

Performance Report

The Hillary Institute of International Leadership
For the year ended 31 March 2019

Prepared by Deloitte Limited

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Entity Information

The Hillary Institute of International Leadership For the year ended 31 March 2019

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

D Caygill

A Goodall

S McMeeking

M Monahan

C Young

M Clark-Reynolds (Appointed December 2017)

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 Hilary 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

P O Box 1739

Christchurch 8140

Bankers

ANZ Bank New Zealand Limited

BNZ

Solicitors

Buddle Findlay

P O Box 322

Christchurch

IRD Number

090-436-058

Approval of Financial Report

The Hillary Institute of International Leadership For the year ended 31 March 2019

The Trustees are pleased to present the approved financial report including the historical financial statements of The Hillary Institute of International Leadership for year ended 31 March 2019.

APPROVED

A Goodall
Date

C Young
Date


D Caygill
Date 20 September 2019

M Clark-Reynolds

Date 25/09/2019

M Monahan

Date 27/09/19

M A Prain

Date 27/9/19.

F R Townsend

Date 27/09/19

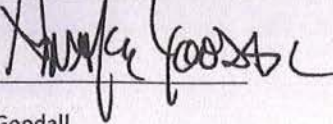
S McMeeking

Approval of Financial Report

The Hillary Institute of International Leadership For the year ended 31 March 2019

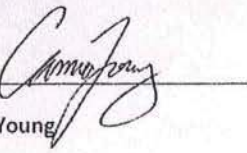
The Trustees are pleased to present the approved financial report including the historical financial statements of The Hillary Institute of International Leadership for year ended 31 March 2019.

APPROVED



A Goodall

Date Sept 27 2019



C Young

Date 27 Sept 2019

D Caygill

Date

Melissa Clark-Reynolds

M Clark-Reynolds

Date 26 September 2019

M Monahan

Date

Mark Prain

M A Prain

Date 27/09/19

P R Townsend

Date

S McMeeking

Date



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 8 to 16:

- i. present fairly in all material respects the trust's financial position as at 31 March 2019 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 service performance information required by Public Benefit Entity Financial Reporting Standard 48 ('PBE FRS 48') in the statement of service performance.

We have audited the accompanying performance report which comprise:

- the statement of financial position as at 31 March 2019;
- the statements of comprehensive income, changes in equity 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 to 4 and 7.



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 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('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:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

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



KPMG
Christchurch

27 September 2019

Statement of Service Performance

The Hillary Institute of International Leadership For the year ended 31 March 2019

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.

Throughout 2019 we will be reviewing the positioning, operation and funding of the Institute's offering as we step into the next decade in close association with the rapidly growing Edmund Hillary Fellowship. Our focus and premier Laureate Award will remain in the Planetary Leadership arena, continuing to inspire calls to action internationally, sharing leadership stories, and the unlocking of the 'Hillary Step' in us all.

Description and Quantification of the Entity's Outputs

After eleven operational years, nine Hillary Laureates and three Hillary Step Prizes, we have built significant presence and credibility around the world since our launch in 2007. There was 1 laureate prize and no Hillary Step Prize awarded during this financial year.

The 2018 Hillary Laureate was awarded to Meagan Fallone, social enterprise and education leader, CEO of Barefoot College International at Barefoot's home community in Tilonia, Rajasthan, India in September 2018, with 650 locals, the NZ High Commissioner, half a dozen foreign ambassadors and the Indian Govt in attendance. Meagan then came down to NZ on November 2018, and spent three weeks in the Pacific region with our support, including opening the 97th Barefoot College in Suva, Fiji with Prime Minister Bainimarama.

She also spoke at the latest induction festival of our partnership with the New Zealand Government and the Edmund Hillary Fellowship - Global Impact Visa program for purpose-driven entrepreneurs, which continues to grow with 142 Fellows from 36 countries. The Hillary Institute of International Leadership provides support to this program in the form of advice, cultural foundation, Laureate-Fellow interaction and access to information. There is no financial obligation from the Institute to this program and any contributions made are voluntary.

Statement of Financial Performance

The Hillary Institute of International Leadership For the year ended 31 March 2019

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

	NOTES	2019	2018
Revenue			
Consulting - Advisory Fees Received	1	101,241	75,000
Donations	1	54,914	38,846
Interest Income	1	6,626	5,646
Total Revenue		162,780	119,493
Expenses			
Accountancy Fees		3,191	2,828
Advertising		-	1,919
Bank Fees		120	65
Board		3,895	2,309
Communication		806	389
Depreciation		980	75
Development Costs		8,895	6,722
Donations		2,000	4,000
Entertainment		-	336
Executive Services		46,087	46,087
General Expenses		44	44
Grants		15,606	-
Insurance		1,244	1,240
Laureate Costs Domestic		1,285	658
Legal Expenses		359	3,049
Office Expenses		-	102
Symposium Costs		5,000	-
Telephone & Internet		-	80
Travel - International		15,249	21,670
Web Servicing		259	483
Total Expenses		105,021	92,055
Surplus/(Deficit) for the Year		57,760	27,437

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 2019

	2019	2018
Equity		
Opening Balance	356,247	328,809
Increases		
Profit for the period	57,760	27,437
Total Increases	57,760	27,437
Total Equity	414,006	356,247

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 2019

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

	NOTES	2018	2017
Assets			
Current Assets			
Bank accounts and cash	2	138,329	132,794
Debtors and prepayments	2	117,649	87,743
Investments	2	175,000	150,000
Total Current Assets		430,978	370,537
Non-Current Assets			
Property, Plant and Equipment	4	1,444	425
Total Non-Current Assets		1,444	425
Total Assets		432,422	370,961
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	18,416	14,714
Total Current Liabilities		18,416	14,714
Total Liabilities		18,416	14,714
Total Assets less Total Liabilities (Net Assets)		414,006	356,247
Accumulated Funds			
Capital contributed by owners or members	5	100	100
Accumulated surpluses or (deficits)	5	413,906	356,147
Total Accumulated Funds		414,006	356,247

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 2019

	2019	2018
Cash Flows from Operating Activities		
Receipts from Donors	141,614	85,932
Payments to Suppliers and Employees	(116,021)	(94,482)
Total Cash Flows from Operating Activities	25,593	(8,550)
Cash Flows from Investing Activities		
Interest Received	6,942	5,376
Proceeds from Term Deposits	-	60,000
Payment for property, plant and equipment	(2,000)	-
Payment to Term Deposits	(25,000)	-
Total Cash Flows from Investing Activities	(20,058)	65,376
Net Cash Flows	5,535	56,826
Cash Balances		
Cash and cash equivalents at beginning of period	132,795	75,969
Cash and cash equivalents at end of period	138,330	132,795
Net change in cash for period	5,535	56,826

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 2019

'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 \$.

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.

Property, Plant and 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 2011/2012 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.

Account	Method	Rate
Plant & Equipment	Diminishing Value	15%

Income Tax

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

Investments

Investments are recorded at cost.

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 2019

	2019	2018
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	51,914	38,846
Symposium Sponsorship Income	3,000	-
Total Donations, fundraising and other similar revenue	54,914	38,846
Fees, subscriptions and other revenue from members		
Consulting - Advisory Fees Received	101,241	75,000
Total Fees, subscriptions and other revenue from members	101,241	75,000
Interest, dividends and other investment revenue		
Interest Income	6,626	5,646
Total Interest, dividends and other investment revenue	6,626	5,646
	2019	2018
2. Analysis of Assets		
Bank accounts and cash		
BNZ - 000	872	12,700
Capital Account	117,335	79,826
Cash on Hand	100	100
Current Account	14	78
GBP Account	1	1
Hillary Institute	20,002	40,084
Private Reserve Account	4	4
USD Account	2	1
Total Bank accounts and cash	138,329	132,794
Debtors and prepayments		
Accrued Interest	40	356
Other Receivables	116,427	86,250
Prepayments	1,183	1,137
Total Debtors and prepayments	117,649	87,743
Investments		
Term Deposits	175,000	150,000
Total Investments	175,000	150,000
	2019	2018
3. Analysis of Liabilities		
Creditors and accrued expenses		
GST	13,416	9,328

Other Payables	5,000	5,386
Total Creditors and accrued expenses	18,416	14,714

	2019	2018
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4. Property, Plant and Equipment

Office Equipment		
Office Equipment	2,000	-
Accumulated Depreciation - Office Equipment	(917)	-
Total Office Equipment	1,083	-
Other Fixed Assets		
Website	2,985	2,985
Accumulated Depreciation - Website	(2,624)	(2,560)
Total Other Fixed Assets	361	425
Total Property, Plant and Equipment	1,444	425
	2019	2018

5. Accumulated Funds

Share Capital	100	100
Accumulated Surpluses or (Deficits)		
Retained Earnings/Accumulated Funds	356,147	328,709
Current Year Earnings	57,760	27,437
Total Accumulated Surpluses or (Deficits)	413,906	356,147
Total Accumulated Funds	414,006	356,247

6. 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.

- Peter Townsend - Director Otakaro Ltd (Canterbury Employers' Chamber of Commerce - ceased November 2017)
- Melissa Clark-Reynolds - Independent Director Beef & Lamb NZ
- Anake Goodall - Director of Meridian Energy
- David Caygill - Ecan Councillor
- Mark Prain - Director Maven Ltd
- Matthew Monahan - Chairman Edmund Hillary Fellowship Limited
- Sacha McMeeking - Director Catalytic Ltd
- Camia Young - Director Ohu Development
- Maven Ltd (was paid \$46,087 for services provided to the trust in 2019 (2018: \$46,087)).

7. 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 2019, the HIL received advisory fees of \$101,241 for licence and service fees (2018: \$75,000).

8. Audit Fees

The audit fee for the year was \$Nil (2018: \$Nil).

9. Related Parties

During the year total payments of \$46,087 (2018: \$46,087) were made to Maven Limited as a related party for Executive Services rendered.

Donations made by the Trustees during the year were \$8,500 (2018: \$11,050).

10. Capital Commitments

The trust has no capital commitments as at 31 March 2019 (2018: nil).

11. Contingent Liabilities and Guarantees

The trust has no contingent liabilities or guarantees as at 31 March 2019 (2018: nil).

12. Event Occurring After Balance Date

No events have occurred after balance date. (2018: Megan Fallon has received the 2018 Hillary Laureate award in Rajasthan, India in September 2018.)