

# Financial Statements

The Hillary Institute of International Leadership & Subsidiary  
Entities

For the year ended 31 March 2023

Prepared by Darvill Mellors & Co

# Contents

3	Trust Information
4	Entity Information
5	Approval of Financial Report
6	Statement of Service Performance
12	Consolidated Statement of Comprehensive Income & Expenses
13	Consolidated Statement of Changes in Net Assets
14	Consolidated Statement of Financial Position
15	Consolidated Statement of Cashflows
16	Notes to the Consolidated Financial Statements

# Trust Information

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2023

### Date of Trust Deed

17 February 2005

### IRD Number

039-811-650

### Trustees

Anna Kominik (Director EHF, Trustee HILL & Chair HILL)  
Camia Young (Director EHF & Trustee HILL)  
Andrew Hoppin (Director EHF & Trustee HILL)  
Ian Short (Director EHF)  
Dinnie Moeahu (Director EHF & Trustee HILL)

### 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 2023

### 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

GridAKL, John Lysaght Coworking Startup Space  
101 Pakenham Street West  
Auckland CBD  
Auckland, 1010

# Approval of Financial Report

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2023

On this date the Trustees approve and issue the financial statements of The Hillary Institute of International Leadership & Subsidiary Entities for the year ended 31 March 2023.

APPROVED

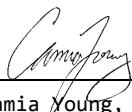
For and on behalf of the Trustees.



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Anna Kominik, Chair, Hillary Institute and Edmund Hillary Fellowship

Date: 30 November 2023



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Camia Young, Deputy Chair, Hillary Institute and Edmund Hillary Fellowship

Date: 30 November 2023

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

## Statement of Service Performance for the year ended 31 March 2023

The 2022/23 Financial Year reports the consolidated accounts for the Hillary Institute of International Leadership (The Hillary Institute) and the Edmund Hillary Fellowship Ltd (EHF), its subsidiary. This follows completion of a strategy to closely align the Hillary Institute and EHF.

With these foundations in place, the Hillary Institute and EHF have been developing a new operational/business model 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 to recognise, reward and nurture great leaders currently in play, who will provide answers to the most pressing issues facing humanity such as climate change, poverty, disease, peace and justice. Our purpose is to celebrate and support those whose work can be amplified with peer support, leverage and goodwill.

The Hillary Institute was formally launched in 2007. It now has 11 Hillary Laureates, has awarded three Hillary Step prizes, but has paused new Laureate recruitment as we build a new, integrated strategy.

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

In 2022, the Hillary Institute announced and celebrated its 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. Vanessa was welcomed as a laureate in New York in September, during Climate Weeks, where she was welcomed by other Laureates.

In FY23, transition to an integrated leadership and governance model for HI and EHF was concluded. It included 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 moved into a kaitiaki/guardian role where he continues to strengthen relationships between Laureates, Fellows, stakeholders and financial supporters.

A series of in-person events and meetings with Laureates and Governors were held across the US, UK and France as a part of the leadership transition. The purpose was to identify opportunities to more deeply connect Laureates to each other and to Fellows, and to identify the potential to unlock collaboration opportunities.

The Hillary Institute hosted Laureate Aimée Christensen in NZ in October, connecting her to a keynote speaking role for the inaugural 2035 Oceania Summit. We facilitated discussions with New Zealand energy and business leaders, and the Minister of Research Science and Innovation, with whom she shared global insights on private/public partnerships in energy transition.

On February 23, we held a milestone 'New Expedition' event, where we shared the future of the Hillary Institute and EHF, including the announcement of The Mission Studio as a pilot programme of mission-led innovation to drive systems change, with opportunities for Laureates and Fellows. This was supported by Laureate, Meagan Fallone, who spoke about the importance of the Laureate and Fellow communities to support each other to amplify and accelerate ideas that are proven on the ground and working.

Hillary Institute founder, Mark Prain, also began work on a new book about the first 11 Laureates to celebrate their game changing work, and give an inspiring message of hope to empower others to act.



# 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 attract international and local innovators, entrepreneurs and investors. EHF's purpose is to partner with Aotearoa NZ to find and build solutions to our toughest challenges. The vision is that Aotearoa NZ inspires global leadership and solutions for future generations, as a result. We define 'impact' as helping Kiwi ventures scale globally, 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.

## Description and Quantification of the Entity's Outputs

EHF's core focus in 2022/23 has been to help Fellows to land, (re)connect and integrate into Aotearoa NZ after two years of Covid-19 pandemic uncertainty and border closures.

As the 2022/23 year began, New Zealand's borders started to reopen. EHF redeveloped welcome plans and intensively supported over 159 Fellows to apply for their Global Impact Visa before the December 2022 deadline. Over the year, EHF welcomed and inducted over 200 Fellows (international and local) to Aotearoa NZ and the Fellowship through multi-day induction experiences.

In partnership with Te Āti Awa Taranaki Whānui, EHF introduced Fellows to Te Tiriti o Waitangi, as foundational knowledge, which was enhanced through deepened understanding of the Māori worldview during the Welcome Experience.

EHF also partnered with government, local agencies and sectors to connect Fellows into the innovation communities, regions and sectors, through a series of satellite events.

A focus has been understanding Fellow's impact: independent research undertaken for the 2022/23 financial year highlights the growth of new businesses, global connections, direct investment, raising capital and mentoring/governance support provided to NZ startups and communities. This is highlighted in Table 2.

A strategic initiative for the year has been identifying a longer term operational/business model that unlocks the collective potential of Fellows and Laureates, as we bring the Hillary Institute and EHF closer together. This led to the announcement on February 23 of 'The Mission Studio', as a collaborative pilot programme based on Mission-led innovation to address our critical climate challenges.

EHF has met its contractual obligations to Fellows and MBIE as highlighted in table 1 below.

Table 1: FY23 outputs against commitments to Fellows and MBIE.

Integrating Fellows into Aotearoa NZ			
Commitment	Status	2023	2022
Induction to NZ - Welcome Experience	Achieved	<p><b>3 x 3-day Welcome Experiences completed*</b>, all which included pōhiri (Waiwhetū Marae) or Mihi Whakataua by Te Āti Awa</p> <p><b>Integration of te ao Māori into programme</b>  <b>Two-part Te Tiriti online training</b> plus digital resources and recommended reading</p> <p><b>1 x online NZ history session</b> with NZ Historian Jock Phillips</p> <p><b>Links to online resources as induction support</b> - e.g R&amp;D Tax incentive, relocation specialists, immigration support</p> <p><small>*Fourth and final Welcome Experience was delivered in May 2023 (23/24 FY)</small></p>	<p><b>On Hold:</b> Online welcome experiences completed in FY21. In person events deferred to FY23, due to border closures</p> <p><b>Fifth anniversary event</b> marking new leadership &amp; new chapter with Fellows (in person/virtual)</p> <p><b>Fellow-led Treaty of Waitangi</b> online training</p>
Run programmes to support better integration into NZ and regions	Achieved	<p><b>Connection and integration events including:</b></p> <p><b>3 x Fellows' Hui</b> to connect Fellows</p> <p><b>Series of stakeholder in-person events</b> with strategic partners and business days with economic development agencies</p> <p><b>7 x Virtual Roadshows</b> with economic development agencies connecting Fellows to the regions</p> <p><b>12 x Live Sessions</b> to support New Zealand businesses and industries and share Fellow expertise</p> <p><b>1:1 connecting Fellows</b> to special appointments, advisory, governance and mentoring roles to support Government and the ecosystem.</p> <p><b>Connected Fellows to Aotearoa NZ</b> - universities, investors, government, agencies, startups - matching demand and skills.</p> <p><b>Partnered with the Angel Association</b> and Fellows to host 12 NZ companies in San Francisco, to hear from VCs and innovation experts on raising capital and US market entry</p> <p><b>Partnered with</b> Callaghan Innovation, TechWeek, NZ Angel Association, Ministry of Awesome on initiatives, events, and connections into ecosystem</p> <p><b>Provided investment deal flow</b> from Aotearoa NZ and pathways for Fellows to engage with the investment ecosystem.</p>	<p><b>4x Webinars</b> providing advice on relocation and settlement, regions and tax advice</p> <p><b>1x Springboard event</b> - 3 day series of sessions connecting Fellows and NZ leaders around critical NZ challenges such as climate action.</p> <p><b>Connecting Fellows to NZ</b> - universities, investors, government, agencies, start-ups and incubators/ accelerators, matching demand and skills</p> <p><b>1:1 connecting Fellows</b> into special appointments - advisory, governance and mentoring roles to support kiwi innovators</p> <p><b>8x cohort reconnection calls, monthly Fellows impact digest</b> to increase awareness and flag opportunities for Fellows in NZ</p> <p><b>Hosted 4-day virtual programme</b> in partnership with the Angel Association for 10 NZ companies, 24 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>
Liaise with industry players			
Support Fellows to actively engage with NZ's entrepreneurship ecosystem.			



			<p><b>Partnered with:</b> Angel Association, CreativeHQ on Climate Response Accelerate, TechNZ story, Ministry of Awesome, and Auckland Exec business school.</p> <p><b>Provided regular Investment deal flow</b> from NZ and avenues for Investor Fellows to engage with the NZ Investment ecosystem</p>
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### Reporting

Commitment	Status	2023	2022
<b>Performance Monitoring</b>	<b>Achieved</b>	<p><b>Provided six-monthly financial updates</b></p> <p><b>Delivered quarterly reports</b> highlighting key activity and outcomes</p> <p><b>Provided annual strategic plan</b></p> <p><b>Delivered impact research</b> on Fellows' impact (quantitative and qualitative) - highlighted in 2021/22 Annual Report, and qualitative research with stakeholders</p> <p><b>Annual Report</b> - delivered October 2022</p>	<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>

### Visa and other requirements

Commitment	Status	2023	2022
<b>Code of Conduct</b>	<b>In progress</b>	<p><b>EHF Terms of Use</b> for Fellows continued</p> <p><b>Event Code of Conduct</b> with Tikanga Māori developed and applied</p> <p><b>Social Media Community Rules</b> continued</p> <p><b>EHF Values Compass</b> reviewed with plan to integrate and action across Fellowship</p> <p><i>*Note: In FY23/24 kawa (non-negotiables) will be introduced in partnership with Te Āti Awa</i></p>	<b>Code of conduct</b> developed, in consultation with Fellows but not formally adopted. Requires redesign to reflect Tikanga Māori.
<b>Support Fellows with Visas:</b> Global Impact Visa process; letter of support for Permanent Residence. Note: GIV pilot programme concluded.	<b>Achieved / Ongoing</b>	<p><b>Personalised support</b> for Fellows' visa applications, and those waiting for borders to re-open (fully)</p> <p><b>Regular engagement</b> with Immigration NZ around borders and visa processing. 160 Global Impact Visas approved</p>	<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>2 x Permanent Residence support letter processes</b> for Fellows to request a letter of support to apply for Permanent Residence based on activity and support. 21 letters provided. 43 Permanent residence visas granted by Immigration NZ</p> <p><b>Continuous improvements to the PRV scoring system</b> which is used to determine who receives a letter of support.</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>
<p><b>Managing media</b> and significant public comms in partnership with MBIE</p>	<p><b>Achieved</b></p>	<p><b>Proactively engaged with MBIE</b> on public communications and media engagement.</p> <p><b>Placed positive stories and op-eds</b> highlighting the value of the GIV programme and Fellows' expertise and contributions</p>	<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>
<p><b>Creation of a self-funded delivery model</b></p>	<p><b>In progress</b></p>	<p><b>EHF has been actively exploring</b> future business models. This includes systemising the Fellowship Experience, and developing 'The Mission Studio' as a platform for mission-led innovation, focused on climate.</p>	<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>

\* 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.

Table 2: Fellows' Impact in FY22/23 based on a survey by independent researchers, Curran Research Associates.



# Consolidated Statement of Comprehensive Income & Expenses

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2023

	NOTES	2023 PARENT	2022 PARENT	2023 GROUP	2022 GROUP
<b>Income</b>					
Donations, Fundraising and Other Similar Revenue		-	3,250	4,092	3,250
Grant Revenue		-	-	1,000,000	1,275
Interest Income		5,200	3,456	34,740	11,542
Investment Income		(1,787)	2,075	(1,787)	2,075
Revenue from Application Fees		-	-	1,357,434	904,956
<b>Total Income</b>		<b>3,414</b>	<b>8,781</b>	<b>2,394,480</b>	<b>923,098</b>
<b>Expenses</b>					
Employee Related Costs	8	42,500	54,167	1,174,181	864,658
Marketing, Business Development & Events	8	3,235	12,848	206,182	14,587
Depreciation	8	101	175	1,467	9,359
Administration & Overhead Costs	8	143,230	72,820	318,657	290,571
Other Expenses	8	-	-	(296)	7,211
Income Tax Expense	8	-	-	-	(2,861)
<b>Total Expenses</b>		<b>189,066</b>	<b>140,009</b>	<b>1,700,191</b>	<b>1,183,524</b>
<b>Net Profit (Loss) Before Taxation and Foreign Exchange</b>		<b>(185,652)</b>	<b>(131,228)</b>	<b>694,288</b>	<b>(260,426)</b>
<b>Foreign Exchange</b>					
Foreign Currency Losses (Gains)	8	-	-	(107,416)	(12,814)
<b>Total Foreign Exchange</b>		<b>-</b>	<b>-</b>	<b>(107,416)</b>	<b>(12,814)</b>
<b>Net Profit (Loss) for the Year</b>		<b>(185,652)</b>	<b>(131,228)</b>	<b>801,705</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 2023

	2023 PARENT	2022 PARENT	2023 GROUP	2022 GROUP
<b>Trust Capital</b>				
Opening Balance	561,150	692,378	808,745	493,847
<b>Increases</b>				
Prior Period Adjustments	-	-	-	761,042
Trustees Income for the Period	-	-	801,705	-
<b>Total Increases</b>	-	-	<b>801,705</b>	<b>761,042</b>
<b>Decreases</b>				
Recognition of Control Over Edmund Hillary Fellowship Limited	-	-	-	198,531
Trustees Loss for the Period	185,652	131,228	-	247,612
<b>Total Decreases</b>	<b>185,652</b>	<b>131,228</b>	-	<b>446,143</b>
<b>Total Trust Capital</b>	<b>375,498</b>	<b>561,150</b>	<b>1,610,450</b>	<b>808,745</b>

# Consolidated Statement of Financial Position

## The Hillary Institute of International Leadership & Subsidiary Entities

As at 31 March 2023

	NOTES	2023 PARENT	2022 PARENT	2023 GROUP	2022 GROUP
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Bank	6	71,478	154,794	1,574,719	1,987,958
Accounts Receivable		-	274	2,100	274
GST Receivable		2,758	2,672	22,239	21,818
Income Tax Receivable		-	-	2,478	112
Prepayments		-	-	4,971	3,832
Term Deposits	6	51,491	50,000	51,491	50,000
<b>Total Current Assets</b>		<b>125,727</b>	<b>207,740</b>	<b>1,657,997</b>	<b>2,063,994</b>
<b>Non-Current Assets</b>					
Intangibles	4	-	-	-	-
Property, Plant and Equipment	3	256	357	1,181	1,108
The Gift Trust		288,885	363,670	860,209	926,242
<b>Total Non-Current Assets</b>		<b>289,141</b>	<b>364,027</b>	<b>861,389</b>	<b>927,350</b>
<b>Total Assets</b>		<b>414,867</b>	<b>571,767</b>	<b>2,519,386</b>	<b>2,991,344</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable		39,369	10,617	180,140	124,568
Holiday Pay Accrued		-	-	50,080	21,880
Income in Advance		-	-	678,717	2,036,151
<b>Total Current Liabilities</b>		<b>39,369</b>	<b>10,617</b>	<b>908,936</b>	<b>2,182,599</b>
<b>Total Liabilities</b>		<b>39,369</b>	<b>10,617</b>	<b>908,936</b>	<b>2,182,599</b>
<b>Net Assets</b>		<b>375,498</b>	<b>561,150</b>	<b>1,610,450</b>	<b>808,745</b>
<b>Trust Capital</b>					
Accumulated Funds		375,498	561,150	1,610,450	808,745
<b>Total Trust Capital</b>		<b>375,498</b>	<b>561,150</b>	<b>1,610,450</b>	<b>808,745</b>

# Consolidated Statement of Cashflows

## The Hillary Institute of International Leadership & Subsidiary Entities For the year ended 31 March 2023

	2023 PARENT	2022 PARENT	2023 GROUP	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	1,004,092	3,250
Interest Income	3,984	3,284	33,523	11,369
Sales to the Public	-	-	-	-
Services	-	-	-	-
<b>Total Cash was Provided From:</b>	<b>3,984</b>	<b>6,534</b>	<b>1,037,616</b>	<b>14,779</b>
<b>Cash was Distributed To:</b>				
Goods & Service Tax Payments	(289)	1,023	46	10,993
Income Tax Payments	-	-	2,367	(228)
Payments to Suppliers & Employees	160,588	131,468	1,511,150	1,098,950
<b>Total Cash was Distributed To:</b>	<b>160,299</b>	<b>132,491</b>	<b>1,513,563</b>	<b>1,109,715</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(156,315)</b>	<b>(125,957)</b>	<b>(475,947)</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	72,998	71,661	64,247	71,599
Sale of Term Deposits	-	52,182	-	52,182
<b>Total Cash was Received From:</b>	<b>72,999</b>	<b>123,843</b>	<b>64,247</b>	<b>124,653</b>
<b>Cash was Distributed To:</b>				
Purchase of Term Deposits	-	-	-	-
Purchase of The Gift Trust	-	-	-	-
Purchase Property, Plant and Equipment & Intangibles	-	-	1,539	-
<b>Total Cash was Distributed To:</b>	<b>-</b>	<b>-</b>	<b>1,539</b>	<b>-</b>
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>72,999</b>	<b>123,843</b>	<b>62,708</b>	<b>124,653</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(83,316)</b>	<b>(2,114)</b>	<b>(413,239)</b>	<b>(970,283)</b>
<b>Cash and Bank</b>				
Opening Balance	154,794	156,908	1,987,958	2,958,242
Net Increase (Decrease) in Cash	(83,316)	(2,114)	(413,239)	(970,283)
<b>Total Cash and Bank</b>	<b>71,478</b>	<b>154,794</b>	<b>1,574,719</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 2023

### 1. Statement of Accounting Policies

#### (a) Basis of Preparation

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.

#### 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, and the Edmund Hillary Fellowship Limited, a wholly owned subsidiary.

#### Statutory Basis

The Institute is incorporated under the Incorporated Societies Act 1908.

The Edmund Hillary Fellowship Limited is a Company registered under the Companies Act 1993. The Group is a reporting entity for the purposes of the Financial Reporting Act 2013, which they have fully complied with.

#### 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 2023 and the results of all subsidiaries for the year ended 31 March 2023. 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 2023.

During the year to 31 March 2023, acceptance fees have been released and recognised as revenue in accordance with service delivery of the Global Impact Visa agreement and timeframe which expires 30 September 2023.

The impacts of Covid and the border settings had in the past years affected this service delivery timeframe. The year to March 2022 saw revenue released in the expectation that service delivery obligations were to continue until June 2024.

### (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	135	-	-	68	68
Plant & Equipment	222	-	-	33	188
	<b>357</b>	-	-	<b>101</b>	<b>256</b>

Group	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>This Year</b>					
Computer Equipment	750	1,541	-	1,366	925
Office Equipment	135	-	-	68	68
Plant & Equipment	222	-	-	33	188
	<b>1,108</b>	<b>1,541</b>	-	<b>1,467</b>	<b>1,181</b>

Parent	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>Last 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>Last 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>2,480</b>	<b>1,108</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	-	-	-	-	-
Website Domain Names	-	-	-	-	-
	-	-	-	-	-

Group	Opening (NBV)	Additions	Disposals	Depreciation	Closing (NBV)
<b>Last 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 \$1,626,210 (2022: \$2,037,958) held in Cash, Bank Accounts and Term Deposits which comprised the following:

	Parent	Group	Parent	Group
	This Year	This Year	Last Year	Last Year
<b>Cash on Hand</b>				
Cash and Cash Equivalents	100	130	100	130
	<b>100</b>	<b>130</b>	<b>100</b>	<b>130</b>
<b>Bank Accounts</b>				
Capital Accounts	50,986	50,986	50,087	50,087
Cheque Accounts	7,336	133,858	10,563	12,158
Current Accounts	-	-	-	-
On Call Accounts	13,055	1,389,744	94,044	424,887
GBP Accounts	-	-	-	-
USD Accounts	-	-	-	1,500,695
	<b>71,378</b>	<b>1,574,588</b>	<b>154,694</b>	<b>1,987,828</b>
<b>Total Cash and Bank</b>	<b>71,478</b>	<b>1,574,718</b>	<b>154,794</b>	<b>1,987,958</b>
<b>Term Deposits</b>				
Bank of New Zealand - Term Deposits	51,491	51,491	50,000	50,000
	<b>51,491</b>	<b>51,491</b>	<b>50,000</b>	<b>50,000</b>
	<b>122,969</b>	<b>1,626,210</b>	<b>204,794</b>	<b>2,037,958</b>

## 7. 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 (2022: \$Nil) to HI.



	2023 PARENT	2022 PARENT	2023 GROUP	2022 GROUP
<b>8. Analysis of Expenses</b>				
<b>Employee Related Costs</b>				
Executive Services	42,500	54,167	42,500	54,167
Contracted Services	-	-	233,057	222,762
Wages & Salaries	-	-	898,624	587,729
<b>Total Employee Related Costs</b>	<b>42,500</b>	<b>54,167</b>	<b>1,174,181</b>	<b>864,658</b>
<b>Marketing, Business Development &amp; Events</b>				
Advertising & Marketing	446	7,104	446	7,104
Business Development	2,789	5,744	2,789	5,744
Event Expenses	-	-	202,947	1,739
<b>Total Marketing, Business Development &amp; Events</b>	<b>3,235</b>	<b>12,848</b>	<b>206,182</b>	<b>14,587</b>
<b>Depreciation</b>				
Depreciation	101	175	1,467	9,359
<b>Total Depreciation</b>	<b>101</b>	<b>175</b>	<b>1,467</b>	<b>9,359</b>
<b>Administration &amp; Overhead Costs</b>				
Board Costs	93,270	47,374	93,270	47,374
Office Rent	5,200	-	18,981	5,434
Professional Services	19,704	15,386	84,397	145,116
Software & Other Subscriptions	465	-	14,413	22,965
Travel	16,992	-	54,963	5,144
Other	7,600	10,059	52,634	64,537
<b>Total Administration &amp; Overhead Costs</b>	<b>143,230</b>	<b>72,820</b>	<b>318,657</b>	<b>290,571</b>
<b>Other Expenses</b>				
Bad Debt	-	-	(298)	7,211
Interest Expense	-	-	2	-
<b>Total Other Expenses</b>	<b>-</b>	<b>-</b>	<b>(296)</b>	<b>7,211</b>
<b>Foreign Exchange</b>				
Foreign Currency Losses (Gains)	-	-	(107,416)	(12,814)
<b>Total Foreign Exchange</b>	<b>-</b>	<b>-</b>	<b>(107,416)</b>	<b>(12,814)</b>
<b>Tax Expense</b>				
Income Tax Expense	-	-	-	(2,861)
<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,861)</b>

## 9. Contingent Liabilities and Capital Commitments

There are no contingent liabilities, guarantees or commitments as at balance date (2022: Nil).

## 10. 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 by the Executive, the country cycled in and out of various Alert Levels, which prevented Fellow entering the country for an extended period.

Due to the continued effects of COVID-19 and NZ borders being closed, the Hillary Institute was unable to welcome to Aotearoa NZ a new laureate. EHF held no in-person events in FY21 and early FY22. In July 2022, the borders were opened and travel into NZ permitted. EHF held three in-person events with Fellows in August 2022, October 2022, March 2023. 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 in terms of delivering contract requirements. 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 26, which comprises the entity information, the statement of service performance, the consolidated statement of comprehensive income & expenses, the consolidated statement of changes in net assets, the consolidated statement of cash flows for the year ended 31 March 2023, the consolidated statement of financial position as at 31 March 2023, 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 2023, and its consolidated comprehensive income & expenses, the consolidated statement of changes in net assets, 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 changes in net assets, 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 changes in net assets, 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  
30 November 2023