

President's Report

Financial Result

For the 12 months to 31st March 2013, the Board and Management of the Ashburton Trust set goals of growing revenues where possible, whilst achieving cost savings and efficiencies, to offset significant increases in fixed costs, maintaining profitability, and continuing with a controlled re-investment programme.

On behalf of the Board, I am therefore pleased to report that good progress was made during the year on achieving these goals, and the Ashburton Trust is now 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 – Winter 2012 was a particularly difficult time for accommodation providers throughout the country, especially in Canterbury, however these were offset by strong performance from a number of our other businesses, particularly bars, restaurants and taverns.

Total Revenue for the year was \$18.8m, an increase of 3% over the previous year.

Group comprehensive income was \$592,000 compared to \$541,000 in the previous year, an increase of 9%.

Improvements in turnover, and profitability were somewhat offset by unavoidable cost increases, particularly insurance costs, which have increased threefold over the last three years.

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 2012-13 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 were 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 were 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 2012-13 financial year, and this has continued into the current financial year.

We faced challenges in certain market segments, combined with some unavoidable cost increases, we addressed these through good control of costs, and grew revenue and margins in other segments of our businesses, ultimately delivering another profitable year.

Our focus on improving the structure, systems, and processes in our businesses has left us well placed to continue to grow and improve, and the outlook for the coming year is positive as a result of this.

Looking Forward

The current Ashburton Trust Board is nearing the end of its term. With elections in early October, I believe that the business has achieved a fantastic turnaround over the last three years, and is well placed for a new board to continue to drive sustainable improvements.

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 in August 2013, will upgrade the conference and functions facilities to a high standard. An outside seating area for over 50 diners, at Braided Rivers in Burnett Street will be completed by the end of September 2013. Refurbishment and upgrade of the Speights Ale House in Burnett Street will also commence soon.

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 and service groups, the Hospital refurbishment project 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 Tuesday 13th August 2013.

Alister Lilley

President

Ashburton Licensing Trust.

Organisations supported by the Ashburton Trust in the 2012/13 financial year, through sponsorships and donations, totalled over \$95,000 and included:

- Ashburton Blind Foundation
- Ashburton Trotting Club
- Ashburton Racing Club
- Basketball Mid Canterbury
- Sport Mid Canterbury
- EA Networks Stadium
- Ashburton Fanciers Society
- Ashburton Bird Club
- Ashburton Business Association – Santa Parade
- Ashburton Business Association – Annual Awards
- Mid Canterbury Rugby
- Mid Canterbury Newcomers Association - Multi Cultural Bite Festival
- Ashburton A& P Association – Annual Show
- Ashburton Society of Arts – Annual Exhibition
- Mid Canterbury Tennis