

Annual Report
of the
Asia New Zealand Foundation
for the year ended 30 June 2020

*Presented to the House of Representatives
pursuant to the Crown Entities Act 2004
and the Public Finance Act 1989*




Asia New Zealand
Foundation

Te Whītau Tūhono |

THE MINISTER OF FOREIGN AFFAIRS

In accordance with the Crown Entities Act 2004 and the Public Finance Act 1989, I present, on behalf of the Asia New Zealand Foundation Board of Trustees, the annual report on the operations of the Foundation for the year ended 30 June 2020.

A handwritten signature in black ink, appearing to read 'John Luxton', written in a cursive style.

HON JOHN LUXTON CNZM QSO

Chairman

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MISSION STATEMENT

The Asia New Zealand Foundation's mission is to build and sustain New Zealanders' knowledge and understanding of the countries, people, cultures and languages of Asia, so they can develop more extensive and effective economic and cultural relationships in the region.

CHAIRMAN'S REPORT

Despite COVID-19 making the past year one of the more challenging ones in the Asia New Zealand Foundation's history, it has also been one of significant developments and milestones.

In October 2019 the Foundation celebrated its 25th Anniversary with a "25 to Watch" event at Parliament, highlighting 25 young people committed to strengthening ties between New Zealand and Asia. This capped off a range of activities that not only reflected on New Zealand's engagement with Asia over 25 years but also looked to the future.

In January, the Foundation strengthened its reach in the South Island with the opening of a Christchurch presence, and the appointment of Alistair Crozier as South Island Establishment Manager.

2019-20 saw two of our programmes reviewed externally, with positive findings. The findings of an independent review of the Asia Media Centre, established by the Foundation in 2017, resulted in the Board agreeing to fund the centre on an ongoing basis following its initial two-year trial. The Asia Media Centre builds on the Foundation's long investment in supporting New Zealand media to cover Asia, and we see this work as more important than ever in 2020.

An independent evaluation of the Young Business Leaders Initiative (YBLI), managed by the Foundation for New Zealand's Ministry of Foreign Affairs and Trade (MFAT), found the programme was helping to forge enduring two-way trade and business relationships between young business leaders and business communities from the Association of Southeast Asian Nations (ASEAN) and New Zealand. The review called the programme "careful, casual and curated" and recommended that MFAT continue to invest in the programme in the coming years.

Before the travel restrictions created by COVID-19, we were delighted to be able to connect with several of our Asia Honorary Advisers, both here in New Zealand and during visits to Asia. In 2020, we have been honoured to welcome businessman Amane Nakashima, President of Nakashimoto Co and Chairman of Kewpie Corp, as a new Honorary Adviser in Japan. Since the early 2000s, Mr Nakashima has provided annual funding, administered by the Foundation, for initiatives that support New Zealand students to learn about Japan.

We know Asia will be vital to New Zealand's social and economic recovery from COVID-19. The Foundation's established connections in Asia are of particular importance for maintaining engagement with the region in these challenging times, and for growing New Zealanders' knowledge of the region.

I would like to acknowledge the work of my fellow trustees Simon Murdoch (deputy chairman), Danny Chan, Lyn Lim, Raf Manji, Simon Watt, Chris Seed (ex-officio) and to formally welcome Hon Dame Fran Wilde, who was appointed to the board following former deputy chairman Hon Steve Maharey's term.

I give sincere thanks to my fellow board members, the Foundation's Honorary Advisers, our staff, and our friends and partners in both Asia and New Zealand for all their support over the past year.



HON JOHN LUXTON CNZM QSO
Chairman

EXECUTIVE DIRECTOR'S REPORT

It's strange to look back on the Foundation's achievements over 2019/2020. Simply put, it was a year of two halves.

In the first half of the year, we were able to support thousands of New Zealanders to learn more about Asian peoples and cultures and build connections.

We sent arts professionals to Asia to broaden their creative understandings; provided talented New Zealand graduates with experiences at some of Asia's most exciting companies; and supported members of our Leadership Network to grow their knowledge of Asia through a range of activities, including hui in China.

We supported hundreds of sportspeople to experience some of Japan's culture and traditions. We took New Zealand entrepreneurs to Vietnam and hosted ASEAN entrepreneurs in New Zealand to learn from their counterparts and build connections to last well beyond the journey home.

We extended our outreach into New Zealand's regions by getting out to schools across the country and supporting a wide range of cultural festivals and conferences to include Asian voices and elements.

To support New Zealand's public conversations on Asia, we published three major research reports, held a series of dynamic Track II dialogues and roundtables, and published numerous articles on our own platforms or in the media.

Providing real-life, on-the-ground experiences for New Zealanders has been a key focus of our work for many years, but this experiential focus took a real hit in 2020. Like communities, organisations and businesses around the world, our work has been deeply affected by the COVID-19 pandemic.

Between January and end of March 2020, we had to take a one-day-at-a-time approach. We kept a close eye on the outbreak in Asia and here in New Zealand and kept in regular contact with our partners and advisers.

The result was a raft of cancellations and postponements – some made by the Foundation, some by other people and organisations – which needed to happen to ensure the health and wellbeing of those involved. Many of our partner agencies and recipients of our funding have also had planned activity disrupted; and we have worked with them to find new ways to deliver their objectives where possible.

Like many other New Zealand organisations, in recent months we have focused on adjusting our work programmes for this significantly changed world. Our ability to travel to Asia, to support others to travel and to host guests here has been constrained — but we know there is plenty we can do to grow New Zealanders' knowledge, connections and confidence of Asia right here in Aotearoa.

Ngā mihi ki a koutou



SIMON J DRAPER
Executive Director

CELEBRATING 25 YEARS – AND LOOKING TO THE FUTURE

The Asia New Zealand Foundation's 25th Anniversary year culminated in the 25 to Watch event, celebrating the leaders of tomorrow who will grow and develop New Zealand's relationship with Asia.

The Foundation organised the 25 to Watch as a way of highlighting 25 young people who represent the future of Asia-New Zealand relations.

The 25 come from all walks of life – entrepreneurs, public service employees, enterprising high school students, dancers, artists, sportspeople and politically minded academics.

They were formally acknowledged by the Foundation and the Deputy Prime Minister and Minister of Foreign Affairs Rt Hon. Winston Peters at a ceremony on October 17 at Parliament.

The Foundation chose to recognise young people aged 16 to 25 because they hold the key to New Zealand's future relationship with Asia.

Executive Director Simon Draper described the group as high achievers who were already demonstrating maturity beyond their years, and an ability to inspire and engage others.

“In the last 25 years we have seen many inspirational leaders who helped strengthen New Zealand's relations with Asia. And as we look ahead, we want to develop the next generation of leaders.”

In his speech, Rt Hon Winston Peters recognised the Foundation as “New Zealand's leading non-partisan, non-profit authority on Asia”, noting the “cumulative investment in our young people has been a theme of the Foundation's activities over the years.”

The Foundation has continued to engage with the 25 to Watch, who have received leadership development guidance as part of their recognition, including a mentor. Many joined the Foundation's Leadership Network in its 2020 intake.

Other 25th Anniversary activities included an “Asia in my Life” photography competition, attracting entries from across Aotearoa on a diverse range of themes. The Foundation also ran two series of 25 stories on its digital channels showcasing the impact of its work since 1994 – “25 Grantees” and “25 Moments” in the Foundation's history.

COVID-19 – OUR RESPONSE

Face-to-face connections are valuable for growing New Zealanders' knowledge, confidence and understanding about Asia – but the COVID-19 pandemic has put a brake on our ability to connect in this way.

In the first weeks of COVID-19, the Foundation's focus was on meeting the immediate needs of our programme participants and ensuring their health and safety. Before travel restrictions were put in place, we brought home all interns who were in Asia. Although COVID-19 meant they had to curtail their time in the region, we were encouraged to hear about the value they gained through their experiences – newfound understanding, knowledge, confidence and friendship.

During New Zealand's "lockdown" at COVID alert levels 3 and 4, our staff (working from home) began planning new ways to support Aotearoa's ongoing engagement with Asia. Our focus was on maintaining established connections to partner organisations in Asia and here in New Zealand, and on finding new ways to deliver Asia knowledge online.

Our education team worked quickly to produce new distance learning resources for schools, and to organise Asian cultural workshops that could be delivered remotely. This had some unexpected advantages in breaking down geographic barriers, enabling students in regional New Zealand to interact with Asian cultural practitioners in cities.

Throughout this period, the Foundation has played an especially important role in communicating developments in Asia to New Zealanders. This has been done both through the work of the Asia Media Centre and through commentary pieces by Asia New Zealand Foundation staff, including fortnightly columns for Stuff and its newspapers. We have also organised or contributed to several webinars on recent developments in Asia.

To help inform New Zealand's understanding of business developments in Asia – and the country's response to COVID-19 – the Foundation conducted a survey of our offshore business stakeholders in April. The results provided a real-time and real-life snapshot of how businesses were being impacted in Asian economies. Respondents overwhelmingly predicted permanent changes to their business models.

In June, we successfully adapted a planned in-person launch of our research into Auckland's Indian and Chinese business ecosystems into an online panel discussion and webinar.

We also commissioned a mini poll on New Zealanders' views of Asia post-COVID and incorporated this into our wider Perceptions of Asia report. This mini-poll told us recognition of the importance of New Zealand developing political, economic and social ties to Asia had actually grown after the onset of COVID-19.

Growing New Zealanders' knowledge and understanding of Asia — and building strong connections to the region — remains as crucial as ever. Our Perceptions of Asia research tells us New Zealanders have a wide range of Asia-related interests, which the Foundation can build on even as New Zealanders are unable to travel to the region.

ARTS

The arts programme brings Asian arts into mainstream New Zealand culture by supporting events accessible to all New Zealanders and enabling creatives in diverse disciplines to grow their practice and connections in Asia.

My Heart Goes Thadak Thadak an insight into Indian culture

We supported the unique theatre show My Heart Goes Thadak Thadak at the Silo Theatre in its premiere season in 2019 through an arts project fund. The show moved beyond traditional portrayals of South Asian cultures, instead exploring the spaghetti Westerns genre in Bollywood.

The show was a major new commission by Sri Lankan New Zealand artist Ahi Karunaharan: “My inspiration for the work came from my childhood obsession with Indian cinema and spaghetti westerns and wondering what a collision between the two would look like.”

My Heart Goes Thadak Thadak had an entirely South Asian cast of actors and musicians and engaged many of Auckland’s extensive South Asian and community dance troupes.

Milky Mountain deepens connections

Our strategic partnership fund created the opportunity to support the deepening of connections between New Plymouth and sister city Mishima, Japan.

Artist Yuichiro Tamura from Japan returned to New Plymouth to exhibit works of art inspired by being the 2018 Govett-Brewster Art Gallery international artist in residence.

The exhibition was called Milky Mountain / 裏返りの山 and explored connections between Japan and Aotearoa, including the filming of The Last Samurai in New Plymouth and Japanese novelist Yukio Mishima, who took the penname from New Plymouth’s sister city Mishima.

The exhibition period was four months long between August to November 2019 at the Govett-Brewster Art Gallery, New Plymouth.

Curator Sarah McClintock explores ideas in Taiwan

In November 2019, we supported curator Sarah McClintock from the Suter Art Gallery Te Aratoi o Whakatū in Nelson to travel to Taiwan.

She spent ten days in Taiwan, meeting contacts and exploring jewellery and ceramics in galleries and museums, with the intention of curating a New Zealand-based gallery exhibition in 2021-22.

While in Taiwan, McClintock had the opportunity to visit many art centres, galleries and museums, including Museum of Contemporary Art in Taipei, the Yingge Ceramics Museum, the Hong-Gah Museum and Taipei Fine Arts Museum.

Curator Sarah McClintock: “Being able to immerse myself in the art and craft of Taiwan invigorated me to continue my work in Aotearoa.”

BUSINESS

Our business internships at top companies in Asia support New Zealand students, graduates and professionals to build their Asia capability. Our business programme also upskills those already working in the sector to better engage with what Asia has to offer.

Internships help students thrive in Asia

We provided 18 internships in Asia over the year. The students interned in cities across Asia, including Taipei, Mumbai, Ho Chi Minh City, Jakarta and Tokyo in organisations such as Thailand space agency GISTDA, KPMG, Tata Consultancy Services and the Taipei City Government.

We also introduced an initiative for mid-career film producers to get a professional development opportunity in Asia. Benjamin Brooking travelled to South Korea to work at CJ CheilJedang (within CJ Culture Foundation and CJ Entertainment departments) and Jenny Gao worked at Beach House Pictures in Singapore.

Producer and director Benjamin Brooking: “What I’ll take away from this experience is an incredible insight into how CJ operates as the biggest player in South Korean cinema... and an appetite to get involved in the future of cinematic storytelling in Asia.”

Injecting Asian perspectives into business conferences

Our South Korean Honorary Adviser Heekyung (Jo) Min visited New Zealand in late 2019. Min is executive vice-president and head of corporate social responsibility at CJ CheilJedang, a large Korean lifestyle conglomerate.

We brought her to New Zealand to speak at the annual conference of the Institute of Finance Professionals New Zealand (IFINZ) where she addressed an audience on how businesses can contribute to social and environmental goals while also increasing profitability.

Min’s visit was part of our work supporting high calibre thought leaders from Asia to speak at New Zealand conferences, deepening understanding of business and economic trends in Asia.

Auckland’s Business Ecosystems – the Indian and Chinese experience

In June, we held an online webinar with a panel of four business leaders discussing our recently commissioned research into the two largest Asian business communities in Auckland – the Chinese and Indian business communities.

The research was presented by prominent Auckland businessman and business advisor Kenneth Leong and the panel was moderated by our director business Felicity Roxburgh.

The panel included Foundation Trustee Danny Chan; Chair of the India New Zealand Business Council Sameer Handa; Chief Executive of the Employers and Manufacturers Association Brett O’Riley; and Director of the Auckland office of MFAT, Caroline Bilkey.

EDUCATION

The education programme provides New Zealand teachers and students with resources and opportunities to increase their knowledge of Asian cultures, languages and peoples.

Workshops go digital

The education team had been working alongside experts in their fields to develop workshops on wushu (a Chinese martial art) and rakugo (Japanese storytelling) and were rolling them out when schools were closed due to COVID-19.

As a result of lockdown, the team adjusted the workshops so they could be delivered online to schools throughout New Zealand. After the success of the online rakugo and wushu workshops, taiko drumming and Bollywood dancing were added to our offerings, proving popular with teachers and students alike.

Bronwyn Thomson, Otago Girls' High School teacher: "The opportunity to take part in these online workshops and experience different cultural aspects has been hugely motivating for my students."

Kiwi kids experience Asia at school

Albany Junior High and Albany Primary Schools came together in late 2019 for a taster of Chinese culture, thanks to Experience Asia grants, which support schools to hold Asia-themed events and workshops.

The two Albany schools brought in experts from the community to help run their China festival, which included demonstrations of the lion dance, kung fu and traditional Chinese music. Students were also able to try their hands at a tea ceremony, calligraphy, chopstick games, mooncake-making and paper cutting and held a Chinese food market.

Harnessing sports to grow knowledge of Japan

In preparation for the Tokyo 2020 Olympics (since rescheduled to 2021), the Foundation partnered with the New Zealand Olympic Committee to produce online teaching resources for social studies. These modules enable students to explore varied topics around Japanese culture. During the COVID-19 lockdown, we produced a series of distance learning resources to support schools to teach students about Asian countries and cultures while at home.

SPORTS

Our sports programme hit its stride in the last year, giving young sportspeople and seasoned athletes a chance to experience Japanese culture.

Drumming up enthusiasm

New Zealand's top wheelchair rugby players experienced more than just a good tournament when they went to Japan in October 2019.

Eight members of the Wheel Blacks and their crew were in Atsugi and Tokyo to play in the World Wheelchair Rugby Challenge, a test event for the Tokyo 2020 Paralympic Games.

Through our community sports fund, we supported them to add cultural experiences to their trip. As well as playing against the world's toughest wheelchair rugby teams, the group experienced traditional Japanese cuisine and had a taiko drumming lesson.

Wheel Black Cody Everson: "I think it's definitely a good idea for sportspeople to get an understanding of the culture of the country they're travelling to."

From Wainuiomata to the world

Wainuiomata High School's first XV travelled to Japan to play rugby in September 2019, but the matches quickly became secondary to the cultural exchange.

The Foundation's School Sport Fund allowed the team learn about Japanese culture during their busy rugby tour itinerary, including experiencing the bustle of Tokyo's Akihabara and Harajuku, visiting Asakusa's ancient temples, ascending the Tokyo Skytree, and visiting a local sumo stable to see how the athletes train – and eat.

Wainuiomata High School deputy principal Philip Kauika: "This experience is something that has truly opened the students' eyes beyond their own backyard to the wider world around them ... We took this tour as a rugby tour but quickly found out that rugby would play second fiddle as we immersed ourselves in local culture and shared New Zealand and Māori culture in return."

Japan-New Zealand hockey teams strike a friendship

The Japanese men's hockey team spent 10 days on field and in the community in Taranaki last year. Hockey New Zealand hosted the Vantage Black Sticks v Japan test series in October 2019, and with Foundation support were able to include the Japanese team in its community engagement. That engagement included a turf training session with the New Plymouth Boys' High School hockey team, a coach and officials' breakfast and an open community training which saw more than 80 children having a go at field hockey with the Black Sticks and Japanese men's hockey team.

ENTREPRENEURSHIP

Our entrepreneurship programme supports emerging New Zealand entrepreneurs to build connections and facilitate business relationships in Asia and brings entrepreneurs from Asia to New Zealand.

Kiwi social entrepreneurs find inspiration in Vietnam

The entrepreneurship programme took a group of social entrepreneurs to Vietnam to learn about the social enterprise scene there, explore business opportunities and inspire ideas.

The group came from diverse industries and met with a wide range of social entrepreneurs in Vietnam, working in sectors including tech, travel, agriculture and education.

The visit included a hui in the coastal city of Hoi An that brought together social entrepreneurs from across Southeast Asia who have previously taken part in a Foundation entrepreneurship programme.

Michael Watson, Vietnam programme participant – “After visiting Vietnam, I not only feel equipped to do business there but also across Southeast Asia. I had the opportunity to make connections from this trip to [help me] hit the ground running in so many countries.”

Southeast Asian tourism entrepreneurs impressed by New Zealand

In September 2019, the entrepreneurship programme brought a group of leading Southeast Asian tourism entrepreneurs to New Zealand.

The group visited Auckland, Rotorua and Christchurch to make connections and share insights with their New Zealand counterparts.

In Rotorua, a well-attended networking evening was held at Māori-run tourism venture Te Puia, where three of the visiting entrepreneurs spoke to local tourism operators about developing their tourism ventures. The visit wrapped up in Christchurch with the entrepreneurs attending the New Zealand Tourism Awards.

Up Against the Wall: stories of resilience from Southeast Asian entrepreneurs

The Up Against the Wall webinar brought three leading Southeast Asian tech entrepreneurs together to talk about the challenges they face due to COVID-19.

All three entrepreneurs had previously visited New Zealand through the entrepreneurship programme and maintained close contact with the Foundation.

The speakers discussed the pivots and hard decisions they had had to make to keep their businesses viable during these difficult times.

The experienced panel provided valuable insights to a New Zealand business audience eager to know more about how COVID-19 is being responded to in Asia.

LEADERSHIP

The Leadership Network is a global professional network focussed on developing and maintaining strong links between Asia and New Zealand.

China Hui

In September 2019, the Leadership Network took a group of its members to China to learn about the country and how 'NZ Inc' operates there.

The China Hui was held to coincide with the Opening Doors to the West business forums organised by the China Chamber of Commerce New Zealand and the municipal governments of the host cities, Chengdu and Xi'an. At the forum, network members heard from NZ business leaders and gained insights into doing business in China.

The visit was aimed at network members who had not been to China before and all reported the trip to be an eye-opening experience that greatly expanded their understanding of the country.

Hui participant: "As a young student now transitioning into my professional career, I sometimes feel unsure about my future, but talking to amazing leaders in various industries was a golden opportunity that could not be replicated in a book or podcast."

Festival for the Future

In July 2019, the Foundation sponsored one of New Zealand's leading youth events, Festival for the Future in Wellington.

More than 1200 young people from all over New Zealand attended, including network members. As well as hosting a booth and providing a speaker as part of a panel discussion, the Foundation's Leadership Network delivered four successful workshops on opportunities for young Kiwis in Asia.

The Foundation's involvement brought an Asia-focus to this event, demonstrating what is exciting about the region and why the next generation needs to better understand it.

Mentorship programme

This year, the Leadership Network established a mentorship programme to build connections between our members and provide opportunities for members to grow their confidence and skills as leaders. A series of online workshops were held to introduce mentors and mentees and provide them with the knowledge required to build a successful relationship.

The Foundation will act as kaitiaki and facilitators of the mentorship programme and sees the sharing of Asia knowledge as a real point of difference for the programme.

MEDIA

Our media programme helps New Zealand journalists cover stories that shed light on Asia and on New Zealand's ties to the region.

Gaining real-life understanding of news in Indonesia

As part of our professional development opportunities for New Zealand journalists, since 2007 the Foundation has supported journalism students to participate in the Journalism Professional Practicum run by the Australian Consortium for In-country Indonesia Studies in Jakarta. This year's participants, Michael Andrew and Katie Harris, spent six weeks in Jakarta, reporting for The Jakarta Post and AFP news agency respectively.

Katie Harris, Journalism Professional Practicum participant: "As well as helping my journalism, my experience in Indonesia helped me realise new ways to connect with people from different cultures."

Top journalists deepen their reporting on Asia

Our media travel grants support journalists to provide on-the-ground reporting from Asia, enabling a wider range of stories to be told to New Zealand audiences. Amanda Cropp, Christchurch business bureau chief for Stuff, travelled to China to cover a New Zealand trade delegation and to report on how New Zealand businesses were growing their China market.

For Radio New Zealand education correspondent John Gerritsen, Foundation funding enabled his first trip to China, where he reported on the impact of Chinese alumni of New Zealand universities on China-New Zealand relations. Our funding also supported NZME's Head of Business Fran O'Sullivan to report on economic and political developments in South Korea, and enabled RNZ's Lynn Freeman to research stories in Nepal.

ASIA MEDIA CENTRE

The Asia Media Centre is a resource hub for New Zealand journalists to access information and expertise on Asia and Asian peoples.

Asia Media Centre becomes permanent

The Foundation set up the Asia Media Centre in 2017 as a two-year trial. In 2019, the Centre underwent its scheduled external review, which found its work contributed to the Foundation's mission and that stakeholders had a "very positive attitude" to its continuation.

The review recommended it be funded on a permanent basis, and the Board agreed to provide this funding. In 2020, Asia Media Centre visitor and page view numbers have increased steadily, and the weekly Asia Digest newsletter continues to provide a roundup of news and views on a wide range of topics about Asia and New Zealand-Asia relations.

Increasing the diversity of voices in the media

The Asia Media Centre offers media training sessions to help Asia experts and community representatives grow their knowledge and confidence about the New Zealand media. This in turn increases the range of voices on Asia that journalists have access to, and helps deepen understanding of Asian current affairs, societies and cultures.

As part of this work, in January the Asia Media Centre ran a special workshop in Christchurch for victims of the attacks on Christchurch mosques, to help prepare participants for media interactions in 2020. An earlier workshop in Christchurch focused on South Island academics working in a range of Asia-related disciplines.

Thought leadership on Asia

This was Executive Director Simon Draper's third year of writing fortnightly columns for Stuff.co.nz and Stuff's newspapers. Aimed at a business audience, these commentary pieces are well-read across the country and have covered a wide range of topical subjects, including business adaptation to the impacts of COVID-19 in Asia; bilateral and regional trade agreements; Asia's growing influence on the global film industry; and New Zealanders' knowledge of Asia and engagement with the region.

Foundation staff have also penned commentary pieces on developments in Hong Kong; diplomacy during COVID-19; and the importance of maintaining constructive business relationships with Asia.

TRACK II

Our Track II programme facilitates exchanges between experts in New Zealand and leading think tanks, universities and counterpart organisations in Asia, so we can better understand the changes taking place in our region.

Cracking the India Code

In January, the Foundation led its first ever delegation to India's Raisina Dialogue – the largest international affairs conference in South Asia. The visit included interactions with former New Zealand Prime Minister Helen Clark and New Zealand's Chief of Navy Commodore Melissa Ross, as well as a full programme of calls on leading think tanks, media and diplomats.

The visit highlighted the importance of face-to-face interactions and building personal rapport, and of having side conversations that offer new insights and perspectives. These experiences informed a range of outputs, including media articles, but also changed perspectives and renewed interest in this dynamic South Asia powerhouse.

Manjeet S. Pardesi, senior Victoria University of Wellington academic and managing editor of Asian Security: "The Raisina Dialogue provided me with insights into Indian thinking on strategic issues in Asia in addition to what the other regional stakeholders thought of the developments in Asia ... I found these discussions extremely useful for my research and teaching, as well as in the context of Track II dialogues beyond India."

Shifting conversations online

In 2019 we led delegations to Kuala Lumpur for the 12th ASEAN Australia New Zealand Dialogue and to Seoul for a dialogue with the Asan Institute for Policy Studies.

After those enriching dialogues, shifting discussions online in 2020 because of COVID-19 felt like winning second prize. But online dialogues have proved useful in new ways, enabling us to widen our pool of participants and observers, and to "meet" with a wider range of Track II partners across Asia.

Going online has also facilitated "just-in-time discussions" on important developments, at low cost and without the logistical challenges of taking delegations offshore. One highlight was a session we hosted with I-Chung Lai, the President of Prospect Foundation, on the changes taking place in Taiwan.

Growing the next generation of strategic thinkers

In September, we held a "Next Generation" Track II workshop on the sidelines of the ASEAN Australia New Zealand Dialogue in Kuala Lumpur. This saw New Zealand participants joining with ASEAN and Australian counterparts to discuss security, economic, social and environment policy issues across the region. We have also held a series of workshops and simulations for students across New Zealand, helping to grow a more diverse and representative generation of participants for foreign policy dialogues.

RESEARCH

Our research programme commissions studies that support informed public conversations about New Zealand's relationship with Asia. We also support the next generation of scholars through our postgraduate research grants.

New Zealanders see ties with Asia as increasingly important

The 2019 Perceptions of Asia and Asian Peoples survey offered particularly interesting insights into New Zealand's maturing relationship with Asia. Despite the outbreak of COVID-19 and widespread border closures, New Zealanders rated Asia as even more important to New Zealand's future.

The main survey was carried out in November 2019 and at that time, two-thirds (67 percent) of New Zealanders said that it was important for New Zealand to develop political, economic and social ties with Asia. By March 2020, when the Foundation carried out a second mini poll (mid-COVID-19 pandemic), that figure had grown to 79 percent.

New Zealand and Japan: To our future

With New Zealand's eyes on Japan for the Rugby World Cup, in September 2019 the Foundation published a new report by academic David Capie, titled *New Zealand and Japan: To our future*.

The report showcases the growth of the Japan-New Zealand relationship (dating back 150 years) and the strong economic and people-to-people links that have given the relationship depth and warmth. It also highlights emerging areas for cooperation, including through indigenous connections, Pacific development, trade, and on initiatives to tackle climate change.

People links central to New Zealand-India relationship

In February we published *India and New Zealand: Our story, our future*, to highlight the dynamic connections between New Zealand and India.

The report, by Graeme Waters, describes the shared interests between the two countries, and points to the fundamental role that strong people-to-people relationships play. It includes case studies of New Zealanders and Indians working in partnership and highlights plenty of potential in the economic relationship, with two-way trade in goods and services approaching the NZ\$3 billion mark.

The report was timed so that it could be used as collateral in support of the successful visit to India by New Zealand's Minister of Foreign Affairs and Minister of Trade and their accompanying delegation, including Foundation executive director Simon Draper.

GOVERNANCE AND ACCOUNTABILITY STATEMENT

Role of the board

The Minister of Foreign Affairs (the Responsible Minister) has appointed a governing board. The board's governance responsibilities include:

- Communicating with the Responsible Minister and other stakeholders to ensure their views are reflected in the Foundation's planning
- Delegating responsibility to the executive director for the achievement of specific objectives
- Monitoring organisational performance and the achievement of objectives
- Accounting to the Responsible Minister on plans and progress against them
- Maintaining effective systems of internal control
- Setting strategic direction
- Approving policies
- Delegating authority to the executive director

Structure of the Asia New Zealand Foundation

ASIA NEW ZEALAND FOUNDATION OPERATIONS

The board has appointed the executive director to manage all of the Foundation's operations. All other employees of the Foundation have been appointed by the executive director. The board directs the executive director by setting policy and strategy and delegating responsibility and authority for the achievement of objectives.

BOARD COMMITTEES

The board may set up committees to provide a more detailed level of focus on particular issues. Committees are delegated responsibility for governance, policy-making and monitoring of the organisation's progress toward meeting objectives stated in policies. Committees do not involve themselves in operational matters. The board maintains an audit and risk committee that meets each year with the external auditor.

QUALITY ASSURANCE

The executive director is responsible for reporting to the board, which in turn reports to the Responsible Minister on the achievement of objectives. These are set out in the organisation's strategic plan and Statement of Performance Expectations (SPE), as approved by the board.

Governance philosophy

BOARD MEMBERSHIP

Board members are appointed by the Responsible Minister. The board is composed of members who have diverse skills and experience, to bring a wide range of thought to bear on policy issues. Once appointed, all members are required to act in the best interests of the Foundation.

CONNECTION WITH STAKEHOLDERS

The board acknowledges its responsibility to keep in touch with stakeholders, including the Responsible Minister.

DIVISION OF RESPONSIBILITY BETWEEN THE BOARD AND MANAGEMENT

A key to the efficient running of the Foundation is that there is a clear division between the roles of the board and those of management. The board concentrates on setting policy and strategy then monitors progress toward meeting objectives. Management is concerned with implementing policy and strategy. The board clearly demarcates these roles by ensuring the delegation of responsibility and authority to the executive director is concise and complete.

ACCOUNTABILITY

The board held four meetings during 2019/20 to monitor progress toward its strategic objectives and to ensure the affairs of the Foundation were being conducted in accordance with the board's policies.

DECLARATIONS OF INTEREST

The board maintains an interests register and ensures board members are aware of their obligations to declare interests.

INTERNAL CONTROLS

While many of the board's functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the board. Internal controls include the policies, systems and procedures established to provide assurance that specific objectives of the board will be achieved. The board has acknowledged its responsibility by signing the Statement of Responsibility.

RISK MANAGEMENT

The board acknowledges that it is ultimately responsible for the management of risks to the Foundation. The board has charged the executive director with operating a risk management programme.

LEGISLATIVE COMPLIANCE

The board acknowledges its responsibility to ensure that the organisation complies with all legislation. The board has delegated responsibility to the executive director for the development and operation of a programme to systematically identify compliance issues and ensure all staff are aware of legislative requirements that are particularly relevant to them.

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2020

The board of the Foundation accepts responsibility for the preparation of the financial statements and statement of performance and the judgements made in them.

The board of the Foundation accepts responsibility for any end-of-year performance information provided by the Foundation under section 19A of the Public Finance Act 1989.

The board of the Foundation accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the board of the Foundation, the financial statements and statement of performance for the year ended 30 June 2020 fairly reflect the financial position and operations of the Foundation.

Signed on behalf of the board:



SIMON MURDOCH
Deputy Chairman
2 December 2020



SIMON WATT
Trustee
2 December 2020

Independent Auditor's Report

To the readers of the Asia New Zealand Foundation's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of the Asia New Zealand Foundation (the Foundation). The Auditor-General has appointed me, Bonar Robertson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Foundation on his behalf.

Opinion

We have audited:

- the financial statements of the Foundation on pages 32 to 51, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Foundation on pages 27 to 31.

In our opinion:

- the financial statements of the Foundation on pages 32 to 51:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 27 to 31:
 - presents fairly, in all material respects, the Foundation's performance for the year ended 30 June 2020, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and

- what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 2 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Foundation. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Foundation as set out in note 22 to the financial statements and pages 29 and 31 of the performance information.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

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

Responsibilities of the Board of Trustees for the financial statements and the performance information

The Board of Trustees is responsible on behalf of the Foundation for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Trustees are responsible on behalf of the Foundation for assessing the Foundation’s ability to continue as a going concern. The Board of Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Foundation or to cease operations, or there is no realistic alternative but to do so.

The Board of Trustees’ responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Foundation's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, 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.
- We 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 Foundation's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We evaluate the appropriateness of the reported performance information within the Foundation's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 financial statements and the performance information 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 Foundation to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 22 and 52 to 55, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Foundation in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Foundation.



Bonar Robertson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF PERFORMANCE

In 2019/20 the government provided the Foundation with funding for one output under the output class:

'Promotion of Asian Skills and Relationships'.

This output can be summarised as follows:

The provision of services that build and sustain New Zealanders' knowledge and understanding of and relationships with Asia.

Mission

The output is focused on the following mission:

- Equip New Zealanders to thrive in Asia

Goals

In the Statement of Performance Expectations (SPE) the goals to achieve are:

- Deepening connections
New Zealand's relationships with Asian countries model the breadth and depth we share with Australia, Europe and the Americas.
- Growing awareness/knowledge
The Foundation is recognised as a key part of the ecosystem on Asia and New Zealand's relationships, both within New Zealand and the Asia-Pacific region
- Growing confidence
The Foundation is a key enabler of New Zealanders gaining confidence in their interactions with Asia. They are more knowledgeable, attuned and understand Asia.
- Organisational performance
The Foundation becomes more relevant to its stakeholders and adapts as their needs change.

The Asia New Zealand Foundation has also been contracted by the Ministry of Foreign Affairs and Trade to deliver the ASEAN Young Business Leaders Initiative. This is not funded by the SPE but relevant to the delivery of its mission.

STATEMENT OF PERFORMANCE (CONTINUED)

Financial performance under this output is summarised below.

	Actual 2020 \$	Budget 2020* \$	Actual 2019 \$
Revenue			
Revenue from Crown appropriation	5,000,000	5,000,000	5,000,000
Other revenue	624,886	907,000	830,432
Total revenue	5,624,886	5,907,000	5,830,432
Total expenses	5,083,513	6,642,000	5,580,893
Net surplus/(deficit) for the period	541,373	(735,000)	249,539

Revenue from Crown appropriation is provided through Vote Ministry of Foreign Affairs and Trade.

Performance measures and results

The SPE specifies the mission and goals to be achieved with the funding provided. Performance measures have been established, and results are detailed below. Please note that activities funded from other revenue and reserves may also contribute to the same SPE outcome.

Measure	Result						
Strategic Goal 1 – Deepening Connections							
Level of New Zealand public awareness of the importance of Asia to New Zealand (social research)	<p>An attitudinal research project, <i>New Zealanders’ Perceptions of Asia and Asian Peoples</i>, has been undertaken since 1994.</p> <p>This year’s result showed that 72% of New Zealanders saw the Asia region as important to New Zealand’s future (second only to Australia). This is a slight decrease from the previous year’s result of 73%. Results reveal New Zealanders feel closer to Asia compared to five years ago. Two out of three believe it is important New Zealand continues to develop ties with Asia; and self-assessed knowledge of Asia is improving year-on-year.</p>						
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; border-top: 1px solid black;">2019/20 goal: maintain</td> <td style="width: 25%; border-top: 1px solid black;">2019/20 actual:</td> <td style="width: 25%; border-top: 1px solid black; text-align: right;">72%</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">2018/19 actual:</td> <td style="border-top: 1px solid black; text-align: right;">73%</td> </tr> </table>	2019/20 goal: maintain	2019/20 actual:	72%		2018/19 actual:	73%
2019/20 goal: maintain	2019/20 actual:	72%					
	2018/19 actual:	73%					

* Budget is unaudited.

STATEMENT OF PERFORMANCE (CONTINUED)

Measure	Result
Number of Track II dialogues conducted	<p>The Foundation continued adding value to the Track II dialogue series by hosting post-dialogue briefings, roundtable discussions and events to find a wider audience. This includes:</p> <p>2019/20 goal: conduct eight Track II dialogues 2019/20 actual: Six Track II dialogues conducted: ASEAN and Australia in Kuala Lumpur, Asan Institute (Korea) for Policy Studies in Seoul, Prospect Foundation of Taiwan in Wellington, Raisina Dialogue and other meetings (New Delhi, India), Prospect Foundation of Taiwan via Livestorm and a series of Track II simulations held in Wellington and Auckland via Zoom. Additional dialogues with Singapore, Vietnam, Japan and Indonesia were postponed due to COVID-19.</p> <p>2018/19 actual: nine Track II dialogues conducted: China Track II dialogues held with various think tanks in China, ASEAN and Australia in Kuala Lumpur, ASAN Institute (Korea) for Policy Studies in Wellington, Japan Track 1.5 dialogues held with various think tanks in Japan, Prospect Foundation of Taiwan in Taiwan, Diplomatic Academy of Vietnam in Wellington, Indian Council for World Affairs in Wellington, Mekong in Chiang Rai and a series of Track II simulations held across New Zealand.</p>
Number of inward/outward Asia experiences	<p>The Foundation supported 386 individuals to have an inward/outward Asia experience. This included experiences for artists, journalists, business interns, entrepreneurs, researchers, sportspeople and Leadership Network members.</p> <hr/> <p>2019/20 goal: 375 2019/20 actual: 386</p> <hr/> <p>2018/19 actual: new measure</p>
Number of partnerships/sponsorships	<p>The Foundation was able to partner with 23 organisations across a broad spectrum of events such as Festival for the Future, Institute of Financial Professionals IFINZ Annual Conference, Bread and Circus Buskers Festival and the Black Sticks NZ Hockey test series against Japan.</p> <hr/> <p>2019/20 goal: 20 2019/20 actual: 23</p> <hr/> <p>2018/19 actual: new measure</p>

STATEMENT OF PERFORMANCE (CONTINUED)

Measure	Result
<p>Number of attendees at partnership/sponsorship events</p>	<p>Through 21 sponsorships, the Foundation was able to engage with over 31,000 attendees. More than 85,000 additional people attended the Auckland and Wellington Diwali Festival of Light events – of which the Foundation is a founding partner.</p> <hr/> <p>2019/20 goal: 18,000 2019/20 actual: 31,448</p> <hr/> <p>2018/19 actual: new measure</p>
Strategic Goal 2 – Growing awareness/knowledge	
<p>Increase in measured Asian knowledge of New Zealanders (to be included in Perceptions of Asia report every second year)</p>	<p>In 2017 the Foundation asked participants five Asian general knowledge questions ranging from the political system in Indonesia to what region New Zealand receives most foreign investment from. Thirteen percent of respondents got more than four of six questions correct. The 2019 survey asked participants to identify six selected countries on a map of Asia. Fifty-three percent of respondents got four or more correct.</p> <p>This represents a large increase. The Foundation recognises this variance could be due to the complexity of the questions and is not a strong measure. As such this measure has been expired.</p> <hr/> <p>2019/20 goal: % increase survey to survey</p> <hr/> <p>2019/20 actual: 53%</p> <hr/> <p>2017/18 actual: 13%</p>
<p>Number of research reports published and distributed</p>	<p>2019/20 goal: five reports published and distributed</p> <p>2019/20 actual: four research reports published and distributed - <i>New Zealand and Japan: to the future, India and New Zealand: Our story, our future, Auckland's Business Ecosystems - the Indian and Chinese experience, Perceptions of Asia and Asia Peoples 2019 Annual Survey</i></p> <p>2018/19 actual: three reports published and distributed – <i>Thinking Careers? Think Asia; Asia and Asian Peoples from a Te Ao Māori Perspective and Perceptions of Asia and Asian Peoples 2018 Annual Survey</i></p>
<p>Percentage increase in the number of schools within Asia New Zealand Foundation's school network</p>	<p>The Foundation continued to grow the number of schools within its school network. This year there was a focus on schools within the greater Auckland area not already in the network and in regional outreach. There are now 830 schools in the network.</p> <hr/> <p>2019/20 goal: 5% 2019/20 actual: 8%</p> <hr/> <p>2018/19 actual: 5%</p>

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2020

	Note	Actual 2020 \$	Budget 2020* \$	Actual 2019 \$
Revenue				
Revenue from Crown appropriation		5,000,000	5,000,000	5,000,000
Other Crown revenue	2	395,079	749,000	605,255
Project funding	2	-	25,000	25,000
Interest revenue	2	148,471	125,000	161,521
Other revenue		81,336	8,000	38,656
Total revenue		5,624,886	5,907,000	5,830,432
Expense				
Personnel costs	3	2,710,177	2,672,840	2,380,470
Project expense	4	28,587	72,000	45,735
Depreciation and amortisation	9, 10	80,476	80,000	51,276
Other expense	5	2,264,273	3,817,160	3,103,412
Total expense		5,083,513	6,642,000	5,580,893
Surplus/(Deficit)		541,373	(735,000)	249,539
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		541,373	(735,000)	249,539

Explanations of significant variances against budget are detailed in note 22.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Actual 2020 \$	Budget 2020* \$	Actual 2019 \$
Balance at 1 July	4,367,337	4,318,000	4,117,798
Total comprehensive revenue and expense for the year	541,373	(735,000)	249,539
Balance at 30 June	4,908,710	3,583,000	4,367,337

The accompanying accounting policies and notes form an integral part of these financial statements.

* Budget is unaudited.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Actual 2020 \$	Budget 2020* \$	Actual 2019 \$
ASSETS				
Current assets				
Cash and cash equivalents	6	220,675	262,000	163,141
Trade and other receivables and prepayments	7	207,740	160,510	169,197
Investments	8	2,900,000	1,800,000	3,500,000
Total current assets		3,328,415	2,222,510	3,832,338
Non-current assets				
Property, plant and equipment	9	141,946	130,490	180,063
Intangible assets	10	-	-	-
Investments	8	2,150,000	1,750,000	1,000,000
Total non-current assets		2,291,946	1,880,490	1,180,063
Total assets		5,620,361	4,103,000	5,012,401
LIABILITIES				
Current liabilities				
Trade and other payables	11	318,775	210,000	368,439
Employee entitlements	12	199,261	125,000	134,697
Lease incentive	13	-	-	20,231
GST		86,115	85,000	14,197
Total current liabilities		604,151	420,000	537,564
Non-current liabilities				
Provisions	14	107,500	100,000	107,500
Total non-current liabilities		107,500	100,000	107,500
Total liabilities		711,651	520,000	645,064
NET ASSETS		4,908,710	3,583,000	4,367,337
EQUITY				
General funds	16	3,439,692	2,156,000	2,913,808
Managed Fund Korea	16	811,471	788,000	804,658
Managed Fund Japan	16	657,547	639,000	648,871
TOTAL EQUITY		4,908,710	3,583,000	4,367,337

Explanations of significant variances against budget are detailed in note 22.

The accompanying accounting policies and notes form an integral part of these financial statements.

* Budget is unaudited.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	Actual 2020 \$	Budget 2020* \$	Actual 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Revenue from Crown appropriation		5,000,000	5,000,000	5,000,000
Other Crown revenue		419,439	749,000	615,695
Other revenue		63,550	10,000	48,006
Revenue on behalf of funds		8,000	26,500	26,500
		5,490,989	5,785,500	5,690,201
Cash was distributed to:				
Payments to suppliers		(2,388,675)	(3,859,160)	(3,060,439)
Payments to employees		(2,645,613)	(2,642,340)	(2,374,030)
Payments on behalf of funds		(41,581)	(72,000)	(32,735)
Net GST (paid)/received		61,194	(45,000)	(28,194)
		(5,014,675)	(6,618,500)	(5,495,398)
Net cash outflow from operating activities		476,314	(833,000)	194,803
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Interest received		174,175	175,500	168,982
Investments maturing		3,500,000	3,500,000	2,850,000
		3,674,175	3,675,500	3,018,982
Cash was distributed to:				
Acquisition of investments		(4,050,000)	(2,800,000)	(3,250,000)
Purchase of property, plant and equipment		(42,955)	(42,500)	(54,457)
Purchase of intangibles		-	-	-
		(4,092,955)	(2,842,500)	(3,304,457)
Net cash inflow/(outflow) from investing activities		(418,780)	833,000	(285,475)
Net (decrease)/increase in cash and cash equivalents		57,534	-	(90,672)
Plus opening cash		163,141	262,000	253,813
Closing cash and cash equivalents	6	220,675	262,000	163,141

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from Inland Revenue. The GST (net) component has been presented as a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements. Explanations of significant variances against budget are provided in note 22.

The accompanying accounting policies and notes form an integral part of these financial statements.

* Budget is unaudited.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Statement of accounting policies for the year ended 30 June 2020

Reporting entity

The Asia New Zealand Foundation (the Foundation) is a Schedule 4 entity in terms of the Public Finance Act 1989. These financial statements have been prepared in accordance with the Public Finance Act 1989 and Crown Entities Act 2004. In addition, the Foundation has reported on the funding administered on behalf of the Crown in the statement of performance.

The Foundation is a trust whose primary objective is to provide services to the New Zealand public, as opposed to that of making a financial return.

The Foundation has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Foundation are for the year ended 30 June 2020 and were approved on 2 December 2020 by the audit and risk committee under delegated authority from the Board of Trustees.

Basis of preparation and statement of compliance

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirements to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards and applied disclosure concessions. The criteria under which the Foundation is eligible to report in accordance with Tier 2 standards are: Foundation expenditure is less than \$30 million; and it is not publicly accountable.

These financial statements comply with PBE accounting standards reduced disclosure regime.

The financial statements are presented in New Zealand dollars, being the functional currency of the Foundation. All values are rounded to the nearest dollar.

Standards early adopted

The Foundation has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 23.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of these transactions are recognised in the surplus or deficit.

Note 1: Statement of accounting policies for the year ended 30 June 2020 (continued)

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable, which are stated with GST included. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Foundation is a registered charity with Charities Services and consequently has been granted exemption from income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are those approved by the board in the Statement of Performance Expectations 2019/20. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Foundation for the preparation of the financial statements.

Cost of service statement

The Foundation has a single output. Therefore, all costs shown in the cost of service statement, as reported in the statement of performance, are allocated directly to that output.

Critical accounting estimates and assumptions

In preparing these financial statements, the Foundation has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:

- *Useful lives and residual values of property, plant and equipment* – refer to note 9.
- *Impairment of non-financial assets* – refer to note 9.
- *Carrying amount of make-good provision for the Auckland and Wellington offices* – refer to note 14.

Critical judgements in applying the Foundation's accounting policies

Management has exercised the following critical judgements in applying the Foundation's accounting policies for the year ended 30 June 2020:

- *Grants received* - refer to note 2.
- *Lease classification* – refer to note 5.

Note 2: Analysis of revenue

The specific accounting policies for significant revenue items are explained below:

Revenue from Crown appropriation

The Foundation derives revenue through the provision of outputs to the Crown. A schedule detailing the timing of this revenue stream is agreed with the Ministry of Foreign Affairs and Trade at the beginning of the year. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt.

Other Crown Revenue

The Foundation's contract to provide the ASEAN Young Business Leaders Initiative programme with the Ministry of Foreign Affairs and Trade continued through to June 2020. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Additional funding: The Foundation also continued its partnership with Creative New Zealand to provide opportunities in Asia for artists and curators. The Foundation considers there are no conditions attached to this funding agreement and revenue is recognised on receipt. In 2018/19 the Foundation signed two contracts with Victoria University of Wellington on behalf of the Southeast Asia Centre of Asia-Pacific Excellence to provide a pilot programme to develop enduring partnerships between schools in New Zealand and Indonesia in September 2018 and a pilot Accelerate Southeast Asia programme to support start-up entrepreneurs engage with Southeast Asia in July 2018. The fair value of revenue from Victoria University of Wellington and Creative New Zealand has been determined to be equivalent to the amounts due in the funding arrangements.

Interest revenue

Interest revenue is recognised using the effective interest method.

Other revenue

The Foundation also receives revenue from core sponsorship and specific project funding from third parties. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt.

Other grants

Non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grant is initially recorded as revenue in advance and recognised as revenue when conditions of the grant are satisfied.

Critical judgements in applying the Foundation's accounting policies

Grants received

The Foundation must exercise judgement when recognising grant revenue to determine if the conditions of the grant contract have been satisfied. This judgement is based on the facts and circumstances that are evident for each grant contract.

Note 2: Analysis of revenue (continued)

	2020	2019
	\$	\$
OTHER CROWN REVENUE		
ASEAN Young Business Leaders Initiative	300,079	278,195
Core Sponsorship (NZTE)	70,000	70,000
Additional funding	25,000	257,060
Total revenue from the Crown	395,079	605,255
PROJECT FUNDING		
Japan Fund	-	25,000
Total project funding	-	25,000
INTEREST REVENUE		
Interest from term deposits	145,397	156,516
Other interest	3,074	5,005
Total interest revenue	148,471	161,521

The total revenue of \$5,624,886 (2019 – \$5,830,432) includes total non-exchange revenue of \$5,476,204 (2019 – \$5,666,960).

Note 3: Personnel costs

	2020	2019
	\$	\$
Salaries and wages	2,583,415	2,316,688
KiwiSaver employer contributions	62,198	57,341
Increase/(decrease) in employee benefit liabilities	64,564	6,441
Total personnel costs	2,710,177	2,380,470

Key management personnel compensation	2020	2019
Board Members		
Remuneration	\$36,000	\$36,500
Full-time equivalent members	8	7.75
Key management personnel		
Remuneration	\$512,994	\$494,830
Full-time equivalent members	2	2
Total key management personnel remuneration	\$548,994	\$531,330
Total full-time equivalent personnel	10	9.75

Key management personnel include the executive director, deputy executive director and members of the Board of Trustees. Full-time equivalent is based on the number of months during the year members have been with the Foundation.

Note 3: Personnel costs (continued)

Employee remuneration	2020	2019
Total remuneration paid and payable		
\$100,000 – 109,999	2	1
\$110,000 – 119,999	0	1
\$120,000 – 129,999	0	1
\$130,000 – 139,999	1	0
\$140,000 – 149,999	1	1
\$150,000 – 159,999	2	0
\$210,000 – 219,999	0	1
\$220,000 – 229,999	1	0
\$280,000 – 289,999	0	1
\$290,000 – 299,999	1	0

Note 4: Project expense

	2020	2019
	\$	\$
Managed Fund Korea	17,587	9,416
Managed Fund Japan	11,000	36,319
Total project expense	28,587	45,735

Note 5: Other expense

Grant expenditure

Discretionary grants are those grants that the Foundation has no obligation to award on receipt of the grant applications. These grants are only recognised as expenditure when the successful applicants have been notified of the Foundation's approval.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Critical judgements in applying the Foundation's accounting policies

Lease classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Foundation.

Judgement is required for various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include the renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as plant and equipment, whereas for an operating lease no such asset is recognised.

The Foundation has exercised its judgement on the appropriate classification of equipment leased and determined the lease arrangement as an operating lease.

Note 5: Other expense (continued)

	2020	2019
	\$	\$
Fees paid to auditor		
- Audit fees for financial statements' audit	28,299	27,878
- Audit fees for internal audit services	-	11,870
Grants awarded	558,300	655,456
Operating lease payments	255,285	272,409
Board of Trustees' expenses (Note: fees paid to Trustees detailed in note 3)	24,729	35,169
Telecommunications	7,660	12,520
Insurance premiums	12,658	13,312
Other operating expense	1,377,342	2,074,798
Total other expense	2,264,273	3,103,412

Project expense includes additional grants awarded of \$11,000 (2019 – \$15,000).

Other operating expense includes activity in our ten programmes and overheads.

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2020	2019
	\$	\$
Not later than one year	250,871	249,638
Later than one year and not later than five years	1,010,112	1,005,471
Five years or more	410,986	666,496
Total	1,671,969	1,921,605

Operating leases include the premises' leases for the Wellington and Auckland offices and a photocopier lease. The Wellington office lease was extended in 2019 for a further six years and now expires in April 2026 with no right of renewal. The Auckland office expires in November 2023 with a five year right of renewal taking the lease out to November 2028.

There are no restrictions placed on the Foundation by any of its leasing arrangements.

Note 6: Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and term deposits with original maturities of three months or less.

	2020	2019
	\$	\$
Cash at bank	220,675	163,141
Total cash and cash equivalents	220,675	163,141

While cash and cash equivalents at 30 June 2020 are subject to expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance is trivial.

Assets recognised in a non-exchange transaction that are subject to restrictions.

The Foundation holds unspent grant funding received, included in cash at bank, of \$70,000 (2018 – \$16,834) that is subject to restrictions. The restrictions generally specify how the grant is required to be spent in providing the specified deliverables of the grant arrangement.

Note 7: Trade and other receivables and prepayments

Trade and other receivables are reported at their face value, less an allowance for expected credit losses. The Foundation applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

No loss allowance has been recognised because the estimated loss allowance is trivial.

Previous accounting policy for impairment of receivables

A receivable was considered impaired when there is evidence that the Foundation would not be able to collect the amount due. The amount of the impairment was the difference between the carrying amount of the receivable and the present value of the amount expected to be collected.

	2020	2019
	\$	\$
Trade receivables	12,215	507
Interest receivable	83,442	109,146
Prepayments	112,083	59,544
Less: Allowance for credit losses	-	-
Total trade and other receivables and prepayments	207,740	169,197
Total receivables comprise:		
Receivables from the sale of goods and services (exchange transactions)	83,442	109,653
Receivables from grants (non-exchange transactions)	12,215	-

Note 8: Investments

Investments in bank term deposits with original maturities of more than one year are initially measured at the amount invested. Interest is accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

The Foundation considers there has not been a significant increase in the credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term A investment grade credit rating, which indicates the bank has a strong capacity to meet its financial commitments.

No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for the credit losses is trivial.

The carrying amounts of term deposits approximate their fair value.

	2020	2019
	\$	\$
Current portion		
Term deposits maturing in the following 12 months	2,900,000	3,500,000
Non-current portion		
Term deposits maturing in over 12 months	2,150,000	1,000,000
Total investments	5,050,000	4,500,000

Note 9: Property, plant and equipment

All classes of property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant or equipment is recognised as an asset if, and only if, the future service potential associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are measured by comparing the proceeds with the carrying value of the assets. Gains and losses on disposal are reported net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to the Foundation, and the costs of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the costs of the assets to their estimated residual values over their useful lives. Only items or groups of items purchased with a value above \$500 are capitalised. Those under \$500 are expensed.

The useful lives and associated depreciation rates of major classes of asset have been estimated as follows:

Leasehold improvements	5 – 9 years	11 – 18%
Furniture and fittings	3.8 – 9 years	11 – 26%
Office equipment	3.5 – 6.7 years	15 – 29%
Computer equipment	2.8 – 4 years	25 – 36%

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at the end of each financial year. The cost of leasehold improvements is capitalised and depreciated over the un-expired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Impairment of property, plant and equipment and intangible assets

The Foundation does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

The property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Note 9: Property, plant and equipment (continued)

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the asset's fair value less costs to sell and value in use. The value in use is the present value of the asset's remaining service potential. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Critical accounting estimates and assumptions

Estimating useful lives and residual values of property, plant and equipment

At each balance date the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates requires a number of factors to be considered, such as the physical condition of the asset, the expected period of use and the expected disposal proceeds from any future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense in the surplus or deficit, and the carrying amount of the asset in the statement of financial position.

Impairment of non-financial assets

At each balance date the Foundation reviews all its non-financial assets for impairment. No impairment has been made this year.

	Leasehold improvements \$	Computer equipment \$	Furniture & fittings \$	Office equipment \$	Total \$
At 1 July 2019					
Cost	420,857	141,316	146,446	49,989	758,608
Accumulated depreciation and impairment charges	(340,777)	(106,444)	(106,046)	(25,278)	(578,545)
Net book value	80,080	34,872	40,400	24,711	180,063
Additions	-	38,242	-	4,713	42,955
Disposals	-	(93,721)	(2,487)	(5,562)	(101,770)
Accumulated depreciation eliminated on disposal	-	93,125	2,487	5,562	101,174
Depreciation charge	(35,564)	(24,704)	(12,732)	(7,476)	(80,476)
Closing net book value	44,516	47,814	27,668	21,948	141,946
At 30 June 2020					
Cost	420,857	85,837	143,959	49,140	699,793
Accumulated depreciation and impairment charges	(376,341)	(38,023)	(116,291)	(27,192)	(557,847)
Net book value	44,516	47,814	27,668	21,948	141,946

There were no capital commitments as at 30 June 2020 (2019 – Nil).

Note 10: Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with the development and maintenance of the Foundation's website are recognised as an expense when incurred.

Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of software with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is ready for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful life and associated amortisation rate of a major class of intangible assets have been estimated as follows:

Computer software	3 years	33%
		2020
		\$
<hr/>		
Software at 1 July 2019		
Cost		67,816
Accumulated amortisation		(67,816)
Opening carrying value		-
Additions		-
Disposals		(39,854)
Accumulated amortisation eliminated on disposal		39,854
Amortisation charge		-
Closing carrying value		-
<hr/>		
Balance at 30 June 2020		
Cost		27,962
Accumulated amortisation		(27,962)
Closing carrying value		-
<hr/>		

Note 11: Trade and other payables

Trade and other payables are recorded at their face value. Trade payables are typically on 30-day payment terms.

	2020	2019
	\$	\$
Payables under exchange transactions		
Trade payables	40,030	110,877
Accrued expenses	40,236	36,446
Total payables under exchange transactions	80,266	147,323
Payables under non-exchange transactions		
Grants payable	218,509	209,110
Trade payables	-	12,006
Grants received subject to conditions	20,000	-
Total payables under non-exchange transactions	238,509	221,116
Total trade and other payables	318,775	368,439

Note 12: Employee entitlements

Employee benefits that the Foundation expects to be settled within 12 months of the end of the period in which the employee render services are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the balance date and annual leave earned to but not yet taken at the balance date.

The Foundation recognises a liability and expense for bonuses where they are contractually obliged, or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Defined contribution superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

	2020	2019
	\$	\$
Accrued salaries and wages	72,064	49,999
Annual leave	127,197	84,698
Total employee entitlements	199,261	134,697

Note 13: Lease incentive

Operating leases

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

	2020	2019
	\$	\$
Lease incentive		
Opening balance	20,231	45,788
Lease incentive used during the year	(20,231)	(25,557)
Closing balance	-	20,231

The lease incentive was received for the Wellington office and is recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

	2020	2019
	\$	\$
Lease incentive		
Current portion	-	20,231
Non-current portion	-	-
Total balance	-	20,231

Note 14: Provisions

The Foundation recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Critical accounting estimates and assumptions

Carrying amount of make-good provision for the Auckland and Wellington offices

At each balance date, the Foundation reviews the carrying amount of the make-good provision for the Auckland and Wellington offices. The carrying amount is based on information provided by third parties and takes into account relevant market factors.

The carrying amount of the provision remains unchanged, updated market factors did not result in a material adjustment.

	2020 \$	2019 \$
Non-current provisions		
<i>Lease make-good provision</i>		
Opening balance	107,500	107,500
Additional provisions made during the year	-	-
Closing balance	107,500	107,500

The property lease agreements in both Wellington and Auckland require the Foundation to reinstate the office spaces to their original condition upon expiry. This would include removing partitioning, redecorating and replacing carpets. The Wellington office lease expires in April 2026 with no right of renewal. The Auckland office lease expires in November 2023 with a five-year right of renewal to November 2028 if taken.

Note 15: Contingent liabilities and assets

There were no contingent liabilities or assets as at 30 June 2020 (2019 – Nil).

Note 16: Capital management

The Foundation's capital is its equity. Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated surplus/(deficit)
- Managed funds (Japan and Korea)

Managed funds are historical funds held by the Foundation for specific activities. While there is no contractual obligation to use these funds for specific purposes, the board has agreed it has a moral responsibility to use the funds for the purpose originally intended and not for any other means.

The Trust deed requires the Board of Trustees to manage the Foundation's revenue, expenses, assets, liabilities, investments and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing the Trust's equity is to ensure that the Trust achieves its objectives and purpose effectively, whilst remaining a going concern.

The table below shows the split of total comprehensive revenue and expense for the year, split between the equity components based on activity.

Equity	1 July 2019	Surplus/(Deficit)	30 June 2020
	\$	\$	\$
General funds	2,913,808	525,884	3,439,692
Managed Fund Korea	804,658	6,813	811,471
Managed Fund Japan	648,871	8,676	657,547
Total equity	4,367,337	541,373	4,908,710

Note 17: Related party transactions

The Foundation is an entity of the Crown under the Schedule 4 of the Public Finance Act 1989.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships on terms and conditions no more or less favourable than those that it is reasonable to expect the Foundation would have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies (for example government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and are undertaken on the normal terms and conditions for such transactions.

There have been no related party transactions in the year ending 30 June 2020 (2019 – Nil).

Note 18: Events after the balance date

There have been no significant events after the balance date.

Note 19: Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2020 \$	2019 \$
Financial assets measured at amortised cost		
Cash and cash equivalents (2019: Loans and receivables)	220,675	163,141
Trade and other receivables (2019: Loans and receivables)	95,657	109,653
Investments (2019: Held to maturity)	5,050,000	4,500,000
Total financial assets measured at amortised cost	5,366,332	4,772,794
Financial liabilities measured at amortised cost		
Trade and other payables (excluding grants received subject to conditions)	321,775	368,439

Note 20: ASEAN Young Business Leaders Initiative

Expenditure relating to the ASEAN Young Business Leaders Initiative is as follows:

	2020 \$	2019 \$
Contribution towards personnel costs and overhead costs	134,000	134,000
Programme costs	82,913	149,056
Total expenditure	216,913	283,056

Contribution towards personnel costs and overhead costs and programme costs are included in the statement of comprehensive revenue and expense in the line items 'Personnel costs' and 'Other expenditure'.

Note 21: Donated services

The Foundation receives in-kind donations of services from many organisations. Following the transition to the PBE accounting standards, the Foundation is no longer required to include them in the surplus or deficit.

The Foundation is able to measure reliably some of these services, and a summary is provided below:

	2020 \$	2019 \$
Management services	20,630	19,555
Total donated services	20,630	19,555

Note 22: Explanation of significant variances against budget

The 2019/20 year was the third of the Foundation's strategic plan with a vision of 'A New Zealand confident in and with Asia' and value proposition of 'We equip New Zealanders to be more confident and engaged with Asia by enabling deeper connections, awareness and knowledge'.

On 11 March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3, thereafter, until 13 May.

The country-wide lockdown and closure of our borders had a huge impact on our planned activity and expenditure for the period, resulting in a surplus for the year.

Statement of comprehensive revenue and expense

The Foundation budgeted a full year deficit of \$735,000 and achieved a full year surplus of \$541,373, this is a variance of \$1,276,373 (underspend).

The Foundation again took an ambitious approach to setting a budget for the year following the increase to output funding received last year. Changes made to existing programmes were bedded in and activity planning was well underway before being hindered by COVID-19.

The Foundation was forced to cancel or postpone Asian experiences for teachers, Leadership Network members, Track II practitioners, entrepreneurs, interns, artists and journalists. Many of our grantees across all programmes were also unable to complete their experiences.

Unfortunately, onshore events, Foundation initiated and supported, were also affected. The Foundation is committed to supporting partners in the future.

Statement of financial position

The variances in assets and equity relate to the variance in comprehensive revenue and expenditure. Prepayments are high due to a large amount of airline credit, while payables are high due to grants remaining unpaid pending the removal of international travel restrictions.

Statement of cash flows

The variances in cash flows follow on from the financial surplus for the year, particularly payments to suppliers which are under budget and acquisition of investments which are over budget as surplus funds were invested.

Note 23: Adoption of PBE IFRS 9 Financial Instruments

In Accordance with the transitional provisions of PBE IFRS9, the Foundation has elected not to restate the information from previous years to comply with PBE IFRS 9. There are no adjustments to carrying amounts arising from the adoption of PBE IFRS 9.

Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 7 Trade and other receivables: This policy has been updated to reflect that the short-term receivables is now determined by applying an expected credit loss model.
- Note 8 Investments: The policy for Term deposits has been updated to explain that a loss allowance for expected credit losses is recognized only if the estimated loss allowance is not trivial.

On the date of initial application of PBE IFRS 9, being 1 July 2019, the classification of financial instruments under PBE IFRS 29 and PBE IFRS 9 is as follows:

	Measurement category		Carrying amount		
	Original PBE IPSAS 29 category	New PBE IFRS 9 category	Closing balance 30 June 2019 (PBE IPSAS 29) \$	Adoption of PBE IFRS 9 adjustment \$	Opening balance 1 July 2019 (PBE IFRS 9) \$
Cash and cash equivalents	Loans and receivables	Amortised cost	163,141	-	163,141
Trade and other receivables	Loans and receivables	Amortised cost	109,653	-	109,653
Investments	Held to maturity	Amortised cost	4,500,000	-	4,500,000
Total Financial Assets			4,772,794	-	4,772,794

The measurement categories and carrying amounts for financial liabilities have not changed between the closing 30 June 2019 and opening 1 July 2019 dates as a result of the transition to PBE IFRS 9.

ORGANISATION INFORMATION

Board of Trustees

Chairman: Hon John Luxton CNZM QSO
Deputy Chairman: Simon Murdoch CNZM

Trustees: Danny Chan, Lyn Lim MNZM, Raf Manji, Simon Watt, Hon Dame Fran Wilde DNZM QSO JP and Chris Seed (ex-officio)

Identified stakeholders: Iona Holsted (Secretary for Education) and Peter Chrisp (Chief Executive, New Zealand Trade and Enterprise)

Board of Honorary Advisers

Chairman: Rt Hon Winston Peters, Minister of Foreign Affairs

China: Professor Zhou Guangzhao, Li Xiaolin

Hong Kong: Dr Victor K Fung, Annie Wu Suk-Ching

India: Dr Raghupati Singhanian, Dr Reuben Abraham

Indonesia: Amris Hassan, Helianti Hilman

Japan: Hirofumi Nakasone, Amane Nakashima

Malaysia: Tan Sri Rafidah Aziz

Philippines: Guillermo M. Luz

Singapore: Dr Ng Eng Hen, Stanley Tan ONZM

South Korea: Professor Han Sung-Joo, Heekyung Jo Min

Sri Lanka: Senaka Silva

Thailand: Dr Supachai Panitchpakdi, Dr Thitinan Pongsudhirak, Dr Pavida Pananond

Timor Leste: Adaljiza Magno

Vietnam: Pham Thi My Le

New Zealand: Dr Alan Bollard CNZM, Hon Philip Burdon, Trish Carter, Peter Chin CNZM, Rob Fyfe, Traci Houpapa MNZM, Raymond Huo MP, Emeritus Prof Manying Ip CNZM, Ian Kennedy, Melissa Lee MP, Richard Long ONZM, Rt Hon Sir Don McKinnon ONZ GCVO, Peter Miskimmin, Mitchell Pham, Hon Simon Power QSO, Rt Hon Sir Anand Satyanand GNZM QSO KStJ, Dr Farib Sos MNZM

Footnote: names denoted within the brackets have either retired or left the organisation within the past 12 months

Asia New Zealand Foundation staff

Executive Director: Simon J Draper

Deputy Executive Director: Adele Mason

Director Arts: Craig Cooper

Director Business: Felicity Roxburgh

Director Communications and Media: Rebecca Inoue-Palmer

Director Education: Sean O'Connor

Director Engagement and Research: Suzannah Jessep

Director Leadership and Entrepreneurship: Adam McConnochie

Media Centre Manager: Graeme Acton (Kay Seatter-Dunbar)

Senior Adviser Engagement and Research: Dr James To

Senior Adviser Research: Jordan King (Karen Schwoerer)

Communications Adviser: Tessa Johnstone

Education Adviser: Yasheeka Bertram

Education Adviser: Mei Law

Sports Adviser: Kirsty Sharp

Website Manager: Ned Wotherspoon

Media Adviser: Eleanor Wenman

Digital Content Editor: (Siobhan Downes)

Researcher (AMC): (Dr Rebecca Townsend)

Project Officer Leadership: Summer Qu (Nicola McCardle)

Project Officer Entrepreneurship: Ryan Smith

South Island Establishment Manager: Alistair Crozier

Accountant: Sunita Soma

Executive Assistant: Paula McLaughlin

Receptionist/Accounts Assistant: Elizabeth Basalaj

Project Coordinator Internships: Bo Bae Wilson

Project Coordinator Leadership and Entrepreneurship: Alexis Allen

Communications Support: Emma Rzepecky

Footnote: names denoted within the brackets have left the organisation within the past 12 months

SUPPORTERS

The Foundation has sought to build partnerships with the New Zealand government and the business community. We receive contributions from the following partners:

Partners:

Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise.

Sponsors:

Japan Fund - The Nakashimato Scholarship Foundation.

The Foundation also acknowledges support from the following organisations:

ANZCO Foods (Taiwan), Arataki Cultural Trails, Asialink, Australian Institute of International Affairs, Beach House Pictures, Beca (Indonesia), Bell Gully, Burnside High School, Chinese Language Foundation and its former Trustees, ChristchurchNZ, CJ Cultural Foundation (Korea), Confucius Institute of New Zealand, Creative New Zealand, Destination Rotorua, Enable Code, Korean Education Centre, KPMG (New Zealand and Vietnam), Liston College, MAD Travel (Philippines), Mau Studio, Nutrition Technologies (Malaysia), Priority One, Reach Out Teahouse, ReForm, Smart R, SS.EC, Streets International Wiped On and University of Canterbury.

The Foundation and Asia Media Centre also acknowledges support from the following people:

Sophia Amani, Mary-Anne Bethell, Caroline Bilkey, Soren Bouma, Katie Bradford, Tom Burns, Kevin Buley, Alex Bukh, Anna Campbell, Weng-Kei Chen, Wongi Choe, Guy Charlton, Bill Chen, Francine Chen, Monique Cooper, Nick Davies, Sharyn Davies, Denis Donnelly, Tracey Epps, Charles Finny, Anna Fifield, Hongzhi Gao, Bates Gill, Martin Gold, Bob Gregory, Stephen Harris, Ron Hanson, Natasha Hamilton-Hart, Sameer Handa, Paul Henare, Stephen Hoadley, Iati Iati, Naushyn Janah, Lester Khoo, Nicholas Khoo, Stephen Kinighty, Sara Lipura, Kaharoa Manihera, John MacArther, John McRae, Raja Mohan, Kieran Muir, Eva Nisa, Elina Noor, Brett O'Riley, Manjeet Pardesi, Robert Patman, Milinda Peris, Hao Peng, Edwina Pio, Roberto Rabel, Naila Rahma, Chris Roberts, Rob Scollay, Sandeep Singh, Luke Owen Smith, Cameron Sumpter, Alex Tan, Shin Takahashi, Freddie Tresidder, Jann Vaughan, Purawich Watanasuk, Benjamin Watson, Joseph Yamamoto, Jason Young, Wei Zhao, members and graduates of the Leadership Network and participants of our Young Business Leaders Initiative, internship and grant programmes.

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