address:

PO Box 794, Moonah. Tas 7009

President's Report 2016-2017

The first year of my term as President of HOPES has been both interesting and challenging.

I should start with the obvious – being part of the Executive of a very small organisation where there are few staff and subsequent capacity is demanding. Inevitably, it is simply not possible for our hard working and efficient part time coordinator and administrative staff to take on all of the duties and responsibilities that would be covered by numerous personnel and structures in larger organisations. This means that the executive members of the Board of Management need to become closely involved in management and administrative areas that are probably outside the boundaries of Board governance. There is simply no other way to ensure that our organisation is viable and well informed, particularly at a time when there are massive changes to funding and government structures and HOPES has been looking at ways to remain viable and perhaps expand our aspirations.

The two major issues that the HOPES Board has been concerned with this year are, firstly, the pending transfer to the National Disability Insurance Scheme and secondly, assessing our viability to expand to a second site.

The transfer to the *National Disability Insurance Scheme* is a major challenge for HOPES. Over the next two years the current modest block grant funding for Laetare Court will cease as our residents gradually transition to the NDIS. This means that a sustainable model that has allowed thirteen people with neurological conditions and acquired brain injury to live harmoniously

and independently, (that ironically, meets all the requirements of good practice under the NDIS) is very much at threat.

Theoretically, each Laetare Court resident will have an NDIS plan that will include services provided within the Laetare Court Community allowing HOPES to invoice residents for these services and recoup the funding required to operate Laetare Court. However, HOPES has many concerns with the assumptions being made concerning the transition to NDIS:

1. Firstly, there is no guarantee that all current Laetare Court residents will be eligible for NDIS funding. If a resident is not assessed as eligible, it is assumed that they would either be required to leave the community or devise some other way to make a financial contribution equivalent to the amount contributed by NDIS funded residents and necessary to keep Laetare Court running as it does now. This would be financially beyond most residents.
2. Secondly, it is not clear how the services that HOPES currently provides will be costed or administered under the NDIS. HOPES provides a housing model that is unique in Tasmania and probably in Australia. Therefore, the people involved in facilitating the NDIS transition often do not have any definitive answers to how we should proceed. We do not know if Laetare Court will qualify as a Supported Independent Living Facility or what services currently provided will be included in the list of services that NDIS will fund. The price list of services that may be included in Residents' NDIS plans does not match well with services currently provided at Laetare Court and it is still unknown how HOPES can fit the NDIS model.
3. Thirdly, the administrative processes necessary to price and process claims for services provided to residents will probably be

disproportionate to the small amount of funding involved and may necessitate increasing costs claimed to pay for the extra administration required.

4. Fourthly, the gradual transition of residents in three different cohorts over two financial years and the retrospective funding model and requirement to refund any pre-paid funds will be inefficient and difficult to administer.
5. Finally, HOPES operates with minimal staff and does not have capacity to devote the staff time required to remain cognisant with NDIS bulletins, developments and meetings. Ambiguous and changing advice, and changes to personnel in NDIS related positions, do not make it easy to keep abreast!

I emphasise that HOPES is supportive of the intentions of the NDIS and applauds the additional support and assistance that will be directed to people with disabilities. However, we have serious concerns that HOPES is at risk, simply because we are unable to neatly fit any category of NDIS services and are too small to absorb any funding reduction or retrospective funding model.

The second challenge that the Board has been concerned with this year is our aspirations to expand the successful HOPES model to a second site and cater for more people who would benefit from our services. To this end HOPES commissioned an independent pre-feasibility study to outline alternatives and the feasibility of pursuing any of these options. Without going into too many details, our advice from a financial analysis is that HOPES would have to substantially compromise its standard of housing and the core-operating model and underpinning philosophy to have any chance of pursuing a second site development. Not surprisingly, the Board is not

prepared to compromise the iconic model that makes HOPES the enviable organisation that it is. It is therefore obvious that HOPES is not presently in a position to independently pursue the development of a second site without substantial input from government, a well-heeled partner with considerable equity or a philanthropic organisation. We are continuing to pursue these options and consolidate work on designs and organisational models so that we are in a position to move quickly if an opportunity arises.

The small size of our governance structure does have the advantage that the Board members have close contact with residents at Laetare Court and this is a great inspiration to me. What a wonderful group of people! I have great admiration for the way Laetare Court residents cope with their personal circumstances as well as with living side by side in a relatively close space and contributing to the cooperative community. I am sometimes 'on call' when Chris is away but there have not been any instances this year when I have needed to come out to sort any disruptions or incidents. That is not to say that there have not been some issues and some tensions that would be expected in any community and some problems that we need to continue to work through. However, I wonder if the government and wider community realise how lucky they are to have a group of residents who have various neurological issues, acquired brain injuries, and physical and psychological challenges, living together so harmoniously and not causing them any concerns. And as an ex-government bureaucrat I can't help but note that HOPES costs government and the community such a small amount and is enormous value for money!

The smooth running of Laetare Court is also of course a credit to our terrific staff: Coordinator, Chris Oriel; and administrative support personnel, Eliza

White and Karen Fall who not only do their designated jobs with expertise, enthusiasm and dedication, but often go well beyond the call of duty. In his first year of employment at HOPES, Chris has provided wonderful leadership and I have been very reliant on his good sense, energy, problem solving ability and flexibility. In any one week, Chris transitions from being gardener and handy man to spokesperson at national conferences and executive forums with great ease and aplomb! Thank you Chris! Eliza and Karen undertake the myriad of administrative and financial management duties efficiently and effectively and are very tactful in their reminders to me to do the things I forget and making sure I stay on track through any hiccups! Thank you Eliza and Karen!

I would also, of course, like to thank my fellow executive members and the Board for their substantial contributions. I always realised that Sue Hodgson would be a difficult person to replace as President of HOPES and I was not wrong. I now realise how much time and work Sue devoted to the role over many years and the high expectations of the Presidency that I cannot possibly meet. I should add that Sue's legacy is very strong and her continued support and participation in HOPES' activities as Vice President has been invaluable, as I attempted to find my feet in this new demanding role. Ron Cridland served as a very reliable, efficient and effective Treasurer and Public Officer and his understanding of the financial affairs of the organisation has been a great asset to HOPES over many years. Ron has recently decided to step down from the Board and I would like to publicly acknowledge his very substantial contribution and thank him on behalf of everyone associated with HOPES.

Also thanks to all Board members, with the continued wise guidance of long-term members Ros Calvert and Barbara Olsen and the substantial support and well considered advice from new member, John Stublely. We were sorry to accept the resignation of Rob Hills for family reasons and are delighted to welcome Marion Cooper to our Board. Marion has also recently agreed to accept the roles of Treasurer and Public Officer following Ron's resignation. Marion's extremely strong background and experience in financial management and fundraising as well as her knowledge of disability and community issues are already providing a very welcome, valuable contribution to the Board and Executive.

Thank you also to the wider community for continued support and encouragement. HOPES is facing challenges, but I am confident that we will find a way through and with everyone's help continue to make a difference.

Alison Jacob

President

November 2017

2016 - 2017 Coordinator's Report

The Laetare Court community, now in its eighth year continues to grow, develop and present new challenges and opportunities for residents, the Board and a new coordinator.

I was lucky enough to reconnect with, and receive a handover from Sara before she returned to Western Australia. As well as what I already knew of HOPES, I was immediately impressed by the overall warmth and respect residents had for each other, and the desire to play a part in the cooperative community.

Since I commenced in December, I have endeavoured to maintain the day to day operations of the HOPES cooperative functions and groups, support our residents and continue to build the profile of HOPES in the wider community.

Some highlights of the year to date have included:

- Being part of the affiliation between the Tasmanian cooperative community to the National Business Council of Cooperatives and Mutuals
- The moving of the HOPES ABI swim group from Tower Road to the KGV complex at Glenorchy
- Participation in, and representation at the Disability Expo at Wrest Point with residents and Board members from HOPES
- The hosting of the 'That was Then, This is Now' art exhibition at the Backspace Gallery with the Life Skills group
- Presenting at the National Acquired Brain Injury conference in Melbourne with Bronwyn
- Participation in the weekly groups and meeting structures and getting to know our residents
- Filming of a follow up video about HOPES' cooperative model

The imminent arrival of the National Disability Insurance Scheme (NDIS) continues to pose a number of questions and challenges for both our residents and HOPES as an organisation. Concerns remain about the new model accommodating innovative, collaborative service models, especially supporting people with an ABI.

We continue to work closely with our residents, service providers and the NDIA itself to not only remain viable, but seek to have our 'least intrusive' cooperative model validated and accepted under the scheme. We continue to receive enquiries and referrals from numerous clients, parents, service providers and advocates who think that the HOPES model is a potentially desirable housing option and this bodes well, at least in terms of demand, for the development of another HOPES site in the future.

There are always people to thank in this role and at this time, so I'll start with Alison and our entire Board for their hard work and dedication throughout the year. Secondly, Eliza and Karen for their ongoing willingness to 'go the extra mile' and accommodate change and diverse challenges. I also wish to extend my appreciation to our supporters and collaborative partners and perhaps most importantly, our Laetare Court residents for welcoming me into their community, engaging with me and making my job as coordinator one I continue to look forward to coming to work for.



HOPES INCORPORATED

ABN: 99 357 694 185

***Financial Statements
For the Year Ended 30 June 2017***

HOPES Inc.

Income Statement For the Financial Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Income			
Revenue	2.1	117,200	114,841
Other Income		4,789	5,960
Government Funding	2.2	104,191	113,865
Total Income		226,180	234,666
Expenses			
Accountancy and Audit Fees	2.3	7,200	7,489
Administration	2.4	21,151	25,745
Employment Expenses	2.5	84,410	76,188
Rental Expenses	2.6	91,473	108,408
Maintenance and Running Costs	2.7	11,543	10,671
Total Expenses		215,777	228,501
Net Operating Surplus (Deficit)		10,403	6,165

HOPES INC.

Balance Sheet as at 30 June 2017

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Assets			
Cash and Deposits			
Cash	3.1	211,471	194,713
Total Cash		<u>211,471</u>	<u>194,713</u>
Building Improvements at Cost		18,549	18,549
Furniture & Equipment at Cost less Accumulated Depreciation		17,025	17,025
Prepaid Expenses		(29,328)	(26,494)
		6,019	5,439
Total Assets		<u>223,737</u>	<u>209,233</u>
Liabilities			
Payables			
Accounts Payable	3.2	507	871
Other Creditors		4	-
GST Liabilities		717	(231)
Payroll Liabilities		1,408	2,832
Superannuation Liabilities		1,895	758
Accrued Expenses		3,434	3,121
Unexpended Grants - DHHS		66,320	58,340
Total Payables		<u>74,284</u>	<u>65,691</u>
Employee Entitlements			
Employee Provisions	3.3	3,519	8,012
Provision for Temp Employment		8,000	8,000
Total Liabilities		<u>85,804</u>	<u>81,704</u>
Net Assets		<u>137,933</u>	<u>127,529</u>
Equity			
Accumulated Funds		127,529	121,364
Net Surplus (Deficit) for the year		10,403	6,165
Total Equity		<u>137,933</u>	<u>127,529</u>

HOPES INC.

ABN 99 357 694 185

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

Hopes Inc. (Association) assists younger adult Tasmanians with acquired and/or neurological disabilities to achieve appropriate supported accommodation and respite options. Hopes Inc is a not for profit charitable institution and is exempt from income tax under subdivision 50-B of the Income Tax Assessment Act 1997. The Association is predominantly funded through grants provided by State and Commonwealth Governments.

The financial statements are a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for profits Commission Act 2012.

The Board of Management has determined that Hopes Inc is not a reporting entity and therefore is not required to prepare its financial statements in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

Notwithstanding the above statement, Australian Accounting Standards were applied in principle in the preparation of this report

Summary of Significant Accounting Policies

Property, Plant and equipment

The asset capitalisation threshold adopted by the Association is \$1,000. Assets valued at less than \$1000 are charged to the Income Statement in the year of purchase.

Employee Benefits

Employee expenses include entitlements to wages and salaries, annual leave including leave loading, sick leave, superannuation and any other employment benefits.

Superannuation expenses are paid directly the superannuation fund of employee's choice at a rate of nine per cent of salary.

Liabilities for employee entitlements are recognised when the employee becomes entitled to receive the benefit. Those liabilities expected to be realised within twelve months are measured at undiscounted amounts based on wage and salary rates that are expected to apply at the time of settlement, including related on-costs.

HOPES Inc.

Notes to the Financial Statements For the Financial Year Ended 30 June 2017

	2017 \$	2016 \$
2.1 HOPES Income		
Rental Income	115,718	112,402
HASP Income	1,482	2,439
	<u>117,200</u>	<u>114,841</u>
Other Income		
Bank Interest	1,449	2,723
Membership Fees	485	320
Donations	2,855	1,293
Miscellaneous Income	-	1,623
Total Other Income	<u>4,789</u>	<u>5,960</u>
Total HOPES Income	<u>121,989</u>	<u>120,801</u>
2.2 Government Funding		
DHHS	104,191	113,865
Total Government Funding	<u>104,191</u>	<u>113,865</u>
2.3 Accountancy and Audit Fees		
Auditor	1,550	1,600
Bookkeeping	5,589	5,830
Return Lodgement	61	59
Total Accountancy and Audit Fees	<u>7,200</u>	<u>7,489</u>
2.4 Administration		
Advertising	930	2,719
AGM Costs	568	168
Bad Debts	-	2,000
Bank fees	258	210
Catering	201	261
Centrelink Fees	307	293
Computer Expenses	556	244
Consulting	4,620	2,730
Depreciation	2,834	3,444
Dues & Subscriptions	1,698	1,844
Entertainment	294	170
Equipment Hire	1,127	1,042
General Pool Assets under \$1000	1,147	1,488
Gifts	623	391
Legal Expenses	-	500
Printing, Stationery & Postage	1,695	2,082
Skill Development	816	2,322
Travel & Entertainment	10	365
Telephone	1,846	1,807
Website	1,622	1,666
Total Administration Expenses	<u>21,151</u>	<u>25,745</u>
2.5 Employee Expenses		
Salaries	80,562	64,875
Superannuation	6,952	5,965
Professional Development	725	523
Provision for A/L expenses	95	(378)
Provision for LSL expenses	(4,588)	4,588
Workers Compensation	664	615
Total Employee Expenses	<u>84,410</u>	<u>76,188</u>

HOPES Inc.

Notes to the Financial Statements For the Financial Year Ended 30 June 2017

	2017	2016
	\$	\$
2.6 Rental Expenses		
Carers Support	1,348	18,394
Houring Tasmania	88,089	88,089
Pool Hire	2,035	1,925
Total Rental Expenses	91,473	108,408
2.7 Maintenance & Running Costs		
Electricity & Gas	1,666	1,707
Insurance	4,559	4,590
General Amenities & Cleaning	927	595
Inspection	855	600
Improvements	950	-
Repairs & Maintenance	2,586	3,179
Total Maintenance & Running Costs	11,543	10,671
3.1 Cash and Deposits		
Cash at Bank	211,159	194,401
Petty Cash & Float	312	312
Total	211,471	194,713
3.2 Payables		
Accounts Payable	507	871
Other Creditors	4	-
Accrued Expenses	3,434	3,121
GST liabilities	717	(231)
Payroll liabilities	1,408	2,832
Superannuation liabilities	1,895	758
Total Payables	7,965	7,351
3.3 Employee Liabilities		
Annual Leave Provision	2,564	2,235
Personal Leave Provision	955	1,189
Long Service Leave Provision	-	4,588
Total Employee Entitlements	3,519	8,012

HOPES INC.

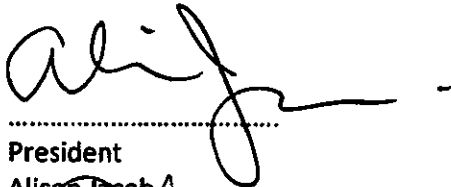
ABN 99 357 694 185

**BOARD OF MANAGEMENT DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

The Board of Management certifies that:

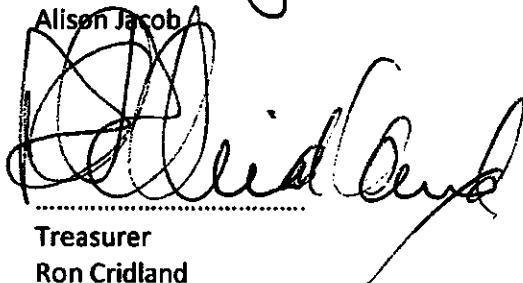
1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commissions Act 2012 and:
 - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements applicable to the company and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - b) give a true and fair view of the financial position of the company as at 30 June 2017 and its performance for the year ended on that date, in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Board's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Management by:



.....
President

Alison Jacob



.....
Treasurer

Ron Cridland

Date: 2 October 2017

HOPES INC.
ABN: 99 357 694 185
P O BOX 794
MOONAH TAS 7009

BOARD OF MANAGEMENT 2016/2017

PRESIDENT

Alison Jacob
55 Fitzroy Crescent, Dynnyme, TAS, 7005

VICE-PRESIDENT

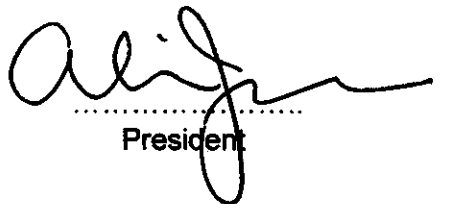
Sue Hodgson
106 Tinderbox Road, Blackmans Bay, TAS, 7052

TREASURER & PUBLIC OFFICER

Ron Cridland
3 Ivory Court, Kingston, TAS, 7050

COMMITTEE MEMBERS

Ros Calvert
Barbara Olsen
John Stublely (appointed 4 May 2017)
Robert Hill (resigned 21 June 2017)



.....
President



.....
Auditor

Hobart, 2 October 2017

**INDEPENDENT AUDIT REPORT TO
THE MEMBERS OF HOPES INC
ABN: 99 357 694 185**

Opinion

We have audited the special purpose financial report of HOPES Inc (the Association), which comprises the balance sheet as at 30 June 2017, the income statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion, the accompanying financial report of HOPES Inc has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2017, and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, 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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial report has been prepared for the purpose of fulfilling the Committee's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities for the Financial Report

The Committee of the registered entity is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the registered entities ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Michael Ian Derbyshire
Director

Hobart

2 October 2017





Laetare Sunflowers

The beautiful sunflower you see on the cover was grown by Patrick, a resident at Laetare Court. It is a heritage variety "Giant Russian", and the seeds for this flower were donated by Jill, a HOPES board member.

After flowering the flower heads were dried and seeds harvested by the gardening group.

The seeds have now been packaged by the card making group to be distributed as gifts from the Laetare Court Community.

They will also be planted to create a stunning and vibrant display in the community garden, and for future harvests.

