



## **Our Vision**

The most innovative and dynamic employer of people with disabilities in Australia, operating successful commercial businesses that provide outstanding opportunities for the development of our greatest asset ...our people.



## **Contents**

02	Year in Review
04	Chairman's Report
06	Our People
08	Commercial Operations
13	Business Development
14	Human Resources
16	Awards Feature
18	Financial Statements





## The Year in Review > Our plans have driven our outcomes

It is pleasing to be able to report that financially this past twelve months has been a good improvement on last year. In total Phoenix has seen a significant increase in its commercial operations and more so the establishment of sound partnering arrangements with many South Australian icons which has lead to not only financial success currently but we believe long term financial success for the Society in general.

Our **Elizabeth** facility, which has now been in operation for two and a half years, is a prime example of how sound planning and sticking to those plans in the implementation process can lead to outcomes, not only with financial success but also with success for employment for people with disabilities. The partnerships that we have developed at Elizabeth, in particular in relation to the automotive and white goods industries, have seen this facility rise rapidly to quickly becoming our most financially successful division within the Phoenix group. More so, we have been able to increase employment opportunities to people with a disability in the northern suburbs of Adelaide.

Our **Whyalla** facility likewise is another prime example of how careful planning can ensure we reach desired outcomes. In the past four years we have continued to see our Whyalla division improve financially and more so continue to increase the number of employment opportunities that we provide for people with disabilities in the Whyalla region. Whilst we continue to supply work from Adelaide into Whyalla to assist in the provision of employment, we are also seeing an increase in work opportunities from the surrounding area.

Our **Torrensville** division continues to become stronger. Whilst it is our largest and most diverse employer of people with disabilities, it is now starting to establish some niche markets and improving financially as a division, but it is also providing variance and opportunity in the type of work that we are providing for our employees. We are making some significant investment in this division in the purchasing of specialist equipment to assist in processing the volumes of work now required by our many large customers who use Torrensville to support their packaging needs.

Our **Gepps Cross** division has had a difficult year, particularly in the early stages of the financial year. In the latter part we have won a number of major contracts in the division which will give us a great opportunity for the future as these contracts are ongoing and likely to provide a significant improvement in financial return.

Our mailing bureau of **Post Haste** continues to struggle in a very competitive marketplace. Whilst we have recently seen an influx of new work opportunities which will result in improved financial returns in future years, the past twelve months have been very difficult. With the latest technology however, we are striving to offer our customers solutions to their mailing problems resulting in the development of long term customer relationships.

Quite often an area of our organisation which goes unnoticed is that of our **Fundraising** division. The past twelve months has seen our fundraising develop significantly and with the generosity and support of the public of South Australia we have been able to raise significant funds

towards the acquisition of new capital equipment that supplements our production facilities and enables our employees to do their job easier. Fundraising is an integral part of what we do and is critical to our ongoing development as it provides the capital injection that otherwise would not be available to us.

Our growth in employment numbers during the year is a major achievement. It is pleasing that at the end of June our employment numbers totalled 406 - the first time that we have ever exceeded 400 employees within Phoenix. Again, this is a consequence of good planning where we put in place a plan three years ago to grow our employee numbers to 400 by June 2004. To enable our facilities to continue to grow to meet the market demand that is needed it will be critical that we continue to grow our employee numbers to 500 over the next three years. This will have a two-fold effect; firstly in providing the employment resources we need to meet customer demand, but more importantly to provide further employment opportunities for another 100 people with disabilities in South Australia in a varied range of opportunities. Our employment growth continues to be a reflection of our commitment to our

vision and the provision of opportunities to people with a disability.

During the year we underwent a Business Services Review conducted by consultants engaged by the Department of Family and Community Services. As a successful outcome of that review, Phoenix Society received a commitment to funding during the next financial year of \$385,000 to assist us in the acquisition of some capital equipment, but more so in the establishment of a new computer system that will enable us to develop management tools in the provision of information to assist all Managers in understanding their business more accurately. This Review again was a reinforcement of the confidence that Government has shown in the operation of Phoenix and recognises that we are a leader in our field.

With changes to funding to take place from July 2004, we have over the last twelve months been working hard placing ourselves in a position to move to Case Based Funding from this time. Whilst this comes with some uncertainty as it means that our funding will now be varied in accordance with the individual needs of each person, we believe that this is a much fairer method of funding and will bring equality to the industry and

we believe will lead to a greater financial outcome for Phoenix in the years ahead and will assist us to improve the level of support that we can offer our employees.

During the year we completed our fifth Enterprise Agreement with our staff and employees. This process recognises the support we have within Phoenix and without a lot of difficulty we were able to reach outcomes that provided a win/win situation for our staff, employees and Phoenix in general. What was pleasing within this Agreement was an understanding by all parties of their individual needs and the desire to reach outcomes that benefited everyone without seriously impacting the financial position of any.

Late in the financial year we undertook a process of strategic planning. This is in line with our normal direction of undertaking three year strategic plans. The outcome of this will be the establishment of a Strategic Plan early in the financial year 2004/05 and will give us clear direction that we can follow for the next three years and guide us in actions to achieve good outcomes for people with disabilities.

In summary, the years continue to be difficult, more so in the degree of variability we have in achieving our desired outcomes with the mix of commercial activity, fundraising, meeting government outcomes, quality standards, disability standards, enterprise agreements and the planning process.

There is every reason to be proud of what has been achieved over this past twelve months and I certainly look forward to this continuing.

**IAN M. TERRY**  
Chief Executive Officer



**The best laid plans > For the last couple of years, Phoenix has undergone considerable change in its operations where clear strategies saw us invest in new buildings and equipment that would ultimately lead to greater efficiencies and subsequently employment opportunities for people with disabilities.**



**With these changes came impacts to the commerciality of our organisation. Financially the previous two years have been quite difficult. At the commencement of the 2003/2004 financial year, the Board was resolute that this year had to be a year of consolidation, but more importantly a year that produced a positive financial outcome for the organisation and which provided a return both in terms of financial and employment opportunities for the investments previously made.**

Significant plans were put in place to ensure that greater sales were achieved and that operating costs were controlled ensuring that we achieved a good financial position.

This year Phoenix produced an operating surplus of \$75,480 which is an excellent result. This was \$65,466 better than our budget but more so was a positive turnaround over the previous twelve months of \$416,076. The excellent trading result was as a direct result of an increase in sales, cost curtailment, improvement in our fundraising ventures and increases in government funding.

More importantly, the year ahead looks even more positive as we are now starting to reap the financial return from difficult decisions and investments taken in past years.

During the year we continued our programme of increasing employment numbers. It was very pleasing that at the end of the financial year our employee numbers reached 406, an increase of 6 on our targets and the first time in the history of Phoenix that we have exceeded 400 employees. It is our intention to continue to grow this important number and to achieve 500 employees in three years time as we continue to strive to meet the vision of Phoenix in providing opportunities for our greatest asset – our people.

Our Fundraising programmes continue to be a very strong part of the Phoenix organisation. This year we saw a significant increase in the financial return through our fundraising programmes and decisions taken within our Fundraising department to make changes. The monies raised from our fundraising goes directly towards capital acquisition and training and development of people with

disabilities. It is our method of being able to attract capital monies.

During the year, the Board increased its commitment towards Corporate Governance. We engaged the expertise of an external consultant to advise the Board on requirements of Board Members to ensure that they take an active and responsible role in the direction of the organisation. This was followed by a one day Strategic Planning seminar for all Board members where we were able to clearly define the expectations of Phoenix.

These are:

1. Be a leader in the creation of policies and standards for the disability services industry.
2. Strive for continuous improvement in all aspects of our business through regular bench marking against relevant organisations.
3. Vigorously pursue ideas and innovations that will create more employment opportunities for people with disabilities.
4. Demonstrate a commitment to the well being of our people through

high standards of health, safety and welfare.

5. Practice sound and responsible corporate governance while complying with all legal, financial and environmental obligations.
6. Build strong communication and promotional links with all relevant internal and external stakeholders.
7. Encourage research into the disability services industry and Phoenix in particular.
8. Investigate and develop opportunities that will facilitate the fuller integration of our people into the wider community.

By our commitment to these expectations, there is every reason to expect that Phoenix will continue to prosper and be the leader in the field where we so proudly hold our head high.

We continue to have a long and involving association with various government departments. During the year Phoenix underwent a Business Services Review and an outcome of that was the commitment to funding by the Commonwealth Government of \$385,000 towards capital needs of the organisation. Particularly the Department of Family and Community Services continues to support our operations as we work together, again to provide the best outcomes for people with disabilities.

At our Annual Awards Day held at the Festival Centre in December 2003, we were pleased to welcome our Patron Her Excellency Marjorie Jackson-Nelson, AC, CVO, MBE, Governor of South Australia who presented Awards to many of our employees for both special achievement and long service.

At our Awards Day held in Whyalla we were pleased to have the Mayor of

Whyalla, Jim Pollock likewise present special awards and long service awards to the hard working employees at our Whyalla division.

The Board expresses its appreciation to Ian Terry, his Management team, Staff and Employees and especially to our many volunteers for their tireless efforts over what has been a very difficult but rewarding year.

I also express my appreciation to my fellow Board Members who have been willing to give of their time and lend their expertise and support to the objectives of Phoenix and its employees.

**TONY ROBINS**  
Chairman





## Our people > Management Committee

Standing, left to right: Mr Peter Freeman, Mr Ken Prosser, Mr Terry Harris, Mrs Nina Hayter, Mr Andrew Ormandy, Mr Geoff Brogan, Mr Jeff Goodall

Seated, left to right: Mr Barry Longhorn, Mr Ian Terry, Mrs Frances Whyte, Mr Robert Styling

**PATRON >** Her Excellency, Mrs Marjorie Jackson-Nelson,  
AC CVO MBE, Governor of South Australia

**VICE-PATRONS >** Lady EH Wilson  
Mr MJB Evans

### MANAGEMENT COMMITTEE

**Chief Executive Officer,** Mr Ian Terry

**General Manager, Industrial Services Division,** Mr Geoff Brogan

**General Manager, Timber Products Division,** Mr Jeff Goodall

**General Manager, Finance,** Mr Peter Freeman

**General Manager, Whyalla Division,** Mr Terry Harris

**Manager, Employee Services,** Mrs Nina Hayter

**General Manager, Post Haste,** Mr Barry Longhorn

**Business Development Manager,** Mr Andrew Ormandy

**General Manager, Assembly & Packaging,** Mr Ken Prosser

**General Manager, Human Resources,** Mr Robert Styling

**Personal Assistant,** Mrs Frances Whyte

### WORKERS' LIAISON COMMITTEE

Mr RJ Styling  
(Chairman)

Mr IM Terry

Mr GW Brogan

Miss F Clare

Miss S Borlak

Mr R Darling

Mr B Longhorn

Mr K Mitchell

Mr S Taylor

Miss K Gourlay

Miss H Pearce

Miss M Scheerle

Miss M Smith

Mr JC Goodall

Mr G Jorgensen

Mr P Borlack

Mrs J Frick

Mr K Posser

Mr G Hicks

Mr J Bubner

### ENTERPRISE DEVELOPMENT COMMITTEE

Mrs A Drysdale  
(Chairperson)

Mr IM Terry

Mr RJ Styling

Mr T Love

Mr B Sullivan

Mr J Grantham

Mrs K Wear

Mrs K Petty

Mrs A King

Miss W Anderson

Miss K Gourlay

Mr R Darling

Mr G Jorgensen

## BOARD MEMBERS

### Mr Tony Robins (Chairman)

Dip Tech Bus Admin  
FAICD  
Joined the Board in 1993  
Director, Tony Robins Recruiters



### Dr Andrew Black

MB, BS, B. Med Sc (Hons),  
FRACP  
Joined the Board in 1978  
Accredited Medical Specialist  
Neurology & Epileptology



### Mr Peter White

CA  
Joined the Board in 1996  
Director,  
Ironstone RE Limited



### Mr Peter Bacciarelli

GAICD  
Joined the Board in 2000  
Operations Manager  
Viscount Plastics (SA) Pty Ltd



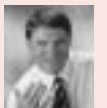
### Mr John Cooper

BA (Hons), M Psych, MAPS  
Joined the Board in 1991  
Senior Clinical Psychologist  
Department of Correctional Services



### Mr Steve Whitham

Joined the Board in 2002  
Managing Director  
Steve Whitham Media  
& Communications



### Mr Heini Becker

SBS&J, JP  
Joined the Board in 1997  
Retired State Member  
of Parliament



### Mr Chris Harris

Joined the Board in 1997  
State Manager (SA/NT)  
Nestle Icecream



### Miss Karen Gourlay

Employee Representative  
Joined the Board in 2002



### Dr Graeme Bethune

B Ec (Hons), PHD, FCPA, FAICD  
Joined the Board in 2000  
Group Executive,  
Investor Relations  
Santos Limited



### Mr Kevin Rogers

LLB, SM  
Joined the Board in 1970  
Magistrate



### Mr Ralph Darling

Employee Representative  
Joined the Board in 2002



### Mr Ian Terry

B Bus, CPA, FAICD  
Chief Executive Officer  
Phoenix Society Incorporated



## HONORARY LIFE GOVERNOR

1977 Mr GM Reid, MBE †

## HONORARY LIFE MEMBERS

1973 Mr RE Carter, OBE, MM, †  
1975 Mr LA Polkinghorne †  
1978 Miss EB Sandford  
1979 Dr AW Burnell  
1979 Mrs BD Morish  
1980 Mr G Templer †  
1987 Mr JB Hastwell †  
1989 Mr SG Hocking  
1996 Dr AB Black, OAM  
1997 Mr WJ Stamm, AM

1974 Miss DJ Forward †  
1976 Mr GM Soper  
1978 Mr JH Trenerry †  
1979 Miss M Kither †  
1979 Mrs JH Reid  
1982 Rev GH Young †  
1987 Mrs CE Rushby †  
1991 Mr KC Rogers, OAM  
1996 Mrs ED Kosmala, OAM  
2002 Mr WF Kelly

1975 Mrs C Marks †  
1978 Miss G Dickson  
1978 Mr JBL Tucker  
1979 Mrs VJ Maurice  
1980 Mr JJ Barber †  
1984 Mr RR Martin  
1988 Mr IC Snaith  
1992 Mr RA Footner, AM  
1997 Mrs EE Bone †

## PAST PRESIDENTS

1961 – 66 Sir Herbert Mayo

1966 – 67 Mr GM Reid, MBE †

## PREVIOUS CHAIRMEN

1958 – 61 Dr DMcG Williamson  
1977 – 85 Mr G Templer †  
1996 – 00 Mr KF Kelly

1961 – 70 Mr GM Reid, MBE †  
1985 – 91 Mr RA Footner, AM

1970 – 77 Mr JBL Tucker  
1991 – 96 Mr WJ Stamm, AM

## WOMEN'S AUXILIARY LIFE MEMBERS

2003 Mrs M Hayward



## Commercial Operations >

### Post Haste

*...a good long term planning process*

**We all receive mail at home on a daily basis and just expect that someone prepares the material, places it in an envelope and licks and seals it.**

But it's not quite that simple.

Post Haste deals with millions of articles a year, using customer databases to mail items with very small turnaround times. Respecting customer confidentiality, privacy and statutory requirements, Post Haste uses its state of the art technology to meet demands, but it is the vibrant team that makes it happen against time.

The investment in premises and technology places Post Haste amongst the market leaders in the Mailing Industry, particularly with its willingness to offer flexibility in customer needs.

This has been an outcome of a good long term planning process that saw a gradual implementation of technology and a balancing of resources to meet customer demand and needs.

Our plans for the future encompass additional people skills, investment in additional new technology and the streamlining of systems and procedures to improve operational efficiency.

With our goals set for the next three years and our action plans firmly in place, Post Haste can look forward to planned growth which will benefit all who work for Phoenix Society.

## Assembly & Packaging *...where we plan to be in the future*

**This is the time of the year to review where we are now and where we plan to be in the future.**

The speed at which this year has passed has been frightening. The markets we serve have been changing at an alarming rate, subsequently Torrensville Assembly and Packaging division has undergone a crucial change.

Although we still perform some traditional packaging functions, there has been a definite trend towards more demanding and complex work. Not only do we perform a greater diversity of functions, but higher levels of skills are required.

As a consequence, we have invested in the latest technology of machinery that

can assist in meeting customer demand and help our employees to further develop their working skills.

This transition has been possible due to the strong focus on training and development, at the heart of Phoenix, which enables each of our employees to progress to their full potential.

The new skills needed have tested us all, but our employees have embraced the opportunity to develop even further. These are the challenges we welcome in order to evolve with our markets and pursue perpetual growth.

It is going to be an exiting year ahead. Our plan is to continue to seek interesting and challenging work that will give our employees and staff the fulfilment we all need in life.



## Timber Products Division

*...future outcomes will be enhanced*

**The past year proved to be extremely demanding with the key objective to increase commercial sales at the site allowing for additional opportunities to lift employee placements.**

The results in commercial outcomes were mixed with the most successful being the securing of additional sales and a subsequent larger customer base in the rough sawn timber products department.

Flow on effects of stability in monthly sales resulted in vastly improved production flows and subsequent daily outputs.

The furniture department slowly lifted over the year after initially being affected by a decline in sales with existing customers, largely attributed to

the considerable rise in imports affecting both market share and pricing.

Additional resources allocated to the lounge frame section allowed additional daily unit output notably later in the year while providing both consistency and diversity in skill development.

Strategic plans have recently been completed for the next three years in conjunction with all employees and target both growth and continuous improvement in all facets of the business.

Coupled with the continued strong commitment by all employees, future outcomes will be enhanced at the Gepps Cross facility.



# Industrial Services Division

*...well planned ideas taking shape*

## The Pride of the North – right on target

**The plans were set 3 years ago and now we are seeing those well planned ideas taking shape with the Elizabeth facility now returning consistent positive returns not only financially but also in providing improved lifestyles for our people.**

We have a strong customer base supporting this facility and this, coupled with an increasing number of employees and appropriate staff providing support, ensures we can continue to improve our position within the community.

Our plans also include encouraging those who work at Elizabeth to

participate in recreational activities outside of work hours, such as Netball and Tenpin Bowling. We have also formed a Parent Committee who provide volunteer support when required and assist with BBQ days and other social activities. They also hold fundraising events which are providing extra financial assistance to some of our now famous luncheons that are held regularly throughout the year.

The Elizabeth Strategic Plan has allowed us to grow our strengths and work on our weaknesses so that we can continually monitor our targets and aim to exceed our ambitions and therefore, in this industry, we will always be *THE PRIDE OF THE NORTH.*



## What an Achievement



**As a sub-division of the Elizabeth facility, Phoenix continues to operate a successful enclave of 20 employees at the Electrolux Spare Parts Division.**

This is providing a further choice in employment for our people who like the opportunity to be challenged by working off-site and in particular the opportunity to be part of the social atmosphere at Electrolux.

This strong partnership that we have between Phoenix and Electrolux has recently been recognised with our success in receiving the Prime Minister's Award for Excellence in Community Business Partnerships for South Australia.

It is a just outcome for a strong commitment between two organisations working together for the betterment of their respective businesses.

## Whyalla Division

*...ongoing  
commitment  
by all*

**This last year has been one of ongoing commitment by all at Whyalla to focus on our continuing growth and this objective is strengthening year by year.**

We are fortunate to have the support of local businesses and the community, as well as our local Member of Parliament, Lyn Breuer.

Employee numbers have increased to 55 and our goal of 70 employees over the next two years is within our sights. These increases have assisted in improved efficiency levels and flexibility with job rotation. Due to the ongoing growth in both sales and employee numbers there was a need to employ an additional supervisor in February this year.

Partnerships with Onesteel, Qantas, Australian Hiramasa, Whyalla Hospital and Protector Alsafe continue to strengthen, providing us with opportunities to develop and build on current commitments.

The Whyalla facility now refurbishes all Qantas headsets that pass through the Adelaide terminal. It is encouraging to see the spirit and enthusiasm of all involved as they have stepped up to this challenge, as have those involved in Embroidery and Car Detailing as these areas continue to grow.

We look forward to another 12 months of challenge and making a difference in quality of life for people with disabilities in the region.



# Business Development >

*...a marketing plan has been developed*

**Following the appointment of a Business Development Manager as a result of our last comprehensive strategic planning process, the profile and awareness of Phoenix in the market place has increased.**

A review of Phoenix marketing materials has resulted in the creation of a coordinated suite of resources that compliment and reinforce the valuable Phoenix brand. These include the development of 'fact sheets' for each of the commercial operations that effectively convey the services that are available and the culture that Phoenix promotes as a leader in the Business Services industry sector. A range of promotional banners for use at speaking engagements, trade shows and recruitment functions have also supported the professional image and quality services that Phoenix provides.

A marketing plan has been developed that has provided a wide range of networking opportunities resulting in



new business for all of Phoenix commercial divisions. Importantly the awareness and profile of Phoenix is now being more effectively promoted and the foundation has been set for future opportunities to be capitalised on.

New markets for Phoenix services have been identified and will be developed further in the coming year.

Some of the new clients that have resulted from the implementation of these business development strategies include the Adelaide Football Club, Port Adelaide Football Club, Department of Education and Children's Services, Sleephaven, Inspired Automotive Marketing, Adelaide United, Australian Marketing Institute, Corporate Express, Stamford Hotels & Resorts.

## Phoenix Women's Auxiliary

**Yet again the members of the Women's Auxiliary have, through their hard working efforts, made a fabulous contribution to Phoenix and its employees over the past twelve months.**

Through its fundraising activities including Bridge Days, Morning Teas and Christmas Card sales, the Auxiliary raised and donated to Phoenix in excess of \$22,000 towards employee amenities at both the Torrensville and Whyalla divisions. We again thank the Auxiliary for their commitment and dedication to the Phoenix Vision.





## Human Resources >

### *...our commitment to continuous improvement*

**This year has been challenging once again. As well as our challenges commercially, we have had to deal with some significant structural changes both within the Division and in relation to our funding requirements all while continuing to maintain and develop our support programs for people with disabilities.**

Our experience with the Case Based Funding model over the last 3 years has been invaluable as we prepare to move all our employees to this system over the next 2 years. The first 25% will have been transferred by the time this report is published. This process involves completion of detailed assessments of all employees with disabilities to determine their appropriate levels of funding.

During this period we have also had to prepare for audits against the Disability Services Standards, WorkCover's Safety Achiever Business System and against ISO 9000/2000.

The changes in the Division occurred as a result of the retirement of Jack Littler our long serving Training and Development Manager and Darryl Tomlinson who was the Training and Development Officer at our Gepps Cross Facility. Both had been key people in the development of a lot of the systems in use at Phoenix Society.

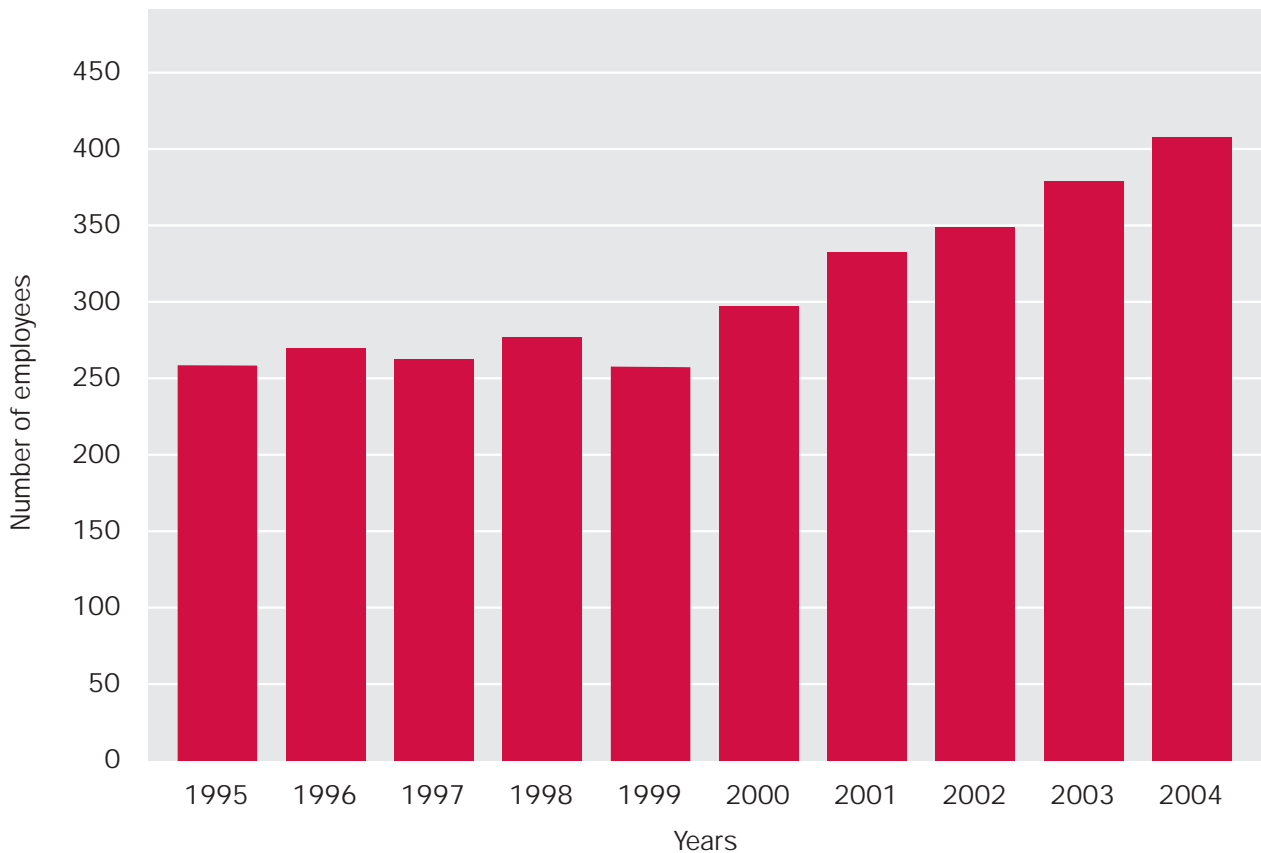
We have been joined by Nina Hayter in the new role of Employee Services Manager. Nina brings to us a background in adult education and auditing which will enable us to further enhance the systems we have in place.

Phoenix continues to provide high quality OHS&W programs for its staff and employees. For the 11th consecutive year we have maintained the top level of accreditation to WorkCover's Safety Achiever Business system. This has resulted in considerable savings in reduced levies and claims costs as well as fewer lost time injuries.

As part of our commitment to continuous improvement we are continually reviewing these programs and streamlining our processes. In line with the review of the HR Division's structure to ensure that we deliver appropriate levels of service to both our internal and external customers we will be reviewing the entire OHS&W function during the next 12 months.

We have identified a number of areas in the Division that will require change to ensure that we keep up to date with requirements of Case Based Funding and other areas of the Disability Reforms Package introduced by the Federal Government. Any new process as large as this has its teething problems and we believe that through our relationship with the Department of Family and Community Services, particularly the State Office will ensure that we can react to these changes in a timely manner.

We have just completed an extensive planning process that will guide us through the next 3 years. We believe we are well positioned to take on the challenges that will be presented to us over this period.



# Awards >

## The Gordon Reid Medalist Denise Cowper (Torrensville)

Kindly sponsored by the Gordon Reid Trust Fund



### Sporting Achievement Award

**Andrew Becker (Torrensville)**



Kindly sponsored by Port Adelaide Football Club

### OHS&W Awards

**Christopher Darling (Whyalla)**



Kindly sponsored by Phoenix Women's Auxiliary

### Special Merit Awards

**Kenneth Rossow (Whyalla)**



Kindly sponsored by Phoenix Whyalla Auxiliary

**Peter Harris (Torrensville)**



Kindly sponsored by Rotary Club of Kidman Park

**Michaela Slajs (Elizabeth)**



Kindly sponsored by Esme Bone  
and Belinda Marie Winter Trust Funds

**Anthony Turner (Gepps Cross)**



Kindly sponsored by Steinhoff Furniture

## Most Improved Employee Awards

**Jenna Rogers (Whyalla)**



Kindly sponsored by Fire Bird Committee

**Sharon Mitchell (Torrensvile)**



Kindly sponsored by Griffin Press Ltd

**David Stitt (Gepps Cross)**



Kindly sponsored by Amcor Fibre Packaging

**Jessica Hamshere (Elizabeth)**



Kindly sponsored by Electrolux Home Products

## Employee of the Year Awards

**Katherine Ring (Whyalla)**



Kindly sponsored by Rotary Club of Whyalla

**Stephen Taylor (Torrensvile)**



Kindly sponsored by Rotary Club of Thebarton

**Leigh Brabyn (Gepps Cross)**



Kindly sponsored by RT Patterson Trust Fund

**Raymond Learmonth (Elizabeth)**



Kindly sponsored by RT Patterson Trust Fund

2004 Award winners with our Patron, Her Excellency, Mrs Marjorie Jackson-Nelson, AC CVO MBE, Governor of South Australia





# INCOME AND EXPENDITURE STATEMENT

for the year ended 30 June 2004

	2004		2003	
	\$	\$	\$	\$
Gross Sales from Commercial Operations		7,631,034		5,817,879
Less Cost of Sales (See Note 2)		<u>5,783,660</u>		<u>4,551,172</u>
Gross Contribution from Commercial Operations		1,847,374		1,266,707
Recurrent Government Subsidies and Special Grants		2,022,623		1,835,713
Gross Fundraising Income	1,225,534		1,024,139	
Less Cost of Prizes	<u>280,999</u>		<u>243,655</u>	
Gross Income less Prize Costs	944,535		780,484	
Less Fundraising Costs	520,126		484,600	
Less Public Relations Costs	<u>188,187</u>		<u>175,177</u>	
Net Fundraising Contribution		236,222		120,707
Bequests and Donations	87,129		108,251	
Interest Received	100,727		103,017	
Membership Subscriptions	<u>1,746</u>		<u>1,788</u>	
		<u>189,602</u>		<u>213,056</u>
		4,295,821		3,436,183
Less Cost of Operations and Services (See Note 2)		<u>3,446,961</u>		<u>3,100,977</u>
		848,860		335,206
Less Employment Support		<u>773,380</u>		<u>675,802</u>
Net Operating Surplus / (Deficit) for Year		<u><b>\$75,480</b></u>		<u><b>\$(340,596)</b></u>

# BALANCE SHEET

as at 30 June 2004

	2004	2003
	\$	\$
<b>ACCUMULATED FUNDS</b>		
<b>OPERATING FUND</b>		
Balance brought forward	3,243,498	3,584,094
Net Operating Surplus (Deficit) for Year	<u>75,480</u>	<u>(340,596)</u>
	3,318,978	3,243,498
<b>CAPITAL FUNDS</b>		
Balance brought forward	4,653,470	4,653,470
<b>TRUST FUNDS</b> (See Note 3)		
	<u>38,681</u>	<u>38,964</u>
<b>TOTAL FUNDS</b>	<b><u>\$8,011,129</u></b>	<b><u>\$7,935,932</u></b>
represented by :-		
<b>NON CURRENT ASSETS</b>		
Land and Buildings - at cost	5,555,132	5,508,607
Plant, Equipment and Vehicles	5,761,666	5,634,893
Less Provision for Depreciation	<u>3,928,998</u>	<u>3,633,507</u>
	1,832,668	2,001,386
Investments (See Note 4)	0	0
Capital Development Fund (See Note 4)	<u>1,248,415</u>	<u>1,364,121</u>
	8,636,215	8,874,114
<b>CURRENT ASSETS</b>		
Trade Debtors and Accrued Items (after providing \$25000 for Doubtful Debts - 2003 \$25,000)	1,679,152	1,223,520
Stocks on Hand (See Note 5)	321,871	270,722
Cash at Bank and on Hand	218,080	220,280
Capital Development Fund (See Note 4)	115,706	108,524
Investments (See Note 4)	<u>233,413</u>	<u>356,776</u>
	2,568,222	2,179,822
<b>TOTAL ASSETS</b>	<b><u>11,204,437</u></b>	<b><u>11,053,936</u></b>
<b>CURRENT LIABILITIES</b>		
Sundry Creditors and Accruals	1,224,964	1,045,392
Government Funding	0	1,853
Provision for Annual Leave	239,310	209,529
Provision for Long Service Leave(See Note1(ii))	300,634	316,423
Deferred Purchase Agreement		
Elizabeth Facility ( See Notes 4 & 6 )	<u>115,706</u>	<u>108,524</u>
	1,880,614	1,681,721
<b>NON CURRENT LIABILITIES</b>		
Deferred Purchase Agreement		
Elizabeth Facility ( See Notes 4 & 6 )	1,248,415	1,364,121
Provision for Long Service Leave (See Note 1(ii))	<u>64,280</u>	<u>72,162</u>
	1,312,695	1,436,283
<b>NET ASSETS</b>	<b><u>\$8,011,129</u></b>	<b><u>\$7,935,932</u></b>

# STATEMENT OF CASH FLOWS

for the Reporting Period ended 30 June 2004

	2004	2003
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Receipts from Customers	7,191,409	5,591,986
Recurrent Government Operating Subsidies & Grants	2,022,623	1,837,566
Payments to Suppliers and Employees	(9,374,725)	(7,647,033)
Interest Received	84,720	82,695
Interest Paid	(92,539)	(83,902)
Membership Subscriptions	1,746	1,788
Gross Fundraising Income	1,225,534	1,078,029
Cost of Prizes and Fundraising Costs	(989,312)	(908,042)
Bequests and Donations	<u>87,129</u>	<u>108,251</u>
Net Cash Provided by Operating Activities (Note 7.1)	156,585	61,338
<b>Cash Flows from Investing Activities</b>		
Payment for Property, Plant, Equipment and Vehicles	(556,833)	(794,491)
Proceeds from Disposal of Property, Plant Equipment & Vehicles	166,444	43,085
Decrease/Increase( ) in investments	<u>231,887</u>	<u>418,687</u>
Net Cash used in Investing Activities	(158,502)	(332,719)
<b>Cash Flows from Financing Activities</b>		
Award Trust Funds Receipts and Interest	1,617	301
Cost of Awards	<u>(1,900)</u>	<u>(2,300)</u>
Net Cash provided by Financing Activities	(283)	<u>(1,999)</u>
Net Decrease in Cash Held	(2,200)	(273,380)
Cash at the Beginning of the Reporting Period	<u>220,280</u>	<u>493,660</u>
<b>Cash at the End of the Reporting Period (Note 7.2)</b>	<b><u>\$218,080</u></b>	<b><u>\$220,280</u></b>

# NOTES TO AND FORMING PART OF THE ACCOUNTS

for the year ended 30 June 2004

## NOTE 1.

The Society is not a reporting entity. These accounts are therefore "Special Purpose Financial Reports" that have been prepared solely to meet the requirements of the Associations Incorporation Act 1985 and Regulations and the Constitution of the Society.

The Society has applied the following Accounting Standards in the preparation of these accounts.

- (a) AAS1 - Statement Of Financial Performance
- (b) AAS2 - Inventories
- (c) AAS5 - Materiality
- (d) AAS6 - Accounting Policies
- (e) AAS8 - Events occurring after Reporting Date
- (f) AAS28 - Statement of Cash Flows.

No other Standards or professional reporting requirements (Urgent Issues Group Consensus Views) have mandatory applicability and as such have not been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of significant accounting policies adopted by the Society in the preparation of the financial statements.

### (i) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net value of each item of plant, equipment and vehicles over its expected useful life. Buildings have not been depreciated in accordance with the Australian Accounting Standard AAS4. The Society considers it inappropriate to depreciate the cost of buildings.

### (ii) Employee Entitlements

The amounts expected to be paid to employees for their pro rata entitlement to Long Service and Annual Leave are accrued annually at current pay rates having regard to experience of employee departures and period of service. The accrual for long service leave is calculated after the completion of four (4) years service. The current liability as at 30th June 2004 in accordance with existing statutory requirements being seven or more years of service is \$300,634 (2003 - \$316,423).

### (iii) Cash

For the purposes of the Statement of Cash Flows, cash includes cash in hand and at call deposits with banks or financial institutions and investments in money market instruments with less than 14 days to maturity.

## NOTE 2. THE COST OF SALES AND COST OF OPERATIONS AND SERVICES INCLUDES THE FOLLOWING:

	2004	2003
	\$	\$
Depreciation of Plant and Equipment and Vehicles	414,812	414,694
Bad and Doubtful Debts	0	5,775
Audit Fees and Associated Services	30,277	24,812
Profit from sales of Fixed Assets	10,754	5,515
Interest on Deferred Purchase Agreement for Elizabeth	92,539	83,902

## NOTE 3. TRUST FUNDS

Trust Funds are made up of the following:

	2004	2003
	\$	\$
Education Trust Fund	12,242	11,755
RT Paterson Trust Fund	4,622	5,302
Firebird Committee Personal Development Fund	4,369	4,435
Belinda Winter Trust Fund	4,240	4,215
EE Bone Trust Fund	2,765	2,751
Gordon Reid Trust Fund	10,442	10,506
	<b>\$ 38,681</b>	<b>\$ 38,964</b>

## NOTE 4. CAPITAL DEVELOPMENT FUND AND INVESTMENTS

Investment Funds have been allocated to Capital Development Funds to provide for known expenditure on the building at the Elizabeth Facility as at 30 June 2004. The principal amount due on the deferred purchase agreement for the Elizabeth Facility at 30 June 2004 is \$1,364,121.

The principal repayments for the Elizabeth Facility for the year ended 30 June 2005 is \$115,706 and are shown as a Capital Development Fund in Current Assets. The balance of the principal, being \$1,248,415 is provided for in the Capital Development Fund in Non-current Assets.

These funds and the balance of the investments being \$233,413 are invested in term deposits and bank bills.

## NOTE 5. STOCKS ON HAND

Stocks on hand are made up as follows:

	2004	2003
	\$	\$
1. Raw Materials	178,061	189,785
2. Work in Progress	109,573	43,276
3. Finished Goods	34,237	37,661
	<b>\$ 321,871</b>	<b>\$ 270,722</b>

Valued at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads.

## NOTE 6. DEFERRED PURCHASE AGREEMENT - LAND AND BUILDINGS

During the year ended June 30 2003, the Society finalised its option to repay by way of principal and interest deferred purchase agreement the cost of the construction of the buildings at the Elizabeth facility in the amount of \$1,472,645 out of a total cost of construction of \$1,972,645. The principal on the deferred purchase agreement is repayable over ten years in instalments which commenced on 30 September 2003. The total interest cost over the life of the agreement is \$537,984 which when added to the principal of \$1,472,645 will make a total repayment of \$2,010,629.

Under the terms of the deferred purchase agreement the title to the land at Elizabeth South will not transfer to the Society until the final payment on the principal and interest deferred purchase agreement is made on 30 June 2013. The rights to ownership of the building therefore do not transfer until the same date as the transfer of the land.

During the year ended June 30 2004 principal and interest repayments totalling \$201,063 were made under the agreement.

## NOTE 7. STATEMENT OF CASH FLOWS

7.1 Reconciliation of Net Cash provided by Operating Activities to Net Surplus for the year

	2004	2003
	\$	\$
(Deficit) Surplus for the Year	75,480	(340,596)
Depreciation	414,812	414,694
Profit on Disposal of Property, Plant, Equipment and Vehicles	(10,754)	(5,515)
(Increase) Decrease in Trade and Sundry Debtors and Prepayments	(455,632)	(176,769)
(Increase) Decrease in Stocks	(51,149)	(20,715)
Increase (Decrease) in Sundry Creditors and Accruals	177,718	160,712
Increase (Decrease) in Employee Entitlements	6,110	29,527
Net Cash Provided by Operating Activities	<b>\$ 156,585</b>	<b>\$ 61,338</b>
7.2 Reconciliation of Cash		
<b>Cash at Bank and on Hand</b>	<b>\$ 218,080</b>	<b>\$ 220,280</b>

## NOTE 8. TAX STATUS

The activities of the entity are exempt from income tax.

## STATEMENT BY THE BOARD

for the year ended 30 June 2004

The Board has determined that the Society is not a reporting entity.

The accounts are "Special Purpose Financial Reports" that have been prepared solely to meet the requirements of the *Associations Incorporation Act 1985* and Regulations and the Constitution of the Society. The Society has applied the Accounting Standards as detailed in Note 1 to the accounts.

In the opinion of the Board:

- (a) the accompanying accounts comprising the Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and the notes to and forming part of the accounts, present fairly the results of the operations and the cash flows of the Society for the financial year ended 30th June 2004 and the state of affairs of the Society as at that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board.

(Signed)

**T. Robins**

Board Member

Adelaide, 25th August 2004

(Signed)

**P. White**

Board Member

## REPORT BY THE BOARD

for the year ended 30 June 2004

During the financial year to which the accounts relate and in the opinion of the members of the Board:

- (a) no officer of the Board of the Society, a firm of which an officer is a member, or a body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, a firm of which the officer is a member or a body corporate in which the officer has a substantial financial interest and the Society, and
- (b) no officer of the Society has received directly or indirectly from the Society any payment or other benefit of a pecuniary value other than in the ordinary course of business.

Signed in accordance with a resolution of the Board.

(Signed)

**T. Robins**

Board Member

Adelaide, 25th August 2004

(Signed)

**P. White**

Board Member

# INDEPENDENT **AUDIT REPORT**

to the Members of Phoenix Society Incorporated

## **Scope**

We have audited the financial report of the Phoenix Society Incorporated for the financial year ended 30th June 2004 comprising the Statement by the Board, the Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and the notes to and forming part of the accounts. The Society's Board is responsible for the financial report and has determined an opinion on them to the members of the Society. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for the distribution to members for the purpose of fulfilling the Board's financial reporting requirements under the Associations Incorporation Act 1985 and Regulations and the Constitution of the Society. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial report. These policies do not require the application of Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

## **Audit Opinion**

In our opinion the financial report of Phoenix Society Incorporated present fairly, in accordance with the accounting policies described in Note 1 to the financial report the financial state of the Society as at 30th June 2004, and the results of its operations and cash flows for the year ended on that date.

We have received all the information and explanations we requested for the purposes of the audit.

(Signed)

**GR Ashby**

Partner

NELSON WHEELER  
Chartered Accountants  
200 East Terrace, Adelaide, SA

25th August 2004

## **Our “Corporate Values”**

### **Phoenix will...**

- > **Protect the assets and further the objects of the Society for the well-being and security of our members.**
- > **Always respect the needs and aspirations of our employees and staff.**
- > **Maintain the principle of honesty and integrity in our dealings with our people, our customers and the general public at all times.**
- > **Show tolerance and understanding in delivering outcomes to our people whilst upholding their dignity and equality.**
- > **Cultivate trust by all connected to the Society by promoting a caring and ethical attitude.**
- > **Instil pride in our actions and ideals and educate the public to understand more clearly the role of the Society.**
- > **Uphold the privacy of all who are associated with the Society.**
- > **Resolve issues quickly and professionally for the well-being of all parties.**
- > **Respect and uphold the laws of the land that protect the well-being of the Society.**
- > **Foster growth and prosperity of the Society through the efforts of our team.**

