



ANNUAL  
MEMBERS  
REPORT

2023



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## THE YEAR AT A GLANCE

Group Turnover represents the gross dollar value of transactions transacted through Ruralco. This figure differs from the Total Revenue figure shown in the consolidated financial statements, as for some of these transactions Ruralco acts as an agent to the underlying provider of the goods or services and hence recognises the revenue in the form of commissions on a net basis.

This year's Group Turnover was \$293.3 million compared to \$279.1 million last year. Gross Profit was \$12.0 million, the same as last year and Group Equity at the end of the 2023 financial year was \$15.2 million compared to last year's \$17.3 million. No rebate will be paid this year.

Despite this financial result, Ruralco's business model remains robust and competitive, and the business has a strong balance sheet.

### IN 1963 A GROUP OF FARMERS FORMED THE FARMING CO-OP THAT WOULD BECOME RURALCO

THEY WANTED COMPETITIVE PRICING FOR THEIR BUSINESSES AND A SUSTAINABLE FUTURE FOR TOMORROW, AND TODAY WE'RE STILL OBSESSED WITH THAT VISION.

We live in the rural communities we serve. We have straight up conversations with the farmers, contractors, service, and support businesses who work together in our local communities. We listen until we understand the needs of the real people who make a living from agriculture. Then we do what we can to make life a little easier.

We do our best on prices. We find answers. We tell the truth. We share experience and knowledge. We connect people with new ideas. We celebrate our heroes and the people that make Ruralco what it is today.

We care about tomorrow. With the deep roots of our co-op structure we give rural businesses the opportunity to source better deals and know that their contributions deliver real value for their local communities, helping to support a sustainable future for New Zealand farming.

GROUP TURNOVER



EBITDA



NPAT



SHAREHOLDERS EQUITY



SHAREHOLDERS



BONUS REBATE PAID



HEALTH & SAFETY  
TOTAL ANNUAL INJURY/ACCIDENTS\*



\*We are continuing our trend of recording no major accidents since May 2018. The balance of reported accidents have been minor incidents not causing injury.

# CHAIR & GROUP CEO REVIEW

**THIS YEAR RURALCO CELEBRATED ITS 60TH ANNIVERSARY, A HUGE MILESTONE AND AN OPPORTUNITY TO ACKNOWLEDGE THE FORESIGHT OF THE FARMERS BEHIND THE ESTABLISHMENT OF OUR CO-OPERATIVE BACK IN 1963 AND TO LOOK AHEAD TOWARDS THE NEXT 60 YEARS.**

Those like-minded Mid Canterbury farmers were looking for competitive pricing for their businesses, recognising the cyclic nature of the agricultural industry. Today, our co-operative is still held dear by its loyal members and has a proud history of supporting farmers and the agriculture sector through all the usual ups and downs farming faces.

The 2023 financial year has been challenging for agriculture and for Ruralco. Our business is intricately intertwined with our farmers' businesses and we have been heartened by your support despite the difficult times we have all faced with rising costs and the economic downturn putting pressure on our budgets and reducing overall margins.

While we all knew it was going to be challenging, many have been surprised at how rapidly change has occurred. Much can be attributed to the effects of Covid around the world, with widespread inflation affecting many economies, especially China's.

Like many organisations servicing the rural community we have also been impacted by rising interest rates, high inflation and input costs, and bad debt, while also remaining committed to ongoing projects necessary for the long-term viability of the business. Our challenge has been to respond and adjust to these changes and commitments, resulting in our business moving from a growth strategy to a more consolidated approach which has seen Ruralco consider all costs and consolidate wherever necessary.

This year's Group Turnover was \$293.3 million compared to \$279.1 million last year. Gross Profit was \$12.0 million, the same as last year. The Group made a \$2.1 million loss for the 2023 financial year, and Group Equity at the end of the 2023 financial year was \$15.2 million compared to last year's \$17.3 million. No rebate will be paid this year.

Despite this financial result, Ruralco's business model remains robust and competitive, and the business has a strong balance sheet.

We have made good progress on our Ruralco card migration project, which sees the business move from its traditional green card to the new black card and is an important step in future proofing the business, ensuring we fully meet our legislative requirements, and giving us greater security moving forward. This has been a significant undertaking. We are pleased we will soon be operating fully under the new system, and we are grateful for the loyalty and support shown during this process.

Looking ahead, we remain committed to staying true to our core values. Ruralco was established by farmers for farmers and this remains the cornerstone of all that we do. We are in the business of supporting farmers by supplying products and services to increase your on-farm productivity and we do this through competitive pricing and by providing the best advice, expertise and connections possible.

This was evident at our annual Instore Days, which once again drew large crowds matching pre-Covid levels. We were pleasantly surprised by the positive response to this event given the economic climate and we appreciate your loyal support. Instore Days is unique to Ruralco and a mainstay on farmers' calendars, and next year the iconic event will mark a significant milestone as it celebrates its 30th anniversary—a testament to its successful formula and the high regard shown to it by all sectors of the farming industry.

Our commitment to our farming community remains strong and we are pleased to be able to continue supporting opportunities for our farming communities to connect. We value the opportunities we have to meet and support our farmers and will continue to look for cost-effective ways to stay connected.

We are committed to the rural sector and your success. We are interdependent and recognise that your success is also our success. To that end, we will continue to deliver on our promises and will stay true to our core values.



Ruralco's farmer elected Directors are on a three-year rotation, and this year Sir David Carter has indicated he will seek re-election. There is also a vacancy left on the Board following the retirement of Director Andrew Barlass. We would like to take this opportunity to thank Andrew for his contribution and commitment to the Board over the last 21 months.

This year we also farewelled our Group CEO Robert Sharkie, who resigned after six years as CEO and a total of seven years with Ruralco. Rob's contribution to Ruralco has been significant and his passion for the co-operative, its people and agriculture was unwavering and will be missed. We would like to thank Rob for his service and wish him well for his future endeavours. In September 2023, the Board appointed Ruralco's GM People and Culture, Tony Aitken as Group CEO for a fixed term contract of 18 months.

Ruralco's primary focus is to support its farmers—it was the original intent of the co-operative's founding fathers and it has remained unchanged. Ruralco has had farmers' backs for 60 years and will continue to do so for another 60 years.

We are looking forward to seeing you at our 60th Annual General Meeting and would like to take this opportunity to thank you for your support during the 2023 financial year and we look forward to working with you in 2024.



**Sir David Carter**  
CHAIR



**Tony Aitken**  
GROUP CHIEF EXECUTIVE/COMPANY SECRETARY



# DIRECTORS' REPORT

**YOUR DIRECTORS HAVE PLEASURE IN SUBMITTING THEIR 60TH ANNUAL MEMBERS REPORT, TOGETHER WITH THE CHAIR AND CHIEF EXECUTIVE'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE SOCIETY FOR THE YEAR ENDED 30 JUNE 2023.**

## PRINCIPAL ACTIVITIES

The principal activities of the Ashburton Trading Society during the year ended 30 June 2023 was to conduct the Shareholders' group buying activity in the areas of Fuel; Fertiliser; Seed; Electricity; Retail; Card; Pro- Active NZ Ltd; and ATS Fuel Ltd.

As disclosed by the attached consolidated Financial Statements Summary your Directors consider the affairs of the Society to be satisfactory.

## ROLE OF THE BOARD

The role of the Board of Directors is to provide the proper governance, direction, and control of the Society's activities. Directors have the prime responsibility of setting the strategic direction of the Society.

## DIRECTORS

The Board of Directors currently comprises of five Directors who have been elected by the shareholders and two Independent Directors who have been appointed by the Board.

The Directors in office at 30 June 2023 and their special responsibilities include:

<b>Sir David Carter</b>	Chair ATS
<b>Kate Acland</b>	
<b>Andrew Barlass</b>	(Ceased 21 August 2023)
<b>Rhea Booker</b>	
<b>Tony Coltman</b>	
<b>Sue Lindsay</b>	Independent Director
<b>Helen van Orton</b>	Independent Director (Ceased 7 August 2023)

All members of the Board of Directors form part of the Health and Safety, and Audit and Risk Sub-Committees.

The Directors' meeting obligations were fulfilled for the year ended 30 June 2023.

## DIRECTORS REMUNERATION

D Carter	\$57,418	
K Acland	\$37,163	
A Barlass	\$37,163	
R Booker	\$21,548	(Partial Year)
J Chan	\$30,292	(Partial Year)
T Coltman	\$40,688	
S Lindsay	\$37,163	
H van Orton	\$21,548	(Partial Year)
B Wheeler	\$14,658	(Partial Year)
<b>Total</b>	<b>\$297,641</b>	

The Director Fees are a combination of \$303,690 approved fees for standard director duties (2022 \$293,169) and additional fees for both authorised governance and authorised advisory work undertaken.

The directors elected to take a reduction of fees due to the current year results.

## DIRECTORS' INSURANCE

Ashburton Trading Society Ltd has a policy of Directors' and Officers' liability insurance, which ensures Directors and Officers will incur no monetary loss as a result of actions undertaken by them provided they operate within the law. This policy includes actions carried out by the Directors in their capacity as Directors of Ruralco NZ Ltd, Pro-Active New Zealand Ltd and ATS Fuel Ltd.

## DIRECTORS' BENEFITS

No Director of the Society has, since the end of the previous financial period, received or become entitled to receive a benefit (other than a benefit included in the total emoluments received or due and receivable by Directors shown in this report) other than normal rebates received by them as shareholders as a result of trading with the Society in the same manner as all other shareholders.

## PROCEDURE TO IDENTIFY AND MANAGE RISK

The Directors acknowledge that they are ultimately responsible for the management of risk to the Society. Risk Management forms part of the Board meetings.

## USE OF INFORMATION

There were no notices from Directors of the company requesting to use company information received in their capacity as Directors which would not otherwise have been available to them.

## AUDITORS

Grant Thornton were appointed as auditors for the 2023 Financial Year.



**Sir David Carter**  
CHAIR



SIR DAVID CARTER



KATE ACLAND



ANDREW BARLASS



RHEA BOOKER



TONY COLTMAN



SUE LINDSAY



HELEN VAN ORTON

# SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	GROUP 30 JUN 2023 (\$000)	GROUP 30 JUN 2022 (\$000)
<b>REVENUE—SALES</b>	1	<b>54,660</b>	<b>51,062</b>
Cost of Sales		(42,678)	(39,089)
<b>GROSS PROFIT</b>		<b>11,982</b>	<b>11,973</b>
Other Income		1,094	941
Other Operating Expense	2	(6,614)	(4,864)
Salaries and Wages		(7,549)	(6,474)
Directors' Fees		(298)	(306)
Depreciation—Property, Plant and Equipment		(242)	(238)
Depreciation—Right-of-Use Asset		(235)	(223)
Amortisation of Intangibles		(372)	(101)
Finance Cost—Interest		(702)	(114)
<b>OPERATING (LOSS)/SURPLUS BEFORE REBATE</b>		<b>(2,936)</b>	<b>594</b>
Less Rebates to Members		–	1
<b>NET (LOSS)/SURPLUS BEFORE TAXATION</b>		<b>(2,936)</b>	<b>595</b>
Tax Credit/(Expense)		818	(169)
<b>NET (LOSS)/SURPLUS AFTER TAXATION</b>		<b>(2,118)</b>	<b>426</b>
Other Comprehensive Income		–	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(2,118)</b>	<b>426</b>

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND MEMBERS' INTERESTS FOR THE YEAR ENDED 30 JUNE 2023

	GROUP 30 JUN 2023 (\$000)	GROUP 30 JUN 2022 (\$000)
<b>BALANCE AT START OF THE YEAR</b>	<b>17,306</b>	<b>16,871</b>
Total Comprehensive Income for the period, net of tax	(2,118)	426
	15,188	17,297
Contributions from Owners:		
Movement in Ordinary Shares	1	30
Movement in Deferred Shares	(26)	(21)
<b>BALANCE AT END OF THE YEAR</b>	<b>15,163</b>	<b>17,306</b>

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

	GROUP 30 JUN 2023 (\$000)	GROUP 30 JUN 2022 (\$000)
Current Assets	27,485	32,075
Non Current Assets	15,336	12,015
<b>TOTAL ASSETS</b>	<b>42,821</b>	<b>44,090</b>
Current Liabilities	23,065	26,599
Non Current Liabilities	4,593	185
<b>TOTAL LIABILITIES</b>	<b>27,658</b>	<b>26,784</b>
<b>TOTAL EQUITY AND MEMBERS' INTERESTS</b>	<b>15,163</b>	<b>17,306</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,821</b>	<b>44,090</b>

## SUMMARY STATEMENT OF CONSOLIDATED CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	GROUP 30 JUN 2023 (\$000)	GROUP 30 JUN 2022 (\$000)
Net Cash Flow from Operating	(2,750)	(1,448)
Net Cash Flow from Investing Activities	(3,215)	(2,587)
Net Cash Flow from Financing Activities	6,096	3,497
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>131</b>	<b>(538)</b>
<b>ADD OPENING CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>207</b>	<b>745</b>
<b>ENDING CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>338</b>	<b>207</b>

COPIES OF THE FULL ACCOUNTS ARE AVAILABLE TO ALL CURRENT SHAREHOLDERS BY  
EMAILING [RURALCO@RURALCO.CO.NZ](mailto:RURALCO@RURALCO.CO.NZ) OR CALLING 0800 787 256

## REPORTING ENTITY

The Ashburton Trading Society Limited is a Society incorporated in New Zealand under the Industrial and Provident Societies Act 1908. The registered office is 97 Burnett St, Ashburton.

Ashburton Trading Society Limited is a reporting entity under the rules of Ashburton Trading Society Limited.

Ashburton Trading Society Limited (ATS) is a farming co-operative, based in Mid Canterbury, formed in 1963. ATS facilitates trade between its members and approved suppliers. ATS also has three farm merchandise stores located in Ashburton, Methven and Rakaia.

The group consists of Ashburton Trading Society Limited, Pro-Active NZ Limited, ATS Fuel Limited and Ruralco NZ Limited.

These consolidated financial statements were authorised for issue by the Board of Directors on 30 October 2023.

The full set of consolidated financial statements have been prepared in accordance with the requirements of the Industrial and Provident Societies Act 1908 and the Financial Market Conducts Act 2013.

## NOTES TO SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The specific disclosures included in this Annual Members Report have been extracted from the full consolidated financial statements, which was authorised for issue on 30 October 2023. The full consolidated financial statements have been prepared in accordance with full NZ GAAP as a profit oriented entity and the Group has made an explicit and unreserved statement of compliance with NZ IFRS in the full consolidated financial statements. The full consolidated financial statements have been audited and an unqualified audit opinion has been issued. These summary consolidated financial statements comply with FRS 43. Figures are in New Zealand dollars.

The summary consolidated financial statements cannot be expected to provide as complete an understanding as provided by the full consolidated financial report of the Group.

A copy of the complete consolidated financial statements for Ashburton Trading Society Limited Group can be collected from 98 Burnett St, Ashburton during business hours.

The Summary Consolidated Financial Statements presented are those for Ashburton Trading Society Limited (ATS) and its subsidiaries for the year ended to 30 June 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Revenue

The Group's revenue from contracts with customers are generated from:

	GROUP 2023 (\$000)	GROUP 2022 (\$000)
Retail Sales	49,530	46,541
Card Revenue	3,053	2,640
Other Commissions and Levies	2,077	1,881
<b>TOTAL</b>	<b>54,660</b>	<b>51,062</b>

Where the Group is considered to have primary obligation to fulfil the customer order, the Group has recognised revenue gross as principal to the transactions. These are classified as Retail sales revenue. For all sales where the Group is only considered to be an agent, the Group has recognised the net margin of the transaction as commissions and levies.

### 2. Audit Fees

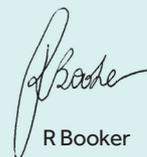
	GROUP 2023 (\$000)	GROUP 2022 (\$000)
Fees paid to the auditor:		
Financial Statement Audit	78	58
Registry Audit	2	2
Non Audit Fees	14	10

### 3. Events Subsequent to Balance Date

There are no events subsequent to balance date.



Sir D Carter  
CHAIR



R Booker  
DIRECTOR

### Date

30 OCTOBER 2023

# Report of the Independent Auditor on the summary financial statements

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**Grant Thornton New Zealand Audit Limited**

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## To the Members of Ashburton Trading Society Limited

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at year ended 30 June 2023, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and members' interests and summary statement of consolidated cashflows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Ashburton Trading Society Limited (the "Society") and its controlled entities (the "Group") for the year ended 30 June 2023. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board, on the basis described in the Notes to summary consolidated financial statements.

### Summary consolidated financial statements

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

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 30 October 2023.

### Other Information than the Summary Financial Statements and Auditor's Report Thereon

The Directors are responsible for the other information. The other information included in the annual members report comprises specifically the areas entitled: The year at a glance, Chair & Group CEO Review, Directors' Report and Notice of Annual General Meeting but does not include the summary consolidated financial statements and our auditor's report thereon.

Our opinion on the summary consolidated financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the summary consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summary consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual members report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and will request that such matters are addressed. We have nothing to report in this regard.

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

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

### Auditor's Responsibility

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

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. The firm also offers tax return services and share registry audit services to the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationships with, or interest in, the Group.

### Restricted Use

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

### Grant Thornton New Zealand Audit Limited



**Y Mohammed**  
Partner  
Auckland  
30 October 2023

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 60TH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE ASHBURTON TRADING SOCIETY LIMITED WILL BE HELD IN THE BRADFORD ROOM AT THE ASHBURTON TRUST EVENT CENTRE, 211 WILLS STREET, ASHBURTON ON WEDNESDAY 22ND NOVEMBER 2023 AT 5.30PM.

## BUSINESS

1. To approve the Minutes of the 59th Annual General Meeting held on Wednesday 23rd November 2022.
2. To receive and adopt the Chair and Group Chief Executive's Review and Summary Financial Statements for the year ended 30th June 2023.
3. To elect Directors: Sir David Carter retires by rotation in accordance with Rule 6(c). Sir David Carter is available for re-election; Mr Andrew Barlass has resigned as Director, creating a further vacancy.
4. To appoint the Auditors.
5. Appoint Electionz as the scrutineers per online voting process.
6. To receive the report of the Independent Board Remuneration Sub Committee and to approve their recommendation.
7. To elect an Independent Board Remuneration Sub Committee member - Mr John Falloon is retiring and does not seek re-election.
8. Special Business—Adoption of New Rules  
To consider, and if thought fit, to pass the following Special Resolution: That the Society's existing Rules are revoked; and the proposed new Rules (as presented to the Annual General Meeting and available on the Society's website (visit [ruralco.co.nz/AGM](http://ruralco.co.nz/AGM)) be adopted as the Rules of the Society.
9. To transact any other business that may be properly brought before the meeting.

## PROXIES

Under the present rules of the Society, there is provision for voting by proxy.



**Sir David Carter**  
CHAIR

## OUR VISION

PARTNER OF CHOICE FOR RURAL NZ

## OUR PURPOSE

SUPPORTING THE SUCCESS OF RURAL NZ

## OUR PROMISE

THE RIGHT PRODUCT OR SERVICE  
WHEN YOU NEED IT

## OUR VALUES



WE MAKE YOUR FARMING LIFE EASIER  
WITH COMPETITIVE PRICING AND  
REAL VALUE.  
SUPPORTING A SUSTAINABLE FUTURE  
FOR NEW ZEALAND FARMING.



We are innovators, we think  
differently, we do things differently  
and we have fun while we're doing it.  
We're committed to delivering an  
exceptional experience every time.



We're in this industry together.  
We're committed to uniting rural  
communities. When we work together  
everyone wins.



No hidden agendas, what you see  
is what you get. We use clear and  
simple communication. We're clear  
on our purpose and our price.



We're proud of our heritage, our  
people and what we do. We are  
positive about our potential and  
optimistic about our future.



We are committed to strong ethics in  
everything we do and how we deliver.  
We are honest and real, you can rely  
on us.



We're passionate about sharing  
knowledge. We use insight wisely. We  
help you stay ahead of market trends.

### REGISTERED OFFICE

97 Burnett Street  
Ashburton 7700

### AUDITORS

Grant Thornton New Zealand Limited  
134 Oxford Terrace  
Christchurch

### SOLICITORS

Tavendale and Partners  
Tancred Street, Ashburton

### BANKERS

Bank of New Zealand  
East Street, Ashburton

0800 787 256

RURALCO.CO.NZ

