

I am privileged to give my first Chairman's Report at the end of such a successful year for ACT. Turnover was at an all time high of £108,241,498, giving a trading profit of £2,382,786. This allowed your Board to pay a trading bonus and interest to shareholders of £1,123,415. The record turnover was not solely due to price inflation as fertilizer volumes grew by 24,000 tonnes, feed volumes increased by 10%, and forage seed sales reached a record high.

Price inflation is something of which farmers are all too aware. I read in the Press recently that the cost of farm inputs had increased on average by 13% in the last 12 months. This made me consider if output prices had kept pace. Finished cattle and sheep probably have, whilst cereal growers had their big increases last year. Some dairy farmers have enjoyed a 13% increase in their selling price, others undoubtedly have not. However, it must be remembered that the starting point was unprofitably low. Potato growers are still operating within the price parameters of the last 20 years and are doing what all farmers are good at, tightening their belts and becoming more efficient.

In order to be even more competitive ACT are continually looking for savings. Investment in technology and training enables the Managing Director and his staff to deliver efficiencies year on year. One way you, the Shareholder/customer, can help is in your method of payment. Many customers, myself included, do not like paying by direct debit because they are not totally in control. However, payment can now be made directly into ACT's Bank a/c by Internet Banking / Electronic transfer using the details to be found on your monthly statement. This should be less expensive to you than writing a cheque and it delivers economies to ACT. Please ask your Bank or your Area Manager about this and consider it.

When your contact with the Company is your local Area Manager, who you have probably known for years, it is easy to forget that ACT is a farmer owned and controlled Company. As such, we aim to win your business by giving as good a service as anybody in the market place, and it is the Board's strategy to grow the volume traded in order to deliver this. I thank you for the record trade you have done with us this year, and hope you will keep supporting ACT in order to maintain a strong farmer owned business supplying your inputs.

In conclusion, I wish to extend my thanks first of all to our Managing Director, John Hamilton, and his staff without whose commendable efforts this year's excellent result would not have been possible. Last December saw the retirement of Michael Wallbank after 17 years on the Board, serving the last 9 years as Chairman. Such service is rare and commendable, and I wish to extend our thanks and best wishes on behalf of myself, the Board and the Shareholders to Michael and his wife Hazel. Finally I would like to thank my fellow Board members for their support and thoughtful contributions and look forward to another challenging and successful year.

George Hendry
Chairman