

Report of the

**NEW ZEALAND
ARTIFICIAL LIMB BOARD**

**For the Year Ended
30 June 2009**

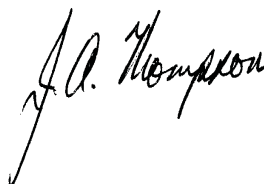
*Presented to the House of Representatives pursuant to Section 150 (3) of
the Crown Entities Act 2004*

To the Minister for Social Development and Employment

In accordance with the Crown Entities Act 2004, I present, on behalf of the New Zealand Artificial Limb Board, the Annual Report of the operations of the New Zealand Artificial Limb Board for the year ended 30 June 2009.



A G Hall
Chair



Jennifer Thompson
Deputy Chair

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About the New Zealand Artificial Limb Board

The New Zealand Artificial Limb Board is an autonomous Crown entity that provides a national prosthetic limb service for New Zealand amputees¹.

The functions of the New Zealand Artificial Limb Board, as defined by the Social Welfare Transitional Provisions Act 1990, are to:

- *manufacture, import, export, market, distribute, supply, fit, repair and maintain artificial limbs and similar devices*
- *provide rehabilitative and other services to persons in connection with artificial limbs and similar devices*
- *carry out research and development in relation to artificial limbs and similar devices*
- *advise the responsible Minister on matters relating to artificial limbs and similar devices.*

At the beginning of the year, under the Statement of Intent, the activities of the New Zealand Artificial Limb Board were primarily aligned with government priorities of economic transformation, families - young and old, and national identity.

More recently at the request of the new Government elected in November 2008, the priorities have incorporated:

Value for Money. Cost/benefit is a core value in prescribing individualised limbs for people that reflect their particular mobility levels, health and life circumstances. People's circumstances change throughout life, and accordingly affect the artificial limbs prescribed.

Front-line Services. Most of the New Zealand Artificial Limb Board's operations are at the front line, delivering our services to New Zealand amputees in Limb Centres and regional clinics. The New Zealand Artificial Limb Board also assists in raising the skill levels of other health professionals dealing with amputees, through providing in-service courses on amputee care.

Health – things done better, sooner and more conveniently. The New Zealand Artificial Limb Board has an ongoing project on efficiency and effectiveness that continues to contribute to these aims. A major example is digital tracing of limbs, which is cleaner and quicker for many amputees rather than the alternative method of plaster casting.

¹ The term "amputees" is a generic term used for the purposes of reporting. It includes those whose absence of limb/s is for congenital reasons, as well as through surgical interventions.

There are five limb centres located in Auckland, Hamilton, Wellington, Christchurch and Dunedin, each of which also provides services in outlying areas on a regular basis:

<i>From:</i>	<i>To:</i>
Auckland Limb Centre	Whangarei New Plymouth
Hamilton Limb Centre	Gisborne Rotorua
Wellington Limb Centre	Tauranga Hastings Palmerston North Masterton Nelson Blenheim
Christchurch Limb Centre	Greymouth
Dunedin Limb Centre	Invercargill

The New Zealand Artificial Limb Board provides services that include consultation with prosthetics professionals, orthopaedic surgeons, vascular surgeons, rehabilitation physicians, physiotherapists and occupational therapists.

Contracts with the Ministry of Health and the ACC provide the funding for most amputees, with a small number of war amputees being funded separately, and a small number of prostheses being provided by private contract. Co-operative relationships are fostered between staff of the Limb Service and District Health Boards, community organisations, and the Amputees Federation of New Zealand.

New Zealand Artificial Limb Board

Chair's Report

Many people do not appreciate the huge impact on a person's life that losing a limb brings. Nor do new amputees always become immediately aware, in a day-to-day sense, of the permanence of this change. They often present to the clinic with high expectations that they will resume life and be able to do just as they did when their limbs were whole.

It would be good to fulfill these expectations. Sadly, it can't always happen. What does happen is that once amputees walk through the New Zealand Artificial Limb Board's doors, their prosthetic needs are our responsibility for the rest of their lives.

This has its advantages and disadvantages. It means that strong and long-lasting bonds develop between clinicians and their patients as a level of trust builds up. It also introduces a level of responsibility in the organisation to make itself aware of changes in the lives of amputees that might impact on their needs and prescriptions, especially when other health issues are involved. In turn, amputees need to share their life changes and participate in open communication to get the best results. It's a two way process.

Those who come into the system later in life, usually because illness has led to amputation, have different needs from active young people. Many such amputees are unwell, frail, and may find the fitting process daunting. For others, an amputation may spell the end of ongoing pain and they are motivated and keen to get going again. Whatever the individual situations, the prosthetists need to deal with them professionally and sensitively.

Over the lifetimes of many of our amputees there have been drastic changes in the nature of limbs available. Many alive now can remember being fitted as young people with carved wooden limbs. These changed over the last fifty or so years through the introduction of modular limbs, silicones and resins, stainless steel and titanium.

Amputees' expectations are influenced by the wealth of information available through modern technology like the internet. It is fair to say that expectations have risen over the years, with better limbs available that cater to everyone from babies to grandparents, from athletes to those who just need to be able to walk around home and take care of their own housework and personal needs.

As far as the limb service is concerned, all these competing pressures must be managed within a climate of fiscal restraint. It is an ongoing challenge to the Limb Service to balance expectations with appropriate prescriptions. This year there are about 4,300 amputees on our database, each one individually provided for.

The Board's job is to guide the Limb Service to help amputees to lead lives as full and productive as possible. In 2008-09 we have continued to concentrate on this, our core business.

The Year in Review

Just as the Limb Service aims to reflect change in individuals' lives, so the Service experiences both gradual and precipitate change. This year one of the main changes involved the retirement of the General Manager, George Mitchell, whose steady hand had overseen huge change in the New Zealand Artificial Limb Board over the last 12 years. During his term in this role, contracts were developed with ACC and the Ministry of Health, a new IT system and Tracer CAD technology were introduced, and two international scientific meetings were held. George's 33 years of experience with the New Zealand Artificial Limb Board and his professional leadership and commitment will long be remembered and appreciated.

After an interim period, a new Chief Executive, Mervyn Monk, took over from early April 2009. The Board welcomes Mervyn and looks forward to his applying his extensive management skills in continuing to enhance the limb service.

The majority of the efforts in any year of the New Zealand Artificial Limb Board are spent on making, fitting and maintaining artificial limbs for New Zealand amputees. This assists a special group of New Zealanders to rehabilitate and achieve their desired levels of independence and satisfaction in daily living.

As well as providing this service, the New Zealand Artificial Limb Board measured the outcomes for all new patients. Outcome measures were introduced in 2006, and subsequent annual reports have reported on progress in this area. A final analysis was made during the year that provides valuable information towards benchmarks for the future, against which the organisation can measure its achievements.

In addition, the outcome measures provided a tool for physiotherapists to assess progress during the first vital year that amputees had with the service. Mobility, independence, and health-related quality of life were measured three times. Instead of intuitively knowing that artificial limbs improve people's lives, we can now measure aspects of that improvement, over time. Measures were completed at an individual level, for clinical use, and also collated. The collated results have been detailed later in this report.

On one hand the New Zealand Artificial Limb Board provides a "factory" that manufactures limbs on an individualised and customised basis, but on the other, an equally important aspect of its work is its rehabilitative role. This includes gait analysis and training, physiotherapy, occupational therapy, and providing referrals to other services where it is warranted.

In order that its staff remained up to date with developments in technology overseas, a range of activities occurred. Overseas suppliers assisted with updates in new componentry and training in how best to maximize their value. New componentry was tested by New Zealand staff to see if it was appropriate for New Zealand conditions. Staff attended scientific meetings overseas and, as in past years, presented papers at those meetings. During 2008-09 a paper on the outcomes measures project was presented at a major meeting of the International Society for Prosthetics and Orthotics.

It has been hoped that ongoing professional development, as well as a source of future professional staff, would be promoted if a degree course in prosthetics and orthotics could be established. Previous annual reports have noted progress, and it was hoped that a conjoint degree with input from the Auckland University of Technology and La Trobe University in Melbourne, Australia, would eventuate. Sadly, this has not so far occurred. However, the New Zealand Artificial Limb Board has provided placements for students from La Trobe University, which have been much appreciated and of great value.

Other placements were provided for physiotherapy students, and podiatry students were also shown the services available for amputees. ACC case managers enjoyed in-service courses to help them understand amputees' needs and what was available.

As a sole national provider, the New Zealand Artificial Limb Board is well placed to identify and address gaps in services that affect amputees. It has noted that knowledge of the specialist care and needs of amputees is often not known by physiotherapists in hospitals and the community, as well as other health professionals. The Limb Service has consequently addressed this need by providing in-service courses to physiotherapists, registrars, occupational therapists, theatre nurses, and para-medics and others involved in rehabilitation.

A highlight of the year was the success of a small and talented group of amputees who achieved success at the Beijing Olympics. During the year a Memorandum of Understanding between Paralympics New Zealand and the New Zealand Artificial Limb Board provided special funding for five athletes who competed at the Paralympic Games following the Beijing Olympics. Several gold, silver and bronze medals and World Records were achieved by Cameron Leslie (swimming), Paula Tesoriero (cycling), Kate Horan (track) and Sophie Pascoe (swimming). Many hours of dedicated time were spent by our staff, often in their own time, to assist towards this success. We rejoiced in their achievements which will provide excellent role models and motivation for others.

The detailed report that follows is commended to your attention.

Financial Results

The Statement of Financial Performance shows gross revenue applied to operations of \$7,209,000 which compares with \$7,147,000 in the previous year. Income is derived principally from contracts with ACC for trauma-based amputees and with the Ministry of Health's agent, Capital & Coast District Health Board, for amputees with illness-based amputations or long-standing trauma-based amputations. In addition, income is received from payments on behalf of war amputees, private insurers, health benefits and private supply.

Operational costs for the year totaled \$7,457,000, compared with \$7,279,000 in the previous year, primarily because of increased costs for imported componentry. This gave a deficit of \$247,000 on operations for the year. Interest earnings, however, reduced this deficit to \$32,000 compared with a surplus of \$120,000 for the previous year.

The New Zealand Artificial Limb Board's financial position remains strong with \$3,633,000 in General Funds and \$2,186,000 in reserves for specific future needs as identified by the Board.

The Year Ahead

During the coming year, the New Zealand Artificial Limb Board will:

- maintain and enhance its excellent service to New Zealanders with limb loss;
- continue to consolidate and develop current work items through:
 - its project to enhance efficiency and effectiveness in Limb Centres
 - continuing to implement outcomes measurement of all new patients and gather data for further analysis
 - undertaking a client satisfaction survey as part of its outcomes measures

- contributing to the public good through the provision of educational training to health professionals and community health groups
- developing resources for use in the community.

Membership of the Board

Board members are appointed by the Minister for Social Development and Employment under the Crown Entities Act 2004. Membership is determined by the Social Welfare (Transitional Provisions) Act 1990 which provides the nominating bodies and has a significant influence on the composition of the Board. Claire Johnstone was reappointed to the Board from 5 July 2008. Barry Tietjens replaced Geoffrey Lamb on the Board from 1 June 2009.

Board membership at the year end was:

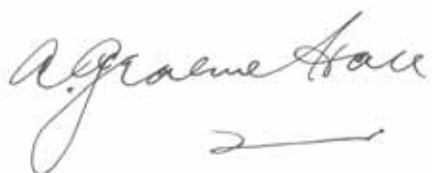
Chair	A Graeme Hall ONZM
Deputy Chair	Jennifer A Thompson
	Claire Johnstone
	Lorraine L Peacock QSM
	Richard Sainsbury
	Barry Tietjens

Conclusion

The 2008-09 year was another successful year for the New Zealand Artificial Limb Board, in which continuing enhancement in services to amputees was achieved within the bounds of financial prudence.

My thanks to colleagues on the Board, the prosthetic, technical and administrative staff, medical specialists, physiotherapists and other consultants whose skill, enthusiasm and earnest effort have maintained a Limb Service worthy of our amputee clients and friends. Thanks also to all those other agencies with whom we work and who contribute to our success and continuous development.

I have pleasure in submitting this Annual Report and the Financial Statements for the year ended 30 June 2009.



A Graeme Hall
Chair

Governance and Accountability Statement

Role of the Board

The Minister has appointed a governing Board. The Board's governance responsibilities include:

- Communicating with stakeholders to ensure their views are reflected in New Zealand Artificial Limb Board planning and strategies
- Determining the strategic priorities and focus necessary to achieve the outcomes expected by those stakeholders
- Delegating responsibility for achievement of specific objectives to the Chief Executive
- Monitoring organisational performance towards achieving objectives
- Maintaining effective systems of internal control
- Accounting to the Minister on plans and progress against them.

Structure of New Zealand Artificial Limb Board

New Zealand Artificial Limb Board Operations

The Board has appointed a Chief Executive to manage all the New Zealand Artificial Limb Board operations. All other employees of the New Zealand Artificial Limb Board have been appointed by the Chief Executive and report to him. The Board directs the Chief Executive by delegating responsibility and authority for the achievement of objectives through setting policy.

Board members having specific expertise provide mentoring and advice as appropriate.

Board Committees

As a relatively small Board, there has been little necessity for the appointment of standing committees of the Board, apart from one that deals with the performance review of the Chief Executive. Working committees are appointed as needed, e.g. IT Steering Group.

However, during the financial year there was a general election and change of Government. At the new Government's request and along with other Government agencies, in early 2009 the New Zealand Artificial Limb Board conducted a line-by-line review of its operations. For many years it had received no increases in MOH funding. This created a culture of careful financial management that achieved increased production and greater value for money in amputee services over the 10 years from 1999. The line-by-line review underlined the success of this approach, which will continue to enable the New Zealand Artificial Limb Board to evaluate opportunities for further ways to make the service more efficient and effective.

The Board has appointed a sub-committee to monitor the ongoing review, which will report regularly to the Minister for Social Development and Employment.

Equal Employment Opportunity

The New Zealand Artificial Limb Board developed an EEO plan that addressed the elements of being a good employer. There were several changes in staff. Priorities for the year were that: remuneration was considered in the context of renewing the collective agreement with the PSA; senior managers continued to receive ongoing leadership training through State Services

Commission seminars; there was an emphasis on accountabilities of those in leadership roles; staff development and study relevant to employment was supported; policies covering bullying and harassment and discipline were in place; and health and safety issues were addressed through compliance with the relevant Government Acts such as the Hazardous Substance and New Organisms Act 1996, as well as regular staff health and safety meetings. The policy manual was completely reviewed, with a number of policies updated.

The New Zealand Artificial Limb Board continued its practice of employing staff on a flexible or part-time basis. Health and safety issues are of paramount importance in a manufacturing-type environment and were routinely addressed at staff meetings. Extensive training was received by staff and is written up elsewhere in this report. Opportunities for clinical placements were provided for students of prosthetics and orthotics, physiotherapy and podiatry.

Governance Philosophy

Board Membership

Board members are appointed by the Minister for Social Development and Employment as the responsible Minister, with representative membership of nominating bodies as determined by the Social Welfare (Transitional Provisions) Act 1990. The Board is composed of members who have diverse skills and experience in order to bring a wide contribution to policy issues. Once appointed, all members are required to act in the best interests of the New Zealand Artificial Limb Board. Members acknowledge that the Board must stand unified behind its decisions; individual members have no separate governing role outside the Board.

Connection with Stakeholders

The Board acknowledges its responsibility to keep in touch with stakeholders and, in particular, to remain cognisant of the responsible Minister's expectations. Quarterly reports inform the Minister.

Division of Responsibility between the Board and Management

A key to the efficient running of the New Zealand Artificial Limb Board is that there has been a clear division between the roles of the Board and management. The Board concentrates on setting policy and strategy, then monitors progress towards meeting objectives. Management is concerned with implementing policy and strategy. The Board endeavours to clearly demarcate these roles by ensuring that the delegation of responsibility and authority to the Chief Executive is concise and complete, while providing mentoring and ideas-based experience for the assistance of management.

Accountability

The Board meets approximately monthly to develop strategies and policies, to monitor progress toward its strategic objectives and to ensure that the affairs of the New Zealand Artificial Limb Board are being conducted in accordance with the Board's policies.

Conflicts of Interest

The Board ensures members are aware of their obligations to declare interests and act appropriately.

Internal Control

While many of the Board's functions have been delegated, the overall responsibility for maintaining effective systems of internal control ultimately rests with the Board. Internal controls include the policies, systems and procedures established to provide assurance that specific objectives of the Board will be achieved. The Board and management have acknowledged their responsibility by signing the Statement of Responsibility on page 13 of this report.

Risk Management

The Board acknowledges that it is ultimately responsible for the management of risks to the New Zealand Artificial Limb Board. The Board has charged the Chief Executive through its risk management policy with establishing and operating a risk management programme.

Legislative Compliance

The Board acknowledges its responsibility to ensure the organisation complies with all legislation. It has delegated responsibility to the Chief Executive for the development and operation of a programme to systematically identify compliance issues and ensure that all staff are aware of legislative requirements that are particularly relevant to them. It monitors such compliance issues.

Ethics

The Board has adopted both the Public Service Code of Conduct and a New Zealand Artificial Limb Board Code of Conduct, and expects the Board members and staff to maintain high standards of ethical behaviour and practise the principles of 'good corporate citizenship'.

Monitoring compliance with ethical standards is done through such means as monitoring trends in complaints and disciplinary actions; or any reports or indications that show non-conformance with the principles espoused in the Code of Conduct.

Directions Issued by Ministers

The New Zealand Artificial Limb Board received a whole of Government direction from the Minister of State Services Commission and Minister of Finance on 21 July 2008 issued under section 107 of the Crown Entities Act 2004. The direction was regarding all-of-Government shared authentication services during the financial year.

Statement of Responsibility for the Year ended 30 June 2009

In terms of the Crown Entities Act 2004, the Board is responsible for the preparation of the New Zealand Artificial Limb Board's financial statements and the statement of service performance, and for the judgments used in them.

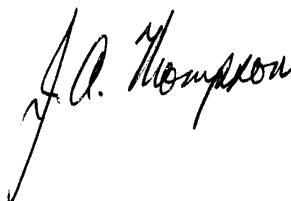
The Board of the New Zealand Artificial Limb Board has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board, these financial statements and statement of service performance for the year ended 30 June 2009 fairly reflect the financial position and operations of the New Zealand Artificial Limb Board.



A Graeme Hall
Chair

23 October 2009



Jennifer A Thompson
Deputy Chair

23 October 2009

Audit Report**To the readers of
The New Zealand Artificial Limb Board's
financial statements and statement of service performance
for the year ended 30 June 2009**

The Auditor-General is the auditor of the New Zealand Artificial Limb Board (the NZALB). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of the NZALB for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the NZALB on pages 28 to 50
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the NZALB's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the NZALB on pages 17 to 27
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 23 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the NZALB as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the NZALB's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance

This audit report relates to the financial statements and statement of service performance of the New Zealand Artificial Limb Board for the year ended 30 June 2009 included on the New Zealand Artificial Limb Board's website. The New Zealand Artificial Limb Board is responsible for the maintenance and integrity of the New Zealand Artificial Limb Board's website. We have not been engaged to report on the integrity of the New Zealand Artificial Limb Board's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 23 October 2009 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Statement of Service Performance for the Year ended 30 June 2009

Context

The New Zealand Artificial Limb Board provides a high quality service that enhances amputees' mobility and facility to fully participate in society. The New Zealand Artificial Limb Board provides services that routinely include consultation with and contributions from prosthetics professionals, orthopaedic surgeons, rehabilitation physicians, physiotherapists and occupational therapists.

The needs of amputees are both highly diverse and individual. Each limb is custom-made to fit the residual limb, and to take into account height, weight, activity levels, and personal lifestyle. Staff also assist with gait training and facilitate contacts with other health and community services depending on the needs and circumstances of the individual. Close contact is maintained with local Amputee Societies.

Prosthetic care can begin as early as babyhood, and last a lifetime. Liam Malone, of Nelson, came to us as a baby, and is now an active young man who personifies the term "role model".



Liam was born with bi-lateral fibular hemimelia, a very uncommon condition indicating a congenital absence of the fibula. The consequence was that he had no stability at the ankle and would end up walking on the sides of his feet. It was decided to perform bi-lateral Symes (through ankle) amputations at 18 months. Liam is now 15 years old and has not let his amputations slow him in any way.

Liam has played rugby from an early age and has been involved in many sports over the years, including representing New Zealand in age group disabled track and field in Australia. Over the years the limbs have had to cope with increased demands as his sporting prowess developed and he tried ever more extreme sports. As shown in the photos, sometimes he chooses not to wear the cosmetic cover.

He is currently involved in rugby, boxing, downhill mountain bike racing, snow boarding, basketball, pig hunting and cross country running, to name a few, and somehow fits school in. The amputations have not stopped Liam doing what he loves and show very clearly that young people can achieve in their chosen areas, provided they are well supported by family with appropriate prosthetic input during this crucial developmental period.

New Referrals

During the 2008-09 year, the number of new patients referred and registered at the New Zealand Artificial Limb Board was 398 compared with 391 for the previous year.

Of the new referrals, 68% were male and 32% female. The under-20 years group was 3%, 33% were between 20 and 59 years, and 64% were over 60 years. New Zealand Europeans made up the largest group at 68%, with 16% being Maori, 8% Pacific people, and a range of others making up the remainder.

Some patients came to the New Zealand Artificial Limb Board for a pre-amputation visit, in order to help them make up their minds about going ahead with an amputation. In addition, there was a group of patients who attended after amputation but were advised against using a prosthesis for a variety of reasons – too ill, too frail, or considered incapable of managing one. Work is being done to ensure such decisions fit appropriate parameters. There was a further group of patients who did not get referred to the limb service at all after amputation because their clinicians had not advised this course. During the 2008-09 year, of the 398 referred to the limb service, 39 were considered unsuitable or decided of their own accord not to proceed, and 33 died during the year.

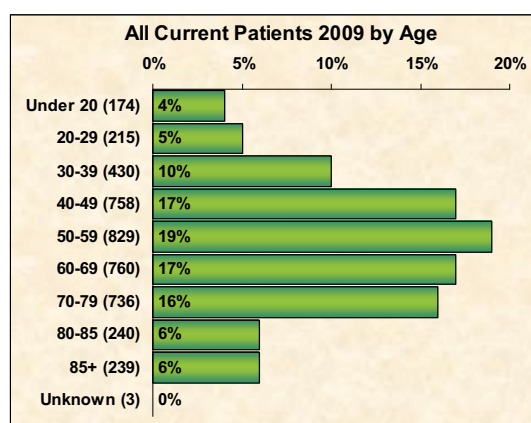
Those 398 newly registered had 433 amputations, which included 26 people with more than one amputation. Half the amputations (50%) were at the below knee level, with 33% being above knee, and 5% being upper limb amputations. A range of minor categories made up the remainder, e.g. hip disarticulations, through knee amputations.

All Current Patients

As at 30 June 2009 the service catered to 4,384 current patients registered with the New Zealand Artificial Limb Board throughout New Zealand.

The group was made up of 74% males, and 26% females. In ethnicity, 74% were New Zealand European, 13% Maori, and 7% were from the Pacific Islands. A variety of other ethnic backgrounds made up the remaining 6%.

All age groups were represented as shown by the chart below.



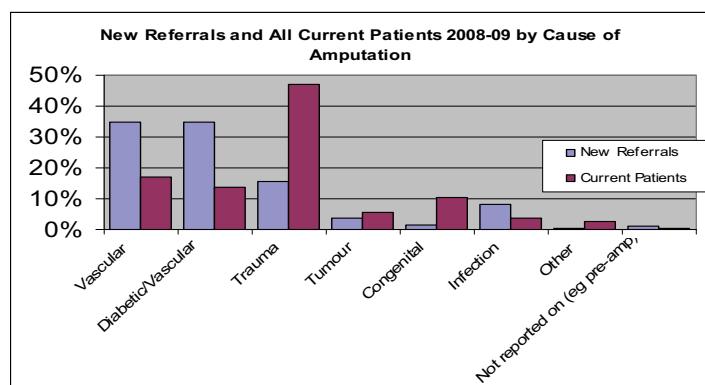
Of the 4,384 patients, trauma accounted for 47% of amputations, vascular failure 31% (including diabetes/vascular 14%), congenital limb loss 10%, and a variety of other causes such as infection and malignancy made up the remaining 12%.

Lower limb amputations of various types accounted for the bulk (87%) of the limb service patients, with 13% having amputations of the upper limb. As a generalisation the limb service is concerned with lower limb amputations anywhere between the mid-foot and the hip, and upper limb amputations between wrist and shoulder. Only a very few patients with amputations in the hand or of the fingers find prostheses useful. Amputations in the forefoot and of the toes are best dealt with by orthotics services.

Differences are evident when a comparison is made of new 2008-09 referrals entering the services against the current database as at 30 June 2009, as shown in the table below.

Of the **new** referrals, 70% were for vascular failure (diabetes and peripheral vascular disease) compared to the database figure of 31%, and trauma accounted for 16% compared with the database figure of 47%.

These differences do not represent new trends, but reflect the short life expectancy of many vascular amputees compared with the many years as an amputee to be expected of congenital amputees, traumatic amputees and many of the amputees for malignancy.



Policy

The Policy and Procedures Manual was reviewed and updated during the year. A new prescriptions policy based on enhanced cost benefit principles was developed and implemented.

Paralympics New Zealand

Under a Memorandum of Understanding, artificial limbs, training and technical support were provided for high performing amputee athletes by the New Zealand Artificial Limb Board and funded by Paralympics New Zealand. The Paralympics in Beijing provided many proud moments for New Zealanders watching the success of our amputees. The New Zealand Artificial Limb Board was delighted to assist with resources and expertise to support this dedicated and highly successful group of athletes. Individual staff performed beyond the call of duty to provide this service.

Results were:

Auckland: Cameron Leslie, Swimming – Gold Medal and World Record
 Wellington: Paula Tesoriero, Cycling – Gold (World Record) and two Bronze
 Wellington: Kate Horan, Track – Silver
 Christchurch: Sophie Pascoe, Swimming – 3 Golds (1 World Record), 1 Silver

The New Zealand Artificial Limb Board also provided support at Beijing as part of a sponsored team of technical experts.

Service Performance

Key Objectives

Key objectives of the Strategic and Business Plans adopted for the 2008-09 financial year were:

Objective 1

- assist New Zealand amputees by providing a high quality rehabilitative service through:
 - prescribing, constructing, fitting and servicing appropriate prostheses
 - contributing to amputee rehabilitation by working with other health service providers to develop a more integrated service.

Focus	Output															
<i>Capacity</i>	Organisational capacity to make, fit and service prostheses to at least the same level as in previous years: <table border="1" data-bbox="502 891 1332 1055"> <thead> <tr> <th></th> <th>Actual 2009</th> <th>Actual 2008</th> </tr> </thead> <tbody> <tr> <td>New Limbs Supplied</td> <td>828</td> <td>830</td> </tr> <tr> <td>Remodels</td> <td>174</td> <td>263</td> </tr> <tr> <td>Resockets</td> <td>421</td> <td>386</td> </tr> <tr> <td>Servicing Jobs</td> <td>9,157</td> <td>9,399</td> </tr> </tbody> </table>		Actual 2009	Actual 2008	New Limbs Supplied	828	830	Remodels	174	263	Resockets	421	386	Servicing Jobs	9,157	9,399
	Actual 2009	Actual 2008														
New Limbs Supplied	828	830														
Remodels	174	263														
Resockets	421	386														
Servicing Jobs	9,157	9,399														
<i>Integrated services</i>	Evidence of work with District Health Boards on resources and training to enhance an integrated service for amputees Development of resources for rest homes															

1. Capacity. The service is demand-driven and the emphasis is therefore on maintaining capacity rather than increasing production. Capacity remained the same as the previous year, and production levels were similar. Limbs have become more durable over time, leading to fewer new limbs and more remodels, resockets and servicing jobs. The mix varies slightly from year to year.

2. Integrated Services

i. "Public good" aspects of the work of the New Zealand Artificial Limb Board were incorporated into the Statement of Intent 2008-09 and the Memorandum of Understanding with the Minister for Social Development and Employment.

The "public good" aspects of the New Zealand Artificial Limb Board work have this year included providing clinical placements and observing roles for both physiotherapy and podiatry students at Limb Centres. In-service courses for registrars, physiotherapists, theatre nurses, and occupational therapists were provided both to District Health Boards and to rest home staff, as well as to para-medics (see also objective 3).

Resources were made available to District Health Boards. Included were information packs about amputation and services available from the New Zealand Artificial Limb Board, as well as bandaging posters. The New Zealand Artificial Limb Board gave permission for its bandaging posters to be utilised by the prosthetics service in one of the Australian states.

ii. *Resources for Rest Homes.* New posters giving a photographic demonstration of taking limbs on and off were developed for both below-knee and above knee patients. These are particularly aimed at rest home staff, where knowledge of amputee care is not widespread. They are in a format that can also be provided to individual patients and have been attached to the New Zealand Artificial Limb Board website for maximum availability.

ii. *Quality through establishing outcome measures.* Final analysis was completed that will contribute to the setting of benchmarks in the future. Enhanced co-ordination between District Health Boards and the New Zealand Artificial Limb Board, primarily through physiotherapists, continued with regard to referrals of amputees. This was to ensure that the maximum number of amputees was referred for fitting². Six hospitals during the year carried out self-audits to which the New Zealand Artificial Limb Board contributed. This quality measure is designed to check that appropriate referral practices occur at hospitals, as well as making sure no amputee “falls through the gap”.

iii. *Quality through staff training.* Emphasis is placed on keeping staff up to date with new overseas technology and procedures through training. In 2008-09, staff attended 10 technical courses, and 21 general training courses. Representatives also attended a scientific meeting where a paper on outcome measures was presented by a staff member.

Objective 2

- **Manage and enhance resources and skills to provide quality services in a changing environment.**

Focus	Output
<i>Working co-operatively with other agencies</i>	Quarterly reports provided to: <ol style="list-style-type: none"> its portfolio Minister, the Minister for Social Development and Employment, including advice on public good issues as per agreed work plan. its contractors, Capital and Coast District Health Board (on behalf of the Ministry of Health) and the ACC.

Working cooperatively with other agencies. Quarterly reports, including public good issues, were provided in a timely manner to the Minister for Social Development and Employment.

The New Zealand Artificial Limb Board has two main contracts, with the Ministry of Health and ACC.

Contract compliance. The New Zealand Artificial Limb Board complied with its contractual requirements with the Ministry of Health and the ACC, to whom it reported directly, and regularly through quarterly reports.

Ministry of Health: An increase to allow for CPI changes was received this year. The Ministry of Health has also provided invaluable help in the area of national amputation statistics and data matching, which contributed to one of the New Zealand Artificial Limb Board's key performance indicators – see under Objective 4.

² See also under Objective 4, Outcome Measures.

Accident Compensation Corporation (ACC) The contract with ACC was reviewed and renewed during the 2008-09 year. It is important for the smooth running of the contract that staff in both organisations clearly understand the New Zealand Artificial Limb Board service, and several courses for ACC case managers were held. This leads to greater knowledge of the service and more efficient administration, which benefits amputees and staff alike.

“Public Good”. It had been noted in previous years that physiotherapists in the community were lacking in knowledge of amputee care and gait issues. The New Zealand Artificial Limb Board considered that workshops and seminars for physiotherapists on these topics could help redress this gap. Over time, the recipients have extended to include registrars, orthotists, occupational therapists, rest home staff and paramedics and 31 in-service courses were delivered by Limb Service staff this year. All centres held such seminars, either in hospitals or at the Limb Centres themselves, to satisfy demand.

The New Zealand Artificial Limb Board was also invited to present a workshop on prosthetics and amputee care at an international rehabilitation conference in July 2009, which was well received.

Overall, the New Zealand Artificial Limb Board is confident that these initiatives will lead to enhanced care for amputees.

Objective 3

- **Operate as a successful enterprise with efficient and effective business practices.**

Focus	Output
<i>Productivity, efficiency and effectiveness</i>	Objective: <ul style="list-style-type: none"> • Enhance gains made through efficient and effective practices by continuing value stream evaluation • Continue analysis of major areas along value stream through a minimum of two specific projects • Implement identified improvements • Manage work flow and stock to acceptable levels

a. Productivity, efficiency and effectiveness. This project is now in its third year. Value stream evaluation this year had a focus on analysis of stock turnover of major items and matching stock levels more closely to usage. The range of stock prescribed was also analysed with a view to reducing stock items held routinely in Limb Centres. Analysis was completed during the financial year and reduced benchmarks for stock set, which will reduce stock levels in the coming years.

Flow charts of production with breakdowns of production times had been developed in the 2006-07 year with staff consultation. In the current year, emphasis was placed on patient-flow, so that services were provided seamlessly. Staff had input into an external project funded by the Ministry of Health and administered by the Amputees Federation of New Zealand. The project addressed discharge planning for amputees, with a particular emphasis on efficient referrals such as for patient aids such as wheelchairs, house modification, social work counseling, etc. Workshops had been conducted at most DHBs in New Zealand by the end of the financial year, with participants from the hospitals, Amputee Societies, and the New Zealand Artificial Limb Board.

Another major area for attention was that of waste, and some significant efficiencies resulted through the introduction of electronic pay-slips, and an emphasis on re-cycling and saving electricity. An arrangement was finalised with a major supplier in which both deliveries and invoicing of components would be sourced in Australia, instead of the USA. This would lead to both savings to the New Zealand Artificial Limb Board in costs and times of delivery, and more stability in the exchange rates.

A further efficiency involved an extension of the preparation of Superskin – a cosmetic latex skin-covering for artificial legs. Previously all this work had been done in the South Island, involving higher transport costs and associated delays for North Island patients. During the year the necessary equipment was installed and training completed in Hamilton Limb Centre, which can now provide this service to the other North Island Centres.

IT changes during the year included upgrades to equipment and software, with a new version of the business management software to be installed later in the year.

b. Relationships with amputees. Close relationships were continued between Limb Centres and Amputee Societies at a local level and with the Amputees Federation of New Zealand at a national level. Several presentations were made by the New Zealand Artificial Limb Board at the Annual General Meeting of the Amputees Federation of New Zealand in March 2009. It remains, however, that the core of the culture of the agency is the interactions of the staff with individuals, giving an individualised service.

c. Compliance with Government requirements. Internal documents were amended and updated to include new legislative requirements. Considerable time and effort was spent on compliance in both financial and wider areas of the agency. Health and safety remained a prime concern in a manufacturing environment and regular checks were made and monitored. A line-by line review was completed at Government's request, confirming the New Zealand Artificial Limb Board's continuing strong commitment over time towards Value for Money in the Government services it provides.

Objective 4

- **Initiate and access research and development to ensure the New Zealand Artificial Limb Board is in the forefront of professional progress.**

Focus	Output
<i>Quality through establishing outcome measures</i>	<p>Outcome measures project advanced by:</p> <ul style="list-style-type: none"> • collating results of trials of outcome measures • analysing results • amending collection of data/procedures if necessary • planning evaluation of data. <p>Report on progress of implementation in Annual Report.</p>
<i>Staff development through research, shared ideas and new information</i>	<p>Staff development through attending scientific meetings. Staff:</p> <ul style="list-style-type: none"> • research and present scientific papers • gather information on new technology and practice; • report back and share new information with colleagues

a. Quality through establishing Outcome Measures

In its 2008-09 Statement of Intent, the New Zealand Artificial Limb Board outlined the framework for the outcome measures project and outlined the outcomes for New Zealand amputees that it aimed to measure:

- Mobility
- Independence
- Health-related Quality of Life
- Employability

A variety of objective and subjective measuring tools had been chosen to measure the outcomes, e.g.

- annual statistics on all new amputations;
- questionnaires and walking tests that measured new lower limb patients at entry, 3-6 months later, and again a year later;
- a postal survey that canvassed a significant proportion of all the New Zealand Artificial Limb Board patients.

The first results of a patient cohort who entered the New Zealand Artificial Limb Board system between July 2006 - June 2007 were published in the 2007-08 annual report. A further analysis of the same data in December 2008 revealed that significant extra data was available. This was because many of the patients took some months to heal sufficiently to have their outcomes measured three times.

The data presented in this report is the result of that December 2008 analysis. It was decided that in future the extra time be allowed before annual analysis.

Results

The first performance indicator is timed at the entry point for amputees into the Limb Service.

<i>Aim</i>	<i>Performance Indicator</i>	<i>Result</i>
To ensure that the maximum possible number of new amputees have the opportunity to become mobile, through accessing NZALB services.	The number of amputees who become New Zealand Artificial Limb Board clients as a proportion of the total number of notifications of limb amputees in New Zealand over a financial year.	79% of amputees in 2007-08 were referred to the NZALB by December 2008

Statistics on hospital amputation procedures are now collated annually and are available to hospitals for audit purposes. In the 2008-09 year six hospitals used this data to carry out self audits as a quality measure to improve their referral rates.

Those amputees not referred were for sound reasons – above knee amputations, diabetes and older age groups associated with high levels of co-morbidities. We thank the Ministry of Health for their help with this aspect of the project.

The next performance indicator is based on the extent to which amputees achieve mobility and independence after they are fitted with artificial limbs. For this measure a questionnaire is used -

the Locomotor Capability Index - a tool especially designed for this purpose and used extensively overseas. Measure 1 is taken shortly after fitting with an artificial limb, and Measure 2 is taken six months later.

<i>Aims</i>	<i>Performance Indicator</i>	<i>Result</i>
To assist amputees towards gaining mobility and (therefore) independence through fitting with artificial limbs		73% of new lower limb amputees completed Measures 1 and 2 and -
	The percentage gain in mobility and independence of primary lower limb amputees over a six month period after the initial fitting.	- improved their overall median scores from 28 to 43 out of a possible 56 points, a 27% increase.
	The level of mobility and independence achieved at six months after the initial limb fitting (Measure 2) as a percentage of the optimal level of mobility and independence (maximum possible combined score for mobility and independence)	- the median of Measure 2 as a percentage of the maximum possible score is - 76%

These results will contribute to setting benchmarks in the future.

The final indicator looks back at the experience of amputees with the New Zealand Artificial Limb Board services and measures their levels of satisfaction. The survey is held three-yearly and the last survey was held in 2007. The results are consistent with previous surveys.

<i>Aim</i>	<i>Performance Indicator:</i>	<i>Results</i>
That amputees will reach a high level of satisfaction with the overall services they receive from the New Zealand Artificial Limb Board.	Amputee satisfaction with the service as measured by customer satisfaction surveys	Overall "satisfied" or "very satisfied" response of 92%, with only 3% of respondents expressing dissatisfaction with the overall service provided by the New Zealand Artificial Limb Board and the remainder being neutral. With regard to their artificial limbs, 87% expressed satisfaction with their limbs.

Health-related Quality of Life was also measured with an internationally widely used tool called the SF-12. This is also a questionnaire and measures both physical and mental health. Of those measured, 64% completed all three measures in the 2006-07 cohort. The average of the physical scores went from 34 to 39, which is less than the US norm of 50 but what one would expect, given the level of disability involved. The mental health scores stayed at 53 for Measures 1 to 3, which is higher than the U.S. norm of 50³.

³ For further information see New Zealand Artificial Limb Board Statement of Intent 2009-12, p.20

Employability was measured in the client survey. Of all respondents, 36% were in paid employment, of whom 90% considered their limb provided them with the ability to work in employment. Further results will be available for benchmarking from the next client survey during the 2009-10 financial year.

Overall, the outcomes project has:

- measured the organisation's service along the amputee pathway;
- used a mixture of internationally recognized objective and subjective tests that have considerable clinical value;
- provided a feedback loop that has led to many service improvements (e.g. enhanced monitoring in first crucial year, consistent testing across NZ, more physiotherapy for amputees, data for research);
- provided the basis for benchmarking for the future;
- provided accurate information on amputees not referred to the New Zealand Artificial Limb Board, as a basis for working with hospitals to improve referral rates;
- met the obligations of the New Zealand Artificial Limb Board for non-financial reporting under the Crown Entities Act; and
- provided quality data for funding negotiations for the future.

b. Staff development through research, shared ideas and new information

Staff attended the annual scientific meeting of the International Society for Prosthetics and Orthotics. A paper on progress with the outcomes measures project was presented at the meeting by a staff member. A full report on new technology and practice was prepared by those who attended, and circulated to other staff.

Internal research included analysis of outcome measures, which identified the outcomes for all patients who entered the New Zealand Artificial Limb Board system from June 2006-July 2007. This work will contribute to future planning. Also completed were a compilation of New Zealand Artificial Limb Board annual statistics, and hospital amputations statistics for the year 2007-08 from the Ministry of Health.

The establishment of these statistics has had positive flow-on effects as they are increasingly being used for quality improvement and research purposes, for which the New Zealand Artificial Limb Board is asked for its assistance.

During the year the New Zealand Artificial Limb Board approved two grants for research purposes relating to balance and posture in older amputees, and a study on diabetic patient outcomes. Staff also participated in an external research project to develop Amputee Pathways at hospitals, conducted by the NZ Amputees Federation and the Ministry of Health.

In the interests of future staffing needs, over some years the New Zealand Artificial Limb Board has worked with the Auckland University of Technology (AUT) and La Trobe University in Melbourne, Australia. The intent was to provide a conjoint degree in prosthetics and orthotics for New Zealand students. Despite considerable effort, this has not so far resulted in a concrete arrangement, principally because of the small numbers involved in New Zealand and the demand in Australia. The New Zealand Artificial Limb Board has decided to explore other options for training in the future. These options include a continuation of internal training with possibly a stronger emphasis on anatomy and physiology, internal/external credentialing and scholarship assistance.

Financial Performance

	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Income	7,425	7,437	7,399
Expenditure	7,457	7,166	7,279
Net surplus/(deficit)	(32)	271	120

Statement of Financial Performance for the Year ended 30 June 2009

	Note	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Income				
Revenue from Crown	2	7,113	7,076	6,996
Interest income		216	271	252
Other revenue		96	90	151
<i>Total income</i>		7,425	7,437	7,399
Expenditure				
Personnel costs	3	3,006	3,110	2,986
Depreciation and amortisation expense	9, 10	155	155	242
Other expenses	4	4,123	3,649	3,854
Rehabilitation		115	144	115
Training & Research		58	108	82
<i>Total expenditure</i>		7,457	7,166	7,279
Net surplus/(deficit)		(32)	271	120

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

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2009

	Note	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Assets				
Current assets				
Cash and cash equivalents	5	3,178	3,801	3,550
Debtors and other receivables	6	557	582	572
Prepayments		33	39	34
Inventories	7	1,226	1,295	1,196
Investments	8	475	-	-
<i>Total current assets</i>		5,469	5,717	5,352
Non-current assets				
Property, plant and equipment	9	1,209	1,177	1,300
Intangible assets	10	16	32	36
<i>Total non-current assets</i>		1,225	1,209	1,336
Total assets		6,694	6,926	6,688
Liabilities				
Current liabilities				
Creditors and other payables	11	408	409	411
Employee entitlements	12	399	290	360
<i>Total current liabilities</i>		807	699	771
Non-current liabilities				
Employee entitlements	12	68	60	66
<i>Total non-current liabilities</i>		68	60	66
Total liabilities		875	759	837
Net Assets		5,819	6,167	5,851
Equity				
General funds	13	3,633	4,006	3,690
Board created reserves	13	2,186	2,161	2,161
Total equity		5,819	6,167	5,851

The accompanying notes form part of these financial statements.

Statement of Movements in Equity for the Year ended 30 June 2009

	Note	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Balance at 1 July		5,851	5,896	5,731
Surplus/(deficit) for the year		(32)	271	120
Total recognised income and expense		(32)	271	120
Balance at 30 June		5,819	6,167	5,851

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year ended 30 June 2009

	Note	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Cash flows from operating activities				
Receipts from Crown revenue		7,135	7,040	6,990
Interest received		231	267	242
Receipts from other revenue		77	90	162
Payments to suppliers		(4,324)	(3,884)	(3,943)
Payments to employees		(2,964)	(3,082)	(2,902)
Goods and services tax (net)		(9)	(8)	23
Net cash from operating activities	14	146	423	572
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		-	-	-
Acquisition of investments		(475)	-	-
Purchase of property, plant and equipment		(41)	(77)	(120)
Purchase of intangible assets		(2)	(20)	(8)
Net cash from investing activities		(518)	(97)	(128)
Net increase/(decrease) in cash and cash equivalents		(372)	326	444
Cash and cash equivalents at the beginning of the year		3,550	3,475	3,106
Cash and cash equivalents at the end of the year	5	3,178	3,801	3,550

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Statement of accounting policies for the year ended 30 June 2009

Reporting entity

The New Zealand Artificial Limb Board is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the New Zealand Artificial Limb Board's ultimate parent is the New Zealand Crown.

The New Zealand Artificial Limb Board's primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return.

Accordingly, the New Zealand Artificial Limb Board has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for the New Zealand Artificial Limb Board are for the year ended 30 June 2009, and were approved by the Board on 23 October 2009.

Basis of preparation

Statement of Compliance

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

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

New Zealand Artificial Limb Board is a qualifying entity under the Framework of Differential Reporting as it not deemed publicly accountable for this purpose and is a small entity.

Accordingly, New Zealand Artificial Limb Board has taken the following exemptions allowed under the Framework

- IAS 1 paragraph 113 & 116
- IAS 8 paragraph 30
- IAS 24 paragraph 16
- IFRS 7 paragraph 25
- IFRS 7 paragraph 27 - 42

Measurement base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the New Zealand Artificial Limb Board is New Zealand dollars.

Significant accounting policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

The New Zealand Artificial Limb Board principally derives its revenue from the Crown through contracts with the Ministry of Health and ACC for services to third parties. The funding is restricted in its use to the purpose of meeting the New Zealand Artificial Limb Board's objectives as specified in the statement of intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Provision of services

Revenue derived through the provision of services to third parties is recognised upon completion at the balance sheet date.

Leases

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the New Zealand Artificial Limb Board are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of financial performance. Lease incentives received are recognised in the statement of financial performance over the lease term as an integral part of the total lease expense.

Grant expenditure

Discretionary grants are those where the New Zealand Artificial Limb Board has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the board and the approval has been communicated to the applicant.

Cash and cash equivalents

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

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the New Zealand Artificial Limb Board will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

Investments

At each balance sheet date the New Zealand Artificial Limb Board assesses whether there is any objective evidence that an investment is impaired.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method. For bank deposits, impairment is established when there is objective evidence that the New Zealand Artificial Limb Board will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered indicators that the deposit is impaired.

Inventories

Inventories are held for the provision of services and measured at the lower of cost (calculated using the weighted average cost method) and current replacement cost. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition. Inventories include stock on hand and work in progress.

Inventories in work in progress are valued at the weighted average cost at the time they were used. Labour is included at cost.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance in the period when the write-down occurs.

Accounting for foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates 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 statement of financial performance.

The New Zealand Artificial Limb Board does not currently use forward exchange contracts to hedge exposure to foreign exchange risk.

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, plant and equipment, furniture and fittings and computer equipment.

Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the New Zealand Artificial Limb Board and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the New Zealand Artificial Limb Board and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the 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:

Leasehold Improvements	4.75 to 50 years	(2%-21%)
Plant and equipment	10 years	(10%)
Furniture and fittings	5 years	(20%)
Computer equipment	3 years	(33%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

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 licences 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 by New Zealand Artificial Limb Board, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of 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 the development and maintenance of the New Zealand Artificial Limb Board'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 period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	5 years	(20%)
Developed computer software	5 years	(20%)

Impairment of non-financial assets

Property, plant and equipment and intangible assets 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 amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the New Zealand Artificial Limb Board would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the New Zealand Artificial Limb Board expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The New Zealand Artificial Limb Board recognises a liability for sick leave to the extent that compensated 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 the New Zealand Artificial Limb Board anticipates it will be used by staff to cover those future absences.

The New Zealand Artificial Limb Board recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Long service leave entitlements that are payable beyond 12 months have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for Government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver and the NZ Artificial Limb Board Superannuation Scheme are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of financial performance as incurred.

Defined benefit schemes

The New Zealand Artificial Limb Board makes contributions to the DBP Contributors Scheme (the scheme), which is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 16.

Provisions

The New Zealand Artificial Limb Board recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures 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 expenditures 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 a finance cost.

Good and Service 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 then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (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 an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The New Zealand Artificial Limb Board is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the New Zealand Artificial Limb Board for the preparation of the financial statements.

Changes in accounting policy

There have been no changes in accounting policy.

2 Revenue from Crown

The New Zealand Artificial Limb Board has been provided with funding principally from the Crown for the specific purposes of the New Zealand Artificial Limb Board as set out in its founding legislation and the scope of the relevant Government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to Government funding (2008: nil).

3 Personnel costs

	Actual 2009 \$000	Actual 2008 \$000
Salaries and wages	2,855	2,774
Employer contributions to defined contribution plans	110	129
Increase/(decrease) in employee entitlements (note 12)	41	83
Total personnel costs	3,006	2,986

Employer contributions to defined contribution plans include contributions to Kiwisaver, NZ Artificial Limb Board Superannuation Plan with New Zealand Retirement Trust and the National Provident DBP Contributors Scheme.

4 Other Expenses

	Actual 2009 \$000	Actual 2008 \$000
Fees to auditor		
Audit fees for financial statement audit	29	29
Audit fees for NZ IFRS transition	1	7
Board members' fees	80	70
Board members' expenses	22	24
Material costs	3,264	2,982
Operating lease expense	136	128
Consultancy	2	8
Net foreign exchange losses	9	25
Net loss on sale of property, plant and equipment	-	1
Impairment of property, plant and equipment	-	23
Other	580	557
Total other expenses	4,123	3,854

5 Cash and cash equivalents

	Actual 2009 \$000	Actual 2008 \$000
Cash on hand and at bank	533	511
Cash equivalents – term deposits	2,645	3,039
Total cash and cash equivalents	3,178	3,550

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

The weighted average effective interest rate for term deposits is 6.90% (2008 8.21%).

6 Debtors and other receivables

	Actual 2009 \$000	Actual 2008 \$000
Trade debtors	507	531
Other receivables	36	12
Interest accrual	14	29
Total debtors and other receivables	557	572

The carrying value of receivables approximates their fair value.

7 Inventories

	Actual 2009 \$000	Actual 2008 \$000
Materials	1,034	992
Work in progress	192	204
Total inventories	1,226	1,196

The New Zealand Artificial Limb Board does not currently hold any inventory for distribution (2008: nil).

The write-down of materials held for production amounted to \$32,500 (2008: \$64,266). There have been no reversals of write-downs.

There are no inventories pledged as security for liabilities; however some inventories are subject to retention of title clauses until paid for in full.

8 Investments

	Actual 2009 \$000	Actual 2008 \$000
Current investments are represented by:		
Term deposits	475	-
Total investments	475	-

There were no impairment provisions for investments.

9 Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Leasehold Improve- ments \$000	Plant & equip- ment \$000	Furniture and fittings \$000	Computer Equipment \$000	Total \$000
Cost or valuation					
Balance at 1 July 2007	918	689	333	272	2,212
Additions	78	10	29	4	121
Disposals			(5)	(13)	(18)
Balance at 30 June 2008	996	699	357	263	2,315
Balance at 1 July 2008	996	699	357	263	2,315
Additions	2	13	10	16	41
Disposals		(2)	(13)	(22)	(37)
Balance at 30 June 2009	998	710	354	257	2,319
Accumulated depreciation and impairment losses					
Balance at 1 July 2007	22	313	288	247	870
Depreciation expense	49	51	24	15	139
Impairment losses		23			23
Eliminate on disposal			(4)	(13)	(17)
Balance at 30 June 2008	71	387	308	249	1,015
Balance at 1 July 2008	71	387	308	249	1,015
Depreciation expense	49	54	16	14	133
Impairment losses					
Eliminate on disposal		(2)	(13)	(23)	(38)
Balance at 30 June 2009	120	439	311	240	1,110
Carrying amounts					
At 1 July 2007	896	376	45	25	1,342
At 30 June and 1 July 2008	925	312	49	14	1,300
At 30 June 2009	878	271	43	17	1,209

There are no restrictions over the title of the New Zealand Artificial Limb Board's plant and equipment, nor are there any plant and equipment pledged as security for liabilities.

10 Intangible assets

	Acquired software \$000	Internally generated software \$000	Total \$000
Cost			
Balance at 1 July 2007	203	537	740
Additions	5	3	8
Disposals	-	-	-
Balance at 30 June 2008	208	540	748
Balance at 1 July 2008	208	540	748
Additions	2	-	2
Disposals	-	-	-
Balance at 30 June 2009	210	540	750
Accumulated amortisation and impairment losses			
Balance at 1 July 2007	167	442	609
Amortisation expense	23	80	103
Disposals	-	-	-
Balance at 30 June 2008	190	522	712
Balance at 1 July 2008	190	522	712
Amortisation expense	6	16	22
Disposals	-	-	-
Balance at 30 June 2009	196	538	734
Carrying amounts			
At 1 July 2007	36	95	131
At 30 June and 1 July 2008	18	18	36
At 30 June 2009	14	2	16

There are no restrictions over the title of the New Zealand Artificial Limb Board's intangible assets, nor are there any intangible assets pledged as security for liabilities.

11 Creditors and other payables

	Actual 2009 \$000	Actual 2008 \$000
Creditors	207	185
Income in advance	20	17
Accrued expenses	101	120
GST	80	89
Total creditors and other payables	408	411

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms.

12 Employee entitlements

	Actual 2009 \$000	Actual 2008 \$000
Current employee entitlements are represented by:		
Accrued salaries and wages	136	125
Annual leave	242	214
Sick leave	3	3
Long service leave	18	18
<i>Total current portion</i>	399	360
Non-current employee entitlements are represented by:		
Long service leave	68	66
<i>Total non-current portion</i>	68	66
Total employee entitlements	467	426

The present value of long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate the New Zealand Artificial Limb Board considered the interest rates on NZ Government bonds which have terms to maturity that match, as closely to possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns by an independent actuary. A weighted average discount rate of 6.5% (2008:6.3%) and an inflation factor of 3.0% (2008: 3.0%) were used.

If the discount rate were to differ by 1% from the New Zealand Artificial Limb Board's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$5,000 higher/lower.

If the salary inflation factor were to differ by 1% from the New Zealand Artificial Limb Board's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$5,000 higher/lower.

13 Equity

	Actual 2009 \$000	Actual 2008 \$000
General funds		
Balance at 1 July	5,851	5,731
Surplus/(deficit)	(32)	120
Balance at 30 June	5,819	5,851
Less Board-created reserves		
Property occupancy reserve	(1,561)	(1,561)
IT enhancement reserve	(178)	(178)
Centre upgrading reserve	(81)	(81)
Research and development reserve	(354)	(329)
Special funding reserve	(12)	(12)
Closing general funds	3,633	3,690
Movement in Board reserves		
Property occupancy reserves		
Opening balance	1,561	1,639
Transferred from general funds	-	(78)
Balance as at 30 June	1,561	1,561
IT enhancement reserve		
Opening balance	178	178
Transferred from general funds	-	-
Balance as at 30 June	178	178
Centre upgrading reserve		
Opening balance	81	81
Transferred from general funds	-	-
Balance as at 30 June	81	81
Research and development reserve		
Opening balance	329	298
Transferred from general funds	25	31
Balance as at 30 June	354	329
Special funding reserve		
Opening balance	12	-
Transferred from general funds	-	12
Balance as at 30 June	12	12
Total Board created reserves	2,186	2,161

14 Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual 2009 \$000	Actual 2008 \$000
Net surplus/(deficit)	(32)	120
Add/(less) non-cash items		
Depreciation and amortisation expense	155	265
<i>Total non-cash items</i>	155	265
Add/(less) items classified as investing activities		
(Gains)/losses on disposal of property, plant and equipment	-	1
<i>Total items classified as investing activities</i>	-	1
Add/(less) movements in working capital items		
Debtors and other receivables	15	(11)
Inventories	(30)	112
Creditors and other payables	(3)	3
Employee entitlements	41	82
<i>Net movements in working capital items</i>	23	186
Net cash from operating activities	146	572

15 Capital commitments and operating leases

	2009 \$000	2008 \$000
Capital commitments		
Property, plant and equipment	-	-
Total capital commitments	-	-

Operating leases as lessee

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

	2009 \$000	2008 \$000
Not later than one year	76	113
Later than one year and not later than two years	-	76
Later than two years and not later than five years	-	-
Later than five years	-	-
Total non-cancellable operating leases	76	189

The New Zealand Artificial Limb Board has commercial leases on two properties:

- Dunedin Limb Centre, lease expires in April 2013 with an option to vacate the premises at the lease renewal date of May 2010,
- National Office in Wellington, lease expires September 2015 with two options to vacate the premises at the lease renewal dates September 2009 and September 2012.

The New Zealand Artificial Limb Board has assumed it will not vacate either of the premises at the lease renewal dates stated above. The future minimum lease payments if vacated at renewal date are \$75,000 (2008: \$187,000).

16 Contingencies

Contingent liabilities

Superannuation schemes

The New Zealand Artificial Limb Board is a participating employer in the DBP Contributors Scheme ("the Scheme"), which is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2008⁴, the Scheme has a past service surplus of \$28.3 million (9.9% of the liabilities). This amount is exclusive of Specified Superannuation Contribution Withholding Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The Actuary of the Scheme has recommended the employer contribution remains at 1.0 times the contributors' contributions. The 1.0 is inclusive of Specified Superannuation Contribution Withholding Tax.

⁴ Reported is the most current valuation; the National Provident Fund actuary valuation is not available until December of each year .

17 Related party transactions and key management personnel

The New Zealand Artificial Limb Board is a wholly owned entity of the Crown. The Government significantly influences the role of the New Zealand Artificial Limb Board in addition to being its major source of revenue.

The New Zealand Artificial Limb Board enters into transactions with Government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the New Zealand Artificial Limb Board would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Transaction	Ref	Transaction value year ended 30 June		Balance outstanding year ended 30 June	
			2009	2008	2009	2008
G F Lamb	Clinical services & attendance fees	i	2,040	6,290	2,750	1,500
B Tietjens	Clinical services & attendance fees	i	400	-	400	-

(i) The New Zealand Artificial Limb Board paid fees to two individual Board members in relation to clinical services as consulting surgeons. Amounts were billed based on normal rates for such services and were due and payable under normal commercial terms.

18 Board member remuneration

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

	Actual 2009 \$000	Actual 2008 \$000
A G Hall (Chairperson)	30	25
J Thompson (Deputy Chairperson)	12	10
C Johnstone	10	9
G F Lamb	9	9
N D Millar	-	3
L L Peacock	9	9
R Sainsbury	9	5
B Tietjens	1	-
Total Board member remuneration	80	70

There have been no payments made to committee members appointed by the Board who are not members of the Board during the financial year.

Employee remuneration

Total remuneration paid or payable	Actual 2009	Actual 2008
100,000 – 109,999	2	-
110,000 – 119,999	-	-
120,000 – 129,999	2	-
130,000 – 139,999	-	1
140,000 – 149,999	-	-
150,000 – 159,999	-	1
Total employees	4	2

During the year ended 30 June 2009, no (2008: 3) employees received compensation and other benefits in relation to cessation (2008: \$65,924). No Board members received compensation or other benefits in relation to cessation (2008: Nil).

19 Events after the balance date

There were no significant events after the balance date.

20 Categories of financial assets and liabilities

The carrying amount of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2009 \$000	Actual 2008 \$000
<i>Loans and receivables</i>		
Cash and cash equivalents	3,178	3,550
Term deposits	475	-
Debtors and other receivables	590	606
Total loans and receivables	4,243	4,156
<i>Financial liabilities measured at amortised cost</i>		
Creditors and other payables	408	411
Total financial liabilities measured at amortised cost	408	411

21 Capital management

The New Zealand Artificial Limb Board's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The New Zealand Artificial Limb Board is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The New Zealand Artificial Limb Board manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure the New Zealand Artificial Limb Board effectively achieves its objectives and purpose, whilst remaining a going concern.

22 Explanation of significant variances against budget

Explanations for significant variations from the New Zealand Artificial Limb Board's budgeted figures in the statement of intent are as follows:

Statement of financial performance

Interest revenue

Interest revenue is lower than budgeted by \$55,000 due to lower interest rates.

Operating expenses

Operating expenses were more than budgeted by \$291,000. The majority of this was increased material costs due to this year's prescription requirements and overseas exchange rates. There were also one off recruitment costs incurred for the appointment of the new Chief Executive.

Training and research

The New Zealand Artificial Limb Board continues its investment in staff development with nearly 2% of overall personnel costs this current year. External costs were less than budgeted by \$50,000.

NEW ZEALAND ARTIFICIAL LIMB BOARD

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