



"providing for the
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of the future..."

The Otago Boys' High School Foundation

ANNUAL GENERAL MEETING

Agenda, Previous Minutes, Chairman Report
& Chief Executive Report

THE OTAGO BOYS' HIGH SCHOOL FOUNDATION

AGM AGENDA

Board Room – WHK Taylors, 44 York Place, Dunedin
Monday 23RD August 2010

Present:

Apologies:

Graeme Marsh, Andrew Moffatt, Clive Rennie (Rector),

In Attendance:

Doug Kamo (CEO), Darlene Williams (Foundation Administrator)

Declaration of Interest:

Doug Kamo, Phillip Rasmussen, Paul Moodie and Greg Easton declared their interest in various activities being undertaken by the Foundation – Doug in the form of charging disbursements, Phillip by way of charging for services associated with the website; Paul, who as Principal at WHK Taylors, assisted with the provision of accounting services to the Foundation; and Greg with regard to the provision of investment advice and brokering services.

Previous Minutes:

Matters Arising:

Chairman's Report:

Chief Executive's Report:

Annual Accounts:

Election of Officers:

Up for re-election – Andrew Moffat, Mike Christie, Greg Easton, Geoff Davies

General Business:

Meeting Closed -



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THE OTAGO BOYS' HIGH SCHOOL FOUNDATION

Annual General Meeting

Minutes

Minutes of the fourth Foundation Annual Meeting held in the WHK Taylors Board Room, 44 York Place, Dunedin, on Monday 10th August 2009, commencing at 12 noon.

Present: Greg Strang (Chairman), Clive Rennie (Rector), Dr Brian McMahon, Paul Moodie, Andrew Moffat, Norcombe Barker, Phillip Rasmussen, Lyndon Hope, Greg Easton and Mike Christie.

In Attendance: Steve Davie (Chief Executive).

Apologies: Graeme Marsh, Dr Geoff Davies, Gary Williams, Lindy Marr.

Declaration of interest: Steve Davie, Phillip Rasmussen, Paul Moodie and Greg Easton declared their interest in various activities being undertaken by the Foundation – Steve in charging the Foundation for disbursements; Phillip in charging the Foundation for his company's IT services; Paul as Principal at WHK Taylors who provide the Foundation with accounting services; and Greg with regard to the provision of investment advice and brokering services.

Previous minutes: The minutes from the Foundation's third annual meeting held on 26th September 2008 had been circulated and were deemed a true and correct record. (*Moffat/Hope*). *Carried*.

Matters arising: None.

Chairman's report: Greg's report had been circulated, was taken as read and adopted (*Strang/Rasmussen*).

Chief Executive's report: Steve spoke to his report, outlining the 32% increase in membership numbers; the impact the non-attraction of a James Macandrew Society member had on the year's figures; and the prospects for a \$20 million-plus fund if the Foundation's tracking, conversion rate and average gift

percentages were maintained at their current level. Steve's report was adopted (*Davie/Moodie*).

Annual accounts: Greg Strang spoke briefly to the accounts, noting the \$50,000 increase in surplus for the year. The accounts were tabled for adoption (*Strang/Moffat*). *Carried*.

Election of Officers: All existing Board of Management members – Greg Strang, Paul Moodie, Phillip Rasmussen, Andrew Moffat, Lyndon Hope and Greg Easton – resigned their posts, as required by the Trust Deed, and offered themselves for re-election. They were duly returned. Mike Christie, nominated by Steve Davie and seconded by Greg Strang, was elected. Norcombe Barker indicated he would be standing down in a personal capacity but would retain his position by virtue of his role as President of the Old Boys' Society until the Society's own Annual General Meeting.

With Greg Strang indicating he would be stepping back the position of Chairman, Lyndon Hope was nominated by Paul Moodie to take the reins with this seconded by Clive Rennie. There being no other nominations, Lyndon was elected unanimously.

It was noted that James Macandrew Society members Graeme Marsh and Brian McMahon and Trustee members Gary Williams and Dr Geoff Davies had declined the invitation, as set out in the Trust Deed, to take a position on the Board of Management. No other James Macandrew Society or Trustee members had indicated a willingness or otherwise to take a position on the Board.

General Business: A letter from our Patron Graeme Marsh was tabled. Graeme expressed concern about the ratio of expenses to income (52%) for the year and suggested the Foundation take on other secretarial work to offset operating costs. Graeme had forewarned Steve of the letter's arrival and Steve had indicated the fact the Foundation office comprised him and him only, and with the time being invested in the role (very much full time, up to 60 hours a week) adding further commitments wasn't an option.

Robust and wide ranging discussion followed – with various points of view expressed. These ranged from:

Paul – the fact the establishment of the Foundation was never a short term proposition but was, in fact, the complete opposite with previous fundraising ventures which focussed on one-off projects proving ineffective, costly and which also harmed some relationships between Old Boys and the school; the progress made to date in contacting alumni, building funds and relationships wouldn't have eventuated if not for the significant hours invested and costs incurred; the independent advice the Board of Management had taken in assessing Steve's salary, this being acted upon to ensure the role was undertaken to its fullest extent; the acknowledgement the Foundation was still

in its fledgling stages with costs reflecting the setting up process; with no commission being paid the likelihood of the ratio of expenses to income dropping in the years ahead; there was a long-term strategy in place especially with the likes of the Bequest Society to reap rewards; if the Foundation wound up now there would be a total of just \$680,000 available to the school (comprising the \$450,000 invested now and a further \$230,000 pledged but not yet received) with nothing more to come; and the awareness that progress to date would not have been made had it not been for Steve's commitment to the task, the contacts he had made and the relationships he had built – many of which will pay dividends in the years ahead;

Clive – noted the position of the Foundation had been discussed earlier in the year, with the decision taken at that point to carry on; he had spoken recently to the management team at Nelson College which had initiated a special 150th project (the funding of a new gymnasium) with a professional fundraiser brought in ... the result being that the \$400,000 raised all went to the fundraiser, nothing to the school and there is still no gymnasium;

Brian – outlined a number of fundraising drives he had been associated with where there had been a cost of sale which had to be raised first before the projects even gained traction;

Andrew – advised the attraction of a James Macandrew Society member during the year would have dropped the ratio of expenses to income to 39%.

There was a general understanding from the Board of Management of Graeme's concerns while acknowledging that without Steve's expertise and experience the Foundation wouldn't be as soundly placed as it is. Steve was instructed to convey these thoughts to Graeme when he was back in the city, Steve having indicated Graeme had suggested they get together to discuss the day to day operations and the workload undertaken and fulfilled.

There being no further business the meeting closed at 12.33p.m.

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Signed, (Chairman)
(as a true and correct record)



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Chairman's Report 2009/2010

It gives me pleasure to present my first report as Chair of the Foundation.

The current economic climate along with the lack of discretionary income has made the last twelve months a difficult period. While we cannot influence the impact of the economic environment, the Board and CEO have continued to work hard on the areas we can influence.

While the Foundation may not have had the same success as previous years we are still growing, albeit only slightly.

Pledges, donations and bequests to date total just over \$1.2 million up from just over \$1.1 million from last year. We have attracted 31 new foundation members with our total membership 391.

While our revenue was down, so to were our expenses, coming from significant savings in office expenses.

Our surplus of \$55,137 was considerably down from the previous year, but our net assets were up slightly from \$444,043 to \$499,180.

The Foundation now administers and promotes eight scholarships, including the new and recently awarded Foundation Staff Professional Development Scholarship.

Our association with RD Petroleum through the fuel card has provided a good passive income stream for us with over \$4500 income for the year. With the relaunch of the card, I am sure this will continue to grow.

Steve Davie resigned as CEO in December, but continued on for a few months assisting with the newsletter and website, while our new CEO settled in.

Steve had guided the Foundation since inception and had been the driving force behind our successes to date. Steve felt it was time to move on, and I together with the Foundation Board of Management very much thank him for the work he has done during his tenure as CEO.

In January 2010, Doug Kamo was appointed as CEO of the Foundation. Doug is a worthy replacement and comes to us with a strong commercial background in television and production.

Doug is now based on site at Otago Boys' High School. I thank Clive Rennie and the school team for the opportunity and provision of an office at the school.

Being based at the school is an important milestone for us, as the Foundation enters a new phase, one that will bring challenges and set us up for exciting opportunities.

Since Doug started in the role our structure has been reviewed with Doug tabling a Strategic Plan earlier this year. One of the changes identified was the implementing of administrative support through the employment of a full time administrative assistant.

An overhaul of all business systems has been completed with procedures and tools put in place to allow Doug to carry out what he was employed to do.

Within our review of systems the website and newsletter were identified as very important tools and work will be carried out, to continue and update these. Visits to the website continue to grow, significantly spiking when the newsletter is sent out.

Our fifth annual Foundation Golf Tournament was held in March in perfect weather at St Clair Golf Course with a full field. This event only grows in stature each year and is a way of thanking our members, Old Boys and the community.

In 2013, the school will celebrate its 150th year. A committee has been established and work is well underway in arranging the event. We envisage up to 2,000 people will attend the celebration with almost 400 registrations to date. The date for the celebration is 1 – 4 August 2013, so mark your diary now and look forward to a worthwhile event.

The coming twelve months will see the Foundation enter a new phase and increase on the momentum built over the past years. It is timely to remind everyone that this is not a short-term project, but one that will take time.

The Board thanks all members of the Foundation for their continued support and belief in what the Foundation stands for.

Lyndon Hope
Chairman



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Chief Executive's AGM Report 2009/2010

The Foundation; as with many other businesses has had a difficult year as it continues to grapple against the current economic climate and the lack of discretionary income from our Old Boys'.

Whilst it has still performed – it would be fair to say it hasn't enjoyed the prosperity of previous years as the accompanying audited accounts indicate.

The Foundation's surplus for the year was \$55,137, considerably down on the 08-09 figures of \$142,548. The areas within the Foundation that performed better than the previous year are the fuel card which continues to have significant growth and our scholarship revenue.

The major loss areas were:

- Pledges, donations and bequests received which were down \$80,541 on the previous year
- Interest and Foreign Exchange Gains – down \$6,741 as a result of poor revenue being generated through gifting
- Event income – down \$2,778
- Website Advertising – down \$588

The major decline in revenue has resulted from a lack of new Foundation Memberships with only 31 Old Boys' joining partnership with the Foundation in the last financial year. As of end of March - Foundation Membership totals 391. A total of 125 Old Boys' have joined the Foundation in the last 2 years.

Of particular interest is the Foundation did not attract a James MacAndrew Society membership (\$100K plus) for the second consecutive year. Whilst one such membership a year had been the average for our first three years it would seem the ripest fruit from the bottom of the tree has been exhausted and we now need to climb higher to reap the reward.

It is also worth noting that this is the first year the Foundation has had defaults in payments totaling \$16,495. However, pledges, donations and bequests to date total \$1,201,314.36, up from just over \$1.1 million at the end of the 08/09 year.

By year's end the Foundation's net assets had increased and stood at \$499,180 up slightly from the previous year's figure of \$444,043.

It is important to note that even with the less than desirable result our passive income, including interest, still supported 25% of our annual operating costs.

Whilst revenue was down it is pleasing to note that expenses followed suit with a decrease of \$5,672. This is as a result of prudent management with postage, printing, telephones, stationery and general office expenses turning a significant saving of \$15,751.

The only areas to see an increase were wages, travel and lease equipment. The increase in wages can be attributed to the handover period between outgoing and incoming Chief Executives where two salaries were being paid over this short period. Travel increased as focus again moved to the value of visiting Old Boys – those gathering in groups around the country and one-on-one meetings – with the conversion rate (personal visits to Foundation membership) in excess of 40%.

The increase in lease equipment was due to the relocation and setup costs associated with the Foundation moving its operation to Otago Boys' High School.

Finding Old Boys' continued throughout the year with 5,887 now contactable on email and an additional 1,627 on post. As previously outlined the Foundation has memberships totaling 391 who between them have pledged just over \$1.2 million – averaging approximately \$3,000 each. This bodes well for the future of the Foundation as if just 20% of the current 7,000 contactable Old Boys' gifted the average of what the 391 Foundation Members have gifted - the Foundation would exceed its capital base target of 2.5 million - by almost 2 million.

So why then haven't we performed better this year?

Much can be attributed to this but in support of Mr Steve Davie's comments in last year's AGM report - the key to unlocking this potential is contact and time. The Foundation pushed beyond the threshold of a one man band 12 months ago and as a result the administrative duties required to operate the Foundation at its current level simply don't allow the Chief Executive time to focus on researching and contacting Old Boys' who can make a real difference.

I must thank the Board for their understanding in regard to the Foundation requiring additional support (man power) and time will be spent over the coming months to look at ways of freeing the Chief Executive to get back to their core business of driving revenue into the business.

The last quarter of the year saw Steve Davie tender his resignation from the role as Chief Executive. His leadership, focus and drive for the Foundation was evident from the start and we as a Board and members must thank him for his tireless energy in positioning the Foundation where it is today. Much of what has been achieved in the last 5 years can be attributed to his desire to see Otago Boys' benefit from this watershed development. As the current CEO, I thank him greatly for his guidance and support.

Highlights and observations from the year comprise –

The administration of our growing list of scholarships ... the Foundation now promotes eight scholarships:

The Graeme Marsh Scholarships for three boys each year entering Otago Boys' from Arthur Street School (with the recipients receiving \$1,000 per year for their first two years at Otago Boys', this is valued at \$6,000 annually with the funds distributed from our Patron Graeme Marsh's donation);

The Superior Minerals Scholarship which sees one Year 12 or Year 13 leaver taking up a course at Lincoln University and being funded to the tune of \$500 for his first year of study. This payment is distributed from the Superior Minerals donation);

The Clarke Crow Scholarship (awarded, at a rate of \$2000 a year for four years, to Ryan Hammer who is studying accounting at Otago University. Clarke Crow's donation to the Foundation has made this scholarship possible);

The Mason Brothers Scholarships (awarded annually to one Year 13 boy in 2009, two in 2010 and three in perpetuity from 2011 who take up tertiary engineering courses with the recipients each receiving \$1,000 per year for the first three years of their studies. These are distributed from George Mason's annual contribution in honour of his uncles Harry and Percy who attended Otago Boys' in 1896-98 and 1905-06 respectively)

The Stanley Johnson Scholarship – awarded as a one-off to a Year 9 boy facing hardship. Nga Woodhouse is the recipient of this scholarship and will receive \$200 per year (retrospectively) for five years to assist with his costs. Stanley Laurence Johnson attended Otago Boys 1924-26 and this scholarship was established by his daughter Ainsley with a one-off gift of \$1,000 in the 2008 financial year.

The Byars Family Lodge Scholarships – awarded annually to two Year 10 boys (at \$280 each) and one Year 12 boy (valued at \$275) – the recipients to be boys facing hardships and who may not be able to attend the Year 10 class or Year 12 leader's camps at the Mt Aspiring Lodge. These scholarships were established in July 2009 by Holmes Byars (1965-68) on his and his family's behalf and would be an on-going commitment.

The Stephen Guest Prize for Excellence in Performance Music – awarded annually (at \$300) to a leaver who has excelled at performing music and who intends to study either Law or Philosophy. This prize is to be awarded annually from 2010 until 2013 when Stephen will donate \$12,000 to the Foundation. This will be used to fund an annual \$1,000 scholarship to be awarded to a student as described in the prize.

The Foundation Staff Professional Development Scholarship – awarded annually (at maximum of \$10,000.00) to a current member of OBHS Staff as a reward for the contribution the recipient has made to the school. This prize is to be awarded annually and must be used for the purposes of developing their skills to benefit the individual and the school. This year's recipient was Dave Bond.

Golf

The fifth annual Foundation tournament was held in perfect conditions with a full field of 32 teams. Naming Sponsor moved to Dunedin Casino with all 18 holes being sponsored. The overall event generated a profit of \$3,721.10

Reunions

In November, the Foundation hosted a Reunion for Old Boys from the 1930s. 35 Old boys' and partners attended and we were privileged to host them to an enjoyable two day programme. Positive outcomes from this must be bringing those Old Boys back to their alma mater and rekindling their connection to the school. The reunion netted a \$773.64 profit.

The Foundation also assisted with the organisation of the 50th anniversary gathering of the 1959 class year. 59 Old Boys' enjoyed the 2 day programme along with many partners attending also. This saw the 59er's donate the Harley – Taylor Trophy to acknowledge the clash between Otago Boys' and Kings High School 1st XV which has been contested since 1938. It was donated in recognition of the competition and camaraderie which came from Don Harley (OBHS) and Evan 'Bugs' Taylor (Kings) going on to represent Otago division one and remaining friends for life.

Website

Whilst revenue was slightly down from advertisers for the Foundation Business Directory the 'site' still ran at profit. A nett revenue of \$3,600 was generated, well ahead of the year's IT expenses (not all associated with the website) of \$837.

Newsletter

The monthly newsletter link (and quarterly hard-copy version for those with no email addresses) continues to prove valuable – both in terms of profile but also in re-connecting Old Boys with the school. The 'spike' in visits to the website as each monthly link is sent out is testament to the readership the newsletter attracts. This contact also generates the additional benefit of opening the way for 'lost' Old Boys to be found through third party communication.

RD Petroleum Fuel Card

The RD Petroleum generated passive income for the year of almost \$4,500, almost the value of a Fellow membership. These figures will continue to grow in the 09/10 year as the re-launch of the card will take effect. It has also been propositioned that an annual card fee will be introduced with half of the fee being returned to the Foundation.

The Old Boys' Society

The Foundation continues to administer the Society's day to day requirements, overseeing the likes of the annual subscription drive, receipting, sourcing best interest rates for the Society's investment (which now stands in at \$33,743.18, a solid growth of \$4,500 over the last two years), and corresponding with Society members as instructed. In return for these services, the Society has committed to an annual donation to the Foundation, which has tallied \$5,000 in each of the last three years.

Times are changing for the Foundation. It has become clear we are in a very new phase – one that will bring challenges but also very exciting opportunities and outcomes.

Whilst only in the role for a short time I am delighted to be given the opportunity to guide the Foundation through its next term and my sincere thanks go to members on the Board of Management for their support and the guidance, to Steve for his wisdom in the background and to all Foundation members, no matter their level of

commitment, for their tangible support of the Foundation's vision which remains the same – 'to provide for the Otago Boys' of the future.'

As we move into the Foundation's sixth term it is important to remember that this is no short-term project. Finding, contacting and converting Old Boys is not an overnight task. It requires time, resource, planning, diligence, patience and tenacity.

The Foundation's ideals have been cast and the work to ensure its success and subsequent benefit to Otago Boys' through the 21st century and beyond is certainly well underway.