

Annual Report
of the
Asia New Zealand Foundation
for the year ended 30 June 2021

*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 2021.

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

HON DAME FRAN WILDE, DNZM QSO

Chair

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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.

CHAIR'S REPORT

The 2020-21 year was the first in the Asia New Zealand Foundation's history in which it was unable to send New Zealanders to Asia, or to host guests from the region. People-to-people connections and personal experiences are powerful ways to grow knowledge, understanding and confidence about Asia, so border constraints have proven a real challenge to the Foundation's mandate.

Domestically, COVID-related restrictions also took their toll on a range of events organised and supported by the Foundation, with several cancellations, postponements and adapted activities over the course of 2020-21.

Against that backdrop, I'm proud of the work the Foundation has been able to achieve in its mission to equip New Zealanders to thrive in Asia. The team has adapted its work in a range of ways, including through online connections to Asia; organising and supporting Asia content at a wide range of domestic events across New Zealand; and in growing its voice on topical issues.

Research commissioned by the Foundation in the past year demonstrates that its work continues to be critical, even at a time when the pandemic constrains engagement. We have been encouraged by the results.

The 2020 version of the Foundation's annual *New Zealanders' Perceptions of Asia and Asian Peoples* survey found that 73 percent of New Zealanders believed that developing political, social and economic ties with Asia was important for New Zealand's future, up from 67 percent in 2019.

Additionally, we were encouraged to see that New Zealanders were positive about the future impacts of engagement with Asia across a range of measures over the next 10 to 20 years, and that they recognised the value of Asia-related competencies, including understanding of cultural protocols, for New Zealand's future workforce.

In early 2021, the Foundation commissioned Nielsen to conduct a stakeholder survey to help inform its future direction of effort. Of the 333 respondents, 89 percent said the Foundation did an excellent, very good or good job of equipping New Zealanders to thrive in Asia, consistent with the results of the previous survey in 2019 (86 percent).

COVID-19 has delayed our plans to bring together the Foundation's Asia Honorary Advisers, but the Foundation trustees were pleased to be able to join with New Zealand Honorary Advisers in October for a strategy session. This year we have been delighted to welcome Labour MP Vanushi Walters as a new Honorary Adviser. We appreciate the ongoing support of our Asia Honorary Advisers.

I would like to acknowledge the work of my fellow trustees Danny Chan, Lyn Lim, Simon Watt, Chris Seed (ex-officio), and outgoing trustees Raf Manji and Simon Murdoch (deputy chairman). Finally, I'd like to make particular mention of chairman Hon John Luxton for his service since 2015. John, who sadly passed away due to ill health in November 2021, oversaw many changes in the Foundation's work, helping ensure its continued relevance.

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 DAME FRAN WILDE, DNZM QSO
Chair

EXECUTIVE DIRECTOR'S REPORT

2020-21 has continued to see the Asia New Zealand Foundation adapting its work amid continued disruptions and uncertainty. I have been encouraged to see that awareness of Asia's importance remains high among New Zealanders, and that there is a strong appetite to learn more.

As New Zealand's relationship with Asia has become more complex, we have increased our support of public conversations on Asia. This has included producing major research reports; holding dialogues and roundtables on topical issues; and publishing hundreds of articles on our own platforms or in the media. China and India have been a particular focus of our work in 2020-21; and we have held a series of roundtables on those relationships as well as increasing our published articles.

The Foundation also presented to select committees on its research and in support of the value of language learning in Aotearoa; and made a written submission to the Ministry of Education on the need to ensure the contributions of Asian New Zealanders are acknowledged in the development of the New Zealand histories curriculum.

We have also taken the opportunity to reconnect with domestic stakeholders, including through 'reunion events' for alumni of our business internship programme and for New Zealand alumni of the ASEAN Young Leaders Initiative. These events enabled participants to refresh their knowledge of Asia and the region's importance to New Zealand.

As well as running our own Asia-focused events, we have supported and partnered with organisations around New Zealand to incorporate Asia elements or speakers into festivals and conferences. We have extended our outreach across the country, particularly into three regional focus areas – Nelson-Marlborough, Taranaki and Tauranga. Additionally, the Foundation's formal presence in the South Island has enabled us to grow engagement and identify new ways to grow awareness and understanding of Asia in Te Waipounamu.

While recognising that in-person communication and experience remains central to building connectivity and confidence, we have been able to adapt many of activities to the digital environment. This has included online Track II discussions with partners throughout Asia; online paid internships with workplaces in Asia; and digital commissions from New Zealand artists to help celebrate and share Asia connections with a wider audience.

Domestic engagement and digital connections have served us well in the past year; but we certainly look forward to the day when we can bring people back together in person.

Whatever 2022 may hold, what is becoming clearer to us is the critical role personal connections play in New Zealand-Asia relations, and the Foundation's central role in assisting those.



SIMON J DRAPER
Executive Director

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 2020/21 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 2021**

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 2021 fairly reflect the financial position and operations of the Foundation.

Signed on behalf of the board:



HON DAME FRAN WILDE, DNZM QSO
Chair
28 MARCH 2022



SIMON WATT
Trustee
28 MARCH 2022

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 2021

The Auditor-General is the auditor of the Asia New Zealand Foundation (the Foundation). The Auditor-General has appointed me, Matthew Geddes, 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 31 to 50, that comprise the statement of financial position as at 30 June 2021, 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 16 to 30.

In our opinion:

- the financial statements of the Foundation on pages 31 to 50:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 16 to 30:
 - presents fairly, in all material respects, the Foundation's performance for the year ended 30 June 2021, 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 late

Our audit was completed on 28 March 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 156 of the Crown Entities Act 2004, and section 10.7 of Asia New Zealand Foundation’s Trust Deed. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below. 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.

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 10 and 51 to 54, 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.

Matthew Geddes

Matthew Geddes
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF PERFORMANCE

In 2020/21 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 2021 \$	Budget 2021* \$	Actual 2020 \$
Revenue			
Revenue from Crown appropriation	5,500,000	5,500,000	5,000,000
Other revenue	685,564	501,500	624,886
Total revenue	6,185,564	6,001,500	5,624,886
Total expenses	4,674,065	6,001,500	5,083,513
Net surplus/(deficit) for the period	1,511,499	-	541,373

Revenue from Crown appropriation is provided through Vote Ministry of Foreign Affairs and Trade. Funding was received through the appropriation 'Promotion of Asian Skills and Relationships'. Budgeted expenditure for this appropriation was \$5,500,000. Actual expenditure was \$5,500,000 (2020: \$5,000,000).

* Budget is unaudited.

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.

Strategic Goal 1: Deepening Connections

Outcome statement: New Zealand's relationships with Asian countries model the breadth and depth we share with Australia, Europe and the Americas.

Measure	Result
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>Despite the impacts of Covid-19, the 2020 report found 72 percent of New Zealanders saw Asia as being "very important" or "important" to New Zealand's future; the same as polling carried out in 2019 (pre-pandemic). For further information on the 'New Zealanders' Perceptions of Asia and Asian Peoples' research, refer to page 22.</p> <p>2020/21 goal: maintain 2020/21 actual: 72% 2019/20 actual: 72%</p>
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.</p> <p>This includes:</p> <p>2020/21 goal: conduct eight Track II dialogues</p> <p>2020/21 actual: 12 Track II dialogues conducted: ASEAN and Australia (July 2020, December 2020 and May 2021 Myanmar focus); Asan Institute (Korea) for Policy Studies; Prospect Foundation of Taiwan; Diplomatic Academy of Vietnam; Centre for Strategic and International Studies of Indonesia; United States Department of State; Shanghai Institute of International Studies; Australia (with multiple think-tank partners), Asia Pacific Forum (with New Zealand Institute of International Affairs and Japan Economic Foundation) and a series of Track II simulations held online and in person in New Zealand.</p> <p>All dialogues bar Australia took place online due to travel restrictions.</p> <p>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>
Number of inward/outward Asia experiences	<p>Statement of Performance targets were set prior to New Zealand border closures and travel restrictions. Against this backdrop of severely constrained travel, the Foundation has been unable to provide on-the-ground experiences to New Zealanders, or host visitors from Asia in the 2020-21 year.</p> <p>2020/21 goal: 375 2020/21 actual: 0 2019/20 actual: 386</p>

Measure	Result
Number of partnerships/sponsorships	<p>The Foundation was able to partner with 26 organisations across a broad spectrum of events such as the China Business Summit (Auckland), the Canterbury Tech Summit, Otago Festival of the Arts, the Institute of Directors (IoD) Leadership Conference, Festival for the Future, Sister Cities New Zealand Conference (Wellington), and Auckland Arts Festival.</p> <p>2020/21 goal: 20 2020/21 actual: 26 2019/20 actual: 23</p>
Number of attendees at partnership/sponsorship events	<p>Through 26 sponsorships, the Foundation was able to engage with over 62,000 attendees. Almost 29,000 additional people attended the Auckland Diwali Festival of Light events – of which the Foundation is a founding partner.</p> <p>2020/21 goal: 18,000 2020/21 actual: 62,103 2019/20 actual: 31,448</p>

Highlight: Shifting conversations online

Travel restrictions created by the pandemic constrained the Asia New Zealand Foundation’s ability to connect with Asia in person in 2020-21.

However, online engagement has allowed us to maintain connectivity with contacts and partner organisations in Asia, and to build some new connections. Many of our Track II (informal diplomacy) relationships date back more than a decade; and shifting the dialogues online has enabled the Foundation to continue talking with these counterpart organisations about important developments in Asia. For instance, the Foundation participated in the 13th ASEAN Australia New Zealand Dialogue and its 12th dialogue with the Diplomatic Academy of Viet Nam, while also holding its first dialogue with Indonesia’s top-rated think tank, the Centre for Strategic and International Studies (CSIS).

We have also used online connections to include the voices of Asia-based stakeholders in our own events and those organised by other organisations. For instance, Asia New Zealand Foundation Honorary Adviser Helianti Hilman, founder and CEO of Javara Indonesia, spoke at Festival for the Future 2020, an online summit for young people, about the important role local and global collaboration plays in the world of entrepreneurship.

Highlight: Bringing Asia to New Zealand events

One area of focus has been supporting other New Zealand organisations to deliver Asia-related experiences to New Zealanders, particularly those in our target audiences. Two of these – the Auckland Lantern Festival and the Wellington Japan Festival – were not able to proceed due to the COVID alert levels in place at the time, and several others were postponed or transitioned to an online environment. However, our partnership activities nevertheless allowed a wide range of Asia content to be included in a diverse range of festivals and conferences around Aotearoa.

Highlights included the inclusion of the theatre production OTHER [Chinese] at the Dunedin Arts Festival in April 2021, a performance that saw local participants exploring complexities of contemporary diasporic Chinese identities on stage. The production also travelled to Wanaka. At the other end of the country, the K-Pop Party at Auckland Arts Festival highlighted how Asian pop culture influences are becoming part of New Zealand’s cultural landscape.

Highlight: IN TOUCH digital arts commissions

The Asia New Zealand Foundation invited New Zealand arts practitioners who had previously participated in its programmes to apply for commissions to develop new works suitable for digital channels. These works draw on the artist's ongoing connections to Asia, and 10 works were commissioned for the Foundation's website and social media platforms. They reflect a diverse range of artistic practices, Asian cultures and themes.

"The Foundation's work toward establishing deeper ties with Asian culture and Asian art has been a reassuring and empowering support for myself as an Asian art-practitioner living in New Zealand. The IN TOUCH project has provided me a supportive and safe space to deepen my relationship with Asia, even throughout a difficult and isolated time." – Yin-Chi Lee, co-creator of Unlined, an IN TOUCH arts commission.

Highlight: Internship reunion

Over more than 10 years, the Foundation's business internship programme has provided dozens of young tertiary students and recent graduates the opportunity to live in Asia and gain an understanding of the business cultures of large Asian companies. In March, alumni of this programme flew in from around the country to Auckland to reconnect, reminisce and have their interest in Asia rekindled.

"Those people that already have insights into some of those markets and those cultures, I think is going to be a really, really valuable skill, a valuable piece of experience that is going to be even more worthwhile as borders open than probably what it was when borders closed." – Asia New Zealand Foundation Honorary Adviser Rob Fyfe, an experienced director and former CEO of Air New Zealand.

Highlight: Connecting through in-person events

In September, the Foundation formally opened its South Island presence with a launch event attended by Christchurch Mayor Hon Lianne Dalziel; Asia diplomatic representatives; Joanna Norris, Chief Executive of ChristchurchNZ; and Minister Andrew Little. Our formal presence in the South Island, with South Island Manager Alistair Crozier on board, has allowed us to develop deeper partnerships and identify new ways to grow awareness and understanding of Asia in Te Waipounamu.

As alert levels have allowed, the Asia New Zealand Foundation has also held a range of public events on topical subjects through our "Asia After Five" series. Topics have included the place of the SS Ventnor in New Zealand's Chinese history; the state of democracy in Myanmar; and the value of internship experiences in Asia.

Highlight: Growing New Zealand's future leaders on Asia

The Foundation's Leadership Network is a global professional network that equips New Zealand's next generation of leaders to thrive in Asia. It provides its 379 members with the connections, knowledge and confidence to lead New Zealand's future relationship with Asia. In 2020-21, online connections were used to enable conversations between New Zealand-based network members and those offshore, particularly in Asia.

In October we brought together Pacific members of the network for the first time in a talanoa in Auckland, exploring how the Foundation can better engage with Pacific peoples in New Zealand. In

November, members of the network's Te Kāhui gathered in Taranaki for a hui to discuss Māori engagement in the network and in the Foundation as a whole.

In February, new members of the Leadership Network were formally welcomed into the network after several postponements of an induction event. The network was also able to strengthen connections between members through in-person events such as the Rethinking Leadership Hui, the Mentorship Hui, and the Wellbeing Hui.

"It has given me more confidence and knowledge in workplace etiquette, culture and challenges. It has also encouraged me to keep improving my language skills." — Mentorship programme participant Michelle Too, whose mentor Michelle McCarthy has provided her with insights into what it is like working in Asia.

Highlight: Sports workshops spark Asia interest

Prior to COVID-19, the Foundation's sports programme focused on supporting New Zealand sportspeople and school sports teams to have cultural experiences on-the-ground in Japan. In the absence of international travel, regional workshops have provided another way to highlight the relevance of Asia to young people.

In February, former Black Sticks goalie Richard Joyce visited schools at the top of the South Island to give hockey coaching workshops and talk to students about his experiences playing in Asia. Richard's stories highlighted Asia's diversity and the opportunities the region presents to young New Zealanders. Further sports workshops were held in Taranaki in May.

"Asia is the biggest continent by both landmass and population. Sixty percent of the world's young population live in Asia-Pacific. As a result, Asia will play a pivotal role in shaping the direction that the world goes in ... What I really enjoy about Asia is the deep culture of each country. The philosophies that are embedded within the rich history of these countries play a significant role in my life."

"It was a pleasure to stoke students' curiosity in Asia through my journey. The schools that we reached now have the resources and more importantly the drive to deepen their understanding of Asia." — Richard Joyce.

Strategic Goal 2: Growing awareness and knowledge

Outcome statement: 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

Measure	Result
Number of research reports published and distributed	<p>Continued changes to COVID-related alert levels slowed our pace of work in the research programme in 2020-21, with some postponements to the commissioning of content.</p> <p>Published in June, the 2020 report in the annual <i>New Zealanders’ Perceptions of Asia and Asian Peoples</i> series was extensively covered by both New Zealand and international media. Initially the team had planned to launch two reports – one quantitative and one qualitative – but it was decided to package these together for a more complete picture of New Zealanders’ current engagement with Asia and understanding of the region.</p> <p>2020/21 goal: five reports published and distributed</p> <p>2020/21 actual: three research reports published and distributed – <i>Viet Nam and New Zealand: Let’s Go; The Key to Māori Success in Asia; New Zealanders’ Perceptions of Asia and Asian Peoples 2020 Annual Survey</i></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>
Percentage increase in the number of schools within Asia New Zealand Foundation’s school network	<p>The Foundation’s education programme was reviewed in late 2020 to ensure it was focusing on areas where it could have the most impact. The revamped programme has a more targeted approach, supporting deeper engagement with a smaller number of educators and schools. This new strategy has taken the focus away from growth of the school network. This measure has been discontinued for 2021/22.</p> <p>2020/21 goal: 5% 2020/21 actual: -1% 2019/20 actual: 8%</p>
Content about Asia on Foundation and Media digital platforms	<p>As part of the Foundation’s role in strengthening New Zealand thought leadership on Asia, in 2020-21 we published 362 pieces of digital content on our own websites: the Asia New Zealand Foundation’s corporate website and the Asia Media Centre site. This material covered news stories, backgrounders, profile pieces and opinion and commentary.</p> <p>2020/21 goal: 250 2020/21 actual: 362 2019/20 actual: 297</p>
This measure has been expired	
Increase in measured Asian knowledge of New Zealanders (to be included in Perceptions of Asia report every second year)	<p>2019/20 goal: % increase survey to survey 2019/20 actual: 53%</p>

Highlight: Supporting informed conversations on New Zealand and Asia

Published in June, the 2020 report in the annual *New Zealanders' Perceptions of Asia and Asian Peoples* series was extensively covered by both New Zealand and international media. The survey has been running since 1997 and provides a range of insights into New Zealanders' understanding of Asian countries and of New Zealand's relationship with the region.

The report comprised a major quantitative survey of 2001 New Zealanders aged 15 years and over, conducted in October and November 2020 by Colmar Brunton. The results were weighted so that they were representative of New Zealanders by age, gender and ethnicity. The survey has a maximum margin of error of +/-2.2 percentage points at the 95 percent confidence level.

The report also incorporated interviews with 16 New Zealanders from a range of diverse backgrounds, highlighting how they engage with and learn about Asia in their daily lives. Māori participants in these interviews, who were interviewed by Colmar Brunton using a Kaupapa Māori approach, highlighted the importance of cultural commonalities between Te Ao Māori and Asia.

The report found that 73 percent of New Zealanders believed that developing political, social and economic ties with Asia was important for New Zealand's future, up from 67 percent in 2019. It also found New Zealanders were positive about the future impacts of engagement with Asia across a range of measures over the next 10 to 20 years.

And New Zealanders felt closer to many Asian nations than previously, with more people seeing South Korea, Thailand, the Philippines, India, Viet Nam, and Indonesia as friendly compared to previous years. Japan continued to be rated the country in Asia most friendly to New Zealand. The results showed a decline in positive sentiment about both China and the United States.

The *Perceptions of Asia* tracking survey informs the Foundation's work on an ongoing basis and provides a useful reference to the New Zealand government agencies engaging with Asia, as well as to academics, commentators and overseas think-tanks.

In other research, the Foundation published the report *Viet Nam and New Zealand: Let's go!*, to mark the 45th year of the diplomatic relationship. It tells the story of the country's dynamic relationship with New Zealand, through historic ties, the economic relationship, international cooperation and people-to-people links. Written by Haike Manning, it highlights how the New Zealand-Viet Nam relationship has grown and the need for New Zealand to explore new opportunities and maintain existing partnerships in the country.

We published *Unlocking the key to Māori success in Asia* on our website, a series of case studies on celebrating Māori success in Asia that built on our 2019 report *Perceptions of Asia and Asian Peoples from a Te Ao Māori Perspective*. The series explored how a sense of shared values and an appreciation of cultural nuances have helped Māori operate successfully throughout Asia, in a range of sectors and interest areas.

Beyond the research reports, Foundation staff have had commentary pieces published in a wide range of publications. These have included fortnightly Executive Director opinion pieces on Stuff.co.nz and articles in *Policy Quarterly* and in the *New Zealand International Review*.

Highlight: Focus on China

New Zealanders' perceptions of China are important to perceptions of Asia as a whole. Both the 2019 and 2020 *New Zealanders' Perceptions of Asia and Asian Peoples* reports found that the word New Zealanders associate most closely with Asia is "China". New Zealanders have a spectrum of views, from welcoming China's economic rise and the opportunities that it has given New Zealand businesses, to concern about political and security implications. Interest in learning about the country remains high.

To help grow understanding of China beyond trade and political issues, in 2020-21 the Asia New Zealand Foundation has focused on increasing its engagement in relation to China. This has included material on our Asia Media Centre site and in mainstream media, helping highlight topics that otherwise might not be covered. We have also held roundtables with experts and journalists, and with members of our Leadership Network, to help develop a better understanding of some of the more complex and challenging issues in the New Zealand-China relationship.

Highlight: Focus on India

India is a significant player in multilateral, political, democracy, defence, health and security space. New Zealand and India enjoy strong people-to-people relationships, have shared interests in regional stability and security, and diversity of cooperation and connection. However, New Zealand has tended to view India through a trade lens, with less investment put into other important aspects of the relationship. The Foundation's increased engagement on India this year has included media outputs, roundtables to reflect on the relationship and discuss its future, and support for India-focused events such as the India New Zealand Business Council Summit.

Highlight: Education "Champions"

Our education programme provides New Zealand educators with the knowledge, resources and experiences to equip their students to thrive in Asia. In 2020-21, the Foundation reviewed its education programme to ensure it was focusing on areas where it could have the most impact, bringing more depth to our engagement with educators and schools through a targeted approach. One key pillar is the Champions initiative, which brings together leading educators to act as amplifiers and role models, ensuring knowledge and understanding of Asia is valued in New Zealand schools. For our first intake, we selected 25 educators from across the country.

In May 2021, the education team launched our Schools Asia Engagement Project with schools in Auckland, Hamilton, Wellington and Nelson-Marlborough. This will see the Foundation invest in initiatives in these schools that are designed to raise knowledge and understanding, and then track and measure effectiveness.

"From a cultural perspective, learning about Asian cultures leads to having a better appreciation of your own culture. No matter what sector you think about, Asia is leading ... the innovation that comes from that region – there are so many career opportunities for young people." — Te Kura Kaupapa Motuhake o Tāwhiua, Murupara, teacher Lianne Bird, a Foundation education Champion.

Highlight: Leadership Network Otago History Hui

Unable to hold an annual “offshore forum” for Leadership Network members in Asia, in May the Foundation organised a trip to explore the history of Chinese people in Otago, growing knowledge and awareness of Asian migration to New Zealand as a whole. Sixteen members of the network travelled to Dunedin, Lawrence and Arrowtown where they visited historic sites and places of significance to the first Chinese to live in the region; and heard from renowned historians Emeritus Professor Manying Ip, an Asia New Zealand Foundation Honorary Adviser, and former Foundation board member Dr James Ng.

“Having a better sense of who I am and how my story fits in New Zealand has already given me a stronger grounding and sense of self and made me into a more well-rounded leader with a clearer, more authentic voice.” — Otago History Hui participant Greta Young.

Highlight: Arts project fund

The Foundation’s arts project fund supports New Zealand professional arts companies, events and organisations to deliver projects that will grow New Zealanders’ awareness and knowledge of Asian arts. Highlights in the 2020-21 year included Wellington’s Chinese New Year Zodiac Arts Trail, which mapped out the animal signs of the Chinese Zodiac through 12 original artworks created by artists with strong links to Asia and New Zealand. Among other projects, the fund also supported Indian Ink Theatre Company with its national tour of new work *Paradise or the Impermanence of Ice Cream*, set in Mumbai, and South Island launch events for the book *A Clear Dawn: New Asian Voices from Aotearoa New Zealand*.

|The work Flowers and People – Gold is an interactive work that takes up the theme of the seasons, which is often reflected in Japanese art and important in Japanese culture ... People in New Zealand have never seen anything like this before and we felt it important to showcase this new type of work, modern but inspired by an ancient culture.” — Whirinaki Whare Taonga (Upper Hutt) director Leanne Wickham.

Strategic goal 3: Growing confidence

Outcome statement: The Foundation is a key enabler of New Zealanders gaining confidence in their interactions with Asia. They are more knowledgeable, attuned and understand Asia.

Measure	Result
Number of supported entrepreneurs engaged with Asian counterparts	<p>The entrepreneurship programme supports emerging New Zealand entrepreneurs to build connections and facilitate business relationships in Asia. Closed borders limited in-person international engagement to achieve this measure, however we were able to facilitate online connections between entrepreneurs in New Zealand and Asia in 2020-21, including Asia-based entrepreneurs in a series of New Zealand-based events.</p> <p>2020/21 goal: 45 2020/21 actual: 29 2019/20 actual: 15</p>
Percentage increase in applications for Internships	<p>Prior to the pandemic, the Foundation had been steadily increasing its portfolio of offshore internships, including 19 hosts in 2019-20. In 2020-21 we were unable to send any New Zealand students and graduates to Asia, instead we were able to offer virtual internships with four host partners.</p> <p>2020/21 goal: 5% 2020/21 actual: -89% 2019/20 actual: -13%</p>

Highlight: Entrepreneurship

The Asia New Zealand Foundation Te Whītau Tūhono has been delivering the Young Business Leaders Initiative (YBLI) for the New Zealand Government since 2012. Funded by the Ministry of Foreign Affairs and Trade (MFAT), it is one of New Zealand’s initiatives with the Association of South East Asian Nations (ASEAN).

Travel restrictions in both New Zealand and Asia prevented the Foundation from organising in-country programmes in 2020-21. However, the COVID-enforced break from business as usual was an opportunity to deepen the network of more than 160 leading entrepreneurs and business leaders across New Zealand and Southeast Asia. We organised a range of online activities to reconnect programme participants across the course of the year. In December, we brought together New Zealand entrepreneurs for a summit in Waiuku, Auckland, representing a range of sectors and in different stages of expansion into Asia. They reflected on what they had learnt from their visits to Southeast Asia through the Young Business Leaders Initiative and spoke of the region’s continued relevance. They were able to connect to Southeast Asian counterparts through online panel discussions and received video messages from others in the region.

“I feel really indebted to the Foundation and the YBLI trips to Southeast Asia because that was the enabler to commence our export business and made the connects to Singapore who are now our second largest export customer. So I feel very blessed that we have the connection,” Green Meadows Beef co-founder Nick Carey, alumni of the ASEAN Young Business Leaders Initiative.

Highlight: Digital internships

Our business internships are an example of how the Foundation has taken a programme that we have been running for many years and amended it to reflect changing circumstances.

In 2020-21, we enabled nine New Zealand students and recent graduates to undertake internships with Asian companies and partner organisations, either online or in New Zealand. The two-month internships gave young people the chance to experience Asian business cultures and be immersed in an industry sector to develop valuable work skills, helping New Zealand's overall business engagement with Asia.

“To be able to gain internship experience with a globally renowned conglomerate while also deepening my understanding of New Zealand and South Korea’s relationship and my knowledge of Korean culture; it was the most incredible opportunity to expand beyond what I’ve learnt during my degree ... This internship has supported me to learn more about the connections between Asia and New Zealand, to interact with industry members, and to build skills that will be a great stepping-stone to kickstart my career.” — CJ Cultural intern Kate Hellings.

“While I’m not able to be in China and immerse myself in the culture, I can still learn about how business is done in China and gain an insight into the work culture over there. For instance, I’ve learnt about the importance of giving ‘face’ in China, which means showing someone respect for their status. This is especially relevant in the business world, where one should show face to both their superiors and their clients.” — UMS online intern Kevin Li.

Highlight: Cultural diversity teaching resources

In late 2020 we launched a new cultural diversity resource on our website. This Year 7-10 resource guides social studies and health teachers to explore and discuss cultural diversity with their students, helping young New Zealanders to gain confidence and engage with people from different cultural, social or religious backgrounds. Our online resources on the Tokyo 2020 Olympics and Paralympics, created in partnership with the New Zealand Olympics Committee and Paralympics New Zealand respectively, also continued to support educators to teach students about Japan in the lead-up to those major sporting events.

Highlight: NextGen

Our Track II programme supports informal diplomacy with think tanks in Asia on issues and challenges facing the region. An important component of this work is our “NextGen” work to grow the next generation of strategic thinkers, kickstarting their future in foreign, trade and security policy. In 2020-21 we were able to hold eight NextGen dialogues, working with universities around New Zealand. We enabled New Zealand postgraduate students and recent graduates to participate in the *Young Leaders’ Forum: Promoting Engagement on Heritage and Memory*, hosted by Kyushu University Border Studies in collaboration with National University of Taiwan, Victoria University of Wellington.

“Thank you for engaging so enthusiastically with the students in the Track II session yesterday. It is inspiring for our students to have the opportunity to interact with accomplished foreign policy professionals ... and helps build their motivation and passion to pursue their aspirations.” — Professor Robert Patman, University of Otago.

Highlight: Asia Media Centre training

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 current affairs in the region. In 2020-21, the team ran sessions in Wellington, Christchurch and Auckland, and the centre has seen increased media engagement among participants since.

“I had gone in deliberately without setting expectations. At the end of the workshop I came away with some very useful, practical strategic tools to think of ways to communicate my work to different audiences.” — participant in Wellington media training workshop.

Strategic goal 4: Organisational performance

Outcome statement: The Foundation becomes more relevant to its stakeholders and adapts as their needs change.

Strategic Goal 4 – Organisational performance	
Stakeholders satisfied with what the Foundation is delivering (survey to be conducted biennially)	<p>2020/21 goal: maintain – baseline is 86% (response of good/very good/excellent)</p> <p>2020/21 actual: 89%</p> <p>2018/19 actual: 86%</p> <p>The Foundation undertook a Stakeholder survey in 2021 with 89% of respondents satisfied with what the Foundation is delivering with responses of good, very good and excellent.</p>

The Foundation commissioned Nielsen to conduct an online stakeholder survey in early 2021, canvassing the views of stakeholders who had engaged with the Foundation in the past two years.

The previous survey in 2019 the survey presented an opportunity for the Foundation to test awareness of its new strategy, and to create a baseline. In 2021, the survey was focussed on strategic objectives.

This survey had three aims:

- Monitor stakeholders' engagement with the Foundation
- Measure effectiveness against the Foundation's mission and goals
- Measure the Foundation's response to the COVID-19 pandemic.

The survey achieved a 35 percent response rate, with 333 online interviews completed between 24 February and 18 March. This compared to a 43 percent response rate in 2019, the last time the survey was carried out. Nielsen has advised that response rates for stakeholder surveys generally range from 25 percent to more than 50 percent, depending on the stakeholder group. The maximum margin of error for this survey was +/- 5.4 percent at a 95 percent confidence interval.

Key findings include:

- 92 percent were likely or very likely to recommend the Foundation to others, virtually unchanged from 2019 (93 percent)
- 89 percent saw the Foundation as good, very good or excellent in its progress towards its mission of equipping New Zealanders to thrive in Asia (up from 86 percent in 2019). The proportion giving the Foundation an *excellent* rating declined from 28 percent in 2019 to 21 percent in 2021, which may reflect reduced opportunities to engage due to the pandemic.
- 98 percent indicated they wished to maintain or increase their engagement with the Foundation.
- 74 percent said the Foundation was offering the right mix of activities to assist New Zealand to increase the breadth and depth of Asia connections
- 58 percent saw the Foundation as being excellent, good or very good in response to COVID-19. Another 36 percent were unsure. This identifies an opportunity to better communicate the organisational response to the pandemic.

The survey also identified some suggested improvements in the way the Foundation works, including:

- More evidence that the Foundation is willing to exit areas that are either self-sustaining or no longer relevant to stakeholders
- Improved reach and focus beyond Wellington and widening the range of stakeholders
- More effort to bridge the gap between Asian and non-Asian New Zealanders, or between non-Asian New Zealanders and Asia itself

“I’ve really enjoyed being in the Foundation since 2015. The many activities both overseas and within New Zealand have helped me with my understanding of doing business in Asia, but also the contacts have been invaluable. I have met so many talented and top notch individuals because of the Foundation and I am so grateful for the opportunity.” – Leadership Network member, respondent to stakeholder survey

“The Asia New Zealand Foundation offers a great deal to the education sector’s limited resources. It places a great deal of value on the network of educators and offers the education fraternity opportunities [travel] it would not normally be enjoying. The immediate and lasting benefits of the Asian experience are numerous and have positive advantages for both teachers and students.” — education programme participant, respondent to stakeholder survey.

Highlight: Asia Media Centre editorial advisory group

The Foundation has convened a new editorial advisory group to provide strategic editorial guidance to the Asia Media Centre, supporting its mission of helping New Zealand journalists in their coverage of Asia. This editorial advisory group was created as an outcome of the independent review of the media centre in 2019. It will provide input into the centre’s activities and will help ensure its work continues to meet the needs of contemporary New Zealand newsrooms. Its six members have a diversity of journalistic and Asia expertise and will meet twice annually, or as required.

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Actual 2021 \$	Budget 2021* \$	Actual 2020 \$
Revenue				
Revenue from Crown appropriation		5,500,000	5,500,000	5,000,000
Other Crown revenue	2	268,000	379,000	395,079
Interest revenue	2	114,666	97,500	148,471
Other revenue		302,898	25,000	81,336
Total revenue		6,185,564	6,001,500	5,624,886
Expense				
Personnel costs	3	2,715,371	2,872,500	2,710,177
Project expense	4	-	36,500	28,587
Depreciation and amortisation	9, 10	49,975	50,000	80,476
Other expense	5	1,908,719	3,042,500	2,264,273
Total expense		4,674,065	6,001,500	5,083,513
Surplus/(Deficit)		1,511,499	-	541,373
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		1,511,499	-	541,373

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Actual 2021 \$	Budget 2021* \$	Actual 2020 \$
Balance at 1 July	4,908,710	4,668,000	4,367,337
Total comprehensive revenue and expense for the year	1,511,499	-	541,373
Balance at 30 June	6,420,209	4,668,000	4,908,710

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 2021

	Note	Actual 2021 \$	Budget 2021* \$	Actual 2020 \$
ASSETS				
Current assets				
Cash and cash equivalents	6	232,786	262,000	220,675
Trade and other receivables and prepayments	7	149,712	158,100	207,740
Investments	8	3,750,000	3,000,000	2,900,000
Total current assets		4,132,498	3,420,100	3,328,415
Non-current assets				
Property, plant and equipment	9	102,289	113,400	141,946
Intangible assets	10	-	-	-
Investments	8	2,700,000	1,750,000	2,150,000
Total non-current assets		2,802,289	1,863,400	2,291,946
Total assets		6,934,787	5,283,500	5,620,361
LIABILITIES				
Current liabilities				
Trade and other payables	11	130,433	260,000	318,775
Employee entitlements	12	184,265	163,000	199,261
GST		56,431	85,000	86,115
Total current liabilities		371,129	508,000	604,151
Non-current liabilities				
Provisions	13	143,449	107,500	107,500
Total non-current liabilities		143,449	107,500	107,500
Total liabilities		514,578	615,500	711,651
NET ASSETS		6,420,209	4,668,000	4,908,710
EQUITY				
General funds	15	4,905,602	3,193,000	3,439,692
Managed Fund Korea	15	826,711	815,000	811,471
Managed Fund Japan	15	687,896	660,000	657,547
TOTAL EQUITY		6,420,209	4,668,000	4,908,710

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 2021**

	Note	Actual 2021 \$	Budget 2021* \$	Actual 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Revenue from Crown appropriation		5,500,000	5,500,000	5,000,000
Other Crown revenue		268,000	379,000	419,439
Other revenue		113,738	30,000	63,550
Revenue on behalf of funds		9,000	-	8,000
		5,890,738	5,909,000	5,490,989
Cash was distributed to:				
Payments to suppliers		(1,840,599)	(3,062,500)	(2,388,675)
Payments to employees		(2,730,367)	(2,902,500)	(2,645,613)
Payments on behalf of funds		-	(36,500)	(41,581)
Net GST (paid)/received		(18,869)	(45,000)	61,194
		(4,589,835)	(6,046,500)	(5,014,675)
Net cash inflow/(outflow) from operating activities		1,300,903	(137,500)	476,314
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Interest received		121,512	130,000	174,175
Investments maturing		2,900,000	3,100,000	3,500,000
		3,021,512	3,230,000	3,674,175
Cash was distributed to:				
Acquisition of investments		(4,300,000)	(3,300,000)	(4,050,000)
Purchase of property, plant and equipment		(10,304)	(42,500)	(42,955)
Purchase of intangibles		-	-	-
		(4,310,304)	(3,342,500)	(4,092,955)
Net cash inflow/(outflow) from investing activities		(1,288,792)	(112,500)	(418,780)
Net (decrease)/increase in cash and cash equivalents		12,111	(250,000)	57,534
Plus opening cash		220,675	512,000	163,141
Closing cash and cash equivalents	6	232,786	262,000	220,675

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 2021

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 2021 and were approved on 28 March 2022 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.

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 2021 (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 2020/21. 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 13.

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 2021:

- *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 was extended through to June 2021. 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: In 2019/20, the Foundation partnered with Creative New Zealand to provide opportunities in Asia for artists and curators. The Foundation looks forward to reengaging with Creative New Zealand when international borders reopen. The Foundation considers there are no conditions attached to this funding agreement and revenue is recognised on receipt. The fair value of revenue from Creative New Zealand has been determined to be equivalent to the amounts due in the funding arrangements.

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

Interest revenue

Interest revenue is recognised using the effective interest method.

Other revenue

The Foundation receives from specific project funding revenue 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)

	2021	2020
	\$	\$
OTHER CROWN REVENUE		
ASEAN Young Business Leaders Initiative	198,000	300,079
Core Sponsorship (NZTE)	70,000	70,000
Additional funding	-	25,000
Total revenue from the Crown	268,000	395,079
INTEREST REVENUE		
Interest from term deposits	113,272	145,397
Other interest	1,394	3,074
Total interest revenue	114,666	148,471

The total revenue of \$6,185,564 (2020 – \$5,624,886) includes total non-exchange revenue of \$6,070,287 (2020 – \$5,476,204).

Note 3: Personnel costs

	2021	2020
	\$	\$
Salaries and wages	2,665,454	2,583,415
KiwiSaver employer contributions	64,913	62,198
Increase/(decrease) in employee benefit liabilities	(14,996)	64,564
Total personnel costs	2,715,371	2,710,177
Key management personnel compensation		
Board Members		
Remuneration	\$31,000	\$36,000
Full-time equivalent members	8	8
Key management personnel		
Remuneration	\$496,830	\$512,994
Full-time equivalent members	2	2
Total key management personnel remuneration	\$527,830	\$548,994
Total full-time equivalent personnel	10	10

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	2021	2020
Total remuneration paid and payable		
\$100,000 – 109,999	1	2
\$110,000 – 119,999	2	0
\$120,000 – 129,999	1	0
\$130,000 – 139,999	0	1
\$140,000 – 149,999	2	1
\$150,000 – 159,999	0	2
\$160,000 – 169,999	2	0
\$210,000 – 219,999	1	0
\$220,000 – 229,999	0	1
\$270,000 – 279,999	1	0
\$290,000 – 299,999	0	1

Note 4: Project expense

	2021	2020
	\$	\$
Managed Fund Korea	-	17,587
Managed Fund Japan	-	11,000
Total project expense	-	28,587

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.

Grants awarded in prior years and cancelled in this financial year prior to payment are written back with these writebacks recognised as revenue. Writebacks are reported under other revenue in the statement of statement of comprehensive revenue and expense.

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.

Note 5: Other expense (continued)

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.

	2021	2020
	\$	\$
Fees paid to auditor		
- Audit fees for financial statements' audit	28,926	28,299
Grants awarded	147,990	558,300
Operating lease payments	308,757	255,285
Board of Trustees' expenses (Note: fees paid to Trustees detailed in note 3)	15,134	24,729
Telecommunications	6,374	7,660
Insurance premiums	10,910	12,658
Other operating expense	1,390,628	1,377,342
Total other expense	1,908,719	2,264,273

Project expense includes additional grants awarded of \$0 (2020 – \$11,000).

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:

	2021	2020
	\$	\$
Not later than one year	284,736	250,871
Later than one year and not later than five years	1,116,709	1,010,112
Five years or more	190,129	410,986
Total	1,591,574	1,671,969

Operating leases include the premises' leases for the Wellington and Auckland offices and a photocopier lease. The Wellington office lease 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. A new five-year photocopier lease was signed in June 2021.

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.

	2021	2020
	\$	\$
Cash at bank	232,786	220,675
Total cash and cash equivalents	232,786	220,675

While cash and cash equivalents at 30 June 2021 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 \$88,000 (2020 – \$70,000) 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.

	2021	2020
	\$	\$
Trade receivables	24,103	12,215
Interest receivable	76,596	83,442
Prepayments	49,013	112,083
Less: Allowance for credit losses	-	-
Total trade and other receivables and prepayments	149,712	207,740
Total receivables comprise:		
Receivables from the sale of goods and services (exchange transactions)	76,596	83,442
Receivables from grants (non-exchange transactions)	24,103	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.

	2021	2020
	\$	\$
Current portion		
Term deposits maturing in the following 12 months	3,750,000	2,900,000
Non-current portion		
Term deposits maturing in over 12 months	2,700,000	2,150,000
Total investments	6,450,000	5,050,000

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.

Note 9: Property, plant and equipment (continued)

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 unexpired 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.

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.

Note 9: Property, plant and equipment (continued)

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 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
Additions	-	1,964	4,910	4,742	11,616
Disposals	-	(5,623)	(5,058)	(3,641)	(14,322)
Accumulated depreciation eliminated on disposal	-	4,325	5,058	3,641	13,024
Depreciation charge	(4,931)	(25,462)	(10,963)	(8,619)	(49,975)
Closing net book value	39,585	23,018	21,615	18,071	102,289
At 30 June 2021					
Cost	420,857	82,178	143,811	50,241	697,087
Accumulated depreciation and impairment charges	(381,272)	(59,160)	(122,196)	(32,170)	(594,798)
Net book value	39,585	23,018	21,615	18,071	102,289

There were no capital commitments as at 30 June 2021 (2020 – 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%
		2021
		\$
<hr/>		
Software at 1 July 2020		
Cost		27,962
Accumulated amortisation		(27,962)
Opening carrying value		-
Additions		-
Disposals		-
Accumulated amortisation eliminated on disposal		-
Amortisation charge		-
Closing carrying value		-
<hr/>		
Balance at 30 June 2021		
Cost		27,962
Accumulated amortisation		(27,962)
Closing carrying value		-

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.

	2021	2020
	\$	\$
Payables under exchange transactions		
Trade payables	67,036	40,030
Accrued expenses	42,524	40,236
Total payables under exchange transactions	109,560	80,266
Payables under non-exchange transactions		
Grants payable	20,873	218,509
Grants received subject to conditions	-	20,000
Total payables under non-exchange transactions	20,873	238,509
Total trade and other payables	130,433	318,775

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.

	2021	2020
	\$	\$
Accrued salaries and wages	73,519	72,064
Annual leave	110,746	127,197
Total employee entitlements	184,265	199,261

Note 13: 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 has increased based on current market factors.

	2021	2020
	\$	\$
Non-current provisions		
<i>Lease make-good provision</i>		
Opening balance	107,500	107,500
Additional provisions made during the year	35,949	-
Closing balance	143,449	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.

There was a significant increase to the lease make-good provision this year, this is based on quotes provided by industry specialists for the per square metre charges to reinstate the Auckland and Wellington office spaces.

Note 14: Contingent liabilities and assets

There were no contingent liabilities or assets as at 30 June 2021 (2020 – Nil).

Note 15: 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 2020	Surplus/(Deficit)	30 June 2021
	\$	\$	\$
General funds	3,439,692	1,465,910	4,905,602
Managed Fund Korea	811,471	15,240	826,711
Managed Fund Japan	657,547	30,349	687,896
Total equity	4,908,710	1,511,499	6,420,209

Note 16: 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.

The Foundation received pro bono legal services from Bell Gully, a legal firm of which Trustee Simon Watt was a partner until 31 December 2021, and is now a consultant to, to a value of \$15,935 (2020 - \$20,630).

Note 17: Events after the balance date

There have been no significant events after the balance date.

Note 18: Financial instrument categories

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

	2021	2020
	\$	\$
Financial assets measured at amortised cost		
Cash and cash equivalents	232,786	220,675
Trade and other receivables	100,699	95,657
Investments	6,450,000	5,050,000
Total financial assets measured at amortised cost	6,783,485	5,366,332
Trade and other payables (excluding grants received subject to conditions)	130,433	298,775

Note 19: ASEAN Young Business Leaders Initiative

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

	2021	2020
	\$	\$
Contribution towards personnel costs and overhead costs	134,000	134,000
Programme costs	36,524	82,913
Total expenditure	170,524	216,913

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 20: 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:

	2021	2020
	\$	\$
Management services	15,935	20,630
Total donated services	15,935	20,630

Note 21: Covid-19

Impact of Covid-19

During August and September 2020 and February and March 2021, the Auckland region moved into Alert Levels 3 and 2 and other parts of the country into Alert Level 2. Towards the end of June 2021, the Wellington region moved into Alert Level 2 for one week. Border controls and MIQ requirements continued to make international travel out of reach for Foundation programme activities.

Impact on operations

The biggest impact on the Foundation's operations has been the lack of international travel and cancellation of events. Other impact is on working arrangements for those staff affected by alert level changes and requirements to self-isolate.

International Travel

The Foundation is a largely experiential organisation providing opportunities to visit Asia and to bring contacts from Asia to New Zealand, a closed border has meant a halt for a large part of programme activities through travel. In 2019/20, the Foundation supported over 385 individuals to have an inward/outward Asia experience, and this included three months of Covid-19 restrictions. The 2020/21 year saw no international travel for programme activities or grantees.

Events

The intermittent lockdowns and limits on venue capacity have required the Foundation to cancel, postpone and reschedule multiple events over the year. Events sponsored by the Foundation have also suffered this fate. Where possible events have been moved online which is not as rich an experience or postponed. The Foundation has made a commitment to be a good partner where events have had to be cancelled to ensure the financial liability is shared.

Staff resourcing

The Foundation has systems in place to allow for remote working and the past 18 months has enabled it to set up procedures to ensure team connectivity and morale.

Subsequent events

Covid-19 continues to impact the operations of the Foundation in 2021/22, particularly the continued closed border.

In August 2021 the whole country was moved into an alert level 4 lockdown, with Auckland staying in levels 4 and 3 until the introduction of the traffic light system in December 2021. On 23rd of January 2022, the entire country was put into the red traffic light setting. These settings continue to limit in-person events, with many partner events cancelled or postponed.

Note 22: Explanation of significant variances against budget

The Foundation continued working towards its 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'.

Statement of comprehensive revenue and expense

The Foundation prepared a balanced budget for 2020/21 and achieved a full year surplus of \$1,525,499 (underspend).

Revenue for the Foundation was ahead of budget as other revenue includes prior year grants returned to the Foundation. These grants had been left open to allow grantees to complete planned activity in 2020/21, however with the ongoing border closure and likely changes to planned grant activity they were cancelled.

Following the closure of New Zealand's border, the Foundation pivoted its operations to domestically focused activity, but with continued Covid-19 Alert Level changes, Foundation initiated and supported event timings changed resulting in an underspend.

Statement of financial position

The variances in assets and equity largely relate to the variance in comprehensive revenue and expenditure.

Payables are lower due to the cancellation of prior year grants as mentioned above.

The make-good provision for the Wellington and Auckland offices has increased following the high inflation on construction costs over the previous year.

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: Statutory Reporting Timeframe

The Foundation was required under Section 156 of the Crown Entities Act to complete its audited financial statements and statement of performance no later than the close of 31 December 2021. The Foundation was also required by its Trust Deed to hold an Annual General Meeting no later than 120 days after the end of the financial year, at which the audited financial statements would be considered and adopted and the Annual Report of the activities of the Trust would be considered. These timeframes were not met because Audit New Zealand was unable to complete the audit within these timeframes due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

ORGANISATION INFORMATION AS AT 30 JUNE 2021

Board of Trustees

Chair: Hon John Luxton CNZM QSO

Deputy Chair: Simon Murdoch CNZM

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

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

Board of Honorary Advisers

Chair: Hon Nanaia Mahuta, Minister of Foreign Affairs (Rt Hon Winston Peters)

China: Professor Zhou Guangzhao, (Li Xiaolin)

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

India: Dr Raghupati Singhania, 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 CNZM, Traci Houpapa MNZM, Emeritus Prof Manying Ip CNZM, Ian Kennedy, Melissa Lee MP, Richard Long ONZM, Rt Hon Sir Don McKinnon ONZ GCVO, Peter Miskimmin QSO, Mitchell Pham, Hon Simon Power QSO, Rt Hon Sir Anand Satyanand GNZM QSO KStJ, Dr Farib Sos MNZM, Vanushi Walters MP, (Raymond Huo)

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 and Director Auckland: Craig Cooper
Director Business and Manager South Island: Alistair Crozier
Director Business and Director Auckland: (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
Website Manager: Ned Wotherspoon
Senior Adviser Engagement and Research: Dr James To
Senior Adviser Business: Ethan Jones
Senior Adviser Research: Jordan King
Communications Adviser: (Tessa Johnstone)
Education Adviser: Yasheeka Bertram (Mei Law)
Sports Adviser: Kirsty Sharp
Media Adviser: Eleanor Wenman, Lee Seabrook-Suckling
Project Officer Leadership: Summer Qu
Project Officer Entrepreneurship: (Ryan Smith)
Accountant: Sunita Soma
Executive Assistant: Paula McLaughlin
Receptionist/Accounts Assistant: Elizabeth Basalaj
Project Coordinator Internships: Linh Le (Bo Bae Wilson on parental leave)
Project Coordinator Leadership and Entrepreneurship: Alexis Allen
Communications Coordinator: Phoebe Taylor (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 Nakashimoto Scholarship Foundation.

The Foundation also acknowledges support from the following organisations:

CJ Cultural Foundation, Fieldays TV, Lawrence Chinese Camp Charitable Trust, New Zealand China Council, New Zealand Kabaddi Council, Owae Marae, Royal New Zealand College of General Practitioners, Settlement ACTIONZ, Tata Consultancy Services, United Media Solution (UMS)

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