

I HAVE pleasure in presenting, on behalf of the members of the Trust, the fifth annual report and statements of accounts for the past financial year and balance-sheet as at 31st March, 1949.

The turnover for the year at £360,610 9s. 2d. is the highest on record since the inception in July, 1944, and represents an increase in all Departments. Benefit has been derived from the experience gained and the experience undertaken in the retailing of intoxicating liquor. Our staffs are now more efficient and experienced, and have been instrumental in producing a very high standard of service, and this has been reflected on the general good behaviour in hotels.

A strict observance of legalized drinking-hours has prevented overindulgence, and of this fact the members of the Trust are very proud.

There is, however, a considerable amount of liquor sold, not under Trust control, for consumption in the City of Invercargill, and it is still thought that the ultimate aim of a Trust should be complete control over all liquor consumed in its particular licensing area.

Our accommodation houses have now been brought up to a very good standard, and the Grand Hotel is now comparable with the best accommodation houses in New Zealand, with accommodation for one hundred and twenty guests.

The selling of liquor in the Brown Owl Restaurant has recently been discontinued because of lack of patronage from the very persons from whom it was hoped assistance would be received in our endeavours to improve upon the usual methods of consumption of liquor. Even with the removal of drink from the café, there appears to be a certain amount of prejudice to the Trust operating a restaurant, cake-shop, and milk-bar, and the advisability of reconstructing the premises to provide up-to-date bars is under consideration. Owing to the present-day high cost of building and the shortages of building-materials, we are still obliged to make use of the temporary bars erected at the time the Trust first commenced operations, and the availability of the extra bar space in the Brown Owl premises would help to relieve the present overcrowding of existing bars.

From the financial aspect, the year has been a most successful one, and it is pleasing to report that the Trust is now in a very sound financial position. The net profit for the year at £34,216 8s. 11d. is the highest on record, and compares favourably with the previous best of £32,960 13s. 9d. for the year ended 31st March, 1946. After full provision for special depreciation and taxation, a net balance of £10,029 11s. 1d. remains.

The members of the Trust feel that, while it is desirable to build up reserves, and ultimately have the Trust free of debt, it is preferable to allocate a small proportion of the profits to the present-day public instead of making no distributions now, and leaving the Trust free of debt to posterity.

A word of praise is due to our various staffs, who are becoming much more experienced in the management of hotels.

In accordance with this policy, it is proposed to distribute a further £2,500 from the profits for the year ended 31st March, 1949, and transfer to General Reserve Account, £7,529 11s. 1d., which will bring the total of General Reserve Account to £23,143 2s. 1d. The total profits distributed to date under the Act is now £13,940 19s. 5d.

H. RITCHIE, Chairman.