

Performance Report

The Hillary Institute of International Leadership
For the year ended 31 March 2021

Prepared by Deloitte Limited

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Entity Information

The Hillary Institute of International Leadership For the year ended 31 March 2021

Nature of Business

Recognising, Rewarding & Nurturing Great Leadership

Legal Name of Entity

The Hillary Institute of International Leadership

Postal Address

PO Box 578, Christchurch, Christchurch, New Zealand, 8140

Entity Type and Legal Basis

Qualifying Trust

Trust Formation Date

17 February 2005

Trustees

P R Townsend

M A Prain

C Powers

S McMeeking

C Young

M Clark-Reynolds

A Hoppin

A Goodall (Resigned 31 January 2021)

P Atkins (Resigned effective 31 October 2021)

Beneficiaries

Leaders who have made outstanding contributions towards improving the human condition.

Main Sources of Cash and Resources

The Hillary Institute of International Leadership's primary source of cash and resources currently is accumulated reserves over the past decade from our initial investor.

Main Methods Used 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 Ltd.

Entity's Reliance on Volunteers and Donated Goods or Services

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

Accountants

Deloitte Limited (as trustee of the Deloitte Trading Trust)

151 Cambridge Terrace

Christchurch 8013

Auditors

KPMG

Chartered Accountants

PO Box 1739

Christchurch 8140

Bankers

ANZ Bank New Zealand Limited

BNZ

Solicitors

Buddle Findlay

PO Box 322

Christchurch

IRD Number

090-436-058

Approval of Financial Report

The Hillary Institute of International Leadership For the year ended 31 March 2021

The Trustees are pleased to present the approved financial report including the historical financial statements of The Hillary Institute of International Leadership for the year ended 31 March 2021.

APPROVED



P R Townsend

Date 31/10/21

Mark Prain

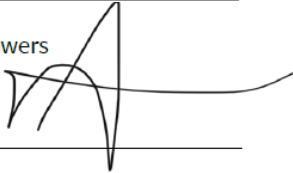
Date 31/10/21

M A Prain



Date 30/10/21

C Powers



Date 31/10/21

S McMeeking



Date 31/10/2021

C Young



Date 31 October 2021

M Clark-Reynolds

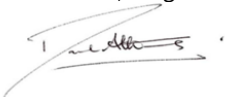


Date 31/10/21

A Hoppin

Date

A Goodall (Resigned 31 January 2021)



Date 32/10/2021

P Atkins (Resigned effective 31 October 2021)

Approval of Financial Report

The Hillary Institute of International Leadership For the year ended 31 March 2021

The Trustees are pleased to present the approved financial report including the historical financial statements of The Hillary Institute of International Leadership for the year ended 31 March 2021.

date 31/10/21

PRT to send

MA Prain

C Powers

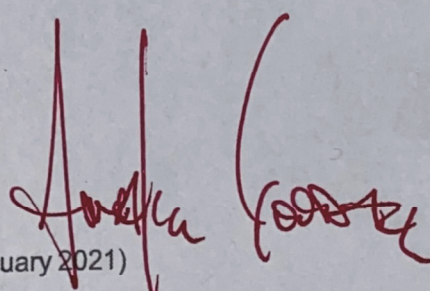
S McMeeking

C Young

M Clark-Reynolds

A Hoppin

A Goodall (Resigned 31 January 2021)



P Atkins (Resigned effective 31 October 2021)



Independent Auditor's Report

To the beneficiaries of Hillary Institute of International Leadership

Report on the audit of the performance report

Opinion

In our opinion, the accompanying performance report of Hillary Institute of International Leadership (the 'trust') on pages 9 to 18:

- i. present fairly in all material respects the trust's financial position as at 31 March 2021 and its financial performance and cash flows for the year ended on that date;
- ii. comply with PBE Simple Format Reporting Standard - Accrual (Not For Profit); and
- iii. suitably report the outcomes and outputs, and quantifies the outputs to the extent practicable, in the statement of service performance.

We have audited the accompanying performance report which comprise:

- the statement of financial position as at 31 March 2021;
- the statements of financial performance, changes in trust funds and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the statement of service performance and entity information on pages 3, 4 and 8.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of information PBE FRS 48 requires to be included in the statement of service performance, in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and ISAE (NZ) 3000 are further described in the auditor's responsibilities for the audit of the performance report section of our report.

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



Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent auditor's 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 beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Trustees for the performance report

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the performance report in accordance with generally accepted accounting practice in New Zealand (being PBE Simple Format Reporting Standard - Accrual (Not For Profit));
- implementing necessary internal control to enable the preparation of a performance report that is fairly presented and free from material misstatement, whether due to fraud or error;
- the preparation of a statement of service performance that complies with the requirements of PBE FRS 48; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the performance report

Our objective is:

- to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error;
- perform procedures to determine whether the service performance information required by PBE FRS 48 has been suitably reported in the statement of service performance ; and
- to issue an independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of this performance report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-18/>

This description forms part of our independent auditor's report.



KPMG
Christchurch

15 November 2021

Statement of Service Performance

The Hillary Institute of International Leadership For the year ended 31 March 2021

Description of Entity's Outcomes

Our 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.

Our Laureate focus has continued with the selection of Christiana Figueres as the 2020 Hillary Laureate. Her acceptance was formally announced late September 2020 and an annual work-plan with her is well underway, which will culminate in the Glasgow COP26 in November 2021.

Description and Quantification of the Entity's Outputs

After 13 operational years, 10 Hillary Laureates and three Hillary Step prizes, we enjoy considerable presence and credibility globally since our launch in 2007.

Our partnership with Immigration NZ and our unconsolidated subsidiary the Edmund Hillary Fellowship has continued to grow also, with a total of 538 Fellows from 40+countries selected. Covid continues to play a significant role in this arena, in terms of borders constraints.

The Hillary Institute of International Leadership continues to provide support to this program in terms of advice, cultural maturation, and Laureate –Fellow collaboration. There is no financial obligation from the Institute to this program and any contributions made are voluntary. This may develop differently over time as merger discussions continue but no fundamental financial changes have been made in this financial year.

Statement of Financial Performance

The Hillary Institute of International Leadership For the year ended 31 March 2021

'How was it funded?' and 'What did it cost?'

	NOTES	2021	2020
Revenue			
Consulting - Advisory Fees Received	1	-	88,661
Donations	1	36,037	383,312
Interest Income	1	6,564	6,943
Total Revenue		42,601	478,915
Expenses			
Accountancy Fees		2,435	537
Advertising		294	294
Bank Fees		43	138
Board		44,594	3,018
Communication		10,051	3,111
Consulting Fees		2,087	-
Depreciation		317	596
Development Costs		17,069	7,193
Donations		-	2,300
Executive Services		50,000	46,739
General Expenses		7,248	271
Grants		-	18,570
Hillary Step Award		-	9,258
Insurance		1,750	1,183
Laureate Costs Domestic		10,764	1,442
Symposium Costs		7,933	-
Travel - International		-	27,453
Travel - National		361	-
Web Servicing		442	228
Total Expenses		155,388	122,331
Surplus/(Deficit) for the Year		(112,787)	356,583
Other Comprehensive Revenue and Expenses			
Financial Assets at Fair Value through Other Comprehensive Revenue		34,575	-
Total Other Comprehensive Revenue and Expenses		34,575	-
Total Comprehensive Income		(78,212)	356,583

This statement should be read in conjunction with the accompanying notes. These statements have been audited.

Statement of Changes in Trust Funds

The Hillary Institute of International Leadership
For the year ended 31 March 2021

	2021	2020
Equity		
Opening Balance	770,590	414,006
Increases		
Profit for the period	-	356,583
Total Increases	-	356,583
Decreases		
Total Comprehensive Expense	78,212	-
Total Decreases	78,212	-
Total Equity	692,378	770,590

This statement should be read in conjunction with the accompanying notes. These statements have been audited.

Statement of Financial Position

The Hillary Institute of International Leadership As at 31 March 2021

'What the entity owns?' and 'What the entity owes?'

	NOTES	2021	2020
Assets			
Current Assets			
Bank accounts and cash	2	156,908	430,242
Debtors and prepayments	2	102	102,656
Investments	2	102,182	100,000
Total Current Assets		259,192	632,898
Non-Current Assets			
Property, Plant and Equipment	7	532	848
Investments	2	433,255	151,230
Total Non-Current Assets		433,787	152,078
Total Assets		692,979	784,976
Liabilities			
Current Liabilities		601	14,386
Total Liabilities		601	14,386
Total Assets less Total Liabilities (Net Assets)		692,378	770,590
Accumulated Funds			
Capital contributed by owners or members	6	100	100
Retained Earnings	4	657,703	770,490
Investment Revaluation Reserve	5	34,575	-
Total Accumulated Funds		692,378	770,590

This statement should be read in conjunction with the accompanying notes. These statements have been audited.

Statement of Cash Flows

The Hillary Institute of International Leadership For the year ended 31 March 2021

	2021	2020
Cash Flows from Operating Activities		
Receipts from Services	101,960	116,427
Receipts from Donors	36,382	383,312
Payments to Suppliers and Employees	(169,201)	(137,882)
Total Cash Flows from Operating Activities	(30,860)	361,856
Cash Flows from Investing Activities		
Interest Received	7,159	6,286
Proceeds from Term Deposits	-	75,000
Proceeds from Investments	2,549	-
Proceeds from Gift Trust Investment	30,000	-
Payment for Gift Trust Investment	(275,000)	(151,230)
Payment for Investments	(5,000)	-
Payment to Term Deposits	(2,182)	-
Total Cash Flows from Investing Activities	(242,473)	(69,944)
Net Cash Flows	(273,333)	291,913
Cash Balances		
Cash and cash equivalents at beginning of period	430,242	138,330
Cash and cash equivalents at end of period	156,909	430,242
Net change in cash for period	(273,333)	291,913

This statement should be read in conjunction with the accompanying notes. These statements have been audited.

Statement of Accounting Policies

The Hillary Institute of International Leadership For the year ended 31 March 2021

'How did we do our accounting?'

Statement of Compliance and Basis of Preparation

The entity 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 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.

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, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

The entity has adopted Tier 2 PBE IPSAS 28 (Financial Instruments: Presentation), IPSAS 29 (Financial Instruments: Recognition and Measurement) and PBE IPSAS 30 (Financial Instruments: Disclosures) for investments, which are classified as 'available for sale financial assets'.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue Recognition

Dividends & 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.

Investments

Investments are classified as 'available for sale financial assets'. After initial measurement, available-for-sale financial assets are subsequently measured at fair value with gains or losses recognised in other comprehensive revenue and expense and accumulated in the fair value reserve until the financial asset is derecognised, at which time the cumulative gain or loss in equity is reclassified to surplus or deficit

Property, Plant and Equipment

Property, Plant & Equipment are recognised at cost less aggregate depreciation. Depreciation rates are calculated based on the expected useful lives of the assets. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

Account	Method	Rate
Plant & Equipment	Diminishing Value	15%

Office Equipment	Diminishing Value	50%
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Income Tax

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

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

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.

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\$).

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.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

The Hillary Institute of International Leadership For the year ended 31 March 2021

	2021	2020
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	33,737	383,312
Symposium Sponsorship Income	2,300	-
Total Donations, fundraising and other similar revenue	36,037	383,312
Fees, subscriptions and other revenue from members		
Consulting - Advisory Fees Received	-	88,661
Total Fees, subscriptions and other revenue from members	-	88,661
Interest, dividends and other investment revenue		
Interest Income	6,564	6,943
Total Interest, dividends and other investment revenue	6,564	6,943
	2021	2020

2. Analysis of Assets

Bank accounts and cash		
BNZ - 000	56,370	3
Capital Account	50,375	97
Cash on Hand	100	100
Current Account	13	13
GBP Account	1	1
Hillary Institute	50,049	430,026
USD Account	1	2
Total Bank accounts and cash	156,908	430,242
Debtors and prepayments		
Accrued Interest	102	697
Other Receivables	-	101,960
Total Debtors and prepayments	102	102,656
Investments		
Gift Trust Investment	433,255	151,230
Term Deposits	102,182	100,000
Total Investments	535,437	251,230

The Hillary Institute of International Leadership have an amount 'on deposit' with the Gift Trust. The amount remains under the control of the Hillary Institute of International Leadership (they can still direct where the funds go) and the Hillary Institute of International Leadership are entitled to future economic benefits from this amount (e.g. by directing the funds back to themselves as a donation – as Hillary Institute of International Leadership is a charitable organisation itself).

	2021	2020
3. Analysis of Liabilities		
Creditors and accrued expenses		
GST	(1,649)	11,895
Other Payables	2,250	2,492
Total Creditors and accrued expenses	601	14,386

	2021	2020
4. Retained Earnings		
Opening Balance	770,490	413,906
Movement for the Year		
Capital Contributed by Owners or Members	-	-
Current Year Earnings	(112,787)	356,583
Total Movement for the Year	(112,787)	356,583
Total Retained Earnings	657,703	770,490

	2021	2020
5. Investment Revaluation Reserve		
Movement for the year		
Transfer from Accumulated Funds to The Gift Trust Investment	34,575	-
Total Investment Revaluation Reserve	34,575	-

	2021	2020
6. Capital Contributed		
Capital Contributed	100	100
Total Capital Contributed	100	100

	2021	2020
7. Property, Plant and Equipment		
Office Equipment		
Office Equipment	2,000	2,000
Accumulated Depreciation - Office Equipment	(1,729)	(1,458)
Total Office Equipment	271	542
Other Fixed Assets		
Website	2,985	2,985
Accumulated Depreciation - Website	(2,724)	(2,678)
Total Other Fixed Assets	261	307
Total Property, Plant and Equipment	532	848

8. Interests Register

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

Following are the Trustees 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.

Mark Prain – Director Maven Ltd, Executive Director Untouched World Foundation.

Sacha McMeeking – Director Catalytic Ltd, Director, Tu Maia Ltd

Camia Young – Director Ohu Development, Director Exchange Chch Ltd, Director Colletts Corner Ltd.

Catlin Powers – Chair EHF Ltd., Director, One Earth designs Inc., Director, Solar Cookers International Advisory, International Standards Organization

Paul Atkins - CEO Zealandia, Chair, McDiarmid Institute.

Anake Goodall - Director Meridian Energy, Trustee The Gift Trust

Melissa Clark-Reynolds - Independent Director Beef & Lamb NZ (Ceased December 2020)

Peter Townsend - Director Otakaro Ltd

9. Subsidiary

The Edmund Hillary Fellowship (EHF) (Incorporated 21 September 2016) is 100% owned by the Hillary Institute of International Leadership (HIL). The EHF has a separate and distinct governance and management body; completely separate from the HIL.

HIL does not have the ability to appoint or remove directors to the EHF board of directors. HIL is not exposed to any risk of potential losses and does not share the same commercial objectives. Control of the EHF by the HIL is not established and as a result a consolidated performance report is not prepared.

In 2021, the HIL received no advisory fees for licence and service fees (2020: \$88,661)

10. Audit Fees

The audit fee for the year was \$4,500 (2020: \$Nil).

11. Related Parties

During the year total payments of \$50,000 (2020: \$46,739) were made to Maven Limited as a related party for Executive Services rendered.

Donations made by the Trustees during the year were \$0 (2020: \$3,750)

12. Capital Commitments

The trust has no capital commitments as at 31 March 2021 (2020: nil).

13. Contingent Liabilities and Guarantees

The trust has no contingent liabilities or guarantees as at 31 March 2021 (2020: nil).

14. Event Occurring After Balance Date

In August 2020, the Trustees of the Trust and the Board of the Edmund Hillary Fellowship (a non-consolidated subsidiary, refer to note 9) agreed in principle to work towards merging the two entities. At 1 April 2021 The Hillary Institute gained control over the Edmund Hillary Fellowship, at this date the Assets and Liabilities of the Edmund Hillary Fellowship are under the control of The Hillary Institute and consist of Assets \$2.7M and Liabilities \$3.1M. As at the date of signing of the financial statements no structure for this merger has yet been finalised. Exploration of the governance and operational realities of such a merger is still underway.

COVID-19 was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The New Zealand Government announced the move to alert level 3 on 23 March and alert level 4 on 25 March, and has implemented border restrictions preventing the free flow of individuals into New Zealand. There has been increasing levels of restrictions on New Zealand entities' ability to operate during the higher alert levels, and regions within New Zealand has moved between alert levels over the last six months. Most noticeably the New Zealand Government announced the move the alert level 4 on 17 August 2021 lasting for 2 weeks outside of Auckland and 4 weeks in Auckland.

The financial position and performance of the Trust has not been significantly impacted by the responses to, and impact of, COVID-19.

In September 2021, Paul Atkins submitted his resignation as Chair of the Board and this was accepted by the Board of Trustees. The October 2021 Board meeting acknowledged Paul's service, and the Board of Trustees of the entity accepted Anna Kominik to the position of Chair of the Board.