

Hillary Institute of International Leadership

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For the Year ended 31 March 2011

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Hillary Institute of International Leadership

Directory

As at 31 March 2011

Nature of Business	Recognising, Rewarding & Nurturing Great Leadership
Trust Formation Date	17 February 2005
Trustees	G A Moore P R Townsend M A Prain D Caygill A Goodall D P Beck S McMeeking
Beneficiaries	Leaders who have made outstanding contributions towards improving the human condition.
Type of Trust	Qualifying
Accountants	Deloitte Chartered Accountants 60 Grove Road Christchurch 8011
Auditors	KPMG Chartered Accountants P O Box 1739 Christchurch 8140
Bankers	The National Bank of New Zealand P O Box 3478 Wellington
Solicitors	Buddle Findlay P O Box 322 Christchurch
IRD Number	090-436-058
Registered Office	PO Box 578 Christchurch 8140

Hillary Institute of International Leadership

Approval Statement

For the Year ended 31 March 2011

Approval and Issue of Financial Statements

On this date the Trustees approve and issue the annual report including the attached financial statements for Hillary Institute of International Leadership for the year ended 31 March 2011.



G A Moore

Trustee

Date 10.08.11



P R Townsend

Trustee

Date 10.8.11



M A Prain

Trustee

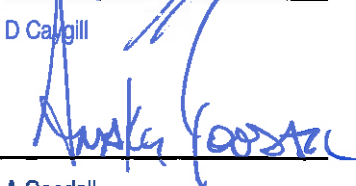
Date 10/8/2011



D Cargill

Trustee

Date 10.8.2011



A Goodall

Trustee

Date 10th August 2011



D P Beck

Trustee

Date _____



S McMeeking

Trustee

Date 10th August 2011

Hillary Institute of International Leadership

Statement of Financial Performance

For the Year Ended 31 March 2011

Note	2011	2010
	\$	\$
Operating Income		
Symposium Sponsorship Income	32,502	27,122
Foreign Exchange Gain/(Loss)	-	(43)
CEDF Loan Written Off	-	100,000
Interest Income	162,748	159,981
	195,250	287,060
Less Expenses		
Accountancy	2,640	2,450
Board	433	2,647
Bank Charges	375	415
Communication	714	1,927
Donations	13,600	10,000
Depreciation	234	275
Executive Services	108,304	118,212
General Expenses	3,762	2,185
Interest - Deemed Interest on Adjustment to Market Value	297,848	116,698
Fund Management Fees	25,000	25,000
Symposium Costs	14,998	20,994
Travel - International	22,221	26,176
Total Expenses	490,129	326,979
Net Deficit	(294,879)	(39,919)
Allocated pursuant to Deed of Trust as follows:		
Transfer to Trustee Income	(294,879)	(39,919)



These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.

Hillary Institute of International Leadership

Statement of Changes in Trust Funds

For the Year Ended 31 March 2011

	2011	2010
	\$	\$
Revenue and Revaluations		
Net Deficit	(294,879)	(39,919)
Total Revenue and Revaluations	(294,879)	(39,919)
Trust Funds at the Beginning of the Year	1,010,123	1,050,042
Trust Funds at the End of the Year	715,244	1,010,123



These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.

Hillary Institute of International Leadership

Statement of Financial Position

As at 31 March 2011

	Note	2011 \$	2010 \$
Current Assets			
The National Bank		39,237	29,479
Cash on Hand		100	100
Accounts Receivable		238	238
Accrued Interest		2,453	3,155
GST Receivable		1,614	1,618
Total Current Assets		43,642	34,590
Non Current Assets			
Property, Plant & Equipment	2	1,324	1,558
Investments	3	2,674,573	2,654,399
Total Non Current Assets		2,675,897	2,655,957
Total Assets		2,719,539	2,690,547
Current Liabilities			
Accounts Payable		131,023	105,000
Non Current Liabilities			
Term Loans - Unsecured	7	1,873,272	1,575,424
Total Liabilities		2,004,295	1,680,424
Net Assets		715,244	1,010,123
Trust Funds			
Trust Capital	4	100	100
Trustees Accumulated Income	5	715,144	1,010,023
Total Trust Funds		715,244	1,010,123

These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.

Hillary Institute of International Leadership

Statement of Cash Flows

For the Year Ended 31 March 2011

Note	2011	2010
	\$	\$
Cash Flows from Operating Activities		
Cash was provided from:		
Interest Income	115,223	116,112
Net GST Received	4	-
Cash Received from Customers	32,502	27,079
	<u>147,729</u>	<u>143,191</u>
Cash was disbursed to:		
Payments to Suppliers	(166,021)	(185,009)
Net GST Paid	-	(43)
	<u>(166,021)</u>	<u>(185,052)</u>
Net Cash Flows from Operating Activities	(18,292)	(41,861)
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Deposits	28,050	187,847
	<u>28,050</u>	<u>187,847</u>
Cash was disbursed to:		
Purchase of Deposits	-	(220,728)
	<u>-</u>	<u>(220,728)</u>
Net Cash Flows from Investing Activities	28,050	(32,881)
Cash Flows from Financing Activities		
Cash was disbursed to:		
Repayment of Loan	-	(50,000)
	<u>-</u>	<u>(50,000)</u>
Net Cash Flows from Financing Activities	-	(50,000)
Net Increase in Cash Held	9,758	(124,742)
Cash at the Beginning of the Year	29,579	154,321
Cash at the End of the Year	<u>39,337</u>	<u>29,579</u>



These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.

Hillary Institute of International Leadership

Notes to the Financial Statements

For the Year Ended 31 March 2011

1 Statement of Accounting Policies

Reporting Entity

Hillary Institute of International Leadership is a Discretionary Trust.

The financial statements of Hillary Institute of International Leadership are general purpose financial statements which have been prepared according to generally accepted accounting practice.

Statement of Compliance and Basis of Preparation

The Trust qualifies for differential reporting as it is not publicly accountable and is not large as defined in the Framework for Differential Reporting. The Trust has taken advantage of all available differential reporting exemptions.

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust. The financial statements are prepared on a going concern basis.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

(a) Revenue

Provision of Services

Revenue from the provision of services is recognised when the services are invoiced.

Dividend & Interest Revenue

Dividend & Interest revenue from investments is recognised when the right to receive payment has been established. Dividend & Interest revenue is recorded gross of RWT, NRWT & withholding tax credits but net of imputation credits.

(b) Trade Receivables

Trade Receivables are recognised at estimated realisable value.

(c) Property, Plant & Equipment

Property, Plant & Equipment are recognised at cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. Gains and losses on disposal of Property, Plant & Equipment are taken into account in determining the operating result for the year.

The following depreciation rates have been applied:

Website	15.0% DV
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(d) Income Tax

For taxation purposes the trust is deemed to be a charitable organisation and its income is not subject to taxation.

(e) Investments

Investments are recorded at cost.

(f) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.



Hillary Institute of International Leadership

Notes to the Financial Statements

For the Year Ended 31 March 2011 (continued)

(g) Liabilities

Liabilities are stated at the estimated amounts payable and include obligations which can be reliably estimated, with the exception of interest free loans.

Interest free loans are recorded at fair values. Any changes in the fair values are recognised as 'deemed interest on adjustment to market value' in the income statement.

(h) Functional & Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the trust is New Zealand dollars.

(i) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

2 Property, Plant & Equipment

Property, Plant & Equipment 2011

Website	
Total Property, Plant & Equipment	

Cost	Accumulated Depreciation	Closing Book Value
\$	\$	\$
2,985	1,661	1,324
2,985	1,661	1,324

Property, Plant & Equipment 2010

Website	
Total Property, Plant & Equipment	

Cost	Accumulated Depreciation	Closing Book Value
\$	\$	\$
2,985	1,427	1,558
2,985	1,427	1,558

3 Term Investments

Private Banking - Term Deposit

Private Banking - Term Deposit 1015	
Private Banking - Term Deposit 1017	
Marac Finance Ltd	
UDC Finance Ltd	
Total	

Total Term Investments

2011	2010
\$	\$
1,000,000	1,000,000
90,000	113,018
1,084,573	1,041,381
500,000	500,000
2,674,573	2,654,399
2,674,573	2,654,399

4 Trust Capital

Opening Balance	
Total Trust Capital	

2011	2010
\$	\$
100	100
100	100

These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.



Hillary Institute of International Leadership

Notes to the Financial Statements

For the Year Ended 31 March 2011 (continued)

5 Trustees Accumulated Income	2011	2010
Opening Balance	\$ 1,010,023	\$ 1,049,942
Less:		
Deficit for the Year	(294,879)	(39,919)
Total Trustees Accumulated Income	715,144	1,010,023

6 Deemed Interest Expense - Canterbury Economic Development Fund	2011	2010
Opening Balance	\$	\$
Principal Repaid	-	150,000
Principal Written Off	-	(50,000)
Total Deemed Interest Expense - Canterbury Economic Development Fund	-	(100,000)

On 31 August 2009 \$50,000 was paid and accepted as full and final payment of the total balance of loan monies due to CEDF as agreed by the CEDF Board.

7 Deemed Interest Expense - Jan Cameron	2011	2010
Opening Balance	\$	\$
Deemed Interest Expense	1,575,424	1,458,726
	297,848	116,698
Term Loan Balance as at 31 March	1,873,272	1,575,424

Terms: Interest free, unsecured and repayable by 31 December 2014.

At the date of the loan, the principal sum was adjusted to its fair value. Fair value is determined by discounting the expected future cash flows at a market interest rate. The market interest rate is determined at 8% by using the first mortgage rate. In the current and subsequent years interest at the rate of 8% per annum is charged as an expense. The carrying value of the loan at 31 March 2011 is as above.

On the 11th July 2011 the parties identified and agreed that the requirement for repayment by 31 December 2015 was inaccurate and that their intention was that the advance would be due for payment no later than 31 December 2014.

Accordingly, the present value of the loan has been recalculated to reflect the change in repayment date. This has resulted in an additional \$171,874 of interest expense being recorded in the statement of financial performance.

8 Reconciliation of Profit after Tax with Net Cashflow from Operations	2011	2010
Profit (loss) after tax	\$ (294,879)	\$ (39,919)
Depreciation	234	275
Deemed Interest Expense	297,848	116,695
Capitalised Interest Received	(48,225)	(43,891)
Loan Written Off	-	(100,000)
Decrease (Increase) in GST Receivable	4	(43)
Decrease (Increase) in Sundry Receivables	702	22
Increase (Decrease) in Accounts Payable	26,024	25,000
Total Reconciliation of Profit after Tax with Net Cashflow from Operations	(18,292)	(41,861)

Add (less) movements in working capital items:

These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.

Hillary Institute of International Leadership

Notes to the Financial Statements

For the Year Ended 31 March 2011 (continued)

9 Interests Register

Many of the Board members of Hillary Institute of International Leadership are involved in other organisations with which the Trust transacts.

Following are the Board members and the associated entities. The entities listed are transacted with to carry out the activities of the Trust. All transactions are entered into on an arms length basis. There have been no debts written off or forgiven during the year.

- Garry Moore - Former Mayor of Christchurch.
- Peter Townsend - Chief Executive - Canterbury Employers Chamber of Commerce.
- Anake Goodall - Chief Executive of Te Runanga o Ngai Tahu.
- David Caygill - Chair Electricity Commission, Convenor of the Hillary Summit.
- Rev Peter Beck - Dean of Christchurch.
- Mark Prain - Director Maven Ltd and Shareholder of Anark Limited.
- S McMeeking - Strategy Manager of Ngai Tahu

10 Audit Fees

The audit fee for the year was \$Nil (31 March 2010 : \$Nil).

11 Related Parties

During the year total payments of \$54,950 were made to Maven Limited as a related party for Executive Services rendered. A fund management fee of \$25,000 per annum is also paid to Maven Limited. As in the previous financial year, the payment of this has been deferred.

Other than the related party disclosures made there were no other material related party transactions.

12 Contingent Liabilities

The Trust has no contingent liabilities as at 31 March 2011, (2010 Nil).

13 Capital Commitments

The Trust has no capital commitments as at 31 March 2011, (2010 Nil).



These financial statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been audited.

Hillary Institute of International Leadership

Resolution of Trustees

Resolution of Trustees passed by entry in the Minute Book of the Hillary Institute of International Leadership dated

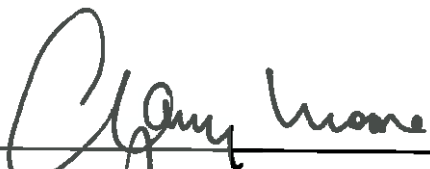
10th day of August 2011

We, G A Moore , P R Townsend , M A Prain , D Caygill , A Goodall , D P Beck and S McMeeking being the Trustees of the above Trust record that we have reviewed the administration of the Trust and the investments of the Trust having regard to:

- a) The needs and requirements of all potential beneficiaries.
- b) The requirements under the Trust Deed.
- c) The Trust's investment strategy.
- d) The Trust's need for retention of capital.

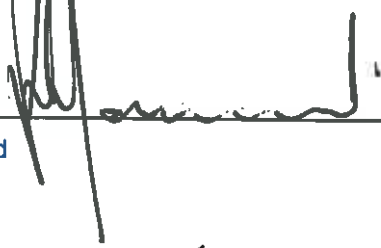
Now Resolve:

1. The Financial Statements for the year ended 31 March 2011 as prepared by Deloitte showing a Deficit of \$123,065 be and are hereby approved and adopted.
2. That there be no allocations from the net surplus to the beneficiaries, and all income be retained as Trustee Income.
3. That there be no capital distributed to beneficiaries.
4. That there be no distributions from trustee accumulated income to beneficiaries.
5. That there has been no advance/loan to beneficiaries.
6. That any Surplus of the trust for the ensuing year when determined, be allocated at the discretion of the Trustees, and that any income allocated to the beneficiaries be indefeasibly vested in their names.




G A Moore

Trustee



P R Townsend

Trustee



M A Prain

Trustee

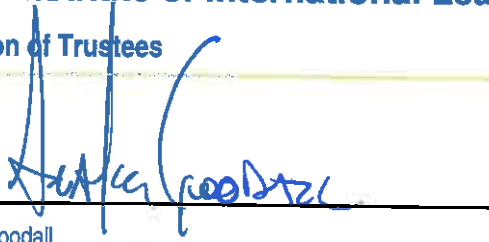


D Caygill

Trustee

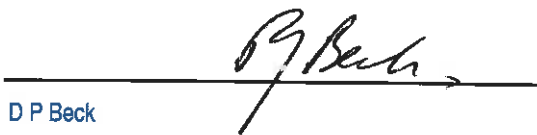
Hillary Institute of International Leadership

Resolution of Trustees



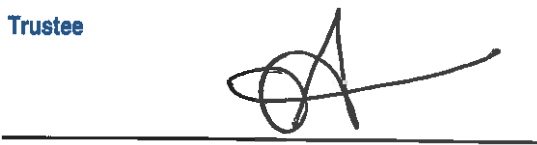
A Goodall

Trustee



D P Beck

Trustee



S McMeeking

Trustee