

Year in Review



Bedford





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Statistics and Snapshots

01 Snapshot

Annual Revenue **\$80.3M**

Fundraising \$287,372 raised from 1,688 donors
\$2,263,622 revenue from 20,742 supporters

Media footprint Bedford in the media
\$5.21M people reached

Number of employees 1285 clients / 300 support staff

Sites 19 sites across South Australia

02 Customers

Client Management 1,358 people supported through NDIS plans

Community Access & Lifestyle 140 Day Option participants
325% increase in cooking classes

Employment 270 students participating
in School to Work program

03 Businesses

Hospitality

1000 meals prepared each week
3 tonnes of biscuits per year

Manufacturing

85,000 units of furniture produced
\$250k of timber shavings for poultry farms

APG

3rd largest landscape
and construction business in SA

Packaging

Obela-Produced 720,000 Cracker Tubs
San Remo-Processed 691,000 units

04 Stories

Creating career pathways

270 students participated
in our School to Work program

Strengthening our Regions

Australia's largest
producer of picket fences

Empowering

\$2M in SIL funding
for residential clients

CAL story

344 clients in CAL
(346% growth in participation)

Chairman's Report

I'd like to extend my warmest greetings as the new Chairman of Bedford's Board and to thank you all personally for your support.

I believe 2018/19 was the most significant and challenging year on record for Australian Disability Enterprises. At Bedford it was the year we experienced more NDIS reforms and faced economic challenges and downturn- particularly in our manufacturing division and at our interstate sites, but it was also the year we diversified our capabilities and invested in the future with careful forward planning.

For our clients, Bedford is committed to helping them achieve their work and life goals and there were some fantastic outcomes in the growing areas of Residential Services, Day Options and Community Access and Learning programs (CAL) across Adelaide and our regional sites.

We also provided new opportunities and upskilled our workforce by investing in a state-of-the art clean room at Torrensville and 3D printers at Panorama, for such clients as SA Museum (making replica fossils). You'll find a more detailed analysis of that growth within this report.



Ray Grigg
Former Chairman



“It’s a great opportunity for a new-look board to sit with the Executive team and set a new strategy about what Bedford’s service mix should be and what great new opportunities will arise from the NDIS’ new Supported Employment Model.”

I’m really proud of the fact that 1358 people with disability who work, live and play at Bedford are now on comprehensive NDIS plans. It means they can maximise the opportunities of the NDIS and access unprecedented funding for so many of our services – from housing and community programs to meaningful employment and training. That transition process was necessary but expensive in terms of additional staff, resources and operating costs.

These reforms coupled with a softening economy and tightening commercial sector meant that for Bedford, we had to make a strategic decision to shift our focus back to our core operations in South Australia and unfortunately wind-down our two facilities in the highly competitive markets of New South Wales and Victoria. It was a very difficult decision to make – particularly as we only expanded into these markets in recent years, however as a Board, we couldn’t see the viability of Erskine Park and HiCity in the longer term due to the tough conditions they were operating in. Our focus during these challenging times has been on client welfare ensuring that they are supported and transition into other high-quality service providers.

Therefore, these wind-down costs and additional operating expenses contributed to Bedford incurring an operational deficit of \$9.1 million. However, we are stronger and more sustainable by taking these steps I have mentioned to safeguard Bedford’s future. Furthermore, we are already seeing strong signs of bouncing back in 2019/2020.

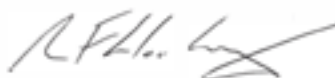
On a personal note I’d like to pay tribute to our former Chairman Ray Grigg and outgoing board member Mal Hyde OAM for their tireless efforts, years of service and dedication to our wonderful community.

Ray (pictured) provided 14 ½ years of service to Bedford – including five years as Chairman. It’s a role I know he cherished and served with honour and humility to help ensure that people with disability are given every opportunity to achieve their life goals.

We recently appointed three new board members: Piper Alderman’s Erin McCarthy, Janet Miller, CEO of the Centennial Park Cemetery Authority and Jason Gough, Director of Adelaide ICT service provider, locane. To fill the remaining board vacancies, we will appoint two more board members which will strengthen our list of directors by appointing people with experience and expertise in clinical governance and sector transformation.

It’s a great opportunity for a new-look board to sit with the Executive team and set a new strategy about what Bedford’s service mix should be and what great new opportunities will arise from the NDIS’ new Supported Employment Model.

Thank you all,



Richard Hockney
Chairman

Bedford Board Members



Erin McCarthy



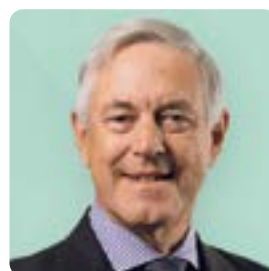
Janet Miller



Jayson Gough



Greg Connor
Deputy Chairman



Stephen Hains



The Need to Lead

Upskilling our Workforce:
Bedford is proud to equip our team members with the opportunities and skills to chase their dreams in work and life.

“Michael’s projects are very impressive and professional looking. On top of that it’s also making him happy which is what we are all about at Bedford, helping people chase their dreams.”

Anthony Exton
Personnel & Training Officer

Michael Need, who has worked at Bedford for 15 years, harbours a passion for film and design. Working in the Qantas packaging area, Bedford Personnel and Training Officer Anthony spoke to the Marketing team about an opportunity to challenge Michael in an area more suited to his skills, that he would thrive in and enjoy.

“I do a lot of things in the Qantas room, such as rolling up napkins around cutlery along with times when I work on the conveyer belt,” Michael said.

“Michael struggles sometimes in the Qantas room because it’s very noisy area and he can get frustrated by that due to his sensory issues,” Anthony said.

Michael, who has Autism Spectrum Disorder, was already involved in film and media classes offered by Tutti Arts, an arts company for people with disability. It was his parents who pointed out Michael’s incredible talents, showing his YouTube channel where he reviews newly released animated movies.

“I taught myself how to create and edit videos and graphics by watching YouTube tutorials. My classes at Tutti have taught me some more interesting tricks about using Adobe Premiere,” Michael said.

“I wanted to do my own movie reviews in a more optimistic way as opposed to other critics who often give a lot of backlash and negative opinions.”

Michael now joins the marketing team one day a week to help edit and produce videos for social media and other channels.

Flashforward a few months later and Michael has created several high-quality video projects for Bedford, showcasing his incredible skills and attention to detail.

Bedford exists to help people with disability chase their goals in work and life and will continue to provide opportunities like this for our clients to grow and upskill.

58 Bedford residents currently call Balyana home. Recent increases to NDIS funding for their Supported Independent Living or SIL resulted in an additional \$2Million in 2018/19. It means our clients can access increased services and live their best lives at the Panorama facility. One of those services is a new self-advocacy course called *Our Voice SA*.

Empowering our Community

Jacinta Ryles dreams of creating a more tolerant society. Earlier this year she took part in a series of capacity-building advocacy and information workshops.

“I heard about it and thought, that sounds good, so I went along to the first one and I realised I had a lot of stuff to say,” Jacinta said.

“We would meet and talk about general everyday aspects and because every person is different, each week you learn something, and it also makes you want to give something back.”

Originally from New South Wales, the 32-year-old was born with an inoperable, slow-growing brain tumour. In her teenage years, she moved to South Australia and in her final year at Hamilton Senior College participated in Bedford’s School to Work program.

“... So now I work for Bedford and I live at Balyana and I love it because it’s like a family within a family,” she said.

During the 12-week course Jacinta says she learnt how to use her voice and words to educate people about living with a disability and to call for change and acceptance in the wider community.

“If I can teach people, fix things and make life better for people that are in the same position as me, to make it better for them, then why not?”

Our Voice SA Project Leader, Karen Rogers says when she first brought the course to Balyana, she didn’t know if there would be much interest.

“The evening before we were due to start, only six people expressed interest and I was asked if we should cancel. We thought no - even if there were only 2 participants.

Then, as it commenced, people started wandering in. They came and kept coming and we ended up with 26 attendees,” Karen said.

Topics ranged from Decision Making, Peer Support – even a game of Human Rights Bingo and Karen says the workshops often ran overtime due to the participants’ enthusiasm.

“If you have something that’s upsetting you or worrying you, you’re better off talking to someone, because if you sit on it and stew on it, it only upsets you, and nothing gets done,” Jacinta said.

On completion of the program, the team at Balyana marked the occasion with a celebration and certificates. But it didn’t stop there. Since the training Jacinta and several others decided to keep meeting up and discussing issues of importance with a rotating chairperson for the group.

“We even wrote a letter to the local member of parliament asking if we could be considered if the government ever needed feedback about disability policy,” Jacinta said.



Learning, Living and Laughing

The past year has been an extremely successful one for helping Bedford clients across the state access Community Access & Lifestyle (CAL) programs.

Client numbers grew from supporting 77 to over 340 - many of whom now access multiple services and supports from group cooking classes to individual driving lessons and our much-loved Social Saturday club.

Community Access & Lifestyle and Day Options

CAL's General Manager, Rachael Griffiths says not only have the classes helped our clients develop skills and achieve some of their life goals, they've also had a lot of fun along the way.

"The cooking sessions in particular, are so popular, they not only teach independence and essential skills in the kitchen they're also a lot of fun and you can hear the laughter emanating down the hall. We've expanded to three sites: Panorama, Torrensville and Elizabeth," Rachael said.

These metropolitan sites are also the headquarters for "Social Saturday". The activities which are based at our centres are often celebrations of special events - like Mother's Day or might even involve a UNO championship. The community outings often involve a day in the countryside, a coastal walk or a dolphin cruise all of which provide a great opportunity for groups to meet up away from the workplace.

New offerings include *Basic Computing Sessions* which are currently based at Panorama and growing fast - a fun way to learn new skills and build on existing ones.



344 / 346%
Clients in CAL (growth in participation)

Our South Australian regional sites continued to celebrate many successes throughout the year with numbers growing to support 81 clients across three Day Options sites.

Pt Pirie's Community Access & Lifestyle (CAL) program's services and supports have increased to now provide a variety of offerings to over 30 clients for Day Option clients and Bedford employees.

Walloo commended its CAL services and supports offering social activities to current Day Option clients and employees from the Kadina site. Pt Lincoln is looking to branch out to offer CAL services in the upcoming year (New financial year) as it has been identified that current clients are interested in attending social and skill development opportunities.



Day options

The 2018/19 year saw significant growth for Panorama Day Options with numbers reaching upwards of 60 clients and we reached capacity for the first time. The introduction of our new 12-week program means our client group can experience an engaging program of activities with a real focus on individuals goals and personal growth. During that time, they focused on areas that interested them and helped them grow from week to week with new skills such as cooking, gardening, basketball while also enabling the development of positive and meaningful social relationships.

With a bigger focus on being involved in our local community Panorama Day Options continues to volunteer with Meals on Wheels and have recently commenced a partnership program with RSPCA and Sea Shepard. Our centre-based programs have been busy trying out new skills in areas such as craft making items which have proven popular for sale – lip balms, dog toys and pet treats.

One of our greatest's successes for the year has been our involvement in the 2019 SALA Festival where we had 8 works displayed by multiple Bedford artists across 2 exhibitions.



Gavin Partridge

CAL Success stories

- Services have grown from one to three sites and utilized by 340 clients
- There are up to 17 cooking classes across three sites each week
- We now have 25 dedicated Disability Support Workers including a full-time Senior Support Worker
- More program offerings from Cooking to weekly social group outings, Club Slick and Basic Computing
- Christmas and New Year Holiday activities are available at Elizabeth and Easter shutdown activities for those that work at Panorama Manufacturing
- Three clients gained their learners permit.

Over the past financial year, Bedford expanded our workforce to create a specialised Employment Services Team. A team built to align with the needs of people with disability when entering supported employment.

Education & Training

It's a critical time of NDIS reform and transition so we are ensuring we have a team to help 'onboard' people into the workforce and maximise their opportunities to achieve successful employment.

There are three separate pathways to employment, Onboarding – which supports people from the ages of 16 and over into paid employment through their NDIS package, utilising their Finding and Keeping a Job funding. This program offers work over all of our business units from a minimum of 8 hours a week up to a full-time basis.

In addition, there is a School to Work Program where students at local schools who have a disability and in years 11 or 12 can experience work whilst supported by their teachers and Bedford staff on site. This is proudly supported by the Wyatt Trust – a leading South Australian philanthropic foundation whose vision is for all South Australians to have opportunities to participate in the community and live with dignity and hope.

We have had over 270 students participating from schools in 2019 and have employed 18 students who have transitioned successfully from School to Work after they completed their education.

The NDIS has also created an exciting new funded program called SLES or School Leavers Employment Supports. This is geared towards helping a school leaver transition into work. Funding is available for two years after their schooling and is focused on creating a pathway that builds confidence, so a young person can transition safely to possible work in open employment.

This pathway includes actual work experience and capacity building, spending time with other school leavers learning the important aspects of being prepared for work, including travel training, time management and social skills needed to communicate in the workplace to name a few.

Each school leaver builds the pathway that matches their own individual goals, in the hope that the skills learnt through experiencing support and work experiences brings future opportunities in employment.



What we achieved

- We built relationships with 45 schools within SA, creating opportunity for future Bedford employee engagement
- We have had over 300 people visit our sites for tours, and employed over 100 people in 2019
- During 2019 we have met over 5000 people who have shown interest in the work that Bedford does, by attending local schools, disability expos and community engagement opportunities. Support Worker



Growing our Business at APG

Bedford's grounds maintenance and horticultural team, APG, continued its growth and expansion into landscaping offering a greater diversity of opportunity for employment and skill-building for people with disabilities.

This financial year saw the Landscape Division double its income from \$3.5 million to in excess of \$6 million for the year. This contributed to APG generating a staggering \$13 million in sales and posting a profit of \$1.17 million and a modest profit prior to funding for the third time in recent years.

Major projects of note have included the Wetland and Detention Basin at Lightsview and Bluestone Parkkindula for PEET at Mount Barker.

In fact, APG has now successfully established and expanded its operations in the Adelaide Hills with a landscape construction crew permanently operating in the hills region. Projects include: Lanser at Aston Hills, Amblemead and the newly-awarded redevelopment of Inverbrackie Detention Centre.

APG secured every grounds maintenance contract up for renewal in its portfolio ensuring further job security for staff and employees. This included the successful tender of the City of Tea Tree Gully verge works for another eight years and the City of Campbelltown Linear Park works for five years.

We also continued to invest in specialised equipment with multiple water trucks, an excavator and ride-on equipment. This equipment ensures APG is able to compete strongly in the commercial landscape and grounds maintenance environment.

Additional trade specialists have now been brought in to support our 120 employees and delivered some outstanding projects to help future proof APG in the Australian Disability Enterprises sector.

Investing and Innovating

Spotlight on three new
business partnerships

3D Printing

IN 2018/19 Bedford recognised the need to transition its manufacturing capabilities to reach out to new industries by investing in 3D Printer.

Within weeks, we secured contracts to produce home sensor devices out of corn starch and are using the same raw, recyclable materials to manufacture replica dinosaur bones for the SA Museum.



Swabfirst

This year four Adelaide health professionals teamed up with Bedford to develop drug-testing kits for South Australians.

The Swab First team recognized the growing impact of drugs within the community and developed the testing kits on the premise that people have the fundamental right to know if drugs are or have been in their homes or businesses.

Swab First CEO Leigh Whicker says the test kits provide a unique and rigorous sampling system

“It’s actually the same proven technology used and deployed by customs and border security, so we bring that level of surety into homes and everyday life. Home buyers, landlords, teachers, insurers and even shop owners will all potentially benefit from Swab First,” according to CEO Leigh Whicker.

The team considered manufacturing the products interstate or using supply chains in South-East Asia before opting for Bedford Torrensville’s state-of-the-art clean room.

“Bedford’s assembly operations are first class, secure, saves us money and guarantees work for people with disability,” Mr Whicker said.

Rosevale Lentils

Red whole nipper lentils, black beluga lentils, gluten free, low cholesterol... it’s fair to say Anna Phasey from Rosevale Lentils is passionate about lentils. In fact, she’s Lentil as Anything.

The Yourke Peninsula company specialises in premium varieties of lentils and originally produced them lentils in bulk for overseas markets, before recently opting for Bedford.

“We turned up at the Torrensville facility with about half a tonne of lentils and now they’re packaging all of our products,” Anna said.

“... and it’s great to see your supported employees turning out such quality work and with big smiles on their faces. I can really relate to that sense of community coming from a tight-knit community.”

Anna says another benefit of working with Bedford is employing a local workforce to supply the local market and keep up with the growing demand in South Australia and interstate.



“It’s actually the same proven technology used and deployed by customs and border security, so we bring that level of surety into homes and everyday life. Home buyers, landlords, teachers, insurers and even shop owners will all potentially benefit from Swab First.”

Leigh Whicker, CEO



A Snapshot of Packaging, Hospitality and Manufacturing

They're our three largest divisions and create employment for hundreds of clients and staff. While these sectors have faced changes and challenges in the current economic climate, there are still plenty of achievements and opportunities to grow.

All Packed and Ready to go

Did you know Bedford has been packing show bags for over 25 years?

We originally packed the Cadbury show bags for a company called Bensons which then evolved into the Chicane company.

Our employees love packing the show bags as they feel a sense of pride getting over 200,000 packed in time for the show. They also get a sneak peek into which bags they would like to buy. On average 60 employees pack our show bags daily but around 300 would get involved over an eight-week period. Some show bags have over 30 items.

Employees receive a quality control sheet at the start of each job showing them what products and how many are required in each bag. After packing the assorted items, they are then weighed within one gram to ensure they are all correct.

Last financial year we also labelled five million wine bottles and we package food, beverages and other supplies for hundreds of clients including San Remo, Maggie Beer, Obela and Qantas.

Cooking up a Storm

Bedford's hospitality department employs more than 140 people across three metropolitan sites. Not only do we provide more than 100 healthy meals a week over four sites, there are also over 400 plus cold food selections per week it really keeps all sites busy.

The skills the employees are learning is invaluable and will be useful for their whole life.

Cheap Tuesday is a new initiative to give the employees good value for their money and we also have a new loyalty card system which rewards customers with a free meal after a number of purchases.

Our dedicated barista-trained clients have also been serving more and more premium coffees – in fact last year we went through half a tonne of coffee beans.

We're also increasingly selling yummy sweets and treats to a broader audience. The public favourite at the moment is our take home lasagna packs and our biscuits.

However, perhaps the most important change according to our staff, is a big improvement in the employees' confidence.

Employees can create menus, order and receive and store stock, follow and implement WHS and safe food handling requirements, dealing with customers and suppliers, money handling and banking. All these skills are transferable and could be useful in open employee if they choose that career path.



Manufacturing in the Metro sites

During FY 2019 Bedford's "Ready To Assemble" manufacturing business experienced significant commercial pressure as a result of a declining retail sector in Australia and the reduction in the value of the Australian currency on the international exchange.

However, our timber processing business continued to expand with new customers such as OTR with the profiling, packaging and supply of kindling and the expansion of existing customer relationship with TimberLink.

Significant focus has also been placed on reducing the cost of operation of the Manufacturing Business with investment in a new spiral wrapping machine to replace the traditional shrink wrap oven for the packaging of Bedford Cupboards and the installation of LED technology for lighting our factories.

Strengthening our Regions

It has been an exciting year for our eight South Australian regional sites, taking on new contracts and customers and offering more services to our growing workforce.

Our Port Lincoln operations branched out into the fishing industry by creating oyster baskets to local producers in Coffin Bay.

The aim is to make 1,900 baskets a week or 75,000 baskets a year. To do this we are expanding our workforce in Port Lincoln by at least five more people.

Kadina's busy team made over 100,000 children's activity kits and over 17,000 shelf packs for our ready to assemble (RTA) for Bunnings in the past financial year. Kadina also cut over 100,000 MDF backings for our Australian made RTA range.

Port Pirie held its first Open Day recently and it was a smashing success – which included school tours, Day Options selling arts and crafts and a sausage sizzle. We also sold \$2,500 worth of our Bedford brand furniture and vertical garden beds.

During the year we sold nearly 12,000 raised garden beds into Bunnings. This year the northern regions (consisting of Kadina and Port Pirie) had a record year in terms of profitability and continues to showcase the diverse skills of our clients in the region.

Our most profitable region was Mount Gambier which carries out timber processing (moulding and docking) for local timber producers Timberlink and One Forty One. Every year Mount Gambier moulds 2,700km of timber some of which can be seen in Bunnings as picket fences that we see throughout suburbia in Australia.

From Adelaide to Perth

2700km

of timber products
processed every year



Four years ago, two organisations joined forces in the South East to rescue a beautiful but dilapidated, heritage home. The process created new skills and pathways to meaningful employment for jobseekers and people with disability.

A makeover in Mount Gambier

Located on the Jubilee Highway, Bedford Cottage sat idle for many years with rotting floors, cracked walls and even a tree growing through the living room.

Bedford's CEO Maggie Dowling says the cottage was bequeathed to us a few years ago "... and while it must have been a beautiful homestead back in its day, the cost to repair it simply wasn't feasible, so it was actually earmarked for demolition," she said.

Thankfully, local employment services provider, Job Prospects, stepped in and offered to restore the house through the Federal Government's Work for the Dole program and over a four-year period, the project gave 149 jobseekers a chance to learn construction skills including how to fix walls, repair and tile floors, paint and landscape.

Kathy Davis, Job Prospects Work for the Dole Co-ordinator, says the program has helped jobseekers improve their employability and increase their confidence.

"Now more than 55 participants are already in paid employment and it has been such a positive opportunity for job seekers to support the community and develop skills."

Bedford's Dave Willsmore and a colleague who is also vision impaired pitched in by producing three stunning beds and other wooden furniture such as bookcases and chests.

"I was determined to build this classic timber furniture with my team. I have another other vision impaired worker who shares the same passion for furniture making so I took him under my wing and we created measured templates and got to work. We completed all the furnishings ahead of schedule and we're really proud of the whole job," Dave said.

A number of local businesses donated goods to complete the house which is due to be officially opened later this year.



Fundraising for the Future

There were many ways to get involved with Bedford and help change the lives of people living with disability in 2018/19.

We are incredibly fortunate to have so many passionate donors, supporters, lottery buyers, volunteers and corporate partners.

The Stats

\$287,372 raised
from 1,688 donors

\$2,263,622 revenue
from 20,742 supporters



Over the past 12 months we asked for help to fund essential building works and programs for our clients. Budgeting for site upgrades, new initiatives and services is a fine balancing act, however we have successfully laid a foundation to deliver these projects.

Last Christmas you helped us convert an unused gym at Bedford's Panorama site into the Bedford Art Space. Our supporters rose to the challenge and, coupled with NDIS funding, we will soon have a dedicated art space for people with disability to learn about art and use it as a form of recreation and expression.

In June we called on supporters to "get behind our game" and help us launch a new community soccer league. In conjunction with Football Federation South Australia the inaugural Bedford Community League was launched in May 2019. The incredible fundraising support shown towards the league from our supporters has ensured the long-term viability of this new competition for future seasons.

These major fundraising campaigns are a testament to the capacity building activities that Bedford delivered for our clients.

The Bedford Women's Auxiliary continued to support Bedford with their annual Bridge Day, Movie Night and Christmas Morning Tea. This support has generated \$23,427.50 which helps to provide vital support across our metropolitan and regional sites.

As one of South Australia's most iconic not-for-profit organisations, we continue to rely on the generosity and support of our donors, now more than ever. That support ensures we have the freedom to do what we do best... put smiles on people's faces.

"It's fun you know, it's awesome, meeting new people who have disabilities, it's great! It's tough, but you need to give it a crack, you know, like to give it a go.

It's like a community you know, being in the family. I'd love people without disability to accept us and let us have fun."

Francis Theodore



Independent Auditor's Report

To the members of Bedford Phoenix Incorporated

Opinion

We report on the **Summary Financial Report** of Bedford Phoenix Incorporated (the **Group**) as at and for the year ended 30 June 2019. The Summary Financial Report is derived from the audited financial report of the Group (the Audited Financial Report).

In our opinion, the accompanying Summary Financial Report is consistent, in all material respects, with the Audited Financial Report, in accordance with the basis of preparation described in Note 1 to the Summary Financial Report.

The Summary Financial Report comprise:

- Consolidated statement of financial position as at 30 June 2019;
- Consolidated statement of profit and loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended; and
- Related notes.

The Summary Financial Statements are contained in the Annual Report on pages 25 to 28.

The **Group** consists of Bedford Phoenix Incorporated (the Association) and the entities it controlled at the year-end or from time to time during the financial year.

Scope of the Summary Financial Report

The Summary Financial Report does not contain all the disclosures required by Australian Accounting Standards applied in the preparation of the Audited Financial Report. Reading the Summary Financial Report and the Auditor's Report thereon, therefore, is not a substitute for reading the Audited Financial Report and the auditor's report thereon.

The Audited Financial Report and our auditor's report thereon

We expressed an unmodified audit opinion on the Audited Financial Report in our auditor's report dated 5 November 2019.

Emphasis of matter – basis of preparation and restriction of use and distribution

We draw attention to note 1 of the Summary Financial Statements which describes the basis of preparation. The Summary Financial Statements have been prepared to assist the Directors of Bedford Phoenix Incorporated for the purpose of distributing the Annual Report. As a result, the Summary Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

This Auditor's Report is intended solely for the Directors of Bedford Phoenix Incorporated and should not be used by or distributed to parties other than the Directors of Bedford Phoenix Incorporated. We disclaim any assumption of responsibility for any reliance on this Auditor's Report or on the Summary Financial Statements to which it relates to any person other than the Directors of Bedford Phoenix Incorporated of for any other purpose other than for which it was prepared.

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

Liability limited by a scheme approved under Professional Standards Legislation.



Other Information

Other Information is financial and non-financial information in Bedford Phoenix Incorporated's annual reporting, including discussion and analyses, which is provided in addition to the Summary Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Summary Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Summary Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Summary Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibility of the Directors for the Summary Financial Report

The Directors are responsible for the preparation of the Summary Financial Report in accordance with the basis of preparation described in Note 1 to the Summary Financial Report, including their derivation from the Audited Financial Report of the Group as at and for the year ended 30 June 2019.

Auditor's responsibility for the Summary Financial Report

Our responsibility is to express an opinion on whether the Summary Financial Report is consistent, in all material respects, with the Audited Financial Report based on our procedures, which were conducted in accordance with *Australian Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements*.

KPMG

Darren Ball
Partner

Adelaide

5 November 2019

Chief Executive Report



At Bedford, we're continuing to look to the future and cement our reputation as a trusted provider of integrated life services for people with disability.

This was perhaps the most challenging year to run a disability enterprise in the NDIS market in Australia's tough economic global conditions.

At the halfway point of the National Disability Insurance Scheme ('NDIS') rollout, the costs and challenges for Bedford and indeed across the sector were significant. The complexity in transitioning to a new and evolving business model in a capped price NDIS market cannot be underestimated. For Bedford, this financial year was focused on investing in our clients by assisting them to transition to their NDIS plan and adopting a strategy and structure which will provide the foundation for the opportunities presented by the NDIS in years to come - resulting in additional costs and contributing to a loss for the 2018/19 financial year.

As our Chairman Richard Hockney mentioned in his report, Bedford's relocation from Silverwater, NSW to a new purpose-built site in Erskine Park was a major undertaking. The aim was to consolidate our existing relationships with major packaging customers, many of whom had left South Australia, and at the same time increase employment opportunities for people living with disability. In reality, the establishment of a greenfield site in greater Western Sydney proved complex and added to our ongoing losses, we were forced to revise our position and wind down our operations - exiting New South Wales as a disability service provider.

In Victoria, Bedford's expansion into Melbourne through the merger with disability support provider, Oriel Services has also proved to be financially challenging from an operations perspective coupled with the need to relocate to a new expanded site and upgraded services by late 2020.

During these tough economic times, Bedford and other large commercial Australian Disability Enterprises (ADE) are subjected to the same financial pressures as any other business. In South Australia, our manufacturing division suffered a financial year loss for the first time in a number of years, largely due to the impact of offshore sourcing for the furniture range and the tough retail conditions across Australia. Packaging remained steady with a small decline on FY18, whilst horticultural business APG capitalised on existing and new landscaping project opportunities to offset losses in routine maintenance, with an overall positive result.

The changing NDIS environment and opportunities it presents to our clients has also resulted in an overall loss of work hours as clients look to take advantage of other activities.

Bedford has capitalised on this diversification of client interests, with significant growth in funding for Residential Services, Day Options and Community Access and Lifestyle programs. These are resource intensive offerings and, during the year of establishment, growth in funding was

Chief Executive Maggie Dowling and Bedford's Executive team
Sam Hellams, Aaron Brumby and Michael Kromwyk

offset by the additional costs in delivering the services. However, it is an area of vast opportunity and the foundations are now set for sustainable growth into FY20.

Bedford reported a full year loss of \$9.1M, reflecting the losses incurred from the unsuccessful relocation to Erskine Park, tough commercial market conditions and the considerable costs of the transition to the NDIS. Further investment will be required in FY20 to ensure Bedford can adjust to the new NDIS model for employment released in early October 2019, however the Bedford Management team is committed to improving efficiencies and prioritising a return to profitability.

I believe we have the financial strength and robust management skill to come out the other side bigger and better. I'm also really grateful to be supported by a fantastic Executive team in Aaron Brumby, Sam Hellams and Michael Kromwyk.

Thank you again for your support.



Maggie Dowling
Chief Executive

“I believe we have the financial strength and robust management skill to come out the other side bigger and better. I'm also really grateful to be supported by a fantastic Executive team in Aaron Brumby, Sam Hellams and Michael Kromwyk.”



Bedford Financial Report

2018/19

Summary financial report

For the year ended 30 June 2019

The financial statements and other specific disclosures is an extract of, and have been derived from, the Consolidated Group's full financial report for the financial year.

Other information included in the summary financial report is consistent with the Consolidated Group's full financial report.

The summary financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Group as the full financial report.

For the year ended 30 June 2019

Consolidated Revenue From all sources

	2015 (\$'000s)	2016 (\$'000s)	2017 (\$'000s)	2018 (\$'000s)	2019 (\$'000s)
Commercial Sales and Services	41,223	46,214	48,105	49,878	51,038
Fundraising & Investments	7,861	7,181	6,411	6,137	7,847
Fee for Service	12,972	16,061	16,804	18,797	23,125
Gain on acquisition of business	-	-	-	8,819	-
Gain on sale of property	-	-	-	-	477
Total	62,056	69,456	71,320	83,631	80,496

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Summary financial report, for the year ended 30 June 2019

	2019	2018
Operations		
Revenue from sale of goods	23,004,032	23,559,926
Revenue from rendering of services	27,632,196	26,089,991
Revenue from fundraising and lotteries	4,367,604	5,050,969
Fee for Service - Federal and State grants	6,273,770	14,882,595
Fee for Service - NDIS	16,851,256	3,914,599
Total revenue	78,128,858	73,498,080
Operations – Other income		
Gain on sale of property, plant and vehicles	476,803	-
Gain on acquisition of business	-	8,819,400
Other income	402,228	227,620
Total other income	879,031	9,047,020

	2019	2018
Operations – Expenses		
Materials and consumables used	(23,747,646)	(21,160,519)
Staff and employee expenses	(42,315,392)	(37,085,795)
Depreciation expense	(2,169,420)	(1,868,391)
Amortisation	(63,988)	(63,987)
Distribution expense	(5,468,995)	(3,763,700)
Occupancy, IT, building and plant maintenance	(10,168,242)	(7,514,239)
Other expenses	(6,046,932)	(5,005,323)
Loss on sale of property, plant and vehicles	-	(35,277)
Total expenses	(89,980,615)	(76,497,231)
Results from operating activities	(10,972,726)	6,047,869
Financial income	1,487,844	1,085,792
Financial expenses	(14,813)	(67,708)
Net financial income	1,473,031	1,018,084
Profit/(Loss) for the year	(9,499,695)	7,065,953
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
Net change in fair value of financial assets classified as fair value through other comprehensive income	375,210	1,408,641
Other comprehensive income for the year	375,210	1,408,641
Total comprehensive income/(loss) for the year	(9,124,485)	8,474,594

Consolidated Statement of Financial Position
Summary financial report, for the year ended 30 June 2019

	2019	2018
Assets / Current assets		
Cash and cash equivalents	5,258,210	3,453,914
Trade and other receivables	10,188,451	8,700,844
Prepayments	701,633	965,360
Inventories	5,403,428	7,216,036
Financial assets	3,544,494	2,070,891
Assets held for sale	841,231	4,062,550
Total current assets	25,937,447	26,469,595
Non-current assets		
Financial assets	17,354,122	20,531,604
Property, plant and vehicles	32,594,181	35,042,657
Intangible Assets	293,457	357,445
Inventories	5,403,428	7,216,036
Total non-current assets	50,241,760	55,931,706
Total assets	76,179,207	82,401,301

	2019	2018
Liabilities / Current Liabilities		
Trade and other payables	6,549,923	7,013,736
Employee benefits	5,984,260	5,431,626
Provisions	2,806,474	-
Borrowings	614,267	-
Total current liabilities	15,954,924	12,445,362
Non-current liabilities		
Employee benefits	436,123	1,043,294
Total non-current liabilities	436,123	1,043,294
Total liabilities	16,391,047	13,488,656
Net Assets	59,788,160	68,912,645
Equity		
Reserves	16,004,862	15,629,652
Accumulated funds	43,783,298	53,282,993
Total Equity	59,788,160	68,912,645

Consolidated Statement of changes in equity
Summary financial report, for the year ended 30 June 2019

	Fair value reserve	Other reserve	Accumulated funds	Total
Balance at 1 July 2017	1,596,628	12,624,383	46,217,040	60,438,051
Profit for the year	-	-	7,065,953	7,065,953
Other comprehensive income				
Net change in fair value of financial assets classified as fair value through other comprehensive income	1,408,641	-	-	1,408,641
Balance at 30 June 2018	3,005,269	12,624,383	53,282,993	68,912,645
Balance at 1 July 2018	3,005,269	12,624,383	53,282,993	68,912,645
Loss for the year	-	-	(9,499,695)	(9,499,695)
Other comprehensive income				
Net change in fair value of financial assets classified as fair value through other comprehensive income	375,210	-	-	375,210
Balance at 30 June 2018	3,380,479	12,624,383	43,783,298	59,788,160

Consolidated Statement of cash flows
Summary financial report, for the year ended 30 June 2019

	2019	2018
Cash flows from operating activities	\$	\$
Cash receipts in the course of trading operations	59,144,452	64,424,079
Cash payments in the course of trading operations	(86,995,606)	(83,319,962)
Net cash used in the course of trading operations	(27,851,154)	(18,895,883)
Fee for Service - Federal and State grants	6,273,770	14,882,595
Fee for Service - NDIS	16,851,256	3,984,042
Net cash (used in) from operating activities	(4,726,128)	(29,246)
Cash flows from investing activities		
Dividends received	829,950	689,420
Interest received	103,123	157,974
Imputation credits received	-	238,399
Net proceeds from sale of shares & Investments	2,471,484	2,308,681
Proceeds from sale of property, plant and vehicles	4,752,761	26,634
Payments for property, plant and vehicles	(2,226,348)	(3,049,148)
Funds Acquired on Acquisition	-	651,560
Net cash (used in)/from investing activities	5,930,970	1,023,520
Cash Flows from Financing Activities		
Finance lease payments	-	(5,563)
Proceeds from / (Repayment of) external loan	614,267	-
Interest paid	(14,813)	(67,708)
Net cash (used in) financing activities	599,454	(73,271)
Net increase/(decrease) in cash and cash equivalents	1,804,296	921,003
Cash and cash equivalents at 1 July	3,453,914	2,532,911
Cash and cash equivalents at 30 June	5,258,210	3,453,914

Notes to the summary financial report
Summary financial report, for the year ended 30 June 2019

1. BASIS OF PREPARATION OF SUMMARY FINANCIAL REPORT

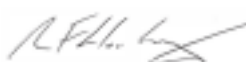
The summary financial report has been prepared based on the Consolidated Group's full financial reports. Other information included in the summary financial report is consistent with the Consolidated Group's full financial report. The summary financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Group as the full financial report.

The financial report is prepared on the historical cost basis except that financial instruments measured at fair value, in accordance with AASB9.

A full description of the accounting policies adopted by the Consolidated Group may be found in the Consolidated Group's full financial report. The presentation currency is Australian dollars.

STATEMENT BY THE BOARD

In the opinion of the Board of Bedford Phoenix Incorporated, the attached summary financial report for the financial year ended 30 June 2019 set out on pages 3 to 7 has been derived from or is consistent with the full financial report for the financial year.



Richard Hockney
Chairman



Gregory Connor
Deputy Chairman

Dated at Adelaide this 5th day of November 2019.

Highlights of the Year

2018/19 was a year to remember!

The Bedford Big Sports BBQ was held in February at Adelaide Oval with over 500 guests, we kick-started our Bedford Community League in partnership with Football Federation SA and celebrated the amazing milestones of our wonderful Bedford family on International Day of Disability.

Bedford is also lucky to have some amazing fundraising groups, like the Bedford Women's Auxiliary, who held events throughout the year to help us change the lives of people with disability.

Clockwise from the top image:

Big Sports BBQ, Years of Service Awards on International Day of Disability, Bedford's inaugural Community Soccer League, and Big Sports BBQ.





Tom Doedee



Faye Packham

Meet our Ambassadors

From media personalities to business leaders, Bedford has many proud and passionate supporters spreading our message and good deeds to a wider community including newcomer Tom Doedee.

Signing a two-year contract extension with the Adelaide Football Club isn't the only exciting deal Crows' defender Tom Doedee recently struck. The talented 21-year-old also pledged his support as a Bedford Ambassador for 2019.

Tom has already been warmly welcomed by our Bedford family during his many visits.

"It's an incredible place with incredible people doing incredible things and you feel like everyone's got a purpose," he said.

"When I visited Bedford's sites, it was nice to see so many people talk to me, but it didn't last long because the next thing I know they're saying 'sorry, I've got to get back to work!'"

What many people may not know is that he has also overcome adversity and obstacles in life. At age 11, Tom's talented and athletic brother Harley was involved in a serious car accident that left him a double amputee. After his recovery, Harley decided to keep fit by taking up competitive wheelchair basketball and Tom and other family members decided to join him to help keep his spirits up.

Tom has also learnt a lot about Down syndrome from Maggie - the youngest sister of his partner. He admires her positive attitude and says she brightens everyone's day.

Tom has been kind enough to share his story and new-found love of Bedford across a number of media outlets and in the process, it has earned him the coveted Crows award for Best Community Leadership in 2019.

Joining Tom as a proud ambassador fundraiser extraordinaire, Faye Packham whose tireless coordination of the SA Quilters Guild 'Mystery Quilt Challenge' is incomparable, raising substantial funds every year for Bedford.

Faye has been a Bedford Ambassador for many years and is an active member of the Bedford Family Network.

She provides an important perspective as an active member of the Family Network as a parent of Lauren, who is a Bedford employee living with disability.

Many thanks to all our wonderful supporters and sponsors, patrons and ambassadors.

Thank you

Honorary Life Members

Mrs ER Atwell
Dr G Bethune
Dr AB Black OAM
Ms A Bolkus
Mrs CM Brown
Ms VK Bryant
Mr AW Burnell
Mr EM Byrt
Mr M Chappel
Mrs R Davison
Miss G Dickson
Mr R Domaschenz
Mr JF Dunkley
Mr C Dunsford AM
Mrs L Fuss
Mr JC Goodall
Mrs S Hateley
Mrs A Heyworth

Mr M Hughes
Mr KF Kelly AM
Mrs B King
Dr NH Kirby
Mr D Knight
Mrs ED Kosmala OAM
Mrs S Kuchta
Mr S Leibhardt
Mrs J MacFarlane
Mr M Makrid
Mr BP Martin AO
The Hon RG Matheson AM QC
Mrs BD Morish
Mrs BC Mudge
Sister M O'Connell
Mr HD O'Connor AM
Mrs F Packham
Mrs H Pitt

Mrs N Pullen
Mrs TM Pye
Mr AB Robins OAM
Mr KC Rogers OAM
Mrs M Shannon AM OAM
Mrs E Shaw
Mr A Somerville
Mr GM Soper
Mr WJ Stamm AM †
Mr RJ Styling AFSM OAM
Mr I Terry
Mrs M Terry
Mrs A Tiddy
Mr JBL Tucker
Mr JA Uhrig AC
Mrs J Von Stanke
Mr PG White
Mrs F Whyte

Women's Auxiliary Life Members

Mrs A Day
Mrs M Hayward
Mrs C Heard
Mrs K McCurdie
Mrs J Songster
Mrs P Wagner



For over 70 years Bedford has been changing the lives of people with disability by building capacity, independence and wellbeing.

Our mission is to build a world where everyone has a right to participate in life. We build confidence, skills and a feeling of being a part of something amazing.

But more importantly, we build belief.



Bedford

08 8275 0211
bedfordgroup.com.au

