



Annual Report 2021

For the year ended 30 June 2021

 **drug free sport**
new zealand



introduction

Drug Free Sport New Zealand (DFSNZ) is the organisation responsible for keeping New Zealand sport free from doping. We work across New Zealand's sporting community to support and protect clean athletes, and to promote clean sport.

We are an Independent Crown Entity (ICE) under the Crown Entities Act 2004, established initially under the NZ Sports Drug Agency Act 1994 and continued under the Sports Anti-Doping Act 2006. We are not responsible for the implementation of Government policy and, while the chair must report to the Minister, our day-to-day operations are conducted independently from Government.

As New Zealand's National Anti-Doping Organisation, we are a signatory to the World Anti-Doping Code. The Code provides a common set of rules, requirements, and sanctions that all anti-doping organisations must apply.

Our primary task is to implement the World Anti-Doping Code through New Zealand's Sports Anti-Doping Rules. More detailed information about how we seek to operate within our mandate and achieve our goals is available from our Statement of Intent 2020-2024, which is published on our website.

In 2020-21, we received our principal funding of \$3,239,000 from Government via Vote Sport in 2020-21. The application of those funds is monitored by the Ministry for Culture and Heritage.

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Presented to the House of Representatives pursuant to Section 150[3] of the Crown Entities Act 2004 and pursuant to section 44 of the Public Finance Act 1989.



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TIM CASTLE AND NICK PATERSON

report from the chair and the chief executive

Tēnā rā koutou i ngā mihi ki o tātou ki ngā tini mate e hinga ake nei. Ko te whakatau noa ake, ko rātou ki a rātou, ko tātou ki a tātou i roto i te wā iti nei. No reira, tenā rā anō koutou.

We greet you mindful of those who have passed on in recent times. Those who have departed to the gathering place of spirits, beyond the veil and left to recollection, leaving us here to mourn and to reminisce. As the saying goes: we leave them to the spirit world, and we of the world of light, to each other. Therefore, greetings again.



Board Chair:
Tim Castle



Chief Executive:
Nick Paterson

Despite the inherent restrictions associated with COVID-19, Drug Free Sport New Zealand has experienced an exciting and successful year guided by our new strategic plan focused on our athletes and NSOs, and building a culture of clean sport.

Our education programme continues to be world leading, created with and delivered by athletes in a truly New Zealand way, built around te whare tapa whā. We educated more athletes during the year than we have ever done before thanks to our workshops, general courses and, of particular importance leading up to Tokyo 2020, our Olympic and Paralympic e-learning course. The augmented reality app that we designed and created with Sport Integrity Australia won awards at LearnX 2020, an Australian-founded internationally recognised programme for excellence in education initiatives. And the General Manager leading this area, Dr Sian Clancy, this year completed her PhD investigating supplement use and doping among adolescents in sport: ka pai Sian! We already see the output from her research coming through

in our education programme

From a testing perspective, while anti-doping programmes around the world were significantly challenged, we have supported the integrity of NZ sport through a full testing programme for Kiwi athletes. Furthermore, at times as one of the only countries with live sport, we have also carried out more user pays testing than ever before on behalf of international sports federations or event organisers. We congratulate our teams at HQ and in the field on their hard work bringing home these results.

This was the first full year of our new strategic plan and it saw us refocus our work with greater emphasis on the relationships with, and needs of, our athletes and NSOs. To deliver best on that plan, we created a new position at the start of the year – General Manager Strategic Engagement – and restructured the operational teams at the end of the year to reflect our new approach. We have established engagement plans for athletes and NSOs and developed the way we communicate across such a broad range of stakeholders.

At the same time there has also been an increase in the requirements imposed upon us from the World Anti-Doping Agency (WADA). Some of these were reflected in the new World Anti-Doping Code that came into effect on 1 January 2021; some came through WADA's new International Standard for Education. In all cases, we have made excellent progress at adapting, rewriting New Zealand's Sports Anti-Doping Rules for the start of 2021 and gaining new seats at the WADA table throughout the year to guide future work.

To meet the needs of our athletes, and as a direct result of their feedback, we moved our most-tested athletes onto an app for submitting their "Whereabouts" information this year, and introduced more te reo Māori e-learning, videos and information. We have more work planned in this area as we lift the cultural capability of the organisation.

We also held our second annual anti-doping symposium for athletes and NSOs. Athlete needs and the athlete voice were the central theme and the symposium culminated in a boisterous session on dealing with a crisis, exploring how people and organisations might react if presented with an anti-doping or other crisis in the media. It was a great opportunity to share the knowledge and experience in the room to develop imaginative and effective ways to support everyone.

Finally, while this report focuses on 2020-21, we also look forward to the year ahead. Our work has been supported by a significant funding increase announced at the end of the year: an increase of between \$1.3 million and \$1.5 million for each of the next three years. This new funding reflects the increased costs in running our anti-doping programme which has had to evolve to become

increasingly intelligent and sophisticated to match the change in the domestic and international doping risk and landscape.

We continue to believe that our work is an important part in keeping athletes of all ages and levels safe and clear on the knowledge they need to compete clean. We'd like to extend our thanks to all the athletes for their support of clean sport, and to the NSOs behind them who likewise actively support our work.

Our thanks to our dedicated and skilled team in Auckland and around the country for their professionalism and dedication to our clean sport initiatives; and their effectiveness across our athlete and sports communities.

Kia kaha: mauri ora kia koutou.



Tim Castle, Board Chair



Nick Paterson, Chief Executive

Board Changes:

The DFSNZ team wish to thank long-serving Board Member Sarah Ulmer, who retired from the Board this year after 11 years of service. An Olympian who broke both Olympic and World records in the sport of cycling, Sarah joined the DFSNZ board in 2011. She brought her experience on WADA's Athlete Committee and NZ Olympics' Athlete Commission to the service of clean sport in New Zealand. Her passion and expertise have had significant impact on the organisation, its services and its team during her tenure.

We also welcome new board member Robyn Clements. Robyn has vast experience in national sports management and directorships, including being on the Board of Basketball New Zealand at a time of significant organisational change. Current chair Tim Castle has been reappointed until July 2022.



Photo courtesy of Swimming NZ

strategic goals



Our vision

Clean athletes. Clean sport.

Our mission

To help protect the integrity and reputation of sport, and the health of athletes by:

- › Educating, supporting and advocating for clean athletes;
- › Deterring and detecting doping, holding dopers to account; and
- › Engaging with our wider sporting communities.

Engagement

We will build relationships and engage with athletes so that they are leaders in a culture of clean sport in NZ

We will build strong partnerships with our priority stakeholders so they understand their doping risk, and actively want our support to protect their sport

Testing

Every national representative believes they might be tested at any time

Athletes have full confidence in the quality and integrity of our user-friendly, focussed testing programme and personnel in NZ

Intelligence and Investigations

We will develop a culture in sport where athletes and stakeholders are confident to raise concerns about doping and "Speaking Out" is normalised

We will disrupt the supply chain and protect athletes at risk of doping



Education

We will engage with every athlete in the country, providing them with the information they need to support clean sport

Our education programme and team will be recognised internationally as amongst best-in-class

Advocacy

We will serve clean kiwi athletes by relentlessly advocating for high and consistently applied standards in anti-doping world-wide

Our team values

Enjoy, Dream, Share, Support, Value and Be Valued, Walk-the-Talk



Photo courtesy of New Zealand Rugby League. Credit: Photosport.nz

education

record 2020/21 +

8,673

athletes received formal clean sport education

2,785

completed e-learning

5,888

athletes and support personnel educated face-to-face

48

youth workshops

on the web

Top 5 pages viewed

1. Medication check
2. Prohibited List
3. E-Learning
4. Consequences of doping
5. Supplement Decision-Making Guide

top 5 medications researched:

- | | |
|---------------------|---------------|
| 1. Ventolin inhaler | 4. Probenecid |
| 2. Augmentin | 5. Ritalin |
| 3. Codeine | |



last financial year

39,656 users

made

134,474 page views

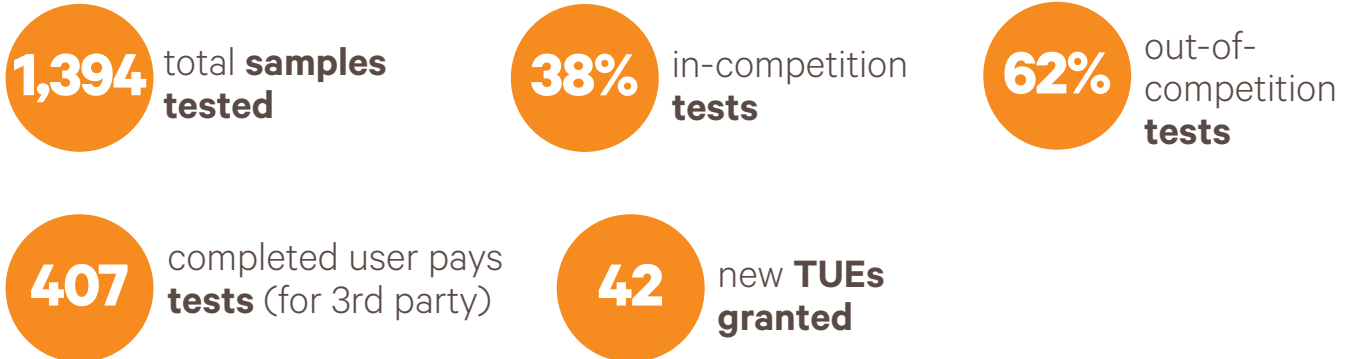
across our website





testing     

2020/21 testing numbers:



whereabouts athletes (as at 30 June 2021):



top three most tested sports (by DFSNZ) in NZ:





after covid-19: how we recovered

New Zealand was in a remarkable and relatively stable position compared to the rest of the world this year.

The COVID pandemic resulted in three lockdowns, several alert level fluctuations (particularly in the Auckland region where our HQ is located) and the logistical challenges of adapting to COVID-related event changes, limitations and requirements. The lack of international travel hampered our advocacy efforts, but we continued to participate on behalf of Kiwi athletes via video conference.

Overall, we were better able than most national anti-doping organisations (NADOs) to continue our work and achieve solid

results by the end of the year. International concerns that the global COVID situation would result in reduced testing numbers and an increase in doping weren't borne out in New Zealand. Our athletes were tested at similar numbers to pre-COVID times – we took 1394 samples and only two athletes were sanctioned for violating Sports Anti-Doping Rules. We also maintained strong numbers in the education space, thanks to the availability of online materials such as our e-learning courses – completions in which saw a 50% increase – and our webinar workshop format.



cultural capability

We have charted a new direction for the growth of our cultural capabilities, set out in our Cultural Capability Plan. This was developed by our new Cultural Capability Committee and is based on the three principles of Te Tiriti o Waitangi: partnership, protection and participation.

Our work led us to workshops on te reo Māori, tikanga Māori and Te Tiriti o Waitangi, which we then applied on a guided visit to Te Mahurehure Marae.

Throughout the year, our education programme was underpinned by a focus on the mana of a clean athlete, awareness and use of clean sport tikanga and the philosophy of te whare tapa whā in the context of clean athletes and clean sport. This was brought out in new cultural awareness guidance for our team of educators, and in the development of new digital and face-to-face education

content. We collaborated with World Rugby to translate two supplement videos into te reo Māori and translated our most popular e-learning course, Clean Sport 101. The Māori athletes we worked with gave valuable input in the development process, which helped shape the final products and approach. The work received warm feedback and we're excited to launch the te reo Māori translation of Clean Sport 101, Te Hākinakina Pūroi Kore 101, in 2021/22.

engagement

Our strategic engagement team focuses on building and enhancing relationships with athletes and key stakeholders to build a culture of clean sport across Aotearoa New Zealand.

INVESTING IN ENGAGEMENT

We established a new Strategic Engagement team this year to lead the way in developing athlete relationships and communicating our value to the wider sporting community.

The commitment to keep athletes at the centre of our work also led to the consolidation of our testing and education functions into a single Athlete Services team, led by Sian. This gave greater focus to those parts of the organisation that interact directly with athletes and ensure a highly coordinated service that keeps athletes at the heart of our work.

BEHIND THE SCENES

As with any newly established team, the Strategic Engagement team has done a lot of work in the background to establish a strong strategic foundation for engagement that we can continue to build on. We developed and activated athlete and NSO engagement plans, a CRM that streamlines and centralises our communications across our stakeholder base and worked behind the scenes on two exciting projects.

Throughout the year we developed a new website, which is our key information portal and visited by thousands of users each month. The old site offered an extensive suite of clean sport information but looked dated and needed improvements to the content organisation and navigation. The process has been a long one, involving significant feedback from a range of partners and some hands-on design work. The result is a user-centred web experience that offers a sleek, contemporary look and feel, intuitive navigation and the comprehensive content that our users have come to rely on.

Our second project was to lay the groundwork for an exciting opportunity that builds on bringing the athlete voice to all aspects of our work: an Athlete Commission. In addition to engaging with athlete groups both in New Zealand and abroad, we have been fortunate to work with former Winter Olympian Ben Sandford, who has offered valuable input and advice gained from his role as Chair of WADA's Athlete Commission. To help set our own Athlete Commission up for success, Ben has also agreed to be the Chair in its foundation year. Our goal now is to attract a diverse group of athletes and begin working with an Athlete Commission that will serve as a link, enabling us to build stronger relationships with our ultimate customers, the athletes.

FOCUSSING ON ATHLETE VOICES

In November 2020 a selection of high-profile guests came together for our second Anti-Doping Symposium at AUT Millennium, including athletes, CEOs and journalists. The Symposium had athlete voices at its heart. The importance of athlete input into

anti-doping work was raised by Minister of Sport and Recreation Hon. Grant Robertson and by Global Athlete Director-General Rob Koehler. UK Anti-Doping Athlete Commission representatives Sarah Winckless and Callum Skinner shared their experiences and the benefits of an athlete commissions, and head of WADA's own athlete commission, Ben Sandford, spoke to his work on WADA's Athletes' Anti-Doping Rights Act. Athletes Adam Blair (rugby league), Hayden Wilde (triathlon) and Racquel Sheeth (cycling) took to the stage and shared their own anti-doping experiences before a lively closing panel.

It was heartening to see athletes, NSOs and clean sport advocates come together for the Symposium in larger numbers than the previous year, and feedback from the event was resoundingly positive.



"I enjoyed the symposium in its entirety and thought there was a good variety of topic matter. I particularly enjoyed hearing from the athletes and how they viewed testing along with their experiences."

– (2020 Anti-Doping Conference feedback)

This year we also introduced athletes to WADA's whereabouts app, Athlete Central. Athletes had been calling for a convenient, app-based method of submitting and updating whereabouts for some time, and this has been a popular upgrade. We supported athletes through early migration issues and achieved zero non-submissions for our most recent Whereabouts submission deadline – our most successful to date.

REAFFIRMING RELATIONSHIPS

We were delighted to have the opportunity to support Paralympics New Zealand (PNZ) in its Tokyo 2020 Paralympic Games preparation. In the final quarter of the year, one of our Testing Coordinators, Jodie Wills, embarked on a three-month secondment at PNZ, assisting them with Tokyo 2020 Paralympics preparation and gaining an insight into PNZ and its athletes. She brought a wealth of knowledge back with her and helped grow our entire team's broader awareness and understanding of Para athletes and Para sport. We look forward to more opportunities to share knowledge in the future.

OUTREACH IN THE COMMUNITY

There's nothing better than getting away from the desk to meet our ultimate stakeholders, the athletes, at outreaches across the country. It's a vital part of our engagement and a great way to connect with and broaden our audience base. This year, we worked with our team of athlete educators to support eleven sporting competitions across New Zealand, offering interactive activities that help connect Kiwi athletes with Clean Sport.

education

Education is the cornerstone to deterring doping in New Zealand, providing our best opportunity to reach a wide range of athletes and support them to remain clean. We are committed to maintaining a world-class education programme that reaches every athlete in the country.

BREAKING RECORDS

It was a record-breaking year. We educated 8,673 athletes and reached both the widest audience and largest number of annual education recipients in our organisation's history. We also remain the only NADO in the world offering an education programme led entirely by current or former athletes, and that team grew as we welcomed pole vault athlete Liv McTaggart and netballer Sophia Fenwick into the fold.

ATHLETE-CENTRED SERVICE

Feedback from athletes and para-athletes continued to inform the design, development and piloting of our annual education content.

CLEAN SPORT FOR KIWI KIDS

Months of work came to life when we launched our new Good Clean Sport School Toolkit. The Toolkit is a comprehensive education resource that makes values-based clean sport education freely accessible to intermediate and secondary schools nationwide. It combines five lessons that offer access to virtual and augmented reality technology alongside traditional worksheets and videos, all designed with the sporting contexts and developmental needs of rangatahi in mind.

School Sport New Zealand CE Mike Summerell was a strong advocate for the resource, which he promoted across its networks nationwide. A hit in schools, the Toolkit had educated over an estimated 2100 students by the end of the year.

DIGITAL DOPING CONTROL

Getting previously untested athletes familiar with the doping control process before they experience it is a keyway to reduce

anxiety and improve the experience. It is also one of the goals of our education programme and WADA's Education Programme and International Standard. This year, BMX champ Jessie Smith and slalom canoeist Callum Gilbert worked with us to create step-by-step re-enactments to demystify the process – one live-action and one animated. We created these videos for our e-learning courses and were shared across social media.

WORKING COLLABORATIVELY

Sometimes NSOs request individualised education, and this year Swimming New Zealand did just that when they asked for our support addressing supplement use in their sport. We came through for their athletes and support personnel with a custom suite of learning activities that included an outreach workshop, label literacy exercises, an e-learning course and an educational video.

This type of support is likely to become more common in future thanks to the individualised education plans we established this year with the NSOs of our 15 priority sports. These plans formalised existing work and ensured that we met the criteria set out by the new WADA International Standard for Education (ISE), which came into force in January 2021. We also worked behind the scenes to lay the groundwork for a new research partnership related to the ISE, which we're excited to launch in 2021/22.

Further afield, we collaborated with Sport Integrity Australia and the US Anti-Doping Agency to develop and launch a purpose-built Olympic and Paralympic e-learning course. The course prepared athletes and support personnel with key clean sport information ahead of the Tokyo 2020 Olympic and Paralympic Games.



testing

We aim to increase the range and frequency of our testing programme until all athletes believe they may be tested at any time. Through high levels of integrity and a strong athlete focus, we're committed to giving clean athletes confidence that they are competing in clean competitions.

A REPUTATION FOR SPORTS INTEGRITY

Collecting almost 1,400 samples from across a wide breadth of sports this year means that we achieved our targets and maintained a high standard of clean sport within New Zealand. Preserving NZ's strong reputation for sports integrity was especially important this year in light of the upcoming Tokyo 2020 Olympic and Paralympic Games, which led to an increase in sample collection among those set to attend.

Our 'user pays' testing service broke records as international organisations sought to take advantage of New Zealand's COVID

freedoms. By the end of the year, and on top of our own busy testing programme, we had completed 407 tests on behalf of other organisations.

Our team of Sample Collection Personnel (SCP) came together with our Educators and HQ team for two days of networking and training at our inaugural Athlete Services Conference. Our SCP also benefitted from heightened field observation and feedback opportunities to maintain the consistency and quality of our world-class testing programme.

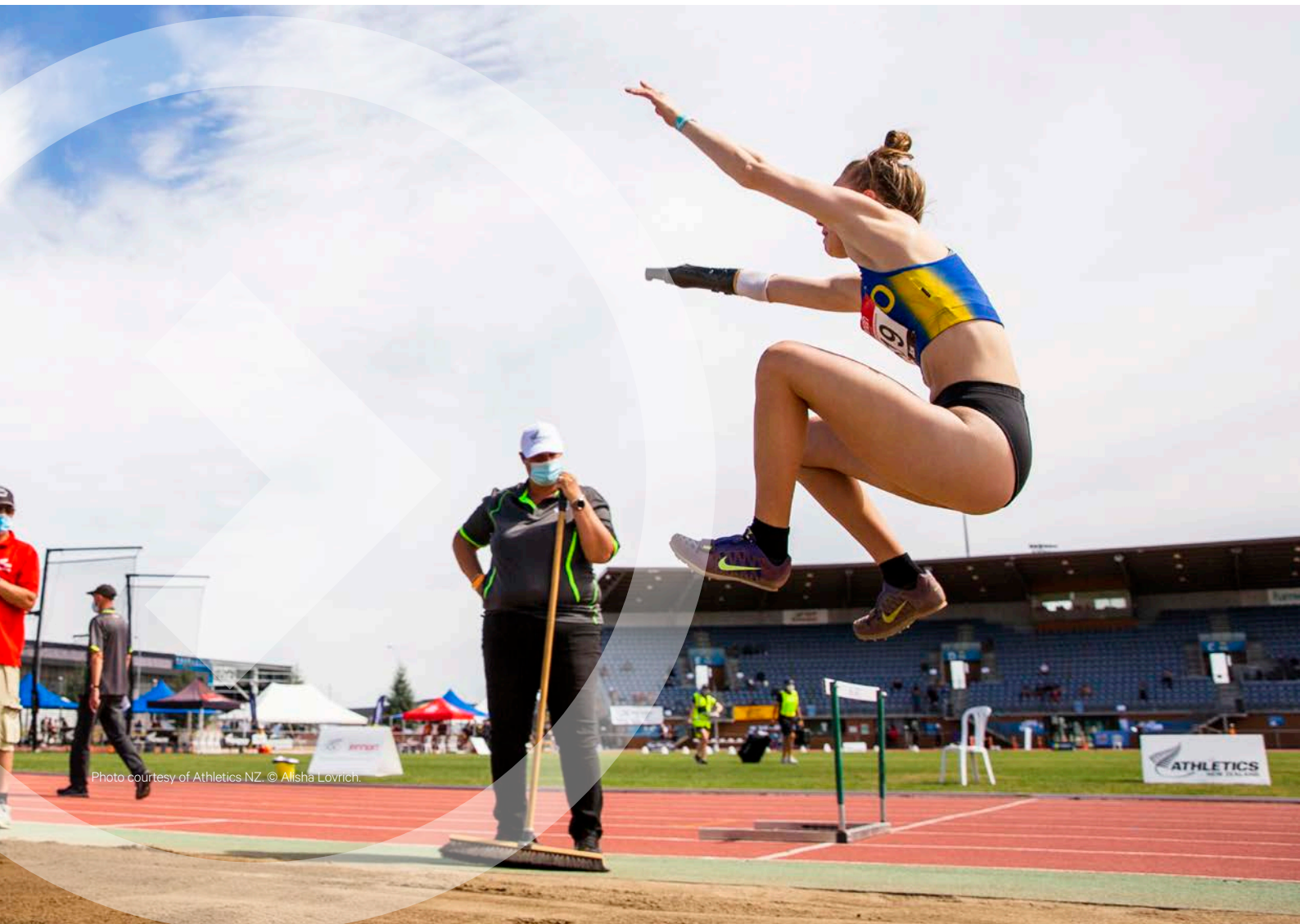


Photo courtesy of Athletics NZ. © Alisha Lovrich.



samples collected by sport

DFSNZ FUNDED TESTING

Sport	Urine Samples	Blood Samples	Total
Archery	5	0	5
Athletics	101	15	116
Automobile Sports	4	0	4
Badminton	17	0	17
Basketball	60	0	60
Boxing	6	0	6
Canoe/Kayak	49	5	54
Cricket	14	0	14
Cycling	191	65	256
Diving	1	0	1
Equestrian	15	0	15
Field Hockey	69	0	69
Football	62	0	62
Golf	9	0	9
Gymnastics	4	0	4
Judo	3	0	3
Karate	3	0	3
Lawn Bowls	4	0	4
Netball	62	0	62
Para-Alpine Skiing	5	0	5
Para-Athletics	2	0	2
Para-Swimming	6	0	6
Powerlifting	12	0	12
Roller Sports	1	0	1
Rowing	120	47	167
Rugby League	20	0	20
Rugby Union	159	2	161
Sailing	17	0	17
Skating	4	0	4
Shooting	9	0	9
Skiing	8	0	8
Softball	4	0	4
Surf Life Saving	7	0	7
Surfing	8	0	8
Swimming	42	5	47
Taekwondo	1	0	1
Tennis	2	0	2
Touch Football	8	0	8
Triathlon	73	23	96
Volleyball	8	0	8
Weightlifting	25	9	34
Wrestling	3	0	3
Total	1,223	171	1,394

USER PAYS TESTING

Sport	Urine	Blood	Total
Athletics	5	1	6
Cricket	35	0	35
Cycling	6	1	7
Football	4	0	4
Netball	14	0	1
Rowing	6	6	12
Rugby League	5	0	5
Rugby Union	157	37	194
Swimming	1	0	1
Triathlon	4	0	4
Weightlifting	18	6	24
Boxing	8	2	10
Equestrian	1	0	1
Mixed Martial Arts	19	7	26
Powerlifting	7	0	7
Sailing	50	0	50
Surfing	6	0	6
Waterpolo	1	0	1
Totals	347	60	407



intelligence and investigations

We aim to normalise speaking out and raising concerns within sporting communities, and to use intelligence effectively in our fight to shut down supply chains and protect athletes at risk of doping.

BANS FROM SPORT

This year, only two bans from sport were levelled against athletes: a nine-month sanction in surf lifesaving and a two-year ban in powerlifting. Intelligence and Investigation (I&I) Manager Hayden Tapper has been working in the background on two additional cases that will carry over to 2021/22.

Sanction numbers are down this year as our work increases. Our aim is that our expanding education programme will continue to help athletes avoid inadvertent breaches of the anti-doping rules. This will be evidenced by continued low numbers of bans levied against athletes.

GROWING GLOBAL NETWORKS

Nationally, we continued to work with our government partners – Police, Customs and Medsafe – to disrupt the supply chain of prohibited substances. Internationally, Hayden’s roles on both WADA’s I&I Technical Working Group and their Anti-Doping Intelligence and Investigations Network (ADIIN) enabled us to continue to expand our global networks and information exchange.

SPEAK OUT

Speak Out is a critical part of our deterrence and detection programmes. We need to encourage more people to report concerns

– whether or not they think they are significant or material. Only once we have the information can we assess it.

This year we educated hundreds of athletes from multiple sports, including potential Olympians and Paralympians, about Speak Out. Given the upcoming Tokyo 2020 Olympic and Paralympic Games, we emphasised that even reporting concerns from overseas is both important and effective, and that we have the networks and resources to make use of any information we obtain.

Encouragingly, Speak Out continued to provide information from those involved in all aspects of sport, reaching 43 referrals across the year.

TRAINING IN DARK PLACES

Upskilling can take an I&I Manager to some dark places – which is exactly where Hayden found himself as he undertook training on Dark Web and Open Source investigations. The ability to offer all-terrain investigations adds essential capabilities to our role in detecting doping.

Combined with increased IT resources – for example, upgrades to our intelligence database and information analysis software – puts us in an increasingly better place to identify future risks and trends. The result? More intelligent testing and more focused education in 2021/22.

TESTING AND ANTI-DOPING RULE VIOLATIONS

Year (Jul – Jun)	Out of competition	In competition	DFSNZ funded total	User Pays Tests	Total	ADRVs	Positive Tests	% positive no. of DFSNZ tests
2020-2021	857	537	1394	407	1801	2	2	0.14%
2019-2020	663	398	1061	366	1427	6	5	0.47%
2018-2019	859	503	1362	449	1811	25	3	0.22%
2017-2018	939	430	1369	399	1768	23	6	0.44%
2016-2017	1098	522	1620	394	2014	8	6	0.37%

SUMMARY OF ANTI-DOPING RULE VIOLATIONS 2020-2021

Decision Date	Sport	Athlete	ADRV	Substance(s)	Sanction	Tribunal ¹
31 July 2020	Surf Lifesaving	John Elsmore	Presence	Tetrahydrocannabinol	9 months	ST
18 December	Powerlifting	Sean Winters	Presence	Octodrine	2 years	ST

advocacy

We operate on a national and international stage, representing the interests of clean Kiwi athletes and trying to keep the anti-doping system transparent and consistent across the globe.

OUR WORK WITH WADA

Despite being unable to travel, we continued to fill our important roles in supporting WADA's global mission. Our senior leadership team met with the WADA President and Director General, and we were involved in multiple streams of the Global Learning and Development Framework, but most pleasing were Sian's invites to join WADA's Education Committee and their Social Science Expert Advisory Group. This is a testament to Sian's valuable and wide-ranging expertise and gives DFSNZ the opportunity to help guide the global approach to anti-doping research and education.

Alongside the Working Groups and Technical Committees, we supported the Minister and NZ Government in work on WADA's Foundation Board and as the Oceania representative on WADA'S Executive Committee – all through late and all-night video conferences. WADA's governance reform projects received submissions from DFSNZ, the NZ Government, the NZ Olympic Committee and others, and we supported the Minister, through his delegate, in governance discussions with other governments, NADOs and WADA itself.

INTERNATIONAL REPRESENTATION

We maintained our active support and representation of the Pacific Region. CE Nick Paterson continued as advisor to the board of the Oceania Regional Anti-Doping Organisation and chaired its finance

sub-committee. We also took a lead role, supported by Sport Integrity Australia, in providing them with operational assistance such as in its education programme and Intelligence and Investigations work.

Nick retained his role on the board of the Institute of National Anti-Doping Organisations (iNADO) and took up the role of Deputy Chair during the year. As Deputy Chair, he supported iNADO in their efforts to represent NADOs across the world, promoting best practice in anti-doping, encouraging interconnection and representing their views internationally.

CAS DISAPPOINTMENT: RUSSIAN DOPING

The upcoming Tokyo 2020 Olympic and Paralympic Games have been on our minds for much of the year. On behalf of clean athletes everywhere we were disappointed in the Court of Arbitration for Sport's decision to ban Russian athletes from international sport for only two years. Not only is the ban surprisingly short, it only related to the manipulation of evidence during WADA's investigation, as opposed to the underlying state-sponsored doping scheme which seems to have been largely unpunished.

This has been frustrating for many involved in anti-doping and we will continue to advocate strongly for fair, transparent and timely sanctions for anyone breaching anti-doping rules.





DFS NZ as an employer

We value and thank our employees and contractors for the contribution that they have made to educating, testing, and supporting clean sport in New Zealand again this year. We have a passionate team who have worked hard through further various COVID challenges and have delivered well toward our strategy.

LEADERSHIP, ACCOUNTABILITY, AND CULTURE

This year DFSNZ invested in leadership development for our senior leadership team, including participation in Public Service Commission Leadership Development Centre programmes as well as leadership coaching. Our team took part in the Belbin analysis to better understand each other's behavioural traits and preferred ways of working, and our Social Club continued to help us connect through coming together to celebrate key events such as Matariki, and team milestones. As part of our Cultural Capability strategy, we had a successful visit to Te Mahaurehure Marae in Pt Chevalier and our whole team participated in a workshop on te Tiriti o Waitangi facilitated by Te Amokura.

RECRUITMENT, SELECTION, AND INCLUSION

Toward the end of this year, we reviewed our organisational structure and have made a number of changes in order to set the team up well to deliver on our 2021/22 ambitions. The changes have included the consolidation of our education and testing coordinator positions, as well as the strengthening of our quality advisory team to further assist us in providing a best practice anti-doping experience for athletes across New Zealand.

We will start the new financial year with recruiting for our vacant positions and are looking forward to adding further diverse talent to our team.

EMPLOYEE DEVELOPMENT, PROMOTION, AND EXIT

We have continued to develop our employees and look for opportunities for them to grow, seek new challenge and connect with the wider sporting sector. We have had employees partake in financial training, dark web tertiary papers, a women's networking event and a three-month secondment to Paralympics NZ. Our approach to equal employment opportunities has seen the retention and internal progression of existing talent. We would also like to take the opportunity to acknowledge and thank John Williams, our former GM, Specialised Services, who retired this year.

FLEXIBILITY AND WORK DESIGN

We have continued to embrace flexibility in the workplace with part time hours, glide time and work from home arrangements in place. We continue to look for opportunities to ensure that we connect and come together as a team, while also supporting flexible work practices. We have two cross-over days each week, where the whole team is predominantly in the office and can connect and collaborate in person.

RENUMERATION, RECOGNITION, AND CONDITIONS

We have been fortunate to have the opportunity to promote junior staff into more senior positions. We have also taken the opportunity to recognise individuals through development opportunities.

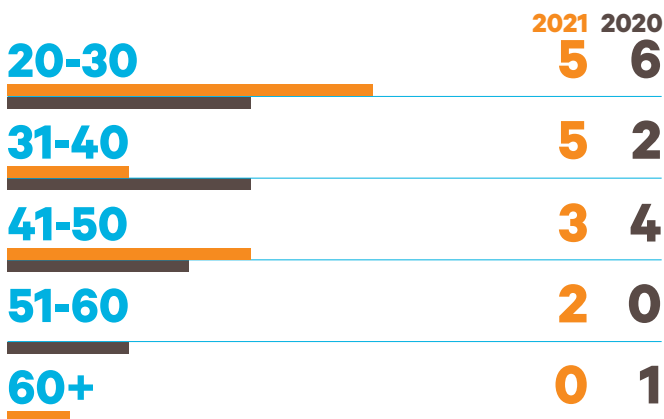
HARASSMENT AND BULLYING PREVENTION / HEALTHY AND SAFE ENVIRONMENT

We are focused on the health and safety of our people. Our policies support and enable a safe and healthy environment free from bullying and harassment. We are a member of the EAP programme, providing support outside of work for any of the team with difficult issues.

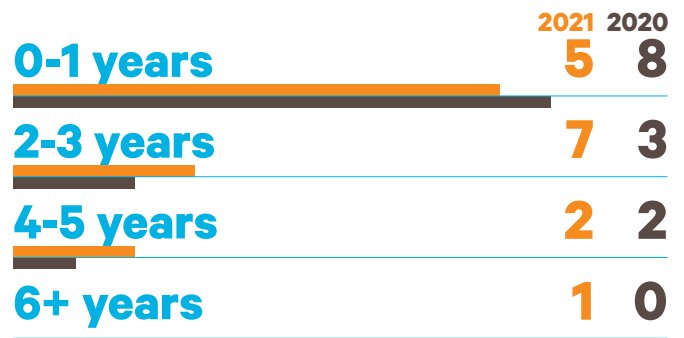
Our employees enjoy access to an annual well-being fund to contribute towards and encourage wellness activities.

Profile of our people at 30 June	2020/2021	2019/2020	2018/2019	2017/2018
Number of employees	15	15	14	14
Full-time equivalents	14.6	14.0	13.0	13.0
Male	6	4	5	5
Female	9	9	8	7
Vacancy	0	2	1	2
NZ European	12	11	11	10
Maori	1	1	1	-
Pasifika	0	0	-	-
Other	2	1	1	2

Staff age profiles as at 30 June



Length of service profile as at 30 June



DFS NZ statement of performance

This report is in relation to our single Output Class - “Sports Anti-Doping”.

In 2020-21, we received an appropriation of \$3,239,000 from the Government for undertaking “Sports Anti-Doping” work. The appropriation and related expenditure for this single Output Class is described in the Appropriations Reconciliation section of this report.

STATEMENT OF PERFORMANCE EXPECTATIONS

2020-21 – MEASURES, RESULTS AND COMMENTS:

We developed a range of measures included in our Statement of Performance Expectations for 2020-21 which have informed our priorities, with performance updates reported to the Board throughout the year. These measures relate to the quality of the work we do, and the impact of our work.

Similar to the previous year, COVID alert Levels 3 and 4 in August 2020 and February-March 2021 limited our ability to provide

testing and face-to-face education services in that time. While we were able to recover and meet our annual testing expectations (supported by the increase in testing of Olympic and Paralympic athletes in the lead up to Tokyo 2020) COVID had a material impact on our education programme due to the cancellation of scheduled workshops with sports and schools.

An important tool is our survey of athletes in the RTP and NTP testing pools.¹ The survey² was designed to be very quick to complete, with access available through athlete smartphones. This year, **43** athletes responded from a pool of 121, in-line with 2020 numbers (43 athletes from a pool of 122).

We also surveyed priority sports NSOs and pinnacle sports bodies to assess their perspectives on DFSNZ leadership. We received **8** responses from **20** organisations – a decrease from 2020 where we had 11 responses from 23 organisations.

MEASURES OF PERFORMANCE

Measure of performance	Target	Results	Comment
1 % of CEOs of priority sport NSOs and pinnacle sport bodies that agree that DFSNZ provides quality leadership.	2020-21 > 90% 2019-20 > 90%	2020/21 = 100% Achieved 2019/20 = 95.5% Achieved	We surveyed 20 organisations and received 8 responses. We continue to receive excellent feedback and confidence from our sporting leaders.
2 % of elite athletes who believe their sporting contests in NZ ARE influenced by doping.	2020-21 - < 10% <i>New measure</i> ³	2020/21 = 2.3% Achieved	In both 2020 and 2021, less than 3% of athletes agreed that doping influenced the outcome of one or more sporting contests in the past 12 months.
3 Total # athletes receiving anti-doping education through workshops or online education at all ages.	2020-21 > 10,000 2019-20 > 7,500	2020/21 = 8673 Not achieved 2019/20 = 6,272 Not achieved	Our ability to educate athletes throughout 2020/21 was negatively impacted by the COVID pandemic, however we are pleased with the numbers reached in spite of this across webinar, workshop and e-Learning methods.
4 % of surveys completed after education rating the experience highly or very highly.	2020-21 > 95% <i>No prior year result is disclosed as this is a new measure</i>	2020/21 = 96.05% Achieved	This was a very pleasing result which reflected positive experiences of athletes and support personnel when receiving DFSNZ Education services.

1 The Registered Testing Pool (RTP) includes athletes who compete in sports deemed to have a high risk of doping AND who demonstrate the potential to finish in a top five position at an Olympic Games or World Championship. The National Testing Pool (NTP) includes athletes where there are clear risks relating to doping, across one or a number of considerations, but this in aggregate is at a level lower than the RTP threshold. These higher risk RTP and NTP athletes are prioritised in our testing programme, and are therefore in the best position to respond to survey questions about the work of DFSNZ.

2 DFSNZ use Survey Monkey to conduct its surveys, with access to results restricted, and management procedural controls in place to ensure that the integrity of raw survey data is maintained through to its presentation. However, all electronic surveys are influenced by how the survey administrator sets up survey parameters such as number of responses per user, when and to whom the survey link is sent, and the collation of the outcome. With the design of this survey, there are no electronic controls to ensure that participants can complete the survey only once, and that all responses received have been included in the final results calculation.

Measure of performance	Target	Results	Comment
5 Maintain a testing programme of sufficient breadth to deter and detect doping. ⁴	2020-21: 1300 – 1450 2019-20: 1300 – 1450	2020/21 = 1394 samples collected Achieved 2019/20 = 1,061 samples collected Not achieved	Very pleasing result in a year heavily impacted by COVID restrictions. Comprising both domestic and international sample collection from NZ athletes.
6 Carry out a testing programme that targets the higher risk sports and athletes.	2020-21: 70% of testing applied to priority (high risk) sports. <i>No prior year result is disclosed as this is a new measure</i>	89% Achieved	Reflective of high sample collection with NZ Olympic and Paralympic athletes in preparation for Tokyo 2020.
7 % increase in the number of intel referrals DFSNZ receives through the promotion of Speak Out.	2020-21: 10% increase in the number of referrals to last year <i>No prior year result is disclosed as this is a new measure</i>	2020/2021 = 7.5 % Not achieved	Referrals increased from 40 in 2019/20 to 43 in 2020/21. While there was an increase of 7.5%, the achievement of this measure was affected by COVID interruptions
8 Build a strong relationship with key government agencies NZP, NZCS and MoH; and engage with international anti-doping partners.	2020-21: active engagement <u>every month</u> with key govt agencies 2020-21: attendance at meetings/ exchange of intel with international ADOs <i>No prior year result is disclosed as this is a new measure</i>	24 active engagements with key govt agencies in 2020-21. Achieved 13 meetings or presentations with international ADOs Achieved	Met with one or more key government agencies each month in 2020-21. All took place via Zoom
9 <u>Qualitative</u> : Maintain DFSNZ's prominent role on the international stage. ⁵	2020-21: Attendance and participation at expert meetings (iNADO/ WADA, including online) and representing NZ athletes and views.	2020/21 = Very high Achieved 2019/20 = High to Very High Achieved	Despite COVID affecting in-person meetings, DFSNZ was represented and vocal across all expert meetings.

3 Note that this measure is similar to measures used in previous years, but the key difference is in the expression of “**ARE**” influenced; whereas in some of the past years this has been framed in the opposite (“**are NOT**”). The 2019/20 target (for “**are NOT**”) was > 90%; actual outcome was 59.5%. We are now standardising this measure in this way.

4 Note that the wording of this measure has changed from the measure in 2019/20 which was ‘Maintain a culture where NZ athletes will not take prohibited substances because they believe they may be caught, through a strong intelligence-led sample collection and testing programme’.

5 This is a continuation of the measure introduced in 2019. Criteria include: the profile/breadth of the event; the role played by the DFSNZ attendee (e.g. participation as a speaker or otherwise playing a prominent role in the event would equate to “Very High”); follow-on from the DFSNZ participation/contribution

STATEMENT OF INTENT 2021-2024: ASSESSMENT OF PROGRESS IN RELATION TO STRATEGIC INTENTIONS

In our SOI 2021-2024, we presented a new strategic direction for our organisation. Our vision – Clean athletes. Clean sport. – is underpinned by five strategic priorities that we view as essential to the goal of ensuring New Zealand sport is free from doping.

ENGAGEMENT

We will build relationships and engage with athletes so that they are leaders in a culture of clean sport in NZ. We will build strong partnerships with our priority stakeholders, so they understand their doping risk, and actively want our support to protect their sport.

We will recognise success by the growth in number of athletes publicly speaking up and supporting clean sport. We will also continue to survey athletes and stakeholders, annually or throughout the year, to assess their trust and confidence in DFSNZ.

We measure athlete and NSO confidence in our organisation annually, which we do through our NSO and athlete surveys. We are pleased to report that our NSO survey shows that 100% of respondents from NSOs and pinnacle sports bodies are confident in our expertise and integrity. This is an increase from 95.5% in 2019-20.

These high levels of trust and confidence also come through in our athlete survey, with 93% of participants agreeing or strongly agreeing. The majority – 70% of athlete respondents – strongly agreed, which is a significant increase from 57% in 2020.

A challenge for the coming year will be to try and maintain that result across an expanding number of survey respondents as we maintain and strengthen our relationships with New Zealand's sporting organisations. We also plan to establish our first Athlete Commission to provide opportunities for athletes to engage more directly with us and speak up for clean sport, and we anticipate reporting on that next year.

EDUCATION

We will engage with every athlete in the country, providing them with the information they need to support clean sport. Our education programme and team will be recognised internationally as amongst best-in-class.

We will recognise DFSNZ success by showing a long-term acceleration in the number of athletes educated across the time period and also showing that our coverage is wider across the number of sports and the range of target audiences in each sport (e.g. age, capability). Feedback from the athletes themselves and our international peers will be strong. WADA will recognise us as education experts, seeking input on its programmes.

We continue to see an acceleration in the number of athletes educated, with the highest ever number educated in 2020/21. In-person workshops for athletes, support staff and in schools were disrupted this year and COVID alert level fluctuations had an impact on our education numbers, despite the success of our online alternatives. Hearteningly, a rating of over 96.05% satisfaction shows the success of our education material and

delivery. We continue to offer strong coverage across our priority sports.

We have also taken a values-based education approach to a broader youth athlete audience across varied codes through our Clean Sport education and youth programmes to strengthen the culture of clean sport in NZ.

With the addition of anti-doping education in te reo Māori for the first time, as well as education options delivered by e-Learning, workshop and webinar, we were pleased to deliver clean sport messaging to a broader audience of Kiwi athletes than ever before.

We also continue to be seen as a strong contributor to the global anti-doping landscape, collaborating with Sport Integrity Australia and the US Anti-Doping Agency on projects. Furthermore our GM Athlete Services joined WADA's Education Committee this year, and was also invited to join WADA's Social Science Research Expert Advisory Group and Technical Working Group for Education. The recognition given to our education expertise through these roles, and the resulting input provided to WADA Education and Social Science Research initiatives, clearly reflects the way in which our education programme and people are recognised as amongst best in class.

TESTING

Every national representative believes they might be tested at any time. Athletes have full confidence in the quality and integrity of our user-friendly, focused testing programme and personnel in NZ.

We will recognise DFSNZ success in providing a quality testing programme across national level athletes, through our annual survey of athletes, showing ongoing strongly positive feedback on their experiences with DFSNZ staff and contractors, and our processes.

Both 2020 and 2021 have seen strong responses for trust and confidence in DFSNZ sample collection where 97% of respondents in 2021 either agreed or strongly agreed (100% of respondents in 2020). Of these 74% of athletes strongly agreed, an increase from 61% in 2020. Additionally, 93% of athletes agreed or strongly agreed that DFSNZ supported them to keep clean. Satisfaction in the depth of our testing programme has also remained stable, with 83% of surveyed athletes agreeing or strongly agreeing that we conduct sufficient testing in their sport.

INTELLIGENCE AND INVESTIGATIONS

We will develop a culture of sport where athletes and stakeholders are confident to raise concerns about doping and "speaking out" is normalised. We will disrupt the supply chain and protect athletes at risk of doping.

We will recognise DFSNZ success through feedback from the New Zealand Police, NZ Customs Service and the Ministry of Health/ Medsafe of strong relationships with DFSNZ and collaboration on areas of mutual interest. Where appropriate we will also be involved in enforcement action to address suppliers of prohibited substances. Our annual survey of athletes will reflect growing trust and confidence in our Speak Out programme as we receive more information from the sporting community.

COVID has caused a number of challenges that we continue to navigate, particularly relating to this change in culture.

Nonetheless the 7.5% increase in Speak Out referrals is good in that context, supported by our continued engagement through regular meetings with key national government agencies and international anti-doping organisations. While it hasn't been measured this year, in 2021/22 greater emphasis on our Speak Out programme is a priority, and we will be directly measuring athletes trust and confidence in this area too.

We continue to meet regularly with our domestic law enforcement partners, and in particular the Ministry of Health/ Medsafe. While we have not been involved in criminal enforcement action to address suppliers of prohibited substances, we continue to receive intelligence referrals from these partners in support our work.

ADVOCACY

We will serve clean kiwi athletes by relentlessly advocating for high and consistently applied standards in anti-doping world-wide.

We will be actively involved on international boards and advisory committees and seen internationally as leaders in this area

bringing a strong fiercely independent voice to international debate. Our survey of athletes will show that they are aware of the work we are doing. We will recognise DFSNZ success through a summary of our contributions to boards and advisory committees internationally and from feedback from stakeholders that we are seen internationally as leaders in bringing a strong fiercely independent voice to international debate.

Despite COVID interruptions, DFSNZ continued to attend and engage in all expert meetings online, supporting the Minister's representative at WADA meetings and working with the NADO Leaders group to drive for independent and consistent decisions being made across anti-doping in support of clean athletes everywhere.

Feedback from athletes addresses our leadership progress and while we saw a minor decrease in certainty from athletes on DFSNZ fighting for high standards internationally (93% in 2020 vs 91% in 2021 agree or strongly agree), 100% of sporting leaders surveyed agreed or strongly agreed that DFSNZ provides leadership towards our goal of clean sport.

appropriations reconciliation

The appropriation to DFSNZ is limited to meeting a single output class – “Sports Anti-Doping” – including the costs of operating an effective anti-doping programme in New Zealand and for New Zealand athletes.

This appropriation is intended to achieve New Zealand sports being drug free by means of implementing the World Anti-Doping Code.

	Actual 12 months to 30 June 21	Budget 12 months to 30 June 21	Actual 12 months to 30 June 20
	\$	\$	\$
Appropriation revenue*	3,239,004	3,239,004	3,239,014
Other revenue	365,189	244,464	274,413
Total revenue	3,604,193	3,483,468	3,513,427
Expenditure	3,638,275	3,568,965	3,378,971
Surplus/(Deficit)	(34,082)	(85,497)	134,456

* The appropriation revenue received by DFSNZ equals the Government’s actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.

Assessment of performance	Actual standard of performance to 30 June 2021	Budget standard of performance to 30 June 2021	Actual standard of performance to 30 June 2020
Number of intelligence-led urine and blood tests ⁶ carried out	1,394	1,300-1,450	1,061 (result impacted by COVID)
Elite athletes believe their sporting contests in NZ ARE influenced by doping	2.3%	< 10%	2.4%
Total number of athletes receiving education through workshops and/or online learning at all ages	8,673 (result impacted by COVID)	10,000	6,272 (result impacted by COVID)

⁶ See the explanation regarding “samples” and “tests” in the SPE section of the Service Performance report



directory

AS AT 30 JUNE, 2020

DFSNZ BOARD

Tim Castle (Chair)
Keven Mealamu MNZM
Professor Patria Hume
Robyn Clements

CHIEF EXECUTIVE

Nick Paterson

AUDITORS

Audit New Zealand on behalf of the Auditor General

STATEMENT OF RESPONSIBILITY

The Board is responsible for the preparation of Drug Free Sport New Zealand's financial statements and the Statement of Performance, and for the judgements made in them.

The Board of Drug Free Sport New Zealand has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and Statement of Performance fairly reflect the financial position and operations of Drug Free Sport New Zealand for the year ended 30 June 2021.

The Board is responsible for any end-of-year performance information provided by DFSNZ under Section 19A of the Public Finance Act 1989.

Signed on behalf of the Board

Tim Castle
Chairperson

18 August 2022

Keven Mealamu
Board Member

18 August 2022



statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	Actual 2021	Budget 2021	Actual 2020
		\$	\$	\$
Revenue				
Funding from the Crown		3,239,004	3,239,004	3,239,014
Interest revenue		7,698	10,272	11,599
Contract Income		343,744	225,000	259,673
Other Income		9,218	9,192	3,141
Gain on Disposal		4,530	0	0
Total revenue		3,604,193	3,483,468	3,513,427
Expenditure	3			
Athlete Services		1,270,794	1,295,382	1,334,536
Specialist Services		2,182,479	2,215,455	1,869,522
Contract Testing		185,003	58,128	174,912
Total expenditure		3,638,275	3,568,965	3,378,971
Surplus/(deficit)		-34,082	-85,497	134,456



statement of changes in equity

For the year ended 30 June 2021

	Notes	Actual 2021	Budget 2021	Actual 2020
		\$	\$	\$
Balance at 1 July		526,918	586,000	392,462
Total comprehensive revenue and expense for the year		-34,082	-85,000	134,456
Balance at 30 June	12	492,836	501,000	526,918



statement of financial position

As at 30 June 2021

	Notes	Actual 2021	Budget 2021	Actual 2020
		\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents	4	115,176	150,000	189,239
Investments	6	450,685	296,000	275,685
Receivables	5	94,486	33,000	33,012
Inventories	7	14,938	35,000	39,230
Prepayments		78,267	87,000	87,087
GST receivable		33,913	40,000	40,018
Total current assets		787,466	641,000	664,272
Non-current assets				
Property, plant and equipment	8	147,724	156,000	166,534
Intangible assets	9	213,256	250,000	188,138
Total non current assets		360,981	406,000	354,671
Total assets		1,148,447	1,047,000	1,018,943
LIABILITIES				
Current liabilities				
Payables	10	489,484	412,267	323,490
Employee entitlements	11	108,013	100,000	101,198
Total current liabilities		597,497	512,267	424,688
Non-current liabilities				
Lease Make-good		24,411	0	24,412
Payables	10	33,704	33,733	42,925
Total non-current liabilities		58,114	33,733	67,337
Total liabilities		655,611	546,000	492,025
NET ASSETS		492,836	501,000	526,918
Equity				
Accumulated surplus/(deficit)	12	492,836	501,000	526,918
Total equity		492,836	501,000	526,918

The accompanying notes form part of these financial statements.



statement of cash flows

For the year ended 30 June 2021

	Notes	Actual 2021	Budget 2021	Actual 2020
		\$	\$	\$
Cash flows from operating activities				
Receipts from the Crown		3,239,004	3,239,000	3,239,001
Interest received		7,698	10,000	11,599
Receipts from other revenue		293,902	234,000	363,354
Payments to suppliers		-2,102,503	-2,158,000	-2,185,811
Payments to employees		-1,246,952	-1,237,000	-1,199,047
GST (net)		6,106	-67,000	9,780
Net cash flow from operating activities	13	197,255	21,000	238,876
Cash flows from investing activities				
Purchase of property, plant and equipment, motor vehicle		-36,804	-40,000	-134,599
Disposal of Motor Vehicle		16,183	0	0
Purchase of Investments		-450,685	0	-150,000
Maturity of Investments		275,685	0	0
Purchase of intangible assets		-75,697	-130,000	-146,912
Net cash flow from investing activities		-271,317	-170,000	-431,512
Net (decrease)/increase in cash and cash equivalents		-74,062	-149,000	-192,635
Cash and cash equivalents at the beginning of the year		189,238	550,000	381,874
Cash and cash equivalents at the end of the year	4	115,176	401,000	189,238



notes to the financial statements

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Drug Free Sport NZ (DFSNZ) has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for DFSNZ are for the year ended 30 June 2021 and were approved by the Board on 18 August 2022.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements of DFSNZ have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement 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. Determination of Tier 2 status is due to not having public accountability (is not an issuer) and the entity is not large (expenses are less than \$30m and greater than \$2m).

Drug Free Sport New Zealand was required under section 156(3)(a) of the Crown Entities Act 2004 to complete the audited financial statements and statement of performance by 31 December 2021. The timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of COVID-19 including lockdowns.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars. There may be minor calculation anomalies in totals; this is due to rounding to the nearest dollar.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

DFSNZ is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the board in preparing these financial statements.

Cost allocation

DFSNZ has previously determined the cost of outputs using the cost allocation system as follows. Direct costs are those costs directly attributed to an output.

Indirect costs are costs that cannot be attributed to a specific output in an economically feasible manner. Direct costs are charged directly to outputs.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, DFSNZ 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 a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



notes to the financial statements

(continued)

Estimating useful life and residual values of non-current assets

At each balance date, the useful lives and residual values of non-current assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of these assets requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by DFSNZ, and the expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation or amortisation expense recognised in the surplus or deficit, and the carrying amount of the asset in the statement of financial position. DFSNZ minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

DFSNZ has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in accounting policy.

Leases classification

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

Judgement is required on 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 renewable options in the lease term, and determining the 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 property, plant and equipment, whereas for an operating lease no such asset is recognised.

REVENUE

DFSNZ is primarily funded from the Crown. This funding is restricted in its use for the purpose of Drug Free Sport meeting the objectives specified in the Sports Anti-Doping Act 2006 and the scope of the relevant appropriations of the funder. DFSNZ considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement, which is considered to be the start of the appropriations period to which the funding relates. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the

funding.

PERSONNEL COSTS

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

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

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised 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 balance date, to the extent that it will be used by staff to cover these future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

RECEIVABLES

Short-term receivables are recorded at the amount due, less an allowance for credit losses. DFSNZ applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short term receivables are written off when there is no reasonable expectation of recovery; indicators of which include the debtor being in liquidation.



notes to the financial statements

(continued)

INVESTMENTS

Bank term deposits

Investments in bank term deposits are initially measured at the amount invested. Principal and interest is normally repaid into operating bank accounts on maturity. A loss allowance for expected credit losses is recognised if the expected loss allowance is not trivial.

INVENTORIES

Inventories held for distribution in the provision of services that are not supplied on a commercial basis are measured at cost, adjusted, when applicable, for any loss of service potential.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of furniture, electronic equipment and a motor vehicle.

All asset classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of these items is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to DFSNZ and the cost of the item can be measured reliably.

Disposals

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

Subsequent costs

Costs incurred subsequent to initial acquisitions are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to DFSNZ and the cost of the item can be measured reliably. The costs of day to day servicing of these items are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis for all items at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Furniture 10 years (10%)
- Electronic equipment 4 years (25%)
- Motor vehicle (15%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with maintenance of DFSNZ's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful life and associated amortisation rates of intangible assets have been estimated as four years (25%).

The IASB's Interpretations Committee issued an agenda decision during April 2021 that clarifies the accounting treatment expected under International Financial Reporting Standards for customisation and configuration costs associated with software as a service (SAAS) arrangements. The PBE IPSAS-based standards do not provide specific guidance on SAAS arrangements. However, PBE IPSAS 3 explains that in the absence of a PBE standard specifically dealing with a transaction, management may consider the most recent pronouncements of other standard setting bodies. An example of such pronouncements include interpretations issued by the IASB's Interpretations Committee.

As at 30 June 2021, the Drug Free Sport New Zealand has recorded an intangible asset of \$748,438 related to SAAS arrangements. The Drug Free Sport New Zealand is currently assessing how the principals of the agenda decision could be applied to its SAAS arrangements. Due to the material amount of costs involved that have been incurred over several years and the judgements required, Drug Free Sport New Zealand has not had sufficient time to fully consider this. Any changes to our historical accounting treatment will be accounted for as a change in accounting policy in our next financial statements for the year ended 30 June 2022.



notes to the financial statements

(continued)

IMPAIRMENT OF NON-CURRENT ASSETS

Non-current assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach.

The most appropriate approach used to measure value and use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

PAYABLES

Short-term payables are recorded at their face value.

PROVISIONS

A provision is recognised 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 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 and is included in "finance costs".

In respect of its leased premises DFSNZ is required at the expiry of the lease term to make good any damage caused to the premises and to remove any fixtures or fittings installed by DFSNZ.

DFSNZ has the option to renew this lease, which affects the timing of expected cash outflows to make good the premises. As the lease expiry is over five years away, DFSNZ has assumed a "worst case" scenario, in measuring the provision, that the option to renew will be not exercised. The cash flows associated with the lease make-good provision are expected to occur in February and March 2026.

EQUITY

Equity is measured as the difference between total assets and total liabilities. Given we are an Independent Crown Entity, with no contributed capital, all equity is disclosed as Accumulated Surplus/ (deficit)



notes to the financial statements

(continued)

2. PERSONNEL COSTS

	Actual 2021	Actual 2020
	\$	\$
Salaries and wages	1,215,631	1,159,728
Defined contribution plan employer contributions	38,137	35,611
Increase/(decrease) in employee entitlements	6,815	32,262
Total personnel costs	1,260,582	1,227,601

Employer contributions to defined contribution plans include contributions to KiwiSaver.

3. EXPENDITURE BY NATURE

	Actual 2021	Actual 2020
	\$	\$
Fees to Audit New Zealand for audit of financial statements	24,428	23,922
Board fees and expenses	67,631	72,158
Depreciation and amortisation	89,177	78,362
Loss on disposal	2,117	775
Doping Control Official fees	238,291	172,560
Laboratory fees	351,293	309,626
Operating lease expense	165,419	128,167
Personnel costs	1,253,767	1,227,601
Legal costs	143,428	92,318
Contract testing costs	185,003	174,912
International Fees and contributions	115,680	113,263
International Travel	0	45,948
Information Technology – Testing Programme	21,003	47,197
Intelligence and Investigations	1,963	2,218
Education Programme	190,164	187,672
Testing Programme - other	347,756	226,200
Administration costs - other	441,155	476,071
Total expenditure	3,638,275	3,378,971

4. CASH AND CASH EQUIVALENTS

	Actual 2021	Actual 2020
	\$	\$
Cash at bank and on hand	115,176	89,239
Term deposits with maturities less than three months	0	100,000
Total cash and cash equivalents	115,176	189,239



notes to the financial statements (continued)

5. RECEIVABLES

	Actual 2021	Actual 2020
	\$	\$
Receivables (gross)	94,486	33,012
Less: allowance for credit losses	0	0
Total receivables	94,486	33,012
Receivables from the sale of goods and services (exchange transactions)	94,486	33,012

Total receivables are from the provision of contract testing.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

6. INVESTMENTS

	Actual 2021	Actual 2020
	\$	\$
Current portion		
Term deposits	450,685	275,685
Total current portion	450,685	275,685
Total investments	450,685	275,685

7. INVENTORIES

	Actual 2021	Actual 2020
	\$	\$
Testing equipment	14,938	39,230
Total inventories	14,938	39,230



notes to the financial statements (continued)

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture	Electronic Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
Cost or valuation				
Balance at 1 July 2019	70,778	125,168	21,662	217,608
Additions	96,533	36,886	0	133,419
Disposals	-802	-378	0	-1,180
Balance at 30 June 2020	166,509	161,677	21,662	349,847
Balance at 1 July 2020	166,509	161,677	21,662	349,847
Additions	26,296	10,508	0	36,804
Disposals	-4,518	0	-21,662	-26,180
Balance at 30 June 2021	188,287	172,185	0	360,471
Accumulated depreciation				
Balance at 1 July 2019	43,538	106,269	3,248	153,056
Depreciation expense	14,357	12,654	3,248	30,258
Elimination on disposal	0	0	0	0
Balance at 30 June 2020	57,895	118,923	6,496	183,314
Balance at 1 July 2020	57,895	118,923	6,496	183,314
Depreciation expense	20,969	16,933	812	38,714
Elimination on disposal	-2,688	0	-7,308	-9,996
Balance at 30 June 2021	76,176	135,856	0	212,032
Carrying amounts				
At 1 July 2019	27,239	18,899	18,414	64,552
At 30 June 2020	108,614	42,754	15,166	166,534
At 30 June 2021	112,111	36,329	0	147,724



notes to the financial statements

(continued)

9. INTANGIBLE ASSETS

	Acquired software
	\$
Cost	
Balance at 30 June 2019	528,024
Additions - completed projects	124,581
Additions - projects in progress at 30 June	20,136
Disposals	0
Balance at 30 June 2020	672,741
Additions - completed projects	0
Additions - projects in progress at 30 June	75,697
Disposals	0
Balance at 30 June 2021	748,438
Accumulated amortisation	
Balance at 30 June 2019	436,497
Amortisation expense	48,104
Disposals	0
Balance at 30 June 2020	484,601
Amortisation expense	50,579
Disposals	2
Balance at 30 June 2021	535,182
Carrying amounts	
At 1 July 2019	91,527
At 30 June 2020	188,138
At 30 June 2021	213,256

Projects in progress at 30 June represents the investment in software development projects to which DFSNZ has committed, and which are ongoing at 30 June. Amortisation of these projects will commence once the software is commissioned.

10. PAYABLES

	Actual 2021	Actual 2020
	\$	\$
Current portion		
Lease incentive in advance	9,192	9,192
Creditors	220,921	151,212
Accrued Expenses	259,372	163,086
Total current portion	489,485	323,490
Non-current portion		
Lease incentive in advance	33,704	42,925
Total non-current portion	33,704	42,925
Total payables	523,189	366,415

The lease incentive in advance is recognition of income from the incentive received in advance across the lease term of 72 months. DFSNZ has a \$20,000 credit card limit with BNZ. At year-end approximately \$8,700 was drawn and this amount is included in payables at year-end.



notes to the financial statements

(continued)

11. EMPLOYEE ENTITLEMENTS

	Actual 2021	Actual 2020
	\$	\$
Accrued salaries and wages	40,777	42,898
Annual leave	67,236	58,300
Total employee entitlements	108,013	101,198

12. EQUITY

	Actual 2021	Actual 2020
	\$	\$
Accumulated surplus /(deficit)		
Balance at 1st July	526,918	392,462
Surplus/(deficit) for the year	-34,082	134,456
Balance at 30 June	492,836	526,918
Total equity	492,836	526,918

13. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Actual 2021	Actual 2020
	\$	\$
Net surplus/(deficit)	-34,082	134,456
Add/(less) non-cash items		
Lease make good provision	-9,221	24,412
Depreciation and amortisation expense	90,005	78,362
Total non-cash items	80,784	102,774
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	0	775
Total items classified as investing or financing activities	0	775
Add/(less) movements in statement of financial position items		
(Increase)/Decrease in receivables	-61,474	44,294
(Increase)/Decrease in inventories	24,292	16,085
Increase/(Decrease) in payables	165,994	-83,588
Increase/(Decrease) in employee entitlements	6,814	32,262
(Increase)/Decrease in prepaid expenses	8,820	-3,735
(Increase)/Decrease in GST receivable	6,106	-4,445
Net movements in working capital items	150,552	872
Net cash flow from operating activities	197,254	238,876



notes to the financial statements

(continued)

14. OPERATING LEASES

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

	Actual 2021	Actual 2020
	\$	\$
Not later than one year	133,041	131,790
Later than one year and not later than five years	491,408	527,160
Later than five years	0	76,878
Total non cancellable operating leases	624,449	735,828

DFSNZ has committed to a six-year term which expires in February 2026.

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

At June 30, there are further capital commitments for the acquisition of intangible assets of \$871 (2020: \$45,249).

15. CONTINGENCIES

DFSNZ, at balance date, has no contingent assets or liabilities (2020: nil).

16. RELATED PARTY TRANSACTIONS

DFSNZ is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect DFSNZ would have adopted in dealing with the party 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.

Key management personnel compensation

	Actual 2021	Actual 2020
Board Members		
Remuneration	50,858	50,303
Full-time equivalent members	0.3	0.3
Leadership Team		
Remuneration	545,613	550,642
Full-time equivalent members	3.8	3.8
Total key management personnel remuneration	596,471	600,945
Total full time equivalent personnel	4.0	4.1

Board member remuneration has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.



notes to the financial statements (continued)

17. BOARD MEMBER REMUNERATION

The total value of remuneration paid or payable to each Board member during the year was:

	Actual 2021	Actual 2020
	\$	\$
J Warwick Gendall	0	16,740
Sarah Ulmer	8,250	8,438
Tim Castle	23,951	13,875
Dr Patria Hume	7,781	4,875
Keven Mealamu	7,500	6,375
Robyn Clements	3,375	0
Total Board member remuneration	50,858	50,303
Plus Board Expenses	16,774	21,856
Board fees plus expenses (see note 3)	67,631	72,158

DFSNZ has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2020: nil).

18. EMPLOYEE REMUNERATION

	Actual 2021	Actual 2020
Total remuneration paid or payable that is or exceeds \$100,000		
\$100,000 - \$109,999		
\$110,000 - \$119,999	2	2
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999		
\$140,000 - \$149,999		
\$150,000 - \$159,999		
\$160,000 - \$169,999		
\$170,000 - \$179,999		
\$180,000 - \$189,999		
\$190,000 - \$199,999		
\$200,000 - \$209,999		
\$210,000 - \$219,999		
\$220,000 - \$229,999	1	1
Total employees	4	4

During the year ended 30 June 2021: 0 employees (2020: 0) received compensation and other benefits in relation to cessation.



notes to the financial statements

(continued)

19. EVENTS AFTER THE BALANCE DATE

From 17 August 2021, Auckland was held under Level 3 or Level “2.5” COVID lockdown protocols, which disrupted progress towards achievement of our 2021/22 quantitative testing and education objectives.

On 14 June 2022 the Minister for Sport and Recreation announced the establishment of an independent body to strengthen and protect the integrity of the sport and recreation system, and that Drug Free Sport NZ would be folded into the new entity along with some of the integrity functions currently performed by Sport NZ. This new entity would require new legislation and would be established in 2024.

20. FINANCIAL INSTRUMENTS

20A. FINANCIAL INSTRUMENT CATEGORIES

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

	Actual 2021	Actual 2020
	\$	\$
Financial assets measured at amortised cost		
Cash and cash equivalents	115,176	189,239
Investments – current	450,685	275,685
Receivables	94,486	33,012
Total financial assets	660,348	497,936
Financial liabilities measured at amortised cost		
Payables	523,189	366,415
Total financial liabilities measured at amortised cost	523,189	390,827

Drug Free Sport NZ has no derivative financial instruments at 30 June 2021.

20B. FINANCIAL INSTRUMENT RISKS

DFSNZ's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. DFSNZ has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The exposure to such fluctuations is minimal and the risk is considered insignificant.

DFSNZ does not actively manage its exposure to cash flow interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

DFSNZ makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies.

Credit risk

Credit risk is the risk that a third party will default on its obligation to DFSNZ, causing it to incur a loss.

Due to the timing of its cash inflows and outflows, DFSNZ invests surplus cash with registered banks.

DFSNZ has processes in place to review the credit quality of customers prior to the granting of credit.

In the normal course of business, DFSNZ is exposed to credit risk from cash and term deposits with banks and receivables. For each of these, the maximum credit exposure is best presented by the carrying amount in the statement of financial position.

DFSNZ invests funds only with registered banks that have a Standard and Poor's credit rating of AA. DFSNZ has experienced no defaults of interest or principal payments for terms deposits.

DFSNZ holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.



notes to the financial statements (continued)

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit rating (if available) or to historical information about counterparty default rates.

	Actual 2021	Actual 2020
	\$	\$
COUNTERPARTIES WITH CREDIT RATINGS		
<i>Cash at bank and term deposits</i>		
AA-	565,861	464,924
Total cash at bank and term deposits	565,861	464,924
COUNTERPARTIES WITHOUT CREDIT RATINGS		
<i>Receivables</i>		
Existing counterparty with no defaults in the past	94,486	33,012
Existing counterparty with defaults in the past	0	0
Total receivables	94,486	33,012

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that DFSNZ will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

DFSNZ mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

	Carrying amount	Contractual cash flows	Less than 6 months	6-12 Months	Later than 1 year
	\$	\$	\$	\$	\$
2020					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	366,415	366,415	318,894	4,596	42,925
Total	366,415	366,415	318,894	4,596	42,925
2021					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	523,189	523,189	480,293	9,192	33,704
Total	523,189	523,189	480,293	9,192	33,704



notes to the financial statements

(continued)

21. CAPITAL MANAGEMENT

DFSNZ's capital is its equity, which comprises accumulated funds. Equity is represented by net assets.

DFSNZ is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives.

DFSNZ has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

DFSNZ manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that DFSNZ effectively achieves its objectives and purpose, while remaining a going concern.

22. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The continued impact of the COVID-19 pandemic in New Zealand has had an impact on our financial statements. Whilst many of our costs are relatively fixed, and thus remained consistent, variable costs directly associated with our delivery of education and testing, and items such as international travel, were significantly reduced from the previous year.

Positively, like last year we took the opportunity to initiate some significant projects prior to year-end, using funds which would not otherwise have been available in a normal year.

These projects were all selected on the basis that they would deliver enduring value to DFSNZ; for example, investment in our education collateral. As a result, our overall financial position at the end of June 2021 is healthy, with a sound foundation for building further success despite the ongoing uncertainties and risks associated with likely further lockdowns.

23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variances from DFSNZ's budgeted figures in the Statement of Performance Expectations are as follows:

The financial results for the current year show that DFSNZ has returned a small deficit for the year, but one lower than budgeted. Management have maintained an enhanced focus on financial results through further refinement of our accounting system and cost allocations, so some spending may not be directly comparable to previous year's results for analysis purposes.

Items which merit comment include:

1. The 2021 Budget figures are from the 2020/21 Statement of Performance Expectations, approved in June 2020. The figures in that SPE's Prospective Statement of Financial Position were prepared at a high level and were less detailed than the figures included in the 30 June 2021 actual Statement of Financial Position. Readers of the accounts should bear this in mind when assessing our position.
2. As NZ opened up from its COVID response earlier than other countries contract income and contract testing expenditure were both higher than budgeted.



independent auditor's report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Drug Free Sport New Zealand's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Drug Free Sport New Zealand (Drug Free Sport). The Auditor-General has appointed me, J R Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of Drug Free Sport on his behalf.

Opinion

We have audited:

- the financial statements of Drug Free Sport on pages 31 to 54, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of Drug Free Sport on pages 22 to 28.

In our opinion:

- the financial statements of Drug Free Sport on pages 31 to 54:
 - present fairly, in all material respects:
 - » its financial position as at 30 June 2021; and
 - » its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information on pages 22 to 28:
 - presents fairly, in all material respects, Drug Free Sport's performance for the year ended 30 June 2021, including:
 - » for each class of reportable outputs:
 - » its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - » its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - » what has been achieved with the appropriation; and
 - » the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed late

Our audit was completed on 18 August 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the Crown Entities Act 2004, section 156(3) (a). This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

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

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing

(New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.



independent auditor's report (continued)

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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.

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

The Board is responsible on behalf of Drug Free Sport 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 it is necessary to enable it 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 Drug Free Sport for assessing Drug Free Sport'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 Drug Free Sport, 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.

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 Drug Free Sport's statement of performance expectations.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Drug Free Sport'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 Drug Free Sport'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 Drug Free Sport'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 Drug Free Sport 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.



independent auditor's report

(continued)

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 21 and pages 29 to 30, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests, in Drug Free Sport.

J R Smail
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand



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