Spectrum care

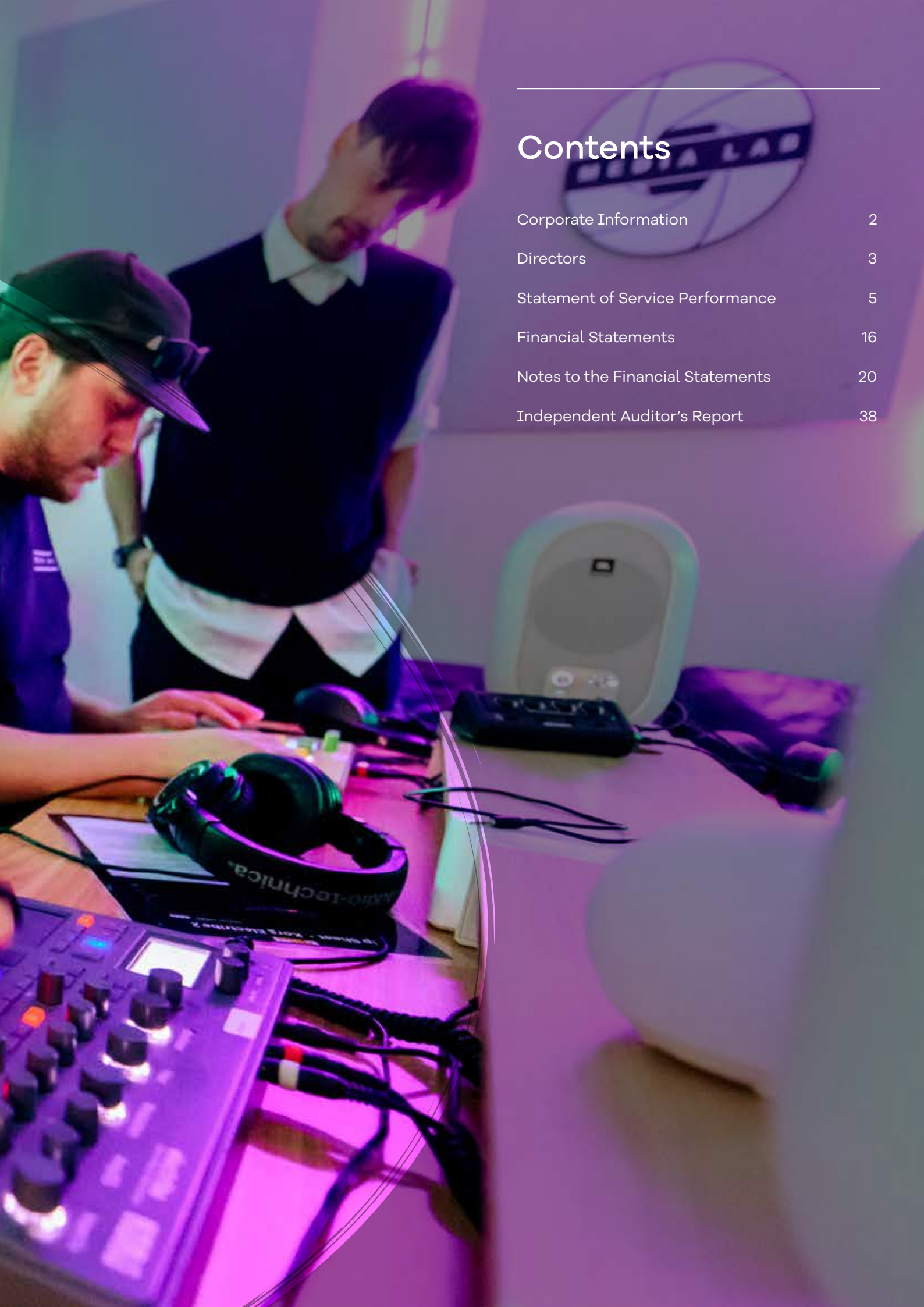
Te Wai Kahukura Atawhai



FY26 Annual Report

SPECTRUM CARE





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Corporate Information

Directors

G Cleland
A Thorp
J Farrar
N Jensen
P Fergusson

Registered Office

205 Great South Road
Greenlane
Auckland 1051
New Zealand

Principal place of business

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

Bankers

ASB Bank Limited
17 Ronwood Avenue
Manukau City
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 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. Grant has also served on the boards of Toitu Te Waiora (the Workforce Development Council for Community, Health, Education and Social Services) and the New Zealand Qualifications Authority.

Jade Farrar MNZM [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 received a New Year's honour in 2026, appointed as a Member of the New Zealand Order of Merit for services to people with disabilities and the pacific community.

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 Regional Leadership Group. She is also a trustee of the Aotearoa Disability Law Charitable Trust 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 [Director]

Peter joined the Spectrum Care Board in October 2022. 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

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

Customer feedback

The 2026 financial year was the fourth year of our new annual customer satisfaction survey.

92% of the people we support like Spectrum Care

↑ from 88% in FY25

What our customers say about us

"The staff at this house are very supportive to me. I think they are the best to have to support me."

"I am happy with the staff who have been helping me in achieving my plan to be healthy and manage my weight. I am working hard and consistently following my goal plans."

"I like the supported independent living service, and the staff and support workers are really nice and friendly."

"I've started working and go to work two days a week. I like all my staff members. They've been supporting me with all my activities when I'm at home."

"I am happy with all staff members. I am satisfied with all activities planned for me in this house since I moved here."

Whānau feedback

68% of whānau would recommend Spectrum Care*

↑ from 62% in FY25

*20.6% are passive and 11.5% are detractors *[27.6% and 10.8% in* FY25*]*.

What whānau say about us

"We love Spectrum and the staff at [house]. We feel very grateful to have our daughter in this wonderful environment with so much love and care."

"The staff are very professional and accommodating. They come across as caring, engaged and competent. Our Service Manager works very hard to find the best support for our son. He really listens and keeps us updated along the way. My son forms close bonds with his support workers and they really get to know him."

"Thanks for the lovely support for my children for all these years. The kids are well looked after by Spectrum Care staff. The kids also enjoy their time in Spectrum Care environment. I'm very grateful for their support and love for my kids."

"Very supportive. Really hard to ask for more. The team who looks after my daughter are excellent..."

"The team are always considering new ways to support and encourage my son to become more engaged in the local community. They care for my son as if he were their own."



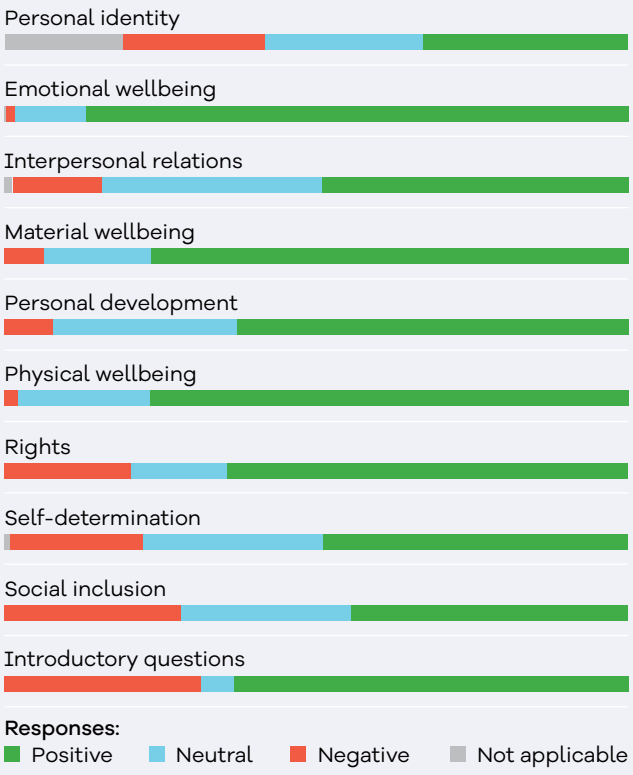
My Life Survey

The My Life Survey was designed to provide reliable 'quality of life' data about how well we deliver high-quality, person-centred, individualised outcomes for the people we support, based on Personal Goal Plans. We employ disabled people to complete peer reviews of the face-to-face surveys.

We surveyed 375 people we support between 1 July and 30 June of the past two financial years. The graphs represent a snapshot of the positivity ratings for each wellbeing domain.

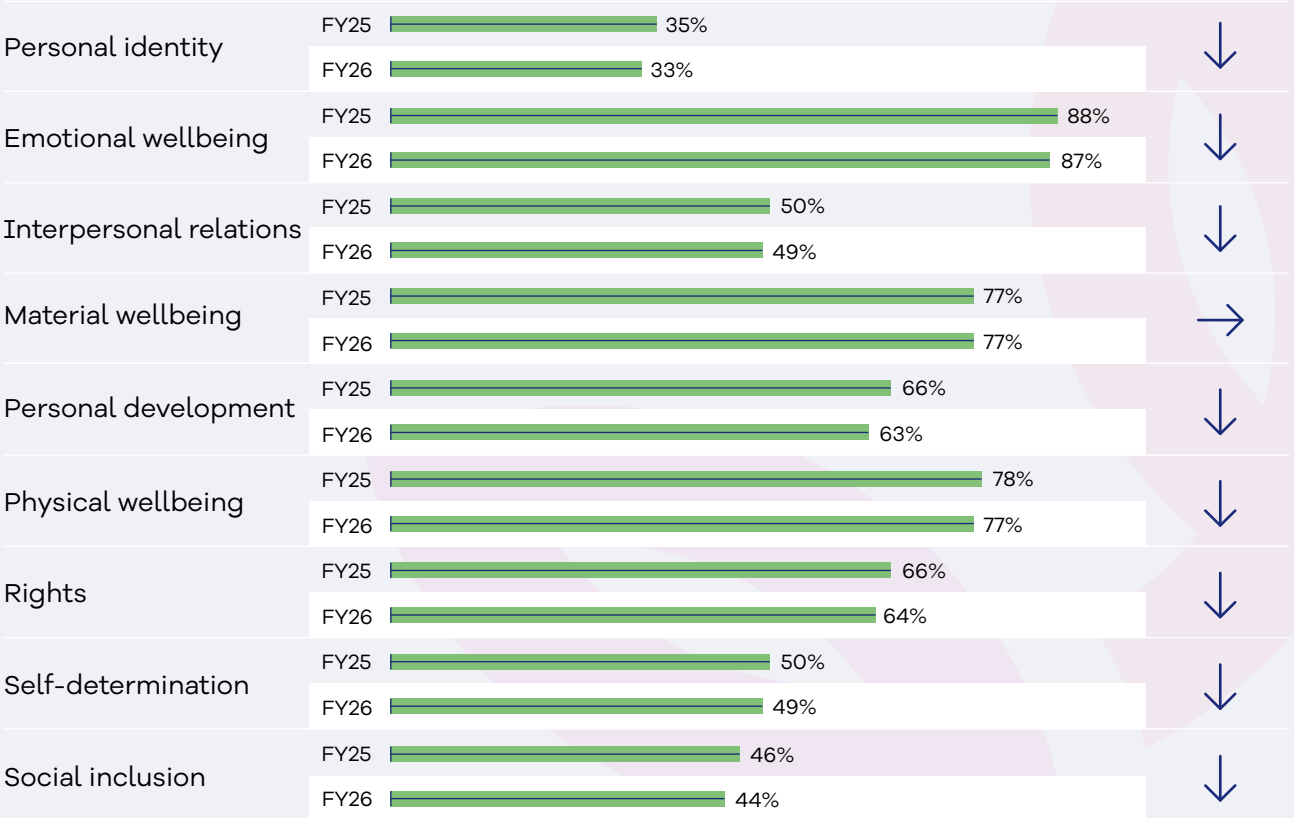
Lower results across all domains reflect a survey sampling issue rather than a confirmed decline in outcomes. The FY25 cohort was drawn from one region with comparatively limited access to community amenities and transport, resulting in a sample that was not representative of the broader service population. The methodology has since been corrected and future surveys will use a representative cross-regional sample.

My Life Survey Domains



My Life Survey Questions

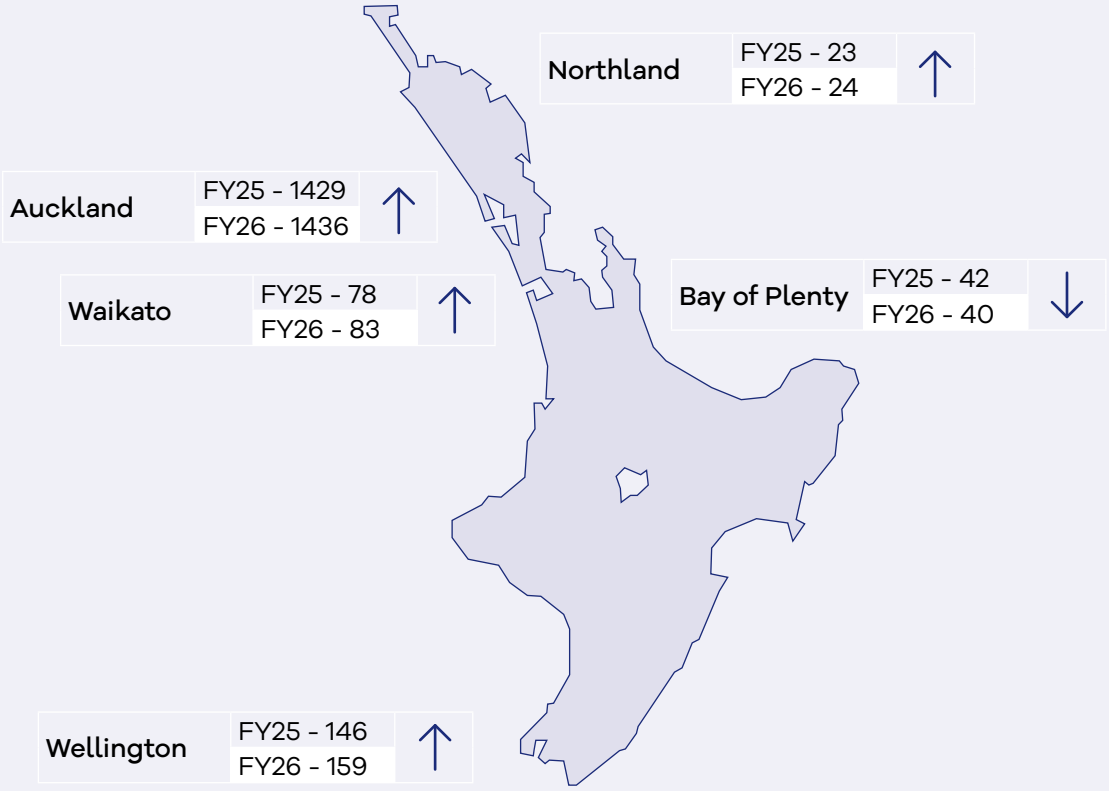
The green lines indicate positive responses provided by people we support in relation to their wellbeing, rights, etc.



Number of people/whānau supported by service*

Home Support	FY25 - 462 FY26 - 454	↓
Community Residential Support Services	FY25 - 446 FY26 - 447	↑
Respite	FY25 - 355 FY26 - 379	↑
Aspirations	FY25 - 155 FY26 - 176	↑
School Holiday Programmes	FY25 - 145 FY26 - 143	↓
Supported Independent Living	FY25 - 129 FY26 - 131	↑
Cultural Support	FY25 - 95 FY26 - 95	→
Community Participation and Very High Needs (MSD)	FY25 - 67 FY26 - 72	↑
Choices in Community Living	FY25 - 37 FY26 - 34	↓
Transitions Support	FY25 - 29 FY26 - 22	↓
Living My Life (ACC)	FY25 - 4 FY26 - 5	↑

Number of people/whānau supported by region*



*Regional totals are lower than service totals because people/whānau may access multiple support options, while regional reporting counts people/whānau by primary region.


ZOO

Stories from FY26

Increasing equity and inclusion

Faith is one of the biggest Wiggles fans you could ever meet. Their music is part of her everyday life. She goes to their shows whenever she can, and if she spots Wiggles merchandise in a shop, chances are it's coming home with her.

So, when Kiriana and Tash saw a social media post about an eight-night Wiggles cruise with Royal Caribbean, they immediately thought of Faith. Making it happen would take time. Two years of planning, preparation and teamwork, to be exact.

Faith's mum, Kim, was immediately on board with the idea and generously covered the cost of the cruise and flights. With her backing the support team, it was agreed that Kiriana and Tash would travel with Faith to support her on the journey. From there, the preparation began.

Because so much of the experience would be new, the focus was on helping Faith understand what was ahead. Social stories were created to walk through each step of the journey, from packing her bag and boarding the plane to arriving at the ship and meeting her new Wiggles friends.

Faith is non-verbal, communicating with the world in her own language. Staff worked together so the unfamiliar parts of the trip would feel safe and predictable.

She usually prefers baths, and the sound and sensation of running water can be uncomfortable for her. In the lead-up to the cruise, staff spent time helping her gradually get used to showers, something that would be part of daily life on the ship.



At home, Faith listens to Wiggles music on her iPad. Internet access wouldn't be available on the ship, so the team downloaded Spotify playlists of her favourite songs and helped her learn to use headphones. At first, she wasn't interested. But that changed the moment they became "Wiggles headphones", covered in her own Wiggles stickers.

Dressing up is another thing Faith loves. A former support worker who is now her music therapy teacher created 16 Wiggles costumes for the trip, many of them handmade and completely one of a kind. Over the eight days at sea, Faith wore every single one.

Once onboard, the days were filled with adventures. Discos, story time with Wags, ballet with Dorothy the Dinosaur, big shows at sea, and meet and greets galore. Faith went to every event on offer and loved them all.

The Wiggles crew quickly came to know Faith. They greeted her whenever they crossed paths and met her where she was, giving her the time and space to interact in ways that felt comfortable. Staff even arranged for Faith to be last in line at meet and greets so she could spend a little longer with them.

There were quieter moments too. Walking the top deck in the evening air. Sitting in the sun between activities. Watching the moana stretch out in every direction.

It was a journey filled with firsts. Faith's first flight. Her first cruise. New environments, new routines and hundreds of unfamiliar faces. And yet she found her way through all of it.

Back home, Faith's wider world was following along too. Photos were shared throughout the week, and her mum Kim says her whole work team felt like they were living the trip alongside her, watching updates come through while it poured with rain back home.

"It was magical for me as well," she says.

For Kiriana and Tash, being there to support Faith through the experience was something they will never forget.

"Seeing her truly enjoy the whole experience, power through challenges and be so content with everything that was new or different was amazing," they say. "It's a simple reminder of why we love what we do."

Sometimes, making a dream possible starts with someone believing it matters.

Or, in this case, having a little faith.

Increasing choice and independence



Getting back into employment has been a long journey for Stefan.

Before the COVID-19 pandemic, Stefan worked at a local supermarket collecting trolleys. He enjoyed having a job, being part of a team and earning his own income. But when personal circumstances led to him losing that role, he found himself out of work for several years.

In 2023, Stefan decided he wanted to return to employment. He started where many people do. With a CV in hand, he visited supermarkets and businesses in person, introducing himself and asking about opportunities. He put in the effort, but finding work proved harder than expected.

Rather than giving up, Stefan focused on building his experience. He began volunteering with Fair Food and later enrolled in Spectrum Care's Pathway to Employment Programme, which he completed in April 2025. Throughout that time, he continued pursuing his goal of returning to paid employment.

One of the things that stood out during Stefan's job search was his willingness to keep putting himself forward. Even when opportunities didn't work out, he kept applying for jobs and looking for the next opening.

With support from the Community Facilitation Team, Stefan also visited Fix Up Look Sharp to find some professional clothing for interviews and meetings with employers. It helped him feel prepared and confident as he continued his search.

Earlier this year, Stefan was offered a three-week work trial with Abilities. He threw himself into the opportunity, turning up consistently, learning new tasks and showing the team what he could do. At the end of the trial, he was offered a 30-hour-per-week employment contract.

For Stefan, the job is the result of a lot of hard work behind the scenes. It represents months of applications, volunteering, training and continuing to show up, even when progress felt slow.

He's now enjoying being back in the workforce and gaining valuable experience. His long-term goal is to continue building his skills before exploring further opportunities in the wider community.

Seeing Stefan reach this point has been incredibly rewarding. His journey shows that progress doesn't always happen quickly, but persistence, support and a willingness to keep trying can make a real difference.

Congratulations, Stefan. We are proud of everything you have achieved.



Increasing the voice of whānau

There are moments when staying quiet would be easier. This was not one of them.

Over the first half of 2026, a series of government decisions began pointing in the same direction. Fewer commitments to accessible housing. Greater uncertainty around disability grants and transport support. More pressure placed on disabled people and the families who already do so much to support them.

For the people we support and their whānau, these were not distant policy debates. They were decisions about whether someone could find a home that worked, get where they needed to go, or rely on support still being there when they needed it.

Spectrum Care chose to speak early and clearly. Through two public thought pieces, we connected the decisions being made with the realities people experience at home. We said that when government systems step back, the pressure does not disappear. It lands in people's finances, relationships, health and everyday lives.

Together, the posts received more than 75,000 views, almost 1900 interactions and nearly 500 shares. The overwhelming response from disabled people, whānau and carers was one of trust, relief and recognition.

"Thank you for being bold enough to say it out loud."

"Those of us in the disability community thank you for it."

When the Disability Support Services Bill was introduced, we created a direct way for the people most affected to shape our response.

Through a public campaign, disabled people, whānau, carers and supporters told us what the proposed changes could mean for their lives. Their feedback became the foundation of Spectrum Group's written and oral submissions to Parliament.

The findings were unequivocal. 96% of the people and whānau who responded opposed families having primary responsibility for supporting disabled adults. 97% opposed people being expected to use their own resources before receiving support. 85% opposed weakening the recognition of family carers, while 95% opposed major decisions about the future system being made without further consultation.

In June, Spectrum Group's General Manager of Communications, Marketing and Strategy, Justin Walsh, presented those concerns directly to the Select Committee at Parliament. He spoke both on behalf of the Group and from his own lived experience.

"Families like mine will always do everything we can," he said. "But we cannot be the system."

We shared the video of Justin's submission through our social channels, where it received more than 40,000 views.

That is what increasing the voice of whānau looked like this year: listening, speaking up and carrying what people told us into the places where decisions were being made.

Because when decisions shape people's lives, their voices should shape the decisions.



Increasing the voice of Māori



History can be forgotten. Not because it lost its meaning, but because time moves.

This taonga, now brought back to life as a mural by our kaimahi Paula and Karen, carries the Te Wai Kahukura Atawhai emblem. A symbol gifted to Spectrum Care Trust through the Awhi Group many years ago. A group established to support the needs of Māori within the organisation and strengthen understanding across our people.

Its message is simple, but enduring: to blossom and nurture. That kaupapa still lives here.

Last month, during the launch of our Whakamanawa Programme, the mural was presented back to the organisation on behalf of the Awhi Group. A moment to remember where this mahi began and the people who helped shape it.

Whakamanawa means to enable the heart. To inspire. To empower.

The programme will help our kaimahi build confidence in te ao Māori, tikanga and everyday practice, deepening understanding and connection in the work we do.

This mural is a reminder that this kaupapa did not begin today. It has been carried by many hands.

Ngā mihi to Paula and Karen for bringing this taonga forward again and to the Awhi Group for helping ensure its story continues.

Increasing the voice of Pasifika

The first thing Nara thinks about is not the roster. Not the inbox. Not the million moving parts that come with managing four homes. It's hope.

"When I think about my houses, I think about hope. That they're happy. Safe. Well. That somewhere in the day, there was laughter."

Nara is Service Manager for four homes. Four teams. Dozens of people, each with their own ways of communicating how they're doing and what they need.

To understand what's really going on, Nara doesn't start with reports.

"You have to physically be in the homes to really know."

You notice things by being there. The look on someone's face. Whether the space feels calm or restless. Whether there's music playing or quiet. Whether someone's been out and comes home with something to share. These are things that don't show up in a report, but they matter. She watches for signs of aroha.

People looking like themselves, because someone has made room for who they are.

"The people we support all have their own way of communicating. Our job is to understand their way. And that takes time, patience and love."

The moment that changed Nara as a leader happened at a 50th birthday. The home was ready. Colourful decorations. Kai prepared. Invitations sent. Then she saw him, the birthday boy, standing at the window.

"He kept staring at the gate. Then I saw tears running down his face. He knew his family wasn't coming."

It's a moment she still carries every day. Not because they didn't try their damned hardest to still give him the party he deserved, but because of what it revealed: the quiet grief some of the people we support live with and a loneliness that doesn't always get named.



"Some of our people don't have anyone to hug them when they're scared or tell them they're loved. We are the only family that they have."

Since that day, Nara has pushed for homes that feel like home. Not just warm and clean, but personal. She tells her team, "If you wouldn't want to sit on the couch or sleep in the bed, we've still got work to do."

Culture is part of that feeling. Not as decoration. As belonging. She remembers one Pasifika Christmas Party when she taught two groups of staff to learn and perform cultural dances, one Samoan and one Tongan. Not only Community Support Workers, but senior managers too.

They learned the steps, the words and their meaning. Costumes were handmade. And when they got up there, proud and a bit nervous, something shifted. The people we support weren't just watching a performance. They were seeing themselves reflected in the faces of the people who show up for them every day. That's what Nara hopes for.

That if someone is ever left waiting at the window, looking for someone who doesn't come, they'll still have somewhere to turn.

They'll turn back and know they're home.

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 2026

	Note	FY26 $000	FY25 $000
Revenue from exchange transactions			
Contract income		113,627	111,163
Other service income and recoveries		134	246
Revenue from non-exchange transactions			
Donation and fundraising revenue	15	148	195
Finance and other revenue			
Interest revenue		41	228
Other revenue		28	79
Revenue		113,978	111,911
Cost of services provided	18	(94,468)	(92,890)
Operating surplus		19,510	19,021
Administrative expenses	13	(16,165)	(14,899)
Capital charge	15	(289)	(338)
Depreciation and amortisation expense	7, 8	(1,992)	(1,887)
Total expenses		(18,446)	(17,124)
Surplus for the year		1,065	1,897
Total comprehensive revenue and expenses for the year		1,065	1,897
Attributable to the owners of the controlling entity		1,065	1,897

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

Statement of Changes in Net Assets

	Share Capital $000	Accumulated Surplus $000	Total Equity $000
Share Capital issued at 1 July 2025	5,817	6,075	11,891
Surplus for the year	-	1,065	1,065
Total Comprehensive Revenue and Expenses for the year	-	1,065	1,065
Balance as at 30 June 2026	5,817	7,139	12,956
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

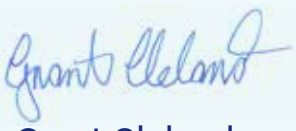
The above Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2026

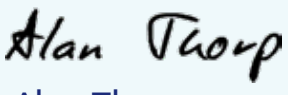
	Note	FY26 $000	FY25 $000
ASSETS			
Current assets			
Cash and cash equivalents		14,831	9,587
Receivables from exchange transactions	6	12,853	11,287
Related party receivable	15	1,019	7,169
Other current assets		287	114
Total current assets		28,991	28,158
Non-current assets			
Property, plant and equipment	7	2,732	3,522
Intangible assets	8	-	335
Total non-current assets		2,732	3,857
TOTAL ASSETS		31,723	32,015
LIABILITIES			
Current liabilities			
Trade and other payables	9	3,018	2,394
GST and PAYE payable		1,696	1,669
Employee entitlements	10	11,154	14,073
Funding received in advance	16	2,900	1,987
Total current liabilities		18,767	20,124
TOTAL LIABILITIES		18,767	20,124
NET ASSETS		12,956	11,891
EQUITY			
Share capital	11	5,817	5,817
Accumulated surplus		7,139	6,075
TOTAL EQUITY		12,956	11,891

For and on behalf of the Board, who authorised the issue of these financial statements on 15 September 2026.



Grant Cleland

Board Chair



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 2026

	Note	FY26 $000	FY25 $000
Cash flows from operating activities			
Receipts for services performed		113,218	113,841
Payments to suppliers and employees		(113,314)	(107,456)
Interest received		21	374
Net cash flows from/(used in) operating activities	12	(74)	6,759
Cash flows from investing activities			
Proceeds from sale of fixed assets		42	181
Purchase of property, plant and equipment and intangible assets	7,8	(894)	(1,115)
Net cash flows from/(used in) investing activities		(851)	(934)
Cash flows from financing activities			
Cash advances from parent company		(17,003)	(37,731)
Cash advances to parent company		23,173	34,102
Net cash flows from/(used in) financing activities		6,169	(3,629)
Net increase/(decrease) in cash during the year		5,244	2,196
Cash balances at beginning of year		9,587	7,392
Cash balances at end of year		14,831	9,587

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

Notes to the Financial Statements

for the year ended 30 June 2026

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'.

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.

Spectrum Care will carry on its activities exclusively for the following charitable objectives:

(a) to promote and support the wellbeing of disabled people and their whānau, including without limitation:
  (i) to provide government contracted supports that allow disabled people and their whānau to exercise greater choice and control over their lives and supports; and
  (ii) to provide products and supports to disabled people and their whānau who are the holders of personalised budgets,

  thereby assisting with the promotion and support of the material, intellectual, spiritual and physical health and welfare of disabled people;

(b) to undertake other work agreed with the Spectrum Foundation that assists the Spectrum Foundation to meets its charitable objectives;

(c) to collaborate with third parties that further the promotion and support of disabled people and their whānau to enable them to enjoy their right as New Zealanders to live an ordinary life;

(d) to foster and provide opportunities for public understanding of, and involvement in, the welfare of disabled people and to train volunteers, interns and employees to further the development of, and to support, disabled people and their whānau;

(e) to enlist support of individuals, government and all public and private organisations for the benefit, and contribution to the welfare, of disabled people;

(f) to do such other things as are, in the reasonable opinion of the Directors, incidental or conducive to the attainment of any of the above objects.

These financial statements are for the year ended 30 June 2026 and for Spectrum Care Limited as a standalone entity. Comparative information presented is for the year ending 30 June 2025.

These financial statements for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 15 September 2026.

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) 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:

- 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 ten to fifteen 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.

G) 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.

H) 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.

I) Impairment

Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company will revalue its 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 carrying amount of asset exceeds its recoverable amount.

Recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

J) 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.

K) 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, 20, 25, 30, 35 and 40 years (FY25: 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.

L) 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 exchange transactions

Revenue from 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 Disability Support Services – Ministry of Social Development, Te Whatu Ora – Health New Zealand, 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.

M) 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.

N) 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 financia l 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 of 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.

O) Income tax

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

P) 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.

Q) 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.

R) 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.

S) 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 FY26	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	14,831	-	-	-	-	14,831
Related party receivable	3.68	1,019	-	-	-	-	1,019
Receivables from exchange transactions	0.00	12,853	-	-	-	-	12,853
		28,703	-	-	-	-	28,703
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00	3,018	-	-	-	-	3,018
	0.00	3,018	-	-	-	-	3,018

Spectrum Care Limited FY25	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 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

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 receiv ables from 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. Expos ure 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 ongoing 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	FY26 $000	FY25 $000
Financial assets		
Loans and borrowings		
Cash and cash equivalents	14,831	9,587
Related party receivable	1,019	7,169
Receivables from exchange transactions		
Not more than three months	11,446	10,184
More than three months	1,407	1,103

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 2026, these receivables were $11,807,144 (FY25: $9,088,433).

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.

FY26	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	14,831	-	-	-	-	14,831	14,831
Related party receivable	1,019	-	-	-	-	1,019	1,019
Receivables from exchange transactions	12,853	-	-	-	-	12,853	12,853
	28,703	-	-	-	-	28,703	28,703
Financial liabilities (at amortised cost)							
Payables under exchange transactions	3,018	-	-	-	-	3,018	3,018
	3,018	-	-	-	-	3,018	3,018

FY25	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 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

FY26	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	14,831	-	14,831	14,831
Related party receivable	1,019	-	1,019	1,019
Receivables from exchange transactions	12,853	-	12,853	12,853
	28,703	-	28,703	28,703
Financial liabilities				
Payables under exchange transactions	-	3,018	3,018	3,018
	-	3,018	3,018	3,018

FY25	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 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

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 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 exchange transactions

	FY26 $000	FY25 $000
Trade receivables	12,962	10,054
Related party receivable	10	21
Other receivables	454	1,780
Provision for doubtful debt	(573)	(569)
	12,853	11,287

The trade receivables from exchange transactions balance contains a number of aged receivables. Although the Company expect 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 FY26	Freehold buildings $000	Plant and equipment $000	Motor vehicles $000	Total $000
At 1 July 2025 net of accumulated depreciation	343	361	2,819	3,522
Additions	217	184	493	894
Disposals	(29)	(20)	(118)	(168)
Depreciation on disposal	24	13	103	140
Depreciation charge for the year	(71)	(206)	(1,380)	(1,656)
At 30 June 2026 net of accumulated depreciation	483	333	1,917	2,732
At 30 June 2026				
Cost or fair value	617	932	7,163	8,712
Accumulated depreciation	(135)	(600)	(5,246)	(5,980)
Net carrying amount after revaluation	483	333	1,917	2,732

Spectrum Care Limited FY25	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	3,522
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	3,522

8. Intangible assets

	FY26 $000	FY25 $000
At 1 July opening balance	335	671
Additions	-	-
Disposal	-	-
Amortisation for the year	(335)	(335)
At 30 June net of amortisation	-	335
At 30 June		
Cost or fair value	1,772	1,772
Amortisation	(1,772)	(1,437)
Net carrying amount	-	335

9. Payables under exchange transactions

	FY26 $000	FY25 $000
Trade payables	205	255
Related party payables	2,283	1,893
Other payables	529	246
	3,018	2,394

10. Employee entitlements

	FY26 $000	FY25 $000
ACC levy	26	112
Accrued salaries and wages	3,661	6,018
Lieu days	1,141	1,537
Gratuities	690	613
Long service leave	975	846
Annual leave	4,488	4,808
Other	172	139
	11,154	14,073

During the year, defined employer contributions totalling $1,640,635 (FY25: $1,519,261) 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 share 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 initially consisted of 100 issued and fully paid ordinary shares. On 23 July 2024, Spectrum Care purchased and cancelled 41 shares for $8,000,000. The share buy-back was approved by the Company's shareholder, Spectrum Foundation. The $8,000,000 consideration was settled through an intercompany arrangement with Spectrum Foundation during the 2025 financial year and deducted from share capital.

Following the share buy-back, 59 issued and fully paid ordinary shares remained on issue, with total share capital of $5,816,510.

	FY26	FY25
Beginning of the year	59	100
Share buy-back	-	(41)
Total shares authorised at 30 June	59	59

12. Statement of cash flows reconciliation

	FY26 $000	FY25 $000
Reconciliation of net surplus to net cash flows from operations		
Net surplus for the year	1,065	1,897
Adjustments for:		
Depreciation and amortisation	1,992	1,887
Related party interest	(19)	146
(Gain)/loss on sale of assets	(15)	(59)
Changes in assets and liabilities		
Provision for ACC Levy	(86)	(43)
Provision long service Leave	129	150
Provision for lieu days	(395)	(47)
Provision for PAYE	72	(1)
Provision for annual leave	(319)	330
Provision for gratuities	77	(42)
Provision for salary, wages and sick leave	(2,357)	648
Creditors accrued	284	(25)
Provision for doubtful debts	4	(38)
Grant received in advance	912	813
Other employee provisions	33	(5)
(Increase)/decrease in trade and other receivables	(1,616)	1,404
(Decrease)/increase in trade and other payables	168	(257)
Net cash from operating activities	(74)	6,759

13. Administration expenses

	Notes	FY26 $000	FY25 $000
Management fees service level agreement	15	475	480
Shared service charge	15	8,649	8,689
Grant/donation spend allocation		147	177
Employee costs		2,474	2,223
Software expenses		261	255
General office expenses		110	143
Contractor and consultant expense		124	48
Advertising and marketing expense		31	22
Recruitment and training expense		42	67
Insurance		232	230
Computer maintenance		14	15
Vehicle		1,657	1,627
Travel and accommodation		73	63
Trustee costs		121	112
Bad debt expense		12	(38)
Legal		56	72
Leases		69	108
Loss on disposal of fixed assets		13	20
Cloud software project costs		1,400	453
Other expenses		204	134
		16,165	14,899

14. Operating lease commitments

Minimum lease payments for the leases are as follows:

	FY26 $000	FY25 $000
Less than one year	703	445
Between one to two years	358	145
Between two to five years	302	101
More than five years	-	-
Total minimum lease payments	1,363	691

The total lease cost for the year ending 30 June 2026 for Spectrum Care is $683,582 (FY25: $640,569).

15. Related party transactions

Spectrum Care is a wholly owned entity of Spectrum Foundation. At 30 June 2026, the remaining payable from Spectrum Care to Spectrum Foundation amounts to $1,518,733 (FY25: $1,185,223). The remaining receivable to Spectrum Care from the Foundation amounts to $9,372 (FY25: $17,979). Transactions with Spectrum Foundation are discussed below.

Homes of Choice is also a wholly owned entity of Spectrum Foundation. At 30 June 2026, the remaining payable to Homes of Choice from Spectrum Care amounts to $764,756 (FY25: $708,079). The remaining receivable from Homes of Choice to Spectrum Care amounts to $277 (FY25: $3,452). Transactions with Homes of Choice are discus sed 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 $3,859,482 (FY25: $3,924,860). 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 $1,692,552 (FY25: $1,485,538). The total payable in relation to the above rental arrangements at 30 June 2026 amounted to $422,295 (FY25: $451,705).

A Service Level Agreement exists between Spectrum Foundation and Spectrum Care for administrative services provided by the Foundation to Spectrum Care. In June 2026, a washup rebate of $299,512 was issued by Spectrum Foundation which resulted in a reduction in the June Service Level Agreement charge. Total expense during the period in relation to this agreement is $8,648,965 (FY25: $8,688,711). There is an outstanding amount payable in relation to this at year end of $462,479 (FY25: $714,745) 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 an average monthly fee of $39,613 (FY25: $40,026) was agreed. Total expense during the period in relation to this agreement is $475,366 (FY25: $480,312). There is an outstanding payable in relation to this at year end of $39,819 (FY25: $40,026) as it is paid a month in arrears. In addition, Spectrum Care was invoiced $321,675 (FY25: $328,221) by Homes of Choice for external property management fees. There is an outstanding payable in relation to this at year end of $24,210 (FY25: $28,376) as it is paid a month in arrears.

During the year, Homes of Choice managed repairs for Spectrum Care for the sum of $1,649,551 (FY25: $1,604,714) and Spectrum Foundation for the sum of $6,722 (FY25: $30,894).

A monthly capital charge of $24,119 (FY25: $28,125) was charged to Spectrum Care by Spectrum Foundation for the use of the investment of the Parent to the Company provided. Total expense during the period in relation to this agreement was $289,430 (FY25: $337,500). The capital charge rate is determined by Spectrum Foundation and for the year of 30 June 2026 was 2.5 per cent (FY25: 2.5 per cent).

During the year, Spectrum Care received a grant of $75,000 (FY25: $207,500) 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 2026 financial year. Within Spectrum Care, $142,153 (FY25: $163,374) was recognised as donation and fundraising revenue, being the amount of costs associated with the 'Gig Buddies' programme as at 30 June 2026. The remaining $67,552 (FY25: $114,706) of 'Gig Buddies' grants received from Spectrum Foundation in 2026, 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 (FY25: Two). Spectrum Care and Homes of Choice have one Director in common on their Board of Directors (FY25: One)

The $1,019,482 (FY25: $7,169,365) in related party receivables relates to money held on behalf of Spectrum Care by Spectrum Foundation. Of this $1,000,000 (FY25: $1,500,000) 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 $28,561 (FY25: $9,181) has been accrued within related party receivables. The balance amount relates to costs that were paid from a Spectrum Foundation bank account when the money should have been paid by Spectrum Care.

Compensation to Key Management Personnel in the form of short-term employee benefits totalled $377,298 (FY25: $360,296). Key Management Personnel is comprised of five Directors (FY25: Five) and one Chief Operating Officer (FY25: One).

16. Funding received in advance

	Notes	FY26 $000	FY25 $000
Residential contract		6	235
Respite contract		2,625	1,122
Home Support contract		171	171
Related party grant received in advance	15	68	135
Other		31	325
		2,900	1,987

17. Auditor's remuneration

	FY26 $000	FY25 $000
Amounts paid or payable to Grant Thornton New Zealand Audit Limited for:		
Audit of the financial statements.	54	56
	54	56

18.Cost of service provided

	FY26 $000	FY25 $000
Employee Compensation	80,900	78,998
Other costs of service provided	13,567	13,892
	94,468	92,890

19. Contingent liabilities and contingent assets

There are no contingent assets or contingent liabilities as at 30 June 2026 (FY25: Nil).

20. Capital commitments

As at 30 June 2026, total capital commitments consisting of vehicle purchases and vehicle fit-outs are $156,807 (FY25: $398,825).

21. Events after the reporting period

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



Independent Auditor's Report

To the Shareholder of Spectrum Care Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Spectrum Care Limited (the "Entity") which comprise the financial statements on pages 16 to 36 and the service performance information on pages 5 to 15. The complete set of financial statements comprise the statement of financial position as at 30 June 2026, 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 2026 and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2026 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.

Grant Thornton

Grant Thornton New Zealand Audit Limited

Auckland
21 September 2026



We face challenges together and empower capabilities.

Spectrum care
Te Wai Kahukura Atawhai

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