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Corporate Information

Principal place of business

205 Great South Road
Greenlane
Auckland 1051
New Zealand
Phone: 64 9 634 3790
Website: www.spectrumcare.org.nz

Directors

G Cleland
A Thorp
J Farrar
N Jensen
P Fergusson

Bankers

ASB Bank Limited
17 Ronwood Avenue
Manukau City
New Zealand

Registered Office

205 Great South Road
Greenlane
Auckland 1051
New Zealand

Auditor

Grant Thornton New Zealand Audit Limited
152 Fanshawe Street
Auckland
New Zealand



Directors

The names and details of Spectrum Care Limited's Directors in office at the end of the financial year and at the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Grant Cleland ONZM (Chair)

Grant joined the Spectrum Care Board as Chair in April 2024 and brings long-term expertise in business, governance, the health, disability and education sectors.

Grant has lived experience of disability and has worked in the sector for over 30 years at governance, senior leadership and practitioner levels. He has both led and provided services for people with a range of impairments.

His current governance appointments include Toitu Te Waiora (Workforce Development Council for Community, Health, Education and Social Services), SkillWise Trust, Disability Leadership Canterbury, the Ara Institute of Canterbury Disability Action Plan Strategy Group and the Te Whatu Ora Waitaha Canterbury Disability Steering Group.

Jade Farrar (Director)

Jade joined the Spectrum Care Board in June 2018 and also serves as chair of the national Enabling Good Lives Leadership Group, leading several portfolios relating to System Transformation within the disability support sector.

Jade is a director of a communications and strategic advice consultancy and is committed to the pursuit of equity, working in strategic roles across the disability sector providing advice and partnering to create authentic opportunities to strengthen the voice and leadership of disabled people and whānau.

Alan Thorp BCom, BTheol, MTheol, CA (Director)

Alan joined the Spectrum Care Board in January 2022 and is currently Group Chief Executive Officer of Habitat for Humanity New Zealand, an NGO focused on housing both here in New Zealand and the Pacific. He is also a Board member of Habitat for Humanity Fiji.

Alan is a Chartered Accountant and holds two degrees in theology.

Nan Jensen BA (EngLit), MBA (Fin, IntBus), LLB (Hons) (Director)

Nan joined the Spectrum Care Board in October 2022 and is a barrister and solicitor in sole practice, specialising in disability law.

Nan is co-Chair of VisAble (a disabled-led trust providing prevention and response to violence against disabled people) and a committee member for Parafed Waikato and the EGL Waikato Leadership Group. She is also a member of the Auckland Disability Law Steering Group and Director of The Disability Trustee and Better Lives Legal.

Nan was diagnosed as autistic in 2020 and is mother to four children, two of whom are also autistic.

Peter Fergusson PGDipMgtSt, DipDMktg (Director)

Peter joined the Spectrum Foundation Board in January 2023. He has over 28 years' experience as a Chief Executive Officer across a range of sectors, including disability. He also chairs the Board of Osteoporosis New Zealand and is a trustee for YMCA New Zealand, New Zealand Soldiers Great War Memorial Trust and Reel Recovery New Zealand.

As a father of a son living with disability, Peter is immersed in and acutely aware of the challenges that individuals and families encounter on a regular basis. He is committed to leading and influencing improvement across the disability sector.



Spectrum Care

Statement of Service Performance

Spectrum Care is a registered charity and disability support provider that aims to maximise the potential of the people and whānau it supports by empowering choice, freedom and independence.



Spectrum Care offers a wide array of support options catered to those with learning and physical disability, brain injury and/or multiple diagnosis across all ages and stages of a disabled person's life.

Spectrum Care is part of Spectrum Group, a charitable group of entities with a more than 30-year history, which includes Spectrum Foundation and Homes of Choice.

Our Vision

An Aotearoa in which all disabled people have equal opportunity to live good lives.

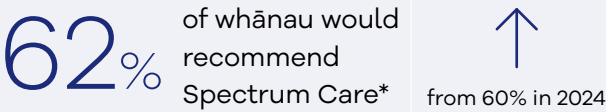
Our Purpose

To help maximise the potential of the people we support.



Key highlights

Whānau feedback

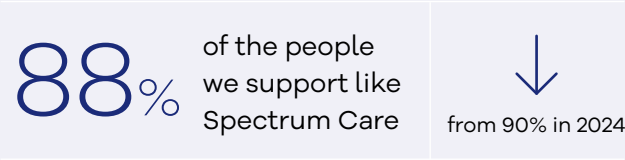


*28 per cent are passive and 11 per cent are detractors [30% and 10% in 2024].

How we’ve delivered on our strategic intent over the past 12 months.

Customer feedback

The financial year ending in June 2025 was the third year of our new annual customer satisfaction survey.



What our customers say about us

- “I like Spectrum Care. Staff are friendly. They are easy to interact [with] and [are] always making sure of my safety.”
- “I like that they help me and they’re always there for me, even if I don’t want help.”
- “We like how the staff help us and look after us while my brother and I are at Spectrum. Also, we love that we get to go out for a drive somewhere over the weekend while we are there. It’s good to have a change of scenery.”
- “I love going swimming and going out every day.”
- “I like how the carer cares for me.”
- “It’s fun. I do different things. They are caring. I need to find a part-time job. Some of my friends are nice. I like them.”

What whānau say about us

- “Very happy with the support my daughter receives through Spectrum Care, and so no reservations in recommending Spectrum Care to others needing similar kinds of support.”
- “We love the fact that the people looking after our daughter are the same generation as her and go to some trouble to engage her in everyday community activities, taking her to shows and concerts and so on.”
- “Great service... Always striving to give or do their best for their clients, understanding, caring. Will highly recommend to anyone.”
- “Happy with interactions I have had with Spectrum Care to date.”
- “I cannot fault the care my son receives from the staff at his home. He is treated with the utmost respect and love, which we appreciate so much!”
- “We are very happy with the support that Spectrum has shown us over the past 11 years, especially during the transition from respite care to residential.”



My Life Survey

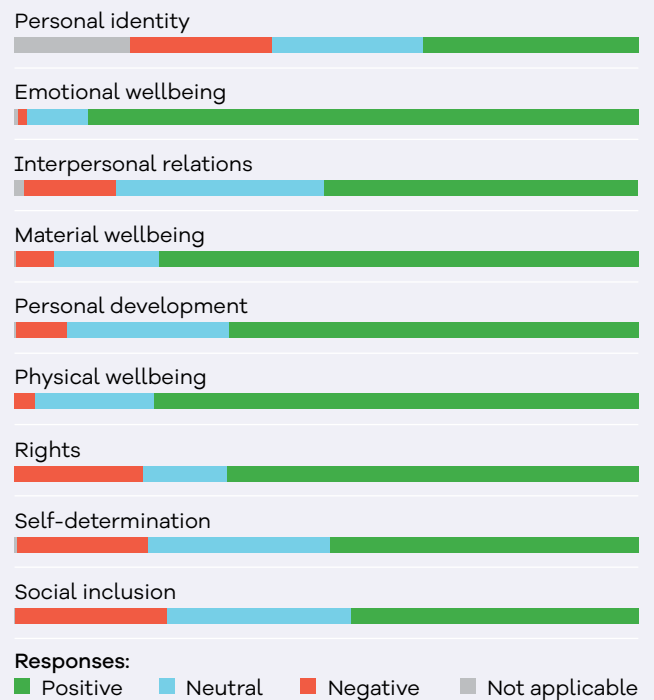
This quality of life survey was designed to provide reliable data about how well we deliver person-centred, individualised outcomes for the people we support in residential settings, based on Personal Goal Plans.

We employ disabled people to complete peer reviews of the face-to-face surveys.

We surveyed 371 people we support between 1 July 2023 and 30 June 2025 (relative to 345 people surveyed between 1 July 2022 and 30 June 2024).*

NOTE: My Life Survey survey is completed over a rolling biennial cycle, with approximately half of the population surveyed each financial year. As a result, this metric has changed from a one-year snapshot to a rolling two-yearly count.

MLS-Rolling two-year results-FY24-FY25



My Life Survey Questions

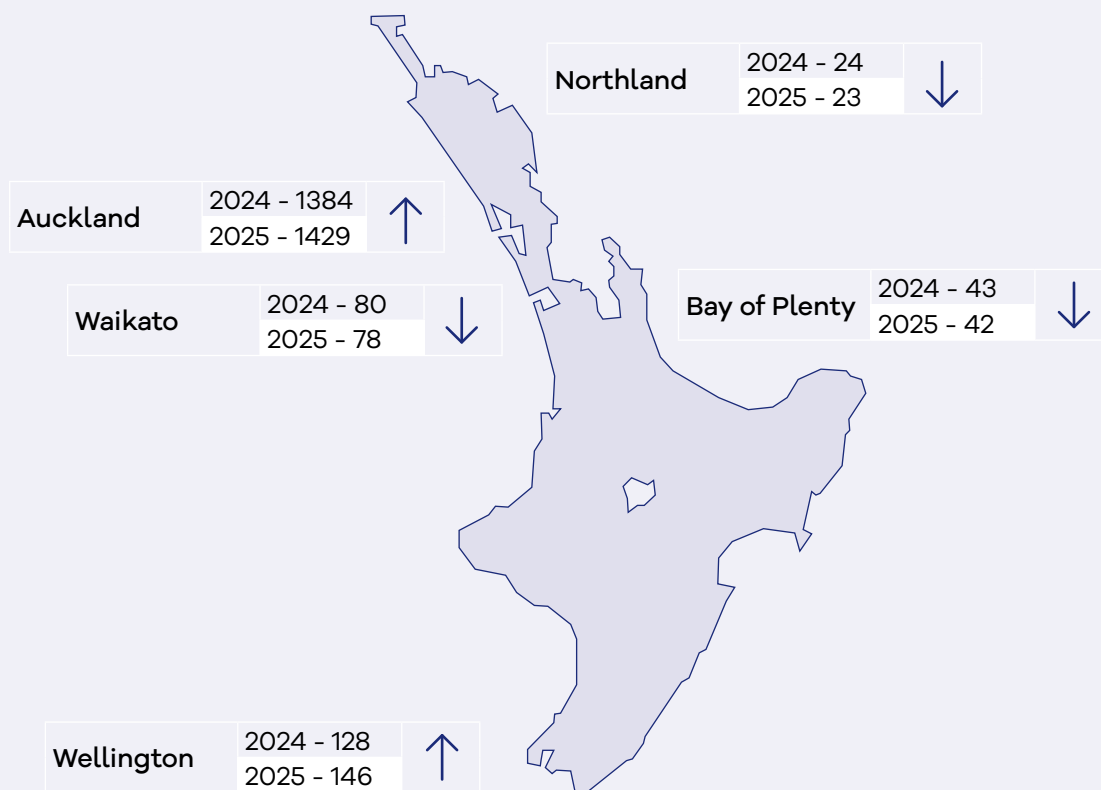
The green lines indicate positive responses provided by people we support in relation to their wellbeing, rights, etc.

Personal identity	FY23-FY24	36%	↓
	FY24-FY25	35%	
Emotional wellbeing	FY23-FY24	91%	↓
	FY24-FY25	88%	
Interpersonal relations	FY23-FY24	52%	↓
	FY24-FY25	50%	
Material wellbeing	FY23-FY24	78%	↓
	FY24-FY25	77%	
Personal development	FY23-FY24	69%	↓
	FY24-FY25	66%	
Physical wellbeing	FY23-FY24	81%	↓
	FY24-FY25	78%	
Rights	FY23-FY24	72%	↓
	FY24-FY25	66%	
Self-determination	FY23-FY24	56%	↓
	FY24-FY25	50%	
Social inclusion	FY23-FY24	49%	↓
	FY24-FY25	46%	

Number of people/whānau supported by service*

Community Residential Support Services	2024 - 451	↓	
	2025 - 446		
Supported Independent Living	2024 - 71	↑	
	2025 - 129		
Choices in Community Living	2024 - 32	↑	
	2025 - 37		
Home Support	2024 - 477	↓	
	2025 - 462		
Respite	2024 - 349	↑	
	2025 - 355		
School Holiday Programmes	2024 - 125	↑	
	2025 - 145		
Aspirations	2024 - 164	↓	
	2025 - 155		
Cultural Support	2024 - 99	↓	
	2025 - 95		
Community Participation and Very High Needs (MSD)	2024 - 66	↑	
	2025 - 67		
Transitions support	2024 - 35	↓	
	2025 - 29		
Living My Life (ACC)	2024 - 0	↑	
	2025 - 4		

Number of people/whānau supported by region*



*Note that many people/whānau access multiple support options across Spectrum Care.

Stories from 2025

Increasing equity and inclusion

Spectrum Group recently earned the Accessibility Tick – a formal recognition of our commitment to building an inclusive and accessible workplace.

It's about making sure disabled and neurodiverse people can thrive here – whether that be our kaimahi, all of you, or the disabled people/ tāngata whaikahaa we support.

To help keep everyone in the know, we've set up an Accessibility Tick Hub. It includes:

- our commitment to disability inclusion
- what the Tick is and why we're doing it
- a look at our action plan and what comes next.

So, what does this actually mean in practice?

Some of the changes already underway (or coming soon) include:

- making our job ads and recruitment processes more accessible
- making sure accessibility is baked into new builds and refurbishments
- improving the accessibility of our internal comms and digital tools
- making it easier for staff to ask for the adjustments they need
- providing training so we can all grow our confidence around disability and inclusion.



It's a lot – but it's the kind of mahi that makes a real difference. And it's work worth doing properly.

Increasing choice and independence

Something pretty special has just launched: Programme Astra – our new staff development kaupapa co-created with the disabled-person-led team at All is for All.

For the past two years, we've been working together to create a video series grounded in lived experience – centred on the real stories of disabled people, their whānau and the staff who support them. Stories about connection. Stories about choice. Stories that remind us what good support really looks like.

At the heart of it all? Whanaungatanga. Tino rangatiratanga. Mana. And in April, those stories lit up the cinema at The Vic in Tāmaki Makaurau – with many of the stars sitting right there in the audience.

The people we support, who bravely and beautifully shared their journeys, got to see themselves on screen for the first time. Their friends and whānau came along too – some smiling wide, some wiping their tears. It wasn't just special. It meant something. To be seen like that and to share that moment with the people who matter most.

Programme Astra is part of our commitment to keep learning, listening and making sure the values we talk about – like dignity and ambition – show up in our everyday mahi.



Increasing the voice of whānau



Over the past year, our Whānau Engagement Lead has led an important project identifying individuals without whānau support and increasing external advocacy for this group. This work has created engagements with community groups, churches and people's wider natural networks, as well as external advocacy organisations. It's also led to a partnership with Parent to Parent aimed at increasing support for whānau through peer-to-peer support networks.

Extensive work has also been undertaken by the Whānau Engagement Lead to identify individuals who are capable of living more independently and working with individuals and their whānau to put the supports in place to achieve this.

Ongoing work with Spectrum Care's Whānau Advisory Group continues to ensure whānau voices are heard and embedded in the review of policies, management standards and standard operating procedures.

Most importantly, the Whānau Engagement Lead has been able to work with a wide array of Spectrum Care whānau over the past year to promote positive change across the organisation.

Increasing the voice of Māori

Over the past year, the Pou Tikanga has worked closely with disabled people/tāngata whaikaha, whānau and kaimahi to uplift the voice of Māori across our organisation. Regional hui across Te Ika-a-Māui created space for kōrero on Te Ao Māori aspirations and strengthened local connections.

Initiatives like Karakia Live with Fata, tuakiri and pepeha sessions, and regular kapa haka and waiata sessions have embedded tikanga into our daily rhythms and fostered cultural expression. The introduction of the kaikōkiri-a-rohe role, supported by the Awhi Group, has strengthened regional Māori leadership. A second cohort of senior management has successfully

completed the five-day comprehensive Cultural Competency and Tiriti o Waitangi programme, showcasing our commitment to a leader-led approach.

Collaborations across business units have helped embed Māori perspectives into planning and delivery, for example, incorporating Te Whare Tapa Whā into the induction progress note session. These efforts, alongside mentoring, kaupapa Māori events and strategic input, reflect a strong and ongoing commitment to authentically embedding Te Ao Māori across our organisation. In June, the Awhi Group wānanga was a key milestone, building cultural confidence, connection and shared purpose.



Increasing the voice of Pasifika



Over the past year, the Pasifika Cultural Group has remained deeply committed to increasing the voice of Pasifika within our services and across the wider community. A key part of this has been the delivery of ongoing community cultural support, walking alongside Pasifika individuals and families in times of need. This approach ensures our people are met with understanding, respect and guidance that reflects their cultural values.

We also continued to strengthen our visibility through key Pacific Cultural Calendar events, including the Luau Night, Fiafia Night and Pasifika Christmas. These events showcased

the vibrancy of our cultures through language, music, dance and traditional food. They created a welcoming space for celebration and connection, while also reaffirming the value of our voices and stories.

Every gathering was a powerful reminder that culture is not just a backdrop, it's a source of strength and a foundation for wellbeing. Through our cultural support and community-led events, we continue to create spaces where Pasifika voices are seen, heard and uplifted, ensuring they influence how services are shaped and delivered for generations to come.

Disclosure of Judgements

Our Statements of Service Performance report our non-financial performance against each entity's Vision and Purpose. Each statement uses both indicators that measure our outputs (the services provided) and the narratives that illustrate the impact our activities, services and programmes have for the disabled community with whom we work. These outcomes are what enable us to achieve our Group Vision and deliver on each entity's Purpose.

These statements were developed in consultation with Spectrum Group's Executive Team and approved by the respective boards of Trustees and Directors for Spectrum Foundation, Spectrum Care and Homes of Choice.



Financial Statements

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue from exchange transactions			
Other service income and recoveries		246	311
Revenue from non exchange transactions			
Contract income		111,163	105,881
Interest revenue		228	599
Donation and fundraising revenue	15	195	225
Other revenue		79	66
Revenue		111,911	107,083
Cost of services provided		(92,890)	(88,695)
Operating surplus		19,021	18,388
Administrative expenses	13	(14,899)	(15,023)
Capital charge	15	(338)	(338)
Depreciation and amortisation expense	7, 8	(1,887)	(1,657)
Total expenses		(17,124)	(17,018)
Surplus for the year		1,897	1,371
Total comprehensive revenue and expenses attributable to the owners of the controlling entity		1,897	1,371

The above Statement of Comprehensive Revenue and Expenses should be read in conjunction with the accompanying notes

Statement of Changes in Net Assets

	Shared Capital \$000	Asset Revaluation Reserve \$000	Accumulated Surplus \$000	Systems Transformation Reserve \$000	Total Equity \$000
Share Capital issued at 1 July 2024	13,817	-	4,177	-	17,994
Surplus for the year	-	-	1,897	-	1,897
Total comprehensive revenue and expenses for the year	-	-	1,897	-	1,897
Share buy-back	(8,000)	-	-	-	(8,000)
Balance as at 30 June 2025	5,817	-	6,075	-	11,891
Share Capital issued at 1 July 2023	13,817	-	2,806	-	16,623
Surplus for the year	-	-	1,371	-	1,371
Total comprehensive revenue and expenses for the year	-	-	1,371	-	1,371
Balance as at 30 June 2024	13,817	-	4,177	-	17,994

The above Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2025

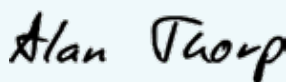
	Note	2025 \$'000	2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		9,587	7,392
Receivables from non-exchange transactions	6	11,287	12,554
Related party receivable	15	7,169	11,686
Other current assets		114	49
Total current assets		28,158	31,681
Non-current assets			
Property, plant and equipment	7	3,522	4,081
Intangible assets	8	335	671
Total non-current assets		3,857	4,751
TOTAL ASSETS		32,015	36,432
LIABILITIES			
Current liabilities			
Trade and other payables	9	2,394	2,610
GST and PAYE payable		1,669	1,571
Employee entitlements	10	14,073	13,082
Funding received in advance	16	1,987	1,174
Total current liabilities		20,124	18,438
TOTAL LIABILITIES		20,124	18,438
NET ASSETS		11,891	17,994
EQUITY			
Share capital	11	5,817	13,817
Accumulated surplus		6,075	4,177
TOTAL EQUITY		11,891	17,994

For and on behalf of the Board, who authorised the issue of these financial statements on 16 September 2025.



Grant Cleland

Board Chairperson



Alan Thorp

Director

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts for services performed		113,841	103,550
Payments to suppliers and employees		(107,456)	(101,453)
Interest received/(paid)		374	597
Net cash flows from/(used in) operating activities	12	6,759	2,693
Cash flows from investing activities			
Proceeds from sale of fixed assets		181	66
Purchase of property, plant and equipment and intangible assets	7,8	(1,115)	(1,112)
Investment in term deposits		-	1,000
Net cash flows from/(used in) investing activities		(934)	(46)
Cash flows from financing activities			
Cash advances from/(to) subsidiary		(3,629)	(6,102)
Net cash flows from/(used in) financing activities		(3,629)	(6,102)
Net increase/(decrease) in cash during the year		2,196	(3,454)
Cash balances at beginning of year		7,392	10,846
Cash balances at end of year		9,587	7,392

The above CashFlow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2025

1. General information

The reporting entity is Spectrum Care Limited ('Spectrum Care' or 'the Company'). It is a public benefit entity domiciled in New Zealand and is a wholly owned subsidiary of The Spectrum Foundation ('Spectrum Foundation' or 'the Foundation').

Spectrum Care is a limited liability company and registered charity. Its purpose is 'to help maximise the potential of the people it supports'. Though registered on 6 May 2021, Spectrum Care commenced its operations on 1 July 2021 following an asset and liability transfer and share capital issue from Spectrum Foundation.

Spectrum Care's aim is to help identify the unique potential in every one of the people it supports, then lend a hand to help them realise it. It offers a wide array of flexible support options in the Northland, Auckland, Waikato, Bay of Plenty and Wellington regions, which can be structured to suit the unique needs of each tāngata whaikaha and whānau.

Spectrum Care's services are primarily funded by the Ministry of Social Development, Oranga Tamariki, the Accident Compensation Corporation and direct payments from disabled people and their whānau.

The parent entity, Spectrum Foundation, was registered as an incorporated society in 1994 and under the Charities Act 2005 in 2007. A second wholly owned subsidiary, community housing provider Homes of Choice, is also within the Spectrum Group.

These financial statements are for the year ended 30 June 2025, and for Spectrum Care Limited as a stand alone entity. Comparative information presented is for the year ending 30 June 2024.

These financial statements for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 16 September 2025.

2. Statement of compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the Financial Reporting Act 2013. They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for not-for-profit entities. For the purposes of complying with NZ GAAP, the Company is a public benefit not-for-profit entity and is applying Tier 1 Not-For-Profit PBE IPSAS as it has expenditure of more than \$33 million.

3. Summary of significant accounting policies

A) Basis of measurement

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

B) Functional and presentation currency

The financial statements are presented in New Zealand dollars which is the Company's functional currency. All values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

C) Changes in accounting policies

There were no changes in accounting policies during the year.

D) New standards

There were no new standards implemented this year.

E) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank, and in hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. These are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents and are defined above.

F) Investments

Investments comprise of term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents. Investments are held with registered trading banks and are classified as current assets if they have maturities of less than one year from the reporting date. As at balance date, there were no term deposits with a maturity greater than 12 months. After initial recognition, investments are measured at amortised cost using the effective interest method less impairment.

G) Property, plant and equipment

Plant and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- » Land – zero rated
- » Buildings – depreciation is zero-rated as the future residual value of property is not expected to be less than carrying value
- » Building improvements – costs are presented together with the revalued buildings and are depreciated at five to ten years
- » Plant and equipment – three to four years
- » Motor vehicles – five years.

Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value. The asset's residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each reporting date, and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Revenue and Expense.

H) Intangible assets

Intangible assets, provided that the software does not meet the definition of software as a service, include acquired software used in administration. It is accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

» Software – five years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the surplus or deficit when incurred.

I) Leases

Operating lease payments, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the lease term.

J) Impairment

Assets are checked for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company will revalue its land and buildings on a periodic basis with sufficient frequency to ensure the current carrying value is not significantly different to fair values and monitors its plant and equipment and intangible assets for indications of impairment. If any indication of impairment exists, an estimate of the asset recoverable amount is calculated. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

K) Payables under exchange transactions

Trade and other payables are carried at amortised cost, however, due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

L) Employee entitlements

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave and gratuities

The liability for long service leave and gratuities are recognised and measured as the present value of expected future payments to be made. This is in respect to services provided by employees up to the reporting date using the projected unit credit method. The liability for long service leave is recognised for staff with service periods from the time they started employment and provision for the liability is based on a probability of employment continuity to 10, 15 and 20 years. The liability for gratuity payment only applies to staff that commenced employment prior to 1996 and this reward is subject to Chief Executive discretion. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that matches, as closely as possible, the estimated future cash outflows.

M) Revenue

Revenue is recognised to the extent that it is probable that an economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

Revenue from non-exchange transactions is recognised in the period when the Company provides services to children, young people and adults with disabilities, and their families. The majority of the consideration for these services is received as funding from Ministry of Social Development and Oranga Tamariki – Ministry for Children.

Contract revenue is earned from the provision of 24-hour support for people living in residential homes throughout the Auckland, Northland, Wellington and Waikato regions, respite care for adults in the Auckland, Waikato, Wellington and Bay of Plenty, and respite care for children in Auckland and Wellington. In addition, it includes Very High Needs care and support, Behavioural Support, Transitions, Care In Community Living, Supported Independent Living and Aspirations services, as well as the provision of accommodation and living cost assistance for people in the greater Auckland region. The Company also receives funding for running a School Holiday Programme of activities for children. Revenue is recognised either for the number of hours of services rendered or bulk funded according to the service contracts.

Interest revenue

Interest revenue is recognised as interest accrued using the effective interest method.

Donation and fundraising revenue

Donation and fundraising revenue is recognised in the period when the Company receives the amount donated.

Other revenue

Other revenue is the gain on sales that are recognised upon the sale of fixed assets.

N) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- » when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- » receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the IRD, is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the IRD.

O) Financial instruments

Classification and subsequent measurement

Financial assets and financial liabilities are recognised when Spectrum Care becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets are classified using the following categories which also determines their subsequent measurement:

Financial assets

Financial assets are classified using the following categories which also determines their subsequent measurement:

- » financial assets at amortised cost;
- » fair value through other comprehensive revenue and expense (FVTOCRE); or
- » fair value through surplus or deficit (FVTSD).

Financial assets are classified to the above categories on the basis of both the:

- » entity's management model for financial assets; and
- » contractual cash flow characteristics of the financial asset.

Financial assets shall be measured at amortised cost if both the following conditions are met and are not designated as FVTSD:

- » the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flow; and
- » the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit. The Company's cash and cash equivalents, short-term investments and receivables are classified and measured at amortised cost.

The Company does not have any financial assets at FVTOCRE or FVTSD.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

Except for short-term receivables and payables, at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTSD, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial liabilities

Financial liabilities are subsequently measured either at amortised cost or at FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, and are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

All financial liabilities of the Company are classified and measured at amortised cost.

Impairment

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL). Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

P) Income tax

Spectrum Care is a registered charity and is therefore exempt from income tax.

Q) Operating expenses

Operating expenses are recognised in the Statement of Comprehensive Revenue and Expenses upon utilisation of the service or at the date of their origin.

R) Cash Flow Statement

The Cash Flow Statement has been prepared using the direct approach already defined in the cash policy.

Operating activities included are the principal revenue-producing activities and other activities that are not investing or financing activities.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Company.

S) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations, as a result of a past event, will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised. Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

T) Equity

Accumulated surplus include all current and prior period retained surplus/(deficit).

4. Financial risk management objectives and policies

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits. Primary responsibility for identification and control of financial risks rests with the Chief Executive under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk and future cash flow forecast projections.

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

Spectrum Care Limited 2025	Weighted Average Effective Interest Rate %	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	0.00	9,587	-	-	-	-	9,587
Related party receivable	0.73	7,169	-	-	-	-	7,169
Receivables from non-exchange transactions	0.00	11,287	-	-	-	-	11,287
		28,043	-	-	-	-	28,043
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00	2,394	-	-	-	-	2,394
	0.00	2,394	-	-	-	-	2,394

Spectrum Care Limited 2024	Weighted Average Effective Interest Rate %	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	0.00	7,392	-	-	-	-	7,392
Related party receivable	3.68	11,686	-	-	-	-	11,686
Receivables from non-exchange transactions	0.00	12,554	-	-	-	-	12,554
		31,632	-	-	-	-	31,632
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00	2,610	-	-	-	-	2,610
	0.00	2,610	-	-	-	-	2,610

Interest rate risk

The interest rate risk is not material as the Company's cash and cash equivalents, as well as the investments, are all held at market rates.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, investments and receivables from non-exchange transactions. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in each applicable note. The Company trades only with New Zealand registered banks that have a Standard and Poor rating of A or better, as published by the Reserve Bank of New Zealand and as such, collateral is not requested.

In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant. Management considers that all financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Maximum credit risk	2025 \$000	2024 \$000
Financial assets		
Loans and borrowings		
Cash and cash equivalents	9,587	7,392
Related party receivable	7,169	11,686
Receivables from non-exchange transactions		
Not more than three months	10,184	11,145
More than three months	1,103	1,408

Concentration risk

There is usually a significant concentration of credit risk with respect to receivables of which a major amount is owed by the Company's principal funder, Disability Support Services, under the Ministry of Social Development and Te Whatu Ora Health New Zealand. As at 30 June 2024, these receivables were \$9,088,433 (2024: \$9,998,877).

Another significant concentration of credit risk is the Company bank balances and short term deposits with its principal operating bank, the ASB Bank Limited. Some diversity in credit risk has been achieved by holding short term investments with other banks; BNZ and Westpac. The Company has chosen to do this by utilising the existing relationship Spectrum Foundation has with the BNZ and Westpac, with the Foundation holding term deposits on behalf of the Company with funds and interest returned upon maturity. These are transacted via the intercompany accounts.

Liquidity risk

The Company objective is to maintain a balance between continuity of operations from internal cash reserves. The actual cash flows will include interest based on the contractual interest rates applicable to each financial asset/liability. The interest earned is compounded to the principal upon maturity for renewal. The interest expenses are recognised in the surplus or deficit.

The risk implied from the values reflects a balanced view of cash inflows and outflows. The Board regularly monitors and reviews the investment position.

2025	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Gross Amount \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	9,587	-	-	-	-	9,587	9,587
Related party receivable	7,169	-	-	-	-	7,169	7,169
Receivables from non-exchange transactions	11,287	-	-	-	-	11,287	11,287
	28,043	-	-	-	-	28,043	28,043
Financial liabilities (at amortised cost)							
Payables under exchange transactions	2,394	-	-	-	-	2,394	2,394
	2,394	-	-	-	-	2,394	2,394

2024	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Gross Amount \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	7,392	-	-	-	-	7,392	7,392
Related party receivable	11,686	-	-	-	-	11,686	11,686
Receivables from non-exchange transactions	12,554	-	-	-	-	12,554	12,554
	31,632	-	-	-	-	31,632	31,632
Financial liabilities (at amortised cost)							
Payables under exchange transactions	2,610	-	-	-	-	2,610	2,610
	2,610	-	-	-	-	2,610	2,610

2025	Loans and Receivables \$000	Other Amortised Cost \$000	Total Carrying Amount \$000	Fair Value \$000
Financial assets (loans and receivables at amortised cost)				
Financial assets	9,587	-	9,587	9,587
Related party receivable	7,169	-	7,169	7,169
Receivables from non-exchange transactions	11,287	-	11,287	11,287
	28,043	-	28,043	28,043
Financial liabilities				
Payables under exchange transactions	-	2,394	2,394	2,394
	-	2,394	2,394	2,394

2024	Loans and Receivables \$000	Other Amortised Cost \$000	Total Carrying Amount \$000	Fair Value \$000
Financial assets (loans and receivables at amortised cost)				
Financial assets	7,392	-	7,392	7,392
Related party receivable	11,686	-	11,686	11,686
Receivables from non-exchange transactions	12,554	-	12,554	12,554
	31,632	-	31,632	31,632
Financial liabilities				
Payables under exchange transactions	-	2,610	2,610	2,610
	-	2,610	2,610	2,610

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial assets and financial liabilities reflected in the tables above:

Cash and cash equivalents and receivables from non-exchange transactions

Due to their relatively short-term nature, the carrying amounts of these items are considered a reasonable approximation of fair value.

Payables from exchange transactions

Due to their relatively short-term nature, the carrying amounts of these items are considered a reasonable approximation of fair value.

Related party receivable

Due to their relatively short-term nature, the carrying amounts of these items are considered a reasonable approximation of fair value.

Investments

Due to their relatively short-term nature, less than 12 months, the carrying amounts of these items are considered a reasonable approximation of fair value.

5. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires Management and the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management regularly evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The Company based its estimates and assumptions on information available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

There are no material balances in the financial statements that are impacted by significant estimates and judgements.

6. Receivables from non-exchange transactions

	2025 \$000	2024 \$000
Trade receivables	10,054	11,019
Related party receivable	21	3
Other receivables	1,780	2,139
Provision for doubtful debt	(569)	(607)
	11,287	12,554

The trade receivables from non-exchange transactions balance contains a number of aged receivables. Although the Company expect full payment of this, management have recognised a provision for doubtful debts as the collectability of these receivables cannot be guaranteed.

7. Property, plant and equipment

Spectrum Care Limited 2025	Freehold buildings \$000	Plant and equipment \$000	Motor vehicles \$000	Total \$000
At 1 July 2024 net of accumulated depreciation	272	389	3,420	4,081
Additions	111	172	812	1,095
Disposals	-	-	(306)	(306)
Depreciation on disposal	-	-	205	205
Depreciation charge for the year	(40)	(199)	(1,312)	(1,552)
At 30 June 2025 net of accumulated depreciation	343	361	2,819	3,552
At 30 June 2025				
Cost or fair value	430	768	6,788	7,986
Accumulated depreciation	(87)	(407)	(3,969)	(4,464)
Net carrying amount after revaluation	343	361	2,819	3,552

Spectrum Care Limited 2024	Freehold buildings \$000	Plant and equipment \$000	Motor vehicles \$000	Total \$000
At 1 July 2023 net of accumulated depreciation	129	302	3,868	4,299
Additions	169	219	839	1,228
Disposals	-	(2)	(233)	(236)
Depreciation on disposal	-	1	111	111
Depreciation charge for the year	(26)	(131)	(1,165)	(1,322)
At 30 June 2024 net of accumulated depreciation	272	389	3,420	4,081
At 30 June 2024				
Cost or fair value	319	597	6,282	7,198
Accumulated depreciation	(47)	(208)	(2,862)	(3,117)
Net carrying amount after revaluation	272	389	3,420	4,081

8. Intangible assets

	2025 \$000	2024 \$000
At 1 July opening balance	671	1,006
Additions	-	48
Disposal	-	(48)
Amortisation for the year	(335)	(335)
At 30 June net of amortisation	335	671
At 30 June		
Cost or fair value	1,772	1,772
Amortisation	(1,437)	(1,102)
Net carrying amount	335	671

9. Payables under exchange transactions

	2025 \$000	2024 \$000
Trade payables	255	144
Related party payables	1,893	2,195
Other payables	246	270
	2,394	2,610

10. Employee entitlements

	2025 \$000	2024 \$000
ACC levy	112	155
Accrued salaries and wages	6,018	5,370
Lieu days	1,537	1,584
Gratuities	613	655
Long service leave	846	696
Annual leave	4,808	4,477
Other	139	144
	14,073	13,082

During the year, defined employer contributions totalling \$1,519,261 (2024: \$1,574,961) were made to KiwiSaver.

11. Equity

Capital management

Spectrum Care's capital is made up of Share Capital and its Retained Earnings. When managing capital, the Board and Management's objective is to ensure the entity continues as a going concern as well as to maintain optimal benefits for its stakeholders. The Board and Management monitor capital through the gearing ratio (total liability/equity) and working capital ratio. There are no externally imposed financial covenants or other such requirements. Spectrum Care's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. Spectrum Care uses annual cash flow to fund its activities and achieve its annual objectives. Any surplus cash flow may be carried over to the next year to facilitate future activities.

On 1 July 2021, Spectrum Care issued capital of \$13,816,510 in exchange for the assets and liabilities relating to the care business of Spectrum Foundation.

The Company's share capital consists of 100 issued and fully paid ordinary shares at \$138,165 per share. This equates to \$13,816,510. On 23 July 2024, Spectrum Care purchased and cancelled 41 shares for \$8,000,000. The buy-back was approved by its shareholder, Spectrum Foundation. The total cost was deducted from share capital with \$8,000,000 settled through an intercompany arrangement with Spectrum Foundation during the 2025 financial year.

	2025	2024
Share issue	100	100
Share buy-back	(41)	-
Total shares authorised at 30 June	59	100

12. Statement of cash flows reconciliation

	2025 \$000	2024 \$000
Reconciliation of net surplus to net cash flows from operations		
Net surplus for the year	1,897	1,371
<i>Adjustments for:</i>		
Depreciation and amortisation	1,887	1,657
Interest receivable	-	69
Related party interest	146	(71)
(Gain)/loss on sale of assets	(59)	(57)
Changes in assets and liabilities		
Provision for ACC Levy	(43)	12
Provision long service Leave	150	40
Provision for lieu days	(47)	209
Provision for PAYE	(1)	62
Provision for annual leave	330	416
Provision for gratuities	(42)	132
Provision for salary, wages and sick leave	648	1,084
Creditors accrued	(25)	(5)
Provision for doubtful debts	(38)	207
Grant received in advance	813	50
Other employee provisions	(5)	(0)
(Increase)/decrease in trade and other receivables	1,404	(2,927)
(Decrease)/increase in trade and other payables	(257)	445
Net cash from operating activities	6,759	2,693

13. Administration expenses

	Notes	2025 \$000	2024 \$000
Management fees service level agreement	15	480	446
Shared service charge	15	8,689	8,817
Grant/donation spend allocation		177	242
Employee costs		2,223	2,205
Software expenses		255	196
General office expenses		143	121
Contractor and consultant expense		48	214
Advertising and marketing expense		22	16
Recruitment and training expense		67	47
Insurance		230	218
Computer maintenance		15	15
Vehicle		1,627	1,723
Travel and accommodation		63	60
Trustee costs		112	115
Bad debt expense		(38)	228
Legal		72	70
Leases		108	108
Loss on disposal of fixed assets		20	9
Cloud Software project costs		453	4
Other expenses		134	168
		14,899	15,023

14. Operating lease commitments

Minimum lease payments for the leases are as follows:

	2025 \$'000	2024 \$'000
Less than one year	445	311
Between one to two years	145	198
Between two to five years	101	17
More than five years	-	-
Total minimum lease payments	691	525

15. Related party transactions

Spectrum Care is a wholly owned entity of Spectrum Foundation. At 30 June 2025, the remaining payable from Spectrum Care to Spectrum Foundation amounts to \$1,185,223 (2024: \$1,470,671). The remaining receivable to Spectrum Care from the Foundation amounts to \$17,979 (2024: \$2,525). Transactions with Spectrum Foundation are discussed below.

Homes of Choice is also a wholly owned entity of Spectrum Foundation. At 30 June 2025, the remaining payable to Homes of Choice from Spectrum Care amounts to \$708,079 (2024: \$724,534). The remaining receivable from Homes of Choice to Spectrum Care amounts to \$3,452 (2024: \$144). Transactions with Homes of Choice are discussed below.

Spectrum Care is Homes of Choice's major source of revenue. Total rental revenue for properties that are owned by Homes of Choice is \$3,924,860 (2024: \$3,630,507). In addition, total rental revenue for properties that are owned by third parties, which are leased by Homes of Choice and oncharged to Spectrum Care, is \$1,485,538 (2024: \$1,254,367). The total payable in relation to the above rental arrangements at 30 June 2025 amounted to \$451,705 (2024: \$411,335).

A Service Level Agreement exists between Spectrum Foundation and Spectrum Care for administrative services provided by the Foundation to Spectrum Care. Total expense during the period in relation to this agreement is \$8,688,711 (2024: \$8,817,497). There is an outstanding amount payable in relation to this at year end of \$714,745 (2024: \$689,364) as it is paid a month in arrears.

A Service Level Agreement exists between Spectrum Care and Homes of Choice for property management services provided by Homes of Choice to Spectrum Care for which a monthly fee of \$40,026 (2024: \$37,207) was agreed. Total expense during the period in relation to this agreement is \$480,312 (2024: \$446,490). There is an outstanding payable in relation to this at year end of \$40,026 (2024: \$37,207) as it is paid a month in arrears. In addition, Spectrum Care was invoiced \$328,221 (2024: \$275,221) by Homes of Choice for external property management fees. There is an outstanding payable in relation to this at year end of \$28,376 (2024: \$24,524) as it is paid a month in arrears.

During the year, Homes of Choice managed repairs for Spectrum Care for the sum of \$1,604,714 (2024: \$1,916,564) and Spectrum Foundation for the sum of \$30,894 (2024: \$5,554).

A monthly capital charge of \$28,125 (2024: \$28,125) was charged to Spectrum Care by Spectrum Foundation for the use of the \$13,816,510 investment of the Parent to the Company provided. Total expense during the period in relation to this agreement was \$337,500 (2024: \$337,500). The capital charge rate is determined by Spectrum Foundation and for the year of 30 June 2025 was 2.5 per cent (2024: 2.5 per cent).

During the year, Spectrum Care received a grant of \$207,500 (2024: \$146,666) from Spectrum Foundation in relation to the Company implementing the 'Gig Buddies' programme. Within Spectrum Foundation, the full cost of this was recognised in the 2025 financial year. Within Spectrum Care, \$163,374 (2024: \$217,527) was recognised as donation and fundraising revenue, being the amount of costs associated with the 'Gig Buddies' programme as at 30 June 2025. The remaining \$114,706 (2024: \$70,579) of 'Gig Buddies' grants received from Spectrum Foundation in 2025, 2024 and 2023 are recorded as funds received in advance liability.

Spectrum Care and Spectrum Foundation have two Directors and Trustees in common on their Board of Directors/Trustees (2024: Two). Spectrum Care and Homes of Choice have one director in common on their Board of Directors (2024: One)

The \$7,169,365 (2024: \$11,686,486) in related party receivables relates to money held on behalf of Spectrum Care by Spectrum Foundation. Of this \$1,500,000 (2024: \$8,000,000) relates to the Foundation holding term deposits on behalf of the Company with funds and interest returned upon maturity. Interest on these Term Deposits of \$9,181 (2024: \$155,305) has been accrued within related party receivables. The remaining amount relates to funding and contributions that were paid into a Spectrum Foundation bank account when the money should have been paid by funders to Spectrum Care.

Compensation to Key Management Personnel in the form of short-term employee benefits totalled \$360,296 (2024: \$345,295). Key Management Personnel is comprised of five Directors (2024: Five) and one Chief Operating Officer (2024: One).

16. Funding received in advance

	Notes	2025 \$000	2024 \$000
Residential contract		235	341
Respite contract		1,122	463
Home Support contract		171	171
Related party grant received in advance	15	135	71
Other		325	129
		1,987	1,174

17. Auditor's remuneration

	2025 \$000	2024 \$000
Amounts paid or payable to Grant Thornton New Zealand Audit Limited for:		
Audit of the financial statements.	56	57
	56	57

18. Contingent liabilities and contingent assets

There are no contingent assets as at 30 June 2025 (2024: Nil).

19. Capital commitments

As at 30 June 2025, total capital commitments consisting of vehicle purchases and vehicle fit-outs are \$398,825 (2024: \$349,793).

20. Events after the reporting period

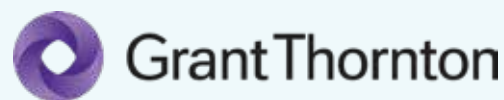
There were no events subsequent to the reporting period that would materially affect the financial statements.



Thank you 😊

Independent Auditor's Report

To the Shareholder of Spectrum Care Limited



Report on the Audit of the general purpose financial report

Opinion

We have audited the financial report of Spectrum Care Limited (the "Entity") which comprise the financial statements on pages 14 to 34 and the service performance information on pages 5 to 12. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive revenue and expense, statement of changes in net assets, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents fairly, in all material respects:

- » the financial position of the Entity as at 30 June 2025 and its financial performance and its cash flows for the year then ended; and
- » the service performance for the year ended 30 June 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Entity's measurement bases or evaluation methods

in accordance with the Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) issued by the New Zealand Accounting Standards Board ("applicable financial reporting framework").

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) The Audit of Service Performance Information. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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Other Information

The Directors are responsible for the other information accompanying the financial statements. The other information comprises of the Corporate Information and Directors' details 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 and, in doing so, 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 the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Those Charged with Governance for the Financial Report

Those charged with governance are responsible on behalf of the Entity for:

- » the preparation, and fair presentation of the financial report in accordance with applicable financial reporting framework;
- » the selection elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- » the preparation and fair presentation of service performance information in accordance with the Entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- » the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- » such internal control as those charged with governance determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, those charged with governance are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of the auditor's responsibilities for the audit of the financial report is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/>

Restriction on use of our report

This report is made solely to the Entity's shareholder. Our audit work has been undertaken so that we might state to them those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entity and its shareholder for our audit work, this report or for the opinion we have formed.

The logo for Grant Thornton, featuring the company name in a stylized, cursive script.

Grant Thornton New Zealand Audit Limited

Auckland, New Zealand

19 September 2025



**We face challenges
together and
empower capabilities.**



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