

Foodstuffs South Island
2022 Annual Report

FOODSTUFFS
South Island 



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Who We Are



Our Mission

Feed the South Island.
It's a simple purpose,
but a powerful one.

Our Core Values

Together we

We are one team who work collaboratively towards a common purpose and shared goals.

Inspire confidence

We work hard and commit to doing the best job we can. People trust us to deliver. We trust each other and we're always learning and adapting along the way.

Drive success

Acting with courage, we drive success and challenge the status quo to find innovative ways to grow our Co-operative and each other.

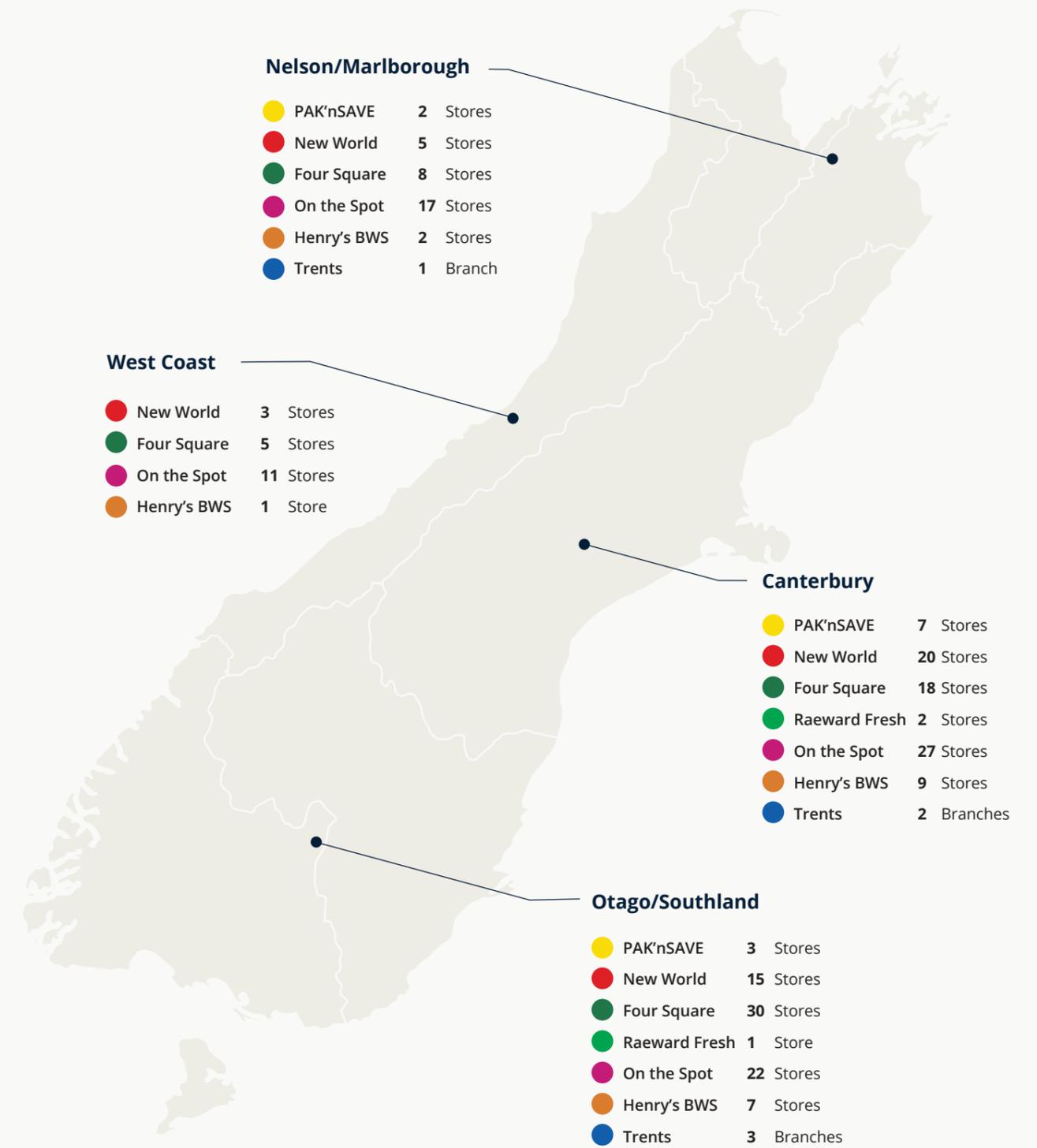
Sustain our communities

We work together with suppliers, contractors and all stakeholders. We take care of one another. We share our success with them.





Our Network



Chairman's Review



Foodstuffs continues to deliver to Feed the South Island.

In a year dominated by the continued impacts of the global pandemic, the Co-operative stayed on course to deliver on our strategy and mission yet again.

Whilst we have had to navigate the on-going implications of COVID-19, the resilience of our Co-operative, our people and our customers has been strong.

Our response to the pandemic meant our ways of working had to be flexible and agile, and in some cases responding within a matter of hours. We implemented a number of significant operational changes across the Co-operative and in retail stores to ensure we continued to deliver on our core purpose.

However, the pandemic was not the only challenge our members and teams faced. Ongoing global supply chain disruption placed immense pressure on our supply chain network and stores. As a result, our team of 17,000 across the South Island fronted up every day and put in extra effort to feed the South Island. I would like to acknowledge our supplier community for their ongoing collaboration and partnership with us to ensure continuity of supply.

There has also been a change to how New Zealanders now live, work and shop. Some of that change was driven by COVID-19 but there has undoubtedly been a shift in behaviours that will be significant and enduring. We have increased our competency in customer insights, with this remaining a key priority for the Co-operative.

Alongside this, our focus on defining the customer experience, the continued execution of value and investment into our digital future, positioned us to

catch the rising wave of in-store and online retail demand. Today, we now have 36 stores offering online shopping and are on track to have all our New World and PAK'nSAVE stores online by the end of 2022.

We remain committed to working with the Government to implement the recommendations from the Commerce Commission's market study.

One of the most significant changes during the year was the retirement of CEO Steve Anderson and the appointment of Mary Devine in his place. I would like to thank Steve for his significant contribution to the Co-operative and wish him well in his retirement. I look forward to working alongside Mary in the next stage of the Co-operative's development.

There have also been changes to the Executive Leadership Team with Phil Lemon, General Manager Merchandise, and Roger Davidson, General Manager Property & Retail Development, retiring from Foodstuffs South Island. Thank you to Phil and Roger for their service to the Co-operative and we wish them well in their future endeavours.

“... our ways of working had to be flexible and agile, and in some cases responding within a matter of hours.”

“A successful retail business runs on the energy, commitment and skills of its people.”

During the year, we opened new stores including New World Ravenswood in Canterbury and three Henry's Beer, Wine & Spirits stores. This is a fantastic achievement and great addition to the communities these stores will service.

We also farewelled a number of long serving members during the year. I would like to acknowledge their support of the Co-operative and I wish them well. Conversely, a warm welcome to our new members and I look forward to seeing their contribution to the Co-operative over the coming years.

Board Activity

In November Mary Devine resigned as one of our Independent Directors to start her new position as Chief Executive Officer. I would like to acknowledge her service and contribution to the Board over the past three years, in what has been a historic period of change for the Co-operative.

We welcomed Angela Bull as an Independent Director to the Board in March 2022. Angela has unique commercial experience in property and is currently the Chief Executive of Tramco Group, a large New Zealand owned property investment company which specialises in large scale land holdings.

She is also an independent director of the Real Estate Institute of New Zealand, realestate.co.nz, and Callaghan Innovation Research Limited. Previously, Angela held a number of senior positions over a 10-year period with Foodstuffs Auckland and Foodstuffs North Island Ltd, most recently being General Manager Property Development for Foodstuffs North Island.

Angela's skills will complement those of the other board members and I look forward to working with her.

Financial Review

Last year I spoke of the impact of COVID on our Co-operative and communities. While it seems that

we have all adjusted well to managing the health risk, the knock-on effect of other global events has shifted the focus to the health of the economy. Supply chain costs and the resulting pressures on food prices, dominated the year and inflation continues to exceed forecasts.

Annual sales of \$3.31 billion are slightly above last year. This is a solid performance given the increased trading last year through lockdowns and purchasing behaviour affected by the COVID concerns generally. Of our main banners, New World and PAK'nSAVE saw modest growth and as expected Four Square reduced slightly having been the main beneficiary during lockdowns last year as customers shopped locally.

With customers looking at ways to make their dollar go further we continue to focus on ways to best deliver on our commitment to customer value. Equally we will continue to control supply chain costs where we can, being mindful of ensuring supply and valuing the relationships we have with suppliers. Initiatives continue to optimise IT solutions for logistics and distribution centre operations, as well as staffing efficiencies across our business.

Economic and financial uncertainty is set to remain for customers. We can expect another challenging year which provides us a great opportunity to be offering our communities the best value in feeding the South Island.

Gross Profit after monthly member rebates was unchanged from 2021 at \$201.7 million. Similarly, our gross margin percentage remained at 6.1%. This is a satisfying result given the increasing pressure on supply chain and supplier costs.

Other Income and Operating Expenses

increased during the year by \$6.0 million and \$10.3 million respectively. Other income includes the partial reversals by \$4.8 million of impairment provisions against some of our investments, and property.

Chairman's Review

Continued

Operating expenses include a large IT cost reclassification of \$4.8 million in the year. This was due to a change in accounting rules meaning previously capitalised development is now classified as an operating expense. Other key items of expense in the year were the costs associated with Commerce Commission's market study (\$1.0 million); loss on the sale of The Warehouse shares (\$4.0 million); stock revaluation (\$2.9 million) and business restructuring (\$1.1 million).

Operating Profit (before monthly rebates)

was \$4.4 million lower at \$304.4 million (before changes in accounting rules adjustment); a 1.4% decline following the 2021 year that benefitted from lockdown spending behaviour.

Distributions to Members (consisting of Rebates, Dividends and Imputation Credits) total \$307.1 million, a decrease of \$8.6 million or -2.7%. The reduction comes from a loyalty rebate of \$31.0 million compared to \$40.0 million last year (however last year included the special COVID rebate of \$10 million). This is partly offset by a \$2.7 million increase in monthly rebates paid that reflect a continued increase in the proportion of products supplied from our distribution centres.

Despite a **net trading loss of \$1.3 million**, our total recognised income and expenses, taken to balance sheet reserves were a positive \$10.6 million. This is mainly due to an \$11.7 million unrealised gain on the revaluation of interest rate hedging instruments.

The 2021/22 Member Distributions

In addition to the year-end rebates, there are \$7.8 million of dividends on Retained Patronage Shares which will be paid out with \$3.0 million imputation credits attached.

The Board has again approved payment of a 3% dividend (fully imputed) on Members' Trading Deposit Shares worth \$2.7 million with \$1.0 million in imputation credits.

The Co-operative continues to maintain its very strong financial position with total assets of \$1.35 billion and all key financial ratios and associated measures remains comfortably within the requirements set by our funding partners.

Closing Remarks

A successful retail business runs on the energy, commitment and skills of its people. I can proudly state that the Co-operative, our members and teams have shown their resilience, dedication and courage yet again in embracing the changes we have made, and those we must continue to make.

I want to express my deepest gratitude to:

- My fellow Directors, CEO and Executives for your ongoing support and steady governance,
- Our teams for going above and beyond for their teamwork and effort,
- Our suppliers for their continued partnership and collaboration in helping us keep our communities fed, and
- Lastly, our Members. Without your drive and energy, the Co-operative cannot succeed.



RUSSELL MCKENZIE
CHAIRMAN - FOODSTUFFS SOUTH ISLAND



Foodstuffs NZ Report

02



Foodstuffs NZ Report



As the Delta and Omicron variants of COVID-19 crossed our borders, Foodstuffs continued to work closely with key Government departments to offer our support and to ensure we kept our teams safe and kept delivering food for New Zealanders.

Particularly in collaboration with the Ministry of Business Innovation and Employment (MBIE), we gave considerable input to ensure that the grocery industry can operate safely so that Kiwi families could continue to access their everyday grocery essentials.

Outside of COVID-19, the Government has a major programme to both reduce the risk of climate change and prepare for it. We filed submissions on Waka Kotahi consultations on opportunities to decarbonise the transport sector and extend the use of road-user charges, as well as MBIE consultations on a Sustainable Biofuels Mandate and standards for building insulation. We also supported the Land Transport (Clean Vehicles) Amendment Bill in response to the Government's Emissions Reduction Plan. New Zealand's poor waste record is another area of Government focus. We filed submissions in response to Ministry for the Environment consultations on a National Waste Strategy and the phase-out of problematic plastics.

The Ministry of Housing and Urban Development consulted on a Policy Statement for Urban Development and our submission emphasised the role that supermarkets play in providing local amenity, essential services, and employment. The Policy was amended to give recognition to the role of essential services. We also supported a National Policy Statement to protect highly productive land from urban development.

We submitted on the ACC's review of levy settings, while input on the annual review of the minimum wage occurred via the peak employer bodies.

Plans were confirmed to introduce fair pay legislation, however this has been delayed due to COVID-19.

The Government introduced a series of temporary immigration measures to alleviate employment pressures due to closed borders including changes to visa conditions for supermarket workers and multiple extensions to visa expiry dates. Looking to the mid-term, it announced a policy reset to reduce the country's reliance on migrant labour, raising challenges for employers in the context of low unemployment and labour availability. The Productivity Commission was tasked with looking into longer-term policy and we recommended settings which assist employers to fill skill/labour shortages, with complementary investment in infrastructure to ensure the country has capacity to accommodate population growth.

From a food regulation standpoint, the MBIE finalised the regulations for Country of Origin Labelling with just six months for implementation. Following advocacy, we were granted a three month extension. Our submissions on the draft guidance sought considerable changes to improve its clarity and most of these requests were enacted. We were also supportive of regulations for organic products.

With a goal of being smoke-free by 2025, the Ministry of Health consulted on a draft Strategy. We supported more investment in smoking cessation programmes and measures to make tobacco less addictive and less appealing, but opposed the licensing of tobacco retailers, restricting sales to specialist stores, and minimum pricing. Plans to introduce licensing, along with very dramatic reductions in the number of stores permitted to sell tobacco were confirmed, with the legislation expected to be introduced in mid-2022.

Following initial consultation in 2020, MBIE engaged us and other stakeholders on a proposal to introduce a 20-day statutory limit for payments and we submitted on the practical issues this would raise. The Government also introduced and passed legislation to regulate payment systems to reduce merchant service fees, which we supported

“We continue to nail the basics while still growing our portfolio.”

via a Retail NZ submission. The Reserve Bank undertook consultation on the future of cash and we raised issues around the withdrawal of bank retail services which adversely impacts retailers, particularly those in smaller town and rural locations.



Foodstuffs Own Brands closed out the year with record sales, finishing on an impressive \$1.58b - 6.8% up on last year.

The year-on-year growth of own brands clearly shows that our customers are getting smarter with how they shop, and look for own brand products to make their dollar go further.

We continue to focus on ensuring our products are relevant and accessible for every New Zealander. Partnering with New World, we developed a value led campaign “Kiwi Christmas Feast – Feed 10 for \$150”.

Product: Our focus as a business is to develop and strengthen the foundations for future growth. We continue to nail the basics while still growing our portfolio. In the last 12 months, Own Brands launched a wide variety of new products, this includes an award-winning plant-based range and range extensions, a comprehensive breakfast range and a redeveloped ice cream range.

Team: In the past 12 months, we have appointed several customer-led roles to ensure we meet our 2025 CSR commitments. The team additions, coupled with a team engagement score of 87% shows that Own Brands strives to provide a workplace that is positive, proactive, and productive.

Brand Awareness/Relevancy: Own Brands had a strong presence at the 2021 Foodies Expo. Our display exhibited a variety of new products, beautiful product packaging and highlighted how our brands can meet the needs of our customers down every aisle.

We continue to invest in moving as many existing Pams products as possible into the new brand livery design which is loved, respected, and judged to be insta-worthy by New Zealanders. At present, we have 1,946 Pams products instore under our new brand livery.

We redeveloped and relaunched www.pams.co.nz. Our new website has been designed for every New Zealander making life that little bit easier by providing the full Pams product catalogue, inspiring meal solutions and handy home hacks. The website redevelopment saw a 37% increase in visitor numbers when compared to the year before.

CSR: Quality products and CSR continues to be a key focus for the future of Own Brands.

We continue to work with the Heart Foundation on the formulation of key products to improve their nutritional value or improve their impact on public health. We have identified Own Brand products in 37 categories in which Heart Foundation nutritional targets exist. With a 2025 commitment of having at least 70% of our products meeting the applicable Heart Foundation nutritional criteria, we feel confident meeting this target having finished the year on a whopping 63%.

To meet our responsible and ethical sourcing goals, we have developed a suite of policies and position statements for Own Brands. These include a Modern Slavery Position Statement, Cage Free Eggs Policy, Responsible Timber, Bamboo, Pulp & Paper Policy, Sustainable Palm Oil Policy, and Responsible Seafood Policy. Our policies and position statements are being rolled out across our extensive product range and this will continue to be an area of focus in the years to come.

Awards won by Own Brands: Pams was voted “Most Trusted Brand” for the Vegetarian/Vegan category by Readers Digest. This award reinforces that our fantastic range of plant-based solutions meets the needs of our customers.

LiquorLand

Liquorland continues to go from strength to strength.

Like all forms of retail, we are now well-versed on the ways to operate under COVID-19 restrictions, but more importantly meet our customers' expectations of us as they navigate the ways to engage with us, be that online, click and collect, walk up to the door only, or physically distanced in-store. The number we are most proud of this year is our customer satisfaction score of over 90% of the full year – it proves that the way we have engaged with and serviced our customers (more than 10 million of them this year) has worked well.

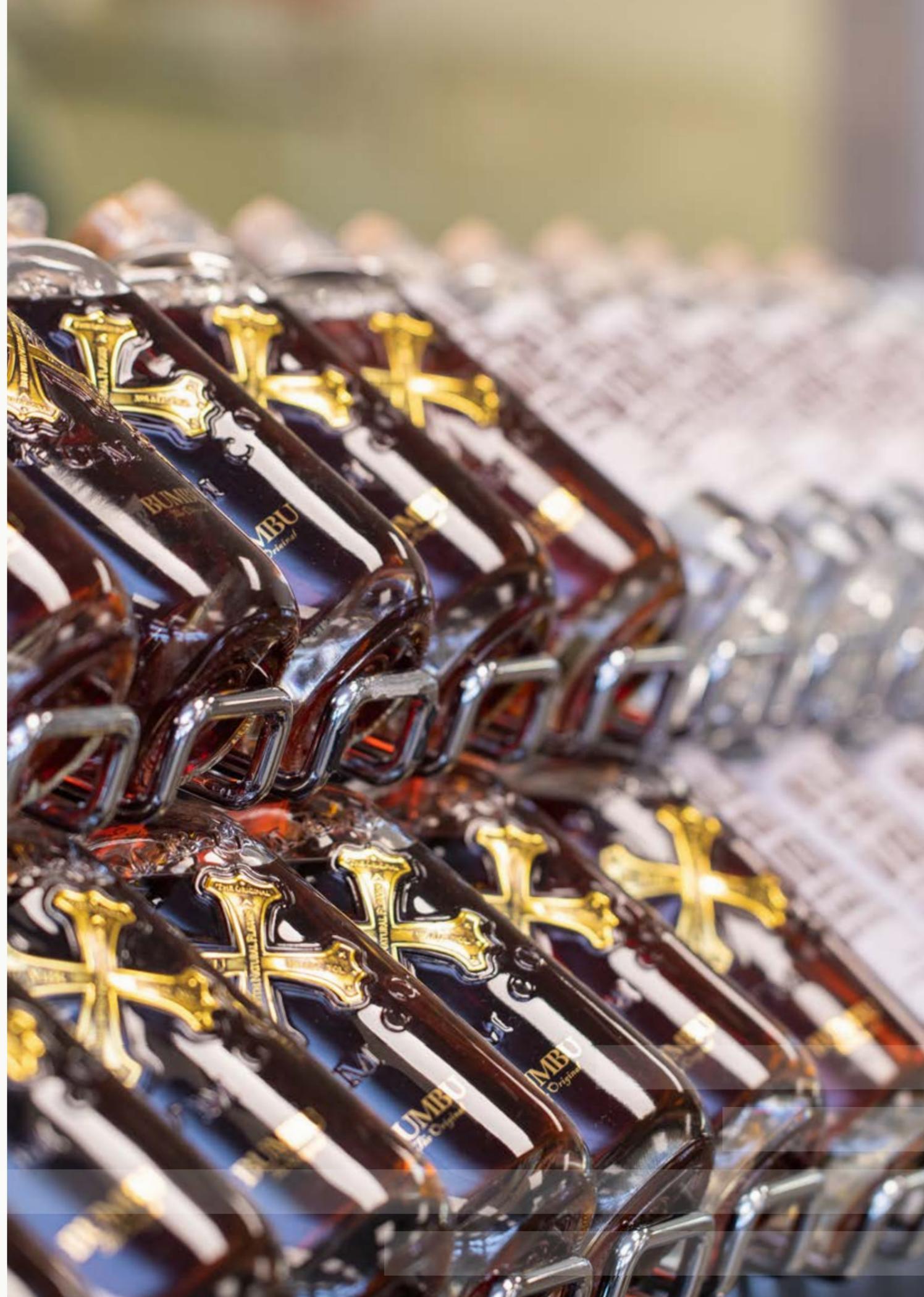
It has been another year of record commercial performances with retail revenue growing by 13.6% and ahead of our competitors, and margin growth ahead of revenue growth achieving 14.6% growth for the year.

Our network is now up to 143 stores nationwide and for the first time in 50 years we have opened stores in the West Auckland Licensing Trust area through a partnership agreement where we have rebranded three of their existing stores to Liquorland and opened a brand-new store. This initiative had been a long time in the planning and pleasingly all three existing stores trading performance is ahead of what they achieved prior to being rebranded, and the new site is well ahead of our initial projections.

Customers continue to engage in the 'better for me' categories and this is driving the lower alcohol, lower carb, and lower sugar categories in-store. For us this is seeing strong growth in the ready to drink spirits (RTDs) category, in particular white spirit options mixed with sodas and tonics.

We have continued to invest in all our digital communications platforms and our webstore. Limited availability of paper has fast tracked our move away from fortnightly mailers, and we are seeing strong engagement with our digital mailer and direct marketing campaigns.

“The number we are most proud of this year is our customer satisfaction score of over 90% of the full year.”



Here for New Zealand

03



Here for New Zealand



The continuing impacts of COVID-19 on our communities are a strong reminder of our commitment to our Here for NZ social promises: providing New Zealanders with access to healthy and affordable food, supporting our local communities to thrive, providing meaningful work for our people, and sustainability leadership.

Our Co-operative's role of being Here for New Zealand was our North Star throughout the pandemic. As we responded in real time to lockdowns, changing alert levels and the eventual rapid spread of the COVID-19 virus, we stayed firmly focused on delivering on our social promises, concentrating on supporting every New Zealander to access healthy and affordable food

Having agreed measures and targets in 2021, and kicked off data collection and reporting process, we published our 2021 Social Responsibility report, and for the first time, publicly reported measures and targets on our Here for NZ commitments. This is a key step forward in our journey to be Here for NZ – making our goals real for the business and transparently sharing our progress.

Full 2022 reporting against our measures and targets, and our progress delivering on our social promises are published in our 2022 Social Responsibility Report.



Here for New Zealand Continued

Some Here for NZ highlights include:



Healthy and Affordable Food

New World's national Family2Family Appeal saw an estimated 20,000 bags donated by customers to families in need, with each store partnering with the Auckland, Wellington and Christchurch City Mission or local food bank partners across the country. We helped facilitate over \$27,000 worth of supplier donations to the City Missions, as well as donating over \$27,400 in vouchers via the Flybuys Points for Good Campaign from generous customers. Demonstrating our own commitment, New World donated \$250,000 to the City Missions and local food banks in support of the campaign.

Generous PAK'nSAVE customers across the country donated a total of 73,000 cans to the supermarket's PAK'canSAVE food bank appeals. All PAK'nSAVE stores partnered with a local food bank or food rescue organisation, and on top of the food donations from its customers, PAK'nSAVE donated \$100,000 to the food bank and food rescue organisations.



Meaningful Work

The Wellbeing Working Group in conjunction with our Health & Safety team, provided teams across the Co-operative with resources to manage working from home, coping with COVID uncertainty, psychological wellbeing and accessing additional support during COVID.

We delivered a wellbeing calendar despite lockdowns and remote working. Our teams engaged online and participated in events where they were able to.

Our Supply Chain provided food drops to all team members consisting of one food bag per week

Our long-term partnership with Food for Thought, a free nutritional education programme continued this year. In the programme, year 5 and 6 students are taught in-class by a nutritionist or Heart Foundation nutrition advisor about nutrition, how to read labels and how to make healthy choices when grocery shopping.

We improved our affordable and healthy own brands, building on our work with the Heart Foundation and Health Star ratings.

Through the Foodstuffs (South Island) Community Trust, over \$300,000 of support was given to community groups and food banks to feed communities in need, in response to the COVID-19 lockdowns and Omicron outbreak. This included a \$20,000 donation to the New Zealand Food Network which collects and distributes food and essential items to food banks and food rescue organisations nationwide.

for seven weeks of healthy Heart Foundation approved recipes.

Last year we partnered with The Heart Foundation to produce a workplace programme for our drivers focusing on heart health, lifestyle, and wellbeing. We had some incredible results from the post health checks. Members of the team reduced their blood pressure, cholesterol or hip waist measurement – with some team members reducing all three.



Supporting Local Communities

Foodstuffs is committed to supporting our supplier community thrive. FoodStarter is a nationwide competition that celebrates small suppliers, start-ups and product innovation in New Zealand.

As part of their prize for winning last year's competition, product from Whanganui based iwi owned enterprise, Kaitahi As One went into all New World freezers from the end of October. Customers can now enjoy Kaitahi As One's innovative range of frozen smoothie drops, designed for people that want a smoothie that is fuss free, easy to make and packed full of nutritious goodness.

Recognising the close ties to our Pacific communities, Foodstuffs (South Island) Community Trust donated \$10,000 to New Zealand Red Cross' Pacific Tsunami Appeal, set up to support the people of Tonga and surrounding islands in the wake of the volcanic eruption and tsunami.

Foodstuffs (South Island) Community Trust continues its work to help make the lives of South Islanders better in the ways that matter most to them, giving over \$870,000 in grants, education grants, sponsorships and funding to community groups.



Sustainability

We aspire to be leaders in sustainability in our operations and how we source our products. Our key areas of focus are waste minimisation, carbon reduction and sustainable packaging.

We have been on a committed journey to minimise waste since the launch of our national Waste Minimisation Programme in 2014. We now have more than 221 New World and PAK'nSAVE stores, distribution centres and corporate sites on the programme nationwide. This past year we have worked with our waste partners, sites and stores to improve our data quality. This work will provide us with a more complete picture of our waste, so we can continue to reduce and divert more waste from landfill.

Our stores continue to partner with food rescue organisations to divert edible food to those in need, and inedible food through partnerships with pig farmers. Building and strengthening the relationship between our stores and their food waste partners is a focus for the business. Over the last year more than 6.3 million meals nationwide have been donated through our food rescue partnerships.

Foodstuffs have also trialled and rolled out many initiatives aligned with our 2025 packaging commitments, and to reduce waste.

Roll-out of Green Spider reusable pallet wrap trial at New World Fendalton, which eliminates the use of single-use plastic pallet wrap in favour of reusable straps. This reusable solution saves stores approximately three tonnes of pallet wrap per year, and has been rolled out to over 15 New World stores and is being trialled in PAK'nSAVEs and our Hornby DC next year.

Trial of Till Roll Core Takeback Scheme – initiated by a New World checkout supervisor, the programme sees empty till roll cores collected at checkout at 4 New World and 2 PAK'nSAVE stores in the North and South Island and couriered to the till roll supplier to be reused, with plans for more stores to join the scheme next year.

As part of New Zealand's move to remove all plastic produce bags by 2023, we trialled alternatives during "Plastic Free July" 2021 in the fruit and veg section of New World Durham Street in Christchurch to see what options work best

Here for New Zealand Continued

for our customers. The trial featured reusable alternatives made from nylon, polyethylene and organic cotton, and customers were surveyed about what they look for in alternative produce bags. Overall, two-thirds (67%) of shoppers support the removal of plastic produce bags from supermarkets. Nearly half of shoppers (43%) would like to have plastic produce bags removed from supermarkets as soon as is practical. The trial results will inform how we will transition away from single-use produce bags, including what alternatives to offer customers.

There was a nationwide trial to replace PVC cling wrap, which accounts for 88% of our non-recyclable in-store retail packaging, with recyclable PE cling wrap in Foodstuffs butchery departments.

36 of 42 New World stores in the South Island offer 'nude' produce, saving at least 3.4 tonne of single-use plastic annually.

Ecostore refilleries are now in 26 New World and Four Square stores.

In line with our Climate Leaders Coalition 2019 Statement, we are playing our part to limit the long-term global temperature rise to 1.5 degrees Celsius by committing to a 21% reduction in carbon emissions from a 2020 baseline across the North and South Island. In addition to the role of continued waste reduction, Foodstuffs is active in several areas to reduce our carbon footprint:

- Reduced energy consumption by 40% in new generation builds through the installation of CO2 refrigeration, LED lights, and mandated lids on chillers and freezers.
- 70% of stores at Foodstuffs South Island have transitioned to CO2 refrigeration.
- Continuing electrification of our distribution centre and our fleet.

“... we are playing our part to limit the long-term global temperature rise to 1.5 degrees Celsius by committing to a 21% reduction in carbon emissions from a 2020 baseline.”



The Foodstuffs (South Island) Community Trust



The Foodstuffs (South Island) Community Trust is committed to supporting communities and people by helping them thrive.

Major Sponsorship

We have entered the last year of our three year partnership with the Gut Foundation. We are currently working with the Gut Foundation on a number of educational campaigns, health hubs and research projects. It's our hope this will be a significant step in the reduction of gut disease in the South Island and beyond.

Education Grants

Education is a significant focus for the Trust and this year it granted \$80,130 in educational grants to 46 students to assist them with their tertiary education. The Trust also continued its support of other endeavours to provide young people with the opportunity to achieve their dreams, awarding four Outward Bound scholarships and supporting one First Foundation recipient.

Community Grants

Community Grants are the largest number of grants Trustees consider and approve and this year over \$331,000 has been granted. It is a pleasure to assist organisations, community groups and individuals with their various requests. Some of our substantial purchases were assisting with Tonga Support through Red Cross, Kaikoura High School for a multisport scoreboard, Central Southland Community Swimming Pool for a robotic pool cleaner and Cheviot Cricket Club with mobile cricket nets. The Trust continues its commitment as a foundation donor to the Christchurch Cathedral Restoration Trust, which will hopefully see the re-establishment of the Visitors Centre at the Cathedral.

COVID-19 – ReSTART

The South Island has faced significant challenges with COVID-19 over the past two plus years. The Trust has provided emergency support and on-going assistance to South Island foodbanks and community groups. Support has been a mixture of cash for a specific project or gift cards for food. To date grants totaling \$470,244 have been approved. The Board have approved the winding up of this fund once all committed grants have been allocated.

Board Trustee Changes

Roger Davidson retired his position as the appointed CEO delegated Trustee in April 2022 having completed nearly four years of dedicated service. Tim Donaldson is the newly appointed CEO delegated Trustee.

Acknowledgements

We are very appreciative to our sponsors and supporters for their ongoing support and generosity to our Trust. The recipients of the funds are always very grateful and humbled.



JUSTIN D SMITH
CHAIRPERSON

Food for Thought



Since 2007 the Food for Thought Education Trust nutritionists have been working with schools educating year 5 and 6 students about the food they eat and drink and how to read food labels.

The nutritionists have developed an inquiry-based learning programme, followed by an instore session at a local PAK'nSAVE, New World or Four Square supermarket. The Food for Thought programme is delivered into schools throughout New Zealand in partnership with the Heart Foundation with resources available in English, Te Reo and Samoan to reach a wider demographic.

It has been another disrupted year due to the limitations imposed to schools from COVID-19 with students learning from home, and supermarkets unable to host the Food for Thought programme. A hybrid programme of online and instore was developed to enable nutritionists to continue to deliver the programme to schools. Where classes were unable to be delivered due to lockdowns or lack of resourcing they were rescheduled to later in 2021 or 2022. Nutritionists outside lockdown areas have continued delivering the programme as normal, with only a few postponements.

As restrictions ease, the team are really looking forward to getting back into the schools and delivering a full programme for students to enjoy.

We're passionate about teaching children to make healthier food and drink choices. Over the last financial year, across New Zealand we have worked with:

 **164,799**
students

 **202**
schools

 **634**
classes

 **1250**
parents (numbers include FFT and Heart Foundation)

Best in Retail



Banner Updates



Something's Cooking

Despite COVID-19 continuing to influence our lives and businesses heavily, New World managed to achieve a number of firsts with our iconic brand.

Not least with opening our 43rd store in Ravenswood North Canterbury under a national level four lockdown on 27 August 2021 – a huge undertaking by all who were involved. Shoppers were introduced to 'New Zealand's Kitchen' – a reflection of the brand refresh completed during the year. The heart of this campaign, 'we're all just winging it' was clearly reflective of the times we are living in and resonated strongly with our customers, drawing many contributions to our 'Kitchen Confessions' segment.

A number of other successful and recognisable campaigns continued throughout the year including our hugely successful loyalty campaign at the back end of 2021 – rewarding customers with high quality, exclusive cookware made by KitchenAid. We also launched New World's Recipe of the Week to offer customers curated meal inspiration to help answer the age-old question,

"what's for dinner?"

As COVID-19 increased pressure on our communities, our New World owner operators heavily supported local charities, local suppliers, and local families. Our association continued with the Student Volunteer Army, city missions and foodbanks across the South Island helping deliver relief and facilitate food donations to those most in need.

New World South Island launched online shopping on 21 June 2021 with the team at New World Rangiora. By Christmas, 14 New World stores were offering the service with online shopping planned to be available to all South Islanders by mid-October 2022. This exciting technology is already enabling some new additions to our offer such as the recently launched 'shoppable recipes'.

While it's been a challenging year, New World continues to be a place that helps New Zealanders put quality affordable food on the table every day, supports our local communities, creates meaningful work for our people, and aims to lead in sustainability. We look forward to continuing to do the same next year.



KitchenAid

Banner Updates



As the nation seemed to find its new "normal", PAK'nSAVE has once again become the supermarket of choice to find NZ's lowest food prices.

With household finances becoming squeezed due to an increased cost of living, PAK'nSAVE has seen a positive shift in its loyal and cross shopper customer base.

Online shopping launched at Rangiora in July 2021, a first for the South Island PAK'nSAVEs. Hornby and Riccarton launched in February 2022, with the remainder of the stores planned to launch during 2022. We're excited to bring online shopping to our customers and the response has shown us our customers are excited too!

In another first, we launched our inaugural PAK'canSAVE campaign. PAK'canSAVE is part of PAK'nSAVE and Foodstuffs' promise to be #HereforNZ and support every New Zealander to access healthy and affordable food. The campaign was a huge success. PAK'nSAVE customers donated tens of thousands of cans of food to help make life easier for people in their community doing it tough. On top of those donations, PAK'nSAVE collectively donated \$200,000 to PAK'canSAVE foodbank recipients nationally.

PAK'nSAVE claimed second place in Colmar Brunton's 2021 Corporate Reputation Index, along with being named the #1 leader in Fairness. Colmar Brunton said, "Our research shows New Zealanders are having to think carefully about the cost of living and they appreciate companies like PAK'nSAVE that deliver good value".

Following on from @instickman's award-winning debut on Instagram last year, PAK'nSAVE's @instickman continued his winning streak with the team picking up silver in the Best Use of Social category in the IAB Awards, and bronze in



AXIS Awards for digital copywriting. Continuing our authentic brand tone of voice and disruptive behaviour on a new channel has resonated with younger @instickman audiences.

The delivery of a store specific local area marketing (LAM) program via Facebook was a highlight for PAK'nSAVE this year. All stores now have their own social media platform that enables them to talk directly to their local communities that now total more than 700,000 followers. PAK'nSAVE was also among the first early adopters of local inventory ads via Google Shopping - a platform that has seen some amazing initial results from a full omnichannel perspective delivering significant online ROI and in the case of PAK'nSAVE, a significant volume of store foot traffic.

In a first for the PAK'nSAVE brand we also took over the Christmas and summer period with the "Season of Savings", where we supported our customers to get their wallet into peak physical condition by keeping aware of spendy temptations and continually Crave the Save. This five-month campaign was supported across all key media channels with Stickman taking on the persona of Personal Saver. Plus, in a New Zealand TV first, viewers were treated to three uninterrupted minutes of Stickman as he took over ad breaks with a Spendy Ad Blocker. This was live throughout December to block out the Christmas clutter and keep us focused on saving our hard-earned cash from overpriced stuff.

This year we ran three successful Price Gap campaigns, with the purpose of reinforcing PAK'nSAVE's position as having New Zealand's lowest food prices. Price Gap allows us to demonstrate real savings, made by real shoppers in comparison to competitors. Price Gap and comparison shops will form an important part of our "Cheap As" strategy to prove our lowest prices to our customers.

Banner Updates



The Four Square Group had a positive trading year. COVID-19 impacted a number of stores but local owners and their teams were resilient and adapted to support their community's needs.

Four Square has seen a continued increase in foot traffic across most stores this year. As the brand nears 100 years of age, the journey across the last 12 months has been bringing a reinvigorated brand proposition to life, to ensure we remain relevant to customers and their changing needs.

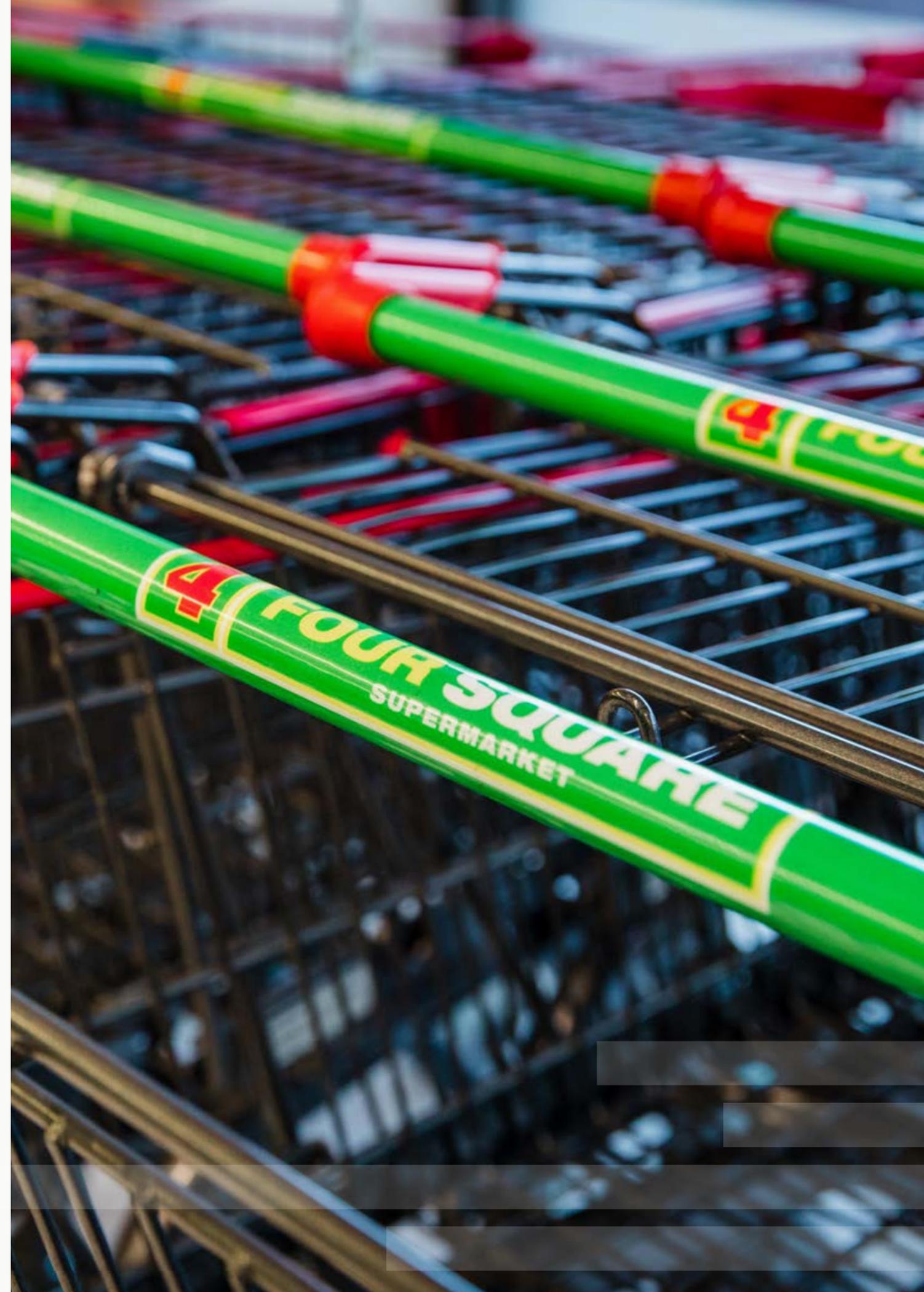
The brand was proud to open a new site in Diamond Harbour as well as completing multiple store refurbishments, with 22 sites now offering self-scan checkouts. The Four Square brand has been an early adopter of the insights generated from the Actionable Customer Insights programme with a positive approach to how some fresh products are promoted. Core ranging was also a focus, increasing consistent ranging across the banner that customers can trust while still providing owners with the flexibility to carry a unique range for their locals.

Four Square launched a national marketing campaign with the tag line "what'll it be today?",

reinforcing the brand's commitment to making life easier with everyday and fresh essentials in a friendly and convenient retail environment.

The addition of our partnership with TVNZ's One News Goodsorts launching in October 2021 saw Four Square connecting with customers and showing our commitment to supporting all the good sorts in our local communities. Along with the partnership, we saw a 30 minute TV show integration that aired on TVNZ 1 with 'Goodsorts: Great Kiwi Stories', giving Four Square the opportunity to give back to the best of the Goodsorts across the year including food for dogs doing good at Goldfields school in Cromwell, The Game Changers netball team who helped us together donate over \$1,000 to Guardian Angels and the Women's Refuge, and \$30,000 to the Red Cross to support the great work they are doing supporting immigrants find a warm welcome in New Zealand.

The Four Square Group looks forward to the year ahead with stores ready to be the hub of their community and cater for visitors, both local and international!



Banner Updates

on the spot

The group finished the year with 77 stores serving their communities, as we continue to develop our strategy in line with our customer expectations.

It was great to see our owner operators from On the Spot Diamond Harbour move into their new purpose built Four Square. This was a bittersweet moment as James and Laura left the group to move into the Four Square banner, while at the same time demonstrating that there is a great pathway from On the Spot ownership into other Foodstuffs banners.

The impacts of COVID-19 continued to deliver many challenges for our group, but our members met these head-on and continued to service their local communities well. Our operators have worked hard to meet local customer needs with more customers shopping locally and enjoying On the Spot's competitive pricing and range.

We undertook a full review of signage on our stores, and updated all sites to match the new brand standards.

We look forward to the challenges that lie ahead for the convenience channel.



The wholesale market was certainly a year of two halves.

We traded very well in the first part of the year however, as COVID-19 and then Omicron became more prevalent in New Zealand, the impact on Trents' customers was significant.

Sustaining our communities is one of Trents' brand values, and we continued to support food charities throughout the year. We also kept up our support of the hospitality industry by remaining as Lead Partner and Ambassador for both the Queenstown and Christchurch Hospitality Awards for another year.

We made significant gains in the digital space over the last 12 months with our new online store performing well and our CRM Team making good use of our new CRM capability. Our engagement with customers is far higher and we are giving suppliers another avenue to get their brands and products in front of the end-users.

We will continue extending our digital capability, as well as using our experienced Field Sales and Customer Service Teams to help us help our customers. Trents – we bring more to the table!

Banner Updates

henry's beer, wine & spirits

This year provided many highlights and successes despite the challenges the group faced.

The continued impact of COVID-19 along with significant price increases, supply challenges, a business restructure and the opening of four new stores meant that we had a lot to contend with.

Throughout the year the group continued to achieve strong sales growth which was ahead of the total market and therefore grew market share.

The opening of four new stores at Prebbleton, Albert Town, Wigram and Three Parks was a challenge but also a highlight. All of these stores are in a strong position to serve their communities with strong sales and population growth.

The continued enhancement of the website and online web shop ensures that the group is in a good position to meet our customers' demands and expectations. A highlight was the development of a function calculator that ensures that we are seen as innovative and customer focused.

New product launches continue to maintain interest in many categories, particularly gin, rum and 'better for you' RTDs.

One of the strengths of the group and the Co-operative is the support network that is provided to the stores and this continues to put us in a position of strength and to meet challenges head on.

Throughout the year, stores have done a great job of supporting their communities and we will continue to work hard in the year ahead to be the innovators and leaders in our industry.

RAEWARD fresh your fresh food people.

Approaching 10 years as part of the Foodstuffs family, the Raeward Fresh brand remains competitive and extremely relevant in today's market.

With a greater push towards sustainability, increasing consumer consciousness of fresh and healthy eating habits and a nationwide desire to shop and support local, we take pride in catering to these requirements and living and breathing our values.

Raeward Fresh continues to build on its core strengths in fresh foods while expanding into other categories to accommodate changing customer needs and providing more of a one-stop-shop solution.

The wholesale business continues to provide great growth opportunities with multiple sites distributing our famously fresh meat and produce to schools, restaurants, rest homes and fishing boats. We are working closely with the hospitality industry to ensure they are well-supported through this volatile period.

In the year ahead, look for Raeward Fresh appearing across multiple channels online as we are working on delivering our brand message to more and more shoppers. We'll be highlighting the unique shopping experience, value offer and the great products we source from our local suppliers.

We are also planning a new look for the Raeward Fresh brand, with an evolution of brand standards to modernise and prepare us for future growth. This will lead into store refreshments enabling us to better serve the communities we operate in and remain that desirable alternative shopping destination.

Our People

05



Leadership Teams

Board of Directors

To 28 February 2022

Russell McKenzie (Chairman)	New World St Martins
Marcel Gray (Deputy Chairman)	PAK'nSAVE Wainoni
Glenn Anderson	New World Rolleston
Phillip Blackburn	PAK'nSAVE Riccarton
Mary Devine	Independent Director (resigned 8 November 2021)
Michelle Grundy	Four Square Maniototo
Michelle King	PAK'nSAVE Queenstown
Justin Vaudrey	New World Durham Street
Steve Wakefield	Independent Director
Jason Williams	PAK'nSAVE Moorhouse
Angela Bull	Independent Director (appointed 1 March 2022)

Executive Leadership Team

1 March 2021 to
28 February 2022

Steve Anderson	Chief Executive Officer (resigned 8 February 2022)
Mary Devine	Chief Executive Officer (from 8 February 2022)
Nick Barnes	General Manager Supply Chain
Roger Davidson	General Manager Property & Retail Development
Tim Donaldson	General Manager Retail
Phil Lemon	General Manager Merchandise
Damian Lynch	General Manager People & Strategy
Nathan Marsh	Chief Financial Officer
Phil Wright	General Manager Information Technology

PAK'nSAVE Executive Committee

1 March 2021 to
28 February 2022

Mark Elkington (Chairman)	PAK'nSAVE Blenheim (appointed June 2021)
Bryan Walker (Deputy Chairman)	PAK'nSAVE Northlands (appointed June 2021)
Phillip Blackburn	PAK'nSAVE Riccarton (from December 2021)
Bryan Dobson	PAK'nSAVE Invercargill
James Flanagan	PAK'nSAVE Rangiora
Marcel Gray	PAK'nSAVE Wainoni
Caroline Hall	PAK'nSAVE Timaru (from July 2021)
Andrew Howard	PAK'nSAVE Richmond
Michelle King	PAK'nSAVE Queenstown
Kerri Lee-Lissington	PAK'nSAVE Hornby
Chris McDonald	PAK'nSAVE Dunedin
Steven McDonald	PAK'nSAVE Riccarton (resigned December 2021)
William McDonald	PAK'nSAVE Dunedin
Brad Spence	PAK'nSAVE Moorhouse (resigned May 2021)
Jason Williams	PAK'nSAVE Moorhouse

New World Executive Committee

1 March 2021 to
28 February 2022

Rodney Flannery (Chairman)	New World Centre City
Ashley Shore (Deputy Chairman)	New World Mosgiel
James Backhouse	New World Wigram
Marc Brokenshire	New World Ilam
Kyle Burnett	New World Lincoln
Nicola Hollyer	New World Motueka
Bradley Patton	New World Elles Road
Simon Turnbull	New World Bishopdale

Four Square Executive Committee

1 March 2021 to
28 February 2022

Graeme Neilson (Chairman)	Four Square Ascot
Amy Bartlett (Deputy Chairman)	Four Square Maitua
Thomas Glubb	Four Square Spring Creek
Michelle Grundy	Four Square Maniototo
Shaun McFadden	Four Square Mapua
Lou Paton	Four Square Atawhai
Glenn Pierson	Four Square Stafford Street
Matt Saunders	Four Square Tapanui

Raeward Fresh Executive Committee

1 March 2021 to
28 February 2022

Gareth & Laura Caldwell	Raeward Fresh Richmond & Tasman
Daniel & Rebecca Ellis	Raeward Fresh Harewood
Nathan & Angela Imlach	Raeward Fresh Queenstown
Paul & Christiena Joyce	Raeward Fresh Tower Junction

Henry's Beer Wine & Spirits Executive Committee

1 March 2021 to
28 February 2022

Paddy Breen (Chairman)	Henry's BWS Queenstown
Gerry Breen	Henry's BWS Wakatipu
Eoin Fleming	Henry's BWS Wigram
Mohit Gahlot	Henry's BWS Alexandra
Shannon Gilmore	Henry's BWS Prebbleton
Jason Hall	Henry's BWS Northtown
Adrian Hills	Henry's BWS Centre City
Anne Kroupa	Henry's BWS Richmond
Pavneet Nagra	Henry's BWS Wairakei
Justin Purcell	Henry's BWS Timaru
Damian Reid	Henry's BWS Hornby
Campbell Sinclair	Henry's BWS Albert Town
Craig Smith	Henry's BWS Kaikoura
Neil Smith	Henry's BWS Greymouth
Jamie White	Henry's BWS Cromwell
Jason Williams	Henry's BWS Moorhouse
Louis Vieceli	Henry's BWS Avonhead & Parklands

Independent
Auditor's Report
KPMG





Independent Auditor's Report

To the members of Foodstuffs South Island Limited

Report on the summary consolidated financial statements

Opinion

In our opinion, the accompanying summary consolidated financial statements of Foodstuffs South Island Limited (the 'company') and its subsidiaries (the 'group') on pages 49 to 53:

- i. Has been correctly derived from the audited Group financial statements for the year ended on that date; and
- ii. Is a fair summary of the Group financial statements, in accordance with FRS 43 Summary Financial Statements.

The accompanying summary consolidated financial statements comprises:

- the summary consolidated balance sheet as at 28 February 2022;
- the summary consolidated income statement, statements of other comprehensive income, changes in equity and cash flows for the year then ended; and
- note on page 53.

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We are independent of the group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm has also provided other services to the Group in relation to tax advisory and compliance services, and trustee reporting. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Use of this Independent Auditor's Report

This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the Independent 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 members as a body for our audit work, this report, or any of the opinions we have formed.

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Responsibilities of the Directors for the summary Financial Statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the summary consolidated financial statements in accordance with FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary consolidated set of financial statements that is correctly derived from the audited consolidated financial statements.

Auditor's Responsibilities for the summary Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with (or are a fair summary of) the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

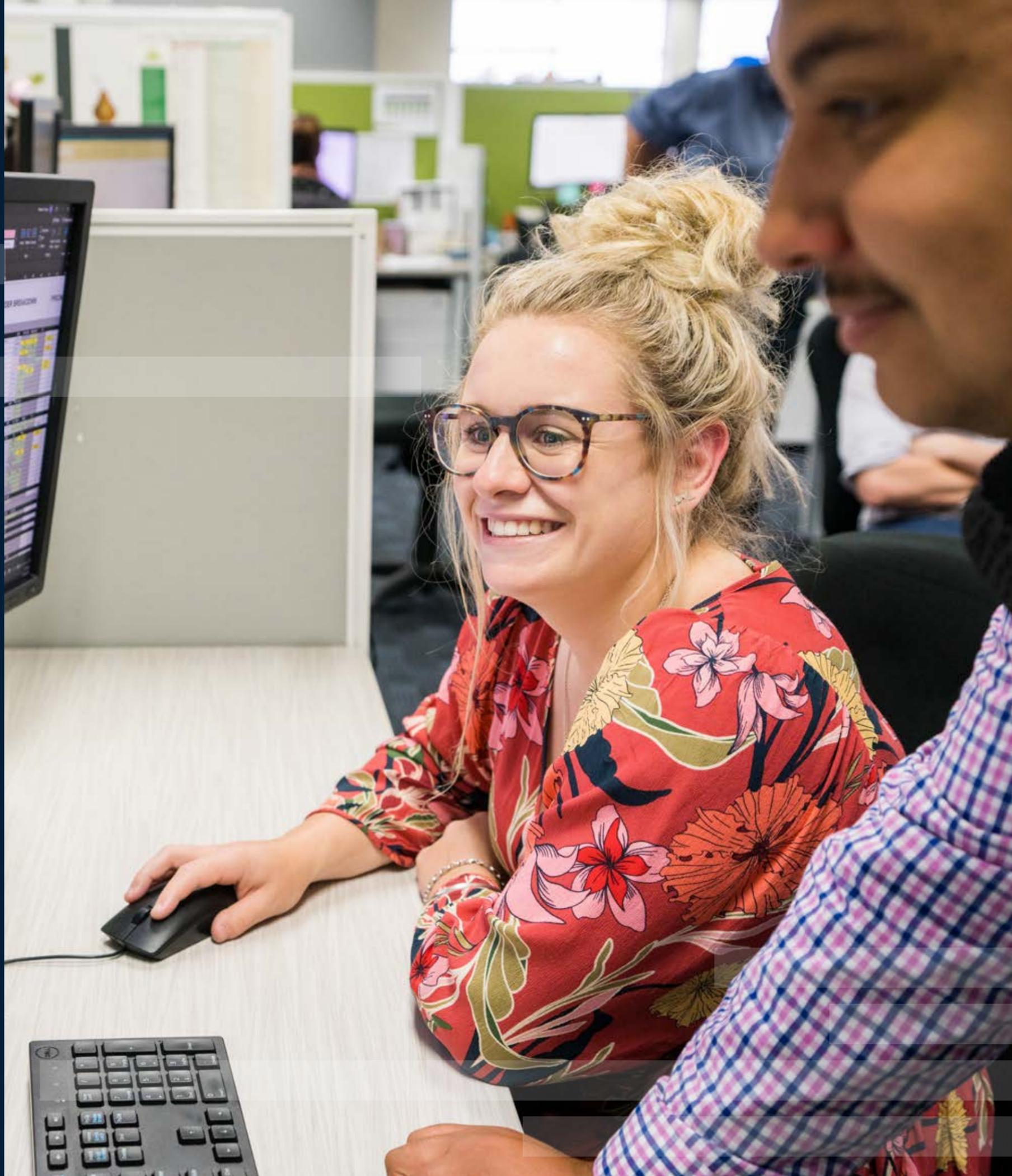
We expressed an unmodified audit opinion on the consolidated financial statements in our audit report dated 3 May 2022.

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



KPMG
Christchurch
28 June 2022

Financial Statements



2022 Financial Statements

Summary Financial Statements

These summary financial statements on pages 49 to 53, comprising the Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders Equity, Balance Sheet, and Statement of Cash Flows are those of Foodstuffs South Island Limited and its subsidiaries.

They have been prepared in accordance with Financial Reporting Standard No. 43 "Summary Financial Statements" and have been extracted from full financial statements that have been prepared in accordance with New Zealand Standards that comply with International Financial Reporting Standards.

The full financial statements for the year ended 28 February 2022, authorised for issue and signed on 3 May 2022 have been audited by KPMG and given an unqualified opinion. The Group is a profit-oriented entity. For a complete understanding of the financial affairs of the Group, the full financial statements are available to qualifying members on request.

Income Statement

For the Year Ended
28 February 2022

*Comparative re-stated – see note on page 53

	2022 \$000	2021 \$000
Revenue from sale of goods	3,310,501	3,284,884
Monthly member rebates	(232,593)	(229,922)
Net revenue	3,077,908	3,054,962
Cost of sales	(2,876,167)	(2,853,188)
Gross profit	201,741	201,774
Other income	189,179	183,141
Operating expenses*	(323,896)	(313,631)
Operating profit	67,024	71,284
Net finance costs	(10,402)	(11,513)
Rebates to members	(60,140)	(73,511)
Share of profit from associates	3,030	1,747
Loss before tax	(488)	(11,993)
Income tax (expense) credit*	(847)	4,217
Net loss for the period after tax	(1,335)	(7,776)
Attributable to:		
Shareholders of the parent company	(1,335)	(7,776)

Statement of Comprehensive Income

For the Year Ended
28 February 2022

*Comparative re-stated – see note on page 53

	2022 \$000	2021 \$000
Net loss for the period as previously reported	(1,335)	(2,317)
Adjustment for the prior year*	-	(5,459)
Other comprehensive income:		
Transfer of deferred tax to reserves (revaluation of interest swap)	(3,282)	(753)
Sale of The Warehouse Group Shares	(14,457)	-
Movement in investments reserve	17,569	12,345
Movement in cash flow hedge reserve	11,720	2,689
Movement in other reserves	409	101
Total comprehensive income for the period	10,624	6,606
Total comprehensive income attributable to:		
Shareholders of the parent company	10,624	6,606

Statement of Changes in Shareholders' Equity

For the Year Ended
28 February 2022

	2022 \$000	2021 \$000
At 1 March 2021	380,464	389,036
Total comprehensive income	10,624	6,606
Dividends paid/payable	(7,752)	(7,811)
Net share issue	(1,798)	(7,367)
At 28 February 2022	381,538	380,464

2022 Financial Statements

Balance Sheet

As at 28 February 2022

*Comparative re-stated – see note on page 53

	2022 \$000	2021 \$000
Assets		
Current assets		
Cash and cash equivalents	27,065	271
Trade and other receivables	189,106	247,224
Inventories	145,066	135,028
Property, plant and equipment held for sale	15,428	11,465
Derivative financial instruments	8,149	-
Total current assets	384,814	393,988
Non-current assets		
Property, plant and equipment	898,756	911,507
Intangible assets*	56,362	41,745
Investments in associates	12,128	10,798
Investments held at fair value:	560	35,311
Investments in listed and related companies		
Total non-current assets	967,806	999,361
TOTAL ASSETS	1,352,620	1,393,349
Liabilities		
Current liabilities		
Trade and other payables	317,942	279,950
Borrowings	222,773	221,323
Employee entitlement liabilities	15,620	14,543
Derivative financial instruments	-	3,571
Rebates payable	83,934	90,815
Income tax payable	645	1,065
Total current liabilities	640,914	611,267
Non-current liabilities		
Borrowings	251,505	315,367
Right of Use lease liability	62,124	70,824
Employee entitlement liabilities	1,698	1,636
Deferred income tax liability*	14,841	13,791
Total non-current liabilities	330,168	401,618
TOTAL LIABILITIES	971,082	1,012,885
Equity		
Capital and reserves attributable to equity holders		
Share capital	259,181	260,979
Other reserves	109,662	79,963
Retained earnings*	12,695	39,522
Total Equity	381,538	380,464
TOTAL EQUITY AND LIABILITIES	1,352,620	1,393,349

Statements of Cash Flows

For the Year Ended
28 February 2022

	2022 \$000	2021 \$000
Cash flows from operating activities		
Cash was provided from:		
Customers	3,557,720	3,458,534
Interest received	280	260
Member trading accounts	1,450	30,169
	3,559,450	3,488,963
Cash was applied to:		
Purchases, wages and expenses	3,121,936	3,108,010
Members rebates	253,251	257,877
Interest paid	9,063	10,266
Income tax paid	3,499	2,353
	3,387,749	3,378,506
Net cash flow from operating activities	171,701	110,457
Cash flows from investing activities		
Cash was provided from:		
Advances from related parties	277	1,180
Dividends	1,349	519
Sale of listed investments	33,850	-
Sale of property, plant, & equipment	4,408	19,231
	39,884	20,930
Cash was applied to:		
Purchase of intangibles	24,170	20,685
Purchase of property plant and equipment	38,446	43,449
Advances to related parties and associates	1,330	947
	63,946	65,081
Net cash flow from investing activities	(24,062)	(44,151)
Cash flows from financing activities		
Cash was provided from:		
Increase in Trading Deposits/Shares	11,539	1,928
	11,539	1,928
Cash was applied to:		
Decrease in bank borrowings	75,400	19,600
Retained Patronage Shares redeemed	48,161	49,241
Dividends paid on Retained Patronage Shares	7,828	8,050
Dividends paid on Trading Deposit Shares	995	1,002
Net cash flow from financing activities	(120,845)	(75,965)
Net increase/(decrease) in cash held	26,794	(9,659)
Opening cash brought forward	271	9,930
Ending Cash carried forward	27,065	271
Bank and cash balances	26,875	168
Overseas currency accounts	190	103
	27,065	271

2022 Financial Statements

Prior Year Adjustment

In May 2021 the IFRS Interpretations Committee released guidelines for NZ IAS 38 (Intangibles). These impact on the determination of the capitalisation of software development associated with Cloud software as a service (SaaS) arrangements. The new guidelines result in certain development costs previously capitalised no longer meeting the revised criteria for an intangible asset.

The only material capitalised costs incurred by the Group, that are now ineligible due to this guidance, occurred in the prior financial years ended February 2021 and February 2020. As the guidance has to be applied retrospectively this has resulted in a prior year adjustment with certain previous Intangible assets now expensed, and any amortisation reversed.

The adjustments to prior years 2020 and 2021 (respectively) are:

Income Statement

- Operating expenditure (I.T. costs) increased \$5,492,000 and \$7,582,000.
- Profit after tax reduced \$3,954,000 and \$5,459,000.

Balance Sheet (2021 cumulative)

- Intangible assets reduced \$5,492,000 and \$13,074,000.
- Deferred tax liability reduced \$1,538,000 and \$3,661,000.
- Retained earnings reduced \$3,954,000 and \$9,413,000.

Feed the South Island.

We feed families.

We feed communities.

We Feed the South Island,
and we're proud of it.

FOODSTUFFS
South Island

