

**FOODSTUFFS**  
NORTH ISLAND LIMITED

**CONCISE  
ANNUAL REPORT  
2014**





## **OUR VISION**

IS TO BE NEW ZEALAND'S LEADING FOOD  
AND GROCERY RETAILER AND WHOLESALER,  
RECOGNISED AS A SUSTAINABLE AND  
INNOVATIVE WORLD-CLASS CO-OPERATIVE,  
POSSESSING AN UNRIVALLED REPUTATION  
WITH OUR CUSTOMERS, SUPPLIERS,  
MEMBERS AND STAFF.



**FOODSTUFFS**

NORTH ISLAND LIMITED

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# DIRECTORS' REPORT

This very first Foodstuffs North Island (FSNI) Annual Report brings with it a wealth of history, experience and a great deal of excitement and future potential. It's been an extraordinary year that saw two iconic Kiwi-owned and operated businesses merge to create one of New Zealand's largest companies. Together we made history and began a journey that will create a stronger, more sustainable and competitive co-operative.

## **A MERGER**

In February 2013, the Boards of Foodstuffs Wellington (FSW) and Foodstuffs Auckland (FSA) proposed the two co-operatives should merge to create FSNI. An intense period of internal and external preparations followed including the production of a comprehensive Information Memorandum, engagement with industry regulators and an application to the High Court. In July 2013, the Membership of both legacy organisations voted unanimously for the co-operatives to merge and on 1 September 2013, FSNI was officially created.

## **FSNI GOVERNANCE**

A Board with an equal representation of Grocer Directors from FSA and FSW were joined by a number of strategically selected Independent Directors who bring a wealth of experience and expertise from New Zealand industry. During our first year as FSNI, the combination of Grocer and Independent Directors are already proving to be a welcome evolution of the Foodstuffs' governance model, delivering both a breadth and depth of strategic thinking to the boardroom setting FSNI up strongly to deliver to its Vision, Values and Strategic Plan.

## **VISION AND VALUES**

The articulation and statement of the company Vision and Values was an important milestone in the first year of FSNI.

Our Vision is to be:

"New Zealand's leading food and grocery retailer and wholesaler, recognised as a sustainable and innovative world-class co-operative, possessing an unrivalled reputation with our Customers, Suppliers, Members and Staff."

Everything we do as a business will support achieving the FSNI Vision and this is underpinned by a focus on safety and a strong set of Values that provide both a benchmark and guide for how we do things. The FSNI Values are:

- Customer Focus
- Excellence
- Integrity
- Entrepreneurial
- One Team.

## **A BUSINESS OF SCALE**

The formation of FSNI has created a business of considerable size and scale. With more than 1,900 employees, 2 Support Centres and 8 Distribution Centres supporting: 40 PAK'nSAVE, 98 New World, 205 Four Square, 3 Write Price and 1 Shoprite retail stores - plus 8 Gilmours and 4 Toops wholesale stores that between them all employ more than 22,000 people.

## **ORGANISATIONAL DESIGN**

An extensive organisational design process was embarked upon to set FSNI up for success; this included the search and recruitment of the Executive team resulting in the appointment of world-class candidates from within Foodstuffs, New Zealand and international markets. Each Executive has articulated the purpose and key objectives of their business unit and have set about appointing the best people to support their aspirations. Recruitment continues with the majority of the wider Leadership team confirmed.

## **STRATEGIC PLAN**

The FSNI Executive team has set about the process of developing a Strategic Plan and priorities which will create the roadmap for our business and define the initiatives we undertake to achieve our Vision. The FSNI Strategic Plan is



The formation of FSNI has created a business of considerable size and scale.

well underway and is currently being refined before seeking final approval later this year. Following this, the Plan will be shared with the wider business to follow and achieve.

#### **INTEGRATION AND BENEFITS REALISATION**

Since FSNI became an entity on 1 September 2013, a great deal of focus has been given to integration and benefits realisation and in most cases these have come hand in hand. While much has been achieved in the first seven months of the entity, change is always challenging and the business has very much risen to the challenge of bringing together the best of the two co-operatives and embracing some new and different ways of doing things.

A priority was to enable the business to operate on one Member rebate system and this opportunity arose with the beginning of the 2014/15 financial year. To achieve this required a relatively speedy alignment of elements of the FSNI operating model, in particular:

- Alignment of supplier trading terms
- Member buy-in price alignment
- Moving to one promotional programme.

While all of these alignments have been achieved in a relatively short amount of time, they have also brought their challenges requiring a great deal of hard work, thinking and effort from our people. The alignments have also required considerable adaptability and understanding from our Membership, particularly our Members based in the lower North Island who have experienced the most change. Our focus to align FSNI systems and processes to establish one way of doing business continues throughout the 2014/15 financial year which will, in turn, achieve more merger benefits through further consolidation and efficiencies.

#### **FINANCIAL PERFORMANCE**

Due to merging, this year's Financial Statements make it difficult to compare with the previous year's performance. The Financial Statements reflect 56 weeks trading of the FSA business from 3 March 2013 to 30 March 2014 and 30 weeks trading of the FSW business from 1 September 2013 to 30 March 2014. The prior year comparative figures in the Financial Statements are those of FSA for the 53 week period ended 2 March 2013, the date of the last annual report. Total reported revenues of the Group are \$5,480m.

If you were to look at the combined results of FSA and FSW for a standard 52 week trading period the total revenues of the Group would be \$6,118m. Revenues are in line with the year prior reflecting a period of low grocery food price inflation and a continued focus on passing on savings to Members and ultimately our customers.

Operating profit for the Group is \$189m. However, profitability is not comparable between the years and reflects the varying rebate policies operated by the legacy co-operatives. Consistent with the merger plan, operating expenses have declined year on year. This decline is after absorbing transaction costs to complete the merger and to commence the integration work, plus an increase in technology costs reflecting the enhancement programmes currently underway. These lay the foundations for the delivery of merger benefits into our Support Centres and Stores.



In its first seven months of trading, FSNI has continued to gain market share and is in profitable growth, which, as a business going through organisational change, is a considerable achievement.

Reported net cash generated from operating activities are high reflecting both the additional four weeks' income included for the FSA business and the timing of the year end.

**DISTRIBUTION TO MEMBERS**

Member rebates for the 2013/14 financial year were calculated according to the performance of the legacy co-operatives. Going forward, now the alignment work has been done, FSNI will operate on one Member rebate system.

	FSA (\$000)	FSW <sup>1</sup> (\$000)
Rebate from Members' trading	88,145	49,175
Amounts to be recovered from 2014/15 rebate	-	(5,573) <sup>2</sup>
Interest on Rebate Investment Vouchers	23,628	-
	<u>111,773</u>	<u>43,602</u>

<sup>1</sup> FSW rebate is shown for the full 12 month period, only 7 months of this is reflected in the Summary Financial Statements.

<sup>2</sup> The payment of trading rebates in cash throughout the year in accordance with legacy FSW principles has resulted in an over-distribution for the current year. The Board have agreed that this will be recovered from Members through the rebate to be issued for the 2014/15 financial year.

**FINANCIAL POSITION**

FSNI remains in a strong financial position with total assets of \$2,740m and financial ratios well within the requirements set by the Company's lenders. With an enhanced asset base as a merged entity, the opportunity was taken to refresh financial arrangements with FSNI's lending banks and the Group has also taken direct control of a number of properties that were formerly leased by FSW.

FSNI continues to focus and invest significant capital investment in operating technology and in Programme Lightning, our long-term programme to build a strong retail platform, systems and processes for FSNI.

FSNI assists Members with finance by way of a direct advance or bank guarantee. As at balance date, loans to Members stood at \$43.6m and bank overdraft and term loans guaranteed by the Company on behalf of Members amounted to \$413.5m.

**AUDITORS**

PwC have conveyed their willingness to continue in office.

**SUMMARY AND APPRECIATION**

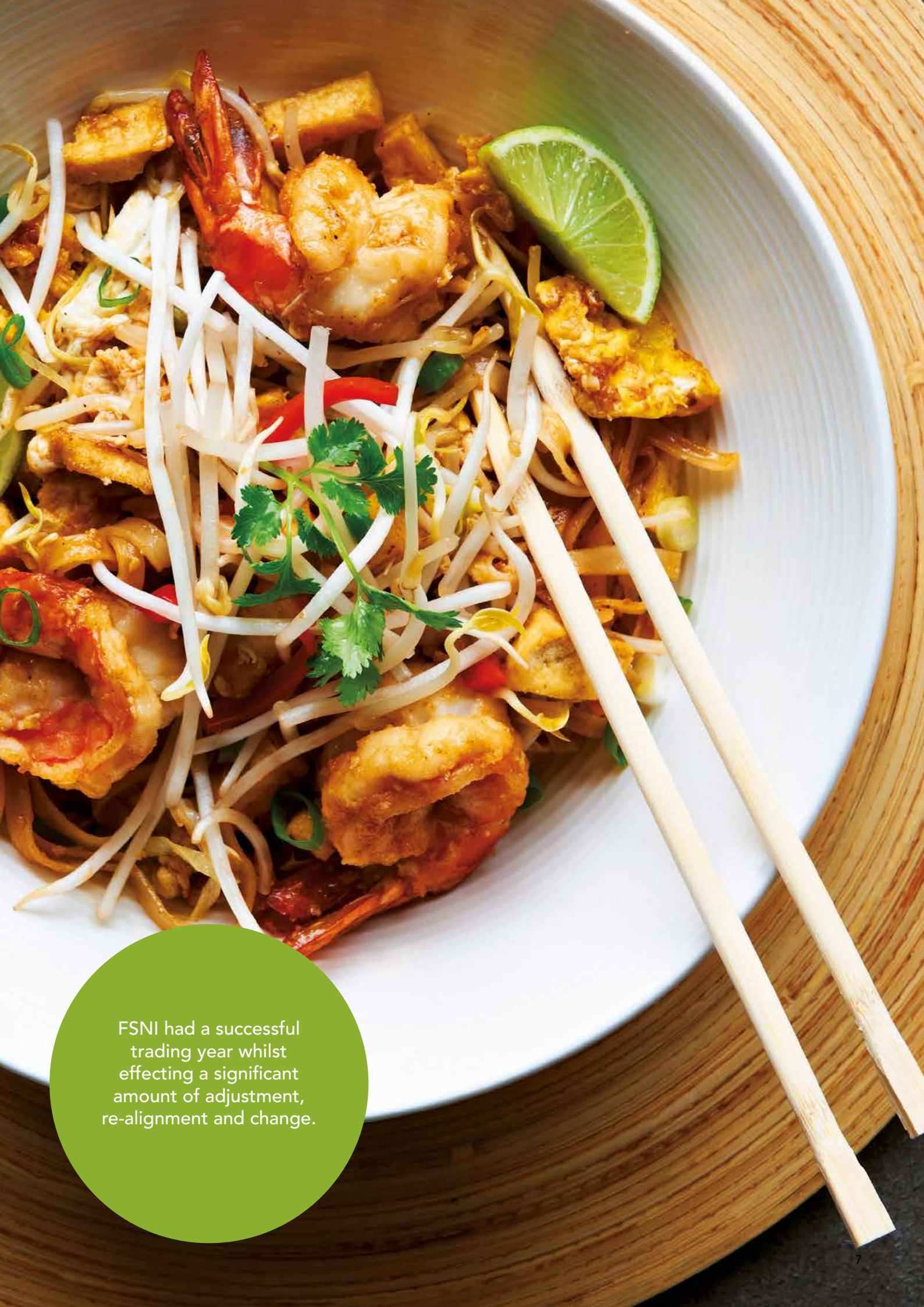
FSNI had a successful trading year whilst effecting a significant amount of adjustment, re-alignment and change. The Directors extend their appreciation to the Executive Team, Staff Members and our Membership, particularly all those who have served on Committees during this extraordinary first year of FSNI.

On behalf of the Board.

**Peter Anderson**  
Board Chair

**Murray Jordan**  
Managing Director





FSNI had a successful trading year whilst effecting a significant amount of adjustment, re-alignment and change.

**WE'VE GOT  
A BRAND  
NEW LOOK.**

**CLEAN,  
DISTINCTIVE  
& FRESH.**





# A NEW COMPANY, A NEW IDENTITY.

On 1 September 2013 we introduced the FSNI logo to the organisation and it has been thoroughly embraced.

The FSNI identity was created with our 100% Kiwi-owned and operated credentials in mind. The green pikopiko represents our inherent New Zealandness bringing a fresh new look for our organisation.





# PROGRAMME LIGHTNING GO-LIVE ONE

Our long-term programme to create the future platform for our Support Centres and Stores reached a major milestone this year with a successful Lightning Transformation Go-Live 1.

Programme Lightning is our long-term transformational programme to build the future platform for our business. Lightning will ensure we have the right products - in the right place - at the right time; providing our Members with timely information about their business and our customers with the best possible shopping experience, every time.

We are proud to be working with industry leaders SAP and NCR Retailix to develop the supporting systems and processes that will be rolled out across FSNI Support Centres, Distribution Centres and Stores.

The Lightning programme is structured across three key phases that run concurrently:

- **TECHNICAL READINESS** refreshes the store systems and network infrastructure in preparation for the POS Replacement point-of-sale and Lightning Transformation projects.
- **POS REPLACEMENT** replaces the legacy point of sale system with Retailix StoreLine point-of-sale. As at May 2014, 13 stores are currently using the new touch-screen point of sale systems and we are preparing for full deployment.

- **LIGHTNING TRANSFORMATION** introduces an SAP solution that will replace the existing systems we use for ordering, promotions and reporting as well as product and supplier information management.
- **Lightning Transformation Go-Live 1** took place in November 2013 successfully rolling out the SAP solution to existing SAP users in the Auckland Support Centre and 8 Gilmours wholesale stores. This was a significant milestone as it marked the first step in our journey towards aligning our business processes and systems.
- After a successful Go-Live 1, the business is now preparing for **Lightning Transformation Go-Live 2** which involves rolling out SAP to Auckland based Support Centre teams in the Supply Chain, Retail and Merchandise business units.

Following Go-Live 2 in the upper North Island, focus will shift to preparing the lower North Island for integration and migration to the Lightning platform.





Lightning Transformation Go-Live 1 took place in November 2013 successfully rolling out the SAP solution to existing SAP users in the Auckland Support Centre and 8 Gilmours wholesale stores.



# FSNI

## A BUSINESS OF SCALE:

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THE FORMATION OF FSNI HAS CREATED A BUSINESS OF CONSIDERABLE SIZE AND SCALE.



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MORE THAN **1,900** FSNI EMPLOYEES

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**2 SUPPORT CENTRES**

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**8 DISTRIBUTION CENTRES**





**359**  
STORES

**40**  
PAK'nSAVE

**3**  
WRITE PRICE  

---

**1**  
SHOPRITE



**205**  
FOUR SQUARE



**98**  
NEW WORLD

**8**  
GILMOURS  

---

**4**  
TOOPS

BETWEEN THEM EMPLOYING MORE THAN  
**22,000 PEOPLE**



# NATIONAL PROGRESS REPORT

## NATIONAL MARKETING

The 2013/2014 financial year saw Foodstuffs nationally return to share growth on the Nielsen based measure. Encouragingly, when all product segments are included through analysis of transaction data, we can also see a real strength coming through in key fresh categories.

Within our supermarket banners New World has led the way with a gain of around half a market share point. It is also pleasing to see momentum building with both the New World and PAK'nSAVE brands growing across the country in the first calendar quarter of 2014.

During the year, Foodstuffs New Zealand Marketing has continued to develop with the completion of the National Studio which has yielded significant, on target, levels of cost saving. The Digital Team, which manages the business' websites and social media channels, has also transitioned into the national function and we have seen significant growth rates in our direct-to-customer email and Facebook communication channels.

It has been a big year from a Public Relations perspective, supermarkets are very front of mind with media, and our industry remains one of intense public interest. We approached this level of intensity and media scrutiny as 'business as usual' rather than merely a pulse in time. Our industry and media relationships, responsiveness, transparency and integrity are all elements of our reputation protection that we manage very carefully.

New World brand development was supported by a comprehensive retail calendar and the introduction of the Fresh Experts campaign on TV and in-store. This combination saw key brand measures build momentum throughout the year.

Undoubtedly the highlight of the year was Little Shop which grew our market share whilst creating an unprecedented buzz in households across the country.

PAK'nSAVE was supported by key theme weeks and the ongoing development of Stickman as one of the most loved icons of New Zealand advertising. The Price Comparison campaign proved to be a game changer. The rigour of our approach saw the campaign withstand intense scrutiny, while strongly reinforcing the core PAK'nSAVE brand positioning.

A large amount of foundation work has also gone into our Customer Relationship Management (CRM) platform development. This will first be seen through Foodstuffs South Island led launch of the New World Clubcard in 2014. Consideration of the role of CRM customer programmes for other banners, and timing for the national expansion of the New World Clubcard, will follow. Through all of our national endeavours the customer is ever present and at the centre of our focus and attention. We have made big strides in the Customer Insight area of the business and we will continue to build on a very solid platform – extending our reach and ensuring great insights remain at the heart of all key decisions.

## STORE DEVELOPMENTS

The year was another busy one from a property development perspective, with a number of new Stores opening as well as a number of Store refurbishments.

At the end of February 2014, Foodstuffs co-operative Members operated 50 PAK'nSAVEs, 140 New World Supermarkets, 275 Four Square Supermarkets, 3 Write Price Stores, 1 Shoprite Store, 140 On The Spot Convenience Stores, 19 Henry's Outlets, 5 Raeward Fresh Stores, 8 Gilmours Stores, 4 Toops Stores, 5 Trents Stores and 44 Fuel Sites.





Undoubtedly the highlight of the year was Little Shop.

#### NEW STORE DEVELOPMENTS

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

- Foodstuffs North Island: New World Te Puke, New World Silverstream, New World Kapiti and Four Square Riverview
- Foodstuffs South Island: PAK'nSAVE Blenheim, New World Woolston, Raeward Fresh Marshlands and Trents Orbell Street.

#### STORE REFURBISHMENTS, REPLACEMENT STORES & EXTENSIONS

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

- Foodstuffs North Island: PAK'nSAVE Petone, PAK'nSAVE Clarence St, PAK'nSAVE Tauranga, PAK'nSAVE Albany, New World New Plymouth, New World Dannevirke, New World Birkenhead and New World Waihi
- Foodstuffs South Island: PAK'nSAVE Dunedin, Four Square Methven, New World Gore and cosmetic upgrades were carried out on New World Wakatipu, New World Wanaka and New World Cromwell.

#### RETAIL INNOVATIONS

The co-operatives continue to review and fine-tune their store formats by introducing a number of innovations to ensure our brand offers remain relevant to customers.

Foodstuffs North Island is also progressing well with establishing an online shopping solution for New World. The pilot Store, New World Thorndon, has been trialling our online offering and feedback from customers has been very positive. The pilot is ongoing and expansion plans are being refined.

Foodstuffs South Island's 2012 purchase of the Raeward Fresh Brand, a specialty meat and produce outlet, has seen the

brand increase their sales by 60% proving that this offering really does represent an area of growth for the business. The South Island will continue to develop the brand in key centres throughout the region and is pleased that Mediterranean Foods in Queenstown recently signed an agreement to become part of the Raeward Fresh brand. Mediterranean Foods' transition to the brand is expected to be complete by August 2014.

#### FOODSTUFFS OWN BRANDS LIMITED

Private label products make up approximately 13% of Foodstuffs total grocery sales with Pams contributing 8.5%.

Foodstuffs private label Pams has been recognised in the international Vertex Awards for its creative packaging designs. Pams flour packaging won the prestigious "Best in Show" award and took out Gold in the Packaged Goods category, described by the judges as capturing "a sense of baking nostalgia with familiar baking icons and charming fabrics woven from another time of wisdom and practicality". It was felt the packs portrayed a "wonderfully wholesome" feel that was both a "refreshing and delightful take on a basic everyday item".

Other Pams products received recognition and were awarded Gold in their categories including Pams milk, cream and butter in the Fresh category, Pams premium ice cream in Frozen and in Body Care, Pams baby range also excelled.

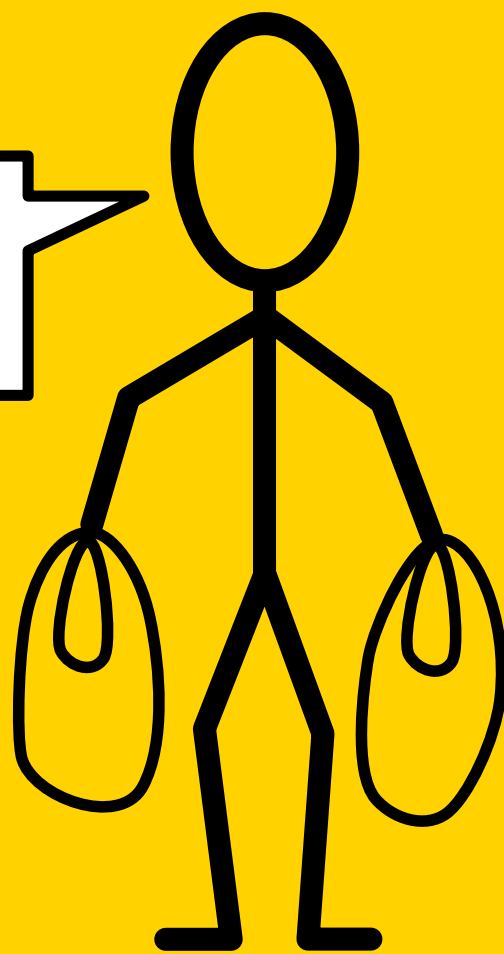
To have a Kiwi brand outshine designs created for global retail giants such as Tesco and Lidl from Europe, America's Safeway or Australia's Woolworths is confirmation that when teamed up with the right design experts, Foodstuffs has the ability to lead the world in key areas such as packaging.

Closer to home, Pams was voted the winner of the 2013 Reader's Digest Most Trusted Brands Private Label category. Considering the brand first made an appearance on the



# WEEK!

**FILL YOUR NEST  
WITH GREAT DEALS NOW**



shelves of Kiwi homes in 1937 with just two products it's impressive to see there are now more than 2,500 different products available across the range.

## LIQUORLAND

Liquorland enjoyed a solid year with sales growth of 1.7% and final quarter sales growth of 9.7%. Early in the year Liquorland lost seven stores, however, this loss was offset later in the year with the addition of the same number of stores, all of which were a better fit to the Liquorland business. Total traditional liquor sales were flat in what was a tough year for the industry making the Liquorland growth performance very pleasing. Sales growth has come from a focus on customer service and premiumisation, which has allowed for an improvement in franchisee profitability and less dependence on product and price promotions. Future growth prospects look good with existing store growth predicted and a pipeline of new stores planned to join Liquorland.

Meeting and exceeding the Liquorland profit targets can be attributed to taking a stronger customer-led approach which involves greater supplier collaboration to ensure consumers' needs are met. As part of this a quarterly lifestyle magazine called 'Toast' was developed to help communicate to customers.

## DIVESTMENT OF BELL TEA

Bell Tea and Coffee Company (BTCC) was sold after 50 years of ownership by the Foodstuffs co-operatives to Wellington-based investment company Pencarrow Private Equity. The decision to sell BTCC to Pencarrow, a well-established New Zealand-owned private equity company, was not taken lightly, however, from a strategic perspective FSNI wishes to focus on its core business of food and grocery retailing and wholesaling and the sale was consistent with that focus. Pencarrow Private Equity took ownership of BTCC on 1 October 2013 and we look forward to watching the business grow under the new ownership.

## 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. Legislative reforms relating to alcohol, food, employment and property law, have been the primary focus during the last year.

Following the passage of the Sale and Supply of Alcohol Act 2012, the new legislative framework for the sale of alcohol began to be implemented from mid-2013. Foodstuffs was consulted on the regulations that underpin the Act and was influential in the design of the regulations that define a grocery store. Foodstuffs also participated in the Health Promotion Agency's work to develop guidelines for responsible alcohol promotions, providing greater certainty around the new legislative requirements and signed the RTD Code of Practice, which limits alcohol strength and volume for single serve RTD's. Over the last 12 months a number of Territorial Authorities have begun the process of developing a Local Alcohol Policy and Foodstuffs is making a submission in each case. A number of provisional policies are being appealed on the basis of their unreasonableness.

During 2013 national submissions were prepared for: the Resource Management Reform Bill, the Financial Reporting Bill, the Employment Relations Bill, government reviews on earthquake strengthening policy, development contributions policy and possible further changes to the Resource Management Act. Submissions were also prepared for Immigration New Zealand's review of the Essential Skills in Demand Lists and the Productivity Commission's Review of Regulatory Practice.

In the early part of 2014 submissions have been filed for the Local Government Act 2002 Amendment Bill (No 2), the Building (Earthquake-prone Buildings) Amendment Bill, the Health and Safety Reform Bill, and the Productivity Commission's Inquiry into the Services Sector.



Raeward Fresh





New World take on the Silver Ferns

Before the end of 2014 the Government is expected to introduce further legislative change to resource management law, to introduce new food labelling rules and to complete a review of alcohol advertising regulation. Foodstuffs will continue to monitor these developments and provide advocacy for the co-operatives and their Members as appropriate.

**SUSTAINABILITY PROGRESS AT FOODSTUFFS**

Foodstuffs has continued to make good progress improving the sustainability of its operations with continued focus on energy, waste and packaging.

There are now 41 sites on the energy sub-metering programme which is improving the business' ability to monitor energy usage and help identify areas for future savings. New technologies such as LED lighting and simple changes such as fitting lids and doors on freezers are delivering substantial energy savings.

2014 marks the start of the rollout of new waste minimisation plans for the Stores, Distribution Centres and Support Centres. Working with Envirowaste Services Limited, Stores are being transitioned over to new arrangements which aim to divert 90% of waste to other uses rather than to landfill.

Foodstuffs commitment to move to more climate friendly refrigerant gases for our stores continues to be demonstrated through the installation of 'transcritical' refrigeration systems in PAK'nSAVE and New World Stores in both the North and South Island. In recognition of the innovation demonstrated by Foodstuffs in being the first organisation to prove the concept of transcritical refrigeration in a supermarket environment in New Zealand, New World Newlands was awarded the top prize in the 'Mega Efficiency' category at the finals of the Sustainable Business Network Awards held in Auckland in November 2013.

Packaging continues to be an area of significant focus with Foodstuffs committing to having all its own brand and store-packed items kerbside recyclable or home compostable for customers in the future. Carrier bag recycling will be trialled

in-store in 2014 and reusable bags are being actively promoted to all customers.

Our new generation of Stores are embracing all of these improvements with the latest addition to the portfolio, New World Kumeu, having a projected carbon footprint that is 50% smaller than that of stores of only five years ago.

The sustainability of Foodstuffs Own Brand products is also of great importance. Palm Oil and Tuna are areas of particular importance as a result of the environmental impacts associated with their sourcing. As a response, Foodstuffs Own Brands Limited is now a member of the 'Roundtable on Sustainable Palm Oil' and has valid RSPO certification for the 99% of Foodstuffs Own Brand products that contain palm oil.

Only the most abundant species of tuna (Skipjack) is used in our canned range and all this is caught using sustainable fishing methods including Pole and Line.

**SPONSORSHIP & COMMUNITY SUPPORT**

Sponsorship and community support remain at the heart of Foodstuffs business. At a national level, Foodstuffs continues to sponsor organisations such as CanTeen, Netball New Zealand and Food for Thought. At a local level, each and every Store continues to help local sports clubs, schools and charities.

As Chairman, I would like to thank my fellow Directors, Executive and staff of the respective Foodstuffs co-operatives for the commitment to the organisation ensuring we progress, develop and enjoy success.

**Robin Brown**  
Chairman, Foodstuffs (NZ) Limited









# RETAIL SERVICES REPORT

The trading environment in New Zealand has remained highly competitive over the last year; price and value for money have continued to be exceptionally important for our customers as consumer confidence starts to build in the market. All banners saw sales develop from low growth at the start of the year, to a strong second half and all were well positioned at year end.

A strong price position has increased market share and generated sales momentum, which has been underpinned by a focus on improving store standards for the customer. Fresh areas have been a priority throughout the year and the Retail Operations team have been active in improving the store display method and growing our already considerable skill base. The meat area would be a great example with in-store butcheries in New World and PAK'nSAVE producing a quality product for customers.

We have been working over the year against the back drop of merger preparations, which have had limited or no impact on the trading results and support given to Members.

## **PAK'nSAVE**

The lowest overall food prices in New Zealand and a strong brand image has ensured PAK'nSAVE has maintained significant sales volumes in a competitive trading environment. Stickman has continued to reinforce the unrivalled price position and all that is great about the PAK'nSAVE experience to customers.

There has been some great improvements to the PAK'nSAVE offer and customer experience through store refurbishments such as making navigation around the store for customers easier and improving the display standards within individual departments. Our Stores have become more environmentally sustainable with projects focusing on waste management, refrigeration and lighting delivering over the last year.

We were delighted that PAK'nSAVE was awarded the 2013 Reader's Digest Most Trusted Supermarket Brand award.





Architect's impression of Four Square Coromandel

We are in the process of building Four Square Coromandel which is scheduled to open in time for the 2014 summer trading season.

**NEW WORLD**

New World experienced modest growth within the first part of the trading year and went from strength to strength in the later part of the year. Stores have continued to perform well despite competitor openings and the closure of New World Takapuna. Promotional activity was strong throughout the year including a 50 year birthday promotion and the Little Shop event which proved to be a resounding success.

A clear focus on price, in particular fresh pricing, has resulted in good growth across all fresh departments. Market research is showing that New World's price perception has improved over the year, which is also reflected in the strong sales growth at Christmas and year end.

**FOUR SQUARE**

Four Square remains core to our offer and has continued to maintain its momentum throughout the year with outstanding growth for this iconic banner. Four Square has moved to one strong promotional programme and many of the marketing elements, including the weekly North Island wide circular, have been given a fresh new contemporary look that customers are really enjoying. Increased seasonal activity at Christmas and Easter has also helped raise brand awareness.

We are in the process of building Four Square Coromandel which is scheduled to open in time for the 2014 summer trading season. The development of this new Store has provided the opportunity for strong community involvement and embraces the heritage of the community it will serve enabling us to develop a strong template for what the Four Square brand represents in today's New Zealand.

Four Square Members remain highly engaged and it has been pleasing to see a high attendance of Four Square Members at regional meetings and at the National Conference.



**WHOLESALE**

Gilmours has experienced good growth in food service; a focus on marketing, price competitiveness and customer relationships has resulted in increased brand awareness and customer counts and an improved credibility as a foodservice partner.

Toops achieved positive growth in the food service and convenience channels with a strong focus on growing the café and restaurant sector, improving customer relationships in the oil channel and increasing the service offer across the foodservice base. This has delivered very positive results both in terms of goodwill and the bottom line.

**CONCLUSIONS**

We are pleased to report that in the six months leading up to the merger of FSW and FSA and the seven months as FSNI, our brands continued to provide a market leading service for customers.

The position of our brands remains strong. PAK'nSAVE continues to lead price by a considerable distance, New World is a great full supermarket offer which has grown even stronger on price over the year and Four Square remains the iconic New Zealand convenience brand that is a real constant for New Zealanders. In our wholesale suite, both Gilmours and Toops continue to grow their share of this market.

Our Owner Operator model continues to differentiate us in the New Zealand grocery market place and I would like to take this opportunity to acknowledge the role that our Committees and Transitional Committee Members have played in ensuring the stability and growth of our brands during this time of change. We are confident the merger will provide scale and knowledge benefits that all brands will benefit from, with the customer only seeing positive change at their local store.

There will be yet more innovation within Foodstuffs over the coming year, ensuring our in-store development continues to deliver a world class experience to the New Zealand customer.

**Doug Cochrane**  
GM Retail



In our wholesale suite,  
both Gilmours and Toops  
continue to grow their  
share of this market.





# DIRECTORS

A Board with representation of Grocer Directors from FSW and FSA are joined by a number of strategically selected Independent Directors who bring a wealth of experience and expertise from New Zealand industry.



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

Chair of the FSNI Board, Peter became a Member in 1997 when he purchased New World Stokes Valley. Since 2005, he has jointly owned and operated PAK'nSAVE Kapiti with Glen Taylor. Peter previously had a 28-year career with Wrightson Limited, where he managed a wide variety of business types gaining experience in sales, finance, marketing and management/leadership at both a business unit and corporate level. Peter was a director of FSW for seven years and served one year as Chair until the merger in September 2013.



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

Deputy Chair of the FSNI Board, Robert started his Foodstuffs journey as a teenager when he was a part-time delivery boy for his local Four Square. In 1987 Robert received a Scholarship Award and became a Member with the purchase of a Cut Price Store in Taumarunui, which was later converted to a Four Square. He went on to own and operate New World Hillcrest in Hamilton prior to moving to New World Eastridge in 1995. In early 2014 he took ownership of his current business, PAK'nSAVE Glen Innes. Robert became a Director on the FSA Board in 2004 and was appointed as Chair in 2009.



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

Murray joined FSA in 2004 as General Manager Property Strategy and moved into the role of General Manager Retail, Sales and Performance in 2008 before being appointed as Managing Director in 2010. In 2013, Murray was appointed Managing Director of FSNI. He started his career with the AMP Society and subsequently held management roles in the property investment and development sector, including General Management roles with Birell Properties Limited and Property Development Services Limited. Murray holds a Master of Property Administration from Auckland University.



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

Paul joined Foodstuffs with a strong retail management background and had owned and operated several Paper Plus stores. Paul first became a Member in May 1993 when he purchased New World Matamata. After five years in the Matamata store he went on to open his current business, PAK'nSAVE Albany in August 1998. Paul was appointed to the FSA Board in May 2010.



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

A former Chartered Accountant, Neil started his career with Foodstuffs on the Trainee Operator Programme working at New World Te Puke and officially became a Member in 1994 when he purchased the Te Puke store. In 1999 he took ownership of his current store, PAK'nSAVE Rotorua. Neil was appointed to the FSA Board in May 2012.



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

Karl has spent his entire working career in supermarkets and the retail sector. He first became a Member eleven years ago with the purchase of New World Naenae which he owned and operated for three years before purchasing New World Railway Metro in central Wellington in 2007. Karl was appointed to the FSNI Board in 2014.



**Jane Freeman**  
Independent Director

Jane is prominent in the field of customer driven technology. She has held senior marketing and management positions at Telecom's e-solutions, BankDirect, Clear Communications Limited and ASB Bank Limited. She is currently Chair of Pumpkin Patch Limited and an Independent Director of ASB Bank Limited and Delegats Group Limited. Previous Directorships include Air New Zealand, Publicis Group, Sheffield, SKYCITY Entertainment Group and St George Bank (New Zealand). Jane holds a Bachelor of Commerce in Marketing from the University of Auckland.



**Peter Schuyt**  
Independent Director

Wellington based Peter Schuyt brings with him 35 years of business and finance experience. He has been CFO of the New Zealand Dairy Board, New Zealand Milk Products and New Zealand Post Group. As Director, Peter chairs the Audit Committees of Pumpkin Patch, Port Nelson Limited, Tatua Dairy Group and Dairy NZ. He is Chair of Landcare Research Limited and private companies; Dairy Investment Fund Limited and Tax Management New Zealand Limited. Peter holds a Bachelor of Commerce in Accounting and Economics from Canterbury University.



**Sir Henry Van Der Heyden**  
Independent Director

Sir Henry is currently Chair of Auckland International Airport Limited, Tainui Group Holdings Limited and Manuka SA Limited. He is a Director of Pascaro Investments Limited, Rabobank New Zealand Limited and Rabobank Australia Limited. Sir Henry holds a Bachelor of Engineering degree with Honours from Canterbury University.



**Craig McKeown**  
Gilmours North Shore

Craig was chosen as the pilot Operator for the conversion of Gilmours Stores becoming owner-operated. He has been the operator of Gilmours North Shore for more than five years. Prior to joining Foodstuffs Craig held senior management positions in a number of large retail organisations throughout Australasia. Craig was appointed to the FSNi Board in 2014.



**Joe Vegar**  
New World Miramar

Prior to joining Foodstuffs, Joe was a Chartered Accountant working in commerce and within various accountancy firms in New Zealand and overseas. In 2002, Joe joined his brother Paul in the ownership of New World Miramar in Wellington's Eastern Suburbs. Joe was appointed as a Director of the FSW Board in 2010.



**Dean Waddell**  
PAK'nSAVE Tauranga

A third generation grocer, Dean began working in the family supermarket, New World Brookfield, at the age of 13. He studied at Massey University and graduated with a Bachelor of Business Studies before returning to work at New World Brookfield. Dean purchased New World Brookfield in February 1992 and purchased his current store, PAK'nSAVE Tauranga in March 2013. Dean was appointed to the FSA Board in January 2010.

# EXECUTIVE TEAM

The Executive Team has been recruited comprising of world-class candidates from within Foodstuffs, New Zealand and international markets.



**Murray Jordan**  
Managing Director

Murray joined FSA in 2004 as General Manager Property Strategy and moved into the role of General Manager Retail, Sales and Performance in 2008 before being appointed as Managing Director in 2010. In 2013, Murray was appointed Managing Director of FSNI. He started his career with the AMP Society and subsequently held management roles in the property investment and development sector, including General Management roles with Birell Properties Limited and Property Development Services Limited. Murray holds a Master of Property Administration from Auckland University.



**Mike Brooker**  
General Counsel & Company Secretary

Mike first joined FSA in 2009 as General Manager Legal and was appointed to the role of General Counsel & Company Secretary at FSNI in September 2013. Mike studied at Auckland University where he gained a Bachelor of Law degree and a Masters of Commercial Law. Prior to Foodstuffs, Mike was a Partner at DLA Phillips Fox where he had a broad Commercial practice, including acting for a number of franchised businesses, of which Foodstuffs was the largest. He has been involved with the Foodstuffs business for nearly 18 years.



**Angela Bull**  
GM Property Development

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



**Vaughan Grant**  
GM Supply Chain

Vaughan joined FSNI as the General Manager Supply Chain in December 2013 with a wealth of experience in Supply Chain and Retail. 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.



**Peter Muggleston**  
Chief Information Officer

Peter started his Foodstuffs career in January 2012 as Chief Information Officer for FSA and was appointed as the Chief Information Officer for FSNI in September 2013. Prior to working at Foodstuffs, Peter spent 10 years working internationally with Shell Oil before returning to New Zealand where he held 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 an MBA from the University of Otago and also holds degrees in Commerce and Science from the University of Auckland.



**Baden Ngan Kee**  
GM Merchandise

Baden began his FSNI career in October 2014 when he was appointed into 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 exports to Asia and the Pacific. Baden holds a Bachelor of Commerce and Administration from Victoria University.





**Antony Challinor**  
Integration Director

Antony joined FSNI as the Integration Director in January 2014. Prior to joining Foodstuffs, Antony worked in Sydney where he was the Transformation Programme Director for News Corp Australia, a role where he was responsible for organisational transformation and change within the corporation's editorial and technology functions. Antony has over 20 years' experience in senior roles in financial services and media with a reputation for building and leading high performance teams in the development of business strategy and execution, including leading large merger and integration programmes.



**Doug Cochrane**  
GM Retail

Doug joined FSNI as the General Manager Retail in March 2014 with extensive international grocery experience with Tesco. He started his grocery career in 1985 as a General Assistant at Tesco in the United Kingdom and progressed through the company 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.



**Mark Daldorf**  
GM Human Resources

Mark first joined Foodstuffs in 2010 as the General Manager of Organisational Development FSW and was appointed as the General Manager, Human Resources at FSNI in September 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.

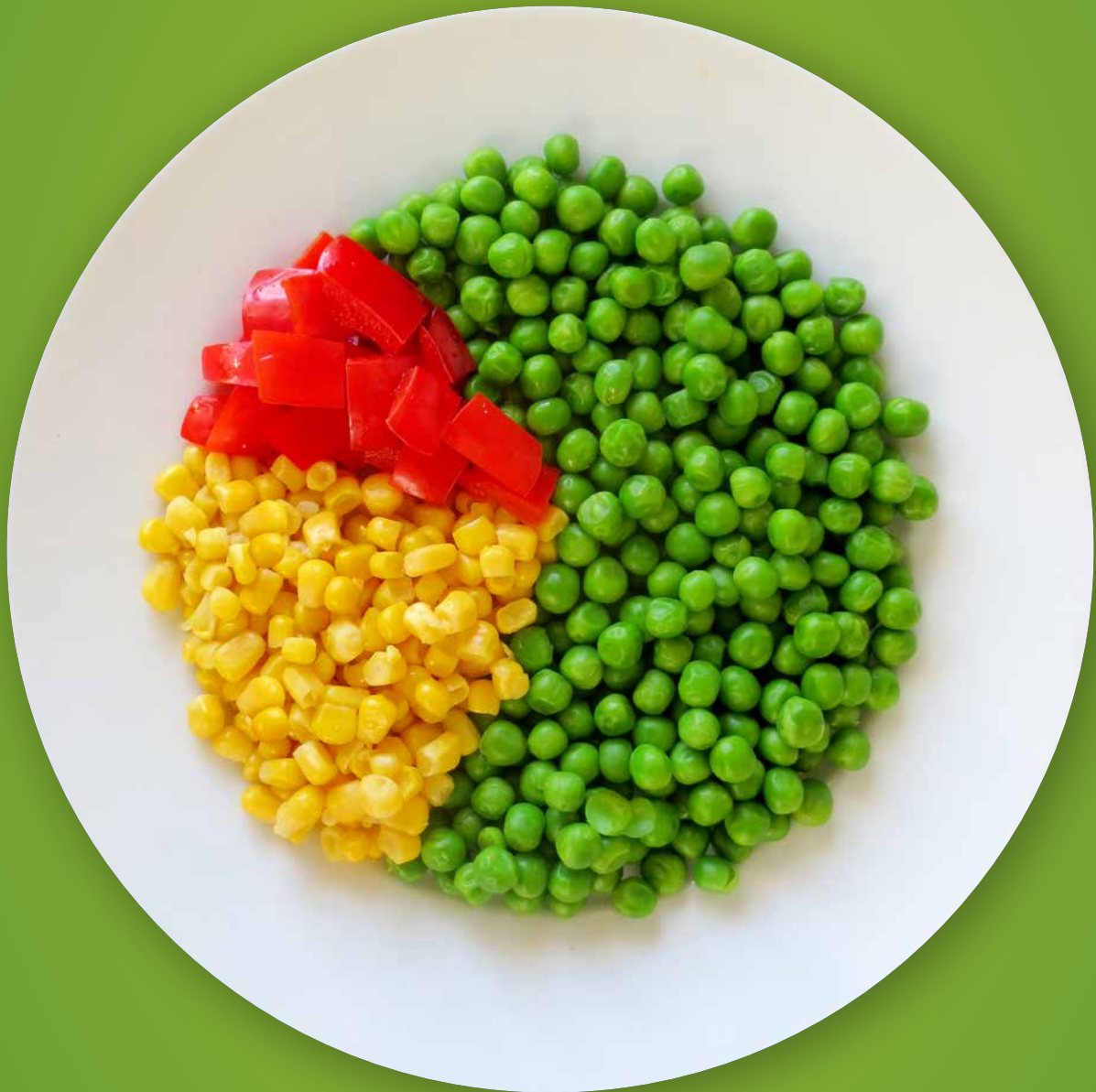


**David Stewart**  
Chief Financial Officer

David joined Foodstuffs as Chief Financial Officer for FSA in 2010 and in September 2013 was appointed Chief Financial Officer for FSNI. He is a qualified Chartered Accountant and gained a Bachelor of Commerce and a Post Graduate Diploma in Commerce from the University of Auckland. Prior to joining Foodstuffs he was the Chief Financial Officer at Yellow Pages. David returned to New Zealand in 2008 after 13 years in Europe where he held various senior finance roles within France Telecom, Orange and PricewaterhouseCoopers.

Each Executive has articulated the purpose and key objectives of their business unit and have set about appointing the best people to support their aspirations.

# SUMMARY FINANCIAL STATEMENTS





***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 30 March 2014, 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 30 March 2014.

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 30 March 2014 was completed on 26 June 2014 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 30 March 2014 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  
26 June 2014

Auckland

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**FOODSTUFFS NORTH ISLAND LIMITED**
**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE 13 MONTH PERIOD ENDED 30 MARCH 2014  
(56 weeks for 2014 and 53 weeks for 2013)

	Group 2014 \$ '000	Group 2013 \$ '000	Parent 2014 \$ '000	Parent 2013 \$ '000
<b>Revenues</b>	5,480,178	3,831,801	5,220,301	3,758,999
Cost of sales	(5,046,254)	(3,545,480)	(4,904,080)	(3,571,371)
<b>Gross profit</b>	433,924	286,321	316,221	187,628
Other income	182,112	79,609	118,408	51,442
Operating expenses	(427,040)	(227,691)	(314,356)	(151,833)
<b>Operating profit</b>	188,996	138,239	120,273	87,237
Finance income	10,497	5,874	25,498	16,499
Finance costs	(46,587)	(30,589)	(15,355)	(4,419)
Net finance (costs)/income	(36,090)	(24,715)	10,143	12,080
Share of profit from Associates and Joint Ventures	2,115	3,612	-	-
<b>Profit before distribution to Members</b>	155,021	117,136	130,416	99,317
Distribution to Members	(112,077)	(88,046)	(112,077)	(88,046)
<b>Profit before income tax</b>	42,944	29,090	18,339	11,271
Income tax expense	(4,166)	(7,595)	(2,976)	(3,492)
<b>Profit for the period attributable to Members</b>	<b>38,778</b>	<b>21,495</b>	<b>15,363</b>	<b>7,779</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	1,481	873	-	873
Items that may not be reclassified subsequently to profit or loss:				
Increase/(decrease) in fair value of other financial assets	(7,988)	8,506	-	-
<b>Total Comprehensive Income</b>	(6,507)	9,379	-	873
<b>Total Comprehensive Income for the period attributable to Members</b>	<b>32,271</b>	<b>30,874</b>	<b>15,363</b>	<b>8,652</b>

Items in Other Comprehensive Income are disclosed net of tax.

FOODSTUFFS NORTH ISLAND LIMITED

# STATEMENTS OF FINANCIAL POSITION

AT 30 MARCH 2014

	Group 2014 \$ '000	Group 2013 \$ '000	Parent 2014 \$ '000	Parent 2013 \$ '000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,802,337	1,136,928	169,640	120,354
Intangible assets	163,957	59,772	95,970	49,463
Investments in subsidiaries	-	-	94,510	14,865
Investments in associates	697	20,468	-	13,140
Investments in joint ventures	9,086	4,286	1,775	-
Other financial assets	66,598	35,477	-	-
Finance lease receivables	39	-	-	-
<b>Total non-current assets</b>	<b>2,042,714</b>	<b>1,256,931</b>	<b>361,895</b>	<b>197,822</b>
<b>Current assets</b>				
Cash and cash equivalents	15,348	5,986	29,070	2,378
Trade and other receivables	395,463	237,059	516,175	206,764
Inventories	153,815	91,810	136,505	90,710
Derivative financial instruments	1,558	-	-	1,586
Related party receivables	87,175	66,314	379,322	71,836
Assets held for sale	35,484	-	-	-
Income tax receivable	8,883	-	3,279	-
Finance lease receivables - current portion	13	-	-	-
<b>Total current assets</b>	<b>697,739</b>	<b>401,169</b>	<b>1,064,351</b>	<b>373,274</b>
<b>Total assets</b>	<b>2,740,453</b>	<b>1,658,100</b>	<b>1,426,246</b>	<b>571,096</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders</b>				
Share capital	132,553	1,039	132,553	1,039
Other financial asset revaluation reserve	(24,646)	(16,658)	-	-
Hedging reserve	338	(1,143)	-	-
Retained earnings	654,963	616,185	136,883	121,520
<b>Total equity</b>	<b>763,208</b>	<b>599,423</b>	<b>269,436</b>	<b>122,559</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Liabilities to members	353,273	270,959	125,584	58,399
Borrowings	521,200	242,200	150,000	-
Deferred tax liability	135,107	100,469	3,263	9,600
Other liabilities	474	427	445	375
<b>Total non-current liabilities</b>	<b>1,010,054</b>	<b>614,055</b>	<b>279,292</b>	<b>68,374</b>
<b>Current liabilities</b>				
Borrowings	50,000	-	-	-
Liabilities to members	62,277	49,523	9,129	-
Cash distribution to members	33,395	29,732	33,395	29,732
Trade and other payables	809,656	346,443	712,165	286,354
Income taxation payable	-	2,437	-	2,027
Derivative financial instruments	5,017	1,601	3,928	1,601
Related party payables	6,846	14,886	118,901	60,449
<b>Total current liabilities</b>	<b>967,191</b>	<b>444,622</b>	<b>877,518</b>	<b>380,163</b>
<b>Total liabilities</b>	<b>1,977,245</b>	<b>1,058,677</b>	<b>1,156,810</b>	<b>448,537</b>
<b>Total equity and liabilities</b>	<b>2,740,453</b>	<b>1,658,100</b>	<b>1,426,246</b>	<b>571,096</b>

  
Board chair

  
Managing Director  
26 June 2014

**FOODSTUFFS NORTH ISLAND LIMITED**
**STATEMENTS OF CHANGES IN EQUITY**

FOR THE 13 MONTH PERIOD ENDED 30 MARCH 2014

	Share capital \$ '000	Other reserves \$ '000	Hedging reserve \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>GROUP</b>					
Balance at 26 February 2012	1,039	(25,164)	(2,016)	594,690	568,549
Profit/(loss) for the period	-	-	-	21,495	21,495
<b>Other comprehensive income</b>					
Increase/(decrease) in fair value of other financial assets	-	8,506	-	-	8,506
Increase/(decrease) in fair value of hedging net of tax	-	-	873	-	873
<b>Total other comprehensive income</b>	-	8,506	873	-	9,379
<b>Balance at 03 March 2013</b>	<b>1,039</b>	<b>(16,658)</b>	<b>(1,143)</b>	<b>616,185</b>	<b>599,423</b>
Profit/(loss) for the period	-	-	-	38,778	38,778
<b>Other comprehensive income</b>					
Increase/(decrease) in fair value of other financial assets	-	(7,988)	-	-	(7,988)
Increase/(decrease) 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>
<b>PARENT</b>					
Balance at 26 February 2012	1,039	-	(2,016)	113,741	112,764
Profit/(loss) for the period	-	-	-	7,779	7,779
<b>Other comprehensive income</b>					
Increase/(decrease) in fair value of hedging net of tax	-	-	2,016	-	2,016
<b>Total other comprehensive income</b>	-	-	2,016	-	2,016
<b>Balance at 03 March 2013</b>	<b>1,039</b>	<b>-</b>	<b>-</b>	<b>121,520</b>	<b>122,559</b>
Profit/(loss) 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>-</b>	<b>-</b>	<b>136,883</b>	<b>269,436</b>



**FOODSTUFFS NORTH ISLAND LIMITED**
**CASH FLOW STATEMENTS**

FOR THE 13 MONTH PERIOD ENDED 30 MARCH 2014

	Group 2014 \$ '000	Group 2013 \$ '000	Parent 2014 \$ '000	Parent 2013 \$ '000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	5,966,055	3,911,798	5,619,509	3,817,850
Cash paid to suppliers and employees	(5,415,801)	(3,832,484)	(5,178,480)	(3,814,213)
Cash generated from operations	550,254	79,314	441,029	3,637
Interest received	11,002	6,337	16,556	16,961
Interest paid	(24,955)	(11,383)	(12,777)	(4,419)
Net GST paid	(41,109)	(36,502)	(7,690)	(43,952)
Income tax paid - net	(25,019)	(15,363)	(10,110)	(5,311)
Net cash generated from operating activities	470,173	22,403	427,008	(33,084)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(299,077)	(65,840)	(20,343)	(7,366)
Proceeds from sale of property, plant and equipment	12,998	3,487	399	577
Purchase of intangible assets	(55,351)	(36,663)	(54,992)	(36,219)
Purchase of an associate	-	(1,148)	-	-
Proceeds from disposal of investment in Bell Tea	32,487	-	16,243	-
Dividends received from other investments	6,271	2,090	5,049	15
Advances to Members	(160,390)	(142,997)	(160,390)	(142,997)
Repayment of advances to Members	168,268	171,920	168,268	171,469
Repayment from/(advances to) Subsidiaries	-	-	(70,929)	79,711
Repayment from/(advances to) Associates	(12,277)	3,503	(12,842)	2,267
Repayment from/(advances to) Other Related Companies	1,455	506	6,770	613
Cash and cash equivalents acquired on merger	12,666	-	10,993	-
Net cash generated from/(used in) investing activities	(292,950)	(65,142)	(111,774)	68,070
<b>Cash flows from financing activities</b>				
Proceeds from / (repayment of) borrowings	(38,161)	133,000	(217,161)	-
Rebate investment vouchers paid	(41,595)	(37,457)	-	-
Deferred rebate vouchers paid	(13,129)	-	(13,129)	-
Legacy instruments paid	(332)	-	(332)	-
Interest paid on rebate investment vouchers	(16,724)	(17,086)	-	-
Rebates paid	(57,920)	(33,868)	(57,920)	(33,868)
Net cash generated from/(used in) financing activities	(167,861)	44,589	(288,542)	(33,868)
Net increase in cash and cash equivalents	9,362	1,850	26,692	1,118
Cash and cash equivalents at beginning of period	5,986	4,136	2,378	1,260
<b>Cash and cash equivalents at end of period</b>	<b>15,348</b>	<b>5,986</b>	<b>29,070</b>	<b>2,378</b>

# FOODSTUFFS NORTH ISLAND LIMITED

# 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). Although the transaction is a merger of equals, for accounting purposes, under NZ IFRS 3 it is required to be presented as an acquisition of FSW by FSA. The acquirer is identified primarily by the relative scale of the legacy businesses. The treatment of the merger is summarised in note 5.

### 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 26 June 2014, 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. To align the legacy businesses the fiscal year end for FSNI has been amended in the current year to the closest Sunday to the end of March (previously the closest Sunday to the end of February). The 2014 accounting period ended 30 March 2014 presented consists of 56 weeks to 30 March 2014. This compares to the 2013 accounting period being a 53 week period to 03 March 2013.

# NOTES TO THE FINANCIAL STATEMENTS Continued

## Note 2 Distribution to Members

Under the terms of the Merger the legacy rebate policies for FSA and FSW are applied up to 30 March 2014.

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

	Group 2014 \$ '000	Group 2013 \$ '000	Parent 2014 \$ '000	Parent 2013 \$ '000
Cash rebates	54,317	29,732	54,317	29,732
Deferred rebate vouchers (DRVs)	63,333	58,314	63,333	58,314
Amounts to be deducted from Members	(5,573)	-	(5,573)	-
<b>Distributions to Members before interest</b>	<b>112,077</b>	<b>88,046</b>	<b>112,077</b>	<b>88,046</b>
Interest on legacy rebate investment vouchers included in finance costs	23,628	20,755	-	-
Unwind of discount on transition of DRVs to interest bearing	3,289	-	3,289	-
<b>Total distributions to Members</b>	<b>138,994</b>	<b>108,801</b>	<b>115,366</b>	<b>88,046</b>
Cash rebates paid for the current financial period	20,922	-	20,922	-
Cash rebates payable	33,395	29,732	33,395	29,732
Total cash distribution to Members	54,317	29,732	54,317	29,732

The distribution to Members for FSA was:

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Cash rebates	24,812	29,732	24,812	29,732
Deferred rebate vouchers	63,333	58,314	63,333	58,314
Distributions to Members before interest	88,145	88,046	88,145	88,046
Interest on rebate investment vouchers included in finance costs	23,628	20,755	-	-
<b>Total distributions to Members</b>	<b>111,773</b>	<b>108,801</b>	<b>88,145</b>	<b>88,046</b>
Cash rebate paid	-	-	-	-
Cash rebate payable	24,812	29,732	24,812	29,732
Total cash distribution to Members	24,812	29,732	24,812	29,732

The distribution to Members for FSW for the period from 1 September to 30 March 2014 was:

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Cash rebates	29,505	-	29,505	-
Amounts to be deducted from Members	(5,573)	-	(5,573)	-
Distributions to Members before interest	23,932	-	23,932	-
Unwind of discount on transition of DRVs to interest bearing liabilities from 1 April 2014	3,289	-	3,289	-
<b>Total distributions to Members</b>	<b>27,221</b>	<b>-</b>	<b>27,221</b>	<b>-</b>
Cash rebate paid for the period post merger	20,922	-	20,922	-
Cash rebate payable	8,583	-	8,583	-
Total cash distribution to Members	29,505	-	29,505	-

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



# NOTES TO THE FINANCIAL STATEMENTS Continued

**Note 3 Income tax expense**

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
<b>As per Statement of Comprehensive Income</b>				
Current tax:				
Current tax on profit for the period	14,483	13,390	5,490	4,379
Adjustments in respect of prior years	51	168	-	(140)
<b>Total current tax</b>	<b>14,534</b>	<b>13,558</b>	<b>5,490</b>	<b>4,239</b>
Deferred tax	(10,368)	(5,963)	(2,514)	(747)
Impact in change of tax rate/adjustment for prior years	-	-	-	-
<b>Total deferred tax</b>	<b>(10,368)</b>	<b>(5,963)</b>	<b>(2,514)</b>	<b>(747)</b>
<b>Income tax charge reported in Statement of Comprehensive Income</b>	<b>4,166</b>	<b>7,595</b>	<b>2,976</b>	<b>3,492</b>
<b>Reconciliation of effective tax charge:</b>				
Profit before distribution to Members	155,021	117,136	130,416	99,317
Distribution to Members	(112,077)	(88,046)	(112,077)	(88,046)
Profit before income tax	42,944	29,090	18,339	11,271
Effective tax charge at 28%	12,024	8,145	5,135	3,156
Adjustments to taxation:				
Non taxable gain	(3,008)	(14)	-	-
Non taxable income	(1,644)	(810)	(71)	(5)
Associates and Joint Venture results reported net of tax	(2,115)	(1,011)	-	-
Revaluations of asset at fair value	(1,368)	-	(453)	-
Expenses not deductible for tax purposes	2,900	366	834	346
Adjustments in respect of prior periods	(2,623)	919	(2,469)	(5)
<b>Total income tax charge for the period</b>	<b>4,166</b>	<b>7,595</b>	<b>2,976</b>	<b>3,492</b>

# NOTES TO THE FINANCIAL STATEMENTS Continued

## Note 4 Related Parties

### (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 \$5,288,100,000 (2013: \$3,819,285,000) of revenue represents sales to and rental from Members. Within other income, services to Members were \$41,437,000 (2013: \$25,938,000).

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 \$18,074,000 (2013: \$2,632,000). Net charges from related parties were \$55,000 (2013: \$1,539,000).

Advances, repayment of advances, and distributions to Members are presented in the Cash Flow Statements and note 2.

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

### (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 30 March 2014 a reserve against future recoverability of Member loans of \$7,900,000 (2013: nil) was held. All of the interest received shown in the Parent's Statement of Comprehensive Income was from Members or subsidiary companies.

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Loans to Members	43,603	33,169	43,603	33,169
Loans to Associates	27,405	21,953	24,180	18,158
Receivable from Subsidiaries	-	-	300,870	9,424
Receivable from Other related companies	16,167	11,192	10,669	11,085
<b>Related party receivables</b>	<b>87,175</b>	<b>66,314</b>	<b>379,322</b>	<b>71,836</b>

Included in Trade debtors for the Group and Parent are \$230,304,000 (2013:\$137,597,000) arising from Member purchases.

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

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Payable to Subsidiaries	-	-	112,147	45,583
Payable to Associates	136	14,606	121	14,586
Payable to Other related companies	6,710	280	6,633	280
<b>Related party payables</b>	<b>6,846</b>	<b>14,886</b>	<b>118,901</b>	<b>60,449</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 5.4% (2013: 5.2%).

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

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 \$nil (2013: \$nil).

# NOTES TO THE FINANCIAL STATEMENTS Continued

(c) **Guarantees**

	2014 \$'000	2013 \$'000
<b>GROUP AND PARENT</b>		
Guarantees for Members' bank loans	413,492	255,398

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 (2013: \$nil).

(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	
		2014	2013
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%	0%
Retail Property Holdings Limited	Retail property	100%	0%
Wardell Bros. & Coy Limited	Investment	100%	0%
Rowntrees Master Butchers Limited	Non-trading	100%	0%
Toops Wholesale Limited	Wholesaling	100%	0%
AF Logistics Limited	Transport	100%	0%

	Parent 2014 \$'000	Parent 2013 \$'000
<b>Interests in subsidiaries</b>		
Shares at cost	14,865	14,865
Fair value acquired on merger	79,645	-
<b>Carrying value at end of period</b>	<b>94,510</b>	<b>14,865</b>



## FOODSTUFFS NORTH ISLAND LIMITED

# NOTES TO THE FINANCIAL STATEMENTS Continued

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

The Group's principal associates and joint ventures are:

	Reporting Date	Business activity	Share of issued capital and voting rights	
			2014	2013
The Bell Tea & Coffee Company Limited (Bell Tea)	31 March	Grocery	0%	33%
Foodstuffs Retail Financial Services Limited	31 March	Financial services	0%	33%
Foodstuffs (NZ) Limited	30 June	Brand management	50%	33%
Foodstuffs Liquor New Zealand Limited	31 March	Retail	67%	33%
Foodstuffs Own Brands Limited	31 March	Procurement	50%	33%
Foodstuffs Inbound Limited	31 March	Transport	50%	33%
Foodstuffs BTCC Properties Limited	31 March	Property	67%	0%
Foodstuffs Fuel Limited	31 March	Procurement	67%	33%
Foodstuffs Ventures (NZ) Limited	31 March	Investing	67%	33%
Foodstuffs Publishing Limited	31 March	Publishing	67%	33%
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 <sup>(1)</sup>	31 March	Retail	50%	50%
Site 38 Limited	31 March	Properties	50%	0%

On 2 August 2013, the Company sold its investment in The Bell Tea & Coffee Company Limited for a consideration of \$32,487,000. The profit on disposal of this investment totalling to \$10,693,000 is disclosed in Other Income in the Statements of Comprehensive Income.

Prior to amalgamation of FSA and FSW, each party held investments in certain associate companies equally with Foodstuffs South Island Limited (FSSI). As a consequence of amalgamation, the shareholding in the associate companies vested in FSNI. Through a shareholder's agreement, FSNI and FSSI have agreed to adjust the shareholdings in Foodstuffs (NZ) Limited, Foodstuffs Own Brands Limited, Foodstuffs Inbound Limited for a consideration of \$1 per share.

The voting rights of the remaining associates have been amended such that neither FSNI or FSSI has the ability to control the activities of the associate or joint venture without mutual consent from the other party.

<sup>(1)</sup> Metro New World has changed its fiscal year end from 28 February in 2013 to 31 March in 2014.

# NOTES TO THE FINANCIAL STATEMENTS Continued

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
<b>Interests in Associates</b>				
Carrying value at beginning of period	20,468	17,077	13,140	13,140
Acquired on merger	15,192	-	12,617	-
Disposal/sale of associates	(14,340)	-	(15,897)	-
Group's share of associates profit	(153)	2,243	-	-
Dividends received or declared	(10,082)	-	-	-
Loan to an associate	53	-	-	-
Acquisition of additional shares in associates	-	1,148	-	-
Transferred to Joint Ventures on merger	(10,441)	-	(9,860)	-
<b>Carrying value at end of period</b>	<b>697</b>	<b>20,468</b>	<b>-</b>	<b>13,140</b>

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
<b>Interests in Joint Ventures</b>				
Carrying value at beginning of period	4,286	2,917	-	-
Transferred from associates on merger as above	10,441	-	9,860	-
Acquired on merger	1,804	-	1,488	-
Sale of shares of joint venture	(9,600)	-	(9,573)	-
Group's share of joint venture profit	2,268	1,369	-	-
Dividends received or declared	(113)	-	-	-
<b>Carrying value at end of period</b>	<b>9,086</b>	<b>4,286</b>	<b>1,775</b>	<b>-</b>

	Group 2014 \$'000	Group 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
<b>Disposals of Associates and Joint Ventures</b>				
Total cash received	32,487	-	16,243	-
Net liabilities disposed of	(11,101)	-	(5,550)	-
Profit on disposal	21,386	-	10,693	-
Less: Profit on disposal prior to merger	(10,693)	-	(10,693)	-
<b>Profit on disposal from sale of Bell Tea</b>	<b>10,693</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS** Continued

	Group 2014 \$'000	Group 2013 \$'000
<b>Results of associate and joint venture companies</b>		
Share of profit before income tax	3,587	5,005
Income tax	(1,472)	(1,393)
<b>Share of profit from Associates and Joint Ventures</b>	<b>2,115</b>	<b>3,612</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 \$'000
<b>2014</b>	21,469	13,226	103,857	2,115
<b>2013</b>	50,160	26,913	114,898	3,612

**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.

The rationale for merger is to best place the business to serve our customers better, improve competitiveness and to deliver greater earnings to Members through scale, efficiencies and leveraging investment. Although a merger of equals, NZ IFRS 3 requires the transaction to be treated as an acquisition of one entity by the other. After the amalgamation 48.9% of the voting securities were held by former FSA voting Members. However, in identifying the acquirer under NZ IFRS 3, there are several other factors set out in the standard which the Directors have carefully considered. Significant judgement is exercised in this decision and the Directors have concluded that FSA is the acquirer principally based on the relative size of the legacy entities.

**CONTINUES ON NEXT PAGE >**



**FOODSTUFFS NORTH ISLAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** Continued

**Note 5 Business Combinations - Continued**

**Assets acquired and liabilities assumed**

The provisional 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	475,486
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
	<b>795,591</b>
<b>Liabilities</b>	
Liabilities to Members - Legacy Instruments	(87,022)
Liabilities to Members - Other	(5,968)
Borrowings	(367,161)
Deferred tax liability	(52,409)
Trade and other payables	(188,882)
Income taxation payable	(70)
Derivative financial instruments	(4,785)
Related party payables	(86)
	<b>(706,383)</b>
<b>Total identifiable net assets at fair value</b>	<b>89,208</b>
Goodwill	42,300
<b>Purchase consideration / fair value of FSW's equity<sup>[1]</sup></b>	<b>131,508</b>

<sup>[1]</sup> As this business combination is effectively a combination of mutual entities, in accordance with NZ IFRS 3.33, the amount of goodwill has been determined by using the acquisition-date fair value of the acquiree's equity interests instead of the acquisition-date fair value of the equity interests transferred.

In the seven months to 30 March 2014, the former FSW business contributed revenue of \$1,366,976,000 and profit of \$16,592,000 to the Group's results. If the acquisition had occurred on 1 April 2013, management estimates that consolidated Group revenue would have been \$6,391,378,000 and consolidated Group profit for the year would have been \$21,865,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on 1 April 2014 except for those liabilities which crystallised in the period between 1 April 2013 and merger date.



# FSNI ACKNOWLEDGMENTS

## **PROTECTION AND PERPETUATION TRUSTEES**

Tony Carter  
Stuart Irons  
Hugh Perrett  
Richard Reilly  
John Street

## **AUDIT, RISK & COMPLIANCE COMMITTEE**

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

## **SUCCESSION, REMUNERATION & NOMINATION COMMITTEE**

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

## **OPERATOR DEVELOPMENT & APPROVAL COMMITTEE**

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

## **BUSINESS TRANSFORMATION ADVISORY COMMITTEE**

Ricky Bowen  
Felicity Champion  
David Collins  
Mark Daldorf  
Graham Fabian  
Peter Jeffares  
Craig McKeown  
Rob Redwood  
Alicia Roberts  
Kym Samuels  
Richard Serra  
Nigel Stevens

## **PAK'nSAVE TRANSITIONAL COMMITTEE**

Neil Foster (Chairman)  
Vinod Bhaga  
Rodney Chang  
Dean Galt  
Michael Kelly  
Quintin Proctor  
Glen Taylor  
Dean Waddell

## **FOUR SQUARE TRANSITIONAL COMMITTEE**

Joe Vegar (Chairman)  
Mark Cramond  
Steve Duffield  
Nicola Henry  
Grant Irwin  
Craig McKeown  
Kishor Patel  
Peter Pritchard

## **NEW WORLD TRANSITIONAL COMMITTEE**

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

## **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 Phillips Fox  
Ellis Gould  
Gillespie Young Watson  
Hudson Gavin Martin  
Swarbrick Beck Mackinnon



# FSW & FSA ACKNOWLEDGMENTS

## **FSW BOARD**

Peter Anderson (Board Chair)  
Bruce Beaton (Deputy Chairman)  
Brian Drake  
Brian Galt  
Gareth Jones  
Kieran O'Sullivan  
David Smith  
Leo O'Sullivan  
Joe Vegar  
Craig Wilson

## **FSA BOARD**

Robert Redwood (Chairman)  
Dean Waddell (Deputy Chairman)  
Paul Blackwell  
Rodney Chang  
Garry Christini  
Neil Foster  
Brian Frecker  
Murray Jordan  
John Smith

## **FSA FOUR SQUARE COMMITTEE**

John Smith (Board Representative)  
Mark Cramond  
Daniel Brain  
Steve Duffield  
Peter Jones  
Juanita McGoldrick  
Davesh Patel  
Wendy Porter  
Peter Pritchard

## **FSA PAK'nSAVE PERFORMANCE COMMITTEE**

Neil Foster (Chairman)  
David Collins  
Quintin Proctor  
Hamish Walton

## **FSA NEW WORLD COMMITTEE**

Garry Christini (Board Representative)  
Malcolm Boyd  
Suresh Chimanlal  
Jamie Eden  
Graham Fabian  
Lance Gerlach  
Brendon Good  
Jason Witehira

## **FSW FOUR SQUARE COMMITTEE**

Kishor Patel (Chairman)  
Leo O'Sullivan (Board Representative)  
Mike Anderson  
Grant Irwin  
Vijay Patel  
Adrian Rees

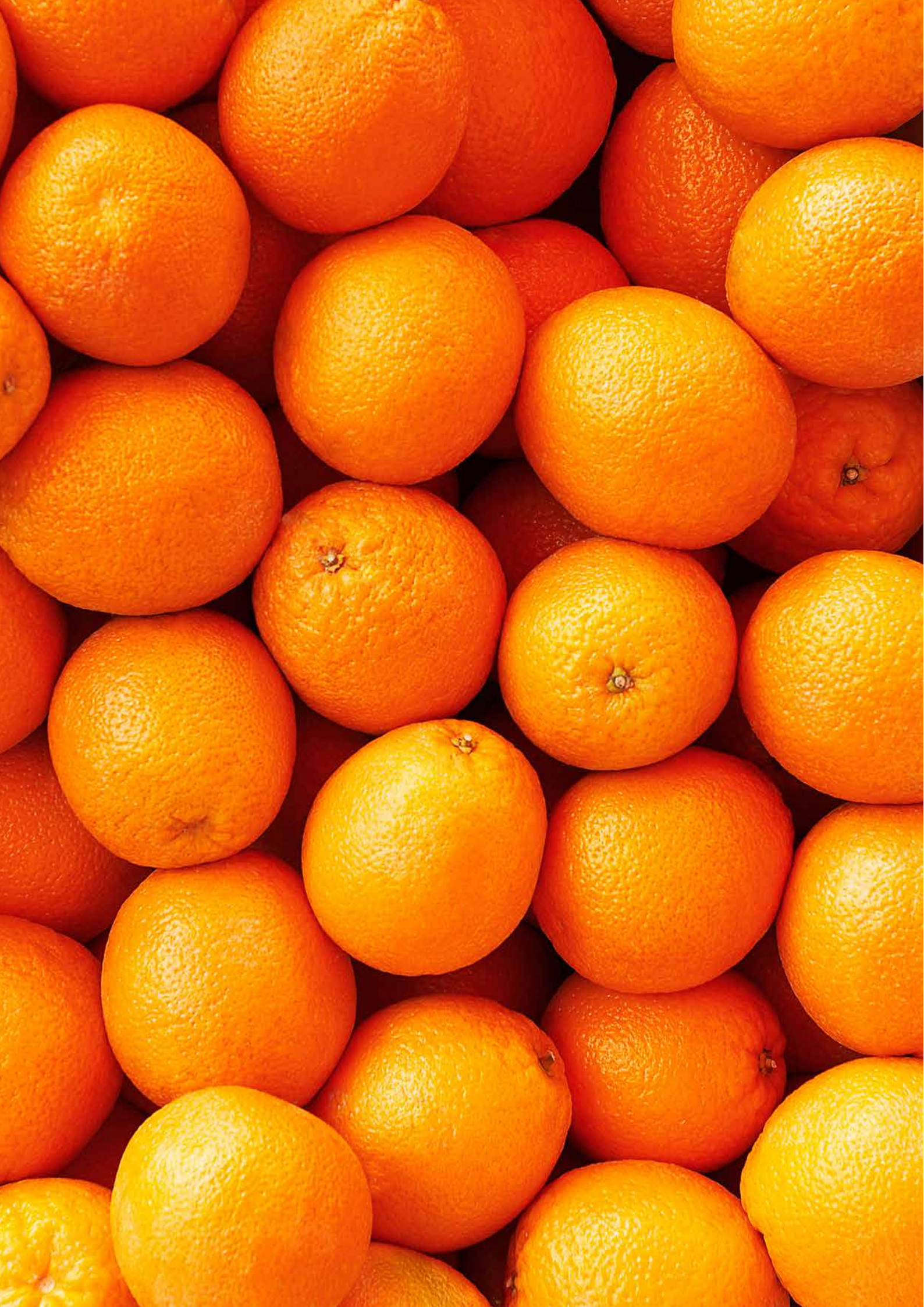
## **FSW NEW WORLD COMMITTEE**

Gary Baker (Chairman)  
Brian Drake (Board Representatives)  
Joe Vegar (Board Representatives)  
John Anderson  
Rob Dowman  
John Gray  
Mark Kennedy  
Richard Lucas  
Richard Taggart  
Steve Williams  
Darrin Wong

## **FSW PAK'nSAVE COMMITTEE**

Glen Taylor (Chairman)  
Gareth Jones (Board Representative)  
Michael Kelly  
Paul de Lara Bell  
Peter Melody  
Brendon Smith









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NORTH ISLAND LIMITED

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