

Report of Chairperson 2012

Membership as at 30th June, 2012

Trustees: John Kernohan (Chair), Paul Westbury (Deputy Chair), John Craig, Chris Elliot, Paul Fenton, Margaret Galt, Roger Gyles, Bruce Hansen, John Harvey, Peter Isherwood, John Jones, Perema Leasi, Brian Milne, Brian Poole, Ian Russon, Margaret Shailer and Soo Land Wong.

Associates: Russell Garrett, Wayne Matheson (Council of Assembly representative), Lyn Murray (Synod of Otago & Southland representative)

Executive Officer: Kos van Lier Secretary: Heather McKenzie

Administration Assistant: Jenny Barns

I would like to thank Bruce Hansen for his work during 2010/11 as Chairperson of the Trustees. His knowledge of the Church and his business-like pragmatic approach served us well during his tenure. During the year, we welcomed Russell Garrett as an associate. Russell's background is in funds management, and we welcome his contribution to the Trustees' work, especially on the Investment Committee. John Craig, Peter Isherwood and Margaret Shailer have all tendered their resignations as from this annual meeting. All have made significant contributions to the work of the Trustees, and we shall miss them.

Staffing

As stated in the 2011 report of the Chairperson, The Trustees have established the new position of Executive Officer and, early in 2012, Kos van Lier joined in that role. We appreciate his work for us. Heather McKenzie and Jenny Barns have continued in their roles as Secretary and Administrative Assistant, but their duties with us will come to an end on 31st October 2012. We thank them for their willing contributions to our work.

Year in Review

The past year has been a time of volatility in international finance markets. The uncertainty in the economies of a number of European countries continues to frustrate investment markets.

Closer to home, issues related to the Canterbury earthquakes continue to occupy the Trustees' time. The Presbyterian Insurance Group (on which the Trustees are represented by Paul Westbury and John Jones) has been through another year of challenge and adjustment. Increases in insurance premiums and the difficulties the insurance industry continues to present have not made matters easy. However, shortly after year-end, Canterbury congregations with earthquake damaged buildings settled with the insurers. We wish to thank particularly Revs Martin Stewart and Dugald Wilson, of Christchurch Presbytery, for their facilitation of this settlement. I expect insurance issues will continue to confront the Trustees, our congregations and officers for some time yet.

I am grateful for the contribution and commitment of all members of the Trustees over the past year. In particular, I would like to note the work of John Craig and the Investment Committee who have continued to develop the diversification of our investment portfolio. During the first half of the reporting year, Roger Gyles continued to work with Heather McKenzie to manage the investing of the assets of the Presbyterian Investment Fund, and Paul Westbury has again willingly given a huge amount of time and energy to the Presbyterian Insurance Group and the national Church's Insurance Review Task Group.

Others have continued to give leadership to the Trustee committees. Brian Milne continues to lead our Farms Committee and Margaret Galt has led our Communication Committee. In

addition to these roles there have been several property issues that have required direct input from the Trustees and I am grateful to those who have assisted us directly.

With a number of new statutory requirements due to be imposed on those who engage in the finance industry, the Trustees have sought professional advice on their obligations. We are pleased to report that, with only minor changes to our practices, we believe we are compliant in all respects.

Support Services

The Trustees continue to be well served by our advisors and those who manage various aspects of our work. I would like to acknowledge the work of Doug Langford who has continued to serve as Secretary to both the Beneficiary Fund Committee and the Presbyterian Insurance Group.

May I also extend the thanks of the Trustees to Charles Macdonald and Bernie Higgins, our Beneficiary Fund investment advisors, and to Ashley Goss, the Beneficiary Fund Administrator, and to all the staff at Aon Consulting who work with us on these projects; to Russell Bell, our advisor at Aon Insurance; to Alasdair McBeth, our new legal advisor; to Philippa Keith and Lyudmila Arkhipova, of Grosvenor Financial Services, who administer the Presbyterian Investment Fund investments and parish deposits; to Linda Caradus of Melville Jessup Weaver, our actuaries; to Ernst & Young, our auditors; to Don Todd and David Baker, our farms advisors; and to all who have willingly offered their help and guidance to the Trustees over this past year.

Conclusion

This meeting represents the conclusion of the first year of my second term as Chairperson and I thank all those who have made this such a satisfying time for me. I especially thank those who have been patient with me, as I have devoted much of my time to another key project of the Church. The funds that are entrusted to the oversight of the Trustees are all in a sound position, and with the appointment of our new Executive Officer, we are positioned to go forward with a sense of confidence. My best wishes to all who willingly give of their time and talents in this aspect of our Church's work.

John Kernohan
Chairperson
September 2012