

New Zealand
Shareholders
Association Inc.

NZSA[®]

Many Investors, One Voice



2024 Annual Report

Below: NZSA Business Journalist of the Year 2023, Nicholas Pointon



Below: Celebrating the NZSA Journalism Awards (l to r) - Margaret Egarr (Taranaki Branch), Deanna Chiang (Auckland Branch), Andrew Reding (Chair), Oliver Mander (CEO), Adrian Parkyn (Wellington)



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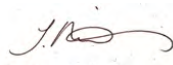
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This report is dated July 24th 2024. The Annual Report has been approved by the Board and signed on behalf of NZ Shareholders' Association Inc. by Andrew Reding, Chair, and Louise Nicholson, Director.



Andrew Reding
Chair



Louise Nicholson
Director

NZ Shareholders' Association

The Voice of Investors

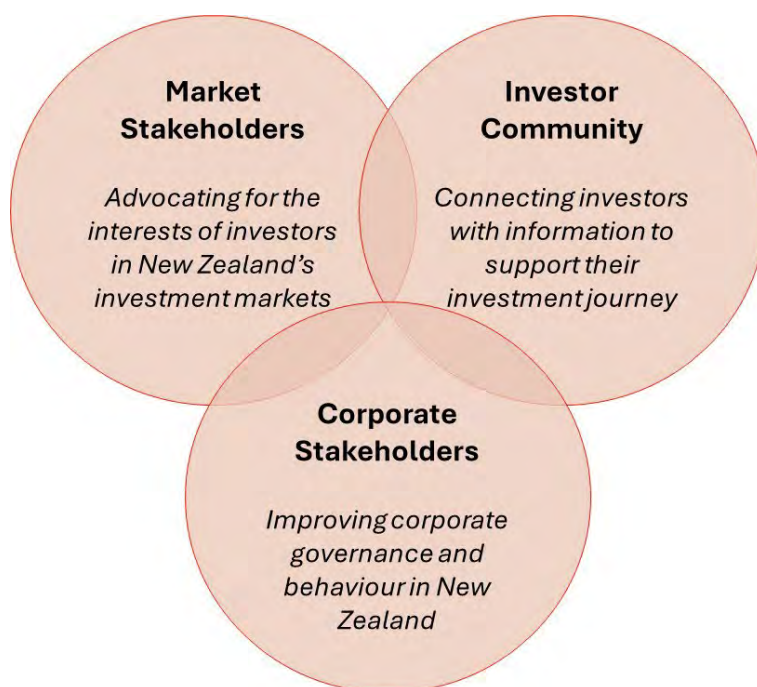
NZSA is a non-profit organisation designed to **protect, enable and reward** investment ownership.

We **represent** and **promote** the interests of investors and encourage an **effective capital market** in New Zealand.



Our purpose is for everyone to have access to a strong and vibrant investment market that creates greater opportunities and better outcomes for investors –ultimately benefitting all New Zealanders.

Our work is to **build trust** across the investment landscape. We behave as we seek the markets to behave: transparent, simple, effective and equitable.

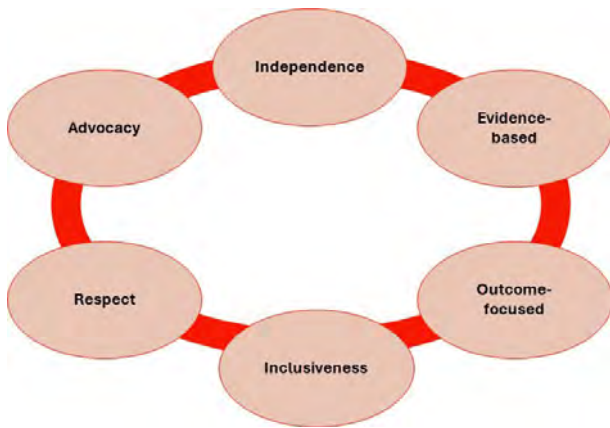


NZSA makes a significant difference to corporate governance quality in New Zealand. We work with regulators, industry stakeholders and corporates to ensure that we improve relationships between companies and their shareholders.

With a network of seven branches across the country, we bring investors together to form a connected community supporting everyone's investment journey.

Our Values

The work that we do is built on the foundations created by our key values. These form the basis for our unique, influence-based platform that adds value to investors and creates credibility amongst our stakeholders.



Our Strategy

NZSA has five strategic workstreams to support its goals:

- 1. Sustaining NZSA as the voice of retail investors**
Maximising awareness of NZSA to sustain the influence of NZSA within NZ's markets
- 2. Maintain Corporate Engagement**
Proactive and meaningful relationships with listed issuers and stakeholders
- 3. Create services that support the needs of investors**
Supporting the diverse needs of investors through advocacy, information and knowledge
- 4. Policy leadership for investors and capital markets**
Work across stakeholders to maintain advocacy positions that support retail investors
- 5. Managing ourselves well**
Ensure NZSA has the resources and capabilities to operate into the long-term

Below: Waikato Branch Event featuring Nina Le Lievre of Enterprise Angels. Janey Haringa (NZSA Waikato) watches on.



Chair’s Report

It is an honour and a privilege to again be able to comment on the activities of NZSA for 2023/24.

NZSA’s activities over this period reflect the wider challenges facing the New Zealand economy. A cost of living crisis, precipitated by increased interest rates and inflation has engulfed us all – and this has, in turn, impacted the companies and their investors on New Zealand’s capital markets.

That underlines our role in ensuring the rights of small investors are protected as companies, markets and a newly-elected government consider different ways of responding to economic challenges.

The economic landscape has done little to dampen the pace of change in the investing landscape of New Zealand. We are seeing continued growth in non-traditional and non-DIY investment channels, such as “Discretionary Investment Management Services” (DIMS), KiwiSaver providers; “Exchange Traded Funds” (ETFs) and the micro-investing channels such as Sharesies and Hatch.

There are a whole new cohort of investors accessing capital markets. For NZSA, this accentuates the swing away from the traditional investor base from whom we drew our historic membership.

This change also leads to evolving demand for our services as these new investors frequently have less knowledge about investment issues, an expected consequence for newcomers to a complex activity. NZSA is actively pursuing ways to support these new investors. This includes developing new relationships with the institutions managing their funds.

Our *Company Action Reports* (CAR’s) support all investors, regardless of whether they choose to invest directly or via a financial institution. CAR’s provide an analysis of all listed company Annual Reports and shareholder meeting resolutions for all public companies in NZ.

As an aside, this process provides us with an overall Governance Quality Index, which we’re pleased to observe is showing underlying improvement in the quality of corporate governance and disclosures – an outcome supported by our proxy voting service.



As the numbers of New Zealanders investing by these different means grows, so does the need for an organisation like the NZSA – as a non-profit, focussed on the needs of the retail investor, we are the only independent, objective organisation whose sole focus is the championing of investors rights.

This need has never been greater.

Internally, our focus on diversity in the organisation continues. We are pleased to note that women constituted 50% of our Board membership during the year. We can’t help but notice that this is well above the NZX average of only 27%.

From an investor perspective, women constitute a historically under-served cohort and we were also pleased at the more than 600 participants in our National Roadshow focused on women in investing held in March 2024 (‘Cooking the Books’ on Tour).

Operational Highlights

Also during the year, we were immensely pleased to continue awarding the Beacon Award to outstanding candidates who demonstrated exceptional governance qualities in carrying out their duties and responsibilities. This year, the award went to **Abby Foote** for demonstrating great courage and steadfastness standing up for small

shareholders, whilst carrying out her role as an independent Director at Sanford. Those same qualities were to the fore in her role as a Director on Christchurch City’s investment vehicle.

Despite the economic uncertainty experienced during the year, the support we received from NZX listed companies continued. We maintained the number of Corporate Members and Institutional Supporters at 29, with strong indications for growth in numbers during 2025. The continuing increase in our measure, the Governance Quality Index (a synthesis of all the CARs we formulate) is a testament to the work we do as an independent governance watchdog and the influence we have brought to bear in the New Zealand investment community.

I would like to take this opportunity to wholeheartedly thank the team – Oliver Mander (CEO), Teresa Hall (Administration Mgr, Event Co-ordinator); Grant Diggie, Arend Lanser and Andrew Parker (Researchers), without whose commitment and professionalism we could not do what we do.

Also, thanks to the NZSA Board members, including Grayson Denzer who resigned during the year. I was very pleased to welcome Chris Steptoe as a full Board Member during the year, together with Philip Ascroft as a new Associate Director.

Last, but not least, my thanks to the myriad of volunteers who have enabled us to continuously improve the services we offer and without whom we would, quite simply, not exist.

To all our supporters, whether traditional Members, Corporate Members or Institutional Supporters, my sincerest thanks for allowing us to do what we do. I am sincerely humbled by you.

Kindest Regards

Andrew Reding
NZSA, Chair

July 2024

Below: Frances Cook opening the panel discussion at the Wellington “Cooking the Books on Tour” event



CEO Report

Tēnā koutou kātoa. I am proud to present this Annual Report for the year ended March 31st 2024.

During FY24, we have achieved further progress towards our vision of being **the trusted and respected voice** for all individual investors. Our underlying values – including **independence** – allow us to play a unique position in improving the quality of New Zealand’s capital markets and providing services to individuals and financial institutions alike.

Key Strategic Priorities

As stated during last year’s Annual General Meeting (AGM), NZSA has now successfully implemented a new strategy that better connects the articles, reports and information we provide across our different channels. We’re looking forward to extending this further in FY25 as we implement better planning and co-ordination processes across our seven branches.

Our refreshed approach will also serve us well in extending our reach into new institutional investor clients. Last year, I noted that we were in the throes of developing an offer for financial institutions. This work continues apace, supported by the Board. Our desire to expand what we do to cater for institutional clients is related to our key goals of representing **all** retail investors – regardless of the platforms or mechanisms they use to invest. It is a strategic imperative in a world where millions of New Zealanders are invested in KiwiSaver, and more investors than ever are utilising the convenience and skills offered by DIMS services, fund managers or ETF’s.

In short, we are focused on ensuring that NZSA represents the rights of these investors and are talking to financial institutions about how we can offer our services to their customers.

Finalising this new offer and agreeing terms with our first client remains a strategic priority.

NZSA’S VISION IS TO BE A TRUSTED AND RESPECTED VOICE FOR ALL RETAIL INVESTORS

OUR AIMS:

- To protect, enable and reward investment ownership
- We represent and promote the interests of investors and encourage an effective capital market in New Zealand

...supported by our **Values**

Independence	Advocacy	Respect	Inclusiveness	Evidence-based	Outcome-focused
<i>Our independence is our key point of difference, driving our credibility and objectivity</i>	<i>Our advocacy supports all investors and the constructive improvement of listed markets</i>	<i>The way we behave earns respect</i>	<i>We are a friendly, welcoming space for all investors, no matter their background, status or experience</i>	<i>We make decisions based on evidence and best practice</i>	<i>We remain focused on delivering our mission</i>

...delivered through our **strategic workstreams**

Sustaining NZSA as the voice of retail investors	Increase Corporate Engagement with NZSA	Create and provide services that support all investors	Sustainably govern and manage NZSA	Sustain policy leadership for investors and capital markets
<i>Maximising awareness of NZSA to sustain the influence of NZSA within NZ’s markets</i>	<i>Maintaining proactive and meaningful relationships with listed issuers and stakeholders</i>	<i>Supporting the diverse needs of investors through advocacy, information and knowledge</i>	<i>Ensure NZSA has the resources and capabilities to operate into the long-term</i>	<i>Work across stakeholders to maintain advocacy positions that support retail investors</i>

Our FY24 Outcomes



This graphic provides a useful summary of the FY24 year. But this in itself does not tell the whole story – by their very nature, these are only highlights. This cannot tell the story that surrounds the core of our operations. That includes the phone calls and emails from members (and non-members) venturing their thoughts, concerns and sometimes simply asking for help.

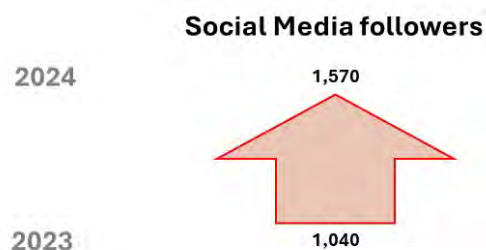
There were 356 ‘behind the scenes’ stakeholder meetings held during FY24 to support those outcomes. In support of our community, our heroic Branch volunteers held 46 Branch Meetings (plus 6 site visits).

A few examples below highlight how NZSA continues to make progress towards the goals expressed within our strategic implementation workstreams.

1: NZSA as the voice of investors

As the world of investment changes, so too must NZSA. Our voice is somewhat inversely-correlated; as economic conditions trigger

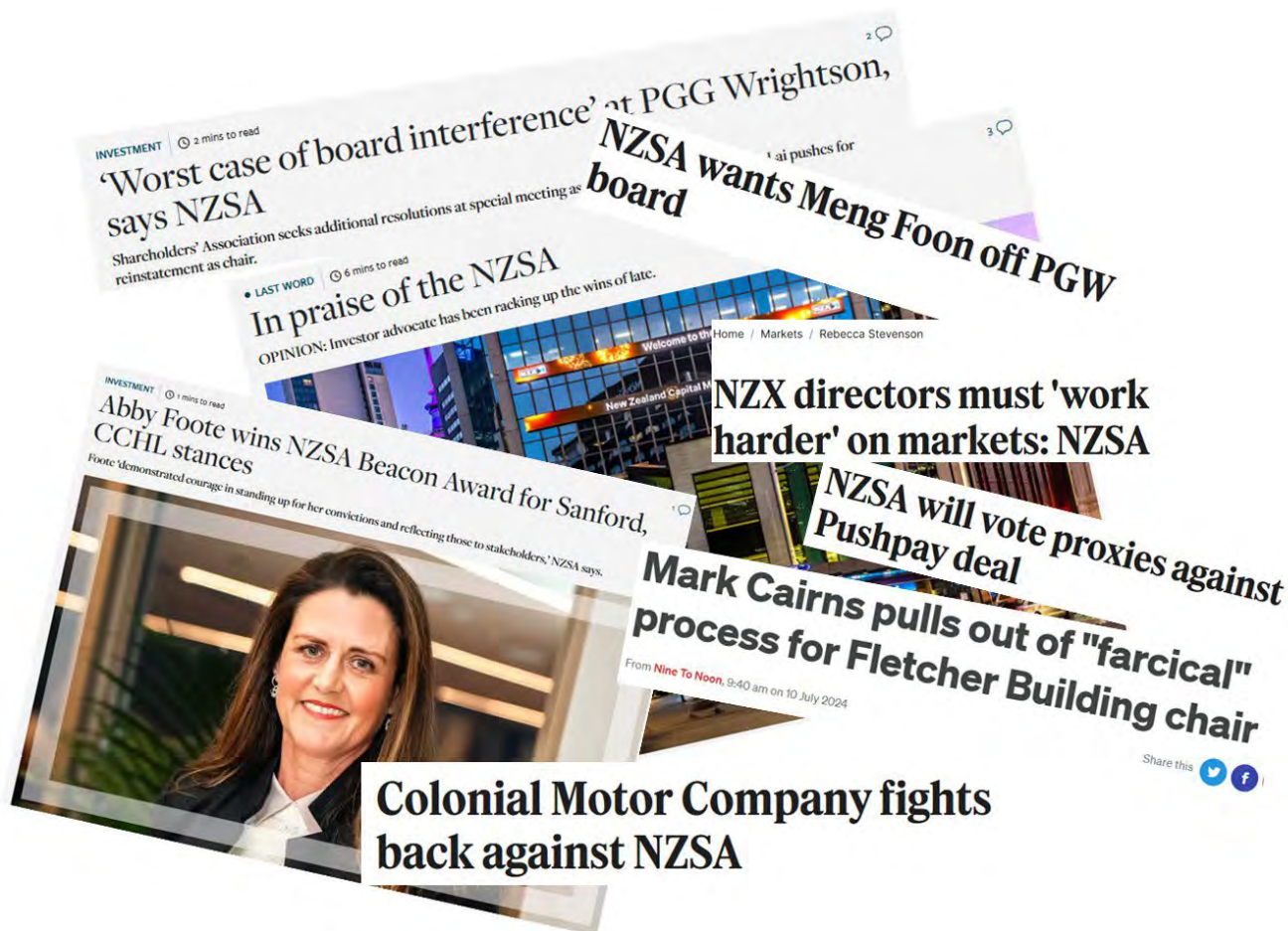
instability within listed issuers, our voice increases. NZSA’s awareness is tied irrevocably to the issues that we champion. There are many examples that stand out that reflect how NZSA is improving awareness within different segments of the investor community.



Media

NZSA’s voice is commonly heard within New Zealand’s business media; the likes of RNZ, NBR, BusinessDesk, NZ Herald and Newsroom. This does not translate directly to membership – but adds significantly to NZSA’s status as a capable, independent, arms-length observer of markets.

The NBR article *“In praise of NZSA”* on July 14th 2023 was humbling for our team.



‘Cooking the Books’ Event

This team effort included NZSA volunteers as organisers and panellists. They created an investing roadshow focused on women that led to a unique form of marquee event for NZSA.



The event received strong support, with BusinessDesk the key supporter and promoter of the event. Our ability to work with well-known business influencer Frances Cook increased the appeal, and introduced NZSA to a whole new audience.

The roadshow also informed us how NZSA could look at different styles of event content and organisation.

2: Corporate Engagement

As discussed above, NZSA’s key effort over the past 12 months has been the development of a value proposition focussed on institutional market participants. We have completed a series of interviews and informal workshops to determine core offer elements, with a goal of achieving a first client during the current year.

Our corporate membership, together with existing institutional supporters, ended the year at 29 members, although we are pleased to announce that **Channel Infrastructure Limited** joined as a members in May 2024. We look forward to further expansion during 2025.

3: Investor services

During FY24, NZSA maintained its proxy service, covering 149 companies. Our proxy holding covers around 0.5% total share of market capitalisation – a reasonable number when considering that over a third of listed companies have a shareholder holding more

than 30%. In many cases, our holding is far higher. Interestingly, we are seeing an increase in users of the proxy service so far in FY25.

As always, I can only offer a huge ‘thank you’ to those volunteers who have offered their time and experience to support us. A special mention to (now) Life Member Bruce Parkes, who covered up to 50 companies each year during his NZSA career. Bruce, we miss you – but you should be pleased for the amazing new generation of volunteers that have stepped into your shoes!

During the year, we have established a new “useful data” section on our website. We expect the current offering (‘Shareholder Structure’) to be joined by further data points during FY25.

4: Sustainably govern and manage NZSA

You will see that we are proposing a minor change to the Constitution at this AGM, allowing NZSA the ability to re-register under the new Incorporated Societies Act. Note that much of the substantive change required was completed in 2022.

My thanks to both the NZSA Board for their sage advice and support throughout the year, and to our Reviewer (BDO) for their thorough review of our financial and key performance disclosures. In a small organisation, the benefit provided to a CEO by these groups cannot be overstated.

It is pleasing to see the result of underlying efficiencies achieved over the last few years. This has allowed NZSA to maintain a stable ‘operating surplus’ while at the same time increasing its exposure to investment markets. Long-term, this increasing reserve fund will provide an option to support funding for core NZSA operations or projects.

5: Policy leadership

NZSA made five submissions during the year, including a joint submission with the Securities Industry Association and NZX relating to Trust tax proposals. Our submissions in general continued to advocate around two key themes, with this continuing into FY25.

- Inclusion of a minority investors voting regime within the NZX Corporate Governance Code
- A review of the Companies Act, Climate-related disclosure regime and other relevant legislation to include a greater focus on the relationship between listed and unlisted companies

I continued as a member of the NZX Corporate Governance Institute (CGI) during the year, with NZSA playing a key role in the development of the new NZX Remuneration Reporting template.

In summary, it is always a privilege to be the CEO of NZSA. My thanks to the NZSA team, the Board, our members and our corporate supporters – all of whom play their part to ensure that the interests of retail investors are to the fore in our capital market.

Ngā mihi, and I thank you for your continued support.

Oliver Mander

NZSA, Chief Executive

July 2024

Case Study: PGG Wrightson and Agria, Feb-Mar 2024

On February 13th 2024, PGG Wrightson (NZX: PGW) announced to the market that it had received a “request from [Agria] requesting that a special shareholders meeting be convened to consider the resolutions set out in the notice seeking a number of board changes.”



Context

Agria is the major shareholder of PGW, with a 44% holding. The proposals in the resolutions were to remove three of the independent directors of PGW, appoint (another) Agria representative – former PGW Chair Guanglin “Alan” Lai - and add three further independent directors, nominated by Agria.

NZSA’s concern was clear and immediate. Alan Lai served as PGW Chair until October 2018. Two months later, Alan Lai (and Agria) reached a [settlement](#) with the US Securities and Exchange Commission that resulted in a fine and him being banned as a director for a period of five years in the US. Shortly afterwards, an action brought by the Overseas Investment Office under the ‘good character’ test resulted in another [agreed settlement](#), with Agria being forced to reduce its stake in PGW to below 50%, fines for both Agria and Alan Lai, and Alan Lai being banned from being on the Board of PGW for a period of five years.

Following an initial article on the [NZSA Blog](#) on February 16th, NZSA requested the company’s share register and sent a letter to nearly all PGW shareholders on March 8th.

Our aim was simple – to encourage enough shareholders to vote against the Agria proposals to overcome the 44% holding of Agria.

NZSA Concerns

Our letter outlined four major concerns with Agria’s proposals:

1. Independence. NZSA believed the proposals would have reduced board independence. The proposed directors were nominated by Agria and would likely serve on the Board under the ongoing patronage of Agria.

We noted that Agria did not propose the removal of (existing) independent director Meng Foon, and that he had been originally nominated as a director by Agria. NZSA considered this as a signal of his potential ‘patronage’ by Agria.

2. No Reason. Shareholders were given no reason for the proposed board changes. While PGW is currently enduring a cyclical downturn, NZSA retained confidence in most of the current independent directors on the Board.

3. Conduct and Quality. NZSA was concerned about the history of conduct and quality issues associated with Agria

representatives – including allegations made against former PGW Chair Lee Joo Hai in Singapore that resulted in his arrest in 2023, and the settlements reached by Alan Lai with the US Securities and Exchange Commission and NZ Overseas Investment Office (OIO) in 2018. Alan Lai’s interest in resuming his directorship of PGW came less than 45 days after the expiry of the court-approved settlement reached with the OIO in late 2018.

We learned that Alan Lai insisted to current Directors that he be appointed as PGG Wrightson’s Chair. This would have given a casting vote to Agria, allowing it to exercise control over the Board.

NZSA has a clear policy stating that the Chair of any Board must be an independent director.

4. **Long-term interests of PGW.** PGW has increased debt in recent years to maintain support for dividend payments. NZSA was concerned at the influence of Agria in PGW Board decisions related to previous dividend payments. Following the appointment of new Chair, (independent) Garry Moore, announced on February 16th, we noted the following statement in the subsequent release of PGW’s interim results on February 27th:

*“The PGW Board has by a **majority** [emphasis added] determined PGW will reinvest capital back into growing the business by suspending the interim dividend in order to avoid adding debt in the face of rising interest costs.”*

Additional Advocacy

NZSA also proposed three ordinary resolutions of our own in the event that a Special Meeting was to be called.

1. That the Board determine the constitutional settings required for PGG Wrightson to include a **minority investors voting regime** within its Constitution, whereby a

controlling shareholder with greater than 30% of shares would not be able to vote on the election or re-election of independent directors.

2. That a revised Constitution, including any amendments determined by the Board under Resolution (1), is tabled for consideration by shareholders as a special resolution at the next Annual Shareholders Meeting of PGG Wrightson.
3. That **Meng Foon** be removed as a Director of PGG Wrightson.

Outcome

On March 22nd, PGW announced that it had received a notice from Agria formally withdrawing its request for a Special Meeting. The announcement also noted that *“Agria and the PGW Board have determined that the current composition and the majority of the membership of the Board continue to have an appropriate balance of expertise, skills, and independence.”*

The NZSA voice matters. Our stance, supported by credible analysis and stakeholder relationships generated media commentary and support from all over New Zealand’s investment community.

When there is a critical vote, shareholders will turn up. For PGW, the degree of voting was never tested thanks to the withdrawal of the resolutions. But in a recent (July 2024) meeting by Synlait Milk, NZSA noted an **87% shareholder turnout** to approve a shareholder loan from its major shareholder.

NZSA Directors

Andrew Reding MA (Oxon), MBA (Chair)

On NZSA Board since 2012. Member of Finance & Risk Committee.

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

Directorships: Avertana (Chair), Hydroxsys(Chair), Tectonus (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. He 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.

Martin Hawes

On NZSA Board since 2020

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

Directorships: Lifetime Income



Martin Hawes is a financial author and presenter. He is a former Financial Advisor and lives in Christchurch. Martin is a Director of retirement income specialist Lifetime Income.

He is the author of 23 books on finance and investment and now writes articles for a range of publications. Martin also frequently speaks at seminars and conferences around the country and comments in the media. He is long-term member of NZSA.

Louise Nicholson

On NZSA Board since December 2022

Key Skills: NZ Business, Media, Marketing, Social Media, Commercial, Environmental & Social

Directorships: None



Louise is a corporate communications specialist, with experience working for government, business, the media and agencies. She has held senior roles in New Zealand, Australia and Asia.

Most recently, she was part of the leadership team of New Zealand's Financial Markets Authority and prior to that was a partner in one of the Asia Pacific's most successful public affairs agencies.

Louise's specialty is issues and reputation management, with a particular focus on financial communications and the rights of investors.

Ruth Tolise

On NZSA Board since September 2022. Chair of Finance & Risk Committee.

Key Skills: NZ Business, Accounting, Commercial, Legal

Directorships: AAPE Aoga, Central Pacific Collective, Niuvaka Trust



Ruth's journey began in the banking and insurance sectors, where she has been able to hone her skills in specialist areas over three decades. Some of her specialisations include risk management, finance, compliance and corporate actions. Alongside her corporate responsibilities, Ruth is deeply committed to continuous learning and being able to give back to her Pasefika community.

Joy Marslin

On NZSA Board since February 2023

Key Skills: Governance, Commercial, Environmental & Social, Investment, HR

Directorships: Simplicity, Simplicity Living, Metis Investment Committee, Impact Enterprise Fund, Financial Services Complaints Limited, Strategi Group



Joy has worked within the financial services sector for over 30 years in client services, wealth management, investment governance and leadership positions.

Joy holds a number of governance roles including Board Chair of Simplicity NZ Ltd, independent director of Strategi Group, industry representative director for Financial Services Complaints Ltd, director of Impact Enterprise Fund, and independent member of Metis Investment Committee. Joy's former corporate roles included Head

of ANZ Wealth and Head of Westpac Private Wealth Management.

Chris Steptoe

On NZSA Board as a Board Associate since June 2023 and Full Board Member since November 2023.

Member of Investment & Policy Committee.

Key Skills: Investment, Capital Markets, Accounting, Technology

Directorships: None



Chris has been a member of NZSA since 2014, joining the Auckland Branch committee in 2016. With a background in technology and funds management, I bring a diverse range of skills and knowledge to the board. My involvement as a retail investor with NZX experience and as an analyst for an Australasian fund manager has given me a deep understanding of NZ capital markets. Additionally, having met with hundreds of CEOs throughout my career, I have gained valuable insights into the challenges and opportunities faced by businesses.

Joining the NZSA board presents a fantastic opportunity for personal and professional growth. I am excited to learn and collaborate with a talented and dedicated group of individuals. I intend to leverage my experience and skills to actively contribute to the board's discussions and decision-making processes. I take pride in joining a team that has already made tangible improvements in corporate governance and has been a strong advocate for retail shareholders. I look forward to collaborating with the NZSA board, our members, and stakeholders.

Philip Ascroft

On NZSA Board as a Board Associate since February 2024

Key Skills: Legal, Investment, Capital Markets

Directorships: None



Philip is a senior associate at Chapman Tripp with 13 years' of experience in corporate and securities law. With experience on many of New Zealand's most significant initial public offerings and other equity capital markets transactions, Philip acts for issuers, underwriters and shareholders on all aspects of IPOs and capital raisings. He also advises on listed company compliance and corporate governance, mergers and acquisitions, takeovers and other corporate law issues.

Philip has an LLB (Hons) from the University of Canterbury and is Auckland-based.

Below: At the May 2024 Beacon Awards (l to r) – Trevor Janes (Chair, NZ RegCo), Andrew Reding (Chair, NZSA), Joost van Amelsfoort (CEO, NZ RegCo)



Financial Statements

Statutory Information

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) Martin Hawes Joy Marslin Louise Nicholson Ruth Tolise Chris Steptoe
Annual Accounts Reviewer:	BDO (appointed FY22) represented by Brooke Rodriguez (appointed FY23)
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.

Some of the activities the Association undertakes in furtherance of its Objects include:

- 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 investors, 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 Branches across New Zealand (a seventh branch was established in July 2024).

The National Body is governed by a central Board made up of elected members, supported by a small executive team. The Branches each have their own 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 funding for its activities from Subscription Fees from individual, corporate and supporter members. There are a number of investments in Shares which provides a minor income flow. The NZSA Board has a policy of increasing this investment over time.

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. Both the Investor Conference and Journalism Awards receive funds from third parties. NZSA also acknowledges the support of speakers at its Branch and National events across New Zealand.

Branches receive funds from their functions and activities, with funds allocated to them each year by NZSA in line with an agreed budget.

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

There is a large amount of work undertaken at all levels of the Association on a voluntary basis. This is supplemented by a small group of staff within the National Office comprising two Employees filling the roles of Chief Executive and Administrator. We also are supported by two further contract Researchers on an as-needs basis.

Contact details

Physical and Postal Address:

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48 Wyndham Street
Auckland 1010

Phone/Fax: 0800-697-27478

Website: www.nzshareholders.co.nz

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Members of New Zealand Shareholders' Association

Report on the Performance Report

We have reviewed the accompanying performance report of the New Zealand Shareholders' Association (the "Association") on pages 17 to 36 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the period ended 31 March 2024, the statement of financial position as at 31 March 2024, and the statement of accounting policies and other explanatory information.

The Responsibility of the Board for the Performance Report

The Board are responsible on behalf of the Association 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 on behalf of the Association which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and

- c) for such internal control as the Board Member 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

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of movements in trust funds, 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 us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). Those standards also require that we 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. We 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 our 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 in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, the Association.

Conclusion

Based on our review, nothing has come to our attention that causes us 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 36 does not present fairly, in all material respects,
 - o the financial position of **New Zealand Shareholders' Association** as at 31 March 2024, and (of) its financial performance and cash flows for the period then ended; and
 - o the entity information and its service performance for the period then endedin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For Profit).

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
24 July 2024

Statement of Service Performance

Over the Financial Year ended 2024 the NZ Shareholders' Association (NZSA) has;

- Encouraged investors to vote at meetings or provide the NZSA with their proxy vote.
- Promoted the Standing Proxy system availability to all investors.
- 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.
- Maintained relationships and dialogue with the New Zealand Stock Exchange (NZX), Financial Markets Authority (FMA), Takeovers Panel, and various stakeholders within the New Zealand investment community.
- Provided submissions to various government agencies that represent the interests of investors.
- Provided commentary to members and the public on the Association's views in regard to specific corporate issues, regulatory matters and investment.
- Worked with Listed Companies to enhance governance.
- Continued to manage the Associations' outputs to investors and members within the constraints of available resources.
- Provided the framework enabling a range of events and services to be provided

Description of the Associations' 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 Investors
- 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 company's and their opportunities
- Encourage good governance within companies and to ensure the monitoring and regulatory activities function well to grow the market and instil confidence.

Description and Quantification of the Association outputs:

	Actual	
	FY24	FY23
Branch Meetings held	42	36
Speakers and presentations to members	46	42
Visits to companies by members	6	5
Proxy Voting Intentions issued (to March 31st)	149	154
Standing proxies as at March 31st 2024 ¹	1,405	1,124
Proxy shareholdings	14,945	16,364
Branch Committee members	34	37

¹ Based on figures supplied by Computershare and Link Market Services, with the higher number reported.

The Board herewith approve the Financial Report for the year ended 31 March 2024 as presented on pages 23-36 inclusive.

For and on behalf of the Board;



Chair
Andrew Reding
July 24th 2024



CEO
Oliver Mander
July 24th 2024

Statement of Financial Position

NZ Shareholders' Association

as at March 31st 2024

FY2023	Details	Note	FY2024
\$			\$
	ASSETS		
	Current Assets		
273,923	Bank accounts and cash*	3	235,885
6,111	Short Term Investments	3	29,445
280,034	Total Cash Equivalent		265,330
27,846	Debtors and prepayments*		19,659
-	Provision for tax	11	-
307,880	Total Current Assets		284,989
	Non-Current Assets		
22,443	Tax-related Assets	12	28,928
141,363	Equity Investments*	3	209,584
1,541	Property, plant and equipment*	5	1,588
139	Other Non-Current Assets		139
165,486	Total Non-Current Assets		240,240
473,366	Total Assets*		525,228
	LIABILITIES		
	Current Liabilities		
65,131	Creditors and accrued expenses*		63,851
12,404	GST Payable		7,790
22,911	Employee costs payable*		26,289
100,447	Total Current Liabilities		97,930
100,447	Total Liabilities*		97,930
372,919	Total Assets less Total Liabilities (Net Assets)*		427,299
372,919	Accumulated Members Funds	4	427,299

NOTE: These Statements should be read in conjunction with all Financial Statements, the Policies 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.

Statement of Financial Performance

NZ Shareholders' Association

For year ended March 31st 2024

FY2023	Details	Note	FY2024
\$			\$
	Revenue		
5,550	Donations, fundraising and other similar revenue*	1.1	1,298
406,842	Fees, subscriptions and other revenue from members*	1.2	435,967
41,620	Revenue from providing goods or services*	1.3	20,193
6,009	Interest, dividends and other investment revenue*	1.4	12,015
7	Other revenue		-
460,028	Total Revenue*		469,472
	Expenses		
268,139	Volunteer and employee related costs*	2.1	260,969
86,046	Direct Costs related to providing Goods or Services*	2.2	52,832
9,115	Support Costs related to providing Goods or Services	2.3	15,975
870	Grants and donations made*	13	870
108,531	Administration Costs	2.4	119,287
472,700	Total Expenses*		449,932
	Non-cash expenses		
549	Depreciation	5	472
473,249	Total Expenses		450,404
(13,222)	Net Operating Surplus / (Deficit) for the year		19,068
	Non-Operating Items		
-	Write-offs or Gains on Disposal	2.6	281
297	Unrealised Gains on Investments	1.4	17,922
1,807	Realised Profit (Loss) on Shares	1.4	11,575
4,194	Taxation (Costs) / Benefit	11	5,534
(6,924)	Surplus/(Deficit) for the Year*		54,380

NOTE: These Statements should be read in conjunction with all Financial Statements, the Policies 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.

Statement of Cashflows

NZ Shareholders' Association

For year ended March 31st 2024

FY2023	Details	Note	FY2024
\$			\$
	Cash Flows from Operating Activities*		
	Cash was received from:		
7,050	Donations, fundraising and other similar receipts*		1,298
406,841	Fees, subscriptions and other receipts from members*		435,967
29,576	Receipts from providing goods or services*		32,193
6,016	Interest, dividends and other investment receipts*		12,015
4,128	Net Changes in Working Capital		-
453,611	Total Cash Inflows from Operating Activities		481,473
	Cash was applied to:		
468,182	Payments to suppliers and employees*		440,074
870	Donations or grants paid*	13	870
-	Net Changes in Working Capital		13,975
4,007	Movement in GST		2,296
(19,447)	Net Cash Flows from Operating Activities*		24,258
	Cash flows from Investing Activities*		
	Cash was received from:		
-	Receipts from the sale of property, plant and equipment*		435
4,463	Receipts from the sale of investments*		24,318
	Cash was applied to:		
519	Payments to acquire property, plant and equipment*	5	673
82,872	Payments to purchase investments*		63,041
(78,928)	Net Cash Flows from Investing Activities*		(38,961)
(98,375)	Net Increase / (Decrease) in Cash*		(14,704)
378,409	Opening Cash*		280,034
280,034	Closing Cash*		265,330
(98,375)			(14,704)
	This is represented by:		
280,034	Bank Accounts and Cash*		265,330

NOTE: These Statements should be read in conjunction with all Financial Statements, the Policies 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.

Statement of Accounting Policies

NZ Shareholders' Association

For year ended March 31st 2024

NOTE: These policies 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.

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 \$5,000,000. 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.

Revenue Recognition

Invoices to members for membership fees are raised at the time that payment is received for renewal. This avoids any unnecessary credits where a member chooses not to renew. This is initially recognised as income in advance and then transferred to revenue over the membership term.

Income Tax

Income Tax expense charged to the Profit and Loss Statement recognises the current obligations for the period, calculated using the Taxes Payable method, with Tax Losses and Imputation Credit Tax Assets shown on the Statement of Financial Position and detailed further in Notes 11 and 12.

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

As shown in the notes, tax losses have now built up to a material value. At this stage, NZSA Directors have judged that there is a likelihood that these tax losses will be able to be utilised in future reporting periods, and have therefore determined that the carrying value is appropriate.

NZSA will continue to monitor the status of its available tax losses, and make appropriate judgements as to their future value.

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.

Investment Valuations

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. Total Investments are shown at market values at balance date. Any Unrealised Gain or Loss is shown within the Statement of Financial Performance, being the annual change recorded in the realisable value of investments. NZSA continues to set aside the total unrealised gain on its investments as a separate equity reserve (see Note 4) in the Statement of Financial Position.

Property, Plant and Equipment

Assets comprise computer hardware and office furniture and are measured at Historic Cost less accumulated depreciation. Depreciation is charged at a rate of 30% DV for computer hardware and 10.5% DV for office furniture.

Foreign Currency

NZSA conducts its business mainly in New Zealand Dollars (NZ\$). Any transactions denominated in foreign currencies are converted at the exchange rate current at the transaction date. Foreign currency receivables and payables are converted at exchange rates current at balance date.

NZSA Financial Accounts Annual Review costs

This role has been undertaken by BDO (Lead Audit Partner: Brooke Rodriguez) who were appointed as reviewers at the 2022 Annual General Meeting. Members should note this is a Review and not an Audit. The Independent Review Report, concerning the Financial Performance for the 2023/24 year, is attached as part of this 2023/24 Annual Report.

Branch Accounting

NZSA's branch accounts are included within the presented accounts, with branches treated as cost centres subject to internal cost management processes. Internal management reports provide visibility of underlying branch costs and revenues, with cash transferred as required to Branch bank accounts. All branches are required to prepare and submit a budget prior to the start of the financial year and remain in control of their own expenditure. Branches are not required to operate a separate bank account, although most do so.

Statement of Changes in Accounting Policies

There have been no changes in Accounting Policies applied between FY2023 and FY2024.

Notes to the Performance Report

NZ Shareholders' Association

For year ended March 31st 2024

NOTE: These Notes should be read in conjunction with all the Statements of Financial Performance and the Policies 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 1: Analysis of Revenue

1.1 Donations and other similar revenue

FY2023	NOTE	Analysis	FY2024
\$	1.1		\$
5,550	1.1	Donations	1,298
5,550		Total	1,298

1.2 Fees, subscriptions and other revenue from members

FY2023	NOTE	Analysis	FY2024
\$	1.2		\$
139,342	1.2.1	Subscriptions	125,467
259,000	1.2.2	Corporate Membership	292,000
8,500	1.2.3	Supporter Membership	18,500
406,842		Total	435,967

1.3 Revenue from providing Goods or Services (excl. Donations)

FY2023	NOTE	Analysis	FY2024
\$	1.3		\$
7,438	1.3.1	Branch Events	2,113
19,330	1.3.2	Investor Conference	-
1,391	1.3.3	Beacon Awards	-
11,487	1.3.4	Journalism Awards	10,000
1,135	1.3.5	Scrip	822
	1.3.6	National Roadshow Event	7,258
839	1.3.7	Other	-
41,620		Total	20,193

1.4 Interest, dividends and other investment revenue

FY2023	NOTE	Analysis	FY2024
\$	1.4		\$
		Operating Items	
3,890	1.4.1	Interest	6,838
2,119	1.4.2	Dividend	5,177
6,009			12,015
		Non Operating Items	
1,807	1.4.3	Realised Gain/(Loss) on sale of Shares	11,575
297	1.4.4	Unrealised Gain on Investments	17,922
2,104			29,497
8,113		Total	41,512

Note 2: Analysis of Expenses

2.1 Volunteer and employee related costs

FY2023	NOTE	Analysis	FY2024
\$	2.1		\$
192,158	2.1.1	Wages and Salaries	199,893
39,981	2.1.2	Contractors	37,076
36,000	2.1.3	Governance Honararia	24,000
268,139		Total	260,969

2.2 Direct Costs related to providing Goods or Services

FY2023	NOTE	Analysis	FY2024
\$	2.2		\$
20,728	2.2.1	Branch Events	21,054
14,926	2.2.2	Investor Conference	-
9,018	2.2.3	Beacon Awards	326
20,215	2.2.4	Journalism Awards	14,587
-	2.2.5	Scrip	-
12,000	2.2.6	ShareClarity	3,600
2,895	2.2.7	AGM	1,044
	2.2.8	National Roadshow Event ¹	8,818
6,264	2.2.9	Other	3,403
86,046		Total	52,832

¹ Note that the National Roadshow Event included an additional \$8,000 of contractor costs included within Note 2.1.2

2.3 Support Costs related to providing Goods or Services

FY2023	NOTE	Analysis	FY2024
\$	2.3		\$
570	2.3.1	Branch Events	654
4,207	2.3.2	Investor Conference	-
267	2.3.3	Beacon Awards	19
780	2.3.4	Journalism Awards	4,357
1,695	2.3.5	Scrip	772
-	2.3.6	ShareClarity	-
1,122	2.3.7	AGM	463
	2.3.8	National Roadshow Event ¹	7,430
474	2.3.9	Other	2,278
9,115		Total	15,975

2.4 Administration Costs

FY2023	NOTE	Analysis	FY2024
\$	2.4		\$
5,860	2.4.1	Professional Fees	5,860
24,304	2.4.2	Insurance	24,085
22,978	2.4.3	IT Costs	22,563
17,650	2.4.4	Office Rent	17,590
2,800	2.4.5	Printing and Post	2,195
25,606	2.4.6	Travel & Accommodation	22,165
225	2.4.7	Advertising	10,003
8,881	2.4.8	Governance-related Costs (incl. travel)	13,579
227	2.4.9	Other	1,247
108,531		Total	119,287

2.5 Depreciation Schedule

FY2023	NOTE	Analysis	FY2024
\$	2.5		\$
549	2.5.1	Depreciation	472

2.6 Write-offs or Gains on Disposal

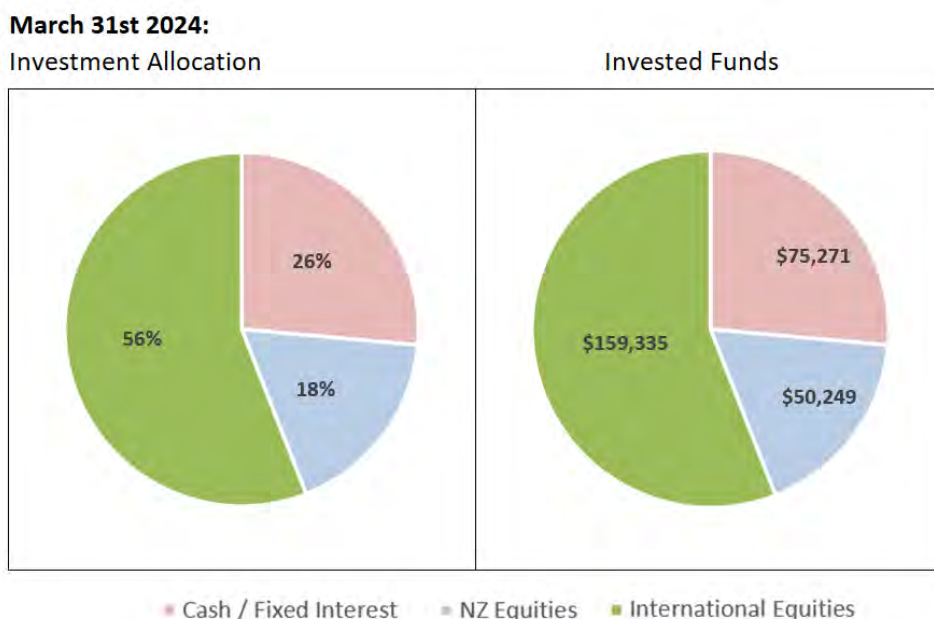
FY2023	NOTE	Analysis	FY2024
\$	2.6		\$
	2.6.1	Gain on Disposal of Asset	281

Note3: Investments

The Association is invested in a number of listed shares and exchange traded funds (ETF's) as a part of a diversified approach to managing the Associations Investments.

These Investments assist the Association to manage any contingencies that may arise, such as a campaign requiring significant funds or a downturn in Association income. Over-time, the Association intends to continue to grow its investments to further underpin its longer-term income.

The total value of NZSA investments as at March 31st 2024 are **\$284,521**:



■ Cash / Fixed Interest ■ NZ Equities ■ International Equities

Equity Investments

Total investments have been recorded at their Market Value of **\$209,584** as at March 31st 2024 in the Statement of Financial Position (FY2023: \$141,363).

The difference between the opening and closing market value of shares after allowing for purchases and sales ('unrealised gain or loss') is included in the Statement of Financial Performance. The Association continues to maintain an equity Investment Revaluation Reserve (see Note 4) to reflect the total difference between the historic cost of the investment and the subsequent unrealised gain.

There is a fundamental uncertainty in respect of the Realisable Value of these Investments due to the uncertain nature of the equity markets. Mark-to-market calculations are undertaken monthly and included in monthly financial reporting. Both Equity and Short-term investments are governed by an Investment Committee (a sub-committee of the Board including the CEO) and are subject to a defined portfolio allocation that is subject to regular review.

'Advocacy' Shares

On occasion, NZSA will hold shares to support advocacy within certain issues. These shares are not material to the wider investment portfolio. Advocacy shares at balance date are valued at \$631, comprising shares in Burger Fuel, Cannasouth and PGG Wrightson.

Cash Management

A portion of total funds set aside for investment is held in cash, either as short-term deposits or within a cash management account. As at March 31st 2024, **\$29,445** was held in short-term deposits with a further **\$45,826** of bank accounts and cash set aside for further investment.

Note that the Investment Cash Management Account was incorrectly classified as a short-term investment in 2023. This is an on-demand account, so should be treated as a bank account. There is no impact to profitability, liquidity or cash position.

	FY23 Reported \$	FY23 Restated \$	Variance \$	FY24 \$
Bank accounts and cash*	171,047	273,923	102,876	235,885
Short Term Investments	108,987	6,111	(102,876)	29,445
Total Cash Equivalent	280,034	280,034	(0)	265,330

Note 4: Accumulated Members Funds

FY2023 \$	Details	FY2024 \$
	Capital contributed by members*	-
381,915	Accumulated surpluses or (deficits)*	372,919
(6,924)	Operating Surplus/Deficit	54,380
(5,014)	Transfers from Years Surplus/Deficit	(24,408)
(6,795)	Non-Earnings Transfers	(350)
(1,775)	Movement in Investment Revaluation Reserve	17,922
4,717	Movement in Taxation Reserve	6,486
6,795	Movement in Branch Funds Reserve	350
372,919	Total Accumulated Members Funds*	427,299

Comprising:

326,245	Retained Earnings	355,867
17,436	Investment Revaluation Reserve	35,359
22,443	Taxation Reserve	28,928
6,795	Branch Funds Reserve	7,145
372,919	Total Accumulated Members Funds*	427,299

Note 5: Property, Plant and Equipment

Depreciation Schedule for y/e March 31st 2024:

Asset Type	Cost	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Computers	4,467	984	0	0	295	689
Office Furniture	673	0	673	0	53	620
Sound and AV	3,462	269	0	153	37	78
Trademark	4,856	288	0	0	86	202
Total	13,458	1,540	673	153	472	1,588

Depreciation Schedule for y/e March 31st 2023:

Asset Type	Cost	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Computers	4,467	775	519	0	310	984
Office Furniture						
Sound and AV	3,462	384	0	0	115	269
Trademark	4,856	411	0	0	123	288
Total	12,785	1,571	519	0	549	1,540

Significant Donated Assets Recorded - Source and Date of Valuation: None

Significant Donated Assets - Not Recorded: None

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 who are also a Supporter Member. A maximum value of services is specified, but the actual value is not quantified.

We received use of the NZX Centre for the hosting of the 2023 NZSA Business Journalism Awards.

Note 7: Related Party Transactions

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 per annum.

	FY2024 \$		FY2023 \$	
	Value of Transactions*	Amount Outstanding*	Value of Transactions*	Amount Outstanding*
Chair - Andrew Reding Chair's Honorarium Relationship = NZSA member	\$24,000		\$24,000	
Deputy Chair - Samantha Sharif Deputy Chair's Honorarium Resigned from Board March 2023 Relationship = NZSA member			\$12,000	
Chief Executive Officer - Oliver Mander Under employment contract commenced October 2020 Relationship = NZSA member	\$118,450	\$15,400	\$113,300	\$17,600
Grant Diggle Under contract to provide Research and Support Relationship = NZSA member	\$18,980	\$2,065	\$21,390	
Warren Frost Contract to deliver investor knowledge strategy and plan Relationship = NZSA member			\$10,000	
Masterjack Limited Contract to deliver digital services and social media management Relationship = affiliated party of Life Member, Bruce Sheppard	\$15,740	\$1,932		

Note that amounts outstanding above for Employees relate to Holiday Pay owed to employee and a provision for Sick Pay only. Other amounts outstanding are included in the value of transactions.

Note 8: Events after Balance Date

The NZSA Board approved a transfer of \$50,000 from transactional cash accounts to the NZSA Investment Fund in February 2024. This transfer occurred in April 2024, once an assessment of cash position had been completed.

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.

Note 10: Capital Commitments and Contingent Liabilities

There are no capital commitments at balance date.

A lease is in place for the Auckland office occupied by NZSA, under contract to February 2025.

Note 11: Taxation

Tax Calculation

FY2023		FY2024
\$		\$
(13,222)	Net Pre-tax Operating Surplus/(Deficit)	19,068
(442,328)	<i>Less - Non Taxable Income</i>	(444,867)
440,572	<i>Add - Non Deductible Expenditue</i>	406,035
-	<i>less - Tax Bracket (if applicable)</i>	-
(14,978)	Net Taxable Profit/(Loss)	(19,763)
-	Tax Payable (@ 28%)	-
(4,194)	Taxation benefit (@28%)	(5,534)

Imputation Credits

523	Imputation Credits	952
-	RWT	-
523	Sub Total	952
2,904	<i>Add - Imputation Credits brought forward</i>	3,427
-	<i>Less - Imputation Credits Used to offset tax payable</i>	-
3,427	Imputation Credits to carry forward	4,379

included in Tax-Related Assets on the Statement of Financial Position

Note that the FY2023 Note 11 to the Accounts contained an incorrect figure in relation to Imputation Credits brought forward from FY22. Last year's note showed \$2,450. The correct figure (\$2,904) is shown above.

This was simply a 'typo' in the Note and had no impact on P&L or Balance Sheet values. The figure was correctly reflected in Note 12.

Note 12: Tax Losses Carry Forward

FY2023		FY2024
\$		\$
52,940	Opening Losses	67,918
14,978	<i>Add - Current year loss</i>	19,763
-	<i>Less - Current year profit</i>	-
67,918	Loss to Carry forward	87,681
2,904	Imputation Credits brought forward	3,427
523	<i>Add - Excess Imputation Credits</i>	952
3,427	Total Imputation Credits	4,379
12,239	<i>Converted at 28% tax rate</i>	15,639
80,157	Total Future Tax Asset	103,320
22,444	@28%	28,930

As per the *Statement of Accounting Policies*, NZSA maintains a Taxation Reserve within its Retained Earnings, to more explicitly reflect the future benefit to members arising from its tax losses. NZSA Directors have judged that there is a likelihood that these tax losses will be able to be utilised in future reporting periods, and have therefore determined that the carrying value is appropriate. NZSA will continue to monitor the status of its available tax losses, and make appropriate judgements as to their future value.

Note 13: Donations

During this financial year, the NZSA made a donation of \$870 + GST to the University of Canterbury Investment Society (FY23: \$870)

Governance Information

This section of the Annual provides additional information related to NZSA’s governance framework. Given the role of NZSA in promoting effective governance, we are committed to maintaining high governance standards and disclosing relevant information. NZSA’s suite of governance policies are described at <https://www.nzshareholders.co.nz/nzsa-governance/>.

For ease of disclosure comparison, NZSA has this year chosen to highlight its practices, processes and policies as measured by the principles of the NZX Corporate Governance Code.

Corporate Governance Statement

Principle 1

Ethical Standards

“Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.”

Recommendation 1.1: The Board should document minimum standards of ethical behaviour to which the issuer’s Directors and employees are expected to adhere (a code of ethics)

NZSA does not maintain a separate Code of Conduct. Principles relevant to ethical behaviour are contained in the Board Charter and individual employment agreements. NZSA’s Whistleblowing Policy notes as one of its aims that “NZSA maintains the highest standard of conduct and ethical behaviour”.

Policies are reviewed periodically. The Board Charter was last reviewed in March 2023, while the Whistleblowing Policy was reviewed in May 2022.

Note that NZSA does not make donations to political parties.

Recommendation 1.2: An issuer should have a financial product dealing policy which applies to employees and Directors

As an incorporated society, NZSA offers no financial products in its own right. However, NZSA operates a *Sensitive Information Policy* to ensure that we do not inadvertently release material information to market, nor that NZSA staff are able to benefit from the receipt of market sensitive information. The policy was last reviewed by the NZSA Board in June 2023.

Among other provisions, the policy notes that “Any NZSA staff or board member who has received specific market-sensitive information is regarded as an ‘insider’, and cannot act on that information until it is released via the NZX Market Announcements service and/or a “cleansing notice” is issued.”

Principle 2

Board Composition and Performance

“To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.”

Recommendation 2.1: The Board of an issuer should operate under a written charter which sets out the roles and responsibilities of the Board. The Board Charter should clearly distinguish and disclose the respective roles and responsibilities of the Board and management.

The roles and responsibilities of the NZSA Board are defined in the Constitution and Board Charter. The Board Charter does not replace the Association’s Rules (September 2022), from which it draws, but expands upon the Board’s duties and responsibilities laid out therein and sets out the Board’s delegation to its CEO.

The Board provides governance oversight and strategic direction for the NZSA. The Board delegates to the CEO the power to manage the business operations and day-to-day affairs of the Association, in line with the Strategy and Annual Business Plan approved by the Board. The CEO is required to provide information to the Board to support core Board functions.

Specific Board functions include (but are not limited to):

- a) Ensuring that the Association’s goals are clearly established, and strategies are in place for achieving them
- b) Overseeing the implementation against strategic goals, including the approval and monitoring of progress of major projects and material transactions
- c) Provide support and/or prioritisation to ensure effective allocation of NZSA human capital and financial resources
- d) Development of ongoing succession plans for Board Members and key NZSA staff
- e) Appointing the CEO, setting the terms of the CEO’s employment contract and reviewing the CEO’s performance
- f) Ensuring the Association’s financial statements are true and fair and otherwise conform with the law
- g) Identifying and reviewing key risks facing NZSA and ensuring the Association has appropriate risk management/regulatory compliance policies in place.
- h) Maintain effective Board reporting processes

The Board also operates committees as required to support issues where more detailed consideration is required.

Recommendation 2.2: Every issuer should have a procedure for the nomination and appointment of Directors to the Board.

The process for the nomination and appointment of Directors is set out in section 9 of NZSA’s Constitution. There is no separate nominations committee for the

Board. Only NZSA members can be elected to the Board. Nominations must be made in writing, supported by at least two other members, 28 days ahead of any election at a General Meeting.

NZSA Directors are able to nominate members as Directors. The Board is also able to appoint Directors, subject to election by members at the next Annual General Meeting.

Recommendation 2.3: An issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment.

All NZSA Directors have signed a written letter of offer from NZSA setting out the terms of their appointment.

Recommendation 2.4: Every issuer should disclose information about each Director in its Annual Report or on its website

NZSA provides biographical information about each director, including length of service, on its website and within this Annual Report.

Tenure: NZSA Board members operate to an expectation set out in section 9 of the Constitution that the maximum length of service is three terms of three years each.

Interests Register: The Board maintains an interests register that is reviewed at each Board meeting. Where the Board determines a conflict, the Director must recuse themselves from discussion.

Meetings: A total of 10 Board Meetings were held during the financial year. Current Board members are indicated by shading.

As at Mar 31 2024	Eligible to Attend	Attended	Notes
Andrew Reding	10	10	
Joy Marslin	10	8	
Louise Nicholson	10	10	
Martin Hawes	10	8	
Ruth Tolise	10	9	
Chris Steptoe	8	6	App. Jun 2023 as Assoc. App. Board Nov 2023
Grayson Denzer	5	5	Res Sep 2023

As at Mar 31 2024	Eligible to Attend	Attended	Notes
Martin Watson	5	5	Res Sep 2023
Jerry He	4	4	Res Jul 2023
Philip Ascroft (Assoc)	2	2	App. Feb 2024 as Assoc.

The Board notes that Andrew Reding (Chair) has served 12 years. However, he maintains such independence of mind to be considered as an Independent Director, despite tenure.

Recommendation 2.5: An issuer should have a written Diversity Policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the Diversity Policy or a summary of it.

NZSA does not have a written Diversity Policy.

The NZSA Board operates a culture that results in a Board having an appropriate mix of skills, knowledge, experience and diversity to adequately discharge their responsibilities. Diversity may include a mix of gender, ethnicity, thought, experiential and social diversity.

As at Mar 31 2024	Female	Male	Gender-Diverse
Directors	3	3	-
Employees	1	1	-

A skills matrix describing the skills of individual directors and their ability to meet the governance needs of NZSA is set out on the following page. NZSA believes that the current mix of skills and experience are appropriate to govern NZSA affairs.

Recommendation 2.6: Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer.

NZSA Directors do not receive any formal training. However, Board meetings are held in different NZSA branches 2-3 times per year to assist Board members knowledge of Branch activities. Other events encourage interaction with other industry stakeholders.

Recommendation 2.7: The Board should have a procedure to regularly assess Director, Board and committee performance

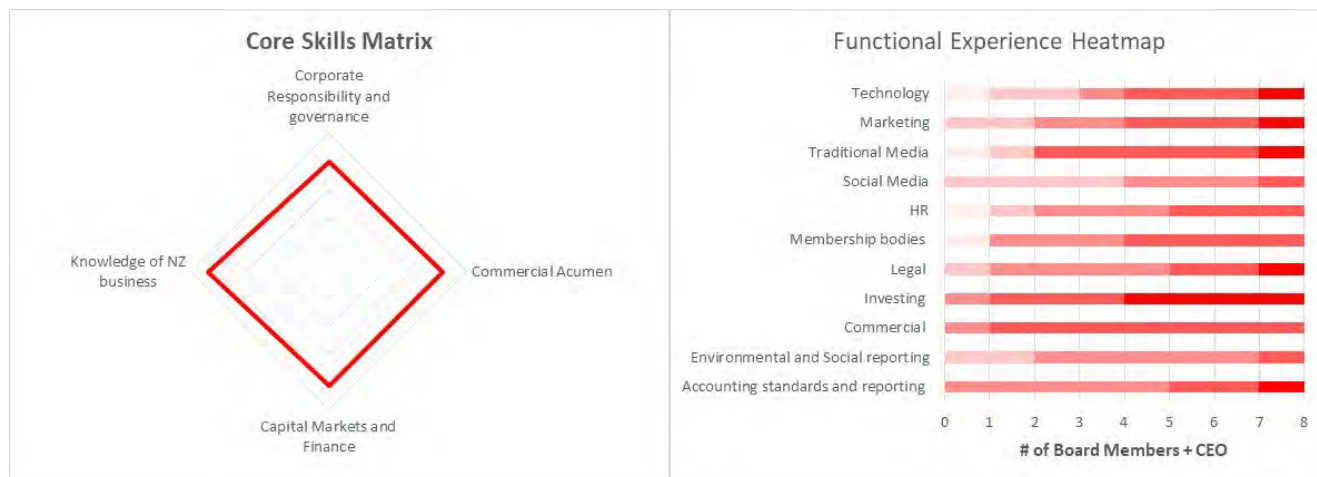
Board members are subject to review processes associated with meeting requirements against the skills matrix.

Recommendations 2.8 and 2.9: A majority of the Board should be Independent Directors. An issuer should have an Independent Chair of the Board.

The Board has determined that all its directors (including the Chair) are Independent Directors, noting that as an Incorporated Society, no Director can have an ownership stake in NZSA, however all Directors are members. It is unlikely that membership would constitute significant materiality so as to compromise independence. No Director has been previously employed by NZSA.

Recommendation 2.10: The Chair and the CEO should be different people.

NZSA operates the Chair of the Board and CEO as separate roles.



Principle 3
Board Committees

“The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.”

Recommendations 3.1 and 3.2: An issuer’s Audit Committee should operate under a written charter. Membership on the Audit Committee should be majority Independent and comprise solely of non-executive Directors of the issuer. The Chair of the Audit Committee should be an Independent Director and not the Chair of the Board. Employees should only attend Audit Committee meetings at the invitation of the Audit Committee.

NZSA’s Finance & Risk Committee (FRC) is Chaired by Ruth Tolise, an independent member of the Board. The FRC operates under a written charter. Ms Tolise has a strong financial background. The only other member of the Committee is Andrew Reding, the Board Chair. In general, the FRC meets monthly. The CEO attends meetings, at the invitation of the FRC Chair.

Recommendations 3.3, 3.4 and 3.5: NZSA does not operate separate Remuneration or Nomination Committees. Director appointments are considered by the Board as a whole. NZSA does operate an Investment Committee comprising two Directors (Chris Steptoe, Joy Marslin). The CEO regularly attends Investment Committee meetings.

Principle 4
Reporting and Disclosure

“The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

Recommendation 4.1: NZSA does not have a written continuous disclosure policy, as this is not relevant for an Incorporated Society.

Recommendation 4.2: *An issuer should make its code of ethics, Board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.*

NZSA only provides limited governance documents on its website, including Risk Management, Whistleblowing, Data Privacy and other key membership-related policies. We will look to improve this during FY2025.

Recommendation 4.3: *Financial reporting should be balanced, clear and objective.*

NZSA complies fully with standards set by the External Reporting Board. The Finance and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements

Recommendation 4.4: *An issuer should provide non-financial disclosure at least annually, including considering environmental, social, sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.*

NZSA makes non-financial disclosures via this Corporate Governance Statement within its Annual Report. This forms NZSA’s obligation to supporting disclosure transparency amongst its stakeholders.

Principle 5
Remuneration

“The remuneration of Directors and executives should be transparent, fair and reasonable.”

Recommendation 5.1: *An issuer should have a remuneration policy for the remuneration of Directors. An issuer should recommend Director remuneration to shareholders for approval in a transparent manner. Actual Director remuneration should be clearly disclosed in the issuer’s Annual Report.*

As a non-profit Incorporated Society, NZSA does not operate a Remuneration Policy for Directors Remuneration. Currently, the NZSA Chair is paid \$24,000 per annum, with no other Director fees payable.

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

Name	Role	FY24 Payment
Andrew Reding	Chair	\$24,000

Recommendation 5.2: An issuer should have a remuneration policy for remuneration of executives, which outlines the relative weightings of remuneration components and relevant performance criteria.

The remuneration policy is based 100% on fixed remuneration, with a Board Appreciation Bonus payable at the Board’s discretion.

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, as 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.

Recommendation 5.3: An issuer should disclose the remuneration arrangements in place for the CEO in its Annual Report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance-based payments.

The current CEO of the NZSA, Oliver Mander, was appointed in October 2020. For FY2024, Mr. Mander was paid \$110,000 per annum with an additional KiwiSaver benefit of \$3,300, and reimbursement of reasonable expenses to support travel and accommodation requirements. Mr. Mander was paid a \$5,000 Board Appreciation bonus during the FY24 year. There are no formal short or long-term incentive programmes in place, with any award made at the Board’s discretion. Nonetheless, Mr. Mander has clear targets set for each year, with a regular assessment of progress against those targets carried out by the Board at quarterly intervals.

Base Remuneration	Other Benefits	Incentive Payments	Total paid to 31/3/24
\$110,000	\$3,450	\$5,000	\$118,450

Principle 6
Risk Management

“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”

Recommendation 6.1: An issuer should have a risk management framework for its business and the issuer’s Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

The Board operates a risk management framework with the support of its Finance and Risk Committee (FRC). Our ‘high’ and ‘moderate’ risk domains, together with their risks and mitigations, are shown on the following page.

For each risk domain, the Board adopts a position on *risk appetite*. This is the level of risk the NZSA Board are willing to accept in pursuit of financial, reputational, strategic, operational, legal and people objectives. This is a fundamental consideration that shapes how we approach new opportunities, manage our operations, and prepare for potential challenges.

The Board continues to evaluate our risk appetite within our risk management framework. This ensures we balance our strategic objectives with safeguarding the long-term sustainability and reputation of NZSA. We are committed to making informed decisions that optimise risk and return for the benefit of members and investors.

Board members are able to access external advice to support decision-making as required, including through NZSA’s legal services provider (Chapman Tripp), and can access internal staff at any time. Staff and key contractors are also able to access Board members as required.

ID	Risk Domain	Name	Description	Mitigation	Residual Risk
1	Legal	Incorrect public statements	If NZSA makes a statement that can be seen as defamatory or concerning by an issuer or individual, we may incur costs relating to settling or defending a claim	We are committed to maintaining the highest standards of integrity in our public communications. To mitigate the risk of defamatory or concerning statements that could result in legal costs, we are strengthening our review and approval processes. The risk of litigation is HIGH, primarily due to the significant consequences and likelihood of legal action that could result from our public advocacy efforts. While we cannot fully prevent or control another party's decision to pursue legal action, we take proactive steps to scrutinise our communications and minimise the risk of any statements that could expose us to legal costs and reputational harm. By reinforcing our commitment to integrity, we aim to be vigilant, ethical and lawful in our approach, even as we continue to amplify our voice and advocate for important causes.	High
2	Reputation	Membership Loss	If membership loss continues, then NZSA will be unable to maintain both credibility and influence in capital markets	To alleviate the risk of continued membership loss, we are implementing strategies to enhance our credibility and influence in capital markets. This includes strengthening our engagement with existing members and expanding our reach to attract new members.	Moderate
3	Operational	Rise of 3rd party investing	If an increase in intermediary investment continues, this will impact our existing membership (underlying DIY investors) of NZSA	In response to the increased intermediary investment impacting our DIY investor membership, we are refining our targeting and value proposition to better serve the evolving needs of our core constituency. This will involve adapting our programmes and services to remain relevant.	Moderate
4	Strategic	Programme delivery	If NZSA does not deliver successfully and in a timely way against its strategic objectives, this will impact ongoing financial reserves and our overall role in capital markets	To ensure we continue to fulfill our strategic objectives and maintain a strong financial position, we have clarified and condensed our programme delivery goals. This will help us focus our resources and track progress more effectively.	Moderate
5	Digital Security	Data Breach	If our membership data is compromised, this will expose NZSA to data privacy concerns	Safeguarding our members' data privacy is of utmost importance. We have implemented 2FA security measures and continue to enhance data protection protocols to mitigate the risk of a data breach.	Moderate
6	Legal	Insider knowledge	If a staff or Board member has access to inside/private knowledge through stakeholder meetings and acts on it, that exposes NZSA to market manipulation allegations.	To address the risk of potential market manipulation, we have reinforced our policies and controls around the handling of inside information e.g Sensitive information and Whistleblower policies in place including reporting of share dealings.	Moderate
7	Operational	Member dis-satisfaction	If NZSA does not meet the specific needs of members or react to concerns, it will lead to long-term financial and reputational loss	Maintaining strong member satisfaction is a key priority. We are actively soliciting feedback, enhancing our programmes and services, while fostering deeper engagement to ensure we continue meeting the evolving needs of our membership.	Moderate
8	Operational	Corporate member dis-satisfaction	If corporate members are dis-satisfied, they will leave the organisation and place NZSA under financial strain	We recognise the importance of our corporate members and are committed to addressing their concerns. By strengthening our value proposition and communication channels, we aim to retain these critical stakeholders and mitigate the risk of financial strain.	Moderate
9	Operational	Proxy Holder does not turn up	If a proxy holder does not turn up to a meeting, this will mean that shares are not voted as requested by our proxies.	To ensure our members' voting preferences are accurately represented, we are enhancing our proxy management processes. This includes improving communication, monitoring, and follow-up with proxy holders to mitigate the risk of non-attendance	Moderate

Recommendation 6.2: An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

NZSA has a robust health and safety policy in place, which requires staff and volunteers to comply with health and safety protocols and report any incidents. Health and Safety risks are considered within the scope of the Finance & Risk Committee.

Principle 7
Auditors (Reviewer)

“The Board should ensure the quality and independence of the external audit process.”

Recommendation 7.1: The Board should establish a framework for the issuer’s relationship with its external auditor. This framework should include the procedures prescribed in Recommendation 7.1 of the NZX Code.

NZSA undertakes a **Review** each year, as per the Tier 3 reporting framework regulated by the External Reporting Board. The reviewer is appointed subject to NZSA’s Finance Review Policy, which is available on our website. This specifies a term no longer than 5 years for the Lead Partner and a review to be carried out every 10 years. No

changes are planned to BDO as reviewer nor the Lead Audit partner for FY25. . BDO were appointed as reviewers for FY23, but FY24 is the first year the review has been overseen by Lead Partner Brooke Rodriguez.

As our Reviewers, NZSA does not contract BDO to perform any other services for NZSA. The NZSA Board has no reason to believe that BDO are in any way compromised or impaired in carrying out their audit role.

Recommendation 7.2: The external auditor should attend the issuer’s Annual Meeting to answer questions from shareholders in relation to the audit.

NZSA has extended an invitation to BDO to attend our Annual General Meeting. As this recommendation goes

beyond usual standards for incorporated societies, we consider it unlikely they would attend. However, should any member wish to ask questions in relation to the financial statements or their Review, these can be forwarded to the Finance & Risk Committee Chair.

Recommendation 7.3: Internal audit functions should be disclosed.

NZSA does not have an internal audit function. There are a number of internal controls overseen by the Finance and Risk Committee to ensure the integrity of key financial and operational data.

Our Corporate Members and Supporters

