



ANNUAL REPORT AND SUPPORTING DOCUMENTS FOR THE ANNUAL GENERAL MEETING

OF THE

NEW ZEALAND SHAREHOLDERS' ASSOCIATION INCORPORATED

FOR THE YEAR ENDED 31st MARCH 2020

CORPORATE AND SUPPORTER MEMBERS

	Chorus Limited		Metlifecare Limited
	Genesis Energy		Auckland Airport Limited
	Meridian Energy Ltd		Fisher & Paykel Healthcare Corp
			Argosy Property Limited
	Mercury Energy Limited		Spark New Zealand Limited
	Ryman Healthcare Ltd		Kiwi Property Group
	Tourism Holdings Limited		Summerset Group Holdings Ltd
	Freightways Limited		SKYCITY Entertainment Group Limited
	Abano Healthcare Group Limited		Port of Tauranga
	Vector Limited		Restaurant Brands Limited
	Steel & Tube Holdings Limited		Air New Zealand Limited
			Devon Funds Management

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AGENDA FOR THE ANNUAL GENERAL MEETING
of the
New Zealand Shareholders' Association Inc.

1. Apologies
2. Approval of the previous Annual General Meeting minutes.
3. Chairman's Report.
4. CEO's Report
5. Chairman-Elect address
6. Deputy Chairman's address
7. CEO address
8. Presentation and adoption of the Annual Report incorporating the Chairman's Report, Performance Reports, Accounts Review and Notes.
9. Appointment of Directors
10. Re-appointment of M.A. O'Meara (Chartered Accountant) as Performance Report Reviewer for the year ended 2021
11. Announcement of a Life Membership
12. General Business.

MINUTES OF PREVIOUS AGM

Minutes of the Annual General Meeting of the New Zealand Shareholders' Association 31st August 2019, Rydges Hotel, Christchurch

Tony Mitchell declared the AGM open and quorum having been met.

Attendance:

Tony Mitchell (Chairman), John Hawkins, Chris Curlett, Martin Watson, Matthew Underwood, Daniel Wong, Michael Midgley, Jenny Miller and 102 NZSA Members, Partner/Spouses and Guests.

Apologies:

Received from Andrew Reding and two members.

Proxies Received:

Chris Curlett advised the meeting three proxies had been received which had been distributed to the Proxy holders.

Voting Procedure:

The voting procedure and system by way of a show of hands was explained by Tony Mitchell. The meeting adopted this.

Previous Minutes and Matters arising:

The Minutes of the AGM held on 18th August 2018 as contained in the 2019 Annual Report were taken as read. Proposed these be ratified;

Proposed	Jenny Miller
Seconded	Jane Lyndon
Abstentions	Nil
Passed Unanimously.	

Chairman's Report

The Chairman's Report included in the Annual Report sent to each member was taken as read referred to by Tony Mitchell.

Tony Mitchell spoke to this;

Since accepting the role as Chairman, he had visited all the NZSA Branches and met the Branch Committees and members. Branches represented an invaluable pathway to members and allowed the membership to interact with each other. He had also managed to meet with stakeholders including the Corporate members, FMA and NZX. He went on to emphasise some of the key metrics and

achievements of the NZSA over the past twelve months and since taking the chairmanship of the NZSA. Tony concluded by thanking John Hawkins for his assistance and pivotal role in the transfer of functions.

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 John Hawkins for the help and guidance he had provided since Michael took the role as CEO. John's dedication to the NZSA was superb along with his extensive knowledge of institutional matters and ability to navigate through the increasing volume of work.

Adoption of the Chairman'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	Alan Best
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.

Proposed	Tony Mitchell
Seconded	John Hawkins
Abstentions	Nil
Passed Unanimously	

Election of Tony Mitchell as a member of the NZSA Board.

Tony Mitchell stood down as Meeting Chairman as he was standing for Election and Matthew Underwood took the Chair.

Matthew Underwood referred to the biography contained in the Annual Report and asked Martin Watson to outline the process undertaken in the search for a Chairman to succeed John Hawkins.

It was proposed and Seconded Tony Mitchell be appointed as a Director of the NZSA.

Proposed	John Hawkins
Seconded	Matthew Underwood
Abstentions	Nil
Passed Unanimously.	

Mathew Underwood passed the Chair back to Tony Mitchell.

Re-election of Daniel Wong as a Director of the NZSA.

Daniel Wong addressed the meeting and provided the meeting with a summation of his background and how he could assist the NZSA.

It was proposed and seconded that Daniel Wong is re-appointed to the Board.

Proposed	Tony Mitchell
Seconded	Martin Watson
Abstentions	Nil
Passed Unanimously	

Re-election of Martin Watson as a Director of the NZSA.

Martin Watson addressed the meeting and referred to the biography contained in the Annual Report to which he spoke.

It was proposed and seconded that Martin Watson be re-appointed to the Board.

Proposed Tony Mitchell

Seconded Jane Lyndon

Abstentions Nil

Passed Unanimously

Re-election of Andrew Reding as a Director of the NZSA

Tony Mitchell advised that Andrew Reding was unable to attend the AGM and referred the meeting to the biography contained in the Annual Report.

It was proposed and seconded that Andrew Reding be re-appointed to the Board.

Proposed Tony Mitchell

Seconded Martin Watson

Abstentions Nil

Passed Unanimously

General Business

1. It was observed the National Office had traded at a small deficit for the YE 2019 and the Board was asked what action it was taking to manage this. Chris Curlett outlined the annual Budgeting Process and the monthly review of the accounts by the Board.
2. It was pointed out the Annual Report referred to speakers as "Hawkins" rather than "John Hawkins" which was thought to be an inappropriate way of recording what was said. Tony Mitchell advised this would be changed for the future.
3. The amount of funds held in branch bank accounts was commented on and the question asked if this was a good use of funds rather than using them for Member Benefits/Services. Tony Mitchell commented this was currently being reviewed by the National Office and the Branches.
4. Promotion of the NZSA. A member expressed the view that the NZSA could be more active in the promotion of the NZSA and the benefits of membership. Tony Mitchell advised this was a part of the review he was undertaking.
5. Information Available to members. A Member observed the Information flow from the National Office could be improved to Branch Committees and Members to add value to membership. Tony Mitchell advised this was a part of the overall review that was underway.

Tony Mitchell declared the meeting closed.

Signed as a true and correct record on _____ 2020

Chairman

Secretary/Treasurer

CHAIRMAN'S OVERVIEW 2019 – 2020

Introduction



The New Zealand Shareholders Association has a mission to represent, protect and promote the interests of New Zealand retail investors. We deliver this through our three strategic pillars of, providing a strong voice on members behalf, enabling connections through our branch network with members and business leaders, and offering services to help you as an investor.

Adapting to COVID-19

For the majority of our 2019-2020 financial year, we had been busily going about our business. The financial markets had witnessed tremendous growth, with the NZ50 alone up 30% in the 12 months to mid-February 2020. NZSA had been pushing forward with our agenda seeking to raise the standards of corporate Governance and encouraging businesses to perform at a higher level. We had also completed our strategic planning process which involved both our board and branch committee representatives. Implementation then began on the resulting initiatives to further evolve our organisation.

Then in February, a virus later to be named COVID-19 started gaining the world's attention. The reality of what was the beginning of a global pandemic was taking effect on people's health and the world's economy. From a financial markets' perspective, in New Zealand we saw the NZ50 drop 25% in just 25 days, and other major global indices dropping around 30% over a similar time frame. It was the fastest 30% market decline in history. However, one thing that history has also taught us about the markets is that they recover, and indeed the NZ50 recovered over the next six months to surpass its previous high, although the recovery by sector was markedly uneven.

COVID-19 saw governments and businesses around the world rush to make sense of the impact brought by the pandemic. Borders were shut, lockdowns were implemented, and social distancing was something that everyone took seriously. For businesses, annual plans that looked robust in early February were thrown out, replaced with a response plan to COVID-19, which became most companies' new business plan for the 2020 and 2021 years.

NZSAs role during this unprecedented time of change became even more important on two fronts. The first was to protect the rights of retail investors, and for the second, it was holding companies to account for making the right decisions in response plans. Also, during this time we provided input to the NZX changes for class rulings and waivers, as we knew it was paramount that for a defined period, businesses needed greater flexibility to act quickly if they needed to raise capital. On cost reductions, we called out boards and executives that did not take their fair share of remuneration cuts, leading to boards rethinking and changing their stance.

There was an onslaught of 20 capital raises brought to the Market over a three months' timeframe, and we scrutinised every single one. Many companies that undertook a capital raise proactively engaged

NZSA when making their announcement, to outline how they were providing a fair opportunity for retail investors to participate. This highlights the significance NZSA has obtained in representing retail investors. Even more important, we followed up with companies post the closing of their capital raises to ensure that fairness had indeed occurred. In the majority of cases, I can confirm that retail investors were provided with a fair opportunity to participate.

Our organisation also found itself needing to adjust to the new environment quickly. With the traditional branch meetings not being able to take place, our branch committees quickly moved to providing online Zoom meetings. This ensured members continued to be kept informed through hearing directly from listed companies and industry experts during this crucial time. The flexibility and response demonstrated by our branches were tremendous, and I thank the committees for their efforts.

We also witnessed the rise of Sharesies and a new breed of the Retail Investor. Whilst Sharesies had been active since mid-2017, the drop in share prices during February and March acted as a catalyst for many new investors to get into the Market simply via an app on their mobile phone. It is pleasing to see that advances in technology continue to provide greater access to the markets for all, but with this comes risk to new investors who we want to remain in the Market for the long-term. These investors are potentially uninformed and unlikely to have significant investing skill, which is a recipe for bad decision making that could put them off investing in the future. We continue to advocate for platforms such as Sharesies to do more to inform investors better.

One Voice

Having one voice that represents retail investors is the cornerstone of our Association. In the 2019-2020 financial year, our voice became even stronger with companies we weighed in on business issues, proposed resolutions, business performance and governance standards. The impact of our voice has become greatly enhanced through our Standing Proxy service launched earlier in the year. We now have around 900 retail investors that have granted NZSA their standing Proxy. With this service came greater responsibility for representation at more AGMs and the issuing of the associated Proxy Voting Intentions. As at writing this report, NZSA has covered 134 AGMs over the last 12 months, an increase of 31% on the prior year. It also resulted in our influence obtained through the number of proxies held increasing significantly, with NZSA consistently being well within the top 20 shareholders for 60% of the AGMs, up from 52% the prior year, with our highest result being the largest holder in one instance.

Our strength of voice was also needed with Vital Healthcare Properties, a company that in the prior year, we had a very public stoush. This year VHP had called a Special General Meeting to restructure the company under a dual-listing that would see the majority of assets sit under the ASX. NZSA voted against this resolution, as it was a complicated setup, and did not demonstrate enough value to NZ domiciled retail investors. The resolution did not receive the votes required for approval and we once again hope this will serve as a turning point for VHPs respect for NZ Unitholders.

In my report last year, I talked about the strong line NZSA took regarding the collapse of CBL and calling for action from the FMA to step in on behalf of investors. The failed CBL corporation was still very much in our sights this year. After sustained effort in calling for action to be taken, there was a flurry of activity with two litigation companies stepping forward to file class actions, as well as the FMA filing civil

proceedings. Unlike in Australia, it is not common practice in New Zealand to have two litigation companies filing class actions against the same company. This matter is still before the courts who are deciding the best path to manage these multiple cases. A robust legal process that will deliver a clear outcome is paramount to rebuild confidence with investors, and we continue to watch the progress closely.

One of the core strengths of the NZSA is our ability to hold meetings with listed company Chairs and CEOs to discuss their business's performance, proposed resolutions for upcoming meetings, and to push the priorities on our agenda for retail investors. With many of these meetings held during the year, they again proved to be of great value to get on the front foot with listed companies and to protect your interests.

In partnership with the University of Canterbury, we launched in Jan 2020, New Zealand's only retail investor sentiment survey. This provides a valuable insight into how NZSA members view the short-term outlook for the performance of key indices and NZ sectors. It is another important tool in providing a voice for retail investors and information back to members.

The NZSA Board

Upholding high standards of Governance within NZSA is paramount, as it supports the calling out of listed companies for their own governance shortcomings. In support of this, we bolstered the strength and expertise of our Board during the year through Martin Hawes and Samantha Sharif being co-opted on in March 2020. Both will stand for election at this year's AGM. Martin Hawes is an experienced director and financial adviser, who is well known in the NZ investment community. Martin also chairs the Summer KiwiSaver Scheme. Samantha is a professional director and Investor, with a career that started in law and evolved through to CEO and director positions. These appointments to the Board mark a significant step forward in evolving our governance expertise.

As part of NZSAs continued drive to improve diversity on our Board, and to provide opportunities for aspiring directors, two Associate Directors were appointed during the year. Jerry He was appointed in March 2020 and has a strong background in business, trade facilitation and advisory for the Asian markets. Grayson Cobb was appointed in June 2020 and comes to the NZSA board with a credible background in healthcare, business management and marketing.

During the year, after nearly five years on the NZSA board, Daniel Wong made the decision to step down from the Board to focus his efforts on his own business. Daniel was a valued member of the Board, we thank him for his contributions, and wish him all the best in the future.

Branches

Our branches have yet again shone through during the year by, enabling connections between members at a local level, facilitating access to industry leaders, informing your national office of key issues to advocate on, and providing educational opportunities.

NZSAs success is linked directly to that of the success of our branch network. To improve this link and information flow between branches and national office, a bi-monthly conference call was established to provide branch representatives with update post-board meetings, and the opportunity to discuss current investor issues.

The interbranch Conference was also hosted in late 2019, with the focus of the event to obtain what branches saw as the future direction for NZSA. Input from this Conference was an integral part of building the strategic plan we now have.

Our thanks and appreciation go out to the committees and all others involved with making our six regional branches such an important part of our membership.

Membership

We again enjoyed a steady increase in membership over the year. We have the potential to grow our membership which is a team effort. I encourage all of you to support bringing new members to our events, sharing our Scrip magazine, and talking about the benefits to retail investors from having a strong Association.

I also thank our Corporate and Supporter Members who support us, not for financial gain, but because they believe a strong independent voice for retail shareholders is good for the Market.

Finance and Administration

The accounts accompanying the Annual Meeting pack continue to show that our financial situation is sound. With COVID-19 occurring during the last two months of our financial year, we tightened our belts to ensure we would have the reserves to navigate through the uncertain economic situation. This included delaying the recruitment of an additional analyst to support the ramp-up of our proxy voting.

These actions helped deliver a full-year surplus of \$40k, with our annual income growing by \$44k, and members funds rising to \$359k. Our financial position of a modest level of reserve funds means we can evolve the organisation in line with our plans. It also provides sufficient reserves to maintain a “fighting fund” for direct action and/or advocacy, as necessary.

The Board has clear protocols to ensure funds are invested wisely as well as clear and conservative spending authorities. The Association continues to voluntarily undertake an annual review in line with XRB requirements, even though we remain below the threshold for these. As part of this process, we are required to consolidate branch accounts into the national organisation but respect the need for branches to run their affairs. The consolidation gives an important financial view of the whole organisation, as branches fund a range of activities at a local level that would otherwise have to come from the national organisation.

Once again, the Board and I thank our Secretary/Treasurer Chris Curlett for his tireless work in this area.

Health and Safety

I am again pleased to report that we had no health and safety incidents reported during the year.

Investor Conference

The 2019 investor conference took place in Christchurch at the end of August and was a resounding success. We had a wide range of speakers including Mark Verbiest Chair of Freightways, Ross Taylor the CEO of Fletchers and Geoff Bascand from the Reserve Bank. Equally as important as hearing from these business leaders was the opportunity for our members to network amongst themselves and share their views. I recall one distinct conversation with an investor who was convinced that Fonterra had turned the corner and now was the time to invest. When I look back at the performance of Fonterra since that conversation, I have to admit that they got it right. It just goes to show that you never know what you might learn at our annual Conference.

Awards

Beacon: For 2019 the Beacon Award went to Sir Stephen Tindall. Our citation praised Sir Stephen for an outstanding contribution to New Zealand Business. The Beacon Award recognises outstanding achievement across a range of criteria including leadership, bravery, conduct, respect, best practice and fair and equitable outcomes for all.

Sir Stephen was awarded the Beacon Award due to his efforts with K1W1 in assisting young entrepreneurs in growing New Zealand as a leader in the knowledge economy, and for KEA which connects New Zealand's global ex-pat community to benefit Kiwi's and Kiwi businesses.

Business Journalist Awards: This was our third year running these awards which recognise business journalism excellence, something that we value highly in the capital markets. We had a large number of individual entries spread over four categories. The award for Business Features was jointly won by Andrea Fox and Tim Hunter. Business Commentary went to Tim Hunter and Young Business Journalist to Andrew Bevin. The supreme winner was Tim Hunter for his entries on CBL, and the Reserve Bank. They were not only informative and asked the hard questions, but also made these problematic topics easy to follow and kept the reader engaged in the story.

Scrip Magazine

Don Kinnell has again done a tremendous job in publishing our Scrip magazine. For many members, this magazine is seen as a vital source in keeping them better informed of activities within NZ listed companies. We thank Don and all those that contribute to making the Scrip the success it is.

Thanks

This will be Michael Midgley's and my last annual report, as we both step away from our respective CEO and Chair roles. I would like to thank Michael for his significant contribution to the organisation over the last three and a half years as CEO. He has consistently gone above and beyond the call of duty in representing members and the Association. Through Michael's tireless efforts, he has driven a significant lift in our Associations impact in representing investors in many areas including, proxy voting, engagement with the media, and presence with corporates.

I announced earlier in the year that I would be stepping down as your Chair at this year's AGM. As a board, to further evolve the organisation, we unanimously agreed that the CEO role needed to become the sole face and voice of the Association. As such, we took the strategic decision to change the chair

role from an executive to a non-executive position. With our new CEO Oliver Mander now in role, and with the organisation's strategic direction firmly in place, the time is right for me to step away. The organisation's Governance remains in excellent hands with Andrew Reding appointed as NZSA non-executive Chair and Samantha Sharif appointed Deputy Chair.

I also take this opportunity to thank all the NZSA board, staff, and volunteers all around the country that have put in a tireless amount of effort to represent our organisation and you as members. Their focus and contributions continue to deliver outstanding results in our strategic areas of one voice, creating tangible connections and delivering membership services.

Thank you for your support during my tenure, it has been a pleasure to serve as your Chair, and I wish the organisation the best of success in the future.

Tony Mitchell
National Chair

CEO'S OVERVIEW 2019 – 2020



NZSA was approaching the end of its reporting year when the significance of Covid-19 became apparent. Our first response was to review our financial position and make what adjustments appeared necessary to ensure the future of our Association. We continue to monitor the situation closely though the figures remain healthy for now.

Our first concern was potential reduction in income but it is pleasing to report that membership remains constant with new members balancing retirements. Only one Corporate Member has chosen to withdraw though current activity in the capital markets may result in the departure

of another through delisting.

NZSA's advocacy is even more important in times of turmoil and the flurry of capital raisings since March and the revisions of company forecasts have provided more than ample material for us.

The volume of work for NZSA was growing steadily even before Covid-19 and the workload in recent times has been such that we have had to focus on matters directly relevant to our members and give some other issues less attention than we would have liked.

The Investor Conference during which our AGM is usually held has been planned and cancelled, twice. At the time of writing things are again looking brighter but we all now live with uncertainty as a constant. We have also faced challenges with planning our other major event, the Beacon and Business Journalism Awards, scheduled for November. My colleague Leonora (our EA) must be singled out for achieving great things in the face of adversity on all fronts.

Please remember that NZSA has fewer than four full-time equivalent staff. What NZSA achieves with that is outstanding. My thanks to them all.

Support for the Standing Proxy service continues to grow and we are approaching the magic 1000 shareholders who have appointed NZSA. A consequence of the increase is that NZSA is now even more often in the top ten shareholders at company meetings.

Instituting the standing proxy service has meant an even greater commitment to providing our undirected proxy voting intention notices (PVI) to members. The number we do has been rising steadily and doubled over the last three years to exceed 125 in 2020, and will rise again next year.

Virtual meetings are well named. They achieve the minimum required and shareholders will be much better served when the real things return and the owners of companies are able to pursue their lines of questioning of the directors without the barriers of unsatisfactory technology.

In addition to PVIs we are also called on to make submissions to Government, regulators and NZX. These are not often publicised but they are significant to the operation of New Zealand's capital markets.

Recent events have drawn attention to Schemes of Arrangement of Takeovers. The level of dissatisfaction with the process of the former indicates that it is time to review the legislation and thresholds that apply to the two processes and call for submissions with proposals for improvement.

The Scrip goes from strength to even better and would not happen without Don Kinnell and the supporting contributors.

A constant is the issue of board refreshment and so director tenure and workload. Too often any criticism is met with responses about the lack of suitable candidates. The remedy for that is in the hands of existing directors. Eight years ago NZSA was one of the founders of the Future Directors programme but since then only 13 companies have taken on just 32 Future Directors. It is time for many more directors to show commitment and foresight.

It is heartening that in a year of challenge and changes NZSA has done so much. We may not have had our Conference with 500 attending, but we did more of everything else, and with bells on!

The appointment of Oliver Mander, as NZSA's new CEO, has just been announced and I congratulate and welcome him, and wish him a wonderful time.

In a year of considerable change, there have also been new appointments to NZSA's Board and it has been great to see new initiatives proposed and the possibilities ahead.

My thanks go to our departing Chair, Tony Mitchell, with best wishes for new ventures.

To everyone, thank you for trusting me to be your CEO, I will miss the job, but mainly I will miss you all. Volunteers often go without thanks but without you nothing would happen and I hope that I have never failed to express my gratitude. If I have my profound apologies.

Best wishes,
Michael Midgley

PERFORMANCE REPORTS, REVIEW AND NOTES.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Information

For the Financial Year Ended
31 March 2020

Legal Name of Association:	The New Zealand Shareholders' Association Incorporated
Type of Association and Legal Basis:	New Zealand Incorporated Society
Registration Number:	1138448
Directors:	Tony Mitchell (Chairman) Chris Curlett (Secretary-Treasurer) Andrew Reding Daniel Wong Matthew Underwood Martin Watson
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 three Employees filling the roles of Chief Executive, Executive Assistant and Researcher.

Contact details

Physical and Postal

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Auckland. 1010.

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Website: www.nzshareholders.co.nz

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Review Report

For the Financial Year Ended

31 March 2020



O'Meara & Co

Chartered Accountant

P O Box 56 565, Auckland 1446

Phone 09 631 7849

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Members of New Zealand Shareholders' Association Inc.

Report on the Performance Report

I have reviewed the performance report of New Zealand Shareholders' Association Inc. on pages 17 to 31, 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 2020, the statement of financial position as at 31 March 2020, 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:

- a) 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;
- b) 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
- c) 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:

- a) The reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- b) the performance report on pages 17 to 31, 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 2020, 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).

22 October 2020

M A O'Meara

Chartered Accountant

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Service Performance

For the Financial Year Ended
31 March 2020

Over the Financial Year ended 2020 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
- 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
- Continued to run Education Courses for members and the public
- 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 AGMs
- Participated in the Capital Markets review
- Used technology to communicate with Members and the NZSA Executive (Zoom meetings)

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	57	50
Speakers and presentations to members	46	51
Visits to Companies by Members	10	10
Meeting groups	2	1
Proxy Voting Intentions (PVI's) issues	114	98
Standing Proxies (October 2020)	890	-
Branch Committee members	42	42
Branch Committee Meetings	30	30
Hours worked by Branch Committees	1,510	1,520

The Board herewith approve the Financial Report for the year ended 31 March 2020 as presented on Pages 17 to 31 inclusive.

For and on behalf of the Board;

Chairman
22/10/2020

Secretary / Treasurer
22/10/2020

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Financial Position

For the Financial Year Ended
31 March 2020

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
ASSETS							
Current Assets							
85,848	150,516	236,364	Bank accounts and cash*		247,462	180,829	66,633
1,040	69,240	70,280	Debtors and prepayments*		110,502	109,462	1,040
-	1,715	1,715	Provision for tax	11	2,269	2,269	-
4,803	-	4,803	GST Recoverable		5,036	-	5,036
-	2,797	2,797	Other current assets		2,797	2,797	-
91,691	224,268	315,959	Total Current Assets		368,066	295,357	72,709
Non-Current Assets							
-	59,884	59,884	Investments*	3	25,612	25,612	-
1,119	34,503	35,622	Property, plant and equipment*	5	34,804	34,020	784
1,119	94,387	95,506	Total Non-Current Assets		60,416	59,632	784
92,810	318,655	411,465	Total Assets*		428,482	354,989	73,493
LIABILITIES							
Current Liabilities							
7,827	66,844	74,671	Creditors and accrued expenses*		60,472	58,451	2,021
-	1,979	1,979	GST Payable		6,445	6,445	-
-	1,717	1,717	Employee costs payable*		2,731	2,731	-
7,827	70,540	78,367	Total Current Liabilities		69,648	67,627	2,021
7,827	70,540	78,367	Total Liabilities*		69,648	67,627	2,021
84,983	248,115	333,098	Total Assets less Total Liabilities (Net Assets)*		358,834	287,362	71,472
84,983	248,115	333,098	Accumulated Members Funds	4	358,834	287,362	71,472

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 2020

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
Revenue							
1,000	5,887	6,887	Donations, fundraising and other similar revenue*	1.1	4,590	4,590	-
35,214	375,281	410,495	Fees, subscriptions and other revenue from member	1.2	457,014	446,049	10,965
25,711	57,262	82,973	Revenue from providing goods or services*	1.3	71,608	49,206	22,402
63	7,318	7,381	Interest, dividends and other investment revenue*	1.4	17,278	17,222	56
-	543	543	Other revenue		1,686	1,686	-
61,988	446,291	508,279	Total Revenue*		552,176	518,753	33,423
Expenses							
-	323	323	Expenses related to public fundraising*		2,593	2,593	-
-	255,719	255,719	Volunteer and employee related costs*	2.1	270,080	270,080	-
53,273	60,286	113,559	Costs related to providing Goods or Services*	2.2	94,945	49,821	45,124
2,639	30,682	33,321	Administration	2.3	30,816	29,342	1,474
-	101,223	101,223	Other	2.4	101,274	101,274	-
55,912	448,233	504,145	Total Expenses*		499,708	453,110	46,598
Non-cash expenses and extraordinary Items							
480	12,757	13,237	Depreciation		12,959	12,623	336
56,392	460,990	517,382	Total Expenses		512,667	465,733	46,934
5,596	(14,699)	(9,103)	Surplus/(Deficit) for the Year*		39,509	53,020	(13,511)

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 Year Ended

31 March 2020

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
Cash Flows from Operating Activities*							
Cash was received from:							
1,000	5,852	6,852	Donations, fundraising and other similar receipts*	4,590	4,590	-	
25,752	403,180	428,932	Fees, subscriptions and other receipts from members*	418,174	418,174	-	
7,739	(7,739)	-	NZSA Subsidy paid to Branches	-	-	-	
1,206	(1,206)	-	Funds paid by National to Branches from the Contestable Fund	-	(3,142)	3,142	
24,716	55,387	80,103	Receipts from providing goods or services*	73,294	50,892	22,402	
47	5,931	5,978	Interest, dividends and other investment receipts*	6,664	6,608	56	
-	-	-	Other Revenue	-	-	-	
60,460	461,405	521,865	Cash Income	502,722	477,122	25,600	
(551)	(3,281)	(3,832)	Net GST	4,048	5,155	(1,107)	
59,909	458,124	518,033		506,770	482,277	24,493	
Cash was applied to:							
56,223	448,362	504,585	Payments to suppliers and employees*	514,641	470,933	43,708	
-	-	-	Donations or grants paid*	-	-	-	
3,686	9,762	13,448	Net Cash Flows from Operating Activities*	(7,871)	11,344	(19,215)	
Cash flows from Investing and Financing Activities*							
Cash was received from:							
-	10,860	10,860	Receipts from the sale of investments*	32,266	32,266	-	
Cash was applied to:							
-	15,532	15,532	Payments to acquire property, plant and equipment* 5	12,140	12,140	-	
-	5,489	5,489	Payments to acquire Investments	1,157	1,157	-	
-	(10,161)	(10,161)	Net Cash Flows from Investing and Financing Activities*	18,969	18,969	-	
3,686	(399)	3,287	Net Increase / (Decrease) in Cash*	11,098	30,313	(19,215)	
82,162	150,915	233,077	Opening Cash*	236,364	150,516	85,848	
85,848	150,516	236,364	Closing Cash*	247,462	180,829	66,633	
3,686	(399)	3,287	This is represented by:	11,098	30,313	(19,215)	
85,848	150,516	236,364	Bank Accounts and Cash*	247,462	180,829	66,633	

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 2020

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 on-going 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 2019 Annual General Meeting. Members should note this is a Review and **not** an Audit. The Independent Review Report, concerning the Financial Performance for the 2019/20 year, are attached as part of the 2019/20 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 2020

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
\$	\$	\$			\$	\$	\$
1,000	5,887	6,887	1.1	Donations	4,590	4,590	-
1,000	5,887	6,887		Total	4,590	4,590	-

1.2 Fees, subscriptions and other revenue from members

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
27,375	121,120	148,495	1.2	Subscriptions	175,872	168,049	7,823
-	260,000	260,000		Corporate Membership	266,000	266,000	-
-	2,000	2,000		Supporter Membership	12,000	12,000	-
-	-	-		Sponsorship	3,142	-	3,142
7,839	-	7,839		Branch Subsidy	-	-	-
35,214	375,281	410,495		Total	457,014	446,049	10,965

1.3 Revenue from providing Goods or Services

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
-	23,319	23,319	1.3	Awards	21,810	21,810	-
-	29,910	29,910		AGM/Conference Revenue	25,450	25,450	-
-	4,033	4,033		Education Revenue	1,946	1,946	-
25,711	-	25,711		Functions held by Branches	22,402	-	22,402
25,711	57,262	82,973		Total	71,608	49,206	22,402

1.4 Interest, dividends and other investment revenue

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
63	3,642	3,705	1.4	Interest	3,794	3,738	56
-	3,972	3,972		Dividend	2,870	2,870	-
-	(9)	(9)		FX Gain/Loss	-	-	-
-	(287)	(287)		Profit/(Loss) on sale of Shares	10,614	10,614	-
63	7,318	7,381		Total	17,278	17,222	56

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 2020

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
\$	\$	\$		\$	\$	\$	
-	9,579	9,579	2.1	Board Meeting	8,882	8,882	-
-	72,890	72,890		Consulting & waged staff	79,005	79,005	-
-	30,000	30,000	7	Executive Chairman / Chairman	34,583	34,583	-
-	27,500	27,500	7	Secretary / Treasurer	29,350	29,350	-
-	113,680	113,680	7	Chief Executive Officer	118,260	118,260	-
-	2,070	2,070		Other Costs	-	-	-
-	255,719	255,719	Total		270,080	270,080	-

2.2 Costs related to providing Goods or Services

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
-	47,306	47,306	2.2	AGM/Conference	30,446	30,446	-
-	3,980	3,980		Education	678	678	-
53,273	-	53,273		Functions	46,121	997	45,124
-	9,000	9,000		ShareClarity	17,700	17,700	-
53,273	60,286	113,559	Total		94,945	49,821	45,124

2.3 Administration

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
-	14,126	14,126	2.3	Accommodation	17,692	17,692	-
2,639	-	2,639		Branch Administration	1,474	-	1,474
-	14,054	14,054		Stationery, Printing, Parking and Office Cos	8,781	8,781	-
-	1,146	1,146		Subscriptions	1,470	1,470	-
-	1,237	1,237		Telephone	1,463	1,463	-
-	119	119		Other	(64)	(64)	-
2,639	30,682	33,321	Total		30,816	29,342	1,474

2.4 Other expenses

Actual Last Year*			NOTE	Analysis	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$		\$	\$	\$	
-	2,380	2,380	2.4	Advocacy	1,462	1,462	-
-	1,698	1,698		Accounts fees	500	500	-
-	23,035	23,035		Awards and Presentations	18,745	18,745	-
-	6,341	6,341		Branch expenses	7,929	7,929	-
-	22,639	22,639		Insurance	28,530	28,530	-
-	4,061	4,061		Inter-Branch Conference	3,209	3,209	-
-	5,444	5,444		Credit Card fees	5,717	5,717	-
-	10,917	10,917		Newsletter and Member Communications	8,456	8,456	-
-	7,875	7,875		Review Fees	7,875	7,875	-
-	5,518	5,518		Repairs and Maintenance	5,475	5,475	-
-	11,226	11,226		Web	11,266	11,266	-
-	89	89		Other	2,110	2,110	-
-	101,223	101,223	Total		101,274	101,274	-

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 2020

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 Advocacy	-	-
Shares held for Investment		
Auckland International Airport Limited	99	99
Arvida Group Limited	-	6,880
Contact Energy Limited	79	79
EBOS Group Limited	-	510
Green Cross Health Limited	-	4,228
Infratil Limited	2,446	2,157
Mercury NZ Limited	2,180	2,180
NZX Limited	982	982
Scott Technology Limited	3,520	3,520
Team Talk Limited	-	7,000
Tourism Holdings Limited	150	150

The shares have been recorded at Market Value of \$25,612 as at 31 March 2020 in the Statement of Financial Position (last year \$59,882).

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

Actual Last Year*			Details	Note	Actual this year*		
Branch	National	Group			Group	National	Branch
\$	\$	\$			\$	\$	\$
-	-	-	Capital contributed by members*	-	-	-	
79,387	262,312	341,699	Accumulated surpluses or (deficits)*	333,098	248,115	84,983	
5,596	(14,699)	(9,103)	Years Operating Surplus/Deficit	39,509	53,020	(13,511)	
-	(20,960)	(20,960)	Less previous years Unrealised Share Investments	(21,462)	(21,462)	-	
-	21,462	21,462	Plus Unrealised Potential Share Investments	7,689	7,689	-	
84,983	248,115	333,098	Total Accumulated Members Funds*	358,834	287,362	71,472	

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 2020

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*	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

Last Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Previous Year Depreciation and Impairment*	Closing Carrying Amount*
Office equipment*	156	-	-	47	109
Computers (including software)*	1,522	-	-	457	1,065
Web Software	28,338	15,532	-	11,740	32,130
Trade Mark (NZSA Logo)	1,712	-	-	513	1,199
Total National Assets	31,728	15,532	-	12,757	34,503
Branch Equipment (Including software)	1,599	-	-	480	1,119
TOTAL ASSETS	33,327	15,532	-	13,237	35,622

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

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THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2020

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 Chairman of the NZSA Chairman's Honorarium commenced September 2017 Relationship = NZSA member	34,583	-	30,000	2,875
Secretary / Treasurer Secretarial, Treasurer, Web Management and miscellaneous other duties Relationship = NZSA member	29,350	-	27,500	-
Chief Executive Officer Under contract commencing 1st March 2017 Relationship = NZSA member	118,260	-	113,680	11,190
Grant Diggle Under contract to provide Research and Support Relationship = NZSA member	22,461	-	24,637	-

Expenses are paid to National Directors either at the actual cost or, where actual expenses are not submitted, may be charged at a rate of \$30 per meeting.

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.

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 2020-21 Budget.

Note 10 : Capital Commitments and Contingent Liabilities

There are no Capital Commitments at Balance Date.

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THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2020

Note 11: Taxation

	This Year	Last Year
	\$	\$
Surplus/(Deficit for the Year)	39,509	(9,103)
<i>Less - Non Taxable Income</i>	519,745	471,347
<i>Add - Non Deductible Expenditure</i>	470,897	471,065
Net Taxable Profit/(Loss)	<u>(9,339)</u>	<u>(9,385)</u>
Tax There on	<u>-</u>	<u>-</u>
Tax Credits		
Imputation Credits	554	803
RWT	-	-
Sub Total	<u>554</u>	<u>803</u>
<i>Add - Imputation Credits carried forward</i>	1,715	912
Total	<u>2,269</u>	<u>1,715</u>

Note 12: Tax Losses Carry Forward

	This Year	Last Year
	\$	\$
Opening Losses	26,382	16,997
<i>Add - Current year loss</i>	9,339	9,385
Loss to Carry forward	<u>35,721</u>	<u>26,382</u>
Imputation Credits to carry forward	2,269	1,715
<i>Converted at 28% tax rate</i>	8,103	6,128
Total Future Tax Asset	<u>43,824</u>	<u>32,510</u>

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.

DIRECTORS STANDING FOR ELECTION

Samantha Sharif and Martin Hawes are standing as new Board Members of the NZSA.

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SAMANTHA SHARIF



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 NZSA's future success . ambitiously owning our role as the voice and platform for retail investors in NZ.

Samantha has post-graduate qualifications in finance, law and Governance and is a Chartered Member of the Institute of Directors.

Samantha also has a First Class Honours Degree in Law and has practised as a senior commercial lawyer in NZ, Australia and the UK.

MARTIN HAWES



Martin has been involved in business and finance for many years. He is the author of 22 books including his book, *Family Trusts*, which has sold over 130,000 copies and which is now in its 9th edition. Other books have been on topics such as shares, property, superannuation, investment, financial planning and retirement. Over the years Martin has given many keynote addresses and spoken at many seminars.

Martin is the Chair of the Summer KiwiSaver Investment Committee; Summer KiwiSaver is owned and managed by Forsyth Barr. He is a Director of variable annuity provider Lifetime Income. He is an Authorised Financial Adviser (although he no longer gives advice to families and individuals). He continues to write articles and columns for news outlets and he is frequently in the media.

Martin has been a member of NZSA for most of its existence and was co-opted to the Board in 2020. He lives in Christchurch.

PROXY FORM

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

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 2019 Annual General Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	Adoption of the Annual Report Including Chairman's and CEO Reports and Annual Accounts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	Appointment of Samantha Sharif as a Director of the NZSA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	Appointment of Martin Hawes As a Director of the NZSA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F	Re-appointment of M.A. O'Meara as Accounts Reviewer.	<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)