

For the year ended 31 March 2014

Hillary Institute of International Leadership

# Hillary Institute of International Leadership

## Contents of Financial Statements

For the Year Ended 31 March 2014

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# Hillary Institute of International Leadership

## Directory

As at 31 March 2014

Nature of Business	Recognising, Rewarding & Nurturing Great Leadership
Address	P O Box 578 Christchurch 8140
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
Beneficiary	Leaders who have made outstanding contributions towards improving the human condition.
Type of Trust	Qualifying
Accountants	Deloitte Chartered Accountants 50 Hazeldean Road Christchurch 8024
Auditors	KPMG Chartered Accountants P O Box 1739 Christchurch 8140
Bankers	ANZ Bank New Zealand Limited
Solicitors	Buddle Findlay P O Box 322 Christchurch
IRD Number	090-436-058

# Hillary Institute of International Leadership

## Approval Statement

For the Year ended 31 March 2014

### Approval and Issue of Financial Statements

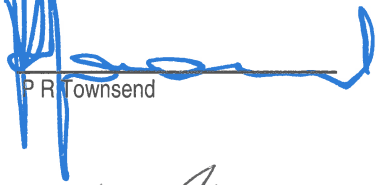
On this date the Trustees approve and issue the annual report including the attached financial statements for Hillary Institute of International Leadership for the year ended 31 March 2014.



C A Moore

Trustee

Date 25/8/14



P R Townsend

Trustee

Date 25/8/14



M A Prain

Trustee

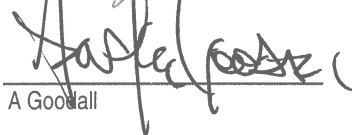
Date 25/8/14



D Caygill

Trustee

Date 25/8/14



A Goodall

Trustee

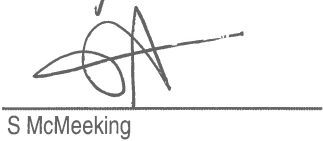
Date 25/8/14



P Beck

Trustee

Date 25/8/14



S McMeeking

Trustee

Date 25/8/14

# Hillary Institute of International Leadership

## Statement of Financial Performance

For the Year Ended 31 March 2014

Note	2014 \$	2013 \$
<b>Operating Income</b>		
Symposium Sponsorship Income	8,909	11,750
Donations	62,500	13,100
Interest Income	206,110	165,048
<b>Total Operating Income</b>	<b>277,519</b>	<b>189,898</b>
<b>Less Expenses</b>		
Accountancy	2,100	2,650
Board	2,122	2,870
Bank Charges	720	663
Break Fees	-	9,433
Communication	1,544	1,441
Depreciation	143	169
Donations	5,000	5,000
Executive Services	90,000	90,000
Foreign Exchange Loss	363	655
General Expenses	181	40
Interest - Deemed Interest on Adjustment to Market Value	307,323	161,851
Printing & Stationery	1,812	2,586
Symposium Costs	6,582	8,421
Hillary Step Award	-	107,292
Travel	9,795	16,016
<b>Total Expenses</b>	<b>427,685</b>	<b>409,087</b>
<b>Net Deficit</b>	<b>150,167</b>	<b>(219,189)</b>
<b>Allocated pursuant to Deed of Trust as follows:</b>		
Transfer to Trustee Income	(150,167)	(219,189)
	<b>(150,167)</b>	<b>(219,189)</b>

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 2014

	2014	2013
	\$	\$
Revenue and Revaluations		
Net Deficit	(150,167)	(219,189)
Total Revenue and Revaluations	<u>(150,167)</u>	<u>(219,189)</u>
Trust Funds at the Beginning of the Year	505,277	724,466
Trust Funds at the End of the Year	<u><u>355,110</u></u>	<u><u>505,277</u></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

## Statement of Financial Position

As at 31 March 2014

	Note	2014 \$	2013 \$
<b>Current Assets</b>			
Cash & Bank Balances		178,069	37,080
Accrued Interest		313	37,796
Income Tax Receivable	2	-	27
GST Receivable		1,304	1,267
Private Banking - Term Deposit 1019		96,918	93,136
Macpac Loan	4	2,500,000	-
<b>Total Current Assets</b>		<b>2,776,604</b>	<b>169,306</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	3	813	956
Macpac Loan	4	-	2,500,000
Other Non Current Assets		75,000	25,000
<b>Total Non Current Assets</b>		<b>75,813</b>	<b>2,525,956</b>
<b>Total Assets</b>		<b>2,852,417</b>	<b>2,695,262</b>
<b>Current Liabilities</b>			
Accounts Payable		5,000	5,000
Current Portion of Term Loan - Jan Cameron	5	2,492,308	-
<b>Total Current Liabilities</b>		<b>2,497,308</b>	<b>5,000</b>
<b>Non Current Liabilities</b>			
Term Loan- Jan Cameron	5	-	2,184,985
<b>Total Liabilities</b>		<b>2,497,308</b>	<b>2,189,985</b>
<b>Net Assets</b>		<b>355,110</b>	<b>505,277</b>
<b>Trust Funds</b>			
Trust Capital	6	100	100
Trustees Accumulated Income	7	355,010	505,177
<b>Total Trust Funds</b>		<b>355,110</b>	<b>505,277</b>

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 2014

Note	2014	2013
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was provided from:</b>		
Interest Income	189,836	105,171
Net GST Received	(37)	87
Cash Received from Customers	71,409	24,850
	<u>261,208</u>	<u>130,108</u>
<b>Cash was disbursed to:</b>		
Payments to Suppliers	120,219	247,067
	<u>120,219</u>	<u>247,067</u>
<b>Net Cash Flows from Operating Activities</b>	<u>140,989</u>	<u>(116,959)</u>
<b>Cash Flows from Investing Activities</b>		
<b>Cash was provided from:</b>		
Draw Down of Term Deposits	-	2,583,142
	<u>-</u>	<u>2,583,142</u>
<b>Cash was disbursed to:</b>		
Loan	-	2,593,137
	<u>-</u>	<u>2,593,137</u>
<b>Net Cash Flows from Investing Activities</b>	<u>-</u>	<u>(9,995)</u>
Net Increase in Cash Held	140,989	(126,954)
Cash at the Beginning of the Year	37,080	164,034
<b>Cash at the End of the Year</b>	<u>178,069</u>	<u>37,080</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 2014

### 1 Statement of Accounting Policies

#### Reporting Entity

Hillary Institute of International Leadership is a Charitable Trust registered with the Charities Commission under the Charities Act 2005.

#### Compliance with NZ Gaap

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with approved Financial Reporting Standards (FRSs) and Statements of Standard Accounting Practice (SSAPs) as appropriate for entities that qualify for and apply differential reporting concessions.

#### 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 the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust. The information is presented in New Zealand dollars.

#### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

##### (a) Revenue

###### 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.

###### Provision of Services

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

###### Donations

Donations revenue is received on receipt of cash payment.

##### (b) 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. In accordance with the changes to this Act, buildings with an estimated useful life of 50 years or more have no depreciation from the 2011/12 and later income tax years. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

##### (c) Income Tax

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

##### (d) Investments

Investments are recorded at cost.

##### (e) 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 2014 (continued)

(f) 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 initially recorded at fair value and subsequently at amortised cost using the effective interest cost method.

(g) 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 (NZ\$).

(h) Foreign Exchange Policy

Assets and liabilities expressed in foreign currencies are converted to New Zealand dollars at the rate of exchange ruling at balance date. Profits and losses on exchange, both realised and unrealised, are recognised in the period in which they occur by way of a credit or change in the revenue statement.

(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 Income Tax

	2014	2013
	\$	\$
Opening Balance	(27)	-
Plus:		
Prior Period Tax Adjustment	27	-
Less:		
Resident Withholding Tax Paid	-	27
<b>Income Tax (Receivable)</b>	<b>-</b>	<b>(27)</b>

3 Property, Plant & Equipment

	Cost	Accumulated Depreciation	Closing Book Value
	\$	\$	\$
Property, Plant & Equipment 2014			
Website	2,985	2,172	813
<b>Total Property, Plant &amp; Equipment</b>	<b>2,985</b>	<b>2,172</b>	<b>813</b>
Property, Plant & Equipment 2013			
Website	2,985	2,029	956
<b>Total Property, Plant &amp; Equipment</b>	<b>2,985</b>	<b>2,029</b>	<b>956</b>

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 2014 (continued)

4 Term Investments	2014	2013
	\$	\$
Loan - Macpac		
Total Outstanding	2,500,000	2,500,000
Less:		
Current Portion	2,500,000	-
Term Portion	-	2,500,000

The loan to Macpac was for a fixed term of 27 months (to 31 December 2014). 6% interest is received quarterly and 2% interest is to be received when the loan is repaid. Additionally, Macpac pays a quarterly donation equal to 2% interest. See Note 8 for further information regarding early repayment.

The investment has a guarantee and indemnity from Jan Cameron.

Jan Cameron is a Director and an indirect shareholder in Macpac Limited.

5 Term Loan from Jan Cameron	2014	2013
	\$	\$
Total Outstanding	2,184,985	2,023,134
Plus:		
Interest - Deemed Interest on Adjustment to Market Value	307,323	161,851
Less:		
Current Portion	2,492,308	-
	-	2,184,985

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

At the date of the loan, the principal sum was initially recorded at fair value. Fair value was determined by discounting the expected future cash flows at a market interest rate. The market interest rate was 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 2014 is as above. Given the known early repayment of the loan, the deemed interest was amended to allow for the correct effective interest rate and future cash flow to be applied under the amortised cost method.

Total Term Loan – Jan Cameron	-	2,184,985
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6 Trust Capital	2014	2013
	\$	\$
Opening Balance	100	100
Total Trust Capital	100	100

7 Trustees Accumulated Income	2014	2013
	\$	\$
Opening Balance	505,177	724,366
Less:		
Deficit for the Year	150,167	219,189
Total Trustees Accumulated Income	150,167	219,189
	355,010	505,177

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 2014 (continued)

### 8 Events Occurring After Balance Date

The Hillary Institute has signed a deed of variation with Macpac Limited for full repayment of the Macpac Loan on 15 April 2014 which is earlier than the original repayment date of December 2014. All accrued interest and donations will be paid up to 15 April 2014, (2013 Nil).

### 9 Reconciliation of Profit after Tax with Net Cashflow from Operations

	2014	2013
	\$	\$
Profit (loss) after tax	(150,167)	(219,189)
Depreciation	143	169
Deemed Interest Expense	307,323	161,851
Capitalised Interest Received	(3,782)	-
Decrease (Increase) in Income Tax Receivable	27	-
Decrease (Increase) in GST Receivable	(37)	87
Decrease (Increase) in Sundry Receivables	(12,518)	(59,877)
<b>Total Reconciliation of Profit after Tax with Net Cashflow from Operations</b>	<b>140,989</b>	<b>(116,959)</b>

### 10 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 - Trustee
- Peter Townsend - Chief Executive - Canterbury Employers' Chamber of Commerce.
- Anake Goodall - Director of EPA (Environmental Protection Authority) and Meridian Energy.
- David Caygill - ECan Commissioner, Convenor of the Hillary Summit.
- Rev Peter Beck - Anglican Priest.
- Mark Prain - Director - Maven Ltd.
- Sacha McMeeking - Director - Catalytic Ltd.

### 11 Audit Fees

The audit fee for the year was \$Nil (31 March 2013: \$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

## Notes to the Financial Statements

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For the Year Ended 31 March 2014 (continued)

### 12 Related Parties

During the year total payments of \$57,500 (2013: \$57,500) were made to Maven Limited as a related party for Executive Services rendered.

During the 2013 year the Trust entered into a loan agreement with Macpac Limited. The details are disclosed in Note 4.

### 13 Contingent Liabilities

The Trust has no contingent liabilities as at 31 March 2014, (2013 Nil).

### 14 Capital Commitments

The Trust has no capital commitments as at 31 March 2014, (2013 Nil).

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



## Independent auditor's report

### To the Trustees of Hillary Institute of International Leadership

We have audited the accompanying financial statements of Hillary Institute of International Leadership ("the trust") on pages 4 to 12. The financial statements comprise the statement of financial position as at 31 March 2014, the statements of financial performance, changes in trust funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Trustees' responsibility for the financial statements*

The trustees are responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the trust.

#### *Opinion*

In our opinion the financial statements on pages 4 to 12 present fairly, in all material respects, the financial position of the trust as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

KPMG.

25 August 2014  
Christchurch

# Hillary Institute of International Leadership

## Resolution of Trustees

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

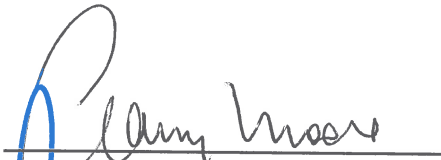
25th day of August 2014

We, G A Moore, P R Townsend, M A Prain, D Caygill, A Goodall, D P Beck, 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 2014 as prepared by Deloitte showing a Deficit of \$150,167 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.

  
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G A Moore

Trustee

  
\_\_\_\_\_

P R Townsend

Trustee

  
\_\_\_\_\_

M A Prain

Trustee

  
\_\_\_\_\_

D Caygill

Trustee

# Hillary Institute of International Leadership

## Resolution of Trustees

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A Goodall  
Trustee



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P Beck  
Trustee



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S McMeeking  
Trustee