

# **Financial Statements**

The Hillary Institute of International Leadership & Subsidiary  
Entities

For the year ended 31 March 2022

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# Trust Information

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2022

### Date of Trust Deed

17 February 2005

### IRD Number

039-811-650

### Trustees

Anna Kominik (Director EHF & Chair HIL)  
Camia Young (Director EHF & Trustee HIL)  
Andrew Hoppin (Director EHF & Trustee HIL)  
Anna Kominik (Director EHF & Trustee HIL)  
Sacha McMeeking (Director EHF & Trustee HIL)  
Mark Prain (Trustee HIL)  
Paul Atkins (Chair HIL - Ceased 31/10/2021)

### Auditors

Moore Markhams Wellington Audit

### Bankers

ANZ Bank New Zealand Limited  
Bank of New Zealand

### Chartered Accountants

Darvill Mellors & Co Limited

# Entity Information

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2022

### Legal Name of Entity

The Hillary Institute of International Leadership & Subsidiary Entities

### Entity Type and Legal Basis

Trust  
Registered Charity

### Registration Number

CC38369

### Entity's Purpose or Mission

Recognising, rewarding and nurturing great leadership. HI's purpose is to recognise transformative leaders mid-career that are making outstanding contributions towards improving the human condition. The Hillary Institute currently has eleven laureates who are global leaders in climate action. This includes the 2022 newly-appointed laureate, Vanessa Nakate from Uganda.

### Entity Structure

The Hillary Institute is a charitable trust, launched on 17th February 2005. It is the 100% shareholder of the Edmund Hillary Fellowship (EHF), a not-for-profit limited liability company with charitable status. EHF serves a Fellowship of over 500 entrepreneurs, investors, innovators, scientists and creatives who are committed to Aotearoa NZ as a basecamp for global impact.

HI was founded by Mark Prain, launched by Sir Edmund Hillary, with the Hon Helen Clark, former Prime Minister for Aotearoa NZ, as patron, and David Caygill, former cabinet minister, as Board Chair.

### Main Sources of Entity's Cash and Resources

HI's primary source of funds has been a mixture of endowments and grants, and an annual licence fee from EHF, although this has been waived in FY22. The current cash and resources are accumulated reserves over the past decade from HI's original investor.

### Main Methods Used by Entity to Raise Funds

The Hillary Institute of International Leadership has continued a modest capital raising campaign with an ultimate goal of NZD \$5m. Our operating funds are supplemented by modest event earnings from Hillary Institute of International Leadership and an annual license fee agreement with Edmund Hillary Fellowship Limited.

### Entity's Reliance on Volunteers and Donated Goods or Services

The Hillary Institute is not a volunteer-based organisation however both Trustees and event sponsors contribute substantive 'in-kind' resourcing in support of the purpose.

### Address

PO Box 578  
Christchurch, 8140  
New Zealand



# Approval of Financial Report

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2022

On this date the Trustees approve and issue the financial statements of The Hillary Institute of International Leadership & Subsidiary Entities for year ended 31 March 2022.

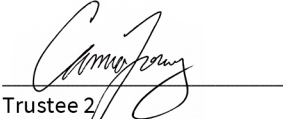
APPROVED

For and on behalf of the Trustees.



Trustee 1

Date *10 Nov 2022*



Trustee 2

Date *10 Nov 2022*

# The Hillary Institute of International Leadership & the Edmund Hillary Fellowship Limited

## Statement of Service Performance for the year ended 31 March 2022

The 2021/22 Financial Year is the first year of reporting the consolidated accounts for the Hillary Institute of International Leadership (HI) and the Edmund Hillary Fellowship Ltd (EHF), its subsidiary.

This was part of a strategy set in motion by the Hillary Institute and EHF Boards in 2019, which could not be fully completed in the period originally intended due to Covid. The culmination of the work during the last year has resulted in a single, integrated Board, integrated financial reporting and progression towards a unified legal and management structure.

This included amendments to the EHF constitution and the registration of EHF as a limited liability company with charitable status on March 08, 2022.

With these foundations in place, the Hillary Institute and EHF will be developing a new operational/business model in 2022/23 that realises our shared purpose and generates sustainable support to generate even greater impact.

## The Hillary Institute of International Leadership

### Description of Entity's Outcomes

The Hillary Institute's mission is simple: to recognise and reward exceptional international leadership in mid-career, those who are in play and can go considerably further with peer support, leverage and goodwill.

In 2022 the Hillary Summit Governors selected the 11th Hillary Laureate - Vanessa Nakate, a 26-year-old climate activist from Uganda who is an author and global voice for developed countries to meet their financial pledges to support developing countries disproportionately impacted by climate change. In her year as laureate, Vanessa is being connected into a wider global community of laureates and changemakers through the Edmund Hillary Fellowship, comprising more than 500 innovators from over 50 countries, committed to New Zealand as basecamp for global impact, and will be welcomed to Aotearoa NZ in 2022/23.

### Description and Quantification of the Entity's Outputs

After 15 operational years, 11 Hillary Laureates and three Hillary Step prizes, the Institute enjoys considerable presence and credibility globally since our launch in 2007. The focus in FY22 was continuing the important work of selecting and awarding an 11th Laureate, supporting the laureate whānau, and offering connections, support and advice to the Edmund Hillary Fellowship, as both entities managed the constraints of Covid on travel and in-person engagement.

FY22 was also a year of implementing integrated governance of HI and EHF into a unified Board structure, with appropriate and specialist legal and financial engagement. It included the planned transition of operational arrangements to Rosalie Nelson, who assumed full leadership as CEO of both EHF and the Hillary Institute from 1 September 2022. Founding Director Mark Prain is moving into a kaitiaki/guardian role where he will continue to support the strengthening of relationships between Laureates, Fellows, stakeholders and financial supporters.



# The Edmund Hillary Fellowship Ltd

## Description of Entity's Outcomes

The Edmund Hillary Fellowship was founded in 2016 in partnership with the New Zealand Government to bring together international and local innovators, entrepreneurs and investors from around the world. These individuals and teams are working collaboratively to create a positive global impact from New Zealand as basecamp. We define "impact" as adding value to Aotearoa NZ by helping kiwi ventures create global impact, and building innovative solutions that create positive lasting economic, social, cultural and/or environmental value for New Zealand and the world.

The pilot phase of attraction and selection for the Global Impact Visa programme was completed in 2020; EHF now has over 500 Fellows of which over 400 are international. The focus in 2022 has been to continue to engage and connect the Fellowship during Covid-19, and work with the Government to ensure the ~270 Fellows unable to apply for a visa or enter NZ due to border closures continued to have a pathway into the country. Covid-19 significantly disrupted our business model, so a primary focus has been securing our financial runway.

As part of the closer alignment with the Hillary Institute, a new Chief Executive for EHF was appointed, with the intention that the Hillary Institute come under this role in FY23. A key focus has been working with the Board on integrating governance practices and resetting EHF's partnership with Government with variation of contract, funding and border exceptions. This programme of work included EHF achieving charitable status.

## Description and Quantification of the Entity's Outputs

EHF continues to meet its commitments to MBIE, which includes welcoming and integrating Fellows into Aotearoa and supporting Fellows with their visa and permanent residence process. Table 1 below highlights our outputs against those commitments.

COMMITMENT	STATUS	FY22
<b>Integrating Fellows into Aotearoa</b>		
<b>Induction Welcome Experience</b>	<b>On hold</b> <i>Online welcome experiences completed in FY21. In person events deferred to FY23, due to border closures</i>	<b>Fifth anniversary event</b> marking new leadership & new chapter with Fellows (in person/virtual)  <b>Fellow-led Treaty of Waitangi</b> online training
<b>Programmes to support better integration into NZ and regions</b>	<b>Achieved</b> <i>Note that regional engagement had to be conducted online except for Fellows in Aotearoa.</i>	<b>4x Webinars</b> providing advice on relocation and settlement, regions and tax advice
<b>Liaise with industry players</b>		<b>1x Springboard event</b> - 3 day series of sessions connecting Fellows and NZ leaders around critical NZ challenges such as climate action, amplifying our innovation system, empowering rangatahi youth.
<b>Support Fellows to actively engage with NZ's entrepreneurship ecosystem.</b>		<b>Connecting Fellows to NZ</b> - universities, investors, government, agencies, start-ups and incubators/ accelerators, matching demand and skills  <b>1:1 connecting Fellows</b> into special appointments - advisory, governance and mentoring roles to support kiwi innovators  <b>8x cohort reconnection calls, monthly Fellows impact digest</b> to increase awareness and flag opportunities for Fellows in NZ  <b>Hosting 4-day virtual programme</b> in partnership with the Angel Association: created by investor Fellows for 10 NZ companies, 24



		<p>attendees to hear from VCs and international experts on raising capital and growth</p> <p><b>14x Live sessions</b>, showcasing Fellows expertise and connecting into Ecosystem</p> <p><b>Partnered with:</b></p> <ul style="list-style-type: none"> <li>• Angel Association</li> <li>• CreativeHQ on Climate Response Accelerator</li> <li>• TechNZ story</li> <li>• Ministry of Awesome</li> <li>• AUT &amp; Auckland Exec business school</li> </ul> <p><b>Provided regular investment deal flow</b> from NZ and avenues for Investor Fellows to engage with the NZ Investment ecosystem</p>
<b>Visa and other obligations</b>		
<b>Code of Conduct</b>	<b>Achieved</b> <i>Note that this needs to be updated to reflect Tikanga Māori</i>	<b>Code of conduct developed</b> , in consultation with Fellows. In FY23 will be redesigned to reflect Tikanga Māori as a Fellowship Charter
<b>Support Fellows with Visas:</b> Global Impact Visa process; letter of support for permanent residence	<b>Achieved</b>	<p><b>Pastoral care and personalised support</b> for Fellows visa applications, and those unable to enter Aotearoa because of border closures.</p> <p><b>Extension of the Global Impact Visa programme</b> to Dec 2022, in partnership with MBIE/ Immigration NZ. Allowed over half the Fellowship to be able to enter the country as borders reopened.</p> <p><b>Partnered with the government to secure</b> variation of contract and 50 critical border exceptions for Fellows requiring urgent entry into Aotearoa to support post-Covid recovery.</p> <p><b>2x Permanent Residence process</b> for Fellows to request a letter of support for Permanent Residence based on activity and impact. Fifty letters provided.</p>
<b>Managing media</b> and significant public comms in partnership with MBIE	<b>Achieved</b>	<p><b>Provided regular guidance and updates</b> to Ministers and officials on reputational risks associated with border closures</p> <p><b>Proactively engaged with MBIE</b> on public comms and any media engagement - no surprises policy</p>
<b>Creation of a self-funded delivery model</b>	<b>In progress</b>	<p><b>Implemented tight cash management</b> and secured future cashflow runway</p> <p><b>Co-created a refreshed vision, purpose &amp; strategy</b> with Fellows; researched and analysed business model options with Fellows aligned to refreshed purpose. To be implemented in FY23</p>
<b>Reporting</b>		
<b>Performance monitoring</b>	<b>Achieved</b>	<p><b>Provided six-monthly financial updates</b> and Covid-related risk scenarios to MBIE</p> <p><b>Launched impact research study</b> covering Fellows &amp; stakeholders: results delivered in FY23.</p>

\* Note: EHF was moving towards a sustainable funding model but this was disrupted by Covid. We define a self-funded sustainable delivery model for EHF as the point where revenue, excluding any MBIE funding, contributes to 100% of EHF's operating expenses. We express this as a contribution margin percentage ("CM%"). The CM% is calculated by taking total revenue, less MBIE funding, and dividing it by total operating expenses.





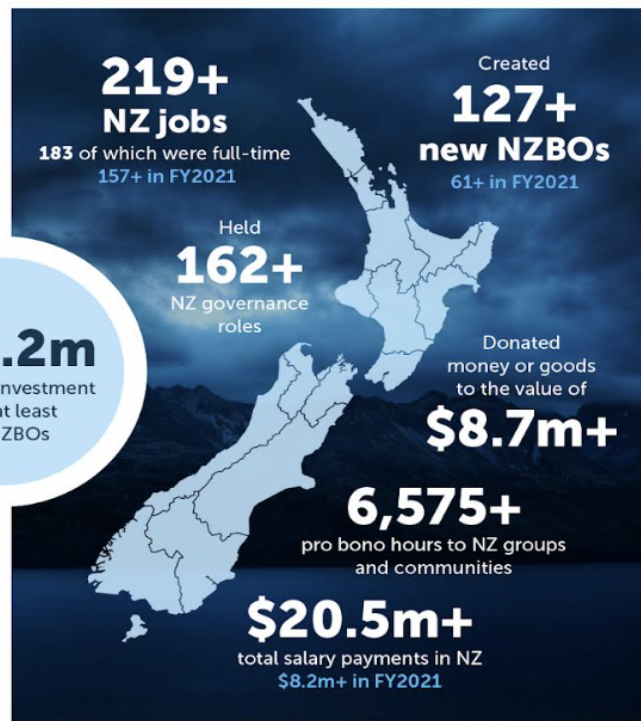
# IMPACT SNAPSHOT

During 2021/22, EHF Fellows\*:

## Created impact For NZBOs



## Created impact for Aotearoa



\*526 Fellows were invited to complete an Impact Survey and 32% of Fellows partially or fully completed the survey. All numbers are self-reported and represent only those numbers for up to N=169 Fellows. Actual numbers and contributions are expected to be higher than what is reported here. 63% of the Fellows who responded (as of Aug 2022) were residing overseas with a high response rate from Fellows in cohorts 6–8 who have been affected by border closures, suggesting significant impact has been created, despite being offshore.



# Consolidated Statement of Comprehensive Income & Expenses

The Hillary Institute of International Leadership & Subsidiary Entities  
For the year ended 31 March 2022

	NOTES	2022 PARENT	2021 PARENT	2022 GROUP
<b>Income</b>				
Donations, Fundraising and Other Similar Revenue		3,250	36,037	3,250
Grant Revenue		-	-	1,275
Interest Income		3,456	6,564	11,542
Investment Income		2,075	34,575	2,075
Revenue from Application Fees		-	-	904,956
<b>Total Income</b>		<b>8,781</b>	<b>77,176</b>	<b>923,098</b>
<b>Expenses</b>				
Employee Related Costs	9	54,167	50,000	864,658
Marketing, Business Development & Events	9	12,848	29,484	14,587
Depreciation	9	175	317	9,359
Administration & Overhead Costs	9	72,820	75,587	290,571
Other Expenses	9	-	-	(5,604)
Income Tax Expense	9	-	-	(2,861)
<b>Total Expenses</b>		<b>140,009</b>	<b>155,388</b>	<b>1,170,710</b>
<b>Net Operating Income (Loss)</b>		<b>(131,228)</b>	<b>(78,212)</b>	<b>(247,612)</b>
<b>Net Profit (Loss) After Tax</b>		<b>(131,228)</b>	<b>(78,212)</b>	<b>(247,612)</b>



# Consolidated Statement of Changes in Net Assets

## The Hillary Institute of International Leadership & Subsidiary Entities

For the year ended 31 March 2022

	2022 PARENT	2021 PARENT	2022 GROUP
<b>Trust Capital</b>			
Opening Balance	692,378	770,590	692,378
<b>Increases</b>			
Prior Period Adjustments	-	-	562,511
<b>Total Increases</b>	<b>-</b>	<b>-</b>	<b>562,511</b>
<b>Decreases</b>			
Recognition of Control Over Edmund Hillary Fellowship Limited	-	-	198,531
Trustees Loss for the Period	131,228	78,212	247,612
<b>Total Decreases</b>	<b>131,228</b>	<b>78,212</b>	<b>446,143</b>
<b>Total Trust Capital</b>	<b>561,150</b>	<b>692,378</b>	<b>808,745</b>



# Consolidated Statement of Financial Position

## The Hillary Institute of International Leadership & Subsidiary Entities As at 31 March 2022

	NOTES	2022 PARENT	2021 PARENT	2022 GROUP
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Bank	6	154,794	156,908	1,987,958
Accounts Receivable		274	102	274
GST Receivable		2,672	1,649	21,818
Income Tax Receivable		-	-	112
Prepayments		-	-	3,832
Term Deposits	6	50,000	-	50,000
<b>Total Current Assets</b>		<b>207,740</b>	<b>158,659</b>	<b>2,063,994</b>
<b>Non-Current Assets</b>				
Intangibles	4	-	-	-
Property, Plant and Equipment	3	357	532	1,108
Term Deposits	6	-	102,182	-
The Gift Trust		363,670	433,255	926,242
<b>Total Non-Current Assets</b>		<b>364,027</b>	<b>535,969</b>	<b>927,350</b>
<b>Total Assets</b>		<b>571,767</b>	<b>694,628</b>	<b>2,991,344</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable		10,617	2,250	124,568
Holiday Pay Accrued		-	-	21,880
Income in Advance		-	-	2,036,151
<b>Total Current Liabilities</b>		<b>10,617</b>	<b>2,250</b>	<b>2,182,599</b>
<b>Total Liabilities</b>		<b>10,617</b>	<b>2,250</b>	<b>2,182,599</b>
<b>Net Assets</b>		<b>561,150</b>	<b>692,378</b>	<b>808,745</b>
<b>Trust Capital</b>				
Accumulated Funds		561,150	692,378	808,745
<b>Total Trust Capital</b>		<b>561,150</b>	<b>692,378</b>	<b>808,745</b>



# Consolidated Statement of Cashflows

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2022

	2022 PARENT	2021 PARENT	2022 GROUP
<b>Statement of Cashflows</b>			
<b>Cash Flows from Operating Activities</b>			
<b>Cash was Provided From:</b>			
Application Fees	-	-	(1,115)
Catalyst Revenue	-	-	1,275
Donations & Fundraising	3,250	36,037	3,250
Interest Income	3,284	7,159	11,369
Sales to the Public	-	-	-
Services	-	101,960	-
<b>Total Cash was Provided From:</b>	<b>6,534</b>	<b>145,156</b>	<b>14,779</b>
<b>Cash was Distributed To:</b>			
Goods & Service Tax Payments	1,023	13,545	10,993
Income Tax Payments	-	-	(228)
Payments to Suppliers & Employees	131,468	155,312	1,098,950
<b>Total Cash was Distributed To:</b>	<b>132,491</b>	<b>168,857</b>	<b>1,109,715</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(125,957)</b>	<b>(23,701)</b>	<b>(1,094,936)</b>
<b>Cash Flows from Investing and Financing Activities</b>			
<b>Cash was Received From:</b>			
Receipts from Sale of Property, Plant and Equipment & Intangibles	-	-	872
Receipts from The Gift Trust	71,661	-	71,599
Sale of Term Deposits	52,182	-	52,182
<b>Total Cash was Received From:</b>	<b>123,843</b>	<b>-</b>	<b>124,653</b>
<b>Cash was Distributed To:</b>			
Purchase of Term Deposits	-	2,182	-
Purchase of The Gift Trust	-	247,450	-
Purchase Property, Plant and Equipment & Intangibles	-	-	-
<b>Total Cash was Distributed To:</b>	<b>-</b>	<b>249,632</b>	<b>-</b>
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>123,843</b>	<b>(249,632)</b>	<b>124,653</b>
Net Increase (Decrease) in Cash	(2,114)	(273,333)	(970,283)
<b>Cash and Bank</b>			
Opening Balance	156,908	430,242	2,958,242
Net Increase (Decrease) in Cash	(2,114)	(273,333)	(970,283)
<b>Total Cash and Bank</b>	<b>154,794</b>	<b>156,908</b>	<b>1,987,958</b>



# Notes to the Consolidated Financial Statements

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2022

### 1. Statement of Accounting Policies

#### (a) Basis of Preparation

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### Entities Reporting

The Financial Statements for the "Parent" are for The Hillary Institute of International Leadership as a separate legal entity. The consolidated Financial Statements for the "Group" are for the economic entities comprising The Hillary Institute of International Leadership, its subsidiaries and associates.

#### Statutory Basis

The Institute is incorporated under the Incorporated Societies Act 1908.

The subsidiaries and associates include a Company registered under the Companies Act 1993 and a Trust incorporated under the Charitable Trusts Act 1957. The Group is a reporting entity for the purposes of the Financial Reporting Act 2013, which they have fully complied with.

#### Statement of Compliance

The Hillary Institute of International Leadership has elected to apply PBE 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 \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### Accounting Policies

All accounting policies are consistent with those used in the previous year except for deregistration from income tax and the treatment of Investment Gains/Losses (refer Goods and Services Tax and Interest Income & Managed Funds Gains(Losses) Notes). The Financial Statements have been prepared on an accruals basis.

#### Going Concern Assumption

These Financial Statements have been prepared on a going concern basis.

#### Measurement Basis

The financial statements are prepared on a historical cost basis.

#### Presentation Currency

These Financial Statements are presented in New Zealand Dollars and rounded to the nearest dollar.



## Prior Period Adjustments

An adjustment of \$562,511 has been made in the Financial Statements through equity for the year ended 31 March 2022. This was to bring in funds held on consignment with The Gift Trust that previously had not been recognised in the Financial Statements.

## Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from those transactions are included in the statement of profit or loss.

## (b) Principles of Consolidation

The consolidated Financial Statements incorporate the assets and liabilities of The Hillary Institute of International Leadership as at 31 March 2022 and the results of all subsidiaries for the year ended 31 March 2022. The Hillary Institute of International Leadership and its subsidiaries are referred to in these Financial Statements as the Group of the consolidated entity.

The Group has elected to step up to PBE IPSAS RDR disclosure standards and apply PBE IPSAS 35 *Consolidated Financial Statements* and PBE IPSAS 38 *Disclosure of Interests in Other Entities*

Subsidiaries which form part of the Group are consolidated from the date on which control is transferred to the Parent. They are de-consolidated from the date that control ceases. Control of the Edmund Hillary Fellowship Limited transferred to The Hillary Institute of International Leadership on 1 April 2021.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as Goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Statements of Financial Performance.

## (i) Goods and Services

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

## (ii) Application Fees, Acceptance Fees & Sales to the Public

Application and acceptance fees are accrued and released to the Statements of Financial Performance as income over the period the fees relate to. Sales to the public are recognised in the Statements of Financial Performance as received. There were no application and acceptance fees received for the year ended 31 March 2022.

## (iii) Interest Income

Interest income is recognised on a time proportion basis using the effective interest rate method.



**(iv) Grants and Donations**

Grants and donations received are recognised in the Statements of Financial Performance when the requirements under agreements have been met. Any amount for which the requirements under the agreements have not been completed are carried as liabilities until all the conditions have been fulfilled.

**(v) Other Income**

Other income is recognised in the period in which it is earned.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(e) Property, Plant and Equipment**

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Parent and Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the Statements of Financial Performance during the financial period in which they are incurred. Land is not depreciated.

**(f) Depreciation**

Depreciation of property, plant and equipment, is calculated to write off the cost of the assets over their estimated useful lives at the following rates:

<b>Account</b>	<b>Method</b>	<b>Rate</b>
Capitalised Website Development Costs	Straight Line	40%
Computer Equipment	Straight Line	40%
Office Equipment	Diminishing Value	50%
Plant & Equipment	Diminishing Value	15%
Website Domain Names	No Depreciation	

**(g) Accounts Receivable**

Accounts Receivable are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Parent and Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.





### **(h) Investments**

Investments in subsidiaries and associates are recorded in the Statements of Financial Position of the Parent at cost less impairment losses.

### **(i) Impairment of Non-Financial Assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value the asset.

### **(j) Accounts Payable**

Accounts Payable and other payables represent liabilities for goods and services provided to the Parent and Group prior to the end of the financial year which are unpaid at balance date. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts Payable are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

### **(k) Employee Entitlements**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, to be settled within 12 months of the reporting date are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### **(l) Goods and Services Tax (GST)**

The entity is registered for GST. The Statements of Financial Performance have been prepared so that all components are stated exclusive of GST. All items in the Statements of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

### **(m) Income Tax**

The Parent and Group are exempt from tax under the Income Tax Act 2007. The Parent and Group are registered charities with the Charities Commission and have approved charitable status with the Inland Revenue Department.

### **(r) Managed Investments**

Long term investments comprise of gift accounts managed by The Gift Trust. Gift accounts comprise of endowments received which were then pooled into either term deposits or a socially-responsible investment fund. The gift account was initially held at cost and subsequently measured at fair value. Subsequent to initial recognition, any changes in fair value are recognised in the Statement of Financial Performance.

### **(p) Statements of Cash Flows**

The Statements of Cash Flows are prepared exclusive of Goods and Services Tax (GST), which is consistent with the method used in the Statements of Financial Performance. Cash and cash equivalents comprise cash on hand and demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and includes all call borrowing such as bank overdrafts used by the Trust as part of their day-to-day cash management.

Operating activities' represents all transactions and other events that are not investing or financing activities, and includes receipts and repayments of occupancy advances.

Investing activities' are those activities relating to the acquisition and disposal of property, plant and equipment.

Financial activities' are those activities relating to changes in the debt capital structure of the Group.



**(q) Accounting Estimates**

The Institute and Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The main estimates are depreciation of property, plant and equipment and accruals.

**2. Changes in Accounting Policies**

There have been no changes in Accounting Policies. In the Statement of Financial Performance, income and expenses have been reported on a functional basis.



### 3. Fixed Asset Schedule

The following gives detail of the cost or valuation of assets and depreciation written off to date:

Parent	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>This Year</b>					
Office Equipment	271	-	-	135	135
Plant & Equipment	260	-	-	39	222
	<b>531</b>	-	-	<b>174</b>	<b>357</b>

Group	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>This Year</b>					
Computer Equipment	3,928	-	872	2,307	750
Office Equipment	271	-	-	135	135
Plant & Equipment	260	-	-	39	222
	<b>4,459</b>	-	<b>872</b>	<b>2,481</b>	<b>1,107</b>

Parent	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>Last Year</b>					
Office Equipment	542	-	-	271	271
Plant & Equipment	307	-	-	46	260
	<b>849</b>	-	-	<b>317</b>	<b>531</b>

### 4. Intangible Asset Schedule

The following gives details of the cost or valuation of assets and depreciation written off to date:

Group	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>This Year</b>					
Capitalised Website Development Costs	6,878	-	-	6,878	-
Website Domain Names	13,978	-	13,978	-	-
	<b>20,856</b>	-	<b>13,978</b>	<b>6,878</b>	-



## 5. Investments in Subsidiaries

The consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(a): All subsidiaries are incorporated in New Zealand.

The Hillary Institute of International Leadership (HI) 100% owned - Executive Officers have the power to make decisions including appointing and removing Trustees. The balance date is 31 March. Their Financial Statements are audited by Moore Markhams Wellington Audit.

Edmund Hillary Fellowship Limited (EHF) - 100% owned by HI. The balance date is 31 March. Their Financial Statements are audited by Moore Markhams Wellington Audit.

## 6. Bank Accounts

At Balance Date the Group had a total of \$2,037,958 (2021: \$3,060,423) held in Cash, Bank Accounts and Term Deposits which comprised the following:

	Parent	Group	Parent
	This Year	This Year	Last Year
<b>Cash on Hand</b>			
Cash and Cash Equivalents	100	130	100
	<b>100</b>	<b>130</b>	<b>100</b>
<b>Bank Accounts</b>			
Capital Accounts	50,087	50,087	50,375
Cheque Accounts	10,563	12,158	50,049
Current Accounts	-	-	13
On Call Accounts	94,044	330,843	56,370
GBP Accounts	-	-	1
USD Accounts	-	1,500,695	1
	<b>154,694</b>	<b>1,987,828</b>	<b>156,808</b>
<b>Total Cash and Bank</b>	<b>154,794</b>	<b>1,987,958</b>	<b>156,908</b>
<b>Term Deposits</b>			
Bank of New Zealand - Term Deposits	50,000	50,000	102,182
	<b>50,000</b>	<b>50,000</b>	<b>102,182</b>
	<b>204,794</b>	<b>2,037,958</b>	<b>259,090</b>



## 7. Changes in Accumulated Funds

A prior period adjustment of \$562,511 has been included as an increase in the entity's accumulated funds. The was included to introduce fund held with the Gift Trust which previously were not recognised on the Financial Statements.

## 8. Related Party Disclosures

All members of the Group are considered to be related parties of The Hillary Institute of International Leadership (HI).

The Hillary Institute of International Leadership (HI) owns all of the 100 issued shares in Edmund Hillary Fellowship Limited (EHF). During the year, no donation was made by EHF (2021: \$Nil) to HI.

Key Management Personnel

### EHF

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body.

	2022	2021
Remuneration of Chief Executive	213,592	172,742

### HI

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body.

	2022	2021
Remuneration of Board members	38,871	-
Total Other Key Management Personnel	50,000	50,000

2022 PARENT      2022 GROUP      2021 PARENT

## 9. Analysis of Expenses

### Employee Related Costs

Executive Services	54,167	54,167	50,000
Contracted Services	-	222,762	-
Wages & Salaries	-	587,729	-
<b>Total Employee Related Costs</b>	<b>54,167</b>	<b>864,658</b>	<b>50,000</b>

### Marketing, Business Development & Events

Advertising & Marketing	7,104	7,104	10,788
Business Development	5,744	5,744	10,764
Event Expenses	-	1,739	7,933
<b>Total Marketing, Business Development &amp; Events</b>	<b>12,848</b>	<b>14,587</b>	<b>29,484</b>

### Depreciation

Depreciation	175	9,359	317
<b>Total Depreciation</b>	<b>175</b>	<b>9,359</b>	<b>317</b>

### Administration & Overhead Costs

Board Costs	47,374	47,374	46,681
Office Rent	-	5,434	-



	2022 PARENT	2022 GROUP	2021 PARENT
Professional Services	15,386	145,116	19,504
Software & Other Subscriptions	-	22,965	-
Travel	-	5,144	361
Other	10,059	64,537	9,041
<b>Total Administration &amp; Overhead Costs</b>	<b>72,820</b>	<b>290,571</b>	<b>75,587</b>
<b>Other Expenses</b>			
Bad Debt	-	7,211	-
Foreign Currency Gains & Losses	-	(12,814)	-
<b>Total Other Expenses</b>	<b>-</b>	<b>(5,604)</b>	<b>-</b>
<b>Tax Expense</b>			
Income Tax Expense	-	(2,861)	-
<b>Total Tax Expense</b>	<b>-</b>	<b>(2,861)</b>	<b>-</b>

## 10. Contingent Liabilities and Capital Commitments

There are no contingent liabilities, guarantees or commitments as at balance date (2021: Nil).

## 11. Events Occurring After Balance Date

Edmund Hillary Fellowship Limited applied for charitable status on 8 March 2022. This was approved and granted after balance date, however is backdated to the date of application.

## 12. COVID-19 Impact

On 30 January 2020, the spread of the novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation. From 25 March 2020, New Zealand was placed into Alert Level 4 (lockdown) to combat the pandemic. In the months following, and up to the date the Financial Statements were authorised for issue by the Executive, the country cycled in and out of various Alert Levels, some of which have included further lockdowns and restrictions on citizen movement and activities for extended periods.

Due to the continued effects of COVID-19 and NZ borders being closed EHF held no in-person events in FY21 and FY22. As the borders are now open and travel into New Zealand is permitted, EHF will be holding their first in person event with Fellows in August 2022. The Directors have modelled various scenarios which show the Company still continuing to operate over the next 2 years as a result of successful revenue achieved from the last 2 cohorts.

MBIE has agreed to a variation of the original contract resulting in additional funding being paid during FY23 due to COVID-19 disruptions.

The Executive will continue to monitor the impact of COVID-19 on the Group but at the date of signing this report the Executive does not believe the Group has been or will be adversely financially affected by the pandemic.

The Executive maintains the view that the Group has sufficient resources to continue operating as a going concern provided operational targets are met.



# Independent auditor's report

## To the Trustees of The Hillary Institute of International Leadership & Subsidiary

### Opinion

We have audited the accompanying consolidated financial statements of The Hillary Institute of International Leadership & Subsidiary (the Group) on pages 4 and 6 to 22, which comprises the entity information, the statement of service performance, the consolidated statement of comprehensive income & expenses and consolidated statement of cash flows for the year ended 31 March 2022, the consolidated statement of financial position as at 31 March 2022, and the statement of accounting policies and notes to the consolidated financial statements.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable
  - b) the accompanying consolidated financial statements presents fairly, in all material respects:
    - the entity information for the year then ended
    - the service performance for the year then ended, and
    - the consolidated financial position of the Group as at 31 March 2022, and its consolidated comprehensive income & expenses, and consolidated cash flows for the year then ended
- in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit of the consolidated statement of comprehensive income & expenses, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

### Board's responsibilities for the consolidated financial statements

The Board are responsible on behalf of the Group 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 consolidated financial statements on behalf of the Group which comprises:
- the entity information
  - the consolidated statement of service performance; and
  - the consolidated statement of comprehensive income & expenses, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the consolidated financial statements 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 determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.



- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the trustees of the Group. Our audit has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees, for our audit work, for this report, or for the opinions we have formed.

Moore Markhams

**Moore Markhams Wellington Audit** | Qualified Auditors, Wellington, New Zealand  
10 November 2022