



Annual Report  
2018/2019

**Asia New Zealand  
Foundation  
Te Whītau Tūhono**



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Te Whītau Tūhono  
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Presentation of 2018/2019 Annual Report

# To the Minister of Foreign Affairs

On behalf of the Asia New Zealand Foundation board of trustees, and in accordance with the Crown Entities Act 2004 and the Public Finance Act 1989, I am pleased to present the annual report of the Foundation for the period ended 30 June 2019.

**Hon John Luxton CNZM QSO**  
Chairman

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# About the Asia New Zealand Foundation Te Whītau Tūhono

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## What we do

We equip New Zealanders to be confident and engaged with Asia by enabling deeper connections, awareness and knowledge.

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## Why we do it

New Zealand's present and future, economically, culturally and socially, are firmly tied to Asia. This reality presents New Zealand with a range of positive opportunities - we need to be deliberate and thoughtful in our approach to them.

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## How we do it

We provide experiences and resources to help New Zealanders build their knowledge, skills, connections and confidence to thrive in Asia. This is achieved through a range of diverse programmes: arts, business, education, entrepreneurship, leadership, media, research, sports, and informal diplomacy (Track II).

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## Our goals

### Deepening connections

We want New Zealand's relationships with Asia to have the breadth and depth we share with Australia, Europe and the Americas.

### Growing awareness and knowledge

We want New Zealanders to be knowledgeable of Asia. It's also important we are 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

We aim to be a key enabler of New Zealanders gaining confidence in their interactions with Asia. Success is seeing New Zealanders become more knowledgeable, attuned to and understanding of Asia and with connections and networks in the region.

### Organisational performance

We stay relevant to our stakeholders and adapt as their needs change.

## Chairman's report



It's been a busy year for the Asia New Zealand Foundation, and we were pleased to end it with some excellent feedback from our stakeholders.

In May, the results of our first stakeholder survey since 2013 affirmed the work we are doing in many ways, with 94 percent of the 360 respondents saying they would recommend the Foundation to others.

This feedback puts the Foundation in a good position to grow, and as such there is work underway to establish a presence in the South Island in the next financial year.

While this possibility had been on the table before the events of March 15 in Christchurch, the sense that this was the right move for the Foundation was cemented after the terror attacks.

I have been privileged to be involved with some of the Foundation's day-to-day activities in the last year and I have seen for myself the value of building understanding between cultures.

It was with great pleasure that I attended the Te Ao Māori hui, a large gathering of the Foundation's Leadership Network. It was an opportunity for the group to learn more about Te Ao Māori, reflect on their own connections, and think about how they might represent New Zealand better in Asia with that understanding. I left feeling the future of the New Zealand-Asia relationship was in great hands.

I was also a member of a Track II delegation to China in September last year, which was a chance to talk about the way New Zealand and China are navigating trade challenges. The US-China trade wars dominated the discussions then, and indeed China has dominated much of the news about Asia in New Zealand the last year.

The Foundation recognises there are changes happening in the Asia region, and is conscious of its role in working with wider NZ Inc to enhance

New Zealand's reputation and New Zealanders continue to have positive engagement in the region.

Special thanks to Simon Draper and the excellent team of staff we have at the Foundation; their dedication and drive continue to lift the role and profile of our organisation.

I want to give thanks to my board members and the Honorary Advisers for their contributions. The Foundation is stronger for the valuable guidance, support and expertise you offer. I'd like to make particular mention of former deputy chairman Hon Steve Maharey for his work in the last five years, and to welcome incoming trustee Hon Dame Fran Wilde.

We have also welcomed several new Honorary Advisers and, to them, I look forward to working with you: Dr Reuben Abraham (India), Ms Helianti Hilman (Indonesia), Ms Adaljiza Magno (Timor Leste), Mr Senaka Silva (Sri Lanka) and Ms Annie Wu Suk-Ching (Hong Kong).

Lastly, our sincere gratitude to the Rt Hon Winston Peters for his ongoing support of the Foundation's important work.

A handwritten signature in black ink, appearing to read 'John Luxton'. The signature is fluid and cursive, with a large initial 'J' and 'L'.

**Hon John Luxton CNZM QSO**  
Chairman

## Executive Director's report



It has been a year of exciting changes at the Asia New Zealand Foundation and it's with real pride that I've scanned the pages of this Annual Report to see the varied ways our activities have had an impact both in New Zealand and Asia.

The achievements are testament to the hard work and innovation of our staff, partner organisations, board and Honorary Advisers. Not to mention the ongoing and generous support of our funders. Of course, none of it would have mattered without the tens of thousands of New Zealanders who have been willing to take part – enthusiastically I might add – in our programmes and initiatives.

We had some good news in the last survey of New Zealanders' perceptions of Asia: their self-assessed knowledge has grown considerably in the last five years. In 2013 just 33 percent of people felt they knew a lot or at least a fair amount about Asia; and in 2018 it had gone up to 48 percent.

It was heartening to see we're approaching a tipping point – where more people feel they know Asia than don't. While we can't take credit for all of it – it also has much to do with our changing demography, accessibility of travel and a digitally connected world – it does feel like a validation of the work we do.

Cross-cultural understanding seems more important now than ever too – the terror attacks of March 15 here in New Zealand showed that we have a long way to go to achieve the cultural understanding we need. At every level of the organisation we have reflected on those events and next year's work will reflect some of that thinking.

It's important to note the activities reported in this year's Annual Report all contribute to the Foundation's goals, as outlined on page five. A detailed activity report, aligned to our strategic goals, is provided to Board regularly. For a fuller

outline of our strategy, goals and indicators, please visit [www.asianz.org.nz](http://www.asianz.org.nz).

The Foundation is now into our 25th year and, appropriately, it feels as though we're maturing – we've got a clear idea of what we're doing and why it matters. We've added a new programme of work in the last year – sports – and the newly-established Asia Media Centre (2017) has hit its stride. Both are serving new communities of people keen to grow their Asia confidence.

An important milestone for us this year has been the development of a Māori expression to sit alongside our Foundation name and brand: Te Whītau Tūhono. It was gifted to us by Ngāi Tūhoe kaumatua Hokimoana Te Rika-Hekerangi and can be roughly translated as an 'unbreakable connection'. It refers to connections between both New Zealand and Asia, and also between the Asia New Zealand Foundation and its stakeholders.

It's one of the first steps we've taken this year to better welcome Māori into the fold and make sure our opportunities are accessible to everyone.

Ngā mihi ki a koutou

**Simon J Draper**  
Executive Director

## Te Whītau Tūhono

This year, the Asia New Zealand Foundation was gifted a Māori name, Te Whītau Tūhono, to sit alongside its English name. The development of the name was an important milestone for the Foundation, and a significant part of its work this year to better engage with Māori. This is the story of its development.

Hokimoana Te Rika-Hekerangi, of Ruatāhāna within Ngāi Tūhoe, is passionate about helping others to learn and utilise te reo Māori.

She has worked tirelessly to champion the language throughout her life, including as a founding member of both Te Rōpū Wahine Māori Toko i te Ora (Māori Women's Welfare League) and the language revitalisation initiative Te Ataarangi.

When Asia New Zealand Foundation's Māori advisor Tania Te Whenua (Tūhoe, Whakatōhea) told Hokimoana about the work we do and that we were seeking advice on a Māori name for the organisation, Hokimoana didn't hesitate.

She says it was the organisation's focus on unity and connectedness that made it easy to find the name – Te Whītau Tūhono.

"From what I observed of the Asia New Zealand Foundation, [they] are strong on connecting communities," she told us in te reo Māori.

"It is an organisation that strengthens connectedness between people. The Asia New Zealand Foundation isn't focussed on difference, they are focussed on unity.

"And that's the essence of the word tūhono. That's also why the connections will be strong, hence the choice of the description whītau."

Whītau is the fibrous part of the flax that is used, for example, in piupiu because of its hardy properties; it's not easy to break.

Hokimoana tells us that the concepts of unity and connectedness bring to mind the special relationship she has with a certain grandchild, for whom she composed a waiata.

Tania says the organisation has taken an important first step in honouring its commitments to Te Tiriti o Waitangi and including Māori in its work.

She points out that as recently as the 1980s Māori were discouraged from using te reo in work environments, and to be in a place now where an organisation can choose to express itself in Māori is a milestone.

"To us it might be seemingly insignificant, but to te iwi Māori it might be hugely significant."

"In traditional Māori culture, naming was a sacred act, it was something that had its own tikanga and formal process", Tania says.

"The first step that Asia New Zealand Foundation has taken, to seek out a Māori name, is a very sacred step, it's the right step, because it grounds the work that the Foundation will do thereafter."

**A te reo Māori version of this story is available at [www.asianz.org.nz](http://www.asianz.org.nz).**



Hokimoana Te Rika-Hekerangi



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# Celebrating 25 years of the Foundation

A lot has changed since 1994 – in New Zealand, in Asia, and at the Foundation. But what has stayed the same is the Foundation’s important role in connecting New Zealanders with Asia.

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Driven by the efforts of Ministers Philip Burdon and Don McKinnon, the Foundation was set up by the New Zealand Government in 1994 as a partnership between the public and private sector. It was then known as the Asia 2000 Foundation.

It was borne out of a thoughtful mid-air discussion between the two government ministers on their way home after attending meetings in Asia.

Over dinner, then Minister for Trade Negotiations Philip Burdon and then Minister of Foreign Affairs and Trade Don McKinnon shared their concerns that New Zealanders were ill prepared for a future in Asia.

“We had been discussing for some time various options for raising New Zealand awareness of the region,” Philip Burdon says. “[On the plane] our thoughts crystallised around the Asia 2000 concept as it was then.”



Philip Burdon and Don McKinnon celebrating 25 years in 2019



Foundation board and staff members in 1994

Today, Philip Burdon and Sir Don McKinnon continue to have links with the Foundation as members of its network of New Zealand Honorary Advisers.

Over the past quarter-century, the Asia New Zealand Foundation has supported thousands of New Zealanders – academics, artists, businesspeople, top young graduates, future leaders, journalists, teachers and more – to increase their knowledge and understanding of Asia by spending time in the region on professional development opportunities.

And hundreds of thousands of New Zealanders have also been able to have Asia experiences in their hometowns through festivals, exhibitions, Experience Asia events at schools and other activities.

Over time, the Foundation has increasingly moved from being a grant-making organisation to an organisation that runs its own programmes.

During 2019, we’ve been celebrating the Foundation’s successes and milestone with online storytelling and a recognition of the young people who’ll be leading New Zealand-Asia relations in the next 25 years.

## Arts

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

### Hemispheres builds connections

We supported a unique partnership between New Zealand's Footnote Dance Company and China's Guangdong Modern Dance Company with our newly established Arts Project Fund.

It saw directors, choreographers and dancers from the two companies combine their creative talents to develop a triple-bill show. One of the works was an entirely new commission, *Mass Solitude*. Jointly created, it explored themes of connection and communication beyond technology.

The work toured nationally with 4297 free tickets provided to people around New Zealand thanks to support from the Foundation.

### Shimmering Mirage a timely installation

The Arts Project Fund also enabled Pakistani-American artist Anila Quayyum Agha's *Shimmering Mirage* to be shown at Christchurch Art Gallery Te Puna o Waiwhetū for nine months.

The large-scale light installation is a study of political, cultural and gender identity and draws on Islamic art and architecture.

*"Where else would we get the opportunity to see that people from such a different culture and government have the same obsessions - careers, marriage, babies - that we do, and that the interpersonal dynamics have been tricky for both peoples for centuries, so elegantly and creatively played out through movement, music and mime?"*  
**Audience member, The Dreamer**

While support for the work was confirmed before the March 15 terror attacks, its presence in Christchurch was made even more meaningful for Christchurch audiences and in just the first six weeks the installation was seen by 20,059 people.

### Lantern and Diwali festivals draw in large crowds

We continued our long-running support for large festivals celebrating Chinese and Indian cultures, with successful Lantern and Diwali events in Auckland, Wellington and Christchurch.

The festivals are a wonderful way of giving New Zealanders a small taste of the traditions and cultures from Asia and they have wide appeal. This year's Lantern festivals alone attracted more than 200,000 people.



Anila Quayyum Agha's *Shimmering Mirage*

**204k** people in Auckland and Christchurch attended Lantern Festival celebrations

**2274** attended Foundation-sponsored, large-scale contemporary theatre production, *The Dreamer*

**13** arts practitioners able to attend residencies and research tours

## Business



Business intern Menorah Gafa in the Philippines

Our business programme helps to develop the next generation of Asia-savvy business leaders by facilitating internships in Asia for tertiary students and recent graduates. It also upskills those already working in the sector to better engage with what Asia has to offer.

on internships, bringing the total since the programme started in 2009 to more than 100.

We've opened up opportunities in new countries, including the Philippines and Malaysia, and new industries, including fintech (financial technology), sustainable tourism and film and television.

### New partnership with TupuToa

This year we entered into an exciting new partnership with New Zealand internship programme TupuToa.

The Auckland-based organisation provides internship opportunities for Māori and Pasifika young people.

We've partnered with TupuToa to provide their first offshore internship opportunity, with social enterprise travel agency MAD Travel. Our first intern Menorah Gafa left for Manila in June.

### Business sector gets Asia insights

We stepped up our work to get business thought leaders from around Asia to New Zealand events to shed light on trends in the commercial and economic sectors in the region.

This included AI (artificial intelligence) expert Professor Jingyi Yu from ShanghaiTech University, venture capitalist Peter Huynh from Singapore for the Tripartite Economic Alliance gathering, and Duncan Innes-Ker from The Economist Intelligence Unit for the China Business Summit.

### Internship programme reaches milestone

Our business internship programme continues to expand - this year we sent 19 young people

*"I am in awe that ITRI was willing to take a non-Mandarin speaking female Kiwi under their wing and grateful for the opportunity to be exposed to many fields within robotics ... I am excited to see how this experience will inspire and navigate where my future career is heading."*

Monique Cooper, Industrial Technology Research Institute (ITRI) internship, Taiwan

3 thought leaders on Asia sponsored to share insights with NZ business sectors

15

Asia-based companies supporting our interns

19

interns sent on life-changing internships in Asia

## Education



PE teacher Andrew Maee-Brown in Japan in May

Our education programme provides New Zealand educators with the knowledge, resources and experiences to equip their students to thrive in Asia.

### Ten teachers experience Japan sports and culture

Physical education teachers from around the country were able to learn about Japan’s approach to sport with this year’s Japan Sports Forum.

The group covered everything from the way sport and health is taught in schools, to learning about 2020 Olympics preparation, and had a go at traditional Japanese sports such as judo and kendo.

They also taught Japanese high school students some traditional Māori games and presented to teacher trainees at Nippon Sports Science University.

*“This first-hand experience of Chinese culture through dance, music, craft and creativity have definitely broadened students’ knowledge and they have definitely gained so much more from it.”*

**Teacher Krishna Ramadugu on the Lantern Festival roadshow, Puhinui School**

### Lantern Festival roadshow

Hundreds of students at schools in Auckland, Timaru and Christchurch had Chinese performers come to their school halls as part of the Lantern Festival schools roadshow.

A Mongolian throat singer, an acrobat and magician, and a traditional drummer were all on the bill to entertain students and give them a small taste of Chinese culture.

“The students especially were excited about the things they saw,” a Papatoetoe Intermediate teacher reported back. “These shows and events do build greater cross-cultural understandings and appreciation.”

### Indonesian connections made

Six teachers travelled to Indonesia as part of a Foundation-led trip to learn about the country’s culture and build connections with local teachers.

The Kiwi teachers homestayd with their Indonesian partner teachers and visited their classrooms to get a taste of Indonesian education, with the goal of establishing ongoing online connections between their classes. Then in June, the Indonesian teachers came to New Zealand to do the same.

The programme was a partnership with the Southeast Asia Centre of Asia-Pacific Excellence, the second exchange in the partnership.



**30+** presentations to schools on the opportunities Asia offers

**766** schools in the Educators Network

**50+** Experience Asia grants for Asia-focused events at schools

## Sports

Our new sports programme gives sportspeople, in particular young people, a chance to experience Japanese culture. Japan has been chosen as a focus for the programme to leverage major sporting events including the 2019 Rugby World Cup and the 2020 Olympics and Paralympics.

### New partnership gets Japanese culture on screens

A new partnership between the Foundation and the New Zealand Olympic Committee, agreed in March, will see the development of online content and educational resources on Japan, its culture and its people.

With thousands of New Zealanders – athletes and spectators alike – heading to Japan to watch the Tokyo 2020 Olympics and Paralympics, and even more watching from home, it’s the perfect time to grow people’s understanding of Japanese cultures through a discipline that everyone understands – sport.

The partnership is the first of the agreements in the Strategic Sports Partnership Fund.

*“The culture, the people, the food, the places and the country itself have had a significant impact on us all and this is something we will never forget.”*  
**St Peter’s College, Auckland**

Tree, temples and bamboo forests and attended a Mass at a Catholic Church in Tokyo.

The group reported back: “It is safe to say that each and every member of the group left Japan feeling much more confident when asked about the country and had a greater understanding of the culture and history of this impressive place.”

### New Zealanders experience Japan first-hand

Eighty young New Zealanders in Japan have tried their hand at everything from navigating the Shinkansen to making sushi with our new school sports grants.

The St Peter’s College first XV rugby team were one of the groups to receive funding for cultural activities, piggybacking off their invitation to the Sanix Cup World Invitational in Fukuoka in April. The team got to experience local markets, sampled Japanese cuisine, navigated trains, visited the Sky

### Long-term connections built in sport

Ten sports teams travelling to Japan for tournaments and training this year will now also be able to experience the best of Japan thanks to our Community Sports Fund.

Most of the teams – ranging in sporting codes from basketball to weightlifting – are involved with the Tokyo 2020 Host Town programme, which aims to build long-term connections between New Zealand and Japan through sport.

The funding we’ve provided will give our athletes the opportunity to experience more than just the sports arena, to gain more knowledge and confidence with the Japanese culture, cuisine and people.

**167** people supported through the School Sports Fund

**149** sportspeople supported through the Community Sports Fund

**2** partnerships with national sporting bodies

## Entrepreneurship

Our entrepreneurship programme takes the next generation of leading New Zealand entrepreneurs to Asia. In Asia, we provide sector specific knowledge, build connections and networks with and put them in the room with people they can do business with.

### Health and beauty entrepreneurs eye Asia

Five health and beauty entrepreneurs had a chance to dip their toes in the Singapore and Malaysia markets in February. Built around attendance at Beauty Asia, the programme was a great way to demonstrate that New Zealand engagement with the region doesn't need to be just milk powder and logs. The delegation experienced local cultures, made valuable industry connections and gained insight into Malaysia's health and beauty sector.

### Tech innovators get a taste of Kiwi sector

We hosted two tech-focused delegations in New Zealand this year – seven tech entrepreneurs from Southeast Asia and seven agritech entrepreneurs from North Asia.

Both delegations offered a chance for our New Zealand tech entrepreneurs and Leadership Network members to hear first-hand about the innovation and trends happening in the sectors in Asia and share the best of what New Zealand has to offer.

### Deals done and connections made in Indonesia and Vietnam

Five entrepreneurs who travelled to Indonesia with us in November made the most of the opportunities, with business deals already done as a result of connections made on the trip. One of the entrepreneurs is now in the process of acquiring a company that we introduced him to in Indonesia.

Five Māori entrepreneurs visited Vietnam to learn about the country's rapidly growing tech scene, making industry connections and exploring opportunities. The Foundation partnered with the Southeast Asia Centre of Asia-Pacific Excellence and Kōkiri, a business accelerator for Māori entrepreneurs, to make the programme happen.

*"I was chosen to go to Indonesia last year as a tech entrepreneur and hand on heart have to say it was one of the best things I've ever done, from a learning standpoint and also networking with other entrepreneurs and leaders. Can't speak more highly of Asia New Zealand Foundation and the [Young Business Leaders Initiative]."*

**Marko Kisa, Head of Operations at Panda Republic**



22

Asia-based business leaders and entrepreneurs to New Zealand

20

events organised for entrepreneurs in New Zealand and Asia

15

New Zealand-based entrepreneurs were able to go to Asia



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## Leadership Network

The Leadership Network is New Zealand's leading Asia-focused professional development network. The network is diverse, in languages, homes and the sectors members work in.

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### Young leaders talk sustainability

In October last year we got together 40 of our Leadership Network members to talk about climate change and sustainability issues, and how to lead change and be part of the solutions.

It pulled together New Zealand members already working in the sustainability sector, with those keen to do more, and visiting sustainability entrepreneurs from Southeast Asia.

It was a thrill to see the next generation of New Zealand business leaders engaging so thoughtfully with the big issues facing the country and indeed the world.

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### New leaders welcomed into the fold

In May 2019 we welcomed around 50 dynamic new leaders to the Network, bringing Network numbers to more than 500. The new members come from diverse personal and professional backgrounds and have different motivations for increasing their understanding of Asia. But they are united by a shared enthusiasm for learning more about the region and for building connections between New Zealand and Asia.

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### Spotlight put on representing Te Ao Māori

We brought together more than 60 people for a Te Ao Māori hui at Te Tii Marae, Waitangi in June 2019, one of the biggest events the network has held in recent years.

It was the first time the network had focused on how it connects with Te Ao Māori and how that changes the way we represent ourselves internationally. We were lucky to have speakers such as Stacey Morrison and Te Ururoa Flavell as well as our own Leadership Network members.

The hui was also notable in that it was co-created by Network members and staff, which led to a stonger programme and demonstrated the focus, maturity and dedication of our network.

*"The Asia New Zealand Foundation are, by far, one of the organisations I am most proud to connect myself to. The [hui] had a huge impact on me, as I know it did for others. I can say it quite literally changed my life, when it comes to knowing who I am, the importance of names and our language, and making sure I am an active advocate of Te Tiriti, Te Reo and Te Ao Māori!"*

**Irihapeti Edwards after the Te Ao Māori hui**



**50**  
new members in our  
Leadership Network

**16**

Leadership Network  
events held across Asia  
and New Zealand

**377**

attendees at  
events through-  
out the year

## Media

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

### Supporting media cover to Japan - and more

Ahead of the Rugby World Cup and 2020 Olympics, Japan is a key country of interest for New Zealanders and, consequently, media. We awarded five media grants focused on Japan with reporting ranging from social issues to sport, and from Radio New Zealand to Seven Sharp.

Outside of Japan, the Foundation also funded journalists to travel to Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Malaysia and South Korea on media grants. RNZ reporter Nita Blake-Persen's story on New Zealand plastics being dumped in Malaysia won a Bronze Award at the New York Festival Radio Awards.



RNZ reporter Nita Blake-Persen in Malaysia

### Top journalists grow Asia connections

We had several valuable opportunities to support New Zealand journalists to grow their Asia knowledge and networks as well as reporting with their attendance at high-profile events and conferences in Asia.

Newsroom's political editor Sam Sachdeva was the first New Zealand journalist to attend the prestigious Shangri-La Dialogue in Singapore thanks to a grant from the Foundation. The Dialogue is Asia's premier defence summit and offers rare access to the region's defence ministers.

Spinoff founder Duncan Greive attended Splice Beta, a two-day conference in Thailand for media start-ups, as a keynote speaker, returning to report for the successful website on the "incredible vitality of Asian media told through five start-ups".

We also supported Radio New Zealand's immigration reporter Gillian Bonnett to attend the Jefferson Fellowship, a reporting tour of the Asia-Pacific which this year focused on migration policy and public sentiment.

Other journalists were supported to attend professional development opportunities in Korea and Hong Kong.

 **19** media travel grants awarded

to journalists for news reporting or professional development in Asia





TVNZ's Miriama Kamo in Bangladesh with Rohingya refugees

## Asia Media Centre

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

### Asia Media Centre website hits new heights

The Asia Media Centre's website, the starting point for any New Zealand journalist wanting expert views on Asia, doubled its monthly visits compared to the previous year. We increased the fortnightly newsletter to weekly, which helped boost engagement and encouraged more content submissions from experts.

### Experts upskilled for media

Recognising the value of media-savvy subject matter experts to journalists, we introduced professional media training opportunities in March 2019. The first training brought together people with expertise on Japan in anticipation of increased interest from media ahead of the Rugby World Cup and Olympics; and a second in June allowed for a range of experts from different perspectives to upskill on engaging with media.

### Important perspectives amplified

The Asia Media Centre held a series of events bringing together media and subject matter experts to discuss developments in the region. One highlight was hosting journalist and academic Dr Nasya Bahfen, from La Trobe University in Melbourne, to speak at New Zealand's Journalism Education Association conference in Wellington in December. Bahfen, a practising Muslim of Indonesian heritage, shared her insights around sport, identity and media. She later contributed to our site with an opinion piece on the Christchurch terror attacks, republished by New Zealand media.

*"Sad to be leaving #SpliceBeta, easily the best and buzziest conference I've ever been to. If you're a journalist and have ever dreamed of starting something, going here is the best money you'll ever spend... huge thanks to @asiannewzealand and @jacquipark for getting me up here, an unbelievably cool thing to have done."*

Duncan Grieve, Spinoff founder

175 

articles published in the Asia Media Centre website

154 

experts on the Asia Media Centre website

## Track II

We support informal diplomacy with thinktanks in Asia - exchanging perspectives on prospects and challenges facing the region - with a focus on political, trade and security issues of shared interest.



Next generation diplomats in Otago in June

### Next generation diplomats talk state of the world

Twenty students and ASEAN young diplomats came together in June 2019 for a Track 1.5 event aimed at building confidence and skills for the next generation of academics, commentators and policy makers. Held in partnership with the Otago Foreign Policy School, the event was a mix of official and unofficial exchange. Sitting in an olde worlde library that could have come straight out of a Harry Potter movie, participants discussed the state of the international rules-based order, how small powers were navigating great power dynamics, and the role of regional and national identity in our outward engagement.

*"Participating in the Track II dialogue presented me with a direction in which to push my research and future work. I was able to glimpse into where this could lead and how it might have an impact. Upon returning home that evening, I looked at the map of Southeast Asia on my bedroom wall through a different lens; it wasn't just theory anymore - it was real and reachable."*

**Jackson Calder, Next Gen Track II participant**

### More women included in programme

We made a particular effort to make sure more women were included in our Track II work and the programme was stronger for it. PhD candidate Vanessa Bramwell, who participated in the 33rd Asia Pacific Roundtable in Kuala Lumpur in June, shone through. Our efforts have helped her to build confidence in her networking and research - and as a result of the Roundtable, she's refocused her research goals on Asia.

### Track II events at all-time high

We delivered an unprecedented number of high-quality Track II dialogues and roundtables this year - 14 onshore and six offshore. We also visited Australia and the Philippines to grow our outreach and understanding of the region. The busy work programme included a second dialogue on the Mekong held in Thailand, and signing an agreement with the Indian Council of World Affairs in Wellington - both serving to further deepen our already strong institutional connections with partners.

**94** university students took part in five Track II simulations across New Zealand campuses - including special outreach to Māori and Pasifika students



## Research

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

### Perceptions of Asia at turning point

The latest report on New Zealanders’ Perceptions of Asia and Asian Peoples showed close to half feel they know at least a fair amount about Asia. The number has grown from 33 percent in 2013 to 48 percent in 2018. As we’ve done this report for more than 20 years now, this is a particularly heartening result for us at the Foundation and shows the value of the work we do and the progress we’re making as a country.

*“Visiting Sri Lanka was an experience that has inspired and challenged my thinking, not only on my research topic, but personally, too.”*

Jasmine Edwards, post-graduate research grantee



Researcher Jasmine Edwards in Sri Lanka

### Māori have an edge with Asia

We were excited to complete our first report into the perceptions of Asia in Te Ao Māori this year, one of our first steps in growing our Māori engagement. It gave us the data for what many already knew – that Māori connections with Asia are intuitive, and that there is real potential for the Foundation to do more to work with Māori to explore and strengthen those connections.

### Foundation stakeholders affirm our work

For the first time since 2013 we surveyed our own stakeholders in both Asia and New Zealand on the work we were doing. The results were overwhelmingly positive, and also provided us some helpful feedback on how we might shape our programmes in the future. Ninety-four percent of the 360 respondents said they would recommend the Foundation as a partner to others, and 83 percent agree that their involvement with the Foundation has helped them to engage with Asia in a tangible way. Seven in ten say they gained personal, professional development, and networking opportunities.



post-graduate researchers sent to China, Korea and Sri Lanka for masters and doctoral fieldwork



research reports produced



New Zealanders participated in our surveys

# Governance and Accountability Statement

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## 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

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## 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 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, as approved by the board.

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## 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 2018/19 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 2019

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**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 2019 fairly reflect the financial position and operations of the Foundation.

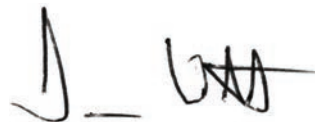
Signed on behalf of the board:



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**SIMON MURDOCH**

Deputy Chairman  
25 October 2019



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**SIMON WATT**

Board Member  
25 October 2019

# Independent Auditor's Report

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## To the readers of Asia New Zealand Foundation's financial statements and performance information for the year ended 30 June 2019.

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

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## Opinion

### We have audited:

- the financial statements of the Foundation on pages 29 to 44, that comprise the statement of financial position as at 30 June 2019, 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 including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Foundation on pages 26 to 28.

### In our opinion:

- the financial statements of the Foundation on pages 29 to 44:
  - o present fairly, in all material respects:
    - its financial position as at 30 June 2019; and
    - its financial performance and cash flows for the year then ended; and
  - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information on pages 26 to 28:

- o presents fairly, in all material respects, the Foundation's performance for the year ended 30 June 2019, including:
  - for each class of reportable outputs:
    - its standards of delivery performance achieved as required in the funding agreement with the Ministry of Foreign Affairs and Trade; and
    - its actual revenue and output expenses as compared with the funding agreement with the Ministry of Foreign Affairs and Trade; and
- o complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

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## 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 audit opinion.

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

The Board is responsible on behalf of the Foundation for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is 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 is responsible on behalf of the Foundation for assessing the Foundation's ability to continue as a going concern. The Board is 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 merge or to terminate the activities of the Foundation, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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## 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 the 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 funding agreement with the Ministry of Foreign Affairs and Trade.

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.
- 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 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 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.

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## Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 46, 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.

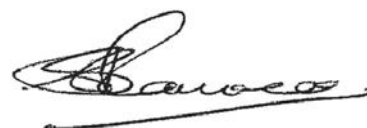
In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge 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.

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## 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 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Foundation.



**Clint Ramoo**

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

## Statement of Performance

In 2018/19 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 output agreement the goals to achieve are:

- **Informed Public:** New Zealanders are able to make informed judgements about the country's linkages with Asian countries and people from Asia
- **Experienced Opinion Leaders:** Opinion leaders and decision-makers in New Zealand have direct experience of Asia
- **Connected Schools:** All New Zealand students are equipped culturally, linguistically and vocationally to be successful in the Asian century
- **Respected in the Region:** The Foundation is welcomed by counterparts in Asia and its activities reinforce New Zealand's political, economic and social objectives in the region

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 output agreement but relevant to the delivery of its mission.

Financial performance under this output is summarised below.

	Actual 2019 \$	Budget 2019* \$	Actual 2018 \$
<b>Revenue</b>			
Crown output agreement	5,000,000	5,000,000	4,000,000
Other revenue	830,432	854,500	802,292
<b>Total revenue</b>	<b>5,830,432</b>	<b>5,854,500</b>	<b>4,802,292</b>
<b>Total expenses</b>	<b>5,580,893</b>	<b>6,588,300</b>	<b>5,050,473</b>
<b>Net surplus/(deficit) for the period</b>	<b>249,539</b>	<b>(733,800)</b>	<b>(248,181)</b>

Output agreement funding is provided through the Ministry of Foreign Affairs and Trade.

## Performance measures and results

The output agreement 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 output agreement outcome.

### MEASURE

### RESULT

#### Level of New Zealand public awareness of the importance of Asia to New Zealand

An attitudinal research project, New Zealanders' Perceptions of Asia and Asian Peoples, has been undertaken since 1994.

This year's result showed that 73% of New Zealanders saw the Asia region as important to New Zealand's future (second only to Australia). This is a decrease from the previous year's result of 79%, but higher than the prior year of 70%. The results did include good news in that New Zealanders' self-assessed knowledge has grown considerably since 2013. The research also showed younger people were more interested in Asia through online influences.

**2018/19 goal:** maintain

**2018/19 actual:** 73%

**2017/18 actual:** 79%

### MEASURE

### RESULT

#### Informing the public

Through public forums, research reports and its website, the Foundation has continued to lead the national conversation on the relationship with Asia. Activities in this measure reach a wide audience across New Zealand with the Foundation's identified stakeholders as the main target.

The Foundation continued its Asia After Five series but has moved its role of informing the public into sponsorships of events across programmes with activities this year in business, media, sports and arts.

#### Public forums

**2018/19 goal:** 10 public forums

**2018/19 actual:** four public forums - South Island Lantern Business Forum, Christchurch; Asia After Five (series of six events); Tasty Business Taranaki: Kiwi success stories in Southeast Asia, New Plymouth; Unicorns and Blockchain - an event with Southeast Asian entrepreneurs in the tech industry, Auckland.

**2017/18 actual:** 10 public forums - South Island Lantern Business Forum, Christchurch; Asia After Five (series of 10 events); Start up secrets - from Saigon to the deep south, Dunedin; Farming for the future - Social entrepreneurship in Southeast Asia, Christchurch; Bear, Bull, Belt and Road - Reflections on China's economy and trade policy directions, Auckland; Starting Strong: Launch of Asian under-fives report, Wellington; Taking on the World, Singapore; Where to now? The future impact of social enterprise, Wellington; Agribusiness in Southeast Asia, Hamilton; and business workshop on distributor engagement in Korea, Auckland.

#### Visits to [asianz.org.nz](http://asianz.org.nz) website

The decline in traffic this year was due to the launch of a new website in October 2018 and has been traced to search engine optimisation issues.

**2018/19 goal:** 10% increase year to year

**2018/19 actual:** 30% decrease year to year

**2017/18 actual:** 15% increase year to year

**Research reports**     **2018/19 goal:** three reports published and distributed

**2018/19 actual:** three reports published and distributed - Thinking Careers? Think Asia; Asia and Asian Peoples from a Te Ao Māori Perspective; and Perceptions of Asia and Asian Peoples 2018 Annual Survey.

**2017/18 actual:** five reports published and distributed - Losing momentum - School Leavers' Asia Engagement; Making a Community: Filipinos in Wellington; Starting Strong: Nurturing the potential of our Asian under-fives; New Zealanders' Perceptions of Asia and Asian Peoples 2017 Annual Survey; and Belt and Road Initiative - A Strategic Pathway.

MEASURE	RESULT
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<b>Targeting opinion leaders</b>	With the Leadership Network in its 12th year the Foundation is monitoring the engagement of its members during a review year. This involves looking at its membership and activities and how best these meet the needs of New Zealand's future leaders. This year 50 new members were inducted and the Foundation ran events across New Zealand, Asia and Australia. The membership census was not undertaken in 2018/19 but will be reintroduced in 2019/20.
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<b>Leadership Network</b>	<p><b>2018/19 goal:</b> membership engagement annual census - 75% response</p> <p><b>2018/19 actual:</b> survey not undertaken this year</p> <p><b>2017/18 actual:</b> 75%</p>
	<p><b>2018/19 goal:</b> 30% of Leadership Network members using the individual Leadership Pathway</p> <p><b>2018/19 actual:</b> survey not undertaken this year</p> <p><b>2017/18 actual:</b> 34%</p>

<b>Track II dialogues</b>	<p>The Foundation continued to add value to the Track II dialogue series by hosting post-dialogue briefings, roundtable discussions and events to find a wider audience. This includes attracting a new generation of international relations and other Track II practitioners and the media.</p> <p><b>2018/19 goal:</b> conduct seven Track II dialogues</p> <p><b>2018/19 actual:</b> nine Track II dialogues conducted: China Track II dialogues held with various think tanks in China, ASEAN and Australia in Kuala Lumpur, ASAN Institute (Korea) for Policy Studies in Wellington, Japan Track 1.5 dialogues held with various think tanks in Japan, Prospect Foundation of Taiwan in Taipei, Diplomatic Academy of Vietnam in Wellington, Indian Council for World Affairs in Wellington, Mekong in Chiang Rai and a series of Track II simulations held across New Zealand.</p> <p><b>2017/18 actual:</b> seven Track II dialogues conducted: Indian Council for World Affairs at Delhi; Diplomatic Academy of Vietnam at Hanoi, ASEAN and Australia at Kuala Lumpur; Prospect Foundation of Taiwan; Mekong in Khon Kaen and China Track II dialogues held with various think tanks across the region and a series of Track II simulations held across New Zealand.</p>
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MEASURE	RESULT
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<b>Enabling schools</b>	<p><b>2018/19 goal:</b> increase number of schools within Asia New Zealand Foundation's school network by 5%</p> <p><b>2018/19 actual:</b> 5% (766 schools)</p> <p><b>2017/18 actual:</b> 5% (731 schools)</p>
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## Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2019

	Note	Actual 2019 \$	Budget 2019* \$	Actual 2018 \$
<b>Revenue</b>				
Revenue from the Crown	2	5,535,255	5,641,500	4,483,571
Project funding	2	25,000	25,000	25,000
Interest revenue	2	161,521	110,000	161,163
Core sponsorship		70,000	70,000	70,000
Other revenue		38,656	8,000	62,558
<b>Total revenue</b>		<b>5,830,432</b>	<b>5,854,500</b>	<b>4,802,292</b>
<b>Expense</b>				
Personnel costs	3	2,380,470	2,338,240	2,308,466
Project expense	4	45,735	73,000	90,000
Depreciation and amortisation	9, 10	51,276	92,881	70,932
Other expense	5	3,103,412	4,084,179	2,581,075
<b>Total expense</b>		<b>5,580,893</b>	<b>6,588,300</b>	<b>5,050,473</b>
<b>Surplus/(Deficit)</b>		<b>249,539</b>	<b>(733,800)</b>	<b>(248,181)</b>
<b>Other comprehensive revenue and expense</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expense</b>		<b>249,539</b>	<b>(733,800)</b>	<b>(248,181)</b>

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

## Statement of Changes in Equity for the Year Ended 30 June 2019

	Actual 2019 \$	Budget 2019* \$	Actual 2018 \$
<b>Balance at 1 July</b>	<b>4,117,798</b>	<b>4,117,923</b>	<b>4,365,979</b>
Total comprehensive revenue and expense for the year	249,539	(733,800)	(248,181)
<b>Balance at 30 June</b>	<b>4,367,337</b>	<b>3,384,123</b>	<b>4,117,798</b>

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 2019

	Note	Actual 2019 \$	Budget 2019* \$	Actual 2018 \$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	163,141	212,000	253,813
Trade and other receivables	7	169,197	132,000	149,750
Investments	8	3,500,000	2,800,000	2,850,000
<b>Total current assets</b>		<b>3,832,338</b>	<b>3,144,000</b>	<b>3,253,563</b>
<b>Non-current assets</b>				
Property, plant and equipment	9	180,063	122,200	177,062
Intangible assets	10	-	-	-
Investments	8	1,000,000	600,000	1,250,000
<b>Total non-current assets</b>		<b>1,180,063</b>	<b>722,200</b>	<b>1,427,062</b>
<b>Total assets</b>		<b>5,012,401</b>	<b>3,866,200</b>	<b>4,680,625</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	11	368,439	226,844	236,321
Employee entitlements	12	134,697	75,000	128,256
Lease incentive	13	20,231	20,233	25,555
GST		14,197	45,000	44,962
<b>Total current liabilities</b>		<b>537,564</b>	<b>367,077</b>	<b>435,094</b>
<b>Non-current liabilities</b>				
Lease incentive	13	-	-	20,233
Provisions	14	107,500	115,000	107,500
<b>Total non-current liabilities</b>		<b>107,500</b>	<b>115,000</b>	<b>127,733</b>
<b>Total liabilities</b>		<b>645,064</b>	<b>482,077</b>	<b>562,827</b>
<b>NET ASSETS</b>		<b>4,367,337</b>	<b>3,384,123</b>	<b>4,117,798</b>
<b>EQUITY</b>				
General funds	16	2,913,808	1,957,123	2,690,923
Managed Fund Korea	16	804,658	788,000	787,906
Managed Fund Japan	16	648,871	639,000	638,969
<b>TOTAL EQUITY</b>		<b>4,367,337</b>	<b>3,384,123</b>	<b>4,117,798</b>

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.

## Statement of Cash Flows for the Year Ended 30 June 2019

	Note	Actual 2019 \$	Budget 2019* \$	Actual 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
Supply of outputs to the Crown		5,000,000	5,000,000	4,000,000
Additional Crown funding		615,695	711,500	553,571
Other revenue		48,006	5,000	79,088
Revenue on behalf of funds		26,500	26,500	26,500
		<b>5,690,201</b>	<b>5,743,000</b>	<b>4,659,159</b>
<b>Cash was distributed to:</b>				
Payments to suppliers		(3,060,439)	(4,251,000)	(2,664,946)
Payments to employees		(2,374,030)	(2,118,500)	(2,348,456)
Payments on behalf of funds		(32,735)	(73,000)	(97,000)
Net GST (paid)/received		(28,194)	25,000	24,143
		<b>(5,495,398)</b>	<b>(6,417,500)</b>	<b>(5,086,259)</b>
<b>Net cash outflow from operating activities</b>		<b>194,803</b>	<b>(674,500)</b>	<b>(427,100)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
Interest received		168,982	172,000	147,772
Investments maturing		2,850,000	2,850,000	2,950,000
		<b>3,018,982</b>	<b>3,022,000</b>	<b>3,097,772</b>
<b>Cash was distributed to:</b>				
Acquisition of investments		(3,250,000)	(2,350,000)	(2,750,000)
Purchase of property, plant and equipment		(54,457)	(39,500)	(33,669)
Purchase of intangibles		-	-	-
		<b>(3,304,457)</b>	<b>(2,389,500)</b>	<b>(2,783,669)</b>
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(285,475)</b>	<b>632,500</b>	<b>314,103</b>
Net (decrease)/increase in cash and cash equivalents		(90,672)	(42,000)	(112,997)
Plus opening cash		253,813	254,000	366,810
<b>Closing cash and cash equivalents</b>	<b>6</b>	<b>163,141</b>	<b>212,000</b>	<b>253,813</b>

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 2019

### 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 public 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 2019 and were approved on 25 October 2019 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.

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

### Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

PBE IFRS 9 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement with effect from 1 January 2021. The Foundation will apply this new standard in preparing the 30 June 2020 financial statements. No effect is expected as a result of this change.

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for periods beginning on or after 1 January 2021 with early adoption permitted. The Foundation does not intend to early adopt this amendment.

### 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.

#### 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. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Foundation for the preparation of the financial statements.

### Cost of service statement

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

### Critical accounting estimates and assumptions

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

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

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

### Critical judgements in applying the Foundation's accounting policies

Management has exercised the following critical judgements in applying the Foundation's accounting policies for the year ended 30 June 2019:

- *Grants received* – refer to note 2.
- *Lease classification* – refer to note 5.
- *Financial asset classification* – refer to note 8.

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## Note 2: Analysis of revenue

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

### Revenue from the Crown

Output agreement funding: 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.

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

Additional revenue from the Crown: The Foundation signed two contracts with Victoria University of Wellington on behalf of the Southeast Asia Centre of Asia-Pacific Excellence to provide a pilot programme to develop enduring partnerships between schools in New Zealand and Indonesia in September 2018 and a pilot Accelerate Southeast Asia programme to support start-up entrepreneurs engage with Southeast Asia in July 2018.

The Foundation also continued its partnership with Creative New Zealand to provide opportunities in Asia for artists and curators. The Foundation considers there are no conditions attached to these funding agreements and revenue is recognised on receipt. The fair value of revenue from Victoria University of Wellington and Creative New Zealand has been determined to be equivalent to the amounts due in the funding arrangements.

### Interest revenue

Interest revenue is recognised using the effective interest method.

### Other revenue

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

### Other grants

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

## Note 2: Analysis of revenue (continued)

### 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.

	2019 \$	2018 \$
<b>Revenue From The Crown</b>		
Output agreement	5,000,000	4,000,000
Additional funding (ASEAN Young Business Leaders Initiative)	278,195	303,428
Additional funding	257,060	180,143
<b>Total revenue from the Crown</b>	<b>5,535,255</b>	<b>4,483,571</b>
<b>Project Funding</b>		
Japan Fund	25,000	25,000
<b>Total project funding</b>	<b>25,000</b>	<b>25,000</b>
<b>Interest Revenue</b>		
Net gains on held-to-maturity investments	156,516	156,376
Other interest	5,005	4,787
<b>Total interest revenue</b>	<b>161,521</b>	<b>161,163</b>

The total revenue of \$5,830,432 (2018 - \$4,802,292) includes total non-exchange revenue of \$5,666,960 (2018 - \$4,638,833).

## Note 3: Personnel costs

	2019 \$	2018 \$
Salaries and wages	2,316,688	2,285,280
KiwiSaver employer contributions	57,341	58,341
Increase/(decrease) in employee benefit liabilities	6,441	(35,155)
<b>Total personnel costs</b>	<b>2,380,470</b>	<b>2,308,466</b>
<b>Key management personnel compensation</b>		
	<b>2019</b>	<b>2018</b>
<b>Board Members</b>		
Remuneration	\$36,500	\$36,000
Full-time equivalent members	7.75	7.5
<b>Key management personnel</b>		
Remuneration	\$494,830	\$480,773
Full-time equivalent members	2	2
<b>Total key management personnel remuneration</b>	<b>\$531,330</b>	<b>\$516,773</b>
<b>Total full-time equivalent personnel</b>	<b>9.75</b>	<b>9.5</b>

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	2019	2018
<b>Total remuneration paid</b>		
\$100,000 - 109,999	1	1
\$110,000 - 119,999	1	1
\$120,000 - 129,999	1	3
\$140,000 - 149,999	1	-
\$180,000 - 189,999	-	1
\$200,000 - 209,999	-	1
\$210,000 - 219,999	1	-
\$270,000 - 279,999	-	1
\$280,000 - 289,999	1	-

**Note 4:  
Project  
expense**

	2019 \$	2018 \$
Managed Fund Korea	9,416	27,000
Managed Fund Japan	36,319	63,000
<b>Total project expense</b>	<b>45,735</b>	<b>90,000</b>

**Note 5:  
Other  
expense**

**Grant expenditure**

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

**Operating leases**

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

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

**Critical judgements in applying the Foundation's accounting policies**

**Lease classification**

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

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

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

## Note 5: Other expense (continued)

Other expense	2019 \$	2018 \$
Fees paid to auditor		
- Audit fees for financial statements' audit	27,878	27,144
- Audit fees for internal audit services	11,870	-
Grants awarded	655,456	574,982
Operating lease payments	272,409	265,672
Board of Trustees' expenses (Note: fees paid to Trustees detailed in note 3)	35,169	48,478
Telecommunications	12,520	8,081
Insurance premiums	13,312	10,785
Other operating expense	2,074,798	1,645,933
<b>Total other expense</b>	<b>3,103,412</b>	<b>2,581,075</b>

Project expense includes additional grants awarded of \$15,000 (2018 - \$90,000).

### Operating leases as lessee

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

	2019 \$	2018 \$
Not later than one year	249,638	239,813
Later than one year and not later than five years	1,005,471	387,710
Five years or more	666,496	362,757
<b>Total</b>	<b>1,921,605</b>	<b>990,280</b>

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

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

## Note 6: Cash and cash equivalents

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

	2019 \$	2018 \$
Cash at bank	163,141	253,813
<b>Total cash and cash equivalents</b>	<b>163,141</b>	<b>253,813</b>

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 \$16,834 (2018 - \$40,090) 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

Trade and other receivables are recorded at their face value, less any provision for impairment. All receivables greater than 30 days in age are considered to be past due.

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

	2019 \$	2018 \$
Trade receivables	507	112
Interest receivable	109,146	116,607
Prepayments	59,544	33,031
<b>Total trade and other receivables</b>	<b>169,197</b>	<b>149,750</b>
Total receivables comprises:		
Receivables from the sale of goods and services (exchange transactions)	168,836	149,750
Receivables from grants (non-exchange transactions)	361	-

There is no impairment provision for trade receivables.

## Note 8: Investments

The Foundation classifies its financial assets as either held-to-maturity investments or loans and receivables.

Held-to-maturity investments are term deposits with fixed or determinable payments and fixed maturities that the Foundation has the positive intention and ability to hold until maturity. After initial recognition, they are measured at amortised cost using the effective interest method. Gains or losses when assets are impaired or derecognised are recognised in the surplus or deficit. Investments in this category include term deposits with maturities in excess of three months.

Purchases and sales of investments are recognised on the trade-dates, the dates on which the Foundation commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred.

Management determines the classification of its financial assets at initial recognition and reviews the classifications at each reporting date.

### Critical judgements in applying the Foundation's accounting policies

#### Financial asset classification

There are four classification categories for financial assets. Determining the Foundation's investments fit into the 'held to maturity' category requires judgement as to whether there are fixed or determinable payments and 'fixed maturity' that the Foundation has the positive intent and ability to hold to maturity.

The Foundation has exercised its judgement on the appropriate classification of its financial assets as held to maturity.

## Note 8: Investments (continued)

Investments	2019 \$	2018 \$
<b>Current portion</b>		
<i>Held to maturity</i>		
Term deposits maturing in the following 12 months	3,500,000	2,850,000
<b>Non-current portion</b>		
<i>Held to maturity</i>		
Term deposits maturing in over 12 months	1,000,000	1,250,000
<b>Total investments</b>	<b>4,500,000</b>	<b>4,100,000</b>

The carrying value of term deposits with terms greater than three months approximates their amortised cost using the effective interest method.

There is no impairment provision for investments.

## Note 9: Property, plant and equipment

The property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

### Additions

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

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

### Disposals

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

### Subsequent costs

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

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

### Depreciation

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

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

Leasehold improvements	5 - 9 years	11 - 18%
Furniture and fittings	3.8 - 9 years	11 - 26%
Office equipment	3.5 - 6.7 years	15 - 29%
Computer equipment	2.8 - 4 years	25 - 36%
Festival equipment	2 - 7 years	14 - 50%

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

## Note 9: Property, plant and equipment (continued)

### 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.

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 improve- ments \$	Computer equipment \$	Festival equipment \$	Furniture & fittings \$	Office equipment \$	Total \$
At 1 July 2018						
Cost	420,857	116,662	19,486	135,659	45,086	737,750
Accumulated depreciation and impairment charges	(329,686)	(92,901)	(19,486)	(100,130)	(18,485)	(560,688)
<b>Net book value</b>	<b>91,171</b>	<b>23,761</b>	<b>-</b>	<b>35,529</b>	<b>26,601</b>	<b>177,062</b>
Additions	-	32,033	-	17,521	4,903	54,457
Disposals	-	(7,379)	(19,486)	(6,734)	-	(33,599)
Accumulated depreciation eliminated on disposal	-	7,379	19,486	6,554	-	33,419
Depreciation charge	(11,091)	(20,922)	-	(12,470)	(6,793)	(51,276)
<b>Closing net book value</b>	<b>80,080</b>	<b>34,872</b>	<b>-</b>	<b>40,400</b>	<b>24,711</b>	<b>180,063</b>
At 30 June 2019						
Cost	420,857	141,316	-	146,446	49,989	758,608
Accumulated depreciation and impairment charges	(340,777)	(106,444)	-	(106,046)	(25,278)	(578,545)
<b>Net book value</b>	<b>80,080</b>	<b>34,872</b>	<b>-</b>	<b>40,400</b>	<b>24,711</b>	<b>180,063</b>

There were no capital commitments as at 30 June 2019 (2018 -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%

	2019 \$
<b>Software at 1 July 2018</b>	
Cost	67,816
Accumulated amortisation	(67,816)
<b>Opening carrying value</b>	<b>-</b>
Additions	-
Disposals	-
Accumulated amortisation eliminated on disposal	-
Amortisation charge	-
<b>Closing carrying value</b>	<b>-</b>
<b>Balance at 30 June 2019</b>	
Cost	67,816
Accumulated amortisation	(67,816)
<b>Closing carrying value</b>	<b>-</b>

## 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.

	2019 \$	2018 \$
<b>Payables under exchange transactions</b>		
Trade payables	110,877	112,211
Accrued expenses	36,446	17,543
<b>Total payables under exchange transactions</b>	<b>147,323</b>	<b>129,754</b>
<b>Payables under non-exchange transactions</b>		
Grants payable	209,110	106,567
Trade payables	12,006	-
<b>Total payables under non-exchange transactions</b>	<b>221,116</b>	<b>106,567</b>
<b>Total trade and other payables</b>	<b>368,439</b>	<b>236,321</b>



## 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, annual leave earned to but not yet taken at the balance date, and sick leave.

The Foundation recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at the balance date, to the extent that the Foundation anticipates it will be used by staff to cover those future absences.

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.

	2019 \$	2018 \$
Accrued salaries and wages	49,999	46,939
Annual leave	84,698	81,317
<b>Total employee entitlements</b>	<b>134,697</b>	<b>128,256</b>

No liability has been recognised for sick leave, as the Foundation does not anticipate future absences to be significant.

## Note 13: Lease incentive

### Operating leases

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

	2019 \$	2018 \$
<b>Lease incentive</b>		
Opening balance	45,788	71,343
Lease incentive used during the year	(25,557)	(25,555)
<b>Closing balance</b>	<b>20,231</b>	<b>45,788</b>

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

	2019 \$	2018 \$
<b>Lease incentive</b>		
Current portion	20,231	25,555
Non-current portion	-	20,233
<b>Total balance</b>	<b>20,231</b>	<b>45,788</b>

## Note 14: Provisions

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

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

### Critical accounting estimates and assumptions

#### Carrying amount of make-good provision for 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.

An incorrect estimate of the make-good calculation will affect the depreciation expense in the surplus or deficit, and the carrying amount of the leasehold improvements asset in the statement of financial position.

	2019 \$	2018 \$
<b>Non-current provisions</b>		
<i>Lease make-good provision</i>		
Opening balance	107,500	109,507
Additional provisions made during the year	-	-
Unused amounts reversed	-	(2,007)
<b>Closing balance</b>	<b>107,500</b>	<b>107,500</b>

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 was extended this year to now expire in April 2026 with no right of renewal. The Auckland office lease expires in November 2023 with a five-year right of renewal to November 2028 if taken.

## Note 15: Contingent liabilities and assets

There were no contingent liabilities or assets as at 30 June 2019 (2018 - Nil).

## Note 16: Capital management

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

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

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

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

## Note 16: Capital management (continued)

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 2018 \$	Surplus/(Deficit) \$	30 June 2019 \$
General funds	2,690,923	222,885	2,913,808
Managed Fund Korea	787,906	16,752	804,658
Managed Fund Japan	638,969	9,902	648,871
<b>Total equity</b>	<b>4,117,798</b>	<b>249,539</b>	<b>4,367,337</b>

## Note 17: Related party transactions

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

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

There have been no related party transactions in the year ending 30 June 2019 (2018 - Nil).

## Note 18: Events after the balance date

There have been no significant events after the balance date.

## Note 19: Financial instrument categories

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

	2019 \$	2018 \$
<b>Financial assets</b>		
<i>Loans and receivables</i>		
Cash and cash equivalents	163,141	253,813
Trade and other receivables	109,653	116,719
	<b>272,794</b>	<b>370,532</b>
<i>Held to maturity</i>		
Investments	4,500,000	4,100,000
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Trade and other payables (excluding grants received subject to conditions)	368,439	236,321

## Note 20: ASEAN Young Business Leaders Initiative

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

	2019 \$	2018 \$
Contribution towards personnel costs and overhead costs	134,000	134,000
Programme costs	149,056	157,802
<b>Total expenditure</b>	<b>283,056</b>	<b>291,802</b>

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 expense'.

## Note 21: Donated services

The Foundation receives in-kind donations of services from many organisations.

Following the transition to the PBE accounting standards, the Foundation is no longer required to include them in the surplus or deficit.

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

	2019 \$	2018 \$
Management services	19,555	10,487
<b>Total donated services</b>	<b>19,555</b>	<b>10,487</b>

## Note 22: Explanation of significant variances against budget

2018/19 was the second year of the Foundation's strategic plan, in which the Foundation's vision is 'A New Zealand confident in and with Asia' and its value proposition is 'We equip New Zealanders to be more confident and engaged with Asia by enabling deeper connections, awareness and knowledge'.

2018/19 was also the first year of the Foundation's increased output agreement funding, an increase of \$1 million per year.

### Statement of comprehensive revenue and expense

The Foundation has reported a full year surplus of \$249,539 against a budgeted full-year deficit of \$733,800, this is a variance of \$983,339 (underspend).

The Foundation took an ambitious approach to setting budgets for the year following the increase to output agreement funding but took a more prudent approach to spending during the year. New programme activity and work streams have begun including the sports programme and new strategic partnership funds across programmes. This work will continue to grow next year.

### Statement of financial position

The variances in assets and equity relate to the financial surplus for the year. Payables are higher following a busy final period in May and June for the Foundation.

### 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.

# Foundation People

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## Board of Trustees

**Chairman:** Hon John Luxton CNZM QSO

**Deputy Chairmen:** Simon Murdoch CNZM, (Hon Steve Maharey CNZM)

**Trustees:** Danny Chan, Lyn Lim MNZM, Raf Manji, Simon Watt and Chris Seed (ex-officio), (Dr Brook Barrington (ex-officio))

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

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## Board of Honorary Advisers

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## Asia New Zealand Foundation staff

**Executive Director:** Simon J Draper

**Deputy Executive Director:** Adele Mason

**Accountant:** Sunita Soma

**Asia Media Centre Manager:** Kay Seatter-Dunbar

**Communications Adviser:** Tessa Johnstone (Janryll Fernandez)

**Communications Support:** Emma Rzepecky

**Digital Content Editor (AMC):** Siobhan Downes (Francine Chen)

**Director Arts:** Craig Cooper

**Director Business:** Felicity Roxburgh (Ziena Jalil)

**Director Communications and Media:**

Rebecca Inoue-Palmer (Mark Russell)

**Director Education:** Sean O'Connor

**Director Engagement and Research:**

Suzannah Jessep (Pip McLachlan)

**Director Leadership and Entrepreneurship:**

Adam McConnochie

**Education Adviser:** Yasheeka Bertram

**Education Adviser:** Mei Law

**Executive Assistant:** Paula McLaughlin

**Māori Adviser:** Tania Te Whenua

**Project Coordinator Internships:** BoBae Wilson

**Project Coordinator Leadership and**

**Entrepreneurship:** Alexis Allen

**Project Officer Entrepreneurship:** Ryan Smith

**Project Officer Leadership:** Nicola McCardle

(Masina Taulapapa)

**Researcher (AMC):** Dr Rebecca Townsend

(Lynda Chanwai-Earle, Wei Shao)

**Senior Adviser Engagement and Research:**

Dr James To

**Senior Adviser Engagement and Research:**

Karen Schwoerer

**Sports Adviser:** Kirsty Sharp

**Receptionist/Accounts:** Elizabeth Basalaj

**Website Manager:** Ned Wotherspoon

*\* Names in brackets indicate the person has left the organisation in the last year*

## Foundation Supporters

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### The Foundation builds 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.

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### The Foundation acknowledges support from the following organisations

Air New Zealand (Tokyo), ANZ (Chengdu), ANZCO Foods (Taiwan), Atsugi City Council, Baseball New Zealand, Beach House Pictures, Bell Gully, Chiba Lotte Marines, Chinese Language Foundation and its former trustees, ChristchurchNZ, CJ Cultural Foundation (Korea), Creative New Zealand, Deccan Herald, Fieldays, Genesis Burson-Marsteller, GridAKL, Hong Kong International Arbitration Centre, Industrial Technology Research Institute (Taiwan), Japanese Para-Sports, Japanese Society of Auckland, KPMG (Vietnam), Kyushu Railway Company (Japan), MAD Travel (Philippines), Malaysia ISIS, Mitsubishi Electric R&D Centre, Nippon Sports Science University, Priority One, Rugby World Cup 2019 (LOC), Skanray (India), Tokyo 2020 Olympic and Paralympic Games, UN Youth, UniServices, United Media Solutions, Venture Taranaki, Victoria University of Wellington, Wellington City Council and Yoshinkan Kendo (Wellington).

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### The Foundation also acknowledges support from the following individuals

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Bates Gill, Beth Greener, Stephen Hoadley, Stephanie Honey, Otene Hopa, Heeni Hoterene, Peter Huynh, Iati Iati, Callum Johnston, Lester Khoo, Lucas Knotter, Le Dinh Tinh, Kevin Li, Suli Lusausatj, Lindsey MacDonald, Stacey Morrison, Kiri Nathan, Nikora Ngaropo, Stephen Noakes, Fran O'Sullivan, Manjeet Pardesi, Robert Patman, Anna Powles, Roberto Rabel, Malcolm Rands, Latesha Randall, Matt Richie, Damien Rodgers, Rob Scollay, Callian Sculley, Fateh Singh, Brent Strathdee-Pehi, Reuben Taipari, Alex Tan, Gary Udy, Steph Walker, Graeme Waters, Kohi Woodman, Roy Yorke, Jason Young, members of the Leadership Network and participants of our Young Business Leaders Initiative, internship and grant programmes.

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### The Asia Media Centre also acknowledges support from the following individuals

Claire Achmad, Arshad Ali, Siah Hwee Ang, Dewi Fortuna Anwar, Aries Arugay, Sekhar Badyopadhyay, Nasya Bahfen, Neil Boister, Allan Bollard, Alex Bukh, Duncan Campbell, Trish Carter, Wonhyuk Cho, John Crowley, Leo Donnelly, Mohan Dutta, Rachel Empig, Stephen Epstein, Lester Finch, Patrick Flamm, Gay Marie Francisco, Esther Fung, James Gomez, Sharyn Graham Davies, Jesse Hession Grayman, Siân Halcrow, Natasha Hamilton-Hart, Naoe Hashimoto, Gazi Hassan, Sanjana Hattotuwa, William Hayward, Chris Henderson, Stephen Hoadley, Stephanie Honey, Manying Ip, Tadashi Iwami, Lee Jaehyon, Ian Kennedy, Koji Kobayashi, Marc Lanteigne, David Lee, Melissa Lee, SungYong Lee, Justin Lester, Sara Lipura, Tim McCready, John Minford, Tze Ming Mok, Chris Naziris, Rebecca Needham, Andreas Neef, Eva Nisa, Stephen Noakes, James Ockey, Grant Otsuki, Robert Patman, Pavida Pananond, Manjeet Pardesi, Gerard Patena, Sriprapha Petcharamesree, Mitchell Pham, Kate Phong, John Pomfret, Steven Price, Tara Ross, Dewy Sacayan, Rumi Sakamoto, Ben Schonthal, Penelope Shino, Indi Soemardjan, Changzoo Song, Reuben Steff, Dylan Stent, Michael Stephens, Shin Takahashi, Alex Tan, Graeme Waters, Purawich Watansukh, Rick Weiss, Bernie Whelan, Chloe Wong, He Yeo Seung-bae and Jason Young.





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