



**ANNUAL REPORT AND SUPPORTING DOCUMENTS FOR THE ANNUAL
GENERAL MEETING**

OF THE

NEW ZEALAND SHAREHOLDERS' ASSOCIATION INCORPORATED

FOR THE YEAR ENDED 31st MARCH 2021

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2021 ANNUAL GENERAL MEETING - AGENDA

1. Apologies
2. Chair's Report
3. CEO's Report
4. Resolutions:
 - A. Adoption of the Minutes of the 2020 Annual General Meeting
 - B. Adoption of the Annual Report for March 31st 2021 incorporating Chair & CEO Report, Performance Reports, Accounts Review and Notes
 - C. Re-election of Chris Curlett as a Director of NZSA
 - D. Re-appointment of M.A. O'Meara (Chartered Accountant) as Performance Report Reviewer for the year ended March 31st 2022
5. General Business

MINUTES OF PREVIOUS AGM

Minutes of the Annual General Meeting of the New Zealand Shareholders' Association November 7th 2020, Ellerslie Events Centre

Tony Mitchell declared the AGM open at 10:32am, with appropriate quorum.

Attendance:

Board & Executive: Tony Mitchell (Chair), Andrew Reding (Chair-elect), Chris Curlett, Martin Watson, Matthew Underwood (virtual attendee), Samantha Sharif (virtual attendee), Martin Hawes (virtual attendee), Jerry He (virtual attendee), Grayson Cobb, Michael Midgley (CEO), Oliver Mander (CEO-elect), Leonora Smith

Members: 22 physically present, along with around 30 online

Apologies:

Martin Dowse, Matthew Underwood (online only), Jerry He (online only), notifications from four members

Proxies Received:

Chris Curlett advised the meeting two directed proxies had been received.

Voting Procedure:

The voting procedure and system by way of a show of hands was explained by Tony Mitchell. The meeting adopted this, with one abstention (Jenny Miller).

Previous Minutes and Matters arising:

The Minutes of the AGM held on August 31st 2019 in Christchurch, as contained in the Annual Report, were taken as read. Proposed these be ratified;

Proposed	Tony Mitchell
Seconded	Chris Curlett
Abstentions	Nil
Passed	Unanimously

Chair's Report

The Chair's Report included in the Annual Report sent to each member was read by Tony Mitchell.

The clear plan, as laid out in the NZSA strategic pillars, had been disrupted by the impact of Covid-19. This had a broader impact on markets. The decline in March 2020 was the fastest in history, with subsequent recovery (after March 31st) determined by sector. Covid-19 has resulted in a markedly different way of working and has impacted NZSA's focus on improving corporate governance. NZSA's role increased in importance, as we focused on protecting shareholder rights as companies responded to the pandemic – including a focus on the processes used to raise new capital. NZSA observed the rise of new DIY platforms (such as Sharesies) and a new type of retail investor during this time. That means

an ongoing focus for NZSA in education. Our standing proxy service continues to be a strong voice for retail investors, with NZSA attending 134 AGM's.

NZSA co-opted two new board members during the year – Martin Hawes and Samantha Sharif. Daniel Wong stepped down from the Board (our thanks for his contribution). Grayson Cobb and Jerry He joined as Associate Board Members. NZSA's strong branch network continues to provide support for members. Financial resources remain sound. There were no H&S incidents during the year.

The Investor Conference went well in the 2019/20 year, but had to be cancelled in 2020 due to Covid-19. The 2019 Beacon Award was awarded to Sir Stephen Tindall, with the 2019 Business Journalist of the Year awarded to Tim Hunter.

Thanks to all who support NZSA.

Chief Executive's Address – Michael Midgley

The Chief Executive's Report included in the Annual Report sent to each member was taken as read and referred to by Michael Midgley.

He specifically thanked Leonora Smith for her support, and reflected that "everything that is legal is not always right", with particular reference to corporate decisions relating to the Covid-19 wage subsidy. He noted the ongoing decline in retail investor ownerships, with a slow decline evident since the 1940's.

"Thank you for trusting me, I will miss the job."

Questions

Beryl Plimmer raised a question around improving communication with members; Tony Mitchell noted the initiatives over the last year and stated that further improvements were likely given the background of the new CEO.

Jenny Miller asked what support is available for new volunteers to support the proxy voting process. Tony replied that it was likely this process would be developed further during the coming year.

Adoption of the Chair's Report, Chief Executives and Annual Accounts contained in the Annual Report

It was proposed and seconded the Annual Report incorporating the Chairman's Report, Chief Executives Report, and Accounts containing the Performance Reports, Accounts Review and Notes be accepted.

Proposed	Tony Mitchell
Seconded	John Hawkins
Abstentions	Nil
Passed Unanimously	

Election of Martin Hawes as a member of the NZSA Board

Martin referred to the biography contained in the Annual Report. He noted that importance of the NZSA to the effective functioning of NZ's capital markets.

It was proposed and seconded that Martin Hawes be appointed as a Director of the NZSA.

Proposed	Tony Mitchell
Seconded	Chris Curlett

Abstentions Nil
Passed Unanimously

Election of Samantha Sharif as a member of the NZSA Board

Samantha referred to the biography contained in the Annual Report. She noted the role of NZSA in representing the voice of retail shareholders.

It was proposed and seconded that Samantha Sharif be appointed as a Director of the NZSA.

Proposed Tony Mitchell
Seconded Martin Watson
Abstentions Nil
Passed Unanimously

Re-appointment of O’Meara and Co as Accounts Reviewer

It was proposed O’Meara and Co be re-appointed to undertake a Financial Review of the YE 2021 accounts on behalf of Members.

Jenny Miller asked when the last time was that the audit was put out for tender. Chris noted that there was no policy, and that this would be addressed in future.

Proposed Tony Mitchell
Seconded Chris Curlett
Abstentions Nil
Passed Unanimously

Life Membership – John Hawkins

Tony outlined the reasons for proposing John Hawkins as a Life Member, related to his long and distinguished association with NZSA, including as Chair until 2019.

John gave a short speech thanking Tony and stating that he believes that “the market respects a principled approach even if they do not always agree with it.”

It was proposed and Seconded that John Hawkins be appointed as a Life Member of the NZSA.

Proposed Tony Mitchell
Seconded Matthew Underwood
Abstentions Nil
Passed Unanimously.

General Business

1. Max Percy asked whether the growth in ‘crowdfunding’ is of concern to NZSA. Tony noted that NZSA has a wide remit, but sometimes lack resource to chase specific issues. We’re hoping to support the ongoing development of education programmes for first-time investors.

Address by Andrew Reding – Chair

“A privilege to be supported as a non-executive Chair.” Andrew then presented a gift to Tony to thank him for his contribution to NZSA.

Address by Oliver Mander - incoming CEO

“We will continue to build NZAS on the shoulders of those who came before.” Oliver also reflected on the balance of serving new types of investors while remaining true to our membership. He noted that he was humbled to take on the role and was honoured to be trusted.

Tony Mitchell declared the meeting closed at 11:49am

Signed as a true and correct record on _____ 2021

Chairman

Secretary/Treasurer

DIRECTORS

Andrew Reding MA (Oxon), MBA (Chair)

On NZSA Board since 2012

Key Skills: Governance, Finance, Commercial, HR, NZ Business

Directorships: Avertana (Chair), Hydroxsys(Chair)



Andrew has been the Chair of NZSA since November 2020. Andrew held a succession of senior roles in Europe before relocating to New Zealand in 1995. Andrew held a range of positions at Fletcher Building culminating as CEO of the Building Products and Steel Group from 2001-2006. He subsequently held two senior CEO roles simultaneously at Rank Group. Andrew is now a professional director, does some consulting work as well as pursuing private interests. Andrew is Auckland based.

Samantha Sharif (Deputy Chair)

On NZSA Board since 2020

Key Skills: Governance, Commercial, Legal, Membership Bodies, NZ Business

Directorships: MTA Group, MOTAT, XRAP (External Reporting Board)



Samantha was elected as Deputy Chair of NZSA in November 2020. Samantha is a professional director and investor with 20 years of experience in governance, CEO and leadership roles in NZ, Australia and globally, including significant experience leading industry associations with a member-centric mission - similar to NZSA. She has been a member of NZSA for a number of years and looks forward to contributing to its future success.

Martin Watson

On NZSA Board since 2012

Key Skills: Capital Markets, Investment, Commercial, NZ Business

Directorships: MJW Funds Management



Martin has a background in agricultural science and agribusiness. He was formerly employed with Dow AgroSciences, for 17 years, in a range of research, commercial and strategic management roles in New Zealand and Australia. Martin started investing in equities in the 1980s and has been actively involved in company analysis and investment ever since. In 2000 Martin made the decision to follow his passion and become a full time investor. He established MJW Funds Management Ltd as a boutique financial service provider, focused on listed investments in NZ and Australia.

Martin Hawes

On NZSA Board since 2020

Key Skills: Capital Markets, Commercial, Investment, Media & Mktg, NZ Business

Directorships: Retirement Income Group, Summer KiwiSaver Investment Committee (Chair)



Martin Hawes is an Authorised Financial Advisor and lives in Christchurch. He has written over 20 books including *Family Trusts – A New Zealand Guide* and *Twenty Good Summers*.

Martin is a speaker at conferences and gatherings around the country and frequently makes comment in the media. He is long-term member of NZSA.

Chris Curlett

On NZSA Board since 2001

Key Skills: Membership Bodies, Finance, Commercial, Technology, NZ Business

Directorships: Overseas Business Directorships, Mangere Cemetery Trust Board, Huston Services Limited

Chris is a founding member of the NZSA and its Board filling the roles of Deputy Chair, Secretary/Treasurer, *Scrip* Editor, Press Liaison and Membership Secretary. He has a strong interest in fostering improved corporate behaviour and accountability to company owners (ie, shareholders). With a philosophy of "get the basics right and the company will grow for the good of all" (including New Zealand as a whole) he believes Executives (not just Directors) should be responsible for their results both good and bad and be accountable for these.

Chris has a background in commerce, Intellectual Property, new ventures and has worked in New Zealand and overseas.

ASSOCIATE DIRECTORS

Grayson Cobb

On NZSA Board since 2020

Key Skills: Commercial, Media & Mktg, HR

Directorships: n/a



Born and raised in the United States, Grayson completed her undergraduate degree in marketing and communication management at Trinity University, Texas. She immigrated to New Zealand in 2012 and found her professional niche in health media. Grayson recently completed a post-graduate diploma in business from the University of Auckland and is thrilled to contribute to the business community through NZSA.

Jerry He

On NZSA Board since 2020

Key Skills: Commercial, Investment, Technology, NZ Business

Directorships: Feel Good Corporation, Open Polytechnic NZ, MSME Trade Coalition (Chair)



Jerry is Chair of the Asia Pacific MSME Trade Coalition (AMTC). The AMTC supports cross-border trade and trade policy development for small-medium businesses. Jerry also advises New Zealand Asia Initiative, Business School University of Auckland on Asian topics. Jerry is founder of Olivia Premium, Sales Director at New Zealand Green Wave Limited, the Chairman of the New Zealand Green Industry Association and a Director at Feel Good Corporation.

CHAIR'S OVERVIEW 2020-21

It is a pleasure to be writing this Chair's report for the year ended 31st March 2021. I will keep this brief and touch upon the governance changes made during the year, some of the major influences we're observing in the space within which we operate and the resultant actions we're undertaking.

So, firstly, during the 2020/21 year the Board used Michael Midgley's retirement to not only recruit his successor, but it also voted unanimously to adopt a more typical approach to Board governance. This entailed transforming the Chair position into a non-Executive role, whereas previously it had been an Executive Chair role. To date this change seems to be working well.

Whilst reflecting on these changes I would like to offer my most heart-felt thanks to Michael for his work and commitment during his 4 years as the NZSA Chief Executive – Michael was the consummate professional and without his generosity and flexibility with his time during the hand over period to his successor, Oliver would not have been able to have “hit the ground running” and to have been as effective as he most certainly has been.

At the same time my thanks go to my predecessor, Tony Mitchell, for the excellent job he did in helping prepare for this change to our governance processes.

The NZSA has been observing some significant changes to the environment in which it operates; for example, the impact of Covid 19, the changing nature of capital markets in a low interest rate environment, changing demographics as birth rates slow and, possibly the most significant, the “democratisation” of investing. This latter point refers to the enormous increase in the access to capital markets for greater numbers of people brought about by organisations such as Sharesies and Hatch.

This greater access is to be welcomed, but it means that the NZSA must be aware of these changes and respond to them if it is to maintain its relevance. The start of our response has been to carry out a variety of surveys to better understand what our current members want from us, and to identify ways in which our value proposition can be offered in discrete elements. These discrete elements can then be marketed to different segments within New Zealand. For example, we have a duty to our current members who have given us their Proxies to ensure we carry out a professional appraisal of NZX companies in producing our Proxy Voting Intentions (PVIs). It may be other non-member investors would also be interested in these and be prepared to pay a proportion of an annual subscription to have access to them.

Work is being carried out, therefore, on what this, and other, “micro” offers might look like. This has also entailed us doing a deep review of our internal systems to ensure they will support these “micro” offers going forwards, and also meet and enhance our current member needs. These new internal accounting systems and website will support and enable the organisation's strategic actions over the coming years.

Pleasingly, the organisation has proven to be very robust during the last year and the NZSA continues to be involved with the major capital market institutions (NZX, FMA, Listed Companies etc) as a key stakeholder. Our philosophy is to have a set of policies against which we can measure those institutions and objectively comment, usually on a “no surprises” basis, and this results in us being seen as the core representative of the retail investor constituency.

The vagaries of Covid 19 have resulted in the postponement of our annual Investor Conference and the Beacon and Journalism Awards. These are being rescheduled for later this year and early next, and the Board look forward to catching up with members at those events as well as the forthcoming AGM.

As always, I would like to offer my sincerest thanks to all the volunteer members in the Association who are selfless in their commitment and devotion in ensuring the branch network provides such an important service for all of our members.

With their support, we will continue with our key purpose which is to “represent, protect and promote the interests” of our members.

Kind regards

Andrew Reding

Chair, NZSA

CEO'S OVERVIEW 2020 – 2021

To all who are wondering, I hope you can accept my assurance and evidence that the NZ Shareholders Association has had an energetic year focused (as we should be) on our twin goals of advocating for retail shareholders and supporting efficient, free, fair and transparent markets.

As this annual report covers the 12 months to March 31st 2021, I comment on outcomes for that period and highlight progress to date in the 2022 financial period.

At the time this report will be presented to members, I will have been in the role for one year and five days – too long to truly call myself 'new in the role', but too short a period to have become steeped in NZSA history. I would like to re-iterate my thanks to those who came before – Michael Midgley and Leonora Smith were instrumental in creating my foundation and minimising the 'knowledge transfer' risk inherent in any succession.

The same observation can be made at Board level; the transition to new board members and from Tony Mitchell to Andrew Reding as Chair during FY 2021 was smooth, with no loss of institutional knowledge and performed in a manner that continued to offer clarity and direction to a new CEO.

When I started work at NZSA in October 2020, I was pleased to see that NZSA had a clear focus to deliver value to its members. My personal belief is that any strategy cannot succeed without effective delivery. One of my first activities was to establish a clear roadmap for this delivery, with both short-term (annual) and longer-term (2024) goals. Progress against each of the workstreams is discussed below.

1: Increased Corporate Engagement

A key focus of NZSA is to maintain advocacy independence while creating and sustaining meaningful relationships with corporates and stakeholders. This is supported by two key activities or metrics: the number of corporate memberships and the effectiveness of our 'Corporate Council' meetings.

We started the (calendar) year with 19 corporate members. At the end of FY 2021, we had 20 and we currently have 23 corporate members. We look forward to developing these relationships further.

We have also defined a clear 'offer' to corporate and supporter members, such that the support we receive from companies extends beyond support for our core purpose. A key aspect has been the development of consultation processes for individual and corporate members on aspects of NZSA policy.

2: Grow our membership base and its diversity

At the time I joined NZSA, the desire to grow membership counted as the most-repeated aim of existing members. As Andrew has already mentioned, NZSA must continue to evolve in terms of the services it provides, how it provides them and in underlying culture in order to attract and retain retail investors in New Zealand.

We maintain our aim to be the 'centre of retail investing in New Zealand'.

This process of continuous evolution and improvement is no different for any organisation. We have all witnessed the sea change in New Zealander's attitudes to investment brought about by the new 'disruptor' platforms. That tells us that the role of NZSA will be even more critical in future, as those investors gain experience and search for access to improved resources to support their investing journey.

NZSA will continue to provide content and delivery mechanisms to support all retail investors, regardless of experience.

By the end of FY 2021, we had introduced the *Briefing*, as a way of consolidating NZSA messages and ensuring that we had a better mechanism to keep in touch with all members. We have issued 32 editions of the *Briefing* since January with readership between 55-70% for each issue.

We have also established a common NZSA presence on Facebook and LinkedIn. It will take time to build support on these platforms; as of now, we have around 290 followers on Facebook and 180 on LinkedIn. When we are ready, we will be in a position to utilise both platforms as part of planned marketing programmes to greatly increase our reach.

Also by the end of March, we had formed a hypothesis as to different membership (and investor) segments and the 'offers' provided by NZSA. That hypothesis was broadly validated by the NZSA 2021 survey carried out later in the year. It is clear that most experienced investors highly value the role performed by NZSA in New Zealand's capital markets.

For those less experienced, it is clear we have work to do. A key learning from the survey outputs was a requirement to upgrade our core delivery mechanisms – including our website – to better match the expectations of potential new members.

We also recognise that membership means different things to different people. As we upgrade our systems and processes, we will look to introduce different types of membership as NZSA moves towards a more 'service-based' model in the latter half of this financial year. That means that we continue to provide great value for our existing membership, while creating services and pricing structures that appeal to new 'micro-investors': our aim is that an NZSA experience for those with only a small number of shares provides great value for them.

Our aim for FY 2022 is to get those new platforms, and the initial content to support them, in place. If our new website has not already been launched by the time this report is presented, it won't be far away.

3: Products and Services that support our members

Both the breadth and depth of services we offer is evolving as we create the offers to support members, new and old. As of FY 2021, NZSA had already determined the new, 'policy-based' format for its proxy voting intentions, evolving the format into a fully-fledged 'company assessment report' (CAR) that provides transparent information and provides content that appeals to a wide range of investors, new and old alike.

NZSA engages with every company prior to issuing the company assessment. To date, only 2 (out of 95 to the end of September) have not taken up the opportunity, reinforcing our credibility in building relationships with corporates. We have also expanded our coverage to include some USX (Unlisted) companies and are examining options to widen our coverage to include Funds.

That activity continues to support the proxy service – and as we have refined the process during 2021, we’re looking for volunteer support to support what we expect will cover every listed entity in New Zealand, some 140 companies. On that note, I’d like to call out the amazing efforts of Bruce Parkes – trust me, Bruce, we are starting the journey of ‘spreading the load’! If you can help – even for only one company - please let me know. We’ll look to bring you together in a virtual session and provide all the support you need.

Company Assessments and the Proxy Service are not the only services we provide. For FY 2022, we’re currently creating a range of education offerings, focused on different topics, and are dabbling with webinars – all aimed at widening our ‘Education’ offer and appealing to a range of investors, no matter their age and stage. Services like the *Briefing*, the *Scrip* and our branch events are popular. Our relationship with the Australian Shareholders Association continues to deepen, and we’re looking to formalise this before the end of FY 2022.

4: A unified NZSA

Ultimately, this workstream is all about valuing our people today and whoever succeeds them tomorrow – and giving everyone the systems and services they need to sustain NZSA into the future.

By the end of FY 2021, NZSA had migrated to a common Microsoft platform, incorporating shared drives and a common document repository. We have established an effective stakeholder management tool, allowing us to document the commitments made by NZSA in the more than 200 external meetings held with stakeholders since April.

For FY22, we are well in the process of ‘parallel running’ our new Xero-based accounting and reporting software with our previous tool, which has served NZSA well for many years. Our new website and member management software will launch shortly.

This is not about change for the sake of change. This is about creating a solid foundation that provides efficiency, via automation and integration – and more importantly, enables sustainability for a future NZSA. And of course, we are saving cost as well.

We are creating an ecosystem that allows NZA to create its own ‘IP’ and manage succession between individuals more effectively – a critical factor for a small, highly-energetic organisation.

5: Policy leadership for retail investors

In a world where we are creating up to 140 assessments of New Zealand listed entities each year, our policies become ever-more critical. By March, we had reviewed all of NZSA’s existing 18 policies. As of now, we have reviewed one (“Shareholder Meetings”) and formally adopted another (“Takeovers”). We intend to put a new “Sustainability policy” to members for consultation before the end of the year, as well as having reviewed “Audit policies”.

We all know that policy may not be the ‘first love’ for many of us. But recognition by external agencies that NZSA is a key player in policy debate affecting retail investors is critical both for NZSA’s credibility and for the benefit of retail investors.

During FY2021, we made submissions about KiwiSaver Fees and changes to Litigation Funding regulations. So far in FY 2022, we have made 6 further submissions, including on changes to the

Takeovers Act, the introduction of a new 'mid-point order book' to the NZX and wholesale investor exclusions.

6: Advocacy and Events

For the first time in this report, this is where I mention the impact of Covid-19. Like many other event producers, the long reach of Covid swatted away our 3 major events planned for the back end of the calendar year.

This was probably the most soul-destroying moment of my time at NZSA so far. There is significant re-work involved in re-planning the events; but the good news is that we are determined to maintain both the quality of topics, presenters and panellists that we had created!

We were pleased to secure the support of both Simplicity and NZX in sponsoring the 2021 Business Journalism Awards and the Investor Conference respectively, and look forward to their support as those events are re-scheduled.

Both the Beacon Awards and Journalism Awards remain core for NZSA – they epitomise and reward what most of us as investors look for in people, in terms of trust, integrity and transparency.

The recent events at New Talisman Gold Mines are a vivid reminder of what can happen if those elements are questioned by shareholders. NZSA's role is to support shareholders in these types of situations – without fear or favour.

Thank you for the trust you have placed in me to lead NZSA towards the next phase of an exciting future. Thank you to the NZSA Board for their support. And, truly above all else, thank you to my wife Gillian and my family for supporting me in this exciting phase of my career. I have truly loved every minute, but I could not do it without them.

Oliver Mander

Oct 1st 2021

PERFORMANCE REPORTS, REVIEW AND NOTES.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Information

For the Financial Year Ended
31 March 2021

Legal Name of Association:	The New Zealand Shareholders' Association Incorporated
Type of Association and Legal Basis:	New Zealand Incorporated Society
Registration Number:	1138448
Directors:	Andrew Reding (Chair) Chris Curlett (Secretary-Treasurer) Samantha Sharif (Deputy Chair) Martin Hawes Matthew Underwood Martin Watson Grayson Cobb (Associate) Jerry He (Associate)
Members Annual Accounts Reviewer:	M.A. O'Meara, (Chartered Accountant)
Association Tax Accountants:	Gilligan Sheppard

Association's Purpose:

The objects of the Association are to:

- a) Represent, protect and promote the interests of investors in shares and other Investment Products; and
- b) To promote and encourage an active, efficient, fair and transparent market for raising capital and trading in shares and other Investment Products.

For the avoidance of any doubt, the Association can do all such things as are incidental or conducive to the attainment of its Objects or any of them, and to promote any other activity not repugnant to its Objects, including without limitation:

- a) Influencing through the policy of Government.
- b) Making submissions to Parliament and regulatory bodies on laws.
- c) Performing and encouraging research.
- d) Providing an advocacy role.
- e) Providing a proxy service.

- f) Encouraging good Governance within Organisations.
- g) Organising meetings and functions for members, often with keynote speakers from finance, industry, journalism, politics and other relevant sectors.
- h) Undertaking educational activities.
- i) Establishing and maintaining branches throughout New Zealand.
- j) Representing shareholders at Annual General Meetings

Association Structure:

The New Zealand Shareholders' Association Incorporated is structured as a central National office with six partially self-governing Branches in New Zealand.

The National Body is governed by a central Board made up of elected members. The Branches each have their committee which manages the day to day activities of the Branch, reporting to the National Board.

Primary Sources of the Association's Cash and Resources:*

The NZ Shareholders' Association receives a large majority of funding for its activities from Members subscriptions. There are a number of investments in Shares which provides a minor income flow and the National Board has a policy of increasing this investment and reserve funding.

This funding is spread over the entire membership of the Association and is divided between two principal groupings, the Individual Membership and the Corporate Membership.

Main Methods Used by the Association to Raise Funds:*

The Association generates its funding from Membership fees and to a minor degree from event-based support, such as advertising and promotion of an event. The Annual Conference receives funds from the NZX and the support of speakers at the event.

Branches also receive Membership Fees and a Branch Subsidy to assist them during the early stages of their development however the Branch Membership Fees and Subsidy diminish as the Branch becomes self-sustaining. In the 2020 year Branches did not receive Branch Membership Fees or a Subsidy as the NZSA consolidated reserves due to COVID-19. The Contestable Fund was accessed by some Branches to offset some costs of specific projects. The Branch Fees and Subsidy policies are reviewed regally during each year. Additionally, Branches receive funds from their Functions and Activities along with project support from a Contestable Fund.

Association's Reliance on Volunteers and Donated Goods or Services: *

There is a tremendous amount of work undertaken at all levels of the Association on a voluntary basis. This is supplemented by a small group of hard-working staff within the National Office made up of the Secretary / Treasurer and two Employees filling the roles of Chief Executive, and Administrator. We also are supported by two further contract Resesarchers on an as-needs basis.

Contact details

Physical and Postal

Address: Cathedral House
Level 5, Office 2
48 Wyndham Street
Auckland City.
Auckland. 1010.

Phone/Fax: 0800-697-27478

Website: www.nzshareholders.co.nz

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Review Report

For the Financial Year Ended

31 March 2021



INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Members of New Zealand Shareholders' Association Inc.

O'Meara & Co
Chartered Accountant
P O Box 56 565, Auckland 1446
Phone 09 631 7849

Report on the Performance Report

I have reviewed the performance report of New Zealand Shareholders' Association Inc. on pages 17 to 32, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2021, the statement of financial position as at 31 March 2021, and the statement of accounting policies and other explanatory information.

The Responsibility of the Board Members for the Performance Report

The Board Members are responsible on behalf of the entity for:

- Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- The preparation and fair presentation of the performance report which comprises the entity information, the statement of service performance, and the statement of financial performance, the statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report, in accordance with Public Benefit Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- For such internal control as the Board determine is necessary, to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

My responsibility is to express a conclusion on the performance report. I conducted my review of the statement of financial performance, the statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400 *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*, and the review of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that I conclude whether anything has come to my attention that causes me to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Simple Format Reporting – Accrual (Not-For-Profit). Those standards require that I comply with ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400 and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. I will perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate and applying analytical procedures, and evaluate the evidence obtained. The procedures selected depend on my judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, I do not express an audit opinion on the performance report.

Other than in my capacity as assurance practitioner, I have no relationship with, or interests in, New Zealand Shareholders' Association Inc.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that:

- The reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- the performance report on pages 17 to 32, does not present fairly, in all material respects, the entity information and service performance for the year then ended, and the financial position of New Zealand Shareholders' Association Inc. as at 31 March 2021, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format reporting – Accrual (Not-For-Profit).



7 October 2021
M A O'Meara
Chartered Accountant

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Service Performance

For the Financial Year Ended

31 March 2021

Over the Financial Year ended 2021 the Association has;

- Encouraged members to vote at meetings or provide the Association with their Proxy
- Provided members with a greater insight into how the NZSA will vote undirected Proxies at Company Meetings
- Held branch meetings to support the interests of members
- Continued the ongoing dialogue with the New Zealand Stock Exchange (NZX)
- Further developed a strong working relationship with the Financial Markets Authority (FMA) and NZX
- Provided commentary to members and the public on the Associations views in regard to specific corporate issues, regulatory matters and investing generally
- Worked with Listed Companies to enhance Governance
- Continued to develop the National office and staff with-in the constraints of the Associations cash flow
- Provided the framework enabling a range of member events and services to be provided
- Promoted the Standing Proxy system availability to Members and the Public
- Enhanced the undirected Proxy Voting Intention (PVI) reporting to members
- Developed increased representation at AGM's
- Used technology to communicate with Members and the NZSA Executive

Description of the Associations Proposed Outcomes

- Achieve a dynamic and more vibrant Equities Market in New Zealand by increasing investors' confidence in the Market
- Encourage active involvement in the Market by the Investor's
- Improve understanding of the risks and rewards available to Investors
- Encourage Investors to act as the Business Owner and to look at the Companies they have invested in to better appreciate the complex activities of the Companies and their opportunities

- Encourage good Governance within the Companies and to ensure the Monitoring and Regulatory activities function well to grow the Market and instil confidence in it.

Description and Quantification (to the extent possible) of the Association outputs:

	Actual	
	This Year	Last Year
Branch Meetings held	32	57
Speakers and presentations to members	40	46
Visits to companies by members	7	10
Meeting Groups	2	2
Proxy Voting Intentions issued (calendar year)	132	114
Standing proxies (as at Sep 2021)	1,043	890
Branch Committee members	38	42
Branch Committee Meetings	31	30
Hours worked by Branch Committee	1,130	1,510

The Board herewith approve the Financial Report for the year ended 31 March 2021 as presented on Pages 23 to 32 inclusive.

For and on behalf of the Board;



Chairman
October 7th 2021



Secretary / Treasurer
October 7th 2021

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.
Statement of Financial Position
For the Financial Year Ended
31 March 2021

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
ASSETS							
Current Assets							
66,633	180,829	247,462	Bank accounts and cash*		235,231	184,646	50,585
1,040	109,462	110,502	Debtors and prepayments*		113,983	101,606	12,377
-	2,269	2,269	Provision for tax	11	2,559	2,559	-
5,036	-	5,036	GST Recoverable		3,610	-	3,610
-	2,797	2,797	Other current assets		2,796	2,796	-
72,709	295,357	368,066	Total Current Assets		358,179	291,607	66,572
Non-Current Assets							
-	25,612	25,612	Investments*	3	42,698	42,698	-
784	34,020	34,804	Property, plant and equipment*	5	25,556	25,006	550
784	59,632	60,416	Total Non-Current Assets		68,254	67,704	550
73,493	354,989	428,482	Total Assets*		426,433	359,311	67,122
LIABILITIES							
Current Liabilities							
2,021	58,451	60,472	Creditors and accrued expenses*		62,125	62,125	-
-	6,445	6,445	GST Payable		12,668	12,668	-
-	2,731	2,731	Employee costs payable*		5,559	5,559	-
2,021	67,627	69,648	Total Current Liabilities		80,352	80,352	-
2,021	67,627	69,648	Total Liabilities*		80,352	80,352	-
71,472	287,362	358,834	Total Assets less Total Liabilities (Net Assets)*		346,081	278,959	67,122
71,472	287,362	358,834	Accumulated Members Funds	4	346,081	278,959	67,122

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Financial Performance

For the Financial Year Ended

31 March 2021

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
Revenue							
-	4,590	4,590	Donations, fundraising and other similar revenue*	1.1	6,725	5,725	1,000
10,965	446,049	457,014	Fees, subscriptions and other revenue from members*	1.2	471,326	456,998	14,328
22,402	49,206	71,608	Revenue from providing goods or services*	1.3	31,696	17,515	14,181
56	17,222	17,278	Interest, dividends and other investment revenue*	1.4	2,816	2,792	24
-	1,686	1,686	Other revenue		2,585	2,298	287
33,423	518,753	552,176	Total Revenue*		515,148	485,328	29,820
Expenses							
-	2,593	2,593	Expenses related to public fundraising*		-	-	-
-	270,080	270,080	Volunteer and employee related costs*	2.1	317,017	317,017	-
45,124	49,821	94,945	Costs related to providing Goods or Services*	2.2	58,552	25,094	33,458
-	-	-	Donations	13	10,000	10,000	-
1,474	29,342	30,816	Administration	2.3	40,713	40,235	478
-	101,274	101,274	Other	2.4	108,109	108,109	-
46,598	453,110	499,708	Total Expenses*		534,391	500,455	33,936
Non-cash expenses and extraordinary Items							
336	12,623	12,959	Depreciation		10,440	10,206	234
46,934	465,733	512,667	Total Expenses		544,831	510,661	34,170
(13,511)	53,020	39,509	Surplus/(Deficit) for the Year*		(29,683)	(25,333)	(4,350)

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Cash Flows

For the Financial Year Ended

31 March 2021

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
Cash Flows from Operating Activities*							
Cash was received from:							
-	4,590	4,590	Donations, fundraising and other similar receipts*		6,725	5,725	1,000
-	418,174	418,174	Fees, subscriptions and other receipts from members*		465,439	465,439	-
-	-	-	NZSA Subsidy paid to Branches		-	-	-
3,142	(3,142)	-	Funds paid by National to Branches from the Contestable Fund		-	(1,790)	1,790
22,402	50,892	73,294	Receipts from providing goods or services*		34,281	18,612	15,669
56	6,608	6,664	Interest, dividends and other investment receipts*		2,816	2,792	24
-	-	-	Other Revenue		-	-	-
25,600	477,122	502,722	Cash Income		509,261	490,778	18,483
(1,107)	5,155	4,048	Net GST		6,773	5,347	1,426
24,493	482,277	506,770			516,034	496,125	19,909
Cash was applied to:							
43,708	470,933	514,641	Payments to suppliers and employees*		516,919	480,962	35,957
-	-	-	Donations or grants paid*		10,000	10,000	-
(19,215)	11,344	(7,871)	Net Cash Flows from Operating Activities*		(10,885)	5,163	(16,048)
Cash flows from Investing and Financing Activities*							
Cash was received from:							
-	32,266	32,266	Receipts from the sale of investments*		-	-	-
Cash was applied to:							
-	12,140	12,140	Payments to acquire property, plant and equipment*	5	1,192	1,192	-
-	1,157	1,157	Payments to acquire Investments		154	154	-
-	18,969	18,969	Net Cash Flows from Investing and Financing Activities*		(1,346)	(1,346)	-
(19,215)	30,313	11,098	Net Increase / (Decrease) in Cash*		(12,231)	3,817	(16,048)
85,848	150,516	236,364	Opening Cash*		247,462	180,829	66,633
66,633	180,829	247,462	Closing Cash*		235,231	184,646	50,585
(19,215)	30,313	11,098			(12,231)	3,817	(16,048)
This is represented by:							
66,633	180,829	247,462	Bank Accounts and Cash*		235,231	184,646	50,585

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Accounting Policies

For the Financial Year Ended

31 March 2021

Basis of Preparation*

The New Zealand Shareholders' Association Incorporated (NZSA) has elected to apply PBR SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the Basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All Transactions in the Performance Report are reported using the accrual basis of Accounting. The Performance Report is prepared under the assumption the NZSA will continue to operate in the foreseeable future.

Goods and Services Tax (GST)*

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

The New Zealand Shareholders' Association Incorporated use an external firm of Chartered Accountants to calculate the tax each year.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Members Subscriptions Paid In Advance

A provision has been made for Members Subscriptions (other than Corporate Members) which have been paid in advance and would need to be refunded in the event of the NZSA being wound up.

Investment (Share) Realisation

Shares in listed companies held by the New Zealand Shareholders' Association Incorporated may not be able to be realised for the amount stated in the accounts.

Property, Plant and Equipment

The Property, Plant and Equipment (PPE) mainly consist of software and there is a fundamental uncertainty over its realisable value. The PPE is measured at Cost less accumulated Depreciation. Depreciation is charged at a rate of 30% DV.

Changes in Accounting Policies*

Solely for comparative purposes some of the year end 2020 figures have been consolidated or re-categorised to improve the readability of the Financial Statements. In the 2019-20 year Branch Membership Fees were not paid to branches to bolster the NZSA finances due to the uncertainties around the COVID-19 virus. The contestable Fund remained in place. There is an ongoing review of this policy in the 2020-21 year.

NZSA Financial Accounts Annual Review costs

This role has been undertaken by M.A. O'Meara who was re-appointed at the 2020 Annual General Meeting. Members should note this is a Review and **not** an Audit. The Independent Review Report, concerning the Financial Performance for the 2020/21 year, are attached as part of the 2020/21 Annual Report.

NOTE; This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2021

Note 1 : Analysis of Revenue

1.1 Donations and other similar revenue

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
-	4,590	4,590	1.1	Donations	6,725	5,725	1,000
-	4,590	4,590		Total	6,725	5,725	1,000

1.2 Fees, subscriptions and other revenue from members

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
7,823	168,049	175,872	1.2	Subscriptions	186,826	173,998	12,828
-	266,000	266,000		Corporate Membership	269,000	269,000	-
-	12,000	12,000		Supporter Membership	14,000	14,000	-
3,142	-	3,142		Sponsorship	1,500	-	1,500
-	-	-		Branch Subsidy	-	-	-
10,965	446,049	457,014		Total	471,326	456,998	14,328

1.3 Revenue from providing Goods or Services

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
-	21,810	21,810	1.3	Awards	17,455	17,455	-
-	25,450	25,450		AGM/Conference Revenue	60	60	-
-	1,946	1,946		Education Revenue	-	-	-
22,402	-	22,402		Functions held by Branches	14,181	-	14,181
22,402	49,206	71,608		Total	31,696	17,515	14,181

1.4 Interest, dividends and other investment revenue

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
56	3,738	3,794	1.4	Interest	1,466	1,442	24
-	2,870	2,870		Dividend	1,350	1,350	-
-	-	-		FX Gain/Loss	-	-	-
-	10,614	10,614		Profit/(Loss) on sale of Shares	-	-	-
56	17,222	17,278		Total	2,816	2,792	24

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

Note 2 : Analysis of Expenses

2.1 Volunteer and employee related costs

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch \$	National \$	Group \$			Group \$	National \$	Branch \$
-	8,882	8,882	2.1	Board Meeting	4,562	4,562	-
-	79,005	79,005		Consulting & waged staff	96,121	96,121	-
-	34,583	34,583	7	Chairman / Deputy Chairman	44,167	44,167	-
-	29,350	29,350	7	Secretary / Treasurer	27,500	27,500	-
-	118,260	118,260	7	Chief Executive Officer	144,069	144,069	-
-	-	-		Other Costs	598	598	-
-	270,080	270,080		Total	317,017	317,017	-

2.2 Costs related to providing Goods or Services

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch \$	National \$	Group \$			Group \$	National \$	Branch \$
-	30,446	\$ 30,446	2.2	AGM/Conference	7,094	7,094	-
-	678	\$ 678		Education	-	-	-
45,124	997	\$ 46,121		Functions	33,458	-	33,458
-	17,700	\$ 17,700		ShareClarity	18,000	18,000	-
45,124	49,821	94,945		Total	58,552	25,094	33,458

2.3 Administration

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch \$	National \$	Group \$			Group \$	National \$	Branch \$
-	17,692	17,692	2.3	Accommodation	17,031	17,031	-
-	-	-		Travel & Accommodation O Mander - Wellington	7,355	7,355	-
1,474	-	1,474		Branch Administration	550	72	478
-	8,781	8,781		Stationery, Printing, Parking and Office Costs	14,179	14,179	-
-	1,470	1,470		Subscriptions	182	182	-
-	1,463	1,463		Telephone	1,445	1,445	-
-	(64)	(64)		Other	(29)	(29)	-
1,474	29,342	30,816		Total	40,713	40,235	478

2.4 Other expenses

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch \$	National \$	Group \$			Group \$	National \$	Branch \$
-	1,462	1,462	2.4	Advocacy	623	623	-
-	500	500		Accounts fees	1,786	1,786	-
-	18,745	18,745		Awards and Presentations	22,540	22,540	-
-	7,929	7,929		Branch expenses	3,731	3,731	-
-	5,717	5,717		Credit Card fees	3,916	3,916	-
-	28,530	28,530		Insurance	31,112	31,112	-
-	3,209	3,209		Inter-Branch Conference	3,721	3,721	-
-	-	-		Legal Expenses	2,500	2,500	-
-	8,456	8,456		Newsletter and Member Communications	6,645	6,645	-
-	7,875	7,875		Review Fees	7,875	7,875	-
-	5,475	5,475		Repairs and Maintenance	4,175	4,175	-
-	11,266	11,266		Web	19,485	19,485	-
-	2,110	2,110		Other	-	-	-
-	101,274	101,274		Total	108,109	108,109	-

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

Note 3 : Investments in Shares

The Association has invested in a number of New Zealand Shares for;

- Investment. The Association has invested in a number of NZX listed companies as a part of a diversified approach to managing the Associations Investments.

These Investments will assist the Association to manage any contingencies that may arise, such as a campaign requiring significant funds or a downturn in the Association income. The companies the Association holds in its investment portfolio are as scheduled below. The Association is not recommending these companies nor providing an endorsement of them. The details below are provided simply for transparency.

	This Year	Last Year
	# of shares	
Shares held for Investment		
Auckland International Airport Limited	132	99
Contact Energy Limited	79	79
Infratil Limited	2,446	2,446
Mercury NZ Limited	2,180	2,180
NZX Limited	982	982
Scott Technology Limited	3,520	3,520
Tourism Holdings Limited	150	150

The shares have been recorded at Market Value of \$42,755 as at 31 March 2021 in the Statement of Financial Position (last year \$25,612).

There is a fundamental uncertainty in respect of the Potential Realisable Value of these Investments due to the uncertain nature of the share market.

No shares are specifically held as "Advocacy Shares" this year as the need for them has diminished.

Note 4 : Accumulated Members Funds

Branch	Actual Last Year*		Details	Note	Actual this year*		
	National	Group			Group	National	Branch
	\$	\$			\$	\$	\$
-	-	-	Capital contributed by members*	-	-	-	
84,983	248,115	333,098	Accumulated surpluses or (deficits)*	358,834	287,362	71,472	
(13,511)	53,020	39,509	Years Operating Surplus/Deficit	(29,683)	(25,333)	(4,350)	
-	(21,462)	(21,462)	Less previous years Unrealised Share Investments	(7,689)	(7,689)	-	
-	7,689	7,689	Plus Unrealised Potential Share Investments	24,619	24,619	-	
71,472	287,362	358,834	Total Accumulated Members Funds*	346,081	278,959	67,122	

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

Note 5 : Property, Plant and Equipment

This Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Office equipment*	76	-	-	23	53
Computers (including software)*	1,582	-	-	475	1,107
Web software	31,523	1,192	-	9,456	23,259
Trade Mark (NZSA Logo)	839	-	-	252	587
Total National Assets	34,020	1,192	-	10,206	25,006
Branch Equipment (Including software)	784	-	-	234	550
TOTAL ASSETS	34,804	1,192	-	10,440	25,556

Last Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Previous Year Depreciation and Impairment*	Closing Carrying Amount*
Office equipment*	109	-	-	33	76
Computers (including software)*	1,065	930	-	413	1,582
Web Software	32,130	11,210	-	11,817	31,523
Trade Mark (NZSA Logo)	1,199	-	-	360	839
Total National Assets	34,503	12,140	-	12,623	34,020
Branch Equipment (Including software)	1,119	-	-	336	784
TOTAL ASSETS	35,622	12,140	-	12,959	34,804

Significant Donated Assets Recorded - Source and Date of Valuation*

There are no Significant Donated Assets which are not recorded

Significant Donated Assets - Not Recorded*

There are no Significant Donated Assets which are not recorded

NOTE; This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

Note 6 : Other

Goods and Services provided to the Association "In Kind"

0800 phone line provided by "Spark" who are also a Corporate Member. Value not quantified.
Legal services are provided by Chapman Tripp. Value not quantified.

Note 7 : Related Party Transactions

	This year		Last Year	
	Value of Transactions*	Amount Outstanding*	Value of Transactions*	Amount Outstanding*
Chairman's Honorarium - Tony Mitchell Chairman of the NZSA Chairman's Honorarium Relationship = NZSA member	29,167	-	34,583	-
Chairman's Honorarium - Andrew Reding Chairman of the NZSA Chairman's Honorarium commenced November 2020 Relationship = NZSA member	10,000	-	-	-
Deputy Chairman's Honorarium Deputy Chairman of the NZSA Deputy Chairman's Honorarium commenced November 2020 Relationship = NZSA member	5,000	-	-	-
Secretary / Treasurer Secretarial, Treasurer, Web Management and miscellaneous other duties Relationship = NZSA member	27,500	-	29,350	-
Chief Executive Officer - Michael Midgley Under contract commencing 1st March 2017 Left role in 2020 Relationship = NZSA member	87,570	-	118,260	-
Chief Executive Officer - Oliver Mander Under employment contract commencing October 2020 Commenced role in 2020 Relationship = NZSA member	56,499	1,388	-	-
Grant Diggle Under contract to provide Research and Support Relationship = NZSA member	24,947	-	22,461	-

On occasion members of the NZSA may undertake work for the NZSA. This tends to be on an "as required" basis and tends to be project based. It is only reported if it exceeds \$10,000 per person p.a.

During This Year the Chairman (Tony Mitchell) and the CEO (Michael Midgley) retired and as a result there was a period of transfer which accounts for the increase in payments and duplication of roles during the transfer.

Note 8 : Events after Balance Date

There have been no material changes to activities since Balance Date

Note 9 : Ability to continue trading

There are no events known to the National Board of the NZSA which would prevent the NZSA trading after the Balance Date. The National Board have reviewed the effect of COVID-19 on the activities of the NZSA and allowed for this in the 2021-22 Budget.

Note 10 : Capital Commitments and Contingent Liabilities

There are no Capital Commitments at Balance Date.

The only lease in place is for the Auckland Office occupied by the NZSA

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

Note 11: Taxation

	This Year	Last Year
	\$	\$
Surplus/(Deficit for the Year)	(29,683)	39,509
<i>Less - Non Taxable Income</i>	504,901	519,745
<i>Add - Non Deductible Expenditure</i>	515,996	470,897
Net Taxable Profit/(Loss)	(18,588)	(9,339)
Tax There on	-	-
Tax Credits		
Imputation Credits	290	554
RWT	-	-
Sub Total	290	554
<i>Add - Imputation Credits carried forward</i>	2,269	1,715
Total	2,559	2,269

Note 12: Tax Losses Carry Forward

	This Year	Last Year
	\$	\$
Opening Losses	35,968	26,382
<i>Add - Current year loss</i>	18,587	9,339
Loss to Carry forward	54,555	35,721
Imputation Credits to carry forward	2,559	2,269
<i>Converted at 28% tax rate</i>	9,140	8,103
Total Future Tax Asset	63,695	43,824

Note 13: Donation to the New Zealand Investment Education Trust

In 2020 The NZSA elected to provide \$10,000 to the New Zealand Investment Education Trust. An extract of the Trust Deed is below. The Trustees of the Trust are Martin Dowse and Matthew Underwood, both NZSA members, having been on the Wellington Branch Committee and, in the case of Matthew Underwood, also on the National Board at the time.

- (a) supporting the preparation of education materials in the form of materials, seminars, workshops and guides for New Zealanders to improve their financial literacy;

GOVERNANCE REPORT

Given the role of NZSA in promoting effective governance, we offer the following disclosures in support of our policy positions applied to listed entities.

Remuneration Report

Directors Fees paid to each Director are outlined in the table below. Currently, the NZSA Chair is paid \$20,000 per annum and the Deputy Chair is paid \$12,000 per annum – these payments comprise the total Fee Pool available for Directors of \$32,000.

There were no other payments made to Directors, other than reimbursement of reasonable travel and accommodation expenses. There are no retirement benefits provided to Directors.

Name	Role	2020-21 Payment
Andrew Reding	Chair	\$10,000
Tony Mitchell (ret Nov 2020)	Chair	\$29,167
Samantha Sharif	Deputy Chair	\$ 5,000
Chris Curlett ¹	Board Member	\$27,500
Martin Hawes	Board Member	nil
Martin Watson	Board Member	nil
Matthew Underwood	Board Member (ret Feb 2021)	nil
Grayson Cobb ²	Associate Board Member	nil
Jerry He ²	Associate Board Member	nil

¹ Note that the payment made to Chris Curlett was for his executive role as Secretary/Treasurer of NZSA.

² Grayson Cobb and Jerry He are not formal Board members, but participate in Board Meetings. They represent NZSA's commitment to the development of future directors.

The current CEO of the NZSA, Oliver Mander, was appointed in October 2020. Mr. Mander is paid \$100,000 per annum with an additional KiwiSaver benefit of \$3,000, and reimbursement of reasonable expenses to support travel and accommodation requirements. There are no short or long-term incentive programmes in place.

While there is no formal remuneration report to assess whether the base salary reflects 'adequate' performance, NZSA believes that the nature of the role and the tasks performed by the CEO represent good value for NZSA members, compared with comparable roles.

There are no termination payments payable to Mr. Mander beyond any statutory requirements. There was no payment made to Mr. Mander for any loss of benefit at previous employers, and no retention payments have been paid. There is no pension that will be paid to Mr. Mander upon retirement, resignation or termination.

Either party is able to terminate the employment contract with two months notice.

Remuneration paid to Michael Midgley, the previous CEO, during the financial year were \$87,570. No termination payment was made to the previous CEO, Michael Midgley, on his resignation from the NZSA in December 2020. There was an 'overlap' of 3 months salary (Oct – Dec 2020) to facilitate knowledge transfer between the outgoing and incoming CEO.

Name	Role	Base Remuneration	Other Benefits	Incentive Payments	Total paid to 31/3/21
Oliver Mander	CEO	\$100,000	\$3,000	Nil	\$56,499

Mr. Mander has clear targets set for each calendar year, with a regular assessment of progress against those targets carried out by the Board at quarterly intervals. A summary of the measures and targets associated with the 12 months to December 2021 is set out below. As this period is not yet completed, no assessment can yet be made as to the level of achievement.

Strategic Objective	Key Measurement Focus
Increase corporate engagement with NZSA	<ul style="list-style-type: none"> - Corporate and Supporter Membership - Stakeholder engagement
Grow our membership base & its diversity	<ul style="list-style-type: none"> - Membership growth - Membership engagement
Products and Services to support members	<ul style="list-style-type: none"> - Proxy Services - Education Services - Partnerships - Events (Branch and National)
Enhancing NZSA capability	<ul style="list-style-type: none"> - Volunteer development - Technology development - Planning
Policy Leadership	<ul style="list-style-type: none"> - Regulatory engagement and submissions - Policy development
Advocacy	<ul style="list-style-type: none"> - Stakeholder engagement

Board Composition and Independence

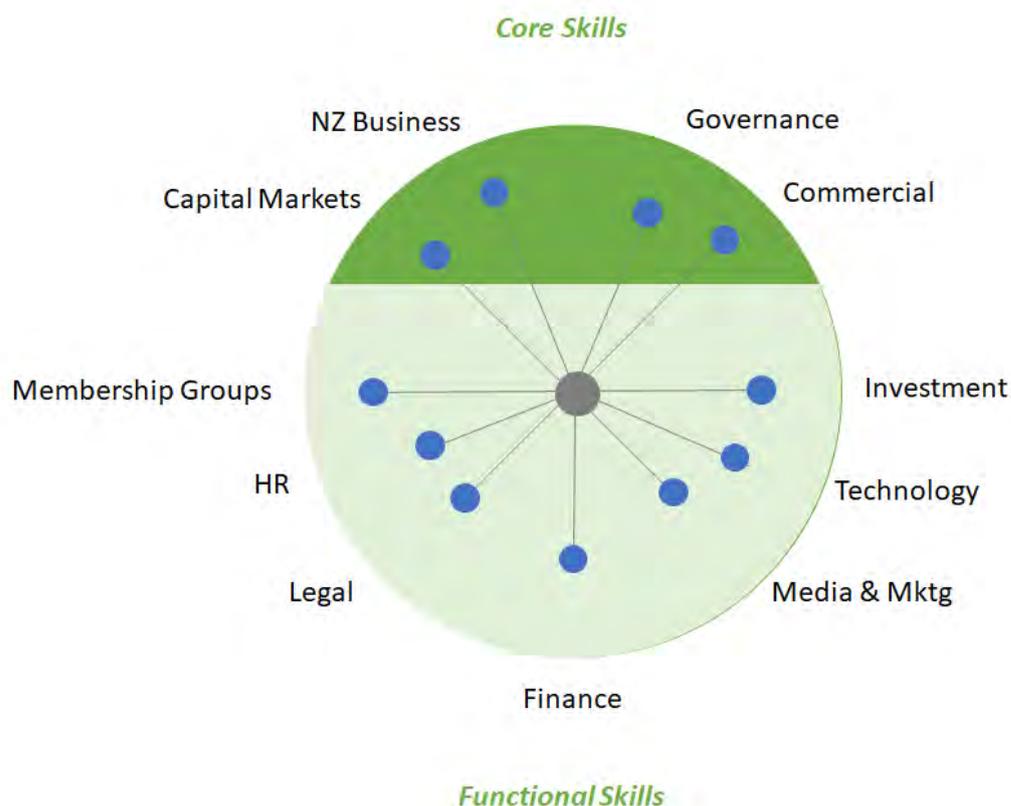
The Board met 11 times during the 2020/21 financial year.

All Directors are regarded as Independent Directors, with an interests register maintained that shows no apparent conflict of interest or relationship that could prejudice independence. All directors are members of the NZSA. No Director has been a former employee of thre NZSA.

Note that the NZSA Secretary, Chris Curlett, is also a Board Member and reports to the Chair in this capacity. Chris has been on the Board since the formation of the NZSA in 2001. He offers a unique degree of institutional knowledge to NZSA.

From the end of the FY22, Chris will relinquish his 'executive' responsibilities for NZSA, and is seeking re-election to the Board for a further term on this basis. NZSA has undergone significant board renewal over the last 2 years, as a way of ensuring longer-term succession. The Board believes that Chris offers significant value, dedication and commitment to NZSA as part of this process.

The Board maintains a skills matrix that identifies the core skills required to support the NZSA, with ongoing management of Director succession to ensure that the Board is able to offer effective capability to the NZSA. The skills matrix of the current Board (including Associates) is shown below.



This chart should be read in conjunction with the Director Profiles provided within this Annual Report.

The Board supports two Board Associates, Grayson Cobb and Jerry He, as part of its commitment to the development of emerging Directors. Both are currently subject to the completion of a full induction programme, with the support and involvement of both Chair and CEO, as a precursor to any future appointment.

Ethical and Social

As at Oct 2021, NZSA does not have a finalised Whistleblowing Policy applicable to its staff. We will look to develop this, and make it available for public review, during the remainder of FY22 .

NZSA does not make any donations to political parties.

NZSA did not make any claim on the government’s Covid-19 wage subsidy scheme during FY2021.

Review

M A O’Meara Associates (firm) has been the NZSA’s reviewer since 2013 and has also been the organisation’s Lead Reviewer from the same year. Given the amount of change to internal systems and processes currently being undertaken it was decided by the board to maintain M A O’Meary as NZSA’s reviewer for F22. This will be reviewed again next year.

CORPORATE MEMBERS

SUPPORTER MEMBERS

DIRECTORS STANDING FOR RE-ELECTION

Chris Curlett is standing for re-election to the NZSA Board.

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CHRIS CURLETT

Chris is a founding member of the NZSA and its Board filling the roles of Deputy Chair, Secretary/Treasurer, Scrip Editor, Press Liaison and Membership Secretary.

He has a strong interest in fostering improved corporate behaviour and accountability to company owners (ie, shareholders).

With a philosophy of "get the basics right and the company will grow for the good of all" (including New Zealand as a whole) he believes Executives (not just Directors) should be responsible for their results both good and bad and be accountable for these.

Chris has a background in commerce, Intellectual Property, new ventures and has worked in New Zealand and overseas.

Should he be re-elected to the Board, Chris intends to step back from his 'executive' role within the NZSA by the end of this financial year (March 31st 2022).

PROXY FORM

The Secretary, New Zealand Shareholders' Association Inc.
C/- 40 Tidey Road
Mt Wellington
Auckland. 1072

OR scan and email to st@nzshareholders.co.nz

NOTE TO BE A VALID PROXY IT MUST BE RECEIVED BY THE ASSOCIATION AT THE ABOVE ADDRESS NO LATER THAN 48 HOURS PRIOR TO THE MEETING (R20.11)

I/We _____ of _____
(Please print your name)

being a member of the New Zealand Shareholders' Association Incorporated hereby

appoint _____ of _____
(Please print the Proxy Holder name)

or failing them _____ of _____
(Please print the alternative Proxy Holder name)

as my Proxy to vote for me on my behalf at the Annual General Meeting of the Association to be held on the 31st of August 2019 and at any adjournment thereof. My Proxy Holder is instructed to vote as follows;

		For	Against	Proxy Holder discretion	Abstain
A	Adoption of the Minutes of the 2020 Annual General Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	Adoption of the Annual Report incorporating Chair & CEO Report, Performance Reports, Accounts Review and Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	Re-election of Chris Curlett as a Director of the NZSA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	Re-appointment of M.A. O'Meara as Accounts Reviewer for the year ended March 31 st 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed by the member of the Association _____

Please **PRINT** your name here _____

Member Number _____ (Failure to supply your member number may not render this Proxy invalid provided your membership can be validated at the time of counting Proxies)