

**2015**  
**CONCISE**  
**ANNUAL**  
**REPORT**



OUR VISION IS TO BE

# NEW ZEALAND'S LEADING FOOD AND GROCERY RETAILER & WHOLESALER.

WE PUT OUR **CUSTOMERS** AT THE **HEART** OF EVERYTHING WE DO.



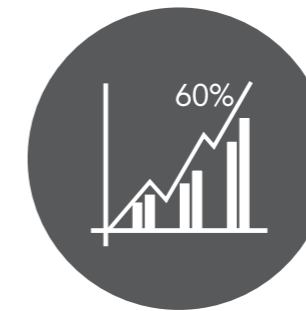
TO ACHIEVE OUR STRATEGY WE WILL FOCUS ON:

YOU REACHING YOUR FULL POTENTIAL	GETTING TO KNOW OUR CUSTOMERS
LEADING THE MARKET WITH RELEVANT BRANDS	FINANCIAL AND OPERATIONAL EXCELLENCE

WE'LL KNOW WE'VE SUCCEEDED WHEN:



OUR CUSTOMERS AND SUPPLIERS PREFER US



OUR SALES AND MARKET SHARE CONTINUE TO GROW



AND WE CAN SEE A LONG AND SUSTAINABLE FUTURE AHEAD



WITH EXCITING CAREERS FOR FUTURE GENERATIONS





WE PUT OUR  
CUSTOMERS  
AT THE  
HEART OF  
EVERYTHING  
WE DO

---

## CONTENTS

---

**04** DIRECTORS' REPORT

**10** YOU REACHING YOUR  
FULL POTENTIAL

---

**12** GETTING TO KNOW  
OUR CUSTOMERS

**16** LEADING THE MARKET  
WITH RELEVANT  
BRANDS

---

**20** FINANCIAL AND  
OPERATIONAL  
EXCELLENCE

**24** NATIONAL PROGRESS  
REPORT

---

**28** FINANCIAL  
HIGHLIGHTS

**30** BOARD OF DIRECTORS

---

**32** EXECUTIVE TEAM

**34** SUMMARY OF  
FINANCIAL STATEMENTS

---

**46** ACKNOWLEDGEMENTS

---



# DIRECTORS' REPORT

This second Foodstuffs North Island Limited (FSNI) Annual Report tells the story of FSNI's first full year as an entity. The business has had another extraordinary year which included the complexities of integration and realising merger benefits, while setting the future direction to achieve our Vision to be 'New Zealand's Leading Food and Grocery Retailer and Wholesaler'.

Foodstuffs North Island had a successful 2014/15 financial year. The business completed the merger to the backdrop of: reducing costs, increasing profits, growing sales and market share. The financial year closed with a market share of 55.8%, 0.3% up on the prior year and in dollar terms Foodstuffs North Island store sales totalled \$7.2bn up \$242.0m (3.5%) on the prior year with all banners experiencing strong retail and wholesale sales dollar growth.

## A STRATEGY FOR THE FUTURE

One of the most significant achievements of the 2014/15 financial year is the development of FSNI's Strategy, strategic focus areas and goals. The Strategy, which received Board approval in September 2014, has set the direction of the co-operative and has enabled us to create the roadmap of initiatives we'll all be investing in to reach our Vision.

## Customer-Led

One of the most significant decisions around strategy is the overarching philosophy of putting our customers at the heart of everything FSNI does. In many ways FSNI was already a customer-focussed organisation and the Board could see that by extending to become even more customer-led, it would position FSNI well in the future.

## Strategic Focus Areas

The FSNI Strategy includes four strategic focus areas. They are:

- Getting to know our customers
- You reaching your full potential
- Leading the market with relevant brands
- Operational and financial excellence

All FSNI Business Plan initiatives are designed to drive these four key focus areas. There is more detail about these in the reports that follow.

## MERGER INTEGRATION AND FINANCIAL BENEFITS REALISATION

### Integration of our Systems and Processes

The 2014/15 financial year has been focussed on locking in a strong foundation. Integration work has continued on systems and processes to establish our FSNI 'one way of doing business' and our Membership has continued to accept the challenges of our alignment and embraced the benefits of these changes, resulting in strong margins in store.

FSNI has continued to make changes to further integrate FSNI and increase productivity in the Support Centre and profitability in store. The shift of all FSNI's financial transactions to SAP progressed and there was further consolidation of technology platforms towards one common network.

## Merger Financial Benefits

In the 2014/15 financial year, FSNI significantly exceeded the planned \$20m of merger benefits while still protecting the company's competitive position and profitability. Targets have been met, or exceeded, in almost all planned areas as the Support Centre operating model is simplified and optimised. Productivity and efficiency benefits across the end-to-end Supply Chain have been the real stand-out this year.

Beyond savings in salary and wages, direct employee costs have been significantly reduced. There has also been savings from motor vehicle fleet reduction, renegotiation of printing contracts, negotiation of significant insurance premium savings, as well as reduced funding costs for FSNI overall.

## FINANCIAL PERFORMANCE

The 2014/15 financial year represents the first full year of trading for the combined FSNI business; and Group performance is ahead of the Board's expectation at the time of the Merger.

As reported at the time of the Merger, and in last year's Annual Report, the Merger introduced a number of changes to the business operating model, particularly in relation to the margin the Group charges Members and how the rebates are passed back to Members (e.g. moving from a gross mark-up and rebate model to a net mark-up and rebate model).





The overall distribution to Members has increased 6.7% to \$160.5m on a comparable reported basis.

The Board anticipated the move to a net mark-up would have a one-off impact of reducing Group revenue earned from sales to lower North Island Members, as well as changing the rebate distribution mechanism to lower North Island Members.

With this background, the Board is very pleased to report that Group revenue for the 52 week period of \$6,239m increased 2.0% on the comparable 52 week trading period, after absorbing the move to a net mark-up. This reflects a continued focus of passing savings through to our Members and, ultimately, our customers.

In addition, the Group operating profit for the 52 week period of \$212.6m is up 5.6% on a comparable basis.

Total operating expenses of \$479.6m are substantially reduced on the comparable period for last year and contribute to the strong underlying profit performance.

The timing of the merger of the legacy Foodstuffs Wellington and Auckland businesses in the prior year means the 2014 results presented in the Financial Statements are not comparable, as they reflect 56 weeks of trading for the legacy Auckland business and 30 weeks of trading for the Wellington business.

The alignment of Member rebate policy from the start of the 2014/15 financial year also means profitability is not comparable due to a reduction in the margin charged on product sold through the Palmerston North Distribution Centres. In general, the

change in margin has the effect of reducing the purchase price of branded product and represents a net benefit to Members and ultimately our customers.

The 2014/15 Group operating profit reported in the Financial Statements increased 12.5% year-on-year to \$212.6m and the Group profit before distribution to Members is slightly above the previous financial year at \$155.4m.

#### DISTRIBUTION TO MEMBERS

Member rebates for the 2014/15 financial year are calculated under an aligned FSNI rebate policy for the first time. The overall distribution to Members has increased 6.7% to \$160.5m on a comparable reported basis. The 2014/15 rebate also reflects the change in margin of product sold through the Palmerston North Distribution Centres.

Consistent with the Merger Information Memorandum previously issued, Rebate Investment Vouchers continue to attract interest at 8% per annum and the FSNI Deferred Rebate Vouchers (DRV) attract interest at 7.41% (7.57% from 1 August 2015) per annum. The Board has elected to maintain the DRV interest rates despite the ongoing low interest rate environment prevailing in the New Zealand economy.

#### FINANCIAL POSITION

FSNI remains in a strong financial position with total assets of \$2,646m and financial ratios well within the requirements set by FSNI's lenders.



ABOVE: FSNI Board

In the last financial year, FSNI has reduced debt by \$121m through careful management of expenditure and via divestment of non-strategic assets. The programme for divesting surplus assets has realised \$57.2m within the year. Capital expenditure of \$100.2m has been focused primarily on further developing and refurbishing the store network and the transformational roll out of new IT systems and processes through Programme Lightning.

Debt levels reported on the statement of financial position and variations in operating cash on the statement of cash flows reflect the timing of the fiscal year end relative to the monthly supplier payment outflows.

FSNI continues to play an important role in funding Members by way of direct advances or bank guarantee. As at balance date, loans to Members stood at \$15.4m and bank overdraft and term loans guaranteed by FSNI on behalf of Members amounted to \$380.1m, 13.5% below the same time last year.

#### AUDITORS

PwC have conveyed their willingness to continue in office.

#### APPRECIATION

The Directors extend their appreciation to the Executive Team, Staff Members and our Membership, particularly all

those who have served on Committees during this extraordinary first full year as FSNI.

#### MURRAY JORDAN

Following the conclusion of the first Annual Meeting in August 2014, and after 10 years at Foodstuffs, Managing Director, Murray Jordan, stated his intention to resign from FSNI in the following calendar year to pursue Directorship opportunities.

Murray has proved to be an excellent and strong leader for FSNI, particularly throughout the Merger process and in defining the forward strategy of our business. The Board would like to take this opportunity to officially thank Murray for his exceptional leadership through one of New Zealand's biggest mergers and beyond.

Murray leaves FSNI in great shape and with a strong legacy for the future success of our organisation. Thank you Murray.

On behalf of the Board

Peter Anderson  
Board Chair

Murray Jordan  
Managing Director

**\$6,239m**

Group Revenue

**\$212.6m**

Group Operating Profit

**5.6%**

Increase in Group Operating Profit on a comparable basis

**12.5%**

Increase in Group Operating Profit year on year





**WE'LL KNOW WE'VE SUCCEEDED WHEN  
OUR CUSTOMERS AND SUPPLIERS PREFER US**



**WE'LL KNOW WE'VE SUCCEEDED WHEN  
WE CAN SEE EXCITING CAREERS FOR FUTURE GENERATIONS**



# YOU REACHING YOUR FULL POTENTIAL

It's the people who have always made the difference in our business. This is why we're committed to supporting everyone to reach their full potential with the goal of creating exciting careers for future generations. This strategic focus area for Members and staff is already gaining traction through a number of exciting initiatives.

## DEVELOPING OUR PEOPLE

### Training Options For All

FSNI is taking an inclusive approach to developing the capability of our people in all areas of the organisation.

All 25 courses delivered in the 2014/15 financial year have been designed to deliver a measurable change in the work place, adding value to the business and are delivered by subject matter experts in their field.

With over 800 people taking part in FSNI training options during the 2014/15 financial year, there was a record number of over 250 trainees in FSNI NZQA-accredited butchery and bakery programmes.

The FSNI Management Development Programme remains a popular option and now takes the form of a two year programme made up of eight business focussed modules.

### Competency Framework

The HR team worked alongside workplace psychology experts and a number of Owner Operators to understand the key competencies Owner Operators of the future should have to be successful in the co-operative. This Competency Framework is now used as a key part of the trainee owner operator recruitment process and in the development of our training courses.

## DEVELOPING OWNER OPERATORS

### Owner Operators and Governance

The Board announced the introduction of a Leadership and Governance Development Programme (LGDP) for Owner Operators. The LGDP has been designed to identify and develop the leadership and governance skills of Members so they are best placed to lead, govern and support their own businesses, our wider business and the wider co-operative.

### Owner Operator Business Reviews

During the 2014/15 financial year, a commitment was made that Owner Operators would have regular full Business Reviews. These reviews are intended to be a two-way conversation with the Operator Development and Approval Committee (ODAC) to support the Owner Operators' growth and development; and an opportunity for the Board to understand their career aspirations for the future. Business Review information is then taken into consideration during the EOI process to ensure Owner Operators are well-matched with new opportunities. 30 Business Reviews were carried out during the 2014/15 financial year.

# 25

Courses delivered in the 2014/15 financial year

# 800

People taking part in FSNI courses

# >800

Checkers took part in 10 regional events



ABOVE: Aaron Scanes receives the Co-operative Spirit Award

## Future Owner Operators

During the 2014/15 financial year there were 10 Trainee Operators in the Trainee Operator Programme (TOP) with four completing their training during that time. There is an aspiration to increase the number of Trainee Operators in the Programme from 10 to 12-15 during the 2016/17 financial year.

## Trainee Operator Selection Group

The Trainee Operator Selection Group (TOSG) is for candidates who have aspirations to join the FSNI Trainee Operator Programme. Nominated by their Owner Operator (if they're in a PAK'nSAVE, New World or Gilmours store) or their Banner Manager (if they're a Four Square Owner) candidates also complete assessment testing to see how they line up with the Competency Framework.

During the 2014/15 financial year the number rose to 33 in the group. Candidates stay in the TOSG as they prepare to apply for the Trainee Operator Programme, and remain in the group throughout their application process.

## Checker of the Year

Our Checker of the Year competition goes from strength to strength. More popular than ever, the competition is designed to recognise and reward the skills of our Checkout Operators. In 2014 over 800 checkers took part in 10 regional events which were run across the North Island to determine our best Checkers.

## Excellence Awards

The FSNI Training Excellence Awards were held in Wellington to recognise the achievements of staff involved in the Checker of the Year finals and the training and management development programmes.

24 awards were presented at this prestigious event, including the newly introduced 'Co-operative Spirit Award' where Aaron Scanes, Owner Operator of New World Mt Roskill, was nominated by his peers in recognition of his contribution to supporting his fellow Owner Operators as they transitioned to the FSNI forward buying model.

The FSNI Training Excellence Awards were held in Wellington to recognise the achievements of staff involved in the Checker of the Year finals and the training and management development programmes.



# GETTING TO KNOW OUR CUSTOMERS

A key strategic focus is 'Getting To Know Our Customers'. The more we get to know our customers, the better we can anticipate and deliver what they want, both now and in the future.

As we work together more and more nationally, the FSNZ Marketing Team are responsible for delivering much of the 'Getting to Know Our Customers' part of the FSNZ Strategy. In the 2014/15 financial year the Team have delivered:

## INSIGHTS PROGRAMME

With a focus on getting to know our customers, all marketing programmes delivered in the 2014/15 financial year were underpinned by a very robust insights programme informed by data and customer research. The ability to do this will be even further enhanced in the future as a Customer Relationship Management platform is in development for the 2015/16 Business Plan.

## CUSTOMER CAMPAIGNS

The 2014/15 financial year delivered a number of very successful campaigns that saw the brand health measures of customer satisfaction, brand loyalty, brand awareness and brand effectiveness rise across the board.

Successes for New World included: Fresh Experts, Elite Sponsorship of the Silver Ferns, Little Shop 2014, Christmas and Birthday.

NZ's love of Stickman was built upon with the addition of his cheeky take on more national events like Valentine's Day and April Fools.

Four Square scored a hit with customers with its national Four Square Summer promotion which included a One News Weather overlay, advertising and social media engagement.

120 Gilmours customers were treated to a trip to Melbourne as a part of their 'The Finest Cut' incentive programme for its highest spending customers.

## BRAND STANDARDS REFRESH FOR PAK'nSAVE

The PAK'nSAVE brand standards refresh was designed to modernise the in-store experience for customers as it was felt stores needed to be more contemporary, less cluttered and deliver a more consistent feel nationwide. It was important to maintain the core PAK'nSAVE ethos and simple, clean lines and simplicity commonly associated with the brand. The new brand standards clearly communicate to the business how best to achieve this goal.

The brand standards refresh also presented a great opportunity to bring brand ambassador, Stickman, to the in-store experience and create a stronger connection to the wider brand communications.

## SPONSORSHIP

New World continued its Elite sponsorship of the Silver Ferns and to further integrate the partnership, a unique marketing campaign was created to highlight that at New World, 'We'd do anything for Netball'.

In 2015 New World became the newest Five Star Sponsor of the Starship Foundation. To launch this partnership, a hunger provocation trial was funded, which in turn successfully enabled several toddlers to successfully enjoy the pleasures of real food for the first time.

Another key aspect of the sponsorship included the provision of fruit deliveries to each of the children's wards within Starship Hospital.

New World also provided funds for the Foundation to procure much-needed pieces of surgical equipment; a Sonosite Ultra Sound and a Nerve Monitor.

PAK'nSAVE continued to support CanTeen's annual campaign with an in-store donation drive and PR support.

## NEW WORLD CLUBCARD

The shape of things to come was indicated by the extraordinarily successful New World Club Card launch in the South Island. The Clubcard results completely exceeded expectations with 80% of sales being scanned with a Clubcard, suggesting customers really see value in the programme and are keen to benefit from its rewards.

The data collected from the Clubcard will be invaluable in assisting the business to know our customers better. Plans to launch a New World Club Card in the North Island have been accelerated as a result. North Island Members can look forward to the launch of a New World Club Card in the 2015/16 financial year.

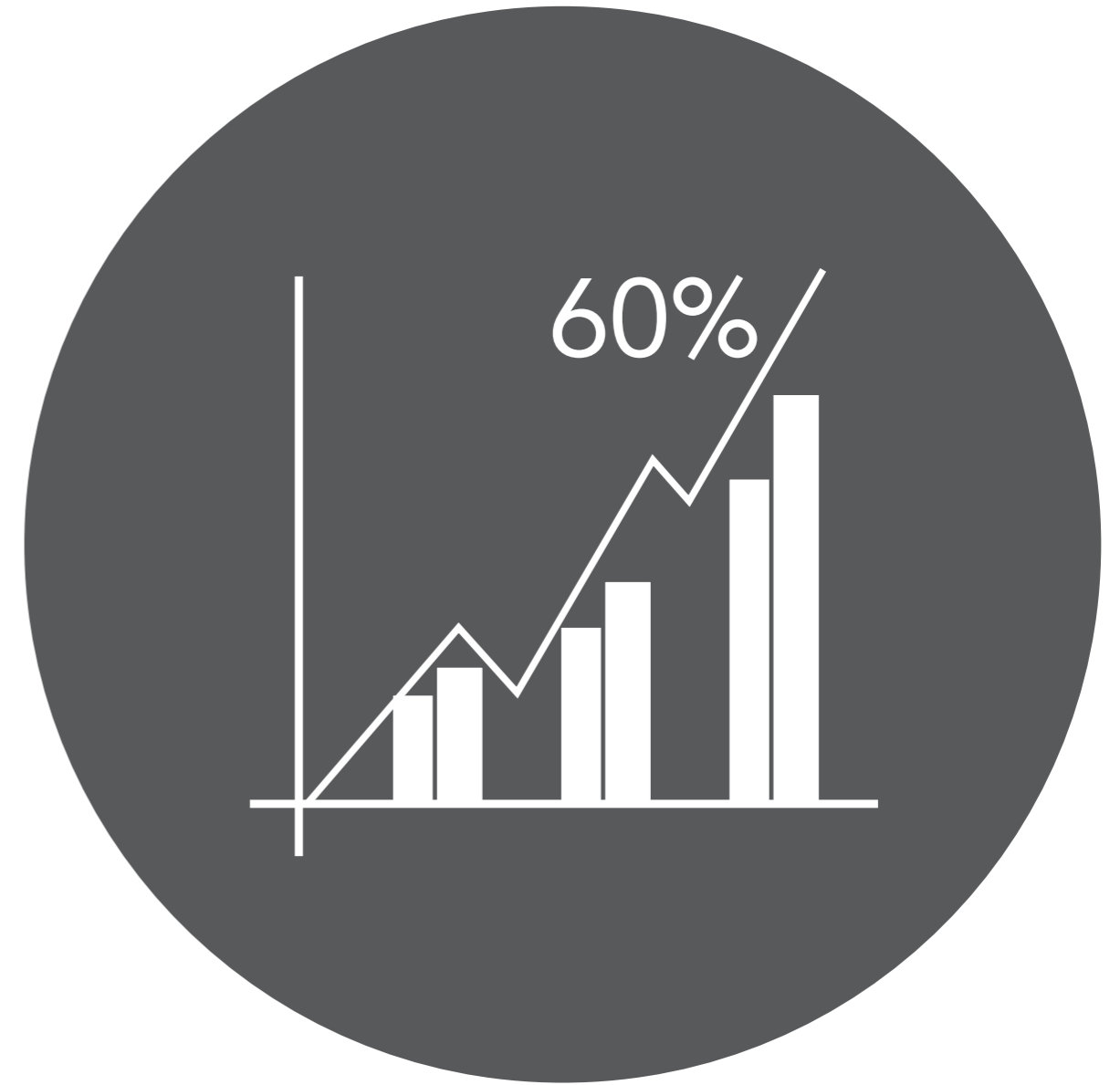
RIGHT: Victor Roy from New World Victoria Park delivers fresh fruit to the children's wards within Starship Hospital







WE'LL KNOW WE'VE SUCCEEDED WHEN  
WE CAN SEE A LONG AND SUSTAINABLE FUTURE AHEAD



WE'LL KNOW WE'VE SUCCEEDED WHEN  
OUR SALES AND MARKET SHARE CONTINUE TO GROW

---

# LEADING THE MARKET WITH RELEVANT BRANDS

---

Four Square, New World, PAK'nSAVE and Gilmours are iconic in New Zealand. FSNI continues to lead the market with these brands which cover the wide spectrum of convenience, full-service, budget and wholesale aspects of the grocery market. The brands are constantly updated so we stay relevant to the evolving needs of our customers.

---

New generation New World stores were opened in Kumeu, Howick and Browns Bay with leading edge customer offers and all enjoying strong trading results.

During the 2014/15 financial year, the FSNI Retail Business Unit structure was developed to foster a close working relationship between the Support Centres and Stores.

## PAK'nSAVE

PAK'nSAVE has achieved strong financial growth over the 2014/15 financial year. Overall, sales have grown to record levels and market share for the brand has lifted. PAK'nSAVE has also maintained its brand position of bringing New Zealanders the lowest overall grocery prices and this was further qualified when the brand won the Consumer Magazine Lowest Prices Award.

During the 2014/15 financial year there has been a strong focus on the in-store experience for customers with a particular emphasis on the look and feel of PAK'nSAVE stores and an update of the Brand Standards. In particular, there has been focus on developing the Fresh Food offer and aligning the ranges appropriately for each store.

Stickman continues to reinforce the brand promise and grow loyalty and recall, reflected in the significant growth in Facebook followers and return on investment for media spend.

PAK'nSAVE Westgate opened in November 2014 and this West Auckland store has been thriving in its first year of trading.

## NEW WORLD

The New World Banner experienced a year of excellent sales growth during the 2014/15 financial year.

A consolidated promotional programme across the North Island resulted in accelerated sales growth, while Fresh Foods performed strongly across the banner. Stores delivered New Zealand's leading quality food offer during the critical Christmas and Easter trading periods, while the execution of the New World promotional programme continues to go from strength to strength. Little Shop was once again a highlight.

New generation New World stores were opened in Kumeu, Howick and Browns Bay with leading edge customer offers and all enjoying strong trading results. New World Milford was closed to allow for redevelopment of the site with a new store planned to open early in 2016.

Work commenced during the year on programmes to continue to evolve the New World offer, including Club Card, Fresh Food Standards and the extension of the on-line shopping pilot to a rural location.







ABOVE: New World Browns Bay

RIGHT: Marketing image from the Four Square 90th Birthday promotion

Four Square's first national promotion launched its 90th Birthday with over 150,000 commemorative tins and a Mini Cooper given away across New Zealand.

#### FOUR SQUARE

It was a solid financial year for Four Square as the brand continues to develop a single approach across the North Island where possible. This was brought to life with the banner adopting a common promotional plan and circular across all 203 stores from the start of the 2014/15 financial year.

This platform enabled the marketing activity to be shared on a wider scale and the first national promotion alongside FSSI launched Four Square's 90th Birthday with over 150,000 commemorative tins and a Mini Cooper given away across New Zealand.

Working together extended into two additional national campaigns, with a very popular 'Book a Bach' promotion around the October long weekend and culminating with the 'Summer Promotion' giving customers the opportunity to win a 'retro chilly bin' in every store. The 'Summer Promotion' was supported by a Four Square weather spot every night on TV ONE over the four week promotional period. Charlie continues to deliver a strong Brand recognition and remains an iconic component of the New Zealand retail market.

#### WHOLESALE

Wholesale brands, Gilmours and Toops have enjoyed sales growth in all targeted categories. Following the ratification of the FSNI Strategy during the financial year, there has been a strong focus on developing the wholesale strategy for the business.

In preparation, the 2014/15 financial year saw the alignment of a North Island-wide single core range with associated promotional programme and pricing across all our wholesale stores. Stand out promotions included the 'Birthday' promotion and 'Price Smash' which proved popular with customers.

Gilmours continued to incentivise customers through 'The Finest Cut' programme where customers are rewarded with a trip to Melbourne taking in some of the City's finest food service establishments.

2014/15 also saw the introduction of the 'Salesforce' Customer Relationship Management (CRM) system across the wholesale business enabling a single record of all customer engagement, supporting continuity of customer information and opportunities during an oncoming period of change.





# FINANCIAL AND OPERATIONAL EXCELLENCE

Instilling both financial and operational excellence in our business is a key strategic focus area. This is happening both formally and informally throughout FSNI every day.



## FINANCE

All FSNI's transactional banking has been consolidated



## SUPPLY CHAIN

A reduction in operating costs



## TECHNOLOGY

99.84% system availability



## LIGHTNING

3,500 Support Centre and Team Members have been upskilled through the Lightning Programme



ABOVE: New touchscreen POS system at PAK'nSAVE Albany

## TECHNOLOGY FOUNDATIONS

Over the past 12 months significant strides have been made in laying the foundation for a modern and robust technology platform that will pave the way for FSNI to be more innovative in how it interacts with its customer base and offers real value to our customers, whilst operating efficient and profitable businesses.

With the integration of the IT teams and a number of significant projects in the pipeline, the technology landscape has been in a constant state of change and growth. As a testament to the sound technology decisions and investments made, and the FSNI Support Centre team, we have achieved 99.84% system availability during the 2014/15 financial year.

## LIGHTNING

The single largest transformational undertaking for FSNI has been the deployment of three key initiatives under Programme Lightning: Technical Readiness, POS Deployment and Lightning Transformation.

Lightning's main objective is to create the "one Foodstuffs" way of working by standardising processes and systems to deliver consistent and actionable business information.

Although Lightning Transformation is tasked with deploying a new Enterprise Resource Planning (ERP) system, it is much more than just a technology project. Through Lightning best practice in retail across Merchandising, Purchasing, Distribution, Marketing and Selling, and Finance has been introduced to FSNI. To date, approximately 3,500 Support Centre and store team members have been up-skilled through the Lightning programme enabling them to work more efficiently and make informed decisions in the daily tasks they perform.

Some of the key achievements delivered by Lightning are:

**Technical Readiness:** 195 stores were incorporated into the FSNI corporate network which enabled the Lightning Technical Readiness Team to work in any of these premises remotely and wirelessly.



The rollout of the new Lightning processes and SAP solution across our support centres, Gilmours stores, three retail store pilot stores – PAK'nSAVE Albany, New World Morrinsville and Four Square Papamoa was completed during the 2014/15 financial year.

The Technical Readiness Team also carried out a desktop refresh to standardise the applications used in-store.

**POS Deployment:** At the end of June 2015, 75 stores will have the touchscreen Retail NCR StoreLine POS system, with a further 112 stores scheduled for deployment by the end of March 2016. Contactless payment terminals have also been successfully trialled and are now being deployed as part of the POS deployment.

**Lightning Transformation (SAP Deployment):** The rollout of the new Lightning processes and SAP solution across: Support Centres, Gilmours stores, three retail store pilot stores – PAK'nSAVE Albany, New World Morrinsville and Four Square Papamoa was completed during the 2014/15 financial year; and the retail store deployment pilot with six stores in the upper North Island commenced with New World Stonefields and PAK'nSAVE Henderson.

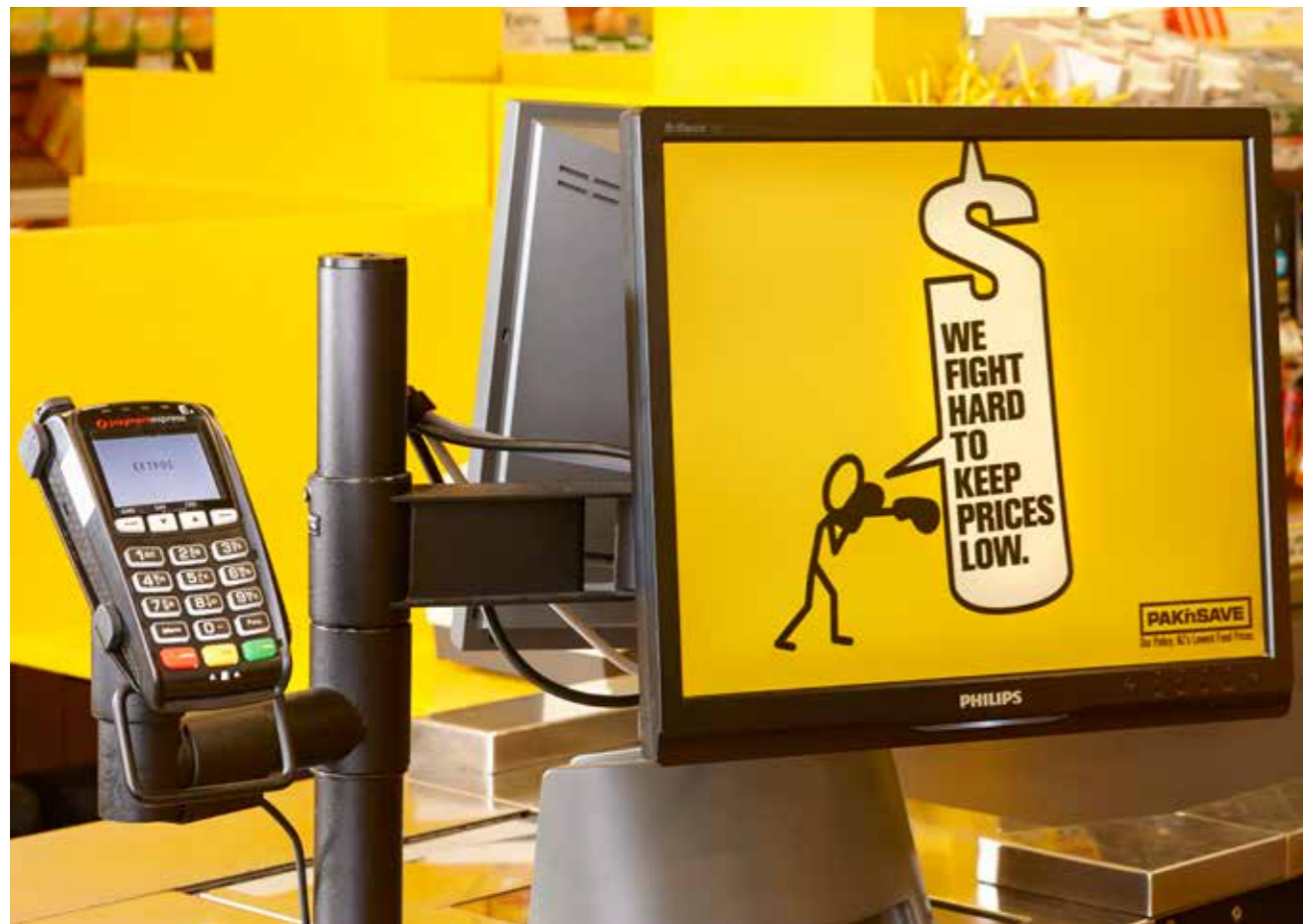
In March 2015, Project Bolt, which is tasked with extending the Lightning SAP solution to the lower North Island stores was initiated. In the initial phase of Bolt, the new SAP solution to one wholesale pilot store and two retail pilot stores will be rolled out.

#### PROPERTY PORTFOLIO

##### Property Portfolio Review

A new FSNI lease was approved by the Board in 2013 and implemented by the Property Asset Management team during the 2014/15 financial year. This has resulted in 20% of the supermarket portfolio now being covered by introducing the new lease through lease renewals and the 'change of operator' process. A consistent lease brings efficiencies to the business and Members can be sure that lease management processes are applied in a transparent and equitable manner.

BELOW: New touchscreen POS system at PAK'nSAVE



#### Seismic Review of Property Portfolio

A full seismic review of the FSNI property portfolio was undertaken to understand the level of risk and whether there were any immediate works that needed to be undertaken. A policy was approved by the Board to action sites under a national building standard percentage over a 10 year development period. As a result of the review New World Naenae was closed and remediation works at New World Pahiataua were announced.

#### FINANCE

##### One Transactional Bank

After a competitive tender process, all FSNI's transactional banking has been successfully consolidated with one new provider which will see on-going benefits in costs, control and the effective management of expense claims and company credit cards.

#### SUPPLY CHAIN

FSNI Supply Chain includes the DC replenishment function, primary and secondary transport and DC

operations. The 2014/15 financial year represented a significant year of change. The major themes were: the management and cultural reset, the development of a long term Supply Chain Strategy, and commencement of an Operational Excellence Programme.

##### Management and Cultural Reset

Management teams were reset with a store service and safety based ethos as the core foundation. Team engagement improved significantly throughout the period with the result being the creation of a high performance culture throughout.

##### Long Term Supply Chain Strategy

The Board approved the long term Supply Chain Strategy with its objectives of safety, improving store service, and continually lowering end-to-end supply chain costs. The Strategy is designed to position the business for the future and will be implemented over a 5-10 year period. The Supply Chain Strategy is designed to better exploit the operating leverage of a large retail supply chain whilst

consolidating and simplifying the Business Unit. In addition, the Supply Chain Strategy is to deploy best of breed systems to drive further end-to-end efficiencies and enhance store service.

##### Operational Excellence Programme

FSNI Supply Chain commenced an Operational Excellence Programme. Whilst volumes throughout the Distribution Centres were similar to the prior year, a significant reduction in overall operating costs was achieved by focusing on the basics each and every day – Safety, Teamwork, Accuracy, Service, and Productivity. Highlights included: improvements in DC in-stock availability, a best-in-class on-time transport performance of 99%+, along with a well-supported primary freight programme across the North Island.

ABOVE: LIVE SAFE internal branding for safety based ethos

# NATIONAL PROGRESS REPORT

Where it makes sense we work together nationally. This National Progress report highlights some of the key achievements of Foodstuffs companies who are nationally owned as well as the work of our sister co-operative, Foodstuffs South Island.

## STORE DEVELOPMENTS

The year was busy on the property development front, with new stores opening and a number of store refurbishments in both the North and the South Island.

### New store developments

The following new stores were opened during the last financial year:

- Foodstuffs North Island; New World Kumeu, PAK'nSAVE Westgate, New World Howick, New World Browns Bay, Four Square Bulls.
- Foodstuffs South Island; Raeward Fresh Queenstown, Henry's Beer Wine & Spirits Avonhead and Henry's Beer Wine & Spirits Richmond.

### Store refurbishments, replacement stores and extensions

Foodstuffs is committed to constantly updating its offer to ensure customers get the best possible supermarket experience. Refurbishments and extensions completed throughout the country included:

- Foodstuffs North Island; PAK'nSAVE Whangarei, New World Kerikeri, New World Botany, New World Onerahi, PAK'nSAVE Pukekohe.
- Foodstuffs South Island; New World Stanmore, New World Nelson, New World Motueka, New World Stoke, New World Gardens, Centre City New World.

### Hornby Distribution Centre

On 12 February 2015, the Prime Minister, the Right Honourable John Key, opened Foodstuffs South Island's new ambient distribution centre (DC) in Hornby, Christchurch.

The greenfield project connects an additional 31,587m<sup>2</sup> to the existing 14,000m<sup>2</sup> ambient warehouse at Hornby and consolidates operations from the old Papanui DC in Christchurch.

## FOODSTUFFS OWN BRANDS LIMITED

Market share continues to hold for private label at 13.3% value share with Pams, representing 8.5%.

Foodstuffs core private label brand, Pams has again been recognised both internationally and locally over the 2014/15 financial year with:

- Gold, silver and bronze medals at the Vertex Awards, the only global competition devoted exclusively to the art of Private Brand package design.
- 'Best in Class' in the International Dieline Awards for the Pams Confectionery range in the Confectionery, Snacks and Desserts category.
- Locally for the third year running Reader's Digest has awarded Pams the 'Most Trusted Supermarket Own Brand'.

Pams Finest was introduced at the National Conference early in 2015 and development work continues on the brand.

## LIQUORLAND

The 2015 financial year saw the continuation of Liquorland's strong performance. Nine new stores were added to the group bringing total store count to 85. Three of the nine new stores were a new sub-brand, Liquorland Boutique, which is

Foodstuffs core private label brand, Pams has again been recognised both internationally and locally over the 2014/15 financial year.

performing well. Sales growth for the group was over 8% with same-store growth exceeding market growth.

## NATIONAL ADVOCACY

Foodstuffs (NZ) Limited continues to coordinate national submissions and undertake advocacy work on public policy issues which are relevant to Foodstuffs' business interests.

A new Food Act was enacted in 2014 and will be rolled out over the next three years. Foodstuffs is strongly supportive of the introduction of risk-based food safety measures for all food businesses and has now begun planning for the adoption of food control plans which will replace the incumbent food safety programmes.

Foodstuffs was one of the first companies to announce its support for the Government's voluntary Health Star Rating (HSR) scheme. Foodstuffs Own Brand Ltd announced in August it would adopt health star ratings for all packaged private label foods.

A Health and Safety Reform Bill was introduced in 2014 and Foodstuffs made submissions seeking minor changes. At the time of writing the Bill was yet to be reported back from Select Committee. Foodstuffs is also preparing submissions on the consultations for Health and Safety

regulations which are being drafted and released for comment throughout the 2015 calendar year.

In late 2014 the Employment Relations Amendment Bill was enacted, introducing changes to collective bargaining and reintroducing flexibility in rest and meal breaks for which Foodstuffs had lobbied. Early in 2015, Foodstuffs participated in a limited consultation by the Ministry of Business Employment and Innovation regarding opportunities to enhance minimum employment standards. The Foodstuffs companies also recently undertook a third-party audit of compliance with employment law, demonstrating high levels of compliance.

During the last year the Government's alcohol reforms have begun to bed in, creating significant work for the Foodstuffs companies in terms of providing input on the development of local alcohol policies, the lodging of appeals against local alcohol policies and dealing with objections and appeals in relation to applications for store licences and licence renewals. At a national level there has been liaison with government agencies regarding implementation issues and challenges relating to the new Act. Foodstuffs has also participated in Government discussions with the industry about voluntary pregnancy warning labelling, which Foodstuffs has already adopted for private label products where practical.

Foodstuffs (NZ) Limited continues to coordinate national submissions and undertake advocacy work on public policy issues which are relevant to Foodstuffs business interests.

BELOW: Opening of New World Browns Bay







## SUSTAINABILITY AT FOODSTUFFS

### Energy Conservation

Energy efficiency is a priority in the design of new stores and the refurbishing of existing stores. There are now 60 sites on the energy sub-metering programme which is improving the business' ability to monitor energy usage and help identify areas for future savings. The sub-metering project picked up a 'Highly Commended' in the 2014 Sustainable Business Network annual awards in recognition of the real progress being made.

### Reducing Waste

2014 marked the start of the rollout of new waste minimisation plans for stores, business to business outlets, distribution centres and offices. Working with Envirowaste Ltd, stores are being transitioned over to new arrangements which aim to divert waste to other uses rather than send waste to landfill. 50 stores are now on the new waste programme with another 50 targeted to be on-board by the end of 2015.

### Packaging

Packaging continues to be an area of significant focus with Foodstuffs committing to moving all own brand and store packed items to be either recyclable or home compostable packaging in the future. Carrier bag recycling is currently being trialled instore and reusable bags are being actively promoted to all customers. Polystyrene seafood boxes used to transfer food from Sanfords to North Island stores have been replaced by recyclable cardboard boxes that are themselves made from 100% recycled cardboard.

### Refrigeration

In 2012, Foodstuffs was the first retail business in the southern hemisphere to install CO<sub>2</sub> natural refrigeration in its stores. With the business and environmental case now proven, all 12 new supermarkets that opened in 2014/2015 have refrigeration systems that use natural refrigerants that reduce the Green House Gas emissions from store by 99% in comparison with standard synthetic gas based refrigeration systems.

### Foodstuffs Own Brands Sustainability

Substantial progress has been made around ethical and environmental standards in the areas of sourcing paper, palm oil and tuna. All private label toilet paper product is now FSC certified, as is the paper we use in our advertising flyers.

99% of palm ingredients are certified to be sourced from sustainable plantations (Green Palm), and Foodstuffs is now proposing to move all suppliers to the next level of certification (mass balance). All Pams tuna products are sourced using sustainable fishing practices, with an additional pole and line caught option available to customers.

### NATIONAL MARKETING

The 2014/15 financial year delivered a number of very successful marketing campaigns. The detail of the campaigns and other National Marketing activities can be found in the Getting to Know Our Customers Report (p.12).

Peter Anderson  
Chairman, Foodstuffs (NZ) Ltd

Substantial progress has been made around ethical and environmental standards in the areas of sourcing paper, palm oil and tuna.



---

## FINANCIAL HIGHLIGHTS

---



---

**SECOND YEAR MERGER  
BENEFITS DELIVERED  
AHEAD OF SCHEDULE**

---

---

**\$7.2bn**

store sales.

**3.5%**

increase in store sales compared  
to prior year 52 week period.



---

**\$155.4m**

GROUP PROFIT BEFORE DISTRIBUTION TO MEMBERS.

---

Statutory Revenue  
for the period is  
**\$6.2bn** up **2.0%**  
on a comparable  
52 week basis.

**\$100.2m**

OF CAPEX WAS INVESTED  
IN THE YEAR



# BOARD OF DIRECTORS



**Peter Anderson (Chair)**  
**PAK'nSAVE Kapiti**

Appointed Chair of the FSNI Board in 2013, Peter is also currently Chair of Foodstuffs New Zealand. He became a Foodstuffs Member in 1997 when he purchased New World Stokes Valley. Since 2005, he has jointly owned and operated PAK'nSAVE Kapiti with Glen Taylor. Prior to joining Foodstuffs, Peter had a 28-year career with Wrightson Limited, where he managed a variety of business areas. Peter is married to Judy and they have 4 adult sons.

**Robert Redwood (Deputy Chair)**  
**PAK'nSAVE Glen Innes**

Appointed Deputy Chair of the FSNI Board in 2013, Robert was a teenager when he started part-time work at his local Four Square. In 1987 he received a Scholarship Award and became a Foodstuffs Member purchasing a Cut Price store in Taumarunui, which was later converted to a Four Square. He moved to New World Hillcrest before purchasing New World Eastridge in 1995 and took ownership of PAK'nSAVE Glen Innes in 2014. Robert and his wife Jackie have 4 children.



**Murray Jordan**  
**Managing Director**

Murray joined Foodstuffs in 2004 as General Manager Property Strategy at FSA and became General Manager Retail, Sales and Performance in 2008. Murray was appointed Managing Director at FSA in 2010. In 2013, Murray was appointed Managing Director at FSNI. Before Foodstuffs Murray held General Management roles with Birell Properties Limited and Property Services Limited. Murray holds a Master of Property Administration from the University of Auckland. Murray is married to Michaela and they have 3 children.



**Jane Freeman**  
**Independent Director**

Jane has held senior marketing and general management positions at Telecom, ASB Bank, Bank Direct and Clear Communications; and currently holds directorships with Kiwi Property Group, ASB Bank and Delegats Group. Her previously held board positions include Pumpkin Patch (Chair), Air New Zealand, St George Bank NZ, Albert Street Dental, Publicis Group NZ, Sheffield and SKYCITY Entertainment Group. Jane holds a Bachelor of Commerce in Marketing from the University of Auckland. Jane and her husband Chris have 3 children.

**Craig McKeown**  
**Gilmours North Shore**

Appointed to the FSNI Board in 2014, Craig was chosen as the pilot Operator for the conversion of Gilmours stores becoming owner operated and has now been the Owner Operator of Gilmours North Shore for over 6 years. Prior to joining Foodstuffs Craig held senior management positions in a number of large retail organisations throughout Australasia. Craig and his wife Kathryn have 1 child.



**Dean Waddell**  
**PAK'nSAVE Tauranga**

Appointed to the FSNI Board in 2013, Dean is a 3<sup>rd</sup> generation grocer who began working in the family supermarket, New World Brookfield, at age 13. He left to study at Massey University, graduating with a Bachelor of Business Studies before returning to work at New World Brookfield. Dean became a Foodstuffs Member in 1992 when he purchased New World Brookfield and moved to his current business, PAK'nSAVE Tauranga in 2013. Dean and his wife Julie have 3 children.



**Neil Foster**  
**PAK'nSAVE Rotorua**

Appointed to the FSNI Board in 2013, Neil started his Foodstuffs career as a Trainee Operator working at New World Te Puke and officially became a Foodstuffs Member in 1994 with the purchase of the Te Puke store. In 1999 he took ownership of his current business, PAK'nSAVE Rotorua. Before joining Foodstuffs, Neil was a Chartered Accountant. Neil is married to Rosalind and they have 3 children.

**Karl Marryatt**  
**New World Railway Metro**

Appointed to the FSNI Board in 2014, Karl has spent his entire working career in supermarkets and the retail sector. He became a Foodstuffs Member in 2004 with the purchase of New World Naenae which he owned and operated for 3 years before purchasing his current business, New World Railway Metro in central Wellington in 2007. Karl is married to Caroline and they have 2 children.



**Paul Blackwell**  
**PAK'nSAVE Albany**

Appointed to the FSNI Board in 2013, Paul became a Foodstuffs Member in May 1993 when he purchased New World Matamata. After 5 years in the Matamata store he went on to open his current business, PAK'nSAVE Albany on Auckland's North Shore in August 1998. Paul joined Foodstuffs with a strong retail and management background and had previously owned and operated several Paper Plus stores. Paul and his wife Liz have 4 children.



**Sir Henry van der Heyden**  
**Independent Director**

Sir Henry has served in dairy industry governance roles for 24 years. He is currently Chair of Auckland International Airport Limited, Tainui Group Holdings and Manuka SA Limited. He is a Director on the Boards of Pascaro Investments Limited, Rabobank NZ Limited and Rabobank Australia Limited. Sir Henry holds a Bachelor of Engineering with Honours from Canterbury University. Sir Henry is married to Jocelyn and they have 4 children.



**Peter Schuyt**  
**Independent Director**

Peter has held senior executive roles in finance and strategy areas at New Zealand Dairy Board, Fonterra and NZ Post Group. As a Director, Peter chairs the Audit & Risk Committees of Port Nelson Limited, Tatu Dairy Company and Dairy NZ and is currently Chair on the Boards of: Pumpkin Patch, Dairy Investments Limited and Tax Management NZ Limited. Peter holds a Bachelor of Commerce in Accounting and Economics from Canterbury University. Peter and his wife Tracey have 5 children.



**Joe Vegar**  
**New World Miramar**

Appointed to the FSNI Board in 2013, Joe joined his brother Paul in the ownership of New World Miramar in Wellington's Eastern Suburbs in 2002. Before becoming a Foodstuffs Member, Joe was a Chartered Accountant and Chief Financial Officer working in commerce and within various accountancy firms in New Zealand and overseas. Joe is married to Drina and they have 3 adult children.

# EXECUTIVE TEAM



**Murray Jordan**  
Managing Director

Murray joined Foodstuffs in 2004 as General Manager Property Strategy at FSA and became General Manager Retail, Sales and Performance in 2008. Murray was appointed Managing Director at FSA in 2010. In 2013, Murray was appointed Managing Director at FSNI. Before Foodstuffs Murray held General Management roles with Birell Properties Limited and Property Services Limited. Murray holds a Master of Property Administration from the University of Auckland.



**Baden Ngan Kee**  
GM Merchandise

Baden started his Foodstuffs career in October 2013 when he was appointed to the role of General Manager Merchandise. Prior to joining Foodstuffs, Baden held the role of General Manager, Retail Sales and Export at Fonterra where he was responsible for all New Zealand grocery sales and branded consumer domestic and exports to Asia and the Pacific. Baden holds a Bachelor of Commerce and Administration from Victoria University.



**Mike Brooker**  
General Counsel &  
Company Secretary

Mike started at Foodstuffs in 2009 as General Manager Legal at FSA and was appointed to the role of General Counsel & Company Secretary at FSNI in 2013. Prior to Foodstuffs, Mike was a Partner at DLA Piper where he had a broad Commercial practice, including acting for a number of franchised businesses, of which Foodstuffs was the largest. Mike studied at the University of Auckland where he gained a Bachelor of Law degree and a Masters of Commercial Law.

**Angela Bull**  
GM Property Development

Angela joined Foodstuffs in 2006 as Property Development Executive at FSA and was appointed General Manager Property Development in 2008. In 2013, Angela was appointed General Manager Property Development at FSNI. She started her career at Simpson Grierson, specialising in Resource Management Law, before joining the Crown Law Office in Wellington practising Criminal Law. Before Foodstuffs, Angela worked for Chapman Tripp on property and land development projects. Angela holds degrees in both Arts and Law from the University of Auckland.



**Vaughan Grant**  
GM Supply Chain

Vaughan was appointed General Manager Supply Chain at FSNI in December 2013. Prior to Foodstuffs, Vaughan was Acting Chief Executive and General Manager Commercial for the PlaceMakers Group. Vaughan has worked in a range of industries in Australia, England and New Zealand, including at Woolworths Australia, with roles involving supply chain operations and strategy development, major change management and SAP systems implementation. Vaughan is a Chartered Accountant and holds a Bachelor of Management Studies from the University of Waikato.



**Doug Cochrane**  
GM Retail

Doug joined FSNI as General Manager Retail in March 2014. He started his career in 1985 as a General Assistant at Tesco in the United Kingdom and progressed into senior operations and development roles in Europe and Asia including; Hungary, Turkey, China, Japan and then back to the United Kingdom where he held the roles of Store Director – International Operations Development followed by Store Director for Tesco Extra stores in Wales. Doug has a MBA from the Henley Management College.



**David Stewart**  
Chief Financial Officer

David joined Foodstuffs in 2010 as Chief Financial Officer at FSA and became Chief Financial Officer at FSNI in 2013. Before Foodstuffs, David worked in senior finance roles at France Telecom, Orange and PwC before returning to New Zealand to work at Yellow Pages as Chief Financial Officer. Named New Zealand's '2015 CFO of the Year', David is a Chartered Accountant and holds a Bachelor of Commerce and Post Graduate Diploma in Commerce from the University of Auckland.

**Peter Muggleston**  
Chief Information Officer

Peter joined Foodstuffs in 2012 as Chief Information Officer at FSA and became Chief Information Officer at FSNI in 2013. Prior to Foodstuffs, Peter worked internationally with Shell Oil before returning to New Zealand and senior roles at ASB Bank including: Chief Manager Information Services, GM Online Banking and GM Technology Planning & Risk, before joining Sovereign as Chief Information Officer. Peter has a MBA from Otago University and holds degrees in Commerce and Science from the University of Auckland.



**Antony Challinor**  
Integration Director

Antony was appointed Integration Director at FSNI in January 2014. Before Foodstuffs, Antony worked as Transformation Programme Director for News Corp Australia in Sydney. Antony has over 20 years' international experience across multiple industries and has a reputation for building and leading high performance teams in the development and execution of business strategy, including leading large merger-related programmes. Antony has a Bachelor of Commerce from the University of Auckland and a MBA (Executive) from the University of New South Wales.



**Mark Daldorf**  
GM Human Resources

Mark joined Foodstuffs in 2010 as General Manager of Organisational Development at FSW and was appointed General Manager Human Resources at FSNI in 2013. Mark is a human resources specialist with over 25 years' senior experience in: leadership and organisation development, talent management, learning, recruitment and general human resource leadership in the retail, airline, banking, consulting and defence industries in Australia, New Zealand, Asia, Middle East and Europe. Mark has a MBA from the University of Western Sydney.





---

# SUMMARY OF FINANCIAL STATEMENTS

---

The following statements are summaries of FSNI's Comprehensive Income, Financial Position, Changes in Equity and Cash Flows. The statements are audited by FSNI's appointed External Auditor, PricewaterhouseCoopers.

---



## ***Independent Auditors' Report on the Summary Financial Statements***

to the shareholders of Foodstuffs North Island Limited

We have audited the accompanying summary financial statements, which comprise the summary statements of financial position as at 29 March 2015, the summary statements of comprehensive income, and summary statements of changes in equity and summary cash flow statements for the period then ended, and related notes, which are derived from the audited financial statements of Foodstuffs North Island Limited for the period ended 29 March 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Foodstuffs North Island Limited.

### ***Directors' Responsibility for the Summary Financial Statements***

The Directors are responsible for the preparation of a summary of the audited financial statements in accordance with FRS-43: Summary Financial Statements.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

We have no relationship with, or interests in, Foodstuffs North Island Limited or any of its subsidiaries other than in our capacities as auditors and providers of tax and advisory services. These services have not impaired our independence as auditors of the Company and Group.

### ***Opinion on the Financial Statements***

Our audit of the financial statements for the period ended 29 March 2015 was completed on 25 June 2015 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures from the date of the completion of our audit.

### ***Opinion***

In our opinion, the summary financial statements have been correctly derived from the audited financial statements of Foodstuffs North Island Limited for the period ended 29 March 2015 and are consistent, in all material respects, with those financial statements, in accordance with FRS-43.

### ***Restriction on Distribution or Use***

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

Chartered Accountants  
25 June 2015

Auckland

---

*PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand  
T: +64 9 355 8000, F: +64 9 355 8001, pwc.co.nz*

---

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE 52 WEEKS ENDED 29 MARCH 2015

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
<b>Revenues</b>	6,238,889	5,480,178	5,858,395	5,220,301
Cost of sales	(5,740,526)	(5,046,254)	(5,488,236)	(4,904,080)
<b>Gross profit</b>	498,363	433,924	370,159	316,221
Other income	193,905	182,112	129,345	118,408
Operating expenses	(479,632)	(427,040)	(363,293)	(314,356)
<b>Operating profit</b>	212,636	188,996	136,211	120,273
Finance income	7,606	10,497	10,719	25,498
Finance costs	(64,020)	(46,587)	(9,914)	(15,355)
Net finance (costs)/income	(56,414)	(36,090)	805	10,143
Share of profit/(loss) from Associates and Joint Ventures	(869)	2,115	-	-
<b>Profit before distribution to Members</b>	155,353	155,021	137,016	130,416
Distribution to Members	(132,533)	(112,077)	(132,533)	(112,077)
<b>Profit before income tax</b>	22,820	42,944	4,483	18,339
Income tax expense	(4,439)	(4,166)	(13,894)	(2,976)
<b>Profit/(Loss) for the period attributable to Members</b>	<b>18,381</b>	<b>38,778</b>	<b>(9,411)</b>	<b>15,363</b>
<b>Other Comprehensive Income</b>				
Items that may be reclassified subsequently to profit or loss:				
Increase/(decrease) in fair value of hedging net of tax	(11,928)	1,481	-	-
Items that may not be reclassified subsequently to profit or loss:				
Increase/(decrease) in fair value of other financial assets	(7,261)	(7,988)	-	-
<b>Total Comprehensive Income</b>	<b>(19,189)</b>	<b>(6,507)</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss) for the period attributable to Members</b>	<b>(808)</b>	<b>32,271</b>	<b>(9,411)</b>	<b>15,363</b>

Items in Other Comprehensive Income are disclosed net of tax.

**STATEMENTS OF FINANCIAL POSITION**

AT 29 MARCH 2015

	Group 2015 \$ '000	Group 2014* \$ '000	Parent 2015 \$ '000	Parent 2014* \$ '000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,754,907	1,780,357	162,354	169,034
Intangible assets	198,664	188,940	87,046	120,953
Investments in subsidiaries	-	-	69,704	69,704
Investments in associates	915	697	-	-
Investments in joint ventures	7,156	9,086	1,775	1,775
Other financial assets	59,337	66,598	-	-
Finance lease receivables - non-current	60	39	-	-
<b>Total non-current assets</b>	<b>2,021,039</b>	<b>2,045,717</b>	<b>320,879</b>	<b>361,466</b>
<b>Current assets</b>				
Cash and cash equivalents	44,071	15,348	8,762	29,070
Trade and other receivables	340,374	395,463	310,609	516,175
Inventories	150,070	153,815	131,313	136,505
Derivative financial instruments	215	1,558	-	-
Related party receivables	61,419	87,175	358,407	379,322
Assets held for sale	16,876	35,484	-	-
Income tax receivable	11,499	8,883	1,123	3,279
Finance lease receivables - current	24	13	-	-
<b>Total current assets</b>	<b>624,548</b>	<b>697,739</b>	<b>810,214</b>	<b>1,064,351</b>
<b>Total assets</b>	<b>2,645,587</b>	<b>2,743,456</b>	<b>1,131,093</b>	<b>1,425,817</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders</b>				
Share capital	132,573	132,553	132,573	132,553
Other financial asset revaluation reserve	(31,907)	(24,646)	-	-
Hedging reserve	(11,590)	338	-	-
Retained earnings	673,344	654,963	127,472	136,883
<b>Total equity</b>	<b>762,420</b>	<b>763,208</b>	<b>260,045</b>	<b>269,436</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Liabilities to Members	370,824	353,273	78,162	125,584
Borrowings	450,000	521,200	-	150,000
Deferred tax liability	133,108	138,408	7,574	3,263
Other liabilities	1,372	474	1,319	445
<b>Total non-current liabilities</b>	<b>955,304</b>	<b>1,013,355</b>	<b>87,055</b>	<b>279,292</b>
<b>Current liabilities</b>				
Borrowings	-	50,000	-	-
Liabilities to Members	71,872	62,277	1,536	9,129
Cash distribution to Members	49,153	33,395	49,153	33,395
Trade and other payables	775,528	809,358	710,907	711,736
Income taxation payable	-	-	-	-
Derivative financial instruments	23,018	5,017	6,705	3,928
Related party payables	8,292	6,846	15,692	118,901
<b>Total current liabilities</b>	<b>927,863</b>	<b>966,893</b>	<b>783,993</b>	<b>877,089</b>
<b>Total liabilities</b>	<b>1,883,167</b>	<b>1,980,248</b>	<b>871,048</b>	<b>1,156,381</b>
<b>Total equity and liabilities</b>	<b>2,645,587</b>	<b>2,743,456</b>	<b>1,131,093</b>	<b>1,425,817</b>

\* Comparative information for 2014 has been reclassified to reflect the finalisation of fair values on acquisition accounting entries which were treated as provisional in the prior year (note 5).

  
 Board Chair

  
 Managing Director  
 25 June 2015



**STATEMENTS OF CHANGES IN EQUITY**

FOR THE 52 WEEKS ENDED 29 MARCH 2015

	Share capital \$ '000	Other reserves \$ '000	Hedging reserve \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>GROUP</b>					
Balance at 03 March 2013	1,039	(16,658)	(1,143)	616,185	599,423
Profit for the period	-	-	-	38,778	38,778
<b>Other comprehensive income</b>					
Decrease in fair value of other financial assets	-	(7,988)	-	-	(7,988)
Increase in fair value of hedging net of tax	-	-	1,481	-	1,481
<b>Total other comprehensive income</b>	-	(7,988)	1,481	-	(6,507)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued on merger (note 5)	131,508	-	-	-	131,508
Conversion of B preference shares to voting A shares	6	-	-	-	6
<b>Balance at 30 March 2014</b>	<b>132,553</b>	<b>(24,646)</b>	<b>338</b>	<b>654,963</b>	<b>763,208</b>
Profit for the period	-	-	-	18,381	18,381
<b>Other comprehensive income</b>					
Decrease in fair value of other financial assets	-	(7,261)	-	-	(7,261)
Decrease in fair value of hedging net of tax	-	-	(11,928)	-	(11,928)
<b>Total other comprehensive income</b>	-	(7,261)	(11,928)	-	(19,189)
Issuance of B shares	20	-	-	-	20
<b>Balance at 29 March 2015</b>	<b>132,573</b>	<b>(31,907)</b>	<b>(11,590)</b>	<b>673,344</b>	<b>762,420</b>
<b>PARENT</b>					
Balance at 03 March 2013	1,039	-	-	121,520	122,559
Profit for the period	-	-	-	15,363	15,363
<b>Other comprehensive income</b>					
Increase/(decrease) in fair value of hedging net of tax	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Transactions with owners in their capacity as owners</b>					
Shares issued on merger (note 5)	131,508	-	-	-	131,508
Conversion of B preference shares to voting A shares	6	-	-	-	6
<b>Balance at 30 March 2014</b>	<b>132,553</b>	-	-	<b>136,883</b>	<b>269,436</b>
Loss for the period	-	-	-	(9,411)	(9,411)
<b>Other comprehensive income</b>					
Increase/(decrease) in fair value of hedging net of tax	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
Issuance of B shares	20	-	-	-	20
<b>Balance at 29 March 2015</b>	<b>132,573</b>	-	-	<b>127,472</b>	<b>260,045</b>

**STATEMENTS OF CASH FLOWS**

FOR THE 52 WEEKS ENDED 29 MARCH 2015

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	6,494,318	5,966,055	5,977,642	5,619,509
Cash paid to suppliers and employees	(6,131,549)	(5,415,801)	(5,605,707)	(5,178,480)
Cash generated from operations	362,769	550,254	371,935	441,029
Interest received	6,941	11,002	6,057	16,556
Interest paid	(33,207)	(24,955)	(347)	(12,777)
Net GST (paid)/received	(46,368)	(41,109)	40,051	(7,690)
Income tax paid - net	(7,430)	(25,019)	(4,500)	(10,110)
<b>Net cash generated from operating activities</b>	<b>282,705</b>	<b>470,173</b>	<b>413,196</b>	<b>427,008</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(70,245)	(299,077)	(11,322)	(20,343)
Proceeds from sale of property, plant and equipment	57,163	12,998	2,785	399
Purchase of intangible assets	(29,957)	(55,351)	(27,868)	(54,992)
Proceeds from disposal of investment in Bell Tea	-	32,487	-	16,243
Dividends received from other investments	3,530	6,271	2,001	5,049
Advances to Members	(131,472)	(160,390)	(131,471)	(160,390)
Repayment of advances to Members	148,247	168,268	148,247	168,268
Repayment from/(advances to) Subsidiaries	-	-	(232,111)	(70,929)
Repayment from/(advances to) Associates	949	(12,277)	1,023	(12,842)
Repayment from/(advances to) Other Related Companies	(1,898)	1,455	(485)	6,770
Cash and cash equivalents acquired on merger	-	12,666	-	10,993
<b>Net cash used in investing activities</b>	<b>(23,683)</b>	<b>(292,950)</b>	<b>(249,201)</b>	<b>(111,774)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(121,200)	(38,161)	(150,000)	(217,161)
Rebate investment vouchers paid	(44,501)	(41,595)	-	-
Deferred rebate vouchers paid	(12,557)	(13,129)	-	(13,129)
Legacy instruments paid	-	(332)	-	(332)
Interest paid on rebate investment vouchers	(17,739)	(16,724)	-	-
Cash rebates paid	(34,302)	(57,920)	(34,303)	(57,920)
<b>Net cash generated used in financing activities</b>	<b>(230,299)</b>	<b>(167,861)</b>	<b>(184,303)</b>	<b>(288,542)</b>
Net increase/(decrease) in cash and cash equivalents	28,723	9,362	(20,308)	26,692
Cash and cash equivalents at beginning of period	15,348	5,986	29,070	2,378
<b>Cash and cash equivalents at end of period</b>	<b>44,071</b>	<b>15,348</b>	<b>8,762</b>	<b>29,070</b>

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1. POLICIES

### a. General Information

On 1 September 2013, Foodstuffs (Auckland) Limited (FSA) and Foodstuffs (Wellington) Co-operative Society Limited (FSW) were amalgamated into a re-named and restructured FSA to form Foodstuffs North Island Limited (FSNI).

### b. Basis of preparation

The summary financial statements are those of Foodstuffs North Island Limited (the 'Company' or the 'Parent Company'), its subsidiaries and associates (the 'Group' or 'Foodstuffs'). Foodstuffs North Island Limited has designated itself and the Group as profit oriented entities for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). They have been prepared in accordance with Financial Reporting Standard No. 43 "Summary Financial Statements" and have been extracted from full financial statements that comply with NZ IFRS.

The full financial statements, signed on 25 June 2015, have been audited by PricewaterhouseCoopers and given an unqualified opinion. For a complete understanding of the financial affairs of the Group, the full financial statements are available for shareholders on request.

### c. Accounting Periods

The Group has a weekly operating cycle ending on Sunday night. The annual accounting period follows this cycle. The 2015 accounting period ended 29 March 2015 presented consists of 52 weeks to 29 March 2015. This compares to the 2014 accounting period being a 56 week period to 30 March 2014.

## NOTE 2. DISTRIBUTION TO MEMBERS

Under the terms of the Merger the legacy rebate policies for FSA and FSW were applied up to 30 March 2014. The distribution for 2015 reflects an aligned FSNI rebate policy.

The total distribution for the period consolidated is made up as follows:

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
Cash rebates	49,153	54,317	49,153	54,317
Deferred rebate vouchers (DRVs)	83,380	63,333	83,380	63,333
Amounts to be deducted from Members	-	(5,573)	-	(5,573)
<b>Distributions to Members before interest</b>	<b>132,533</b>	<b>112,077</b>	<b>132,533</b>	<b>112,077</b>
Interest on legacy rebate investment vouchers included in finance costs	27,952	23,628	66	-
Unwind of discount on transition of DRVs to interest bearing	-	3,289	-	3,289
<b>Total distributions to Members</b>	<b>160,485</b>	<b>138,994</b>	<b>132,599</b>	<b>115,366</b>
Cash rebates paid for the current financial period	-	20,922	-	20,922
Cash rebates payable	49,153	33,395	49,153	33,395
<b>Total cash distribution to Members</b>	<b>49,153</b>	<b>54,317</b>	<b>49,153</b>	<b>54,317</b>

These balances and transactions are with related parties (refer note 4).

## NOTE 3. INCOME TAX EXPENSE

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
<b>As per Statement of Comprehensive Income</b>				
Current tax:				
Current tax on profit for the period	7,076	14,483	5,884	5,490
Adjustments in respect of prior years	(1,973)	51	3,699	-
<b>Total current tax</b>	<b>5,103</b>	<b>14,534</b>	<b>9,583</b>	<b>5,490</b>
Deferred tax	(6,730)	(10,368)	(3,055)	(2,514)
Impact in change of tax rate / adjustment for prior years	6,066	-	7,366	-
<b>Total deferred tax</b>	<b>(664)</b>	<b>(10,368)</b>	<b>4,311</b>	<b>(2,514)</b>
<b>Income tax charge reported in Statement of Comprehensive Income</b>	<b>4,439</b>	<b>4,166</b>	<b>13,894</b>	<b>2,976</b>
<b>Reconciliation of effective tax charge:</b>				
Profit before distribution to Members	155,353	155,021	137,016	130,416
Distribution to Members	(132,533)	(112,077)	(132,533)	(112,077)
Profit before income tax	22,820	42,944	4,483	18,339
Effective tax charge at 28%	6,390	12,024	1,255	5,135
Adjustments to taxation:				
Non taxable gain	(2,604)	(3,008)	-	-
Non taxable income	(3,777)	(1,644)	(543)	(71)
Associates and Joint Venture results reported net of tax	243	(2,115)	-	-
Revaluations of asset at fair value	-	(1,368)	-	(453)
Expenses not deductible for tax purposes	93	2,900	2,117	834
Adjustments in respect of prior periods	4,094	(2,623)	11,065	(2,469)
<b>Total income tax charge for the period</b>	<b>4,439</b>	<b>4,166</b>	<b>13,894</b>	<b>2,976</b>

## NOTE 4. RELATED PARTY TRANSACTIONS

### a. Transactions with related parties

Foodstuffs North Island Limited operates as a co-operative and predominantly trades with Members. All transactions are conducted on normal trading terms and conditions. Virtually all sales of the Parent company and rental charges are made to Members. On a Group level approximately \$5,914,612,000 (2014: \$5,288,100,000) of revenue represents sales to and rental from Members. Within other income, services to Members were \$45,808,000 (2014: \$41,437,000).

In the ordinary course of business the Group bears charges for the shared activities undertaken by its associated companies and related parties and incurs direct costs which are recovered from them. The net charges from associated companies were \$11,220,000 (2014: \$18,074,000). Net charges from related parties were \$472,000 (2014: \$55,000).

Advances, repayment of advances, and distributions to Members are presented in the Cash Flow Statements.

There have been no transactions with Directors outside trading in the normal course of business in their capacity as Members.

CONTINUES ON NEXT PAGE >



**b. Outstanding balances at balance date with related parties**

The Parent company advances funds to subsidiaries, Members and associate companies in the normal course of business at commercial lending rates. All loans are secured and repayable on demand. At 29 March 2015 a reserve against future recoverability of Member loans of \$5,500,000 (2014: \$7,900,000) was held. All of the interest received shown in the Parent's Statement of Comprehensive Income was from Members or subsidiary companies.

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
Loans to Members	15,432	43,603	15,432	43,603
Loans to Associates	26,560	27,405	23,275	24,180
Receivable from Subsidiaries	-	-	307,192	300,870
Receivable from other related companies	19,427	16,167	12,508	10,669
<b>Related party receivables</b>	<b>61,419</b>	<b>87,175</b>	<b>358,407</b>	<b>379,322</b>

Included in Trade Debtors for the Group and Parent are \$227,336,000 (2014:\$230,304,000) arising from Member purchases.

Other related parties represent balances owing from the Foodstuffs North Island's sister company in South Island, Foodstuffs Auckland Provident Fund and Foodstuffs New Zealand.

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
Payable to Subsidiaries	-	-	7,486	112,147
Payable to Associates	240	136	240	121
Payable to other related companies	8,052	6,710	7,966	6,633
<b>Related party payables</b>	<b>8,292</b>	<b>6,846</b>	<b>15,692</b>	<b>118,901</b>

Loans to Members are due within one year and the rate of interest is determined over the period at the floating rate existing at that time except where alternative arrangements have been made. The average floating rate at balance date was 6.1% (2014: 5.4%).

Other related parties represent balances owing to Modern Merchants, Foodstuffs New Zealand, Foodstuffs Inbound Limited and Foodstuffs North Island's sister company in the South Island, Foodstuffs South Island Limited.

8 Directors of the Company are also store owners and as such may receive loans under the same terms and conditions as other loans to Members. At balance date, these amounted to \$nil (2014: \$nil).

**c. Guarantees**

	2015 \$ '000	2014 \$ '000
<b>GROUP AND PARENT</b>		
Guarantees for Members' bank loans	380,075	413,492

The Group acts as a guarantor for a number of Members' bank loans. The Group is obligated under the guarantee to make the loan payments in the event the Member defaults on a loan agreement. The Group generally holds first debenture security over the assets and prudently manages exposures. Based on a review of the current financial situation of Members, the Directors do not expect any impact on profit from cash outflows under the guarantees in place. Accordingly the estimated fair value of these guarantees is \$nil (2014: \$nil).

CONTINUES ON NEXT PAGE >

**d. Fair values**

The carrying values of balances receivable or payable are approximately their fair value.

**e. Investment in Subsidiaries**

The Group's principal subsidiaries are:

	Business activity	Share of issued capital and voting rights	
		2015	2014
Equity Funding Limited	Investment	100%	100%
Foodstuffs (Auckland) Nominees Limited	Investment	100%	100%
Foodstuffs (Auckland) Systems & Technology Leasing Limited	Leasing	100%	100%
Foodstuffs Finance (Auckland) Limited	Funding	100%	100%
Foodstuffs Fresh (Auckland) Limited	Distribution	100%	100%
James Gilmour & Co Limited	Wholesaling	100%	100%
Merchant Property Management Limited	Property management	100%	100%
Route & Retail Distribution Limited	Transport	100%	100%
The National Trading Company of New Zealand Limited	Retail property	100%	100%
Foodstuffs Properties (Wellington) Limited	Retail property	100%	100%
Retail Property Holdings Limited	Retail property	100%	100%
Wardell Bros. & Coy Limited	Investment	100%	100%
Rowntrees Master Butchers Limited	Non-trading	100%	100%
Toops Wholesale Limited	Wholesaling	100%	100%
AF Logistics Limited	Transport	100%	100%

**Interest in Subsidiaries**

	Parent 2015 \$ '000	Parent 2014 \$ '000
Shares at cost	69,704	14,865
Fair value acquired on merger	-	54,839
<b>Carrying value at end of period</b>	<b>69,704</b>	<b>69,704</b>

**f. Investment in Associates and Joint Ventures**

The Group's principal associates and joint ventures are:

	Reporting Date	Business activity	Share of issued capital	
			2015	2014
Foodstuffs (NZ) Limited	30 June	Brand Management	50%	50%
Foodstuffs Liquor New Zealand Limited	31 March	Retail	67%	67%
Foodstuffs Own Brands Limited	31 March	Procurement	50%	50%
Foodstuffs Inbound Limited	31 March	Transport	50%	50%
Foodstuffs BTCC Properties Limited	31 March	Property	0%	67%
Foodstuffs Fuel Limited	31 March	Procurement	67%	67%
Foodstuffs Ventures (NZ) Limited	31 March	Investing	67%	67%
Foodstuffs Publishing Limited	31 March	Publishing	67%	67%
Panmure Cash 'n Carry Limited	31 March	Wholesaling	50%	50%
Rotorua Cash 'n Carry Limited	31 March	Wholesaling	50%	50%
Tauranga Cash 'n Carry Limited	31 March	Wholesaling	50%	50%
Metro New World	31 March	Retail	50%	50%
Site 38 Limited	31 March	Properties	50%	50%
Kapiti Supermarket Limited	31 March	Retail	100%	0%

All associate and joint venture companies are incorporated and domiciled in New Zealand which is their principal place of business. At balance date all the above companies are considered joint ventures.

Associates are entities over which the Group has significant influence to participate in the financial and operating policy decisions of the associate, but does not have control or joint control over these policies.

Joint ventures are entities over which the Group has significant influence to participate in the financial and operating policy decisions of the joint venture and has joint control over these policies.

During the year the assets of BTCC Properties Limited have been sold and the company has been struck off.

During the year an impairment of \$3,088,000 has been recognised against the investment value in the Gilmours JV businesses.

CONTINUES ON NEXT PAGE >

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
<b>Interests in Associates</b>				
Carrying value at beginning of period	697	20,468	-	13,140
Acquired on merger	-	15,192	-	12,617
Disposal/sale of associates	-	(14,340)	-	(15,897)
Group's share of associates profit	218	(153)	-	-
Dividends received or declared	-	(10,082)	-	-
Loan to an associate	-	53	-	-
Transferred to Joint Ventures on merger	-	(10,441)	-	(9,860)
<b>Carrying value at end of period</b>	<b>915</b>	<b>697</b>	<b>-</b>	<b>-</b>

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
<b>Interests in Joint Ventures</b>				
Carrying value at beginning of period	9,086	4,286	1,775	-
Transferred from associates on merger as above	-	10,441	-	9,860
Acquired on merger	-	1,804	-	1,488
Sale of shares of joint venture	(27)	(9,600)	-	(9,573)
Group's share of joint venture profit	2,001	2,268	-	-
Dividends received or declared	(816)	(113)	-	-
Impairment in investment in joint venture	(3,088)	-	-	-
<b>Carrying value at end of period</b>	<b>7,156</b>	<b>9,086</b>	<b>1,775</b>	<b>1,775</b>

	Group 2015 \$ '000	Group 2014 \$ '000	Parent 2015 \$ '000	Parent 2014 \$ '000
<b>Disposals of Associates and Joint Ventures</b>				
Total cash received	1,183	32,487	-	16,243
Net liabilities disposed of	-	(11,101)	-	(5,550)
Profit on disposal	1,183	21,386	-	10,693
Less: Profit on disposal prior to merger	-	(10,693)	-	(10,693)
<b>Profit on disposal from sale of Bell Tea FY14/ Foodstuffs BTCC Properties FY15</b>	<b>1,183</b>	<b>10,693</b>	<b>-</b>	<b>-</b>

	Group 2015 \$ '000	Group 2014 \$ '000
<b>Results of associate and joint venture companies</b>		
Share of profit/(loss) before income tax	(10)	3,587
Income tax	(859)	(1,472)
<b>Share of profit from Associates and Joint Ventures</b>	<b>(869)</b>	<b>2,115</b>

The Group's share of the results of its principal associates and joint ventures, all of which are unlisted, and its aggregated assets, liabilities and revenues are as follows:

	Assets \$'000	Liabilities \$'000	Revenues \$'000	Profit/(Loss) \$'000
<b>2015</b>	14,852	11,238	30,613	(869)
<b>2014</b>	21,469	13,226	103,857	2,115

## NOTE 5. BUSINESS COMBINATIONS

On 5 July 2013 the shareholders of FSA and FSW voted in favour to amalgamate FSA and FSW to be effected by approval of the Court pursuant to Section 236 of the Companies Act. The amalgamated company FSA is renamed "Foodstuffs North Island Limited" (FSNI). The amalgamation is effective from 1 September 2013.

Although the transaction is a merger of equals, for accounting purposes, under IFRS 3 it is required to be presented as an acquisition of FSW by FSA.

### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities assumed as at the date of amalgamation were:

	Fair value recognised on acquisition \$'000
<b>Assets</b>	
Property, plant and equipment	453,507
Intangible assets excluding goodwill	17,191
Investments in associates	16,996
Other financial assets	39,109
Deferred tax asset	7,976
Cash and cash equivalents	12,666
Trade and other receivables	134,592
Inventories	66,492
Related party receivables	25,083
	773,612
<b>Liabilities</b>	
Liabilities to Members - Legacy Instruments	(87,022)
Liabilities to Members - Other	(5,968)
Borrowings	(367,161)
Deferred tax liability	(55,710)
Trade and other payables	(188,584)
Income taxation payable	(70)
Derivative financial instruments	(4,785)
Related party payables	(86)
	(709,386)
<b>Total identifiable net assets at fair value</b>	<b>64,226</b>
Goodwill	67,283
<b>Purchase consideration / fair value of FSW's equity</b>	<b>131,509</b>

In the 2014 financial year the fair values of the identifiable assets and liabilities assumed as at the date of amalgamation were determined provisionally. Provisional valuations were appropriate as certain detailed property valuation work was still in progress at the point the financial statements were completed.

As a result of the completion of this work, the fair value of property, plant and equipment has decreased by \$21,980,000, deferred tax liability increased by \$3,301,000, trade and other payables decreased by \$298,000 with a corresponding increase in goodwill of \$24,983,000.

The 2014 comparative information is reclassified to reflect this adjustment. There is no adjustment required to the statement of comprehensive income.



# ACKNOWLEDGEMENTS

The successful governance of FSNI relies on a combination of Trustees, Committees and External Professional Partnerships. FSNI would like to acknowledge the following for their contribution to FSNI throughout the 2014/15 financial year.

## PROTECTION AND PERPETUATION TRUSTEES

Tony Carter  
Stuart Irons  
Hugh Perrett  
Richard Reilly  
John Street

## AUDIT, RISK & COMPLIANCE COMMITTEE

Peter Schuyt (Chair)  
Peter Anderson  
Neil Foster  
Murray Jordan  
Joe Vegar

## SUCCESSION, REMUNERATION & NOMINATION COMMITTEE

Peter Anderson (Chair)  
Jane Freeman  
Sir Henry van der Heyden  
Rob Redwood

## OPERATOR DEVELOPMENT & APPROVAL COMMITTEE

Rob Redwood (Chair)  
Peter Anderson  
Paul Blackwell  
Doug Cochrane  
Mark Daldorf  
Murray Jordan  
Karl Marryatt  
Dean Waddell

## BUSINESS TRANSFORMATION ADVISORY COMMITTEE

Mark Daldorf (Chair)  
Gwen Bailey  
Ricky Bowen  
Antony Challinor  
Felicity Champion  
David Collins  
Rob Dowman  
Graham Fabian  
Peter Jeffares  
Craig McKeown  
Rob Redwood  
Kym Samuels  
Brendon Smith  
Nigel Stevens

## PAK'nSAVE TRANSITIONAL COMMITTEE

Neil Foster (Chair)  
Vinod Bhaga  
Dean Galt  
Gareth Jones  
Michael Kelly  
Quintin Proctor  
Glen Taylor  
Dean Waddell

## NEW WORLD TRANSITIONAL COMMITTEE

Jason Witehira (Chair)  
Rob Redwood (Chair)\*  
Gary Baker  
Malcolm Boyd  
Rob Dowman  
Brendon Good  
Richard Lucas  
Karl Marryatt  
Joe Vegar

## FOUR SQUARE TRANSITIONAL COMMITTEE

Joe Vegar (Chair)  
Mike Anderson  
Mark Cramond  
Steve Duffield  
Nicola Henry\*  
Grant Irwin  
Craig McKeown  
Kishor Patel\*  
Peter Pritchard  
Jitesh Ravla

## DIRECTORS REMUNERATION REVIEW COMMITTEE

Ewan Atherton  
Rob Dowman  
Gareth Jones  
Peter Pritchard  
Steve Purton

## BANKERS

ANZ Bank New Zealand Limited  
ASB Bank Limited  
Bank of New Zealand  
Bank of Tokyo-Mitsubishi UFJ, Limited  
Commonwealth Bank of Australia  
Westpac New Zealand Limited

## EXTERNAL AUDITORS

PricewaterhouseCoopers

## INTERNAL AUDITORS

Ernst & Young

## SOLICITORS

DLA Piper  
Ellis Gould  
Hudson Gavin Martin  
SBM Legal



OUR VISION IS TO BE

**NEW ZEALAND'S  
LEADING FOOD  
AND GROCERY  
RETAILER &  
WHOLESALE**

\*stood down during the 2014/15 financial year





**FOODSTUFFS**

NORTH ISLAND LIMITED

**REGISTERED OFFICE**  
60 Roma Road  
Mount Roskill  
Auckland