

Performance Report

The Hillary Institute of International Leadership
For the year ended 31 March 2020

Prepared by Deloitte Limited

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Entity Information

The Hillary Institute of International Leadership For the year ended 31 March 2020

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

A Goodall

S McMeeking

C Young

M Clark-Reynolds

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

PO Box 1739

Christchurch 8140

Bankers

ANZ Bank New Zealand Limited

BNZ

Solicitors

Buddle Findlay

PO Box 322

Christchurch

IRD Number

090-436-058

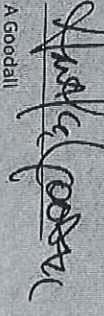
Approval of Financial Report

The Hillary Institute of International Leadership

For the year ended 31 March 2020

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 2020.

APPROVED



Date 21/03/20

A Goodall

C Young

Date

C Powers

Date

M Clark-Reynolds

Date

M A Prain

Date

P R Townsend

Date

S McMeeking

Approval of Financial Report


The Hillary Institute of International Leadership For the year ended 31 March 2020

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 2020.

APPROVED

_____ Date

A Goodall


_____ Date 29.09.2020

C Young


_____ Date September 28, 2020

C Powers


_____ Date 28 September 2020

M Clark-Reynolds


_____ Date 29/9/20

A Prain


_____ Date 29/9/20

P R Townsend


_____ Date 28/09/2020

S McMeeking



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 2020 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 2020;
- 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 7 and 3 to 4.



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:

<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

29 September 2020

Statement of Service Performance

The Hillary Institute of International Leadership

For the year ended 31 March 2020

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 and the first quarter of 2020, the review on the positioning, operation and funding of the Institute's offering, resulted in significant movement towards the potential merger of the Hillary Institute of International Leadership with its subsidiary, the Edmund Hillary Fellowship. This process is agreed in principle and exploration of the governance and operational realities of such a merger is now underway.

Our Laureate focus continued and has resulted in the selection of Christiana Figueres as the 2020 Hillary Laureate. Her acceptance was formally announced late September and an annual work-plan is underway, timing affected of course, by the global onset of Covid-19.

Description and Quantification of the Entity's Outputs

After 12 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 the Edmund Hillary Fellowship has continued to grow also, with over 300 Fellows from 40+ countries and by October 1st, the full 500 (400 international and 100 Kiwis) for this pilot program will have been selected. Again Covid has played a significant role in this arena, both positive (in terms of demand), and negative (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 with merger discussions but no fundamental change has been made in this financial year.



Statement of Financial Performance

The Hillary Institute of International Leadership For the year ended 31 March 2020

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

	NOTES	2020	2019
Revenue			
Consulting - Advisory Fees Received	1	88,661	101,241
Donations	1	383,312	54,914
Interest Income	1	6,943	6,626
Total Revenue		478,915	162,780
Expenses			
Accountancy Fees		537	3,191
Advertising		294	-
Bank Fees		138	120
Board		3,018	3,895
Communication		3,111	806
Depreciation		596	980
Development Costs		7,193	8,895
Donations		2,300	2,000
Executive Services		46,739	46,087
General Expenses		271	44
Grants		18,570	15,606
Hillary Step Award		9,258	-
Insurance		1,183	1,244
Laureate Costs Domestic		1,442	1,285
Legal Expenses		-	359
Symposium Costs		-	5,000
Travel - International		27,453	15,249
Web Servicing		228	259
Total Expenses		122,331	105,021
Surplus/(Deficit) for the Year		356,583	57,760



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 2020

	2020	2019
Equity		
Opening Balance	414,006	356,247
Increases		
Profit for the period	356,583	57,760
Total Increases	356,583	57,760
Total Equity	770,590	414,006



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 2020

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

	NOTES	2020	2019
Assets			
Current Assets			
Bank accounts and cash	2	430,242	138,329
Debtors and prepayments	2	102,656	117,649
Investments	2	100,000	175,000
Total Current Assets		632,898	430,978
Non-Current Assets			
Property, Plant and Equipment	4	848	1,444
Investments	2	151,230	-
Total Non-Current Assets		152,078	1,444
Total Assets		784,976	432,422
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	14,386	18,416
Total Current Liabilities		14,386	18,416
Total Liabilities		14,386	18,416
Total Assets less Total Liabilities (Net Assets)		770,590	414,006
Accumulated Funds			
Capital contributed by owners or members	5	100	100
Accumulated surpluses or (deficits)	5	770,490	413,906
Total Accumulated Funds		770,590	414,006



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 2020

	2020	2019
Cash Flows from Operating Activities		
Receipts from Services	116,427	86,250
Receipts from Donors	383,312	55,364
Payments to Suppliers and Employees	(137,882)	(116,021)
Total Cash Flows from Operating Activities	361,856	25,593
Cash Flows from Investing Activities		
Interest Received	6,286	6,942
Proceeds from Term Deposits	75,000	-
Payment for property, plant and equipment	-	(2,000)
Payment for investments	(151,230)	-
Payment to Term Deposits		
BNZ Term Deposit - 030677	-	(25,000)
Total Payment to Term Deposits	-	(25,000)
Total Cash Flows from Investing Activities	(69,944)	(20,058)
Net Cash Flows	291,913	5,535
Cash Balances		
Cash and cash equivalents at beginning of period	138,330	132,795
Cash and cash equivalents at end of period	430,242	138,330
Net change in cash for period	291,913	5,535



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 2020

'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 2020

	2020	2019
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	383,312	51,914
Symposium Sponsorship Income	-	3,000
Total Donations, fundraising and other similar revenue	383,312	54,914
Fees, subscriptions and other revenue from members		
Consulting - Advisory Fees Received	88,661	101,241
Total Fees, subscriptions and other revenue from members	88,661	101,241
Interest, dividends and other investment revenue		
Interest Income	6,943	6,626
Total Interest, dividends and other investment revenue	6,943	6,626
	2020	2019

2. Analysis of Assets

Bank accounts and cash		
BNZ - 000	3	872
Capital Account	97	117,335
Cash on Hand	100	100
Current Account	13	14
GBP Account	1	1
Hillary Institute	430,026	20,002
Private Reserve Account	-	4
USD Account	2	2
Total Bank accounts and cash	430,242	138,329
Debtors and prepayments		
Accrued Interest	697	40
Other Receivables	101,960	116,427
Prepayments	-	1,183
Total Debtors and prepayments	102,656	117,649
Investments		
Gift Trust Investment	151,230	-
Term Deposits	100,000	175,000
Total Investments	251,230	175,000

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).



	2020	2019
3. Analysis of Liabilities		
Creditors and accrued expenses		
GST	11,895	13,416
Other Payables	2,492	5,000
Total Creditors and accrued expenses	14,386	18,416
	2020	2019

4. Property, Plant and Equipment

Office Equipment		
Office Equipment	2,000	2,000
Accumulated Depreciation - Office Equipment	(1,458)	(917)
Total Office Equipment	542	1,083
Other Fixed Assets		
Website	2,985	2,985
Accumulated Depreciation - Website	(2,678)	(2,624)
Total Other Fixed Assets	307	361
Total Property, Plant and Equipment	848	1,444
	2020	2019

5. Accumulated Funds

Capital Contributed	100	100
Accumulated Surpluses or (Deficits)		
Retained Earnings/Accumulated Funds	413,906	356,147
Current Year Earnings	356,583	57,760
Total Accumulated Surpluses or (Deficits)	770,490	413,906
Total Accumulated Funds	770,590	414,006

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, Chairman, Pegasus Health (Charitable) Ltd Chairman, Te Papa Hauora, Health Precinct, Director and Trustee Warbirds Over Wanaka Ltd, Trustee RNZAF Museum, Member, Grants Committee Callaghan Institute

Melissa Clark-Reynolds – Ind. Director Beef & Lamb; Chair Yellow Bird; Director Atkins Ranch Ltd; Director Jasmox Group of Companies (to August 2021)

Anake Goodall – Director Meridian Energy, Trustee The Gift Trust.

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

Maven Ltd (was paid \$46,739 for services provided to the trust in 2020 (2019: \$46,087))

7. Subsidiary

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

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

In 2020, the HILL received advisory fees of \$88,661 for licence and service fees (2019: \$101,242).

8. Audit Fees

The audit fee for the year was \$Nil (2019: \$Nil).

9. Related Parties

During the year total payments of \$46,739 (2019: \$46,087) were made to Maven Limited as a related party for Executive Services rendered.

Donations made by the Trustees during the year were \$3,750 (2019: \$8,500).

10. Capital Commitments

The trust has no capital commitments as at 31 March 2020 (2019: nil).

11. Contingent Liabilities and Guarantees

The trust has no contingent liabilities or guarantees as at 31 March 2020 (2019: nil).

12. Event Occurring After Balance Date

After year end in August 2020, the Trustees of the Trust and the Board of the Edmund Hillary Fellowship (a non-consolidated subsidiary, refer to note 7) have agreed in principle to merge the two entities. As at the date of the signing of the financial statements no structure for this has yet been finalised, and exploration of the governance and operational realities of such a merger is now 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.

The financial position and performance of the Trust has not been significantly impacted by the responses to, and impact of, COVID-19. However, COVID-19 did impact the timing of the selection and announcement of the 2020 Hillary Laureate, Christiana Figueres, which was delayed to late September 2020.

