

Peke Waihanga

Artificial Limb Service

Orthotic Service

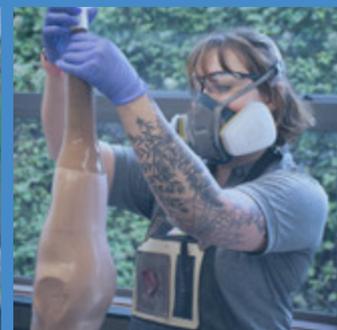
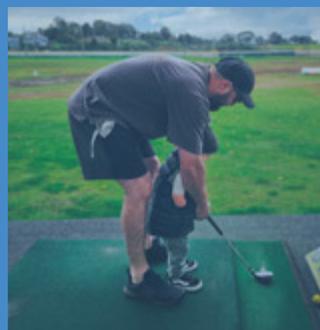
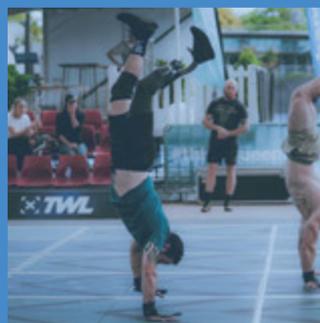
Peer Support Service

E.12A

Annual Report

For the Year Ended
30 June 2023

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



Our Vision

**Kia riro ia te mana motuhake o
tōna ao, kātahi ā mātou tūroro ka
whai hua.**

Independent and productive lives for
the people we care for.

Who Are We

Peke Waihanga (New Zealand Artificial Limb Service) is an autonomous Crown Entity under the Crown Entities Act 2004 and Artificial Limb Service Act 2018 and is required to comply with the Public Finance Act 1989.

Peke Waihanga delivers prosthetic, orthotic, rehabilitation, peer support and coordination of care service. We do this based on the following legislated functions:

- to manufacture, import, export, market, distribute, supply, fit, repair, and maintain artificial limbs
 - to provide rehabilitative and other services to people in connection with artificial limbs
 - to carry out research and development in relation to artificial limbs
 - to advise the Minister on matters relating to artificial limbs
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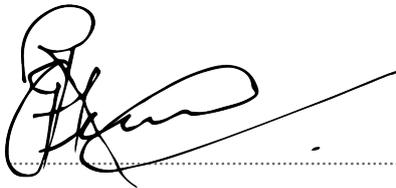
Rarangi Take

Contents

Whakaahua o te tau 2023 Snapshot	Page 7
Rīpoata-a-Heamana Chairman's Report	Page 8
Ratonga Service	Page 10
Hunga mahi matanga Expert Workforce	Page 16
Hungarau, Rangahau me te Whakawhanaketanga Technology, Research and Development	Page 22
Mana taurite Equity	Page 28
Kia Haumarū Hei Hauora Health & Safety	Page 36
Ngā Mema Poari Board Members	Page 38
Tauāki Paearu Statement of Performance Expectations	Page 40
Ngā Tauāki Pūtea Financial Statements	Page 42
Notes to Financial Statements	Page 54

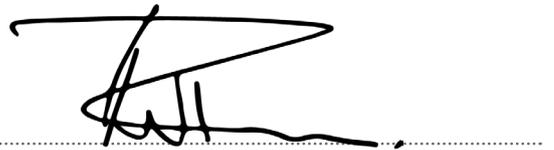
To the Minister for Social Development

In accordance with section 151 of the Crown Entities Act 2004, we submit the Annual Report of Peke Waihanga – New Zealand Artificial Limb Service.



George Reedy
Chair

21 December 2023



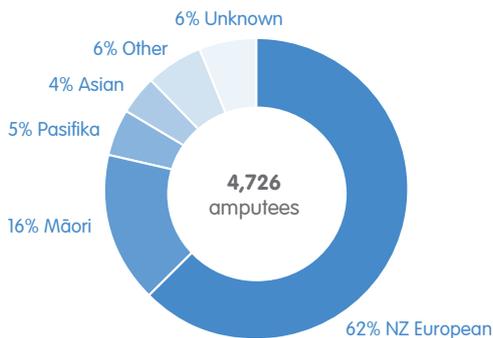
Kevin Ross
Board Member

21 December 2023

Whakaahua o te tau 2023 Snapshot

Artificial Limb Service

Overview

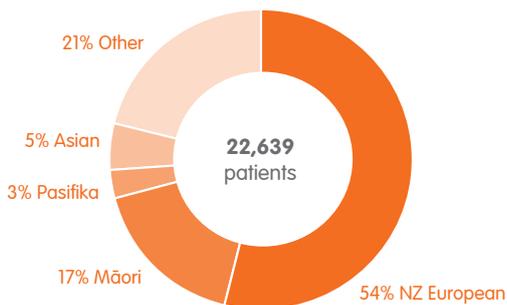


Gender



Orthotic Service

Overview

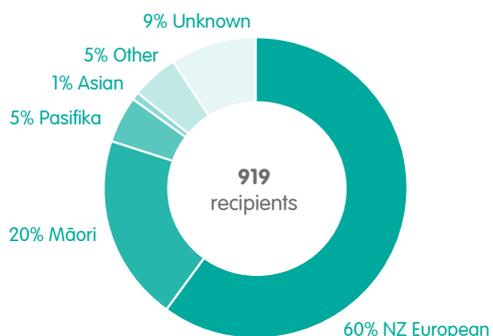


Gender



Peer Support Service

Overview



Volunteers



Our locations

We have seven centres that support 17 regional clinic locations, as shown below:



This year at a glance:

Our patients:

- 454 new amputees
- 31% trauma amputations
- 41% diabetes & vascular amputations
- 23% congenital, cancer and infection amputations

Our expert workforce:

- 1,576 days of structured professional development
- 7% increase in completed jobs compared to last year
- 1% decrease in rehabilitation therapy & support

We currently have:

- 3 rehab physicians
- 4 podiatrists
- 7 orthopaedic surgeons
- 19 device technicians
- 2 general practitioners
- 3 digital technicians
- 42 prosthetists/orthotists
- 104 peer support volunteers
- 18 physiotherapists & occupational therapists
- 27 service coordinators & support staff
- 4 nurses

Chairman's Report

Nau mai haere mai

Ka tū te rākau, ka hōhonu ngā pakiaha.

The tree stands strong, and the roots run deep.

I would like to start by thanking our dedicated expert workforce. They have continued to provide great service to the people we care for despite the considerable pressures of increasing demand and patient complexity within a reforming and changing health and disability environment.

High patient and funder satisfaction with our mahi has seen both an increase in our revenue and demand for our services grow by 34%.

To support our work our expert workforce has grown by 50% and we are also investing in a new patient management solution to improve services and insights leading to better decision making.

In June we had an official opening for the new state-of-the-art centre in Christchurch. This new facility is empowering and one that the people we care for deserve. It represents our determination to "move heaven and earth to support our amputees and patient community to achieve independent and productive lives". Regionally the centre is part of the ongoing revitalisation of the community and nationally it sends a positive message to amputees and whānau needing orthotic support.

Provision of orthotic services has increased because of new contracts, stabilising hospital work and our initiatives in the community to prevent feet conditions from worsening - resulting in fewer amputations in patients.

We are incredibly proud of the fact we have no waitlist for our orthotic services and on average

patients can get an appointment within 10 working days of referral.

Our services to amputees continue to evolve. For example:

- 3D printed sockets now represent over 40% of jobs for below knee amputees resulting in a patient-reported 14% improvement in comfort.
- A majority of upper limb prosthetic wearers now use our control silicone sockets resulting in improved skin care and comfort and the ability to integrate the control system for myoelectric devices within the sockets.

We have built on the recent successes of our complimentary Peer Support Services by also offering the service to those at risk of amputation by piloting a "life coaching" service in Auckland. Of all new amputees needing prosthetic services 100% are offered the service.

During the past year we have organised and offered amputees the opportunity to join in sports and participation days – giving them the opportunity to try activities they may not have previously thought possible.

Despite these positives, Peke Waihanga continues to operate in an environment with both opportunities and challenges. For example:

- Our Te Whatu Ora Prosthetic Services contract has not been reviewed for over two decades and in its current state represents significant health and safety risks for patients, our

workforce and organisation. It needs urgent review.

- The Health and Disability reforms and associated decisions are having a direct impact on service demands and patient needs.
- Inflation is increasing faster than our contract revenues. This has two key impacts; firstly, the salaries we are paying are going backwards relative to buying power and secondly; ongoing supplier increases in pricing means we are getting less for our spend.

We all know health services in Aotearoa are leading to inequitable outcomes for Māori and Pacific people. We have much more work to do in this space. That being said, we are listening to these communities and have independent/ autonomous feedback from these service users suggesting we are achieving equitable self-reported outcomes for Māori and Pacific people.

In closing we are here for the people we care for, thank you to all these people for engaging with us and collaboratively working toward helping them gain their independence. We have appreciated government and accountable Ministers ongoing support for our mahi. Finally, to my fellow Board members, thank you for your mahi and guidance that allows Peke Waihanga to move forward in such a positive way.

Ngā mihi,

A handwritten signature in black ink, appearing to read 'George Reedy', with a long horizontal line extending to the right.

George Reedy
Chair

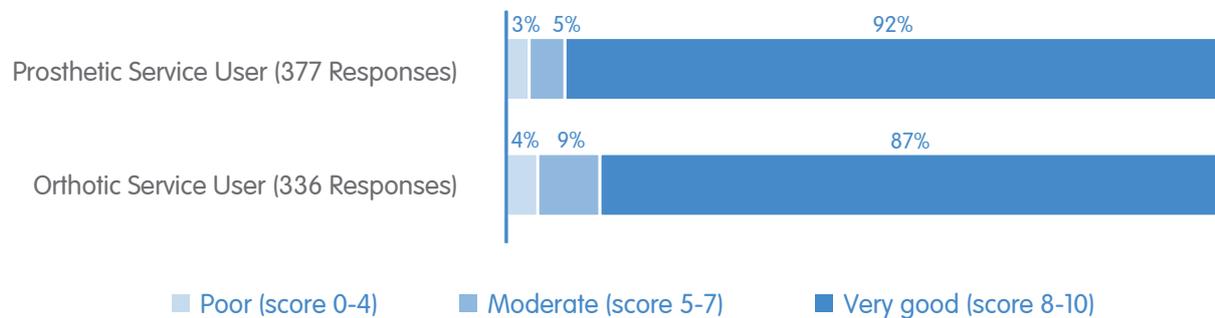
Ratonga Service

Our patients are at the centre of everything we do, receiving from Peke Waihangā whole-of-life, world-class services that deliver what they need at each stage of their journey.

Service Satisfaction

Results for "Rate the overall service you received for the job we have undertaken for you?"

Scale: 0 being the worst and 10 being the best possible



Peke Waihanga independently and anonymously surveys users to understand their satisfaction with the service we provide them. The above graph shows:

1. 92% of 377 prosthetic service users scored overall service satisfaction "very good"
2. 87% of 366 orthotic service users scored overall service satisfaction "very good"

Prosthetic Service Health and Safety Risk

Having two different national prosthetic contracts presents significant health and safety risks:

- Under the Accident Compensation Corporation funded Artificial Limb Service, amputees receive optimised prosthetic prescription and rehabilitation.
- The Te Whatu Ora contract for prosthetic services is underfunded and bulk funded. It has been unchanged for over two decades and does not meet amputee's prosthetic and rehabilitation needs.

This situation imposes suboptimal outcomes for patients and ongoing stress for staff. For example:

1. Increased risk of patient falls when optimal devices cannot be prescribed due to funding limitations.
2. Absence of patient annual reviews and rehabilitation due to funding constraints which can lead to device failure, ill-fitting devices, and physical or mental health issues.
3. Employee mental health is at risk, necessitating regular team meetings, communication of organisational efforts to address disparities, and access to EAP services.
4. Declining levels of critical physiotherapy and rehabilitation services being made available to new Te Whatu Ora funded amputees makes it increasingly unsafe for them to use their prosthesis in the community.

These examples can result in injuries, immobility, and mental health issues, necessitating rehabilitation and other disability support services.

Artificial Limb Service (Prosthetics)

This year we provided prosthetic services to 4,726 amputees.

These services were funded by national service contracts with the Accident Compensation Corporation and Te Whatu Ora. As part of our efforts to improve patient outcomes, we have continued to increase our rehabilitation care for amputees; with physiotherapy, occupational therapy, orthotics and nursing.

Reason for Amputation	2019	2020	2021	2022	2023
Injury / Trauma	2,376	2,389	2,413	2,472	2,489
Cancer / Infection / Congenital / Other	1,226	1,202	1,257	1,281	1,359
Diabetes / Vascular	1,194	1,265	1,246	1,350	1,296
Total	4,796	4,856	4,916	5,103	5,144

The above table shows over the last five years, our amputees by reason for amputation. Of interest is the 7% increase in amputees needing our prosthetic services over this period.

Upper Extremity

Case Study



We have continued to evolve and respond to new technology and service options for our upper extremity patients.

This image shows a person who had a traumatic amputation with small parts for the index and middle finger remaining, and his ring and pinky finger amputated fully through the knuckle. Our prosthetist fitted two MCP drivers which enables the patient to drive them by flexing his two remaining residual fingers and two GripLock fingers to replace the ring and pinky finger.

The prosthetist and patient were absolutely thrilled with how comfortable the prostheses were and amazed at how much function they gave the patient.

Orthotic Services

This year we provided orthotic services to 22,639 patients. Our Orthotic Service continues to evolve and improve outcomes for the people we care for.

Case Study

A patient presented to Peke Waihanga for a pre-amputation consultation.

This patient worked with our clinical team which led to the decision not to amputate the patient's limb. Instead, they were prescribed and fitted with a custom ankle foot orthosis (AFO), insole and shoe.

This orthotic intervention avoided \$40,000 surgical / hospital cost related to amputation and achieved an improvement in patient mobility and a reduction in pain.



Right to left: Before and after orthotic intervention with AFO, insole and shoe.

Another orthotic services provider took legal action against Peke Waihanga in the High Court. They challenged our legal right to provide orthotic services and devices within the Artificial Limb Service Act 2018.

They were unsuccessful and the High Court instructed them to pay Peke Waihanga costs. They then took the matter to the Court of Appeal. The Court dismissed the appeal on 5 December 2023.

It has cost Peke Waihanga \$228,000 to defend this matter.

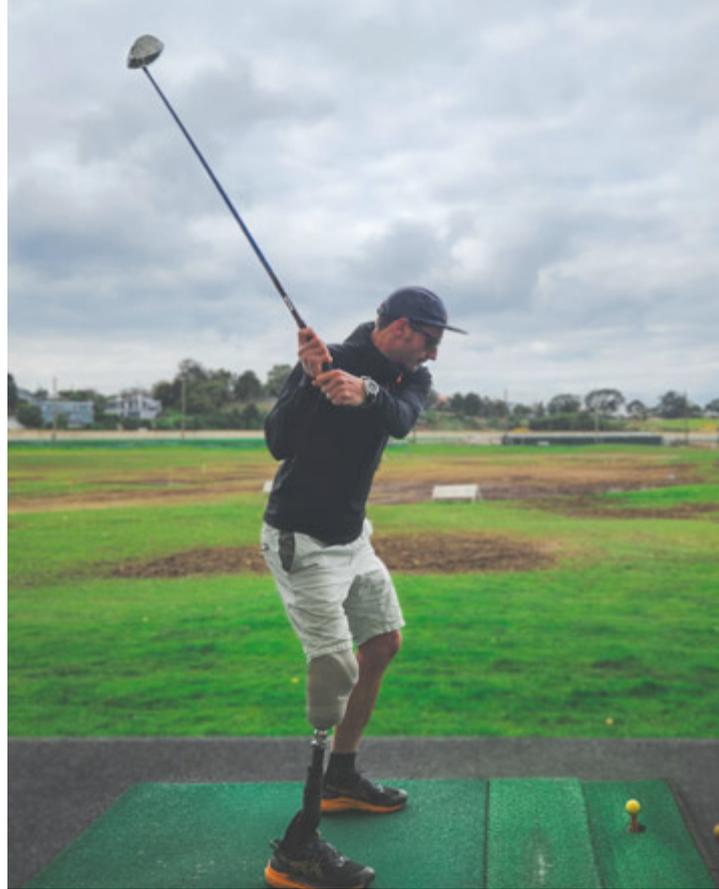
Te Pou Aropā Takitoru (Peer Support Service)

This year we provided peer support to 227 of the 475 people referred for prosthetic services (break down by quarter and funder in table below). These people awarded a very high user satisfaction rate to the service.

	Jul-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	Apr-Jun 2023	Total
ACC	22	16	13	12	63
Te Whatu Ora	54	53	54	33	194
Total	76	69	67	45	257

During the reporting period, our **Te Pou Aropā Takitoru, Peer Support Service** won the 2022 'Rehabilitation Innovation Award' from the New Zealand Rehabilitation Association. This award was a tribute to the teams outstanding work to improve access and equity for amputees on their journey by offering pre or post-amputation support.





Hunga mahi mātanga

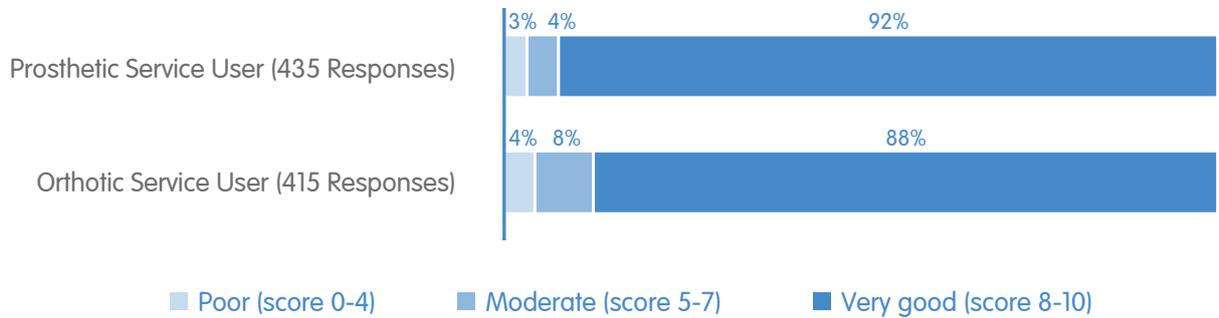
Expert Workforce

Our expert workforce is responsive and able to develop, adapt and adopt innovation and technology to continually improve the service and outcomes for our patients.

Trust and Confidence

Results for "Rate how trusting and confident did you feel with staff providing your care?"

Scale: 0 being the worst and 10 being the best possible

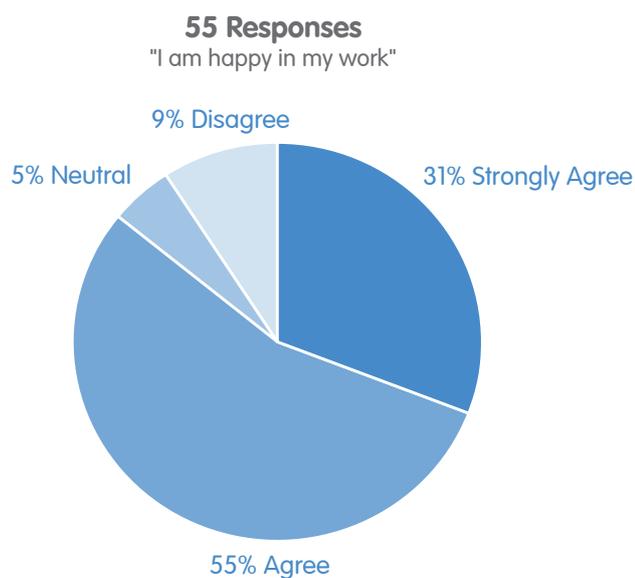


Peke Waihanga independently and anonymously surveys service users to understand their trust and confidence. The above graph shows:

1. 92% of 435 prosthetic service users scored overall trust and confidence "very good"
2. 88% of 415 orthotic service users scored overall trust and confidence "very good"

Staff Pulse Survey

We conduct triannual staff Pulse Surveys (Team Culture and Wellbeing). The aim of these anonymous surveys is to gauge how staff are feeling at work and to gather feedback and suggestions on how we can continue to improve our work environment.



The above graph are results from the triannual Pulse Survey. It found that 86% of our staff "agree" or "strongly agree" that they feel happy at work.

Organisational Evolution

As an organisation Peke Waihanga continues to grow, and to meet the growing needs of our business we have implemented the following recommendations:



- Introduction of dedicated Service Coordinator Leads for our orthotic services, who provide further support to clinicians and enable Team Leads/Managers to focus on service implementation and development, as well as people leadership.
- Appointment of qualified Life Coach, Ian Winson (pictured to the left) to pilot a new life coaching service which provides patients with coaching on the practicalities of navigating life with limb loss.
- Appointment of a Technical Business Analyst to enable and empower Peke Waihanga service users, team members and leadership team to utilise current and future Information Technology and data by identifying problems, opportunities and solutions that help us deliver on our vision and mission.
- Appointment of a Health Infrastructure Lead to provide dedicated management of our health infrastructure (property, equipment and security). The Health Infrastructure Lead will support fit for purpose service locations for safe, efficient and effective high quality patient services.

Rehabilitation Hui (Training)

A National Rehabilitation Team two-day hui took place in Auckland in February. On day one, the full rehab team, including 14 physiotherapists, two occupational therapists, three nurses, regional managers, and the CEO, attended. The focus was on pain education, covering pain neurophysiology, MDT pain services, innovation in pain management, and psychology's role in chronic pain. Presentations also discussed the Exopulse Mollii Suit, Osteoporosis, and Telehealth. These sessions aimed to enhance the team's understanding of supporting amputees during their rehab journey and pain management.

On day two, the team split by their professions. Occupational therapists joined the Upper Extremity Hui, nurses focused on wound care products, and physiotherapists trained with experienced Physiotherapist Katrina Shatford. The physios concentrated on Amputee gait analysis and training theory in the morning and had practical sessions with clients in the afternoon, focusing on gait analysis and problem-solving. This helped them gain valuable experience for clients transitioning from walking to running with a prosthesis.

Upper Limb Workshop

We collaborated with Ottobock on the provision of an Upper Limb Seminar and Workshop in February. The workshop had a focus on practical assembly and fitting possibilities for myoelectric devices

Twenty-five prosthetists, technicians, and occupational therapists from all of our centres attended the two-day course.

Ottobock provided the components and control mechanisms, identifying and explaining each through presentations. Our team then worked in groups to build ten full prostheses to different specifications based on case studies of progressive complexities. They then problem solved a further ten builds with issues from common to increasingly complex.

This mahi also led to the introduction of a paediatric myoelectric rental concept to help us push for equity for our health-funded amputee children. The hands-on practical nature of the course was very useful in supporting improved patient outcomes.



Peke Waihanga as a Good Employer

Peke Waihanga promotes staff participation in the development of 'good employer' programmes and practices through regular employee collaboration meetings, recruitment panels and health and safety policies.

We engage with our employees and the New Zealand Public Service Association (which represents approximately 30% of our workforce) to comply with both 'good employer' practices and equal employment opportunities provisions:

- All prosthetists and orthotists currently employed by Peke Waihanga hold a tertiary qualification in orthotics or prosthetics. This includes qualifications gained through universities, polytechnics and institutes of technology.
- Peke Waihanga actively supports many non-standard work arrangements where business demands enable these to occur, including part-time, flexible working hours, working from home and other forms of remote working.
- We tailor our support to individual need, and actively support return-to-work programmes for ill and injured employees.
- We have a 'Managing Bullying, Harassment and Discrimination in the Workplace' policy which details no tolerance for any form of discrimination or harassment within our organisation.
- Peke Waihanga is an 'accredited employer' with Immigration New Zealand. As an organisation we meet strict criteria in respect of our robust human resources practices and our commitment to training and employing New Zealanders (where appropriate).
- Our remuneration processes have been developed by robust job sizing evaluations, ensuring that remuneration reflects the complexity of each role and the level of skill required.
- Our performance development process enables staff to create individualised development plans, including regular one-to-one meetings with their leaders, supporting their personal and professional development.
- Attracting and retaining the best employees is critically important to our expert workforce strategy and we have implemented a comprehensive organisation-wide induction programme for new employees, with e-learning, workshops and on-the-job tools and resources.
- Strategies for effectively managing our biggest risks are well embedded. We provide an 'Employee Assistance Programme', discounted health insurance, health monitoring checks, and vaccinations.

Peke Waihanga Work Arrangements

40% of our workforce have flexible working arrangements.

- Succession planning, internal growth strategies, training and development and continued professional development are all key themes in our expert workforce strategy.
- We provide coaching for our managers on key leadership capabilities including authentic leadership, influencing others, change agility and resilience, inspiring and motivating others and having brave conversations.
- We harness the talent of our people and ensure they understand how they contribute to our wider success.
- Through our world class training and development programmes, we encourage the development of professional skills and provide specialist training in prosthetics, orthotics, rehabilitation, and technology.
- We educate our business leaders on unconscious bias and the importance of inclusion and diversity in selection and promotion.
- Our values of Peke Waihanga - Manaaki, Pūmanawa, and Ringa - guide our leadership team in making decisions that positively impact our patients and staff and create a strong and positive internal culture.
- We provide our people with ongoing context, direction, and leadership on the performance of Peke Waihanga within a rapidly changing industry landscape.



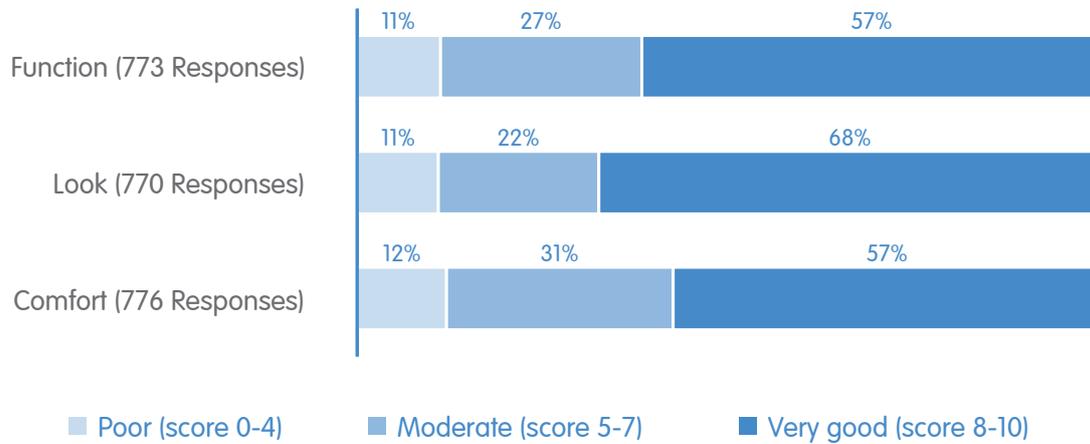
Hangarau, Rangahau me te Whakawhanaketanga Technology, Research and Development

We adapt and customise technology to change the lives of our amputees. Peke Waihanga has a responsibility to our amputees to understand, access and bring them the best technological solutions and initiatives that budget allows.

Function, Look and Comfort

Results for "Score the comfort/look/function of your artificial limb/orthosis at the moment?"

Scale: 0 being the worst and 10 being the best possible



Peke Waihanga independently and anonymously surveys service users to understand their function, look and comfort. The above graph shows:

1. 57% of 773 artificial limb or orthosis users scored overall function "very good"
2. 68% of 770 artificial limb or orthosis users scored overall look "very good"
3. 57% of 776 artificial limb or orthosis users scored overall comfort "very good"

Silicone Studio

Our Silicone Studio was established in October 2020. Since its inception, the studio has been primarily engaged in the production of non-cosmetic silicone sockets and orthotics. During this time, our team has successfully manufactured and fitted over 589 silicone devices to patients, marking a significant milestone for Peke Waihanga.

Throughout the last three years we have continually developed our cosmetic capability and in this time fitted 186 basic cosmetic devices. In 2022 we recognised the need to enhance our silicone production capabilities, specifically for cosmetic fingers, hands, and feet. The evolution of this capability has already seen improved device quality and a reduction in delivery times and the high cost of using overseas suppliers.

This led us to send two of our silicone fabricating experts to participate in a 10-day cosmetic silicone training course at Satori Formation in Taulignan, France during January / February 2023. It was a successful training effort and positions us well to fabricate high-definition cosmetic silicone devices for the people we care for.

The photos below show our progression in craft from ongoing training.



Above: 2021 silicone progression.



Above: 2022 silicone progression.



Above: 2023 silicone progression.





Above: Hip Disarticulation Socket, with underwater scuba theme, demonstrating the increase in opportunities our Silicone Studio is getting to play with colours and innovative designs for a more bespoke and custom finish.

3D Printing

Progress in 3D printing continues to evolve and realise benefits for our patients and service model. This work has previously focused on below knee sockets for amputees, but this year we branched into other applications.

This year we've provided over 350 3D printed devices to patients, which shows we are delivering to our Research and Development / Technology strategic objective.

The images below show examples of our recent 3D printing mahi.



Above: 3D printed TH socket and forearm — vinyl wrapped in custom graphics supplied by the patient.



Above: 3D printed anatomical arm & hand with a silicon line cover.



Above: 3D printed BOA system.



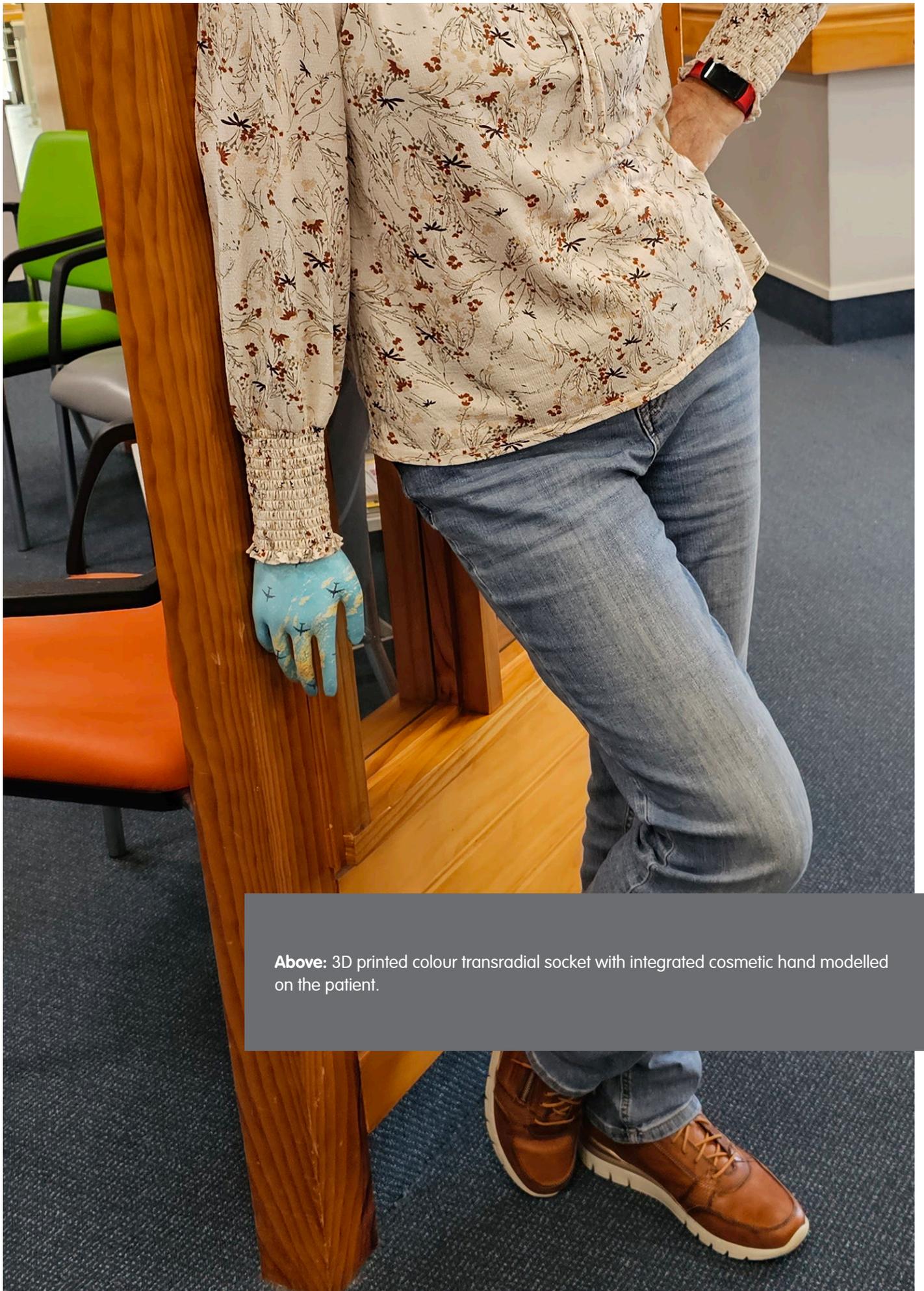
Above: 3D printed AFO.



Above: 3D printed thumb guard for use in sport.



Above: 3D printed custom swim fin.



Above: 3D printed colour transradial socket with integrated cosmetic hand modelled on the patient.

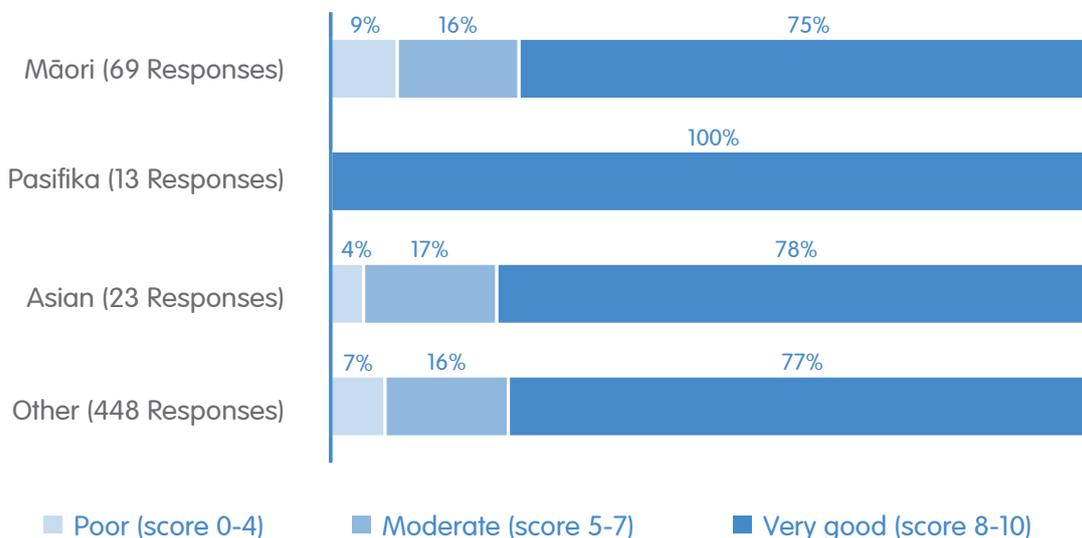
Mana Taurite Equity

Peke Waihanga supports equitable amputee access to technology and services based on need.

Independent and Productive Lives

Results for "How well did we set you up to be independent and productive in your local community and at home?"

Scale: 0 being the worst and 10 being the best possible

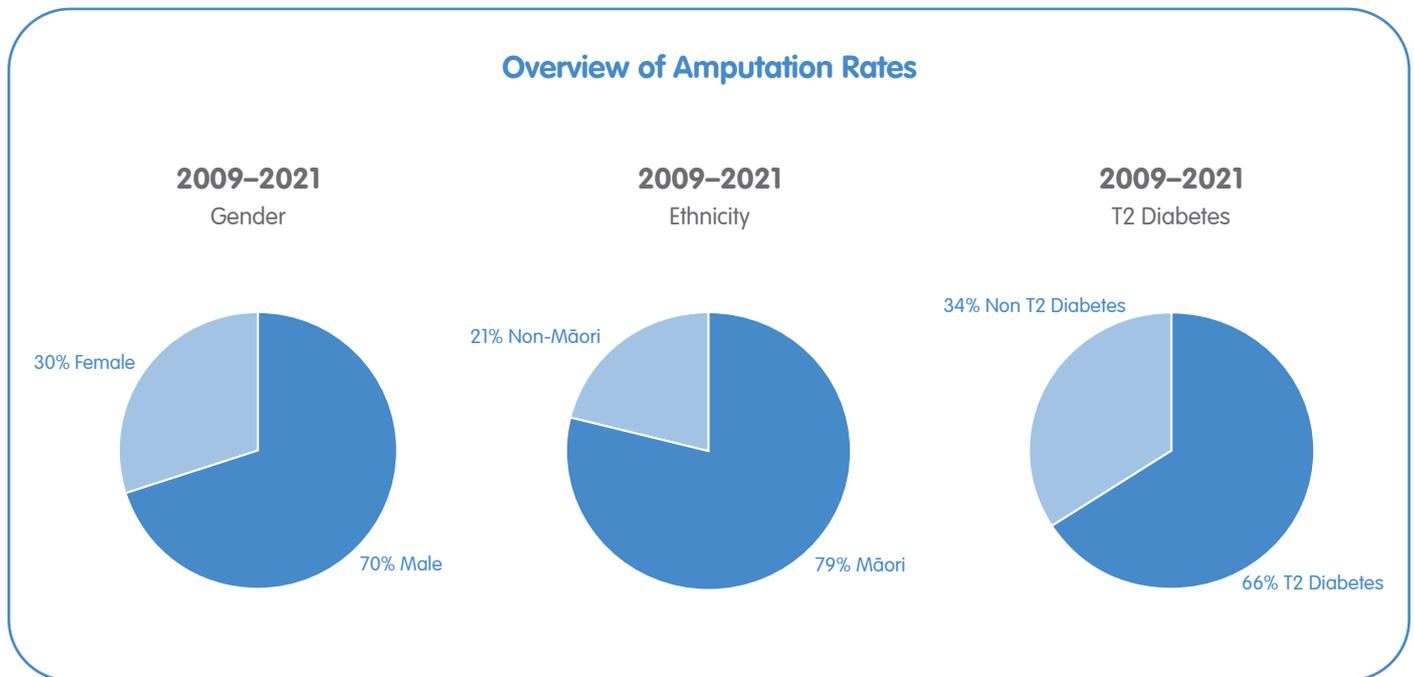


Peke Waihangā independently and anonymously surveys service users to understand how they lead independent and productive lives at home and in the local community. The above graph shows:

1. 76% of 69 Māori users scored overall independence and productivity "very good"
2. 100% of 13 Pasifika users scored overall independence and productivity "very good"
3. 78% of 23 Asian users scored overall independence and productivity "very good"
4. 77% of 448 other users scored overall independence and productivity "very good"

Amputation Rates

The following data from the Ministry of Health shows there were 16,804 amputations reported from 2009 to 2021; this is different from new amputees needing our services. Our analysis of this data will be used to help inform our decisions to improve our services.



The table below shows that amputation rates **per 100,000** for Māori, Māori males and Māori males living with type 2 diabetes are increasing in Aotearoa at more than twice the rate of non-Māori.

Per 100,000*	T2 Māori Male	Māori All	Non-Māori Male T2	Non-Māori All	All
2013	31	31	21	25	26
2021	46	42	25	28	30
% Change	47%	34%	23%	10%	14%

*5-year moving average of amputation per 100,000 for the year 2013 and 2021, and the % change of those living with type 2 diabetes, male, Māori and non-Māori.

The table below shows that Māori are 1.5 times more likely to have an amputation than non-Māori. The gap between Māori and non-Māori has increased by 20% nationally.

Results*	T2 Male	Male	All
2013	1.5	1.2	1.2
2021	1.7	1.4	1.5
% Change	19%	20%	21%

*Māori rates are divided by non-Māori for males living with type 2 diabetes, males, and all.

The Waitangi Tribunal’s WAI 2575 report from 2019 made five substantive recommendations:

1. The adoption of Tiriti-compliant legislation and policy;
2. Recognition of extant Māori political authority (tino rangatiratanga);
3. Strengthening of accountability mechanisms;
4. Investment in Māori health; and
5. Embedding equity and anti-racism within the health sector.

These recommendations are critical and remain important for upholding Te Tiriti obligations. We are mindful of these recommendations when supporting and improving our services.

Auckland Orthotic Service

Peke Waihanga is a Crown entity and a trusted provider of orthotic services to Te Whatu Ora and the Accident Compensation Corporation. Since being awarded the Personal Health Orthotic Service for Auckland Metro patients, our orthotic service has gone from strength to strength and is experiencing increasing demand.

To support this mahi and ensure that as a Crown entity we align our effort to the Pae Ora Act 2022, we have committed to a long-term lease for a space in 72 Dominion Road, Mt Eden for our Orthotic Service needs. We made this decision for the following reasons:

1. It will help us address the current and future demand for orthotic patient care.
2. Its location (next door to our Artificial Limb Centre) will allow integration of care, services, device manufacturing and operating efficiencies.

Below is the design rendered perspective drawing from the architect that shows the reception area of this new centre. We expect this new location to be operational in early 2024.



Auckland Artificial Limb Service Centre

We are excited to be progressing building work on the Auckland Artificial Limb Centre.

This work is required to address a leaky roof and provide us with the opportunity to make other improvements to increase the centres capacity and improve patient experience of our services.

We have engaged an architect and contracted a property specialist to support this capital works programme. After consultation with the team, we have settled on the proposed design solution shown below. It illustrates the plan to add a small second storey to the current centre's one-storey building.



Before: current building rendered perspective with one level.



After: rendered planning of multi-level building perspective.

Christchurch Centre

We are proud to have officially opened the new Peke Waihanga Prosthetic and Orthotic Centre in Christchurch in June this year. The facility is located at 330 Burwood Road, Burwood, Christchurch, situated on the Burwood Hospital site.

This new Centre represents a significant advancement in healthcare services. It was designed with a focus on accessibility and safety, serving 630 amputees and 2,900 individuals with disabilities who require orthotic services. The state-of-the-art Centre is equipped to meet the growing demand for care, particularly in response to chronic diseases and an aging population. Additionally, it accommodates Otago University initiatives for medical student training and research, fostering collaboration and improving clinical care.

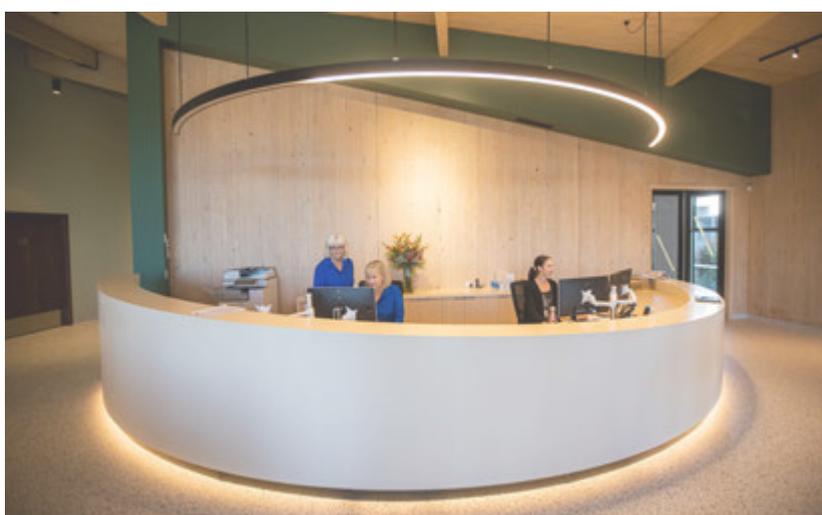
This facility not only provides comprehensive orthotic and prosthetic services but also prioritises the well-being and rehabilitation of its patients, aiming to deliver world-class care and support throughout their life journeys.

We are very grateful for the government support of \$6.1 million for this important building and Minister Sepuloni and Minister Radhakrishnan for their continued support in providing essential services to the community.

Following are a range of photos showcasing this new Centre from the official opening.



From left to right: Southern Regional Manager, Matthias Blattner and Minister for Disability Issues, Hon. Priyanca Radhakrishnan at the Christchurch Centre opening tour.



Health and Safety

The health and safety of our patients and workforce is a very important aspect of our business.

The following are key statistics on our health and safety function.



This year we continued to implement a streamlined digital process for workplace inspections. Previously, each centre inspection was paper-based and was conducted by one or two people each month. The digital process allows us to: customise tasks appropriate for each centre, automate reminders, determine the frequency of the checks relative to the risk, spread inspections across the workforce and assign to specific roles, manage workflow to track the progress of individual checks leading to better traceability, and monitor all critical controls. This digital process means we are checking more things, more often and more efficiently.

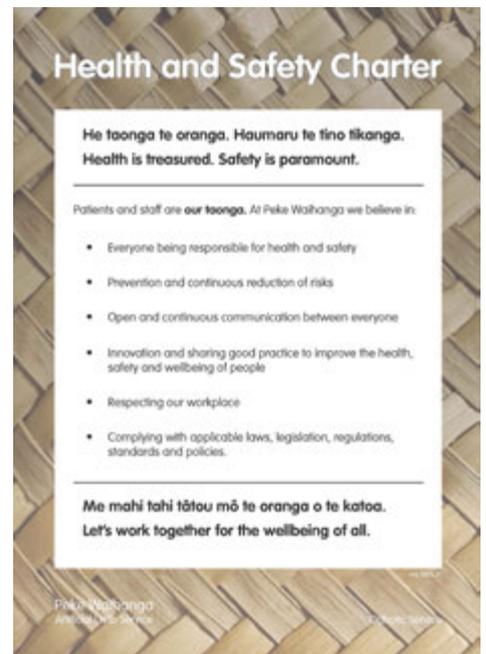
Health and Safety Charter

We have developed a new Health and Safety Charter, incorporating simple and clear messaging that reflects our core beliefs regarding health and safety.

It includes key phrases in both Te Reo Māori and English and an image of an intricately woven Māori kete (traditional basket).

This weaving symbolises our collective journey in embracing Te Reo Māori and signifies the intertwining of principles that uphold a safe working environment.

The new design aims to emphasise the importance of collaboration and harmony as we strive to create and maintain health, safety, and wellbeing.



Health and Safety by Design

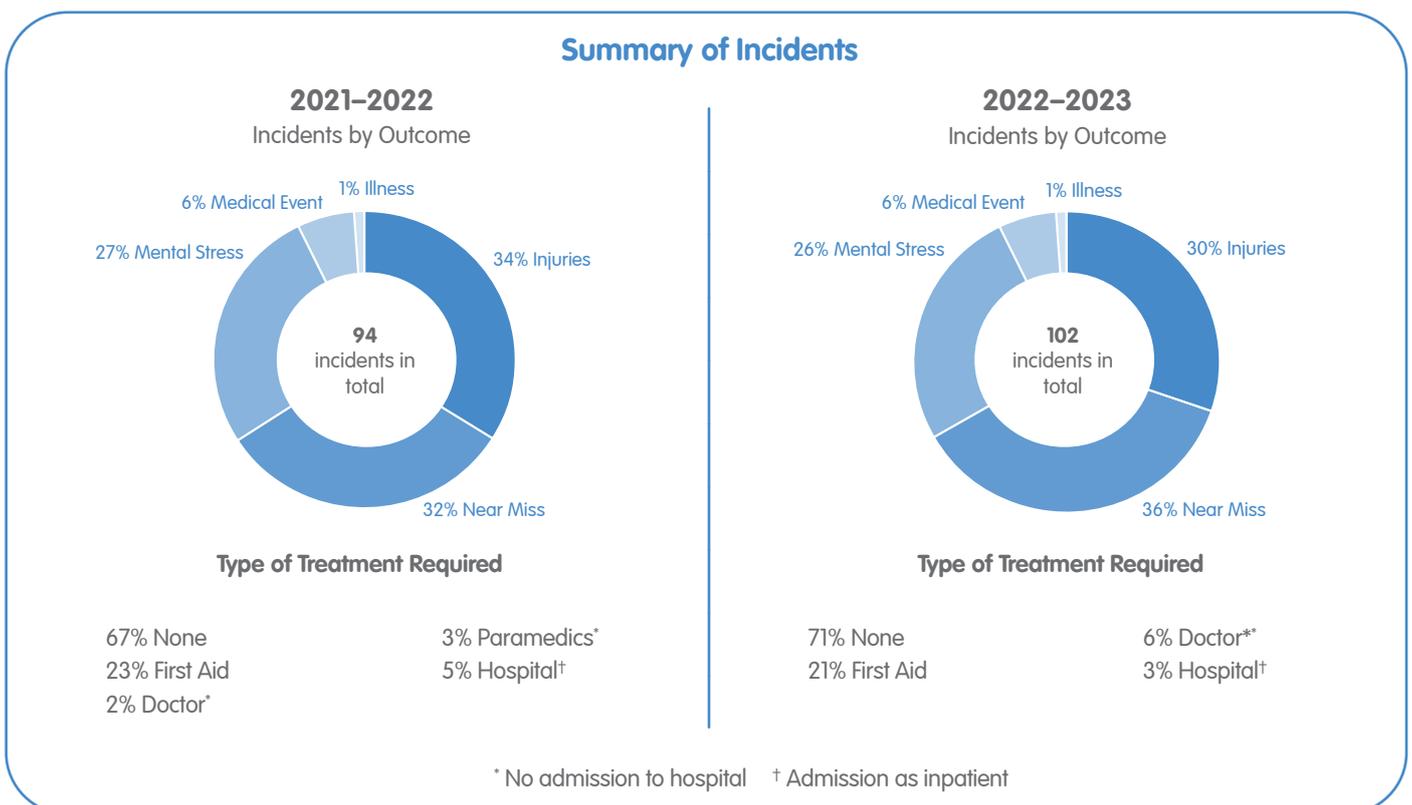
- Supported building of new Christchurch facility and new mobile workshop, incorporating health and safety into the design and fit-out.
- Implemented a Safe Driving Policy.

Hazard Summary

In 2022-2023, 37 hazards were reported compared to 55 hazards in 2021-2022.

Incident Reporting

The graphs below illustrate the incidents by outcome and treatment for 2021–2022 and 2022–2023.



The number of incidents has increased slightly compared to last year. This is likely attributed to:

- Greater awareness of need to report incidents. Thirty-six percent of reported incidents were a near miss and 71% of all incidents required no treatment (compared to 67% in 2021-2022). This indicates a continued high level of reporting for near miss and minor incidents.
- Increased number of staff and services provided.

The high level of reporting allows us to review any trends and to rectify potential hazards and injuries.

Board Members

Board members are appointed by the Minister for Social Development under the Crown Entities Act 2004. Membership is determined by the Social Welfare (Reciprocity Agreements, and New Zealand Artificial Limb Service) Act 1990, which provides the nominating bodies and has a significant influence on the composition of the Board. Board members at the reporting date are:



George Reedy
Chair

George, from Ngāti Porou, has a background in business, Non-government organisations and the public sector. A Chartered Accountant with an MBA by profession, his main roles concentrate on strategy and business development, especially in on-line digital environments, and owning and operating businesses in the Telco and IT sectors from start-ups to large enterprises.

George's recent Chief Executive roles have been leading Kaupapa Māori entities to sustainably service whānau in health, housing and social outcomes.

He has a keen interest in supporting Māori economic development initiatives. George was appointed Chair of the Peke Waihanga Board early February 2013.



John McKie
Board Member

John is a New Zealand trained Orthopaedic Surgeon working at Christchurch Hospital since 1994. He has interests in lower limb orthopaedics including joint replacements and revision surgery of the hip, knee and ankle, deformity correction, post traumatic reconstruction, leg lengthening, and paediatric orthopaedics.

John started working as a consultant for the Artificial Limb Service in 1994 and set up the Osseointegration service in 2012 which he continues to lead.

John is also an examiner in Orthopaedic Surgery for the Royal Australasian College of Surgeons.



Kevin Ross
Board Member

Kevin has a 30-year background with the Whanganui District Council, serving as the Chief Executive for 7 years, before retiring in 2015. Kevin has considerable experience dealing with most sectors of the community and in later years has focussed on developing genuine and committed partnerships with local iwi.

Kevin currently chairs the Tararua District Council Audit and Risk Committee. He is also a member of the Whanganui Bushy Park Sanctuary Board and was a member of the 2017 World Masters Games Company. While he represented New Zealand in badminton, Kevin's son represented New Zealand in cycling at the London Paralympics.



Dr Cynthia Bennett
Board Member

Cynthia is a Medical Doctor having gained specialist training from Mayo Clinic in Physical Medicine and Rehabilitation in the USA. She practices Rehabilitation Medicine as a Fellow of the Australasian Faculty of Rehabilitation Medicine (AFRM)—the Royal Australasian College of Physicians (RACP) here in New Zealand.

Cynthia currently acts as a covering Consultant for ABI Rehabilitation New Zealand, LLC. She is the immediate past Chair of the New Zealand Branch of the Australasian Faculty of Rehabilitation Medicine (AFRM).



Kate Horan
Board Member

At the age of 5 Kate had her leg amputated due to fibulae hemimelia but has not let the loss of her leg limit her. A dual Paralympian in athletics and cycling (winning silver in the 200m in Beijing in 2008), Kate has a wonderful appreciation of the importance of activity for people living with disability.

At ParaFed Wellington, Kate and the team have developed an amazing youth activity programme that will have life-long social and health benefits for those involved. Kate brings valuable experience on what is required to deliver a patient-centred service and the role that technology can play in removing the barriers to participation.

Kate is a proud mother of three sons and is also a grandmother to four grandchildren.



Stuart Burns
Board Member

Stuart has a finance and governance background and is a Fellow Chartered Accountant and Chartered member of the NZ Institute of Directors. He has held numerous governance roles in positions with listed and private companies along with trusts. These organisations have operated in the areas of health, horticulture, foodstuffs, commercial property, iwi investment and philanthropy. As the former Chief Executive of the Rotorua Trust, he also has extensive experience in the not-for-profit sector.

His interest in the activities of Peke Waihangā were fostered following his wife's below-knee amputation which resulted from a treatment infection following an injury.

Statement of Performance Expectations 2022/23

The responsible Minister and Peke Waihanga have agreed to include the following set of measures which are aligned to the Strategic Objectives from the Statement of Intent Peke Waihanga.

Summary of Statement of Performance Expectations 2022/23

We said we would:

1. Proactively seek DHB (Te Whatu Ora) orthotic service contracts:

- No new orthotic service contracts, existing contracts retained (For more information see page 13).

2. Complete the building of our new Christchurch Rehabilitation Centre and replacement of the Auckland Centre roof:

- New Christchurch Centre build officially opened on Friday 16 June 2023 (For more information see page 34).
- Auckland replacement roof: this work was put on hold due to COVID-19 disruptions, projected higher build costs and pressures on our operating cash flow to run the business (For more information see page 33).

3. Develop and implement new patient management and financial software:

- Development will progress with implementation due end of 2023.

Output, impact and outcome performance measures and standards	2022/2023 Targets	2022/2023 Results
Patient Feedback		
Independence and productivity outcome	85%	93%
Satisfaction with our service	85%	96%
Trust and confidence in our team	85%	96%
Expert Workforce		
Average number of training and professional development days per full time equivalent staff member	10	5
Percentage of Peke Waihanga clinical and technical employees who hold recognised certification and/or qualifications	100%	100%
Orthotic Service interventions	400	14,957
Patients offered peer support services	100%	100%
Percentage of active amputees in our service with a Key Worker	100%	100%
Percentage of new amputees prescribed a prosthesis with improved independence and mobility assessed using 'Amputee Mobility Predictor' within 18 months of fitting a new artificial limb	80%	95%
Technology, Research and Development		
Minimum number of 3D printed devices	300	350
Number of collaborative research projects undertaken on issues designed to improve the provision of services to our patients	2	2
Impact & Equity		
Yearly reach in users/followers via:		
<ul style="list-style-type: none"> Peke Waihanga, Orthotic Service and Peer Support Service websites combined 	30,000	33,244
<ul style="list-style-type: none"> Facebook 	450	502
<ul style="list-style-type: none"> Instagram 	350	408
<ul style="list-style-type: none"> LinkedIn 	650	720
Minimum number of business days that services are available to patients through all seven Peke Waihanga centres	230	249
Minimum number of regional clinics held	40	141



Tauāki Pūtea

Financial Statements

Financial Statements

Statement of responsibility

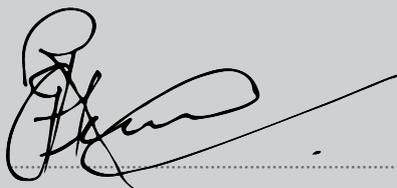
For the year ended 30 June 2023

The Board is responsible for the preparation of the financial statements for Peke Waihanga and the performance information and judgements made in them.

We are responsible for any end-of-year performance information provided by Peke Waihanga under section 19A of the Public Finance Act 1989.

The Board of Peke Waihanga has the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, these financial statements and performance information for the year ended 30 June 2023 fairly reflect the financial position and operations of Peke Waihanga.



George Reedy
Chair

21 December 2023



Kevin Ross
Board Member

21 December 2023

Independent Auditor's Report

To the readers of Peke Waihanga – New Zealand Artificial Limb Service's financial statements for the year ended 30 June 2023

The Auditor-General is the auditor of Peke Waihanga – New Zealand Artificial Limb Service (Peke Waihanga). The Auditor-General has appointed me, Jacques Du Toit, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of Peke Waihanga on his behalf.

Opinion

We have audited:

- the financial statements of Peke Waihanga on pages 49 to 72, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of Peke Waihanga:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime.

Our audit was completed on 21 December 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the board for the financial statements

The Board is responsible on behalf of Peke Waihanga for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of Peke Waihanga for assessing Peke Waihanga's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of Peke Waihanga, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peke Waihanga’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by Peke Waihanga and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Peke Waihanga’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Peke Waihanga to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 72 but does not include the financial statements and our auditor’s report thereon.

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

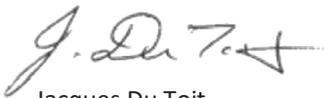
In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independence

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

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



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

Financial Results

The Statement of Comprehensive Revenue and Expense shows gross operating revenue (excluding interest and donations) of \$35,972,000 which is an increase of 34% on the previous year of \$26,812,000. Revenue is derived principally from contracts with the Accident Compensation Corporation for trauma-based amputees, Te Whatu Ora, which manages the national contract for amputees with illness-based amputations, congenital limb deficiencies or long-standing trauma-based amputations and for provision of Orthotic Services in the Auckland, Waikato, Bay of Plenty and West Coast regions. Revenue is also received from payments on behalf of war amputees, private insurers, health benefits and private supply.

Operational costs for the year totalled \$34,577,000 (2022: \$27,764,000) resulting in a surplus of \$1,510,000. This follows a deficit last year of \$931,000.

The financial position of Peke Waihanga remains strong with \$24,041,000 (2022: \$16,738,000) in reserves.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Revenue				
Government contract funding	2	34,530	26,370	26,268
Interest revenue		115	36	20
Other operating revenue	2	496	-	544
Government grant		842	-	-
Reverse of impairment loss	9	104	-	-
Donations	2	-	-	1
Total revenue		36,087	26,406	26,833
Expenditure				
Personnel costs	3	12,182	9,862	10,218
Depreciation and amortisation expense	9	572	540	526
Impairment loss	9	-	-	680
Other expenses	4	21,823	16,377	16,340
Total expenditure		34,577	26,779	27,764
Total comprehensive revenue & expense		1,510	(373)	(931)

Explanations of significant variances against budget are detailed in note 20 (on page 69).

The accompanying notes form part of these financial statements (on pages 54-69).

Statement of Financial Position

As at 30 June 2023

	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Assets				
Current assets				
Cash and cash equivalents	5	6,122	362	2,699
Receivables	6	3,604	3,004	3,383
Prepayments		183	60	51
Inventories	7	2,980	2,891	3,492
Investments	8	1,258	1,271	1,227
Total current assets		14,147	7,588	10,852
Non-current assets				
Property, plant and equipment	9	14,534	14,448	11,043
Intangible assets	10	-	-	168
Total non-current assets		14,534	14,448	11,211
Total assets		28,681	22,036	22,063

The accompanying notes form part of these financial statements (on pages 54-69).

Statement of Financial Position

As at 30 June 2023

	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Current liabilities				
Payables and revenue in advance	11	3,229	3,852	4,124
Employee entitlements	12	1,271	972	1,085
Total current liabilities		4,500	4,824	5,209
Non-current liabilities				
Employee entitlements	12	140	129	116
Total non-current liabilities		140	129	116
Total liabilities		4,640	4,953	5,325
Net assets		24,041	17,083	16,738
Equity				
General funds		24,041	17,083	16,738
Total equity	13	24,041	17,083	16,738

Explanations of significant variances against budget are detailed in note 20 (on page 69).

The accompanying notes form part of these financial statements (on pages 54-69).

Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Balance at 1 July		16,738	17,456	12,669
Total comprehensive revenue & expense		1,510	(373)	(931)
Crown capital contribution		5,793	-	5,000
Balance at 30 June	13	24,041	17,083	16,738

Explanations of significant variances against budget are detailed in note 20 (on page 69).

The accompanying notes form part of these financial statements (on pages 54-69).

Statement of Cash Flows

For the year ended 30 June 2023

	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Cash flows from operating activities				
Receipts from government contract funding		35,166	26,570	24,792
Interest received		100	36	20
Receipts from other revenue		496	-	525
Payments to suppliers		(22,144)	(16,048)	(14,598)
Payments to employees		(11,972)	(9,813)	(10,034)
Goods and services tax (net)		-	-	58
Net cash from operating activities		1,646	745	763
Cash flows from investing activities				
Purchase of investments		(31)	(36)	(12)
Purchase of property, plant & equipment		(3,985)	(3,457)	(3,398)
Purchase of intangible assets		-	-	(173)
Net cash from investing activities		(4,016)	(3,493)	(3,583)
Cash flows from financing activities				
Capital Contribution		5,793	-	5,000
Net cash from financing activities		5,793	-	5,000
Net increase/(decrease) in cash and cash equivalents		3,423	(2,748)	2,180
Cash and cash equivalents at the beginning of the year		2,699	3,110	519
Cash and cash equivalents at the end of the year	5	6,122	362	2,699

Explanations of significant variances against budget are detailed in note 20 (on page 69).

The accompanying notes form part of these financial statements (on pages 54-69).

Notes to the Financial Statements

1. Statement of accounting policies for the year ended 30 June 2023

Reporting entity

Peke Waihangā – Artificial Limb Service is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. Peke Waihangā is governed by relevant legislation and operations include the Crown Entities Act 2004 and the Artificial Limb Service Act 2018. The ultimate parent of Peke Waihangā is the New Zealand Crown.

The primary objective of Peke Waihangā is to provide services to the New Zealand public. Peke Waihangā does not operate to make a financial return.

The financial statements for Peke Waihangā are for the year ended 30 June 2023, and were approved by the Board on 21 December 2023.

Basis of preparation

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

Statement of Compliance

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

Peke Waihangā is a Tier 1 Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements have been prepared in accordance with PBE standards RDR. Peke Waihangā has elected to apply PBE Standards RDR as this is the first year total expenses are greater than \$30 million. XRB A1 allows transitional relief for one year from Tier 1 reporting.

Peke Waihangā will be reporting as a Tier 1 Public Benefit Entity in 2024.

Peke Waihangā was required under section 156(2(b)) of the Crown Entities Act 2004 to complete its audited financial statements by 31 October 2023. The audit

could not be completed by this date due to capacity constraints at Peke Waihangā and Audit NZ.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000), except for Board member remuneration and related party transactions in Note 16, which are rounded to the nearest dollar.

Significant accounting policies

Revenue

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

Revenue from Government Contract Funding

Peke Waihangā principally derives its revenue from the Crown through contracts with Te Whatu Ora and the Accident Compensation Corporation for services to third parties.

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

Interest

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Other revenue

Other revenue, derived through the provision of services to third parties, is recognised as revenue when earned and is reported in the financial period to which it relates.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Peke Waihangā 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 comprehensive revenue and expense.

Cash and cash equivalents

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

Receivables

Receivables are recorded at the amount due less any provision for uncollectibility. A receivable is considered uncollectible when there is evidence the amount due will not be fully collected.

The amount that is uncollectible is the difference between the amount due and the present value of the amount expected to be collected.

The expected credit loss rates for receivables at 30 June 2022 and 30 June 2023 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables.

Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. At balance date Peke Waihanga assesses whether there is any objective evidence that an investment is impaired. The carrying amounts of investments with maturities less than 12 months approximates their fair value.

If an investments carrying amount exceeds its recoverable amount, the investment is impaired and the carrying amount is written down to the recoverable amount.

Inventories

Inventories are held for the provision of goods

and services and measured at the lower of cost (calculated using the weighted average cost method) and net realisable value.

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 classified as work in progress are valued at the weighted average cost of the materials plus cost of labour.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) 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 surplus or deficit.

Peke Waihanga 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 buildings, leasehold improvements, plant and equipment, furniture and fittings and computer equipment and vehicles.

Property is measured at fair value, less depreciation and impairment. All other asset classes are measured at cost, less any accumulated depreciation and impairment losses.

Revaluations

Property assets at Auckland, Wellington and Christchurch are valued with sufficient regularity to ensure that the carrying amount does not differ materially from their value and at least every three years. The carrying values of these property assets are assessed annually to ensure that they do not differ materially from their value.

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 Peke Waihanga and the cost of the item can be measured reliably.

An item of property, plant and equipment is initially recognised at its cost. 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 comprehensive revenue and expense.

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 Peke Waihanga 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 comprehensive revenue and expense 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:

Buildings	50 years	(2%)
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%)
Vehicles	5 years	(20%)

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 development

Software acquisition and development

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

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

Costs associated with the development and maintenance of Peke Waihanga website is 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 comprehensive revenue and expense.

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 property, plant and equipment and intangible 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 Peke Waihanga 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.

Payables

Payables are recorded at the amount payable.

Employee entitlements

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months of balance date are measured 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.

Peke Waihanga 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 and a reliable estimate of the obligation can be made.

Long-term 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 personnel, based on years of service, years to entitlement, the likelihood that personnel will reach the point of entitlement and contractual entitlements information; and

- the present value of the estimated future cash flows.

The discount rates are as specified by Treasury for accounting valuation purposes as at 30 June 2023 of 1 year 5.43%, 2 year 4.85%, 3 year plus 4.84% (2022: 1 year 3.34%, 2 year 3.70%, 3 year plus 4.29%). The calculation assumes a salary growth rate of 3.35%. (2022: 3.01%) as a non-current liability.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability.

Non-vested long service leave expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and the Peke Waihanga - Artificial Limb Service Superannuation Scheme with New Zealand Retirement Trust, are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

Peke Waihanga makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund.

The scheme 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.

Equity

Equity is measured as the difference between total assets and total liabilities.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax 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

Peke Waihangā 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 Performance Expectation as approved by the Board at the beginning of the financial year.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements and have not been audited.

Critical accounting estimates and assumptions

In preparing these financial statements, Peke Waihangā has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment

to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

At each balance date, the useful lives and residual values of property, plant and equipment and intangibles are reviewed.

Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Peke Waihangā, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense and amortisation recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. Peke Waihangā minimises the risk of this estimation by physical inspection of assets and review of second-hand market prices for similar assets.

Buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value and at least every three years.

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

Property leases

Note 14 provides detail in relation to treatment of Peke Waihangā property leases. Peke Waihangā has leases as follows:

Operating leases:

- For Orthotic Services in Auckland
- For Prosthetic and Orthotic Services in Tauranga
- For Prosthetic Services in Dunedin
- For Prosthetic Services in Hamilton

Land only leases:

- For Prosthetic Services in Auckland
- For Prosthetic Services in Wellington

- For Prosthetic Services in Christchurch

Long service leave

Note 12 provides an analysis of the exposure in relation to estimates and uncertainties surrounding long service leave liabilities.

New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE I PSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Peke Waihanga has adopted PBE IPSAS 41 for the first time this year.

There has been little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

Other changes in accounting policies

There have been no other changes in our accounting policies since the date of the last audited financial statements.

2. Revenue

Provision of Prosthetic Services

Peke Waihanga receives funding from a contract with Te Whatu Ora for the national contract for amputees with illness-based amputations, congenital limb deficiencies or long-standing trauma-based amputations.

This is a bulk funding contract, the funding of which is restricted in its use to the purpose of meeting contract service specifications.

Peke Waihanga also receives revenue from a contract with the Accident Compensation Corporation for trauma-based amputees for supply of specific goods and services supplied to amputees of the Accident Compensation Corporation.

Provision of Orthotic Services

Peke Waihanga also has contracts with

Te Whatu Ora and the Accident Compensation Corporation to supply Orthotic services to patients in the Auckland, Waikato, Bay of Plenty and West Coast regions. This revenue is recognised when the services or products are delivered.

Provision of other services

Revenue derived through the provision of services to third parties is recognised when the services or products are delivered.

Interest Revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Government Grant

Peke Waihanga received a grant from the Government to cover additional operating costs incurred not in the normal course of business.

The various revenue sources have been reviewed to determine whether they are exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services and directly give approximately equal value to another entity in exchange.

Peke Waihanga has treated all its revenue as exchange transactions except for the Government grant of \$842,000.

3. Personnel costs

	Actual 2023 \$000	Actual 2022 \$000
Salaries and wages	11,623	9,736
Employer contributions to superannuation schemes	349	298
Increase in employee entitlements (note 12)	210	184
Total personnel costs	12,182	10,218

Employer contributions to defined contribution plans include contributions to KiwiSaver, NZ Retirement Trust Superannuation Fund and the DBP Contributions Scheme.

Defined benefit scheme

Peke Waihanga is a participating employer in the DBP Contributors Scheme ('the Scheme'), which is a multi-employer defined benefit scheme.

The funding arrangements are governed by the requirement of Section 44 of the National Provident Fund Restructuring Act 1990, which requires that any increase or decrease to the player contribution rate should result in contributions being at a level which, on reasonable assumptions, is likely to achieve neither a surplus or a deficit in the trust fund of the DBP contributors' scheme at the time that the last contributor to that scheme ceases to so contribute and by the Trust Deed, which requires the employers to contribute such amount as the Board of Trustees of the National Provident Fund, after consultation with the Actuary, may direct.

In practice, at present, a single contribution rate is determined for all employers which is expressed as a multiple of the contributions of members of the Scheme who are employees of that employer.

There is no minimum funding requirement.

The employer contribution rate is determined by the Board of Trustees of the National Provident Fund (the Board) following consultation with the Actuary. Current practice is for the employer to contribute a multiple of its members' contributions.

The Trust Deed specifies that immediately before the DBP Contributors Scheme (the DBPC Scheme) is wound up, the assets and the interests of all

contributors in the DBPC Scheme will be transferred to the DBP Annuitants Scheme (DBPA Scheme).

Employers have no right to withdraw from the plan.

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.

The current employer contribution rate is four times contributor contributions, inclusive of Employer Contribution Withholding Tax. The Actuary has recommended the employer contribution rate of four times contributor contributions continues.

As at 31 March 2023, the Scheme had a past service surplus of \$0.2 million, being 1.1% of past service liabilities (2022: deficit \$0.6 million – 1.7% of total liabilities). This amount is exclusive of Employer Superannuation Contribution 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 PBE IPSAS 39.

4. Other expenses

	Actual 2023 \$000	Actual 2022 \$000
Fees to auditor – Audit fees for financial statement audit	64	59
Board members' fees	73	68
Board members' expenses	9	4
Cleaning & laundry	203	166
Computer expense	822	343
Legal expense	77	300
Material costs	17,715	13,234
Operating lease expense	385	365
Other operating expenses	2,311	1,801
Total other expenses	21,659	16,340

5. Cash and cash equivalents

	Actual 2023 \$000	Actual 2022 \$000
Cash on hand and at bank	6,122	2,699

6. Receivables

	Actual 2023 \$000	Actual 2022 \$000
Trade debtors	3,179	3,245
Other receivables	400	128
Interest accrual	25	10
Total debtors and other receivables (exchange transactions)	3,604	3,383

The carrying value of receivables approximates their fair value until paid for in full.

Receivable days past due:

	Current	One month	Two months	Three months
Days past due				
30 June 2023	3,770	390	28	416
30 June 2022	2,758	451	117	57

The expected credit loss rates for receivables at 30 June 2023 (\$nil) and 30 June 2022 (\$nil) are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period.

The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables.

Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

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

7. Inventories

	Actual 2023 \$000	Actual 2022 \$000
Materials	1,367	1,328
Work in progress	1,613	2,164
Total inventories	2,980	3,492

Peke Waihanga does not currently hold any inventory for distribution (2022: nil).

Peke Waihanga has a provision for obsolete stock of \$235,852 (2022: \$260,156).

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

During the period the board approved the write off of stock of \$49,268 (2022: nil).

8. Investments

	Actual 2023 \$000	Actual 2022 \$000
Current investments are represented by term deposits	1,258	1,227

The weighted average effective interest rate for term deposits is 4.96% (2022: 2.27%).

There were no impairment provisions for investments.

The carrying amount of term deposits with maturities of less than 12 months approximates their fair value.

9. Property, plant and equipment

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

	Leasehold upgrades \$000	Buildings \$000	Building under construction \$000	Plant & equip. \$000	Furniture & fittings \$000	Computer equip. \$000	Vehicle \$000	Total \$000
Cost or valuation								
Balance at 1 July 2021	238	8,140	95	1,562	418	619	-	11,072
Additions	14	339	2,701	81	149	114	-	3,398
Balance at 30 June and 1 July 2022	252	8,479	2,796	1,643	567	733	-	14,470
Additions	-	-	3,113	306	191	178	197	3,985
Disposals	-	-	-	(36)	-	-	-	(36)
Transfer of class	-	5,909	(5,909)	-	-	-	-	-
Balance at 30 June 2023	252	14,388	-	1,913	758	911	197	18,419
Accumulated depreciation and impairment losses								
Balance at 1 July 2021	9	669	-	852	261	435	-	2,226
Depreciation expense	3	881	-	120	68	129	-	1,201
Balance at 30 June and 1 July 2022	12	1,550	-	972	329	564	-	3,427
Depreciation expense	1	211	-	139	91	126	4	572
Impairment gains	-	104	-	-	-	-	-	104
Eliminate on disposals	-	-	-	(10)	-	-	-	(10)
Balance at 30 June 2023	13	1,657	-	1,101	420	690	4	3,885
Carrying amounts								
At 1 July 2021	229	7,471	95	710	157	184	-	8,846
At 30 June and 1 July 2022	240	6,929	2,796	671	238	169	-	11,043
At 30 June 2023	239	12,731	-	812	338	221	193	14,534

There are no restrictions over the title of Peke Waihanga plant and equipment, nor are there any plant and equipment pledged as security for liabilities. The most recent valuations for the buildings are:

- Auckland – 7 Horopito Street - performed by an independent registered valuer J. McKenzie of Bayleys Valuations Limited. The valuation of \$3,440,000 is effective 30 June 2023.
- Wellington – Level 1, 42 Mein Street - performed by an independent registered valuer P. Butchers of Bayleys Valuations Limited. The valuation of \$3,300,000 is effective 30 June 2023.
- Christchurch – 330 Burwood Rod - performed by an independent registered valuer A. Campbell of Bayleys Valuations Limited. The valuation of \$6,025,000 is effective 30 June 2023.

Peke Waihanga has assessed the carrying values of these buildings and considered they represent fair value. Accordingly, Peke Waihanga have provided an impairment loss for the Auckland building of \$397,000 (2022: \$559,000) and the Wellington building of \$277,000 (2022: \$121,000) and the gain for the Christchurch building of \$99,000.

10. Intangible assets

Movements for intangible assets is as follows:

	In progress actual 2023 \$000
Cost or valuation	
Balance at 1 July 2021	0
Additions	173
Balance at 30 June and 1 July 2022	173
Additions	-
Derecognition of asset	(173)
Balance at 30 June 2023	0
Accumulated amortisation and impairment	
Balance at 1 July 2021	0
Amortisation expense	5
Balance at 30 June and July 2022	5
Amortisation expense	-
Derecognition of asset	(5)
Balance at 30 June 2023	0
Carrying amounts	
Balance at 1 July 2021	0
Balance at 30 June and 1 July 2022	168
Balance at 30 June 2023	0

11. Payables and revenue in advance

	Actual 2023 \$000	Actual 2022 \$000
Payables and deferred revenue under exchange transactions		
Creditors	2,169	3,072
Revenue in advance	35	35
Accrued expenses	845	678
Total creditors and other payables under exchange transactions	3,049	3,785
Payables and deferred revenue under non-exchange transactions		
GST	180	339
Total payables and deferred revenue	3,229	4,124

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximated their fair value.

Payable days past due:

	Current	One month	Two months	Three months
Days past due				
30 June 2023	2,954	274	-	1
30 June 2022	3,013	1,040	71	-

12. Employee entitlements

	Actual 2023 \$000	Actual 2022 \$000
Current employee entitlements are represented by		
Accrued salaries and wages	592	444
Annual leave	608	565
Sick leave	22	22
Long service leave	49	54
Total current portion	1,271	1,085
Non-current employee entitlements are represented by		
Long service leave	140	116
Total non-current portion	140	116
Total employee entitlements	1,411	1,201

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, Peke Waihangā used the discount rates published by the Treasury for the purpose of valuing employee benefits as at 30 June 2023 of 1 year 5.43%, 2 year 4.85%, 3 year plus 4.84% (2022: 1 year 3.34%, 2 year 3.70%, 3 year plus 4.29%). The salary growth factor of 3.35% (2022: 3.01%) has been determined after considering historical salary inflation patterns by an independent actuary.

Using the assumptions used in 2022 the carrying amount of the liability would be an estimated \$4,000 higher. If the salary growth factor were to differ by 1% from our estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$13,000 lower if salary growth is 1% lower and \$15,000 higher if salary growth is 1% higher.

13. Equity

General funds

	Actual 2023 \$000	Actual 2022 \$000
Balance at 1 July	16,738	12,669
Surplus/(deficit)	1,510	(931)
Crown capital introduced	5,793	5,000
Balance at 30 June	24,041	16,738

14. Capital commitments and operating leases

Capital commitments

	Actual 2023 \$000	Actual 2022 \$000
Buildings	-	1,891

Peke Waihanga have contracted RM Designs to design and build a new centre in Christchurch.

Operating leases as lessee

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

	Actual 2023 \$000	Actual 2022 \$000
Not later than one year	391	333
Later than one year and not later than five years	714	240
Later than five years	191	0
Total non-cancellable operating leases	1,296	573

Peke Waihanga has commercial leases on the following properties:

- National Office entered into a new lease on 1 September 2018 for a six-year term. The annual rent is \$92,080.
- Auckland Centre entered into a lease for additional space on 01 July 2021 for a two-year term. The annual rent is \$34,577. Auckland Centre also renewed a second lease on 18 April 2023 for an eight-year term. The annual rent is \$111,800. This lease may be terminated by either party with four months notice. The Auckland Centre plans to terminate the second lease early in March 2024 and move to a larger premises.
- Auckland Centre also entered into another lease on 17 April 2023 for commencement on 1 September 2023 for an annual rent of

\$133,960. The plan is to move into the new premises after the fitout is complete. During the period between September 2023 and March 2024, payment will be made towards both leases.

- Tauranga Centre (Fraser Street) renewed the lease on 1 June 2023 for a further three-year term. The annual rent is \$68,750.
- Tauranga Centre (Cameron Road) entered into a new lease on 25 March 2022 for a three-year term. The annual rent is \$46,242.
- Dunedin Centre lease—a three-year variation was verbally agreed, extending the lease to April 2020. No rent is payable with fixed outgoings of \$20,754 per annum. Peke Waihanga continues to occupy these premises. No new lease has yet been negotiated.

Finance leases

The Auckland, Wellington and Christchurch Centres are on land leased as crown assets at nominal rents.

The leases expire as follows:

- Auckland – June 2075
- Wellington – June 2079
- Christchurch – June 2045

Peke Waihanga has elected not to quantify the benefits arising from these leases.

15. Contingencies

Contingent assets

Peke Waihanga has no contingent assets (2022: \$nil).

Contingent liabilities

There was a potential claim against Peke Waihanga regarding orthotic services. The matter was heard in the Court of Appeal and was subsequently dismissed.

16. Related party transactions

Key management personnel compensation	Actual 2023 \$	Actual 2022 \$
Board Members		
Remuneration	72,700	67,950
Full-time equivalent members	1.0	1.0
Leadership Team		
Remuneration	1,226,539	1,270,233
Full-time equivalent personnel	7.72	7.84
Total key management personnel remuneration	1,299,239	1,338,183
Total full time equivalent personnel	8.72	8.84

Other than as noted on the table above, there are no transactions outside normal supplier or recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Peke Waihanga would have adopted in dealing with the party at arm's length in the same circumstances.

As noted at note 14, Peke Waihanga has a property lease agreement at nominal rental with the Ministry of Social Development.

All other transactions with government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent

with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

17. Board member remuneration

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

	Actual 2023 \$000	Actual 2022 \$000
G. Reedy	25	25
A. Thurston	-	3
C. Bennett	9	9
J. Mckie	9	2
K. Horan	9	9
K. Ross	9	9
S. Burns	9	9
Total Board member remuneration	73	68

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

No Board members received compensation or other benefits in relation to cessation (2022: nil).

18. Events after the balance date

Peke Waihanga was taken to the High Court by an orthotic service provider on the grounds that Peke Waihanga did not have the legal right to provide orthotic services and devices in terms of the Artificial Limb Services Act 2018. The matter was unsuccessful in the High Court.

The orthotic service provider then proceeded to the Court of Appeal however subsequent to year end, the Court of Appeal dismissed the case. (2022: nil).

19. Categories of financial assets and liabilities

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

	Actual 2023 \$000	Actual 2022 \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	6,122	2,699
Term deposits	1,258	1,227
Receivables	3,604	3,383
Total financial assets measured at amortised cost	10,984	7,309
Financial liabilities measured at amortised cost		
Payables	3,014	3,750
Total financial liabilities measured at amortised cost	3,014	3,750

Peke Waihanga is party to financial Instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable, accounts payable. The fair value of our financial instruments is the same as the carrying value.

Peke Waihanga does not have any gains or losses on its financial instruments and no impairments have been recognised to date.

All financial assets and liabilities are non-derivative in form and function and are neither available for sale nor held to maturity.

The fair value of the financial instruments are deemed not materially different from valuation at amortised cost. As a result, the carrying value of the instruments is at fair value.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Peke Waihanga, causing Peke Waihanga to incur a loss.

In the normal course of its business, credit risk arises from debtors. Default is considered by management to be unlikely, and the probable exposure has been determined as negligible.

There were no changes in receivables or payables during the year that can be attributed to credit risk.

For its other financial instruments, Peke Waihanga does not have significant concentrations of credit risk. Peke Waihanga is not exposed to any other concentrations of credit risk.

Credit facilities

Peke Waihanga does not have bank overdraft facilities as of 30 June 2023.

Liquidity risk

Liquidity risk is the risk that Peke Waihanga will encounter difficulty meeting commitments as they fall due.

Peke Waihanga maintains a target level of available cash to meet liquidity requirements.

Peke Waihanga considers that it does not have a significant liquidity risk as it ensures it has adequate working capital coverage at all time.

20. Explanation of significant variances against budget

Explanations for significant variations from the Peke Waihanga budgeted figures in the Statement of Performance Expectations are as follows:

Statement of revenue and expense

Revenue

The additional Government contracted revenue over that budgeted has principally been generated from:

- An increase in prosthetic income of \$3.3 million from the Accident Compensation Corporation is linked to technology development in prosthetic equipment combined with an increase in the Accident Compensation Corporation prosthetic patients.
- Additional orthotic services of \$3.8 million provided in the Auckland, Waikato and Bay of Plenty region over that budgeted.
- A Government grant of \$842,000 was received to cover operational expenditure.

Operating expenses

The increase in operating expenditure is a direct result of the increased revenue earned.

Statement of financial position

Cash and cash equivalents

The balance from the 30 June 2023 was higher than budgeted due to a delay in the Auckland property development. Resulting in the funds received from Government not being spent by year end.

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Peke Waihanga

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