



# ANNUAL ACCOUNTS

for the financial year ended  
31 March 2014

## **President's Report**

### **Financial Result**

For the 12 months to 31 March 2014, the Board and Management of the Ashburton Trust continued their strategy of growing revenues where possible, whilst achieving cost savings and efficiencies, to offset increases in fixed costs, maintaining core profitability, and continuing with a controlled re-investment programme.

On behalf of the Board, I am therefore pleased to report that despite some challenges, good progress was made during the year on achieving these goals, and the Ashburton Trust continues to be well positioned to continue to grow and develop profitably, whilst delivering ongoing benefits to our community.

There were some challenges in a number of our businesses during the year – during the early part of our financial year, our late night venues reduced in profitability due to new competition entering the market. This situation is ongoing, and we are carefully considering our options to address this. Our conference and functions business, which was very strong in the first quarter of the financial year, also reduced after this time, due to the much needed refurbishment of our facilities at Hotel Ashburton, which resulted in the temporary closure of function rooms. Repairs to earthquake damage at the Speights Ale House over summer 2014 also impacted on our revenues and profitability. However, this work is now complete, and both of these businesses are performing in accordance with our expectations, and are now well placed to continue to deliver on our strategic goals.

Total Revenue for the year was \$18.9m, which was slightly higher than the previous year.

Group total comprehensive income showed a small loss of \$44,000 compared to a surplus of \$592,000 in the previous year. The reduction in group total comprehensive income was mainly due to reduced increases of investment property valuations over the previous year.

Our programme of reducing costs continued with a number of successful initiatives during the year. Through entering a collective insurance scheme with other licensing trusts, we reduced our annual premium cost by \$90,000, and expect additional savings in future years. We also implemented new point of sale and payroll management systems, which will allow us to improve our margins and capture improved efficiencies.

Going forward, I expect to see further improvements in profitability, driven through a combination of sales growth, improved operating efficiencies, and reductions in fixed costs where possible.

### **Strategic Plan**

The board and management of Ashburton Trust continued to focus on key strategic goals throughout the 2013-14 financial year.

Our ongoing vision has been to serve and benefit our community through the ownership and operation of successful businesses.

Primary objectives for the year continued to be to improve long term profitability, to build value in equity, through a balanced programme of debt management and re-investment into existing assets, and to maintain community support.

There have been a number of plans put in place to drive delivery of these objectives, many of which were based on improving the efficiency of all of our business operations. This is a journey that will

take some time to complete, but I feel that we made good progress throughout the 2013-14 financial year, and this has continued into the current financial year.

During the year we also renegotiated our banking arrangements, which led to an ongoing reduction in interest costs. At the end of the financial year, we restructured our bank debt, and have now commenced repayments, in accordance with our debt management plan.

We faced challenges in certain market segments, and some unavoidable costs relative to refurbishment and improvement of our venues. However good control of other costs, and strong revenue growth in other market segments combined to allow us to deliver similar profitability from our core trading operations. Whilst it was disappointing to record a small overall loss for the 2013-14 year, our businesses are generally in a better position to deliver on our medium to long term strategic goals.

### **Looking Forward**

A new Ashburton Trust Board was elected in October 2013. We welcomed Chris Robertson and Jim Lischner, and farewelled Stuart Leadley and Garry Haskett. The new board has carefully reviewed and updated the strategic and business plans of the Ashburton Trust, and is focussed on continuing to drive the business forward in accordance with our strategic goals. Whilst we have seen a strong positive turnaround over the last four years, there is still much to be accomplished.

There are a number of projects that will be completed during the current financial year, continuing to fulfil our objective of re-investing in existing assets. Further refurbishment work at the Hotel Ashburton, commencing towards the end of summer 2015, will upgrade the remainder of the accommodation facilities, which is seen as a key strategy to ensure the ongoing success of this business. The board are also working through plans to refurbish the interior of Speights Ale House, and possibly extend the building, with a view to work commencing in January 2015.

### **Community support**

The Board of the Ashburton Trust is very proud to continue to support a number of community organisations over the last year through sponsorships and donations. These included sports clubs, the arts, community events, service groups and the EA Networks Stadium.

### **Thank you**

I would like to take this opportunity, on behalf of the board, to thank our community, customers, suppliers and especially our management and staff for all their contributions towards the success of the Ashburton Trust over the last year. I have personally enjoyed my involvement, and look forward to working to further grow and develop this important community asset.

Our AGM will be held at the Hotel Ashburton, at 5pm on Thursday 7th August 2014.

**Alister Lilley**  
**President**  
**Ashburton Licensing Trust**