

FY26 Annual Report

SPECTRUM GROUP

SPECTRUM FOUNDATION
Ahākoa ko wai te tangata, ahākoa nō hea

Spectrum care
Te Wai Kahukura Atawhai

Homes of Choice
Ngā Kāinga Awhi



Contents

Chair and Chief Executive Report FY26	2
Corporate Information	6
Trustees	7
Spectrum Foundation Statement of Service Performance	10
Spectrum Care Statement of Service Performance	21
Homes of Choice Statement of Service Performance	33
Financial Statements	44
Notes to the Financial Statements	48
Independent Auditor's Report	76



Chair and Chief Executive Report FY26

Spectrum Group

Spectrum Foundation

Our work during the year ended 30 June 2026 has remained focused on removing the barriers disabled people face in living good lives. Across Spectrum Group, this means connecting practical support with advocacy and ensuring disabled people and their whānau have a meaningful say in the decisions that affect them.

Spectrum Foundation distributed $943,215 in funding and support during the year, comprised of $921,561 in grants across our priority areas of health and wellbeing, housing, education and employment, and $21,654 in discretionary support.

Our mixed funding approach recognises that we must address both immediate needs and longer-term social change. The open funding round supported 20 initiatives, while the closed round supported work aimed at social change. Health and wellbeing and employment received the largest shares of priority area funding. The outcomes described in Spectrum Foundation's Statement of Service Performance show the breadth of this work, from access to suitable housing to opportunities for disabled people to create, participate and lead.

We remain proud to be a funder guided by lived experience of disability. Our seven-person Philanthropy Moderation Panel assessed 58 applications this year, compared with 45 in FY25. Continuing our approach adopted in FY25, self-determination is no longer a separate funding category. It is reflected in disabled leadership and decision-making within the organisations we support. We want our funding to strengthen that leadership, rather than substitute our own view of what a good life should look like.

Demand also reminds us of the limits of our resources. Expressions of interest in the open round increased by more than 70 per cent, and many applications could not be supported, including requests outside our eligibility criteria. We recognise the time community organisations invest in seeking funding. Our new online funding portal therefore begins with an eligibility test, helping applicants understand whether our funding is a fit before committing to a full application.

Collaboration remains essential to extending the reach of our contribution. Just over a third of distributed funding was provided alongside other funders. Our support for Disability Connect's Housing Information Service, together with Foundation North and the JR McKenzie Trust, illustrates this approach. The service works alongside disabled people and whānau seeking safe, secure and suitable homes, while advocating for better housing options. Partnerships like these connect responses to individual needs with efforts to address the barriers behind them.

We have also continued to bring disabled voices into public discussion. Feedback from disabled people, whānau, carers and supporters shaped Spectrum Group's written and oral submissions on the Disability Support Services Bill. Spectrum Group's GM of Communications, Marketing and Strategy, Justin Walsh, carried these concerns to the Select Committee in June, drawing on both the Group's perspective and his own lived experience. The video of his submission received more than 40,000 views. This reach matters, but our purpose is to ensure the people affected by decisions are heard where those decisions are made.

Behind this work, the Foundation's shared services support Spectrum Care and Homes of Choice to deliver their respective purposes. Responsible stewardship remains an important part of that role. Group revenue was just over $118m and the consolidated surplus just under $4.5m, compared with $7m in FY25. We remain mindful of balancing the resources needed for today's support with ensuring the sustainability of our work into the future.

Spectrum Care

Good support starts with understanding what matters to each person and making room for their choices, relationships and aspirations. In this year's surveys, 92 per cent of people we support who responded said they liked Spectrum Care, and 68 per cent of responding whānau said they would recommend us. We welcome this feedback, while recognising the work still to do. Listening to people and whānau, including those whose experiences are less positive, remains essential to improving the support we provide.

The stories in Spectrum Care's Statement of Service Performance show what personalised support can make possible. Two years of preparation, the backing of her Mum and careful teamwork enabled Faith to enjoy a Wiggles adventure, including her first flight and first cruise. Stefan's persistence, volunteering and employment preparation led to a successful work trial with Abilities and a 30-hour-per-week employment contract. These are their achievements. Our role is to support people to pursue the opportunities they value, at their own pace and in ways that work for them.

We also need to be careful about how we measure progress. The My Life Survey offers an important perspective on quality of life, with disabled people involved in peer review. Sampling limitations mean the year-on-year results should not be interpreted as a confirmed decline in outcomes. Future representative cross-regional sampling will strengthen the evidence available to us. Honest reporting, alongside the experience people share with us directly, is necessary if we are to understand where support is working and where it needs to change.

Uplifting the voice of Māori remains integral to this work. The Whakamanawa Programme is designed to build kaimahi confidence in te ao Māori, tikanga and everyday practice. The restoration of the Te Wai Kahukura Atawhai mural also recognises the legacy of Spectrum Care's Awhi Group and the people who have carried this kaupapa over time. We value that continuity and the reminder that culturally responsive support is grounded in relationships, understanding and everyday actions.

The Pasifika story shared in this year's Statement of Service Performance similarly reminds us that culture is a source of belonging, not an addition to care. Service Manager Nara describes the importance of being present in people's homes, understanding their ways of communicating and making space for their identity. Her account of staff learning Samoan and Tongan dances shows how shared cultural experiences can help people see themselves reflected in those who support them.

Alongside everyday support, Spectrum Care spoke publicly about the implications of government decisions for disabled people and whānau. Two thought pieces posted on our social media received more than 75,000 views. Responses to our campaign on the Disability Support Services Bill strongly opposed shifting primary responsibility onto families and requiring people to exhaust their own resources before receiving support. We will continue to advocate for a system that recognises both disabled people's rights and the contribution of whānau and carers.

Homes of Choice

A suitable home is fundamental to independence, wellbeing and connection. Homes of Choice served 934 people during FY26, including 379 people using respite homes, compared with 867 people in FY25. This is not simply a measure of tenancies but reflects the different ways our homes support people's lives. Our portfolio is comprised of 217 properties, including 130 owned homes. We remain focused on housing more people and housing people better, with safe and welcoming environments that respond to individual needs.

During the year, Homes of Choice completed 20 planned property upgrades and delivered nine new units. These included four affordable rentals, comprised of three four-bedroom homes and one two-bedroom home, as well as five one-bedroom units with a communal support area. All Homes of Choice homes maintained Healthy Homes compliance. The importance of this work is captured in Gabrielle's story, where a purpose-built home in Howick has given her a safer environment and greater independence. Accessible design is about making everyday life possible, not simply meeting a specification.

We also progressed the next stage of our housing work, with seven two-bedroom units under development and a respite home redevelopment also nearing completion. Income-Related Rent Subsidy capacity funding was secured for seven fully accessible two-bedroom social housing units. Funding relationships with ASB and the Community Housing Funding Agency, alongside our development partners, are essential to this pipeline. We acknowledge their contribution to creating housing options that disabled people can genuinely use.

Feedback helps us understand whether those homes are delivering what matters. In the social housing survey introduced in May 2026, 94 per cent of respondents said their lives and wellbeing had improved, and 94 per cent were satisfied with property management. Tasi's experience gives these figures a human context, with his accessible home enabling privacy and independence while keeping him connected with his sister and her children. As set out in Homes of Choice's Statement of Service Performance, the value of a home lies in the life it enables a person to live.

Conclusion

We thank our trustees and directors across Spectrum Group for their expertise, judgement and commitment, including the lived experience that strengthens our governance. We also acknowledge our Executive Team, management and kaimahi for their leadership and the care they bring to their work. Our funders, development partners and community organisations make a vital contribution, and we are grateful for their willingness to work alongside us in addressing barriers that no single organisation can remove alone.

Above all, we thank the disabled people and whānau who trust us, challenge us and share their aspirations with us. Their experiences give our work its direction and its measure of success. The year's achievements reinforce the value of practical action, partnership and disabled leadership, while reminding us that there is more to do. We remain committed to our shared vision of an Aotearoa in which all disabled people have equal opportunity to live good lives.





Graeme Edwards
Chair
Spectrum Foundation

Sean Stowers
Chief Executive
Spectrum Foundation

Spectrum Group

Each of our three entities fulfils our Vision in different ways across our sectors of operation – philanthropy, disability support and community housing.

Each entity therefore has its own supporting purpose.

Spectrum Foundation's purpose is:
'To break the barriers those most in need face in achieving equitable outcomes in health, housing, education, employment and self-determination.'

Spectrum Care's purpose is:
'To help maximise the potential of the people we support.'

Homes of Choice's purpose is:
'To empower new possibilities by providing welcoming homes, tailored to people's needs.'

Our Group Vision is:

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

Our Group Values are:

Equity – Mana taurite: 'We treat everyone fairly.'

Dignity – Whakaute: 'We honour and respect each other.'

Ambition – Pae tawhiti: 'We dream big.'

Sustainability – Ka ora: 'We do what's best.'

Our Group Whakatauki is:

'Ko te mea nui, ko te tangata. Ahākoa ko wai te tangata, ahākoa nō hea.' – 'The important thing is people. No matter who the person is, no matter from where.'

Corporate Information

Trustees

G Edwards
J Farrar
M van Ryn
P Fergusson
T Black
T Eggleton

Registered Office

205 Great South Road
Greenlane
Auckland 1051
New Zealand

Principal place of business

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Auckland 1051
New Zealand
Phone: 64 9 634 3790
Website: www.spectrumfoundation.org.nz

Bankers

ASB Bank Limited
17 Ronwood Avenue
Manukau City 2104
New Zealand

Westpac
PO Box 934
Shortland Street
Auckland 1140
New Zealand

Bank of New Zealand
80 Queen Street
Auckland 1010
New Zealand

Auditor

Grant Thornton New Zealand Audit Limited
152 Fanshawe Street
Auckland 1010
New Zealand

Trustees

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

Graeme Edwards BA, LLB (Hons) [Chair]

Graeme joined the Spectrum Foundation Board in December 2021 and was appointed Board Chair in October 2022. His other governance roles include being a director of Lifetime Group, PPS Mutual and ASB Group Investments and a member of the Financial Advice Code Committee.

Graeme is a commercial barrister specialising in financial services and corporate governance, and has previously held senior leadership roles with financial services organisations in New Zealand and Australia.

Jade Farrar MNZM [Trustee]

Jade joined the Spectrum Foundation 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.

Mariette van Ryn BA, LLB [Trustee]

Mariette joined the Spectrum Foundation Board in December 2021 and is an experienced director and senior executive, having worked in professional services, corporate management and governance.

Mariette is currently on the boards of the Financial Markets Authority and Insurance & Financial Services Ombudsman Limited.

Mariette has previously held a range of senior leadership and independent board roles, including at Simpson Grierson, Westpac NZ Group, Milford Asset Management Group and the New Zealand Markets Disciplinary Tribunal. Mariette has a particular interest in risk management, organisational redesign and productivity improvement.

Peter Fergusson [Trustee]

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.

Tanya Black BBus (Comms) [Trustee]

Tanya joined the Spectrum Foundation Board in January 2023. Tanya has a lived experience of disability and has served on several not-for-profit boards that promote and provide opportunities for disabled people.

Tanya currently works in economic development with Wellington's film industry and also runs a UNESCO programme supporting underrepresented and underserved communities to connect with film culture, education and employment.

Tanya has completed a Bachelor of Broadcast Communications, specialising in the media representation of disabled people and people of difference.

Teresa (Terri) Eggleton BBS, CA, PGDipBus, GradDipEconDev, NZCert (Te Reo) [Trustee]

Terri joined the Spectrum Foundation Board in January 2022 and has held governance roles in education, philanthropy and impact investing. Terri also spent time in public practice as a Chartered Accountant, before moving into consultancy and governance roles.

Terri has formal qualifications in business studies, management, accounting and economic development, as well as experience in the philanthropic and SME sectors, and has a passion for promoting sustainable practices and driving impactful change through investment.



Spectrum Foundation

Statement of Service Performance

Spectrum Foundation is a registered charity and philanthropic funder that seeks to break the barriers disabled people and their whānau face in achieving equitable outcomes in health, housing, education and employment.

SPECTRUM FOUNDATION
Ahākoa ko wai te tangata, ahākoa nō hea

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

Spectrum Foundation's role is to support community groups and organisations that meet our strategic goals for change through accessible and equitable funding.

Our funding priority areas are health and wellbeing, housing, education and employment. Our aim is to distribute $1 million annually to support unmet need across these priority areas. Spectrum Foundation funding is guided by a panel of people with lived experience of disability - the Philanthropy Moderation Panel. This reflects the value we place on self-determination. The Panel is a diverse seven-person team selected based on their connections to their communities.

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 range of support options for people with learning and physical disabilities, brain injury and/or multiple diagnoses across all ages and stages of life.

Homes of Choice is a registered charity and community housing provider which delivers great homes enabling choice and affordability for disabled New Zealanders. Homes of Choice works in partnership with the Crown, philanthropists and impact investors to provide a better life for disabled people and their whānau.

In addition to the priorities achieved by Spectrum Foundation, the parent entity has enabled Homes of Choice and Spectrum Care to progress a range of outcomes for disabled people. These outcomes are reported in the individual SSPs that follow.

Our Vision

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

Our Purpose

To break the barriers those most in need face in achieving equitable outcomes in health, housing, education, employment and self-determination.

Key highlights

$921,561
in grants **distributed**
↓ from $1,122,112 in FY25

$21,654
in **discretionary support**
↑ from $10,718 in FY25

58
applications **assessed** by the Panel
↑ from 45 in FY25

25
applications **approved**
↓ from 27 in FY25



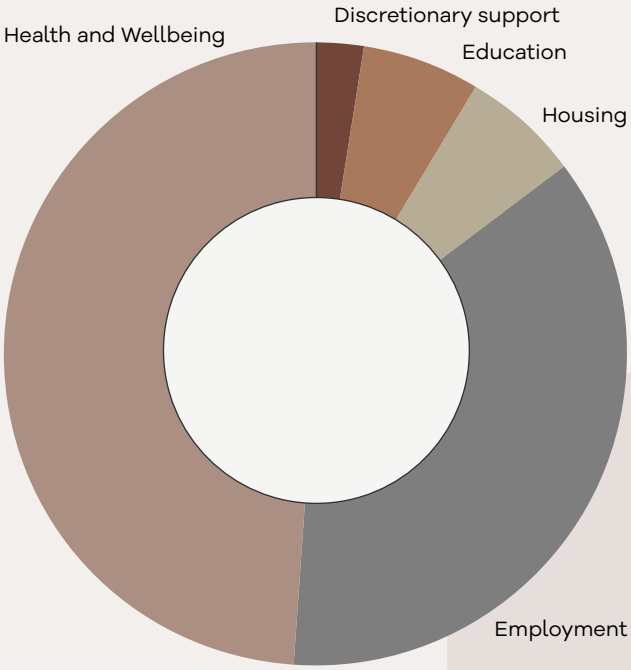
$462,900
in grants distributed in **Health and Wellbeing**
↓ from $522,251 in FY25

$341,661
in grants distributed in **Employment**
↑ from $245,361 in FY25

$60,000
in grants distributed in **Housing**
→ from $60,000 in FY25

$57,000
in grants distributed in **Education**
↓ from $87,000 in FY25

Funding distributed by funding priority





Grants by priority area

Priority area	Applications approved		Grants distributed	
	FY25	FY26	FY25	FY26
Health and Wellbeing	17	16	$522,251	$462,900
Employment	6	6	$245,361	$341,661
Self-determination	1	0	$207,500	$0
Education	2	2	$87,000	$57,000
Housing	1	1	$60,000	$60,000
Discretionary support	-	-	$10,718	$21,654
Total	27	25	$1,132,830	$943,215

Recipients

Customer feedback

★★★★★

In surveys soon after our funding rounds, applicants rated the process to have an accessibility rating of

5/5

↑

from 4.74/5 in FY25

100% of unsuccessful applicants were notified of their application outcome. Commentary was received from respondents saying they appreciated the help and support they received during the application process.

"We have found the process quite straight forward in comparison to other funders. We like the fact that the funding is built on a relationship and knowledge of what we do."

"Spectrum Foundation has been an eye opener for me and it's fantastic to see the great amount and wide range of mahi that is supported."



Commentary

In FY26, Spectrum Foundation distributed $943,215 of funding and support through its two funding rounds, the Discretionary Fund, and funding approved in FY25 but distributed in FY26. This included $921,561 in grants distributed through priority-area funding and $21,654 through the Discretionary Fund. The average distribution in the two FY26 funding rounds was $33,756. Whole asks were funded in 92% of the distributions made. The Foundation will continue to use a mixed funding framework, funding immediate needs through our open round and supporting social change through our closed round. Spectrum Foundation has an important role to play in meeting immediate needs within the disabled community and collaborating with other funders to support more complex and longer-term social change.





The open funding round distributed $458,900 across 20 initiatives. A further $462,661 was distributed through the closed funding round across five initiatives (plus one approved in FY25). Just over a third of total distributed funding was provided in collaboration with other funders. Funding collaboration for social change-based initiatives continues to be a strategic focus.

Due to increased pressure on community organisations from a cost and funding perspective, and a growing awareness of Spectrum Foundation, the number of expressions of interest received in this year's open funding round increased by over 70%. The large increase in funding requests led to a high decline rate of expressions of interest. Spectrum Foundation is aware of the significant time funding applicants commit to applying for funding and strives to communicate its funding interests clearly to manage its decline rate. In this year's open funding round many of the expressions of interest did not meet Spectrum Foundation's eligibility criteria.

To better manage community expectations, and provide further clarity about Spectrum Foundation funding interests, we have implemented an online funding portal. An eligibility test is the first step in the application process. Organisations will have to meet eligibility criteria before they are able to proceed to a funding application. In this way, the Foundation aims to assist community organisations to assess funding fit before applying to conserve time and energy in community organisation teams.



Spectrum Foundation aims to support the Self-determination of disabled people through an expectation that funded entities include disabled people as part of their leadership or in important decision-making. In the 2026 financial year, most of the approved funding initiatives met this expectation. These criteria were created following a review of the Spectrum Foundation funding approach in 2025. It is positive that as the new funding approach is applied, the number of groups including and involving disabled people in this way has increased.

The small Discretionary Fund to support organisations during their funding period on an ad-hoc basis has been used to support specialist facilitation training, accessibility training for community organisations, administration costs for a new charitable entity and targeted support for organisations during the fuel crisis. In total $21,654 was provided through the Discretionary Fund.

Although Spectrum Foundation takes a balanced approach to funding, more applications are received in Health and Wellbeing because this priority covers several focus areas. Health and Wellbeing made up 50% of total funding distributed in 2026.



Stories from FY26

Disabled stories take centre stage



At the Silver Noodle Soup Theatre Company, young disabled artists are taking their place in the arts.

Working with a core group of artists, tutors build confidence, teamwork and creative storytelling skills over time. Rehearsals bring tutors, actors and support workers together to create stories and music that share a distinctly disabled perspective with the world.

This year, Silver Noodle Soup reached a significant milestone with its first six-night season in Wellington, presenting The Old Cold Hearts Club at the Hannah Theatre.

The season was about more than putting on a show. It gave the company the opportunity to experience the discipline and resilience required to turn up ready to contribute and perform together, night after night. Two of its stars also gained wider recognition through coverage in the Wairarapa Times-Age.

Spectrum Foundation funding contributed to the company's operational costs, helping Silver Noodle Soup continue creating and presenting disability-led theatre and film.

A clearer path to a suitable home

Disability Connect launched its Housing Information Service in January 2025, with a straightforward aim: to help disabled people and whānau find homes where they could live well.

Based in Auckland, with a strong focus on South Auckland, the service quickly became a trusted guide through a housing system that can be confusing, stressful and difficult to navigate.

The service provides free housing information and support with housing assessments and applications, and referrals to other services when appropriate.

Finding a suitable home can be challenging for disabled people and their families. Affordable, accessible, adaptable and safe housing with the right supports is in very short supply.

Disability Connect works alongside families to move them closer to finding housing that is safe, secure and suitable for their needs, while advocating for better housing options to government, community housing providers and the construction sector.

Spectrum Foundation partnered with Foundation North and the JR McKenzie Trust to support the 2025 pilot and continues to invest in this important service, helping more disabled people and their families access appropriate housing.

Greater independence with Sammy by her side

Pawsible Service Dogs raises and trains service dogs to help disabled people and people living with post-traumatic stress disorder participate more fully in their communities, workplaces and everyday lives.

Each dog is trained to provide specialist, task-based support tailored to the person they will assist, helping reduce barriers to safety, confidence, mobility and social connection.

One of those people is Amelia, a young person living with disability. Her golden retriever service dog, Sammy, is being trained to recognise and respond to signs that an episode may be developing.

Sammy helps Amelia feel safer in public spaces while supporting her growing independence. Amelia and her family hope he will give her greater freedom, confidence and opportunities to connect with others, alongside the reassurance that support is close at hand when she needs it.

Spectrum Foundation funding contributed to the salary of Pawsible's experienced Canine Trainer, who supports each dog and client through training, placement and the development of a strong, lasting partnership.



Strengthening the voice of disabled students



The National Disabled Students' Association (NDSA) was established in 2021 to advocate for disabled ākonga across Aotearoa and strengthen their connections, leadership and collective voice within tertiary education.

Through events, campaigns and training opportunities, NDSA helps disabled students develop their advocacy skills and work towards more accessible and inclusive learning environments.

Spectrum Foundation funding supported the 2026 Learner Training Hui, a three-day gathering attended by more than 30 disabled students and speakers from universities, polytechnics and vocational education providers across Aotearoa.

The hui strengthened relationships and increased students' confidence to advocate for change within their institutions and communities. Attendees reported feeling better equipped to represent other disabled students, engage with decision-makers and establish local disabled student networks.

Following the event, NDSA also saw increased participation in its national member forums. By bringing disabled students together and supporting them to lead change, NDSA is helping build a stronger disability movement across tertiary education.

Illuminate Night Market

Another fantastic Illuminate Night Market this year, a kaupapa by Recreate NZ in Tāmaki Makaurau, bringing together disabled creatives, entrepreneurs, performers and the wider community.

Events like this are important because they create what are often called 'third spaces' — places outside of home and work where people can connect, participate, create and belong. For many in the disability community, these spaces create visibility, opportunity and confidence in ways traditional environments often do not.

Spectrum Foundation is proud to support this initative through funding, and it was great to see Spectrum Care services and Gig Buddies involved on the night.





DSS Bill submission

Spectrum Foundation wants to do more than fund positive outcomes. We also want to use our influence to help shape the systems that affect disabled people and their whānau.

This year, the proposed Disability Support Services Bill gave us an important opportunity to do that.

Before making our submission, we asked disabled people, whānau, carers and supporters what the proposed changes could mean for them. Their feedback was clear, particularly around proposals that could place greater responsibility on families and weaken recognition of family carers.

Those views became the foundation of our written and oral submissions to Parliament.

In June, Spectrum Group General Manager of Communications, Marketing and Strategy Justin Walsh presented to the Select Committee, drawing on both what people had told us and his own lived experience of disability within his whānau.

“Families like mine will always do everything we can,” he told the Committee. “But we cannot be the system.”



The message resonated well beyond Parliament. Video of Justin’s submission received more than 40,000 views through our social channels, helping bring the concerns raised by disabled people and whānau into a much wider public conversation.

For Spectrum Foundation, influence means creating opportunities for lived experience to reach the places where decisions are made, and using our voice, relationships and reach to help make sure it is heard.

It is one part of our broader ambition to break down barriers and support a fairer disability system, where disabled people and whānau are not simply consulted, but have a genuine role in shaping what comes next.



Spectrum Care
Statement of Service Performance

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Our Vision

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Our Purpose

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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."



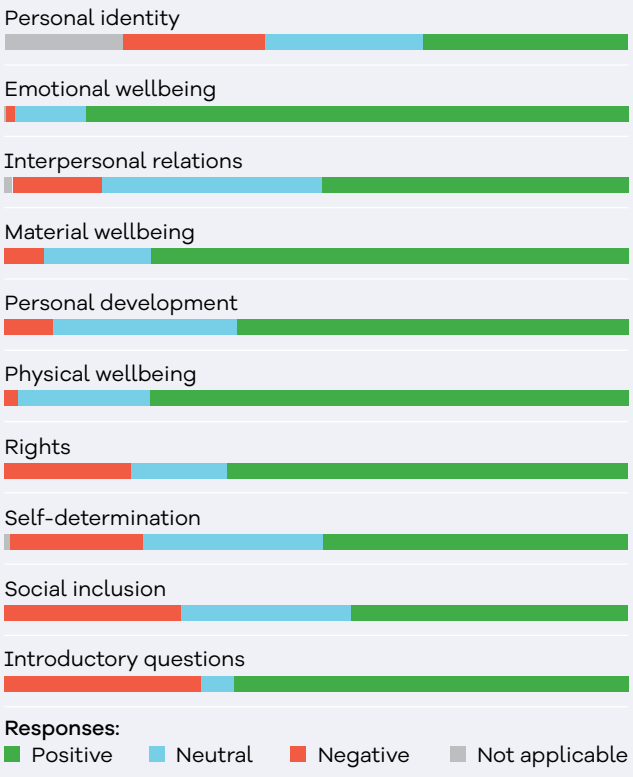
My Life Survey

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.

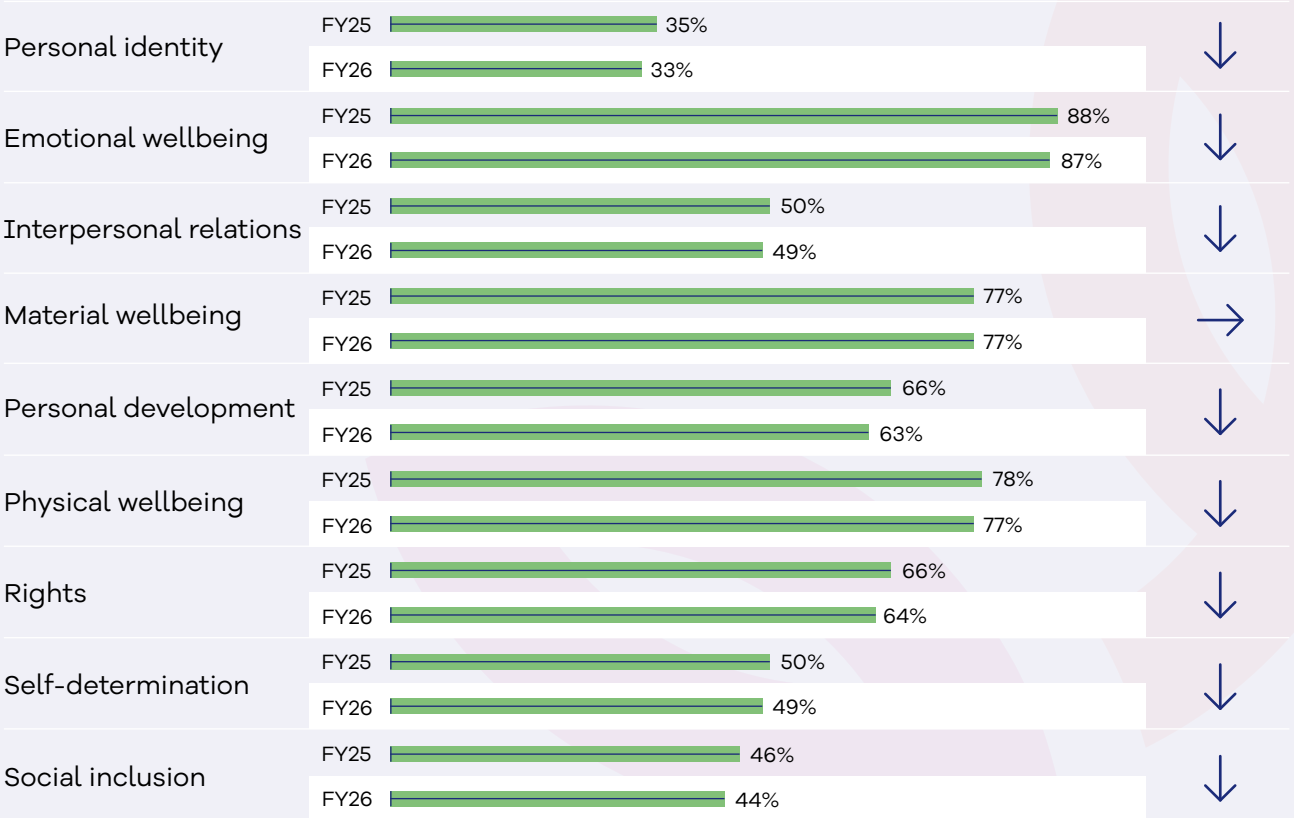
Lower results across all domains reflect a survey sampling issue rather than a confirmed decline in outcomes. The FY25 cohort was drawn from one region with comparatively limited access to community amenities and transport, resulting in a sample that was not representative of the broader service population.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

My Life Survey Domains



My Life Survey Questions

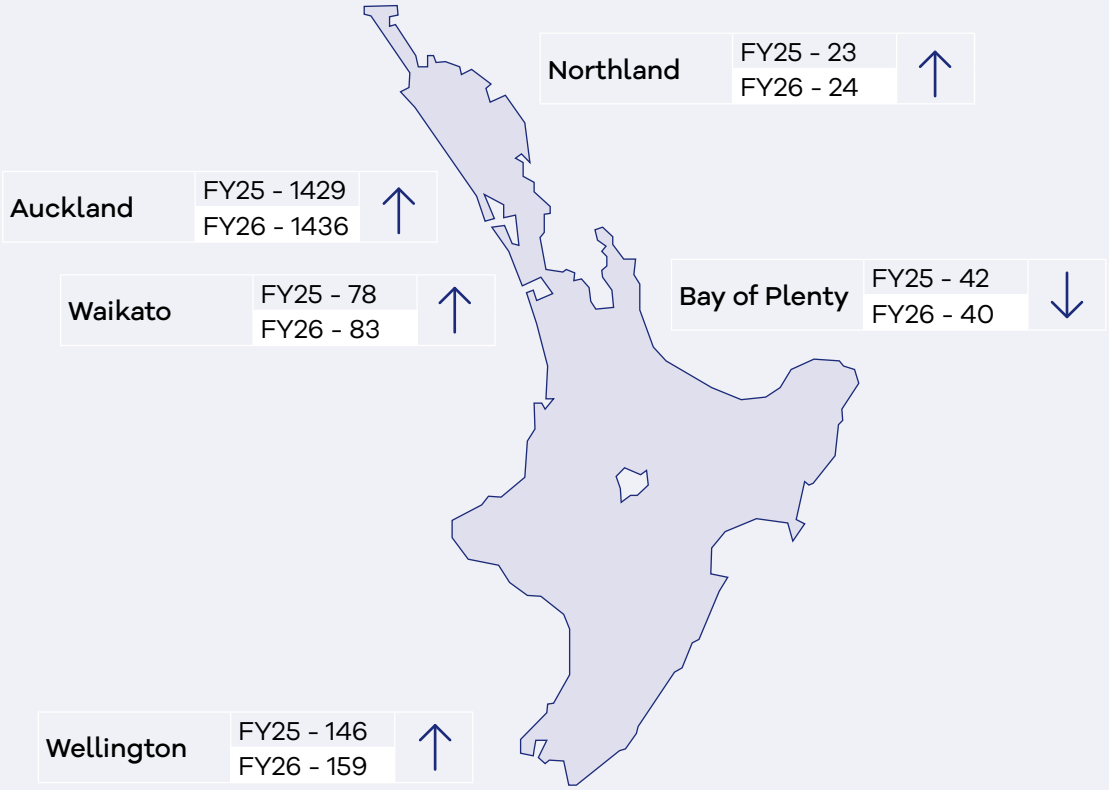
The green lines indicate positive responses provided by people we support in relation to their wellbeing, rights, etc.



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.





Homes of Choice

Statement of Service Performance

Homes of Choice is a registered charity and community housing provider which delivers great homes enabling choice and affordability for disabled New Zealanders.

We work in partnership with the Crown, philanthropists and impact investors to provide a better life for disabled people and their whānau.

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

Work over the course of the year saw a Groupwide Vision and set of Values developed, while each entity's Purpose now reflects its sector-specific contribution to this Group Vision.

Our Vision

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

Our Purpose

To empower new possibilities by providing welcoming homes, tailored to people's needs.



Key highlights

How we've delivered on our strategic objectives of 'Housing more people', 'Housing people Better' and 'Growing through funding and partnerships' over the past 12 months.

Number of people/whānau supported by service

Respite	379	
Supported Accommodation	447	
Affordable Housing	58	
Social Housing	50	

934	people served. *(Including 379 customers served through respite homes).*	↑ from 867 in FY25
20	planned property upgrades completed in 2026.	↓ from 30 in FY25
9	units delivered – 3 x four-bedroom + 1 x two-bedroom Affordable Rentals; plus 5 x one-bedroom units + 1 communal area.	↓ from 10 in FY25
7	two-bedroom units under development + 1 x Respite home under redevelopment.	↓ from 9 in FY25
4	affordable Rentals delivered – 3 x four-bedroom and 1 x two-bedroom.	↓ from 10 in FY25
2	new developments – 1 site demolished for redevelopment.	↓ from 3 in FY25

100% of Homes of Choice homes maintain Healthy Homes compliance.

100% of Homes of Choice homes built to Universal Design Standards.

IRRS Capacity funding secured through the Ministry of Housing and Urban Development for 7 x two-bedroom fully accessible social housing units.

Funding relationship secured with ASB and Community Housing Funding Agency.

Development partnerships established with Sentinel Homes, Mike Greer Commercial, Miles Construction and Ceta Homes.

Customer feedback

Spectrum Care Residential Survey[1]

88%	of whānau think their loved one's house is comfortable and homely.	→ from 88% in FY25

Social Housing Customer Satisfaction Survey[2]

94%	of the people we support say their lives and wellbeing have improved.
94%	of the people we support are satisfied with their property management.
90%	of the people we support are satisfied with their tenancy services at move-in.
85%	of the people we support are satisfied with actions taken after contacting their tenancy manager.
80%	of the people we support found their tenancy manager easy to contact.

[1]Whanau responses only as insufficient data was received from people supported during FY26 survey period.
[2]Homes of Choice began conducting the annual Social Housing Customer Satisfaction Survey in May 2026.



Property portfolio FY26



Owned properties	Rented properties	Managed properties	New additions +7 (Owned: 7, Rented: 0)
↑ from 123 in FY25	→ from 67 in FY25	→ from 20 in FY25	→ from 7 in FY25

Property portfolio by region

Region	FY25	FY26	
Auckland	113 · 23 · 13 · 1	120 · 23 · 14 · 1	↑
Bay of Plenty	1	1	→
Northland	1 · 1 · 1	1 · 1 · 1	→
Waikato	5 · 4 · 2	5 · 3 · 2	↓
Wellington	4 · 37 · 3 · 1	4 · 38 · 2 · 1	→

Owned · Rented · Managed · Offices

Portfolio composition

Property type	FY25	FY26	
Owned	123	130	↑
Rented	67	67	→
Managed[3]	20	20	→
Total	210	217	↑

[3]Change in prior period to reflect leases held by Spectrum Foundation and Spectrum Care, but managed by Homes of Choice.

Property use by region

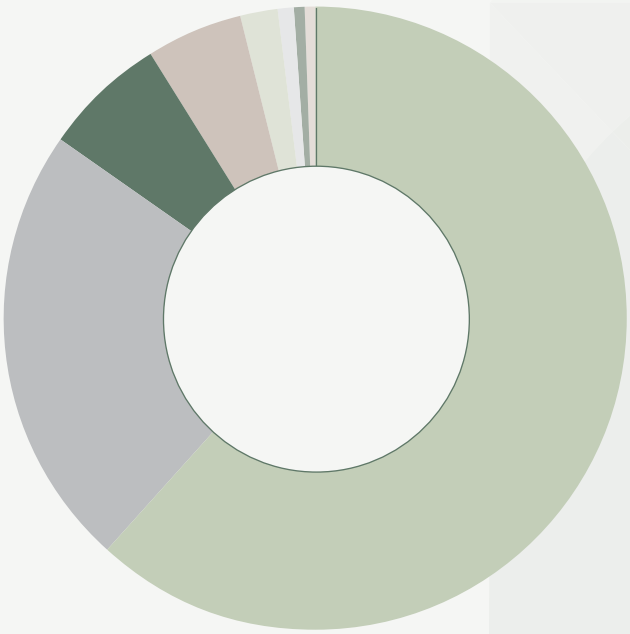
Northland – 3 properties
100% CRSS* (3)

Auckland – 158 properties
68% CRSS* (108)
15% Supported Independent Living (23)
9% Affordable rentals (14)
4% Respite (7)
2% Aspirations facility (3)
1% Land for development (1)
1% Property under refurbishment (1)
1% Office (1)

Waikato – 10 properties
90% CRSS* (9)
10% Respite (1)

Bay of Plenty – 1 property
100% Respite (1)

Wellington – 45 properties
60% Supported Independent Living (27)
32% CRSS* (14)
4% Respite (2)
2% Aspirations (1)
2% Office (1)



- CRSS* – 134 [135 in FY25]
- Supported Independent Living – 50 [47 in FY25]
- Affordable rentals – 14 [10 in FY25]
- Respite – 11 [10 in FY25]
- Aspirations – 4 [4 in FY25]
- Offices – 2 [2 in FY25]
- Land for development – 1 [2 in FY25]
- Property under refurbishment – 1 [0 in FY25]

***Note:** CRSS = Community Residential Support Services



Stories from FY26

Gabrielle

A home that worked for her, not against her? For a long time, that felt impossible.

Gabrielle lives with multiple disabilities, including Hypermobility Spectrum Disorder and Ehlers-Danlos Syndrome. She's Autistic, neurodivergent and lives with chronic pain. She uses ankle-foot orthotics and knee splints to move safely and manages rare conditions that make accessibility a necessity, not a preference.

But the homes available to her weren't built with any of that in mind.



She was living in transitional housing in South Auckland at the time. The unit wasn't accessible. No lift, an intercom that required her to speak when sometimes she couldn't and narrow spaces that made moving around exhausting.

"I needed somewhere that actually worked for me," she says.

Across Aotearoa, there's a shortage of homes that are both accessible and affordable. Gabrielle had been sitting on long waiting lists when she came across an ad for a purpose-built home in Howick as part of our Affordable Housing initiative.

"I came to have a look and I'm glad I did."

The first time she saw her new home, she felt relief.

"I could tell it would work for me. The layout, the design, even how calm it felt. I could picture myself here."

Now, she has the stability she's fought for. The flat, open design makes moving around safer. The accessible shower gives her dignity back. Bathroom rails mean fewer injuries when her joints give out. Even small details – like multiple power points – make everyday life easier, keeping the devices she depends on charged and ready.

"Accessibility isn't just ramps and wide doors," Gabrielle says. "It's about being able to live your life. To have independence. To be yourself."

For Gabrielle, this home represents more than safety or comfort. It speaks to something bigger.

"Disabled rights are human rights. Everyone deserves a home that meets their needs. Everyone."

Tasi

A single fall. That's all it took. Tasi was holidaying in Samoa when it happened.

“I tried to get back up and nah, nothing was working. My arms and legs weren’t responding.”

Fast forward seven months after staying in Auckland Hospital, Waitākere Hospital and finally the Auckland Spinal Rehabilitation Unit... and Tasi was confronted with a reality many disabled people in New Zealand know all too well. A lack of accessible housing.

He had been on the housing register, but nothing came of it. And so, he took his only option: moving into his family's garage.

“I was in the garage for... close to a year. I had no access to a bathroom or a toilet. Everything had to happen in the garage. I had to do a lot of bed washes. I didn't have a proper shower for almost a year. It was cold. And lonely at times.”

Nobody should have to live that way. But as we know, there is a difference between how things should be and how they are. Especially for disabled people.

Stats NZ's 2023 Household Disability Survey revealed that disabled people are more likely to live in poor-quality housing, with 29% saying their home is colder than they would like in winter and 25% reporting damp living conditions.

The numbers are sobering, yes, and too often the people they represent and their stories are forgotten. Not Tasi. Not this time.

While scrolling Facebook, Tasi came across a Homes of Choice ad for an accessible two-storey home in Henderson. Not long after, he moved in.

“It’s pretty much given me my confidence back. I feel like a person again. I get to shower, work from home, have my own privacy... before, people would just walk into my garage and I'd be lying there half naked. Now my home is my home.”

Family is important to Tasi. In this new home, his sister and her kids live upstairs, while he lives downstairs.



“We get to have dinners together. Watch movies together. Game nights, family nights, stuff like that. I can spend time with them, but I can also have my own space. Before I couldn't do that. In the garage, it almost felt like I was a burden because people had to go out of their way just to come in and spend time with me.”

Like many people, accessibility wasn't something Tasi thought much about before his accident.

Now, he understands just how much the right environment can shape a person's outlook.

“Being in a space like this is way more helpful for recovery. It makes you want to recover. I truly believe your environment shapes your outlook. Living in the garage was like, 'Ugh, I don't want to do anything. I don't want to get up and do my physio.' But here, it's different. I can see the sun. It makes me want to recover.”

When asked what the word ‘home’ means to him now, he said this:

“Home is family. Anywhere my family is, that's where my heart is and that's where my home is. But accessibility means I can connect with them better. That's what accessibility is. Being able to access the things that make us feel at home.”

Grenell

Grenell didn't expect to become an amputee. But when she did, nothing about her housing made sense anymore.

In 2021, after a complication from diabetes, Grenell had her lower right leg amputated. Life changed. And so did her needs. Some days she uses her prosthetic. Other days, when the swelling gets too much, she relies on her wheelchair. But the room she was renting wasn't built for that.

"There were stairs just to get to my bedroom. The shower was over a bath. It wasn't safe. I couldn't move around properly."

Grenell is a proud Māori woman from Tāmaki Makaurau, with whakapapa to Ngāpuhi and Whakatōhea. She's worked in retail and customer service for over 20 years. She's independent. Determined. And like too many disabled New Zealanders, she was stuck in housing that didn't support her life anymore.

That's when she saw our listing on Facebook. A brand-new, purpose-built home in Howick as part of our Affordable Housing initiative. Two bedrooms. Wet floor bathroom. No stairs. Full accessibility.

"The first time I saw this whare, it was amazing. It's what I'd been trying to find since I became an amputee."

She moved in. Everything changed.

"The wet floor shower makes everything easier. I can leave my home without worrying about stairs. Wheelchair access makes a huge difference."

She doesn't talk about accessibility in buzzwords. She talks about what it actually does.

"It gives you independence. It gives you a safe home."

This is what housing should do. It should adapt when life changes. It should honour people's needs. It should offer safety, dignity and ease.

We're proud that Grenell's home does just that.

Because this isn't just about housing.

It's about building for the life someone has – not the one the system expects.



Mama

In 2021, Mama Mafile'o had a stroke that left the right side of her body paralysed. Overnight, the life she knew shifted. The simplest things – cooking, cleaning, getting to the bathroom – suddenly demanded more than they ever had. She now relies on her wheelchair and her left side for almost everything.

At the time, she was living with her son's family in St Johns, but the house wasn't built for her needs.



"There were stairs. The shower was over a bath. I couldn't move around properly. I needed help just to get to the bathroom."

When her son moved to Wellington for work, Mama faced another challenge: finding a home of her own. With the awhi of two social workers, she applied through Homes of Choice and was offered a whare in Māngere.

"The first time I saw it, I couldn't express how happy I was. I loved it straight away. I knew I'd enjoy this space."

Here, the hard parts of life have softened.

The flat, open layout means she can move freely through her bedroom, kitchen, lounge and bathroom. The wet-floor shower has given her safety and dignity back. For the first time since her stroke, the space finally works with her, instead of against her.

"Now I can get around on my own. I don't have to struggle just to reach the bathroom or the kitchen."

For Mama, this whare isn't just somewhere to live... it's a turning point. A place where life feels possible again, where independence has returned in ways she didn't know it could.

"It's my home until I pass this life," she says softly. "That means everything."

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.


NASA
Aeronautics and Space Administration

Financial Statements

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2026

	Notes	GROUP FY26 $000	FY25 $000	Spectrum Foundation FY26 $000	FY25 $000
Revenue from exchange transactions					
Contract income		113,627	111,163	-	-
Other service income and recoveries		1,851	1,453	283	170
Revenue from non-exchange transactions					
Philanthropic capital charge revenue		(0)	-	1,789	1,838
Philanthropic donation and fundraising revenue		56	74	50	43
Finance and other revenue					
Interest revenue		1,146	3,688	146	252
Fair value gain/(loss) on investments		1,709	774	1,709	774
Other revenue	3, 20	72	92	9,111	9,075
Revenue		118,462	117,244	13,089	12,151
Cost of services provided	24	(92,676)	(90,972)	(413)	(509)
Operating surplus		25,786	26,272	12,677	11,642
Administrative expenses	18	(17,853)	(16,363)	(9,110)	(9,080)
Grants	28	(791)	(613)	(866)	(841)
Depreciation and amortisation expense	9, 10	(2,643)	(2,351)	(496)	(333)
Total expenses		(21,286)	(19,328)	(10,472)	(10,254)
Gain on sale on disposal of assets		-	131	-	-
Other Income		-	131	-	-
Surplus for the year		4,499	7,076	2,205	1,388
Other Comprehensive Revenue and Expenses					
Gain on revaluation of land	9, 15	2,110	1,695	-	-
Total Comprehensive Revenue and Expenses for the year		6,609	8,770	2,205	1,388

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

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

Statement of Changes in Net Assets

For the year ended 30 June 2026

Group	Trust Settlement Funds $000	Asset Revaluation Reserve $000	Accumulated Surplus $000	Systems Transformation Reserve $000	Total Equity $000
Balance as at 1 July 2025	1,857	55,342	57,377	500	115,075
Surplus for the year	-	-	4,499	-	4,499
Other comprehensive revenue and expenses	-	2,110	-	-	2,110
Total Comprehensive Revenue and Expenses for the year	-	2,110	4,499	-	6,609
Derecognition of property revaluation on disposal	-	(65)	-	-	(65)
Derecognition of write down of assets	-	(2,672)	-	-	(2,672)
Balance as at 30 June 2026	1,857	54,714	61,876	500	118,947
Balance as at 1 July 2024	1,857	56,165	50,255	500	108,776
Surplus for the year	-	-	7,076	-	7,076
Other comprehensive revenue & expenses	-	1,695	-	-	1,695
Total comprehensive revenue & expenses for the year	-	1,695	7,076	-	8,770
Derecognition of property revaluation on disposal	-	(398)	-	-	(398)
Derecognition of write down of assets	-	(2,073)	-	-	(2,073)
Derecognition of property revaluation on sale	-	(46)	46	-	-
Balance as at 30 June 2025	1,857	55,342	57,377	500	115,075

Spectrum Foundation	Trust Settlement Funds $000	Asset Revaluation Reserve $000	Accumulated Surplus $000	Systems Transformation Reserve $000	Total Equity $000
Balance as at 1 July 2025	1,857	37,258	45,189	500	84,805
Surplus for the year	-	-	2,205	-	2,205
Total Comprehensive Revenue and Expenses for the year	-	-	2,205	-	2,205
Balance as at 30 June 2026	1,857	37,258	47,394	500	87,010
Balance as at 1 July 2024	1,857	37,258	43,801	500	83,417
Surplus for the year	-	-	1,388	-	1,388
Other comprehensive revenue & expenses	-	-	-	-	-
Total comprehensive revenue & expenses for the year	-	-	1,388	-	1,388
Balance as at 30 June 2025	1,857	37,258	45,189	500	84,805

Statement of Financial Position

As at 30 June 2026

	Notes	GROUP FY26 $000	FY25 $000	Spectrum Foundation FY26 $000	FY25 $000
ASSETS					
Current assets					
Cash and cash equivalents	6	19,277	24,335	3,584	12,068
Investments	7	1,116	1,116	1,116	1,116
Receivables from exchange transactions	8	12,931	11,300	1,845	1,337
Receivables from non-exchange transactions	8			149	153
GST and PAYE receivable				17	62
Other current assets		1,263	577	602	323
Total current assets		34,587	37,328	7,314	15,059
Non-current assets					
Property, plant and equipment	9	100,386	94,922	865	839
Investments	7	15,540	12,867	15,540	12,867
Investment in subsidiary	14			65,817	65,817
Intangible assets	10	52	447	52	111
Total non-current assets		115,979	108,235	82,274	79,634
TOTAL ASSETS		150,566	145,564	89,587	94,692
LIABILITIES					
Current liabilities					
Trade and other payables	11	2,814	1,903	578	856
Interest-bearing loans and borrowings	22	3,570	2,861		
GST and PAYE payable		1,572	1,540		
Employee entitlements	12	11,908	15,166	651	971
Provisions	13	13	458	13	458
Other liabilities		54	24	-	-
Related party payable	20	-	-	1,019	7,169
Funding received in advance	21	3,149	2,285	317	432
Total current liabilities		23,080	24,236	2,578	9,887
Non-current liabilities					
Interest-bearing loans and borrowings	22	4,553	3,087		
Funding received in advance	21	3,985	3,166		
Total non-current liabilities		8,538	6,253		
TOTAL LIABILITIES		31,619	30,488	2,578	9,887
NET ASSETS		118,947	115,075	87,010	84,805
EQUITY					
Trust settlement funds	16	1,857	1,857	1,857	1,857
Accumulated surplus		61,876	57,377	47,394	45,189
System transformation reserve	15	500	500	500	500
Asset revaluation reserve	15	54,714	55,342	37,258	37,258
TOTAL EQUITY		118,947	115,075	87,010	84,805

For and on behalf of the Board, who authorised the issue of these financial statements on 22 September 2026.

Graeme Edwards
Board Chair

Teresa Eggleton
Chair, Finance and Audit Committee

Cash Flow Statement

For year ended 30 June 2026

	Notes	GROUP FY26 $000	GROUP FY25 $000	Spectrum Foundation FY26 $000	Spectrum Foundation FY25 $000
Cash flows from operating activities					
Receipts for services performed		115,576	120,036	10,639	11,473
Payments to suppliers and employees		(114,131)	(108,575)	(11,716)	(10,581)
Interest paid		(576)	-	-	-
Interest received		2,854	4,591	1,856	1,026
Net cash flows from/(used in) operating activities	17	3,723	16,052	779	1,918
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		111	2,484	69	14
Purchase of property, plant and equipment and intangible assets		(8,393)	(12,559)	(488)	(627)
Investment in term deposits		(3,673)	(7,774)	(3,673)	(7,774)
Proceeds from term deposit maturities		1,000	3,000	1,000	3,000
Net cash flows from/(used in) investing activities		(10,956)	(14,849)	(3,093)	(5,386)
Cash flows from financing activities					
Cash advances from subsidiary		-	-	17,003	37,731
Cash advances to subsidiary		-	-	(23,173)	(34,102)
Cash receipts from development loan		2,276	3,556	-	-
Development loan repayments		(102)	(216)	-	-
Net cash flows from/(used in) financing activities		2,175	3,340	(6,169)	3,629
Net increase/(decrease) in cash during the year		(5,058)	4,542	(8,484)	161
Cash balances at beginning of year		24,335	19,793	12,068	11,907
Cash balances at end of year	6	19,277	24,335	3,584	12,068

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

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

Spectrum Foundation is an independent, philanthropic, charitable trust and parent body to two wholly owned subsidiaries – disability support provider Spectrum Care Limited ('Spectrum Care') and community housing provider Homes of Choice Limited ('Homes of Choice').

The objectives of the Trust are:

(a) to promote and support the wellbeing of disabled people, including without limitation;
   i. to promote and support the material, intellectual, spiritual and physical health and welfare of disabled people; and
   ii. to establish, or enter partnerships to deliver, support services for disabled people to optimise their wellbeing;

(b) to promote and support the development of disabled people taking a "whole life approach" so as to enable them to enjoy their right as New Zealanders to live a normal life, including without limitation, to promote and support;
   i. the right of disabled people to appropriate training, education and other support that is necessary to empower, inspire and enable disabled people to understand the direction for change, to exercise more choice and control over their supports and to develop their abilities fully; and
   ii. education of families and whānau to assist them to support their disabled family member to lead a normal life and develop aspirations about what can be achieved;

(c) to acquire, improve, construct and manage residential properties for and on behalf of disabled people;

(d) to promote and support home ownership among disabled people;

(e) 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;

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

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

These financial statements are for the year ended 30 June 2026. 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 Trustees on 22 September 2026.

2. Statement of compliance

These consolidated 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 Group 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.

The Board of Trustees has also elected to present Spectrum Foundation separate financial statements in addition to the consolidated financial statements. The Spectrum Foundation financial statements are prepared following the same standards and framework as the Group.

3. Summary of significant accounting policies

A) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for land and buildings which have been measured at fair value within the Group consolidated financial statements.

B) Functional and presentation currency

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

The financial statements for the Group are the consolidated financial statements of the Spectrum Foundation, Spectrum Care and Homes of Choice. The financial statements of Spectrum Foundation are for Spectrum Foundation as a separate legal entity.

C) Basis of consolidation

The Group financial statement incorporates the assets and liabilities of Spectrum Foundation and its controlled entities as at 30 June 2026. Controlled entities are all entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities.

The controlled entities are consolidated from the date on which control is transferred and are deconsolidated from the date that control ceases. In preparing the consolidated financial statements, all inter-entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by the Group and have a 30 June reporting date.

D) Changes in accounting policies

There were no changes in accounting policies during the year.

E) New standards

There were no new standards implemented this year.

F) Cash and cash equivalents

Cash and cash equivalents 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 as defined above.

G) Investments

Investments comprise 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 reporting date. As at reporting 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.

In addition, Spectrum Foundation has managed funds comprising interest and equity asset classes. They are measured at fair value through surplus or deficit. The managed funds are seen as a long- term investment with the intention to hold for over a year post reporting date. As such, these are classed as non-current assets based on the expected realisation of these funds.

H) 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.

Land and buildings are carried at revalued amounts which are the fair values at the date of the revaluation. The fair value of land and buildings is estimated using the revaluation process on a two yearly basis with the last revaluation performed in March 2025. A further revaluation was performed in January 2026 for five developments that were completed within the year ending 30 June 2026, to reflect the fair value of these properties. Land and buildings are generally not depreciated as their residual values are not expected to be less than the current carrying value. Building improvements are depreciated.

Any revaluation gain or loss is recognised in Other Comprehensive Revenue and Expenses and assigned to the asset revaluation reserve. When there is a revaluation loss, this is only done to the extent of the revaluation reserve balance accumulated from previous year gains.

When no revaluation reserve balance is available to offset a revaluation loss, the revaluation deficit is reported as a write-down of assets in the Statement of Comprehensive Revenue and Expenses for the reporting period. Within the year ending 30 June 2026, a revaluation deficit of $2,671,932 is reported as a write-down of assets in the Statement of Comprehensive Revenue and Expenses in the Homes of Choice Annual Report. However, at a Group level, this loss has been eliminated and the revaluation reserve sitting in Spectrum Foundation has been utilised.

Revaluation surplus and deficit are offset for assets within the same class of asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to retained earnings. Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Land – no depreciation
- Buildings – not depreciated where their estimated residual values equal or exceed their carrying amounts
- Building improvements – costs are presented together with the revalued buildings and are depreciated at six to fifteen years
- Plant and equipment – three to four years
- Motor vehicles – five years.

Derecognition

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.

I) 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 – three 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.

J) Leases

Operating lease payments where the lessor substantially retains 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.

K) Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group and Spectrum Foundation 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's recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's 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.

L) 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 Group and Spectrum Foundation prior to the end of the financial year that are unpaid and arise when the Group and Spectrum Foundation 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.

M) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowing costs

Borrowing costs are recognised as an expense when incurred as there are no material qualifying assets.

N) 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 employees' 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.

O) Revenue

Revenue is recognised to the extent that it is probable that an economic benefit will flow to the Group and Spectrum Foundation 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

Spectrum Care receives revenue from exchange transactions and is recognised in the period when the Spectrum Care 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 Disablity 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 Group 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.

Other service income and recoveries includes rental income. Rental income is recognised on a straight-line basis over the term of the relevant agreements within the Group for properties owned by Homes of Choice and contracts with external landlords.

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method. During the 2026 financial year, Homes of Choice recognised $948,070 (FY25: $3,189,426) as interest received relating to the discounting and effective interest from a Ministry of Housing and Urban Development grant received for property development. To calculate this, an interest rate of seven per cent was used.

Philanthropic capital charge revenue
A monthly capital charge is applied to each of the wholly owned subsidiaries and provides revenue to the parent for use in its philanthropic activities. The capital charge amounts are set during budgeting and apply throughout the financial year. Revenue is recognised over time.

Other revenue
A Service Level Agreement exists between Spectrum Foundation and Homes of Choice for administrative services provided by the Foundation to Homes of Choice. The amounts charged are set during budgeting and apply throughout the financial year. Revenue is recognised over time. More information on this can be found in Note 20.

A Service Level Agreement exists between Spectrum Foundation and Spectrum Care for administrative services provided by the Foundation to Spectrum Care. The amounts charged are set during budgeting and apply throughout the financial year. Revenue is recognised over time. More information on this can be found in Note 20.

P) 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.

Q) Financial instruments

Classification and subsequent measurement
Financial assets and financial liabilities are recognised when the Group 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 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 is 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 Group's cash and cash equivalents, short-term investments and receivables are classified and measured at amortised cost. These assets were previously classified as “loans and receivables”.

Financial assets shall be measured at FVTOCRE if both of the following conditions are met:

- the financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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 fair value. Other net gains and losses are recognised in other comprehensive revenue and expenses. On derecognition, gains and losses accumulated in other comprehensive revenue and expenses are reclassified to surplus or deficit.

All financial assets not classified as measured at amortised cost or FVTOCRE, as described above, are measured at FVTSD. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

The Group does not have any financial assets at FVTOCRE.

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 of deficit.

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

Impairment

The Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

R) Income tax

Spectrum Foundation, Spectrum Care and Homes of Choice are registered charities and are therefore exempt from income tax

S) 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.

T) 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 Foundation and Group.

U) 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 Group and Foundation 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 Group and Foundation 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 Group and Foundation that do not yet meet the recognition criteria of an asset are considered contingent assets.

V) Equity

Accumulated surplus include all current and prior period retained surplus/(deficit). The asset revaluation reserve within equity is used to record increases and decreases in the fair value of land and buildings only to the extent that they offset each other.

4. Financial risk management objectives and policies

The Group and Foundation's principal financial instruments comprise receivables, payables, cash and short-term deposits, managed funds and interest-bearing loans and borrowings. The Foundation also has investments in its two wholly owned subsidiaries.

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:

Group 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	0.00%	19,277	-	-	-	-	19,277
Investments	11.55%	1,000	116	15,540	-	-	16,656
Receivables from exchange transactions	0.00%	12,931	-	-	-	-	12,931
		33,208	116	15,540	-	-	48,864
Financial liabilities (at amortised cost)							
CHFA Loan	5.19%	31	32	66	222	2,757	3,109
ASB Loan 1	4.23%	33	3,040	-	-	-	3,074
ASB Loan 2	4.51%	38	38	77	230	1,537	1,921
Payables under exchange transactions	0.00%	2,814	-	-	-	-	2,814
		2,917	3,111	143	453	4,294	10,917

Group 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	0.48%	24,335	-	-	-	-	24,335
Investments	5.85%	1,000	116	12,867	-	-	13,982
Receivables from exchange transactions	0.00%	11,300	-	-	-	-	11,300
		36,635	116	12,867	-	-	49,618
Financial liabilities (at amortised cost)							
Soul Capital Loan	7.00%	-	2,797	-	-	-	2,797
ASB Loan	5.00%	32	32	64	192	2,818	3,138
Payables under exchange transactions	0.00%	1,903	-	-	-	-	1,903
		1,935	2,829	64	192	2,818	7,838

Spectrum Foundation 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	0.00%	3,584	-	-	-	-	3,584
Investments	11.55%	1,000	116	15,540	-	-	16,656
Receivables from exchange transactions	0.00%	1,845	-	-	-	-	1,845
Available-for-sale							
Investment in subsidiary	0.00%	-	-	-	-	65,817	65,817
		6,430	116	15,540	-	65,817	87,902
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00%	578	-	-	-	-	578
Related party payable	3.68%	1,019	-	-	-	-	1,019
		1,597	-	-	-	-	1,597

Spectrum Foundation 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	0.98%	12,068	-	-	-	-	12,068
Investments	5.85%	1,000	116	12,867	-	-	13,982
Receivables from exchange transactions	0.00%	1,337	-	-	-	-	1,337
Available-for-sale							
Investment in subsidiary		-	-	-	-	65,817	65,817
		14,405	116	12,867	-	65,817	93,204
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00%	856	-	-	-	-	856
Related party payable	0.73%	7,169	-	-	-	-	7,169
		8,026	-	-	-	-	8,026

Interest rate risk

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

Credit risk

Credit risk arises from the financial assets of the Group and Foundation, which comprise cash and cash equivalents, investments and receivables from exchange transactions. The Group and Foundation'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 Group and Foundation trade 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, the long term managed funds that Spectrum Foundation holds is significantly diversified with numerous fixed interest investments and equities. In addition, receivable balances are monitored on an on-going basis with the result that the Group and Foundation'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.

	GROUP		Spectrum Foundation	
Maximum Credit Risk	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Financial assets				
Loans and borrowings				
Cash and cash equivalents	19,277	24,335	3,584	12,068
Investments	16,656	13,982	16,656	13,982
Receivables from exchange transactions	12,931	11,300	1,845	1,337

Concentration risk

There is usually a significant concentration of credit risk with respect to receivables of which a major amount is owed by Spectrum Care'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 Group and Foundation's 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 the Group and Foundation's other bankers, BNZ and Westpac. In addition, diversification of investments have been achieved by way of managed funds.

Liquidity risk

The Group and Foundation's 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.

Group 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	19,277	-	-	-	-	19,277	19,277
Investments	1,000	116	15,540	-	-	16,656	16,656
Receivables from exchange transactions	12,931	-	-	-	-	12,931	12,931
	33,208	116	15,540	-	-	48,864	48,864
Financial liabilities (at amortised cost)							
CHFA Loan	111	111	223	669	4,404	5,519	3,109
ASB Loan 1	97	3,088	-	-	-	3,185	3,074
ASB Loan 2	82	80	159	454	2,233	3,008	1,921
Payables under exchange transactions	2,814	-	-	-	-	2,814	2,814
	3,104	3,279	382	1,123	6,637	14,525	10,917

Group 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	24,335	-	-	-	-	24,335	24,335
Investments	1,000	116	12,867	-	-	13,982	13,982
Receivables from exchange transactions	11,300	-	-	-	-	11,300	11,300
	36,635	116	12,867	-	-	49,618	49,618
Financial liabilities (at amortised cost)							
Soul Capital Loan	-	2,998	-	-	-	2,998	2,797
ASB Loan	110	109	216	630	5,928	6,993	3,138
Payables under exchange transactions	1,903	-	-	-	-	1,903	1,903
	2,013	3,107	216	630	5,928	11,893	7,838

Spectrum Foundation 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	3,584	-	-	-	-	3,584	3,584
Investments	1,000	116	15,540	-	-	16,656	16,656
Receivables from exchange transactions	1,845	-	-	-	-	1,845	1,845
Available-for-sale							
Investment in subsidiary	-	-	-	-	65,817	65,817	65,817
	6,430	116	15,540	-	65,817	87,902	87,902
Financial liabilities (at amortised cost)							
Payables under exchange transactions	578	-	-	-	-	578	578
Related party payable	1,019					1,019	1,019
	1,597	-	-	-	-	1,597	1,597

Spectrum Foundation 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 (cash and investments at FV; loans and receivables at amortised cost)							
Cash and cash equivalents	12,068	-	-	-	-	12,068	12,068
Investments	1,000	116	12,867	-	-	13,982	13,982
Receivables from exchange transactions	1,337	-	-	-	-	1,337	1,337
Available-for-sale							
Investment in subsidiary	-	-	-	-	65,817	65,817	65,817
	14,405	116	12,867	-	65,817	93,204	93,204
Financial liabilities (at amortised cost)							
Payables under exchange transactions	856	-	-	-	-	856	856
Related party payable	7,169	-	-	-	-	7,169	7,169
	8,026	-	-	-	-	8,026	8,026

Fair value risk

Group FY26	Loans and Receivables at Amortised Cost $000	Other Amortised Cost $000	Total Carrying Amount $000	Fair Value $000
Financial assets (loans and receivables at amortised cost)				
Cash and cash equivalents	19,277	-	19,277	19,277
Investments	16,656	-	16,656	16,656
Receivables from exchange transactions	12,931	-	12,931	12,931
	48,864	-	48,864	48,864
Financial liabilities (at amortised cost)				
Soul Capital Loan	-	-	-	-
CHFA Loan	-	3,109	3,109	3,109
ASB Loan 1	-	3,074	3,074	3,074
ASB Loan 2	-	1,921	1,921	1,921
Payables under exchange transactions	-	2,814	2,814	2,814
		10,917	10,917	10,917

Group FY25	Loans and Receivables at Amortised Cost $000	Other Amortised Cost $000	Total Carrying Amount $000	Fair Value $000
Financial assets (loans and receivables at amortised cost)				
Cash and cash equivalents	24,335	-	24,335	24,335
Investments	13,982	-	13,982	13,982
Receivables from exchange transactions	11,300	-	11,300	11,300
	49,618	-	49,618	49,618
Financial liabilities (at amortised cost)				
Soul Capital Loan	-	2,797	2,797	2,797
ASB Loan	-	3,138	3,138	3,138
Payables under exchange transactions	-	1,903	1,903	1,903
		7,838	7,838	7,838

Spectrum Foundation FY26	Loans and Receivables at Amortised Cost $000	Other Amortised Cost $000	Total Carrying Amount $000	Fair Value $000
Financial assets (loans and receivables at amortised cost)				
Financial assets	3,584	-	3,584	3,584
Receivables from exchange transactions	1,845	-	1,845	1,845
Available-for-sale				
Investment in subsidiary	65,817	-	65,817	65,817
	87,902	-	87,902	87,902
Financial liabilities				
Payables under exchange transactions	-	578	578	578
Related party payable	-	1,019	1,019	1,019
	-	1,597	1,597	1,597

Spectrum Foundation FY25	Loans and Receivables at Amortised Cost $000	Other Amortised Cost $000	Total Carrying Amount $000	Fair Value $000
Financial assets (loans and receivables at amortised cost)				
Financial assets	12,068	-	12,068	12,068
Loan to subsidiary	-	-	-	-
Receivables from exchange transactions	1,337	-	1,337	1,337
Available-for-sale				
Investment in subsidiary	65,817	-	65,817	65,817
	93,204	-	93,204	93,204
Financial liabilities				
Payables under exchange transactions	-	856	856	856
Related party payable	-	7,169	7,169	7,169
	-	8,026	8,026	8,026

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.

Loans and borrowings

Loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the loans and borrowings. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method. The loan interest rate is reviewed on an annual basis to ensure it is aligned to market rates.

Investments
Due to their relatively short-term nature of term deposits (less than 12 months), the carrying amount of term deposits is considered a reasonable approximation of fair value. In addition, the market value of the managed funds is deemed reasonable.

Investments in subsidiaries
The investment in subsidiaries was initially recognised at the fair value of the transfer of assets to the Homes of Choice subsidiary and the Spectrum Care subsidiary, they are subsequently carried at cost. In assessing the current value of the investments in subsidiaries, management consider whether the value of the land and buildings is still reasonable and how the subsidiary is performing financially. The Group and Foundation reviews its investments 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 indication of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amounts is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

5. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires Management and the Board of Trustees 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 Group based its assumptions and estimates 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 Group. Such changes are reflected in the assumptions when they occur.

The key significant judgement used in the preparation of these financial statements is as follows:

Fair value of land and buildings
The land and buildings are measured at fair value for financial reporting purposes. In March 2025, Homes of Choice engaged with third party qualified valuers to perform the valuation. The fair value of the assets were determined using the market approach which uses market-observable data for similar properties adjusted to recognise specific circumstances surrounding the properties. That is, date of sale, size, location, quality, condition and marketability among other factors, which requires judgement and estimates. A further revaluation was performed in January 2026 for five developments that were completed within the year ending 30 June 2026, to reflect the fair value of these properties. Further information on the valuation of land and buildings are disclosed in Note 9. It is the judgement of the Trustees that the revaluation of property is performed with sufficient regularity to ensure carrying values of property do not differ materially from a fair value undertaken at reporting date. The treatment of the revaluation of assets performed in 2025 and 2026 are as described in Section 3, Part H.

6. Cash and cash equivalents

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Cash at bank and in hand and Term Deposits that mature in three months or less	19,277	24,335	3,584	12,068
	19,277	24,335	3,584	12,068

7. Investments

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Term deposits over three months	1,116	1,116	1,116	1,116
Managed funds	15,540	12,867	15,540	12,867
	16,656	13,982	16,656	13,982

8. Receivables

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Receivables from exchange transactions				
Trade receivables	13,044	10,064	-	-
Related party receivable	-	-	1,817	567
Related party interest receivable	(0)	(0)	-	-
Other receivables	459	1,804	28	24
Provision for doubtful debt	(573)	(569)	-	-
Receivables from non-exchange transactions				
Related party receivable	-	-	149	899
	12,931	11,300	1,994	1,490

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

9. Property, plant and equipment

GROUP	Freehold Land $000	Freehold Buildings $000	Plant and Equipment $000	Motor Vehicles $000	Total $000
At 1 July 2025 net of accumulated depreciation	55,263	35,411	1,194	3,054	94,922
Additions	-	7,055	691	626	8,373
Disposals	-	(95)	(188)	(273)	(555)
Revaluations*	2,110	(2,672)	-	-	(562)
Depreciation recovered on disposal	-	24	181	242	446
Depreciation charge for the year	-	(111)	(651)	(1,475)	(2,237)
At 30 June 2026 net of accumulated depreciation	57,372	39,613	1,227	2,175	100,386
At 30 June 2026					
Cost or fair value	57,372	39,964	3,177	7,724	108,237
Accumulated depreciation	-	(351)	(1,950)	(5,550)	(7,851)
Net carrying amount after revaluation	57,372	39,613	1,227	2,175	100,386

GROUP	Freehold Land $000	Freehold Buildings $000	Plant and Equipment $000	Motor Vehicles $000	Total $000
At 1 July 2024 net of accumulated depreciation	54,587	28,648	898	3,656	87,790
Additions	394	10,012	790	889	12,085
Disposals	(1,413)	(1,096)	(30)	(337)	(2,876)
Revaluations*	1,695	(2,073)	-	-	(378)
Depreciation recovered on disposal	-	-	22	236	258
Depreciation charge for the year	-	(80)	(486)	(1,389)	(1,956)
At 30 June 2025 net of accumulated depreciation	55,263	35,411	1,194	3,054	94,922
At 30 June 2025					
Cost or fair value	55,263	35,675	2,673	7,371	100,982
Accumulated depreciation	-	(264)	(1,479)	(4,316)	(6,060)
Net carrying amount after revaluation	55,263	35,411	1,194	3,054	94,922

Spectrum Foundation	Freehold Land $000	Freehold Buildings $000	Plant and Equipment $000	Motor Vehicles $000	Total $000
At 1 July 2025 net of accumulated depreciation	-	64	570	204	839
Additions	-	-	385	83	468
Disposals	-	-	(150)	(154)	(305)
Depreciation recovered on disposal	-	-	150	138	288
Depreciation charge for the year	-	(40)	(308)	(77)	(426)
At 30 June 2026 net of accumulated depreciation	-	24	646	194	865
At 30 June 2026					
Cost or fair value	-	241	1,243	452	1,937
Accumulated depreciation	-	(217)	(597)	(258)	(1,072)
Net carrying amount after revaluation	-	24	646	194	865

Spectrum Foundation	Freehold Land $000	Freehold Buildings $000	Plant and Equipment $000	Motor Vehicles $000	Total $000
At 1 July 2024 net of accumulated depreciation	-	105	240	193	538
Additions	-	-	498	76	574
Disposals	-	-	-	(31)	(31)
Depreciation recovered on disposal	-	-	-	31	31
Depreciation charge for the year	-	(40)	(167)	(65)	(273)
At 30 June 2025 net of accumulated depreciation	-	64	570	204	839
At 30 June 2025					
Cost or fair value	-	241	1,008	524	1,773
Accumulated depreciation	-	(176)	(438)	(320)	(934)
Net carrying amount after revaluation	-	64	570	204	839

The Group engaged Long Valuation and Consultancy, an accredited independent valuer, to determine the fair value of all freehold land and buildings. The revaluation was performed in March 2025 and represents the most recent revaluation of the Group's land and buildings, except for recently developed properties, which were revalued during the 2026 financial year as outlined in Note 3H. The valuations were primarily based on market-based evidence, including recent comparable property transactions, with appropriate adjustments made for differences in location, size, condition and other relevant characteristics. For the purposes of this report and its intended recipients, the Trustees consider that the fair values at 30 June 2026 remain appropriate and reflective of the property valuations performed in March 2025, having considered relevant market conditions and property-specific factors.

As at 30 June 2026, freehold buildings in the course of construction total $5,820,916 (FY25: $4,335,097). No other asset classes have assets in the course of construction.

Impairment of non-financial assets

The Group and Foundation assesses impairment of its non-financial assets on a regular basis by evaluating conditions specific to its use in terms of age, safety and efficiency. For instance, its fleet of vehicles is subject to a replacement policy according to set criteria. The performance of plant and equipment is monitored for operating efficiency and effectiveness and upgraded or replaced as appropriate. Houses are subject to a schedule of maintenance and upgrade to meet safety and building standards and residents' outcomes and goals.

Estimation of useful lives of assets

The estimate of the useful lives of assets has been based on historical experience. In addition, the retention of the assets is regularly assessed against the remaining useful life, cost of on-going maintenance and replacement. Adjustments to useful lives are made when considered necessary.

10. Intangible assets

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
At 1 July net of amortisation	447	791	111	120
Additions	11	51	11	51
Amortisation for the year	(406)	(395)	(70)	(60)
At 30 June net of amortisation	52	447	52	111
At 30 June				
Cost or fair value	2,842	2,830	1,069	1,058
Amortisation	(2,789)	(2,384)	(1,017)	(947)
Net carrying amount	52	447	52	111

11. Payables under exchange transactions

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Trade payables	1,937	1,346	481	584
Related party payables	-	-	22	22
Project retentions	206	-	-	-
Other payables	671	557	75	250
	2,814	1,903	578	856

12. Employee entitlements

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
ACC levy	36	125	10	13
Accrued salaries and wages	3,878	6,495	184	413
Lieu days	1,142	1,539	0	2
Gratuities	690	717	(0)	103
Long service leave	975	846	-	-
Annual leave	4,994	5,289	441	427
Other	193	155	15	13
	11,908	15,166	651	971

During the year, defined employer contributions totalling Group: $1,809,078 (FY25: $1,670,633); Spectrum Foundation: $147,132 (FY25: $131,812) were made to KiwiSaver.

Liability for long service leave and gratuities

Management estimates the liabilities annually and the actual outcome may vary due to estimation uncertainties. The liability is based on standard rates of inflation and employee turnover trends. It also takes into account the Group's anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to employee turnover which may vary significantly in future appraisals of the Group's obligations.

13. Other Provisions

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Opening balance 1 July	458	344	458	344
Additional provisions:				
Additional sundry accrued/provisions	-	170	-	170
Amounts used during the year:				
Sundry accrued/provision	(423)	(53)	(423)	(53)
Outcomes and inclusion provision	(22)	(3)	(22)	(3)
Balance 30 June	13	458	13	458

As at 30 June 2026, Other provisions compiled of an outcomes provision liability and monies in our Spectrum food accounts. During the 2026 financial year, due to the rollout of credit cards to each of our homes, the vast majority of house accounts were closed and the corresponding liability transferred to trade and other payables.

14. Investment in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following significant subsidiaries in accordance with the accounting policy.

		Equity Holdings	
Name of Entity	Principal Activity	FY26	FY25
Homes of Choice Limited	Property rental	100%	100%
Spectrum Care Limited	Disability care provider	100%	100%

All investments in subsidiaries are carried at cost and eliminated on consolidation.

15. Equity

Reserves	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Net revaluations for the year				
Land	2,110	1,297	-	-
Buildings	(2,737)	(2,073)	-	-
Net change for the year	(627)	(777)	-	-
Closing balance asset revaluation reserve				
Land	51,974	49,865	29,708	29,708
Buildings	2,740	5,477	7,550	7,550
Total at the year end	54,714	55,342	37,258	37,258

Asset revaluation reserve

On the Spectrum Foundation's stand-alone financial statements, the revaluation reserve is transferred back to retained earnings following the asset sale to Homes of Choice. However, at a Group level the cumulative fair value of land and buildings is retained as a separate reserve within equity.

Systems transformation reserve
The government has signalled changes to the way the disability support sector will be contracted and funded. This change is known as Systems Transformation. The change will impact Spectrum Group and will influence the way business will be done in the future. To adapt and prepare for these changes the organisation has put aside some reserves to fund the anticipated organisational changes required.

Capital management
The Group and Foundation's capital includes trust settlement funds, accumulated surplus and reserves. 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 two externally imposed financial covenants relating to meeting certain loan-to-value and interest cover requirements.

16. Trust settlement funds

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Net assets of the Auckland Home Options Trust Board (AHOT)	1,568	1,568	1,568	1,568
Net assets of Services for People With ID Ltd (SPID)	(111)	(111)	(111)	(111)
Surplus on purchase by Spectrum Care Trust Board	400	400	400	400
Opening equity of trust funds settled at 1 July 1994	1,857	1,857	1,857	1,857

Spectrum Care Trust Board was established on 1 July 1994 with a settlement of $1,857,000 comprising:

- the transfer to Spectrum Care Trust Board of the entire AHOT balance sheet of $1,568,000
- the write back of SPID's negative equity of $111,000
- a surplus on purchase by Spectrum Care of $400,000.

17. Statement of cash flows reconciliation

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Reconciliation of net surplus to net cash flows from operations				
Net surplus for the year	4,499	5,226	2,205	1,388
Adjustments for:				
Depreciation and amortisation	2,643	2,351	496	333
Interest receivable	(2)	129	(2)	129
Depreciation recovered	(58)	2,009	(43)	(13)
Changes in assets and liabilities				
Provision for ACC Levy	(89)	(38)	(2)	5
Provision for long service leave	129	150	-	-
Provision for lieu days	(397)	(47)	(2)	0
Provision for PAYE	85	(12)	1	(1)
Provision for annual leave	(295)	382	14	47
Provision for gratuities	(27)	(35)	(103)	7
Provision for salary, wages and sick leave	(2,618)	686	(229)	26
Creditors accrued	(526)	(410)	(598)	(329)
Provision for doubtful debts	4	(177)	-	(139)
Sundry accrued	423	(170)	423	(170)
Inter-company interest payable to Homes of Choice	0	(0)	19	(146)
Outcomes and inclusion provision	(22)	(56)	(22)	(56)
Grant received in advance	1,715	3,197	(115)	(8)
Other employee provisions	38	(6)	2	1
(Increase)/decrease in trade and other receivables	(1,686)	1,847	(457)	215
(Decrease)/increase in trade and other payables	(93)	1,025	(809)	628
Net cash from operating activities	3,723	16,052	779	1,918

18. Administration expenses

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Management fees service level agreement	-	-	25	25
Non-frontline employee costs	8,126	8,036	5,651	5,813
Software expenses	1,228	1,000	935	742
General office expenses	384	433	269	285
Contractor and consultant expense	841	963	667	812
Advertising and marketing expense	100	81	58	47
Grant/donation spend allocation	147	177	0	0
Recruitment and training expense	739	834	677	741
Insurance	610	596	116	115
Computer maintenance	191	184	172	169
Vehicle	1,743	1,716	64	67
Travel and accommodation	146	133	66	61
Loss on disposal of fixed assets	14	182	1	(0)
Trustee costs	415	396	194	193
Bad debt expense	12	(177)	-	(139)
Legal	114	155	27	33
Leases	77	123	7	15
Cloud software project costs	1,939	911	(0)	30
Other expenses	1,030	621	181	72
	17,853	16,363	9,110	9,080

19. Operating lease commitments

The Head Office of the Foundation at 205 Great South Road, Greenlane, Auckland, is leased from Sustainable Property Investment Limited Partnership. The six-year lease which commenced in October 2020 provided for an eight-month rent free incentive at the start of the lease which is recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability. The Foundation has signed a six-year extension of this lease starting 1 October 2026.

The Foundation entered into a lease with Wellington Distributors Limited for a 72-month term commencing in January 2017. A three-year right of renewal commenced in January 2023. The premises are located at 250 Cuba Street, Wellington, and used as an activity centre. The Foundation pays $10,267 excl GST per month for this property.

The Foundation entered into a lease agreement with Church Bay Trust for a six-year lease commencing on November 2019. The Foundation has signed a four-year extension of this lease starting 1 November 2025, the premises is located at 4/310 Onehunga Mall, Onehunga. An incentive of $115,800.01 bond was set up over the term of lease and renewed every year.

The Foundation also has agreements to lease one (FY25: seven) residential property with a third party. The lease is periodic and does not have a fixed maturity date. However, the Foundation must give one month's notice when it wishes to terminate the lease. The Foundation expects to continue leasing this property for as long as it is able to and therefore have included the amount in the table below under 'less than one year'.

The Foundation entered into an agreement with Fujifilm Leasing New Zealand Limited for a 29-month lease commencing in May 2023 for a number of printers. The Foundation has signed a three- year extension of this lease starting 1 October 2025. The Foundation pays $4,437, excluding GST per month, of which $4,180 is paid on behalf of Spectrum Care for their proportion of printers leased.

The total lease cost for the year ending 30 June 2026 for Spectrum Group is $3,025,515 (FY25: $2,711,318). For Spectrum Foundation, the total lease cost for the year ending 30 June 2026 is $703,456 (FY25: $719,158).

Minimum lease payments for the leases are as follows:

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Less than one year	3,078	2,504	766	880
Between one to two years	1,156	335	687	173
Between two to five years	2,090	101	1,735	-
More than five years	660	-	660	-
Total minimum lease payments	6,984	2,940	3,847	1,053

20. Related party transactions

Homes of Choice is a wholly owned entity of Spectrum Foundation. At 30 June 2026, the remaining payable from Homes of Choice to Spectrum Foundation amounts to $447,880 (FY25: $280,851). The remaining receivable from the Foundation to Homes of Choice amounts to $12,137 (FY25: $3,770).

Spectrum Care is also a wholly owned entity of Spectrum Foundation. At 30 June 2026, the remaining payable to Spectrum Care from Homes of Choice amounts to $277 (FY25: $3,452). The remaining receivable from Spectrum Care to Homes of Choice amounts to $764,756 (FY25: $708,079).

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).

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 and offsetting receivable within the two entities 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 Homes of Choice for administrative services provided by the Foundation to Homes of Choice for which a monthly fee of $35,916 (FY25: $31,130) was agreed. In June 2026, a washup rebate of $12,745 was issued by Spectrum Foundation which resulted in a reduction in the June service level agreement charge. Total expense and corresponding revenue during the period in relation to this agreement is $418,246 (FY25: $373,563). There is an outstanding payable and offsetting receivable within the two entities in relation to this at year end of $23,170 (FY25: $31,130) 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 and offsetting receivable within the two entities 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) from Homes of Choice for external property management fees. There is an outstanding payable and offsetting receivable within the two entities in relation to this at year end of $24,210 (FY25: $28,376) as it is paid a month in arrears.

A Service Level Agreement exists between Spectrum Foundation and Homes of Choice for property management services provided by Homes of Choice to Spectrum Foundation for which a monthly fee of $2,067 (FY25: $2,067) was agreed. Total expense and corresponding revenue during the period in relation to this agreement is $24,809 (FY25: $24,809). There is an outstanding payable and offsetting receivable within the two entities in relation to these at year end of $2,067 (FY25: $2,067) as they are 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 $125,000 (FY25: $125,000) was charged to Homes of Choice by Spectrum Foundation for the use of the $60,000,000 capital provided. Total expense and corresponding revenue during the period in relation to this agreement was $1,500,000 (FY25: $1,500,000). 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).

From July 2025, 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).

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 and corresponding revenue during the period in relation to this agreement is $8,648,965 (FY25: $8,688,711). There is an outstanding payable and offsetting receivable between the two entities in relation to this at year end of $462,479 (FY25: $714,745) as it is paid a month in arrears.

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.

The $1,019,482 (FY25: $7,169,365) sitting in related party payables relates to funds 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 payables. 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.

Homes of Choice and Spectrum Foundation have one Director/Trustee in common on their Board of Trustees (FY25: One). Homes of Choice and Spectrum Care have one Director in common on their Board of Directors (FY25: One). Spectrum Care and Spectrum Foundation have two Directors/Trustees in common on their Board of Directors/Trustees (FY25: Two).

Compensation to Key Management Personnel in Spectrum Care 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).

Compensation to Key Management Personnel in Homes of Choice in the form of short term employee benefits totalled $331,623 (FY25: $307,897). Key Management Personnel is comprised of four Directors (FY25: Four) and one General Manager (FY25: One).

Compensation to Key Management Personnel for the Foundation in the form of short-term employee benefits or external contract costs totalled $1,785,362 (FY25: $1,785,070). Across the Group there are eleven Trustees/Directors (four of which are employed on two boards) and nine general managers who are considered Key Management Personnel. Seven of the general managers are employed by Spectrum Foundation for the Group.

21. Funding received in advance

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Residential contract	6	235	-	-
Respite contract	2,625	1,122	-	-
Home Support contract	171	171	-	-
Other	348	758	317	432
Ministry of Housing and Urban Development grant	3,985	3,166	-	-
	7,135	5,451	317	432

During the 2024 financial year, Homes of Choice entered into a grant funding agreement with the Ministry of Housing and Urban Development. In exchange for the grant, Homes of Choice is to construct a series of rental homes which are then let under the Residential Tenancies Act at an agreed 80 per cent of market rental rates for a minimum of 25 years.

Within the 2026 financial year, Homes of Choice received $1,787,007 (FY25: $5,884,001) of this funding. As the performance obligations of the grant are to construct the house and let it under the terms agreed, this will be recognised as rental revenue over the course of the 25 years post completion of the rental properties. Due to the long-term nature of the contract, a discounting component was recognised as interest revenue upon the receipt of the funding to the value of $948,070 (FY25: $3,207,859).

22. Borrowing costs

Homes of Choice entered into a funding facility with Soul Capital during the 2024 financial year. This funding facility was specifically for the development of properties at Bukem Place, Favona and Buckland Road, Mangere. During the construction phase of the developments, the borrowing costs associated with this facility were capitalised as part of the cost of the developments. On 5 May 2025, this facility was refinanced with the ASB Bank. As at 30 June 2026, this ASB loan totalled $3,084,225 (FY25: $3,150,770) and has an interest rate of 4.23 per cent (FY25: Five per cent).

Homes of Choice entered into an additional funding facility with Soul Capital during the 2025 financial year. This funding facility was specifically for the development of properties at Angelo Avenue, Adriatic Avenue, Buller Crescent and Pitt Avenue. During the 2026 financial year, the remaining Soul Capital borrowings were refinanced with the Community Housing Funding Agency (CHFA), and an additional ASB loan was established to support ongoing property development. As at 30 June 2026, the outstanding balance of the CHFA loan was $3,109,349 (FY25: $2,797,287) and bears interest at a rate of 5.19 per cent (FY25: Seven per cent).

During the financial year, an additional loan was arranged with the ASB to fund the development at 72 Buckland Road. As at 30 June 2026, the outstanding balance of the loan was $1,928,974 (FY25: Nil) and has an interest rate of 4.51 per cent.

23. Auditor's remuneration

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Amounts paid or payable to Grant Thornton New Zealand Audit Limited for:				
Audit of the financial statements	132	123	40	29
	132	123	40	29

24. Cost of service provided

	GROUP		Spectrum Foundation	
	FY26 $000	FY25 $000	FY26 $000	FY25 $000
Employee Compensation	81,609	79,703	-	-
Other costs of service provided	11,068	11,269	413	509
	92,676	90,972	413	509

25. Contingent liabilities and contingent assets

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

26. Capital commitments

During the year, the Group entered into construction contracts with unrelated parties. As at 30 June 2026, there were total capital commitments relating to these contracts of $2,077,038 (FY25: $1,440,127). In addition, there were capital commitments for the Group consisting of vehicle purchases and vehicle fitouts of $243,367 (FY25: $465,805). As at 30 June 2026, total capital commitments for the Group were $2,320,405 (FY25:$1,905,932).

27. Events after the reporting period

There were no events subsequent to the reporting period that would materially affect the financial statements (FY25: Nil).

28. Grants

Grants are recognised when they are approved by the Spectrum Foundation Board. Grants to the following organisations were approved during the 2026 financial year:

- Access Matters Aotearoa Trust
- Autism Kids Collective
- Circability Trust
- Clive Morgan Deaf Awards
- Disability Connect Incorporated
- Disabled Persons Assembly (New Zealand) Incorporated
- Glass Ceiling Arts Collective Limited
- Horses Helping Humans Taranaki
- InterlockNZ Trust
- Internet New Zealand Incorporated
- Island of Misfits Community
- Juliana Carvalho
- Kapiti Art Studio
- My Life My Voice Charitable Trust
- National Disabled Students' Association
- Parent to Parent NZ Inc
- Pawsible Service Dogs
- Recreate NZ
- Sailability Wellington Trust Incorporated
- Silver Noodle Soup Film & Theatre Company Charitable Trust
- Spectrum Care
- Taimahi Trust
- Teds Space
- The D List
- Touch Compass Dance Trust
- Whanganui Creative Space
- WIDance Trust
- Xabilities.



Independent Auditor's Report

To the Trustees of The Spectrum Foundation

Report on the audit of the financial report

Opinion

We have audited the financial report of The Spectrum Foundation (the "Entity") and its wholly owned subsidiaries (the "Group") which comprise the separate and consolidated financial statements on pages 44 to 75 and the separate and consolidated service performance information on pages 10 to 42. The complete set of separate and consolidated financial statements comprise the statement of financial position as at 30 June 2026, and the statement of comprehensive revenue and expenses, 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 and Group as at 30 June 2026 and their financial performance and 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 and Group'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 separate and consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the separate and consolidated 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 and Group 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 and Group.

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Other Information
The Trustees are responsible for the other information accompanying the separate and consolidated financial statements. The other information comprises of the Corporate Information and Trustees' details but does not include the separate and consolidated financial statements and our auditor's report thereon. Our opinion on the separate and consolidated 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 separate and consolidated 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 reports 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 and Group'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 consolidated financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, those charged with governance are responsible for assessing the Entity's and Group'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 Group 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 reports 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-13-1/ for the Group and at https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/ for the Entity.

Restriction on use of our report

This report is made solely to the Entity's Trustees, as a body. 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 Trustees, as a body, for our audit work, this report or for the opinion we have formed.

Grant Thornton

Grant Thornton New Zealand Audit Limited

Auckland, New Zealand
23 September 2026


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FITNESS

We face challenges together and empower capabilities.

SPECTRUM
FOUNDATION
Ahākoa ko wai te tangata, ahākoa nō hea

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