

# 04.

## Our Numbers

Following are our Consolidated FY23 Financial Statements of Foodstuffs North Island Limited, for the year ended 2 April 2023.

These Consolidated FY23 Financial Statements have been independently audited by PricewaterhouseCoopers.





## Report of the independent auditor on the summary financial statements

To the shareholders of Foodstuffs North Island Limited

The consolidated financial statements - condensed version (summary financial statements) comprise:

- the consolidated statement of financial position as at 2 April 2023;
- the consolidated statement of comprehensive income for the 52 weeks then ended;
- the consolidated statement of changes in equity for the 52 weeks then ended;
- the consolidated statement of cash flows for the 52 weeks then ended; and
- the notes to the consolidated financial statements, which include a summary of policies.

---

### Our opinion

The summary financial statements are derived from the audited consolidated financial statements of Foodstuffs North Island Limited, including its subsidiaries (the Group) for the 52 weeks ended 2 April 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

---

### Consolidated Summary financial statements

The summary financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

---

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 June 2023.

---

### Information other than the summary financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the summary financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the summary financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

### Responsibilities of the Directors for the summary financial statements

The Directors are responsible, on behalf of the Company, for the preparation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements*.

---

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our



procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We are independent of the Group. Our firm carries out other services for the Group in the areas of whistleblower hotline services, tax compliance services, property related advisory services, due diligence services, and other consulting services. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the Group. The provision of these other services and relationships have not impaired our independence as auditor of the Group.

---

**Who we report to**

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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.

---

*PricewaterhouseCoopers*

Chartered Accountants  
22 June 2023

Auckland

## Foodstuffs North Island Limited

# Consolidated Statement of Comprehensive Income

For the 52 weeks ended 2 April 2023

	Notes	2023 \$ '000	2022 \$ '000
<b>Revenue</b>	2	4,299,346	4,020,844
Cost of sales		(3,385,938)	(3,156,617)
<b>Gross profit</b>		913,408	864,227
Other income		3	5,333
Operating expenses		(648,950)	(599,497)
<b>Operating profit</b>		264,461	270,063
Finance income		9,317	4,477
Finance costs		(60,122)	(61,767)
Net finance costs		(50,805)	(57,290)
Share of profit/(loss) from Associates and Joint Ventures		4,433	3,537
<b>Profit before distribution to Members</b>		218,089	216,310
Distribution to Members	3	(150,972)	(149,934)
<b>Profit before income tax</b>		67,117	66,376
Income tax expense		(22,173)	(20,986)
<b>Profit for the period</b>		<b>44,944</b>	<b>45,390</b>
of which attributable to non-controlling interests		(46)	-
of which attributable to shareholders of the parent		44,990	45,390
<b>Other Comprehensive Income</b>			
Items that may be reclassified subsequently to profit or loss:			
Increase in fair value of hedging net of tax		6,088	16,424
Items that may not be reclassified subsequently to profit or loss:			
Increase/(decrease) in fair value of other financial assets		-	(7,820)
<b>Total other comprehensive gain</b>		6,088	8,604
<b>Total comprehensive income for the period</b>		<b>51,032</b>	<b>53,994</b>

Items in Other Comprehensive Income are disclosed net of tax.

The attached notes form part of and are to be read in conjunction with these audited consolidated financial statements.

# Foodstuffs North Island Limited

## Consolidated Statement of Financial Position

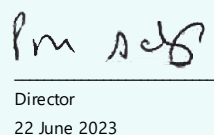
As at 2 April 2023

	Notes	2023 \$ '000	2022 \$ '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,959,400	1,911,575
Right of use assets	4	380,768	381,665
Sublease receivables	4	-	153
Intangible assets		231,697	242,183
Investments in associates		3,004	4,260
Investments in joint ventures		9,773	9,734
Derivative financial instruments		2,459	-
<b>Total non-current assets</b>		<b>2,587,101</b>	<b>2,549,570</b>
<b>Current assets</b>			
Cash and cash equivalents		17,529	26,895
Trade and other receivables		595,913	519,610
Sublease receivables	4	173	294
Inventories		227,878	189,433
Related party receivables	6	76,320	80,390
Assets held for sale		37,575	39,701
Derivative financial instruments		58	-
<b>Total current assets</b>		<b>955,446</b>	<b>856,323</b>
<b>Total assets</b>		<b>3,542,547</b>	<b>3,405,893</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders</b>			
Share capital		132,573	132,573
Hedqinq reserve		753	(5,335)
Retained earnings		941,009	896,019
Non-controlling interest		(46)	-
<b>Total equity</b>		<b>1,074,289</b>	<b>1,023,257</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to Members		583,366	558,643
Borrowings		250,000	250,000
Lease liabilities	4	405,519	394,796
Deferred tax liability		47,398	56,382
Derivative financial instruments		-	6,662
Other liabilities		4,118	4,468
<b>Total non-current liabilities</b>		<b>1,290,401</b>	<b>1,270,951</b>
<b>Current liabilities</b>			
Liabilities to Members		116,432	110,886
Lease liabilities	4	16,542	17,811
Borrowings		132,127	154,000
Trade and other payables		889,649	805,618
Payable of Cash distribution to Members		6,221	6,741
Income taxation payable		7,771	10,849
Derivative financial instruments		1,413	1,405
Related party payables	6	7,702	4,375
<b>Total current liabilities</b>		<b>1,177,857</b>	<b>1,111,685</b>
<b>Total liabilities</b>		<b>2,468,258</b>	<b>2,382,636</b>
<b>Total equity and liabilities</b>		<b>3,542,547</b>	<b>3,405,893</b>

The attached notes form part of and are to be read in conjunction with these audited consolidated financial statements.



Chairman



Director  
22 June 2023

## Foodstuffs North Island Limited

# Consolidated Statement of Changes in Equity

For the 52 weeks ended 2 April 2023

	Share capital \$ '000	Other financial assets revaluation reserves \$ '000	Hedging reserve \$ '000	Retained earnings \$ '000	Non-Controlling Interest \$ '000	Total equity \$ '000
Balance at At 28 March 2021	132,573	(15,725)	(21,759)	874,174	-	969,263
Profit for the period	-	-	-	45,390	-	45,390
Transfer from reserves to retained earnings	-	23,545	-	(23,545)	-	-
<b>Other comprehensive income</b>						
Changes fair value of other financial assets	-	(7,820)	-	-	-	(7,820)
Changes in fair value of hedging net of tax	-	-	16,424	-	-	16,424
Total other comprehensive income	-	(7,820)	16,424	-	-	8,604
<b>Balance as at 3 April 2022</b>	<b>132,573</b>	<b>-</b>	<b>(5,335)</b>	<b>896,019</b>	<b>-</b>	<b>1,023,257</b>
Profit for the period	-	-	-	44,990	(46)	44,944
<b>Other comprehensive income</b>						
Changes in fair value of hedging reserves net of tax	-	-	6,088	-	-	6,088
Total other comprehensive income	-	-	6,088	-	-	6,088
<b>Balance as at 2 April 2023</b>	<b>132,573</b>	<b>-</b>	<b>753</b>	<b>941,009</b>	<b>(46)</b>	<b>1,074,289</b>

The attached notes form part of and are to be read in conjunction with these audited consolidated financial statements.

## Foodstuffs North Island Limited

# Consolidated Statement of Cash Flows

For the 52 weeks ended 2 April 2023

	Notes	2023 \$ '000	2022 \$ '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	5	462,664	223,128
Interest received		9,170	4,396
Interest paid		(37,482)	(35,096)
Lease interest paid		(19,112)	(10,488)
Net GST paid		(64,402)	(67,482)
Net income tax paid		(36,628)	(21,872)
<b>Net cash generated from operating activities</b>		<b>314,210</b>	<b>92,586</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(140,598)	(85,245)
Proceeds from sale of property, plant and equipment		281	6,675
Purchase of intangible assets		(31,645)	(26,046)
Dividends received from Joint Ventures		4,000	5,029
Dividends received from other investments		3	4,903
Sale of other financial assets		-	67,699
Advances to Members		(309,427)	(246,552)
Repayment of advances to Members		316,649	201,820
Repayment from Associates		974	1,328
Repayment from other related companies		3,633	5,078
<b>Net cash used in investing activities</b>		<b>(156,130)</b>	<b>(65,311)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		7,127	174,000
Repayment of borrowings		(29,000)	(65,000)
Principal elements of lease payments		(3,350)	(4,901)
Deferred rebate vouchers paid		(93,365)	(91,941)
Interest paid on deferred rebate vouchers		(23,551)	(24,667)
Cash rebates paid		(25,307)	(28,117)
<b>Net cash used in financing activities</b>		<b>(167,446)</b>	<b>(40,626)</b>
Net decrease in cash and cash equivalents		(9,366)	(13,351)
Cash and cash equivalents at beginning of period		26,895	40,246
<b>Cash and cash equivalents at end of period</b>		<b>17,529</b>	<b>26,895</b>

The attached notes form part of and are to be read in conjunction with these audited consolidated financial statements.

# Foodstuffs North Island Limited

## Notes to the Consolidated Financial Statements

### 1 Policies

#### a) 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 Standards No. 43 "Summary Financial Statements" and have been extracted from full financial statements that comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

The full financial statements for the 52 weeks ended 2 April 2023 were issued with an unqualified opinion and were authorised by the Board of Directors on 22 June 2023.

For a complete understanding of the financial affairs of the Group, including additional note disclosures not presented here, the full financial statements are available for shareholders on request.

#### b) Accounting periods

The Group has a weekly operating cycle ending on Sunday night. The annual accounting period follows this cycle. The 2023 accounting period presented consists of 52 weeks to 2 April 2023 (2022: 53 weeks to 3 April 2022).

### 2 Revenues

	2023 \$'000	2022 \$'000
Sale of goods	3,743,893	3,490,692
Service income	46,712	46,988
Rental income	169,695	164,380
Freight Income	61,040	56,667
Services to Members	252,387	235,289
Co-operative income	9,074	9,610
Miscellaneous Income	16,545	17,218
<b>Total revenues</b>	<b>4,299,346</b>	<b>4,020,844</b>

### 3 Distributions to Members

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

	2023 \$'000	2022 \$'000
Cash rebates payable	6,221	6,741
Cash rebates paid	18,567	21,119
Deferred rebate vouchers (DRVs)	126,184	122,074
<b>Distributions to Members before interest</b>	<b>150,972</b>	<b>149,934</b>
Interest on deferred rebate vouchers	25,818	26,639
<b>Total distributions to Members</b>	<b>176,790</b>	<b>176,573</b>

These balances and transactions are with related parties (refer note 6).

### 4 Leases

The Group is involved in the leasing of property, land, offices and equipment.

Right of use assets (ROU)	Property \$'000	Total \$'000
<b>At 2 April 2023</b>		
Opening net book amount	381,665	381,665
Acquisitions	13,020	13,020
Depreciation & Impairments	(13,917)	(13,917)
<b>Closing net book amount</b>	<b>380,768</b>	<b>380,768</b>



# Foodstuffs North Island Limited

## Notes to the Consolidated Financial Statements

Lease Receivable	2023 \$'000	2022 \$'000
Current	173	294
Non-current	-	153
<b>Total lease Receivable</b>	<b>173</b>	<b>447</b>

Lease liabilities	2023 \$'000	2022 \$'000
Current	16,542	17,811
Non-current	405,519	394,796
<b>Total lease liabilities</b>	<b>422,061</b>	<b>412,607</b>

### 5 Reconciliation of profit before tax to net cash generated from operations

	2023 \$'000	2022 \$'000
Net profit before tax for the period	67,117	66,376
Adjustments to reconcile net profit to net cash generated from operations:		
Depreciation and amortisation	120,896	125,076
Impairment of assets	7,166	-
Distribution to Members	150,972	149,934
Share of profit from Associates & Joint Ventures	(4,433)	(3,537)
Net finance costs	50,805	57,290
Unrealised loss/(gain) on derivative transactions	(743)	684
Dividends received from other financial assets	(3)	(5,333)
Net loss on disposal of assets	2,148	1,727
Working capital movements:		
Increase in inventories	(38,445)	(11,149)
Increase in trade and other receivables	(90,207)	(102,175)
Increase/(decrease) in trade and other payables	186,767	(73,304)
Increase in lease liabilities	10,350	17,230
Decrease in sublease receivables	274	309
<b>Cash generated from operations</b>	<b>462,664</b>	<b>223,128</b>

### 6 Related party transactions

#### (a) Transactions with related parties

Foodstuffs North Island Limited, the ultimate parent company, operates as a co-operative and predominantly trades with Members. On a Group level, approximately \$4,288,418,000 (2022: \$4,009,740,000) of revenue represents sales to and rental from Members.

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 \$21,459,891 (2022: \$19,840,968). Net charges to related parties were \$317,975 (2022: \$142,267). Key management personnel compensation in the Group is \$11,505,271 (2022: \$10,838,225). These charges are recognised as part of related party receivables and payables in the Consolidated Statement of Financial Position and cost of sales, other income, operating expenses and finance income and expenses in the Consolidated Statement of Comprehensive Income. The outstanding related party balances will be settled by cash.

Advances, repayment of advances, and distributions to Members are presented in the Consolidated Statement of Cash Flows and note 3.

There have been no transactions with directors outside trading in the normal course of business in their capacity as Members, other than directors fees. Total directors fees paid and payable for the current year end amount to \$1,459,983 (2022: \$1,304,442).

# Foodstuffs North Island Limited

## Notes to the Consolidated Financial Statements

### (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. All loans are secured and repayable on demand. At 2 April 2023 a reserve against future recoverability of Member loans of \$nil (2022: \$nil) was held.

	2023 \$'000	2022 \$'000
Loans to Members	65,309	72,531
Loans to Associates	5,062	1,711
Receivable from other related companies	5,949	6,148
<b>Related party receivables</b>	<b>76,320</b>	<b>80,390</b>

Included in trade debtors for the Group is \$407,480,000 (2022: \$352,748,000) arising from Member purchases.

Other related parties, due to their relationship with the Group, represent balances owing from Foodstuffs Auckland Provident Fund Limited and Modern Merchants Limited.

	2023 \$'000	2022 \$'000
Payable to Associates	38	145
Payable to other related companies	7,664	4,230
<b>Related party payables</b>	<b>7,702</b>	<b>4,375</b>

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 6.00% (2022: 3.21%).

The majority of the other related parties balance is owing to Modern Merchants Limited.

Modern Merchants Limited is in an agency relationship with the related party landlords who are part of the Foodstuffs North Island Limited Group.

Foodstuffs (Auckland) Provident Fund Limited and Foodstuffs North Island Limited share a common director.

Eight 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 \$9,103,000 (2022: \$7,700,000).

### (c) Guarantees

	2023 \$'000	2022 \$'000
Guarantees for Members' bank loans	495,204	411,218

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 the application of the expected credit loss model under NZ IFRS 9, no amount has been included in the financial statements in relation to these guarantees as no guarantees are expected to be called.

### (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	2023	2022
Equity Funding Limited	Investment	100%	100%	100%
Foodstuffs Christmas Club Limited	Loyalty programme	100%	100%	100%
Foodstuffs Finance (Auckland) Limited	Funding	100%	100%	100%
Foodstuffs Fresh (Auckland) Limited	Distribution	100%	100%	100%
FSNI Transport Limited	Transport	100%	100%	100%
The National Trading Company of New Zealand Limited	Retail property	100%	100%	100%
Foodstuffs Properties (Wellington) Limited	Retail property	100%	100%	100%
Wai-Iti Developments Limited	Investment	100%	100%	100%
Wardell Bros & Coy Limited	Investment	100%	100%	100%
Gilmour's Wholesale Limited	Wholesaling	100%	100%	100%
Foodstuffs Precision Media Limited	National advertising	70%	70%	0%

## Foodstuffs North Island Limited

### Notes to the Consolidated Financial Statements

#### (f) Investment in Associates and Joint Ventures

The Group's principal Associates and Joint Ventures are:

	Reporting date	Type	Business activity	Share of issued capital	
				2023	2022
Foodstuffs (N.Z.) Limited	2 April	Joint Ventures	Brand management	50%	50%
Foodstuffs Liquor New Zealand Limited*	31 March	Joint Ventures	Retail	67%	67%
Foodstuffs Own Brands Limited	2 April	Joint Ventures	Procurement	50%	50%
Foodstuffs Inbound Limited	2 April	Joint Ventures	Transport	50%	50%
Eat My Lunch Limited	31 August	Associates	Catering Service	23%	23%
Fresh Connection Limited	30 June	Associates	Produce Distribution	25%	25%

\* Foodstuffs North Island share the voting rights in Foodstuffs Liquor NZ Limited with Foodstuffs South Island equally.

All Associate and Joint Venture companies are incorporated and domiciled in New Zealand which is their principal place of business.

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.

	2023 \$'000	2022 \$'000
<b>Interests in Associates</b>		
Carrying value at beginning of period	4,260	4,509
(Disposal/Sale)/Acquisition of shares in Associates	(1,650)	-
Advances to Associates	-	(210)
Group's share of Associate's profit	394	21
Dividends received (declared)	-	(60)
<b>Carrying value at end of period</b>	<b>3,004</b>	<b>4,260</b>

	2023 \$'000	2022 \$'000
<b>Interests in Joint Ventures</b>		
Carrying value at beginning of period	9,734	10,667
Acquisition/(Disposal/Sale) of shares in Joint Venture	-	-
Advances to JV	-	-
Group's share of Joint Venture's profit	4,039	3,517
Dividends declared	(4,000)	(4,450)
<b>Carrying value at end of period</b>	<b>9,773</b>	<b>9,734</b>

	2023 \$'000	2022 \$'000
<b>Results of Associates and Joint Ventures</b>		
Share of profit before income tax	6,173	4,963
Income tax	(1,740)	(1,426)
<b>Share of profit from Associates and Joint Ventures</b>	<b>4,433</b>	<b>3,537</b>

#### 7 Subsequent events

There have been no material events subsequent to 2 April 2023.