

2024 Annual Report

SPECTRUM CARE




**Spectrum
care**

Te Wai Kahukura Atawhai



Contents

Corporate Information	2
Directors	3
Statement of Service Performance	6
Financial Statements	14
Notes to the Financial Statements	18
Independent Auditor's Report	37



Corporate Information

Principal place of business

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

Directors

G Cleland (Appointed 2 April 2024)
A Thorp
J Farrar
N Jensen
P Fergusson
R Baker (Resigned 29 February 2024)

Bankers

ASB Bank Limited
17 Ronwood Avenue
Manukau City
New Zealand

Registered Office

205 Great South Road
Greenlane
Auckland 1051
New Zealand

Auditor

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



Directors

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

Grant Cleland ONZM (Chair)

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

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

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

Jade Farrar (Director)

Jade joined the Spectrum Care Board in June 2018 and is a director of a communications and strategic advice consultancy.

Jade also chairs the National Enabling Good Lives Leadership Group, leading several portfolios relating to System Transformation within the disability support sector.

Jade has contributed to the advancement of disabled people and their whānau as a member of Auckland Council's Disability Advisory Panel and the Disabled Person's Assembly's National Executive Committee.

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

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

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

Nan Jensen BA English Lit, MBA (Finance, Intl Bus), LLB (Hons) (Director)

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

Nan is a committee member for Parafed Waikato and the Enabling Good Lives Waikato Leadership Group, and is a Trustee of VisAble Trust (a disabled-led organisation providing prevention and response to violence against disabled people). She is also a member of the Steering Group for Auckland Disability Law and a Director of The Disability Trustee Limited.

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

Peter Fergusson PGDipMgtSt, DipDMktg (Director)

Peter joined the Spectrum Care Board in October 2022. He has over 28 years' experience as a Chief Executive Officer across a range of sectors, including disability. He also Chairs the Board of Osteoporosis New Zealand and is a trustee for 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.

Ronelle Baker Dip Com & SW, BA, PGDip
Health Science (Chair)

Ngāti Porou, Te Aitanga-a-Hauiti,
Ngāi Tāmanuhiri, Ngāti Apakura, Ngāpuhi

Resigned 29 February 2024

Ronelle joined the Spectrum Care Board in June 2022 and is an experienced operational manager and strategic advisor with extensive networks in health, disability and government sectors.

She has been involved in many different programmes of work that have called on her leadership to balance service delivery requirements with the diverse needs and aspirations of stakeholders.

Ronelle lives with her whānau on the southern shores of the Whangārei harbour and uses a powered wheelchair due to the impacts of living with Muscular Dystrophy. She is a passionate advocate for improving wellbeing, equity and inclusion for whānau who experience disability.



Spectrum Care

Statement of Service Performance

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



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

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

Work over the course of the year saw a Group-wide 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.

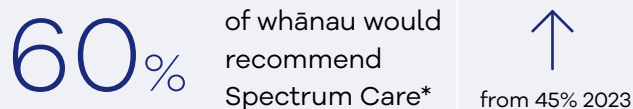
Our Purpose

To help maximise the potential of the people we support.



Key highlights

Whānau feedback

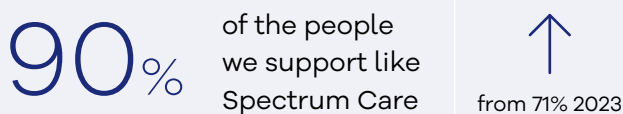


*30 per cent are passive and 10 per cent are detractors.

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

Customer feedback

The 2023-24 financial year was the second year of our new annual customer satisfaction survey.



What our customers say about us

"I like Spectrum Care because they make sure I am safe. I like Spectrum Care because they take good care of my needs."

"I like the staff very much."

"[I like] watching TV and colouring in. I like going to the park more. I like drawing too."

"Like – long time in the service and the caregivers do a very good job."

"I like my support worker. She's really nice and always on time."

"There's nothing I don't like."

"They listen to me and help me."

"I like the activities that I get to do and I like the staff. I don't like it when it is too loud."

What whānau say about us

"A HUGE thank you to everyone! You do remarkable and very important work, and you do it with care, professionalism and aroha."

"The staff are amazing, structure and routine in place. The staff always keep us up to date and, most of all, the safety of all children in their care."

"It's a privilege to have this support."

"Awesome team who provide great care for our tamariki."

"Absolutely trust Spectrum Care and their staff with the care of our family member."

"Very respectful and supportive. I like how they encourage making choices, independence and problem-solving in their clients."

"Lovely caring staff. So nice to leave my son somewhere I know he'll be safe and happy and cared for :)"

"I love the team that work with my daughter. They have become part of our extended family and we couldn't be happier."

"The staff are wonderful and those who recruit do an excellent job to ensure that people with the right skills are employed. The skills I see demonstrated every time include kindness, patience, the ability to advise wisely, intelligence, positive energy and the willingness to go the extra mile. I could not be happier with Spectrum and its people."

"Staff are respectful and approachable. They are a great team taking care of the four young adults in this particular house. Great teamwork shown. A wonderful, responsible and dedicated House Leader!! Well done to the Team. Keep up the good work :)"

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.

Key improvements over the past year have included improved organisational structure to support centralised quality of life measurement;

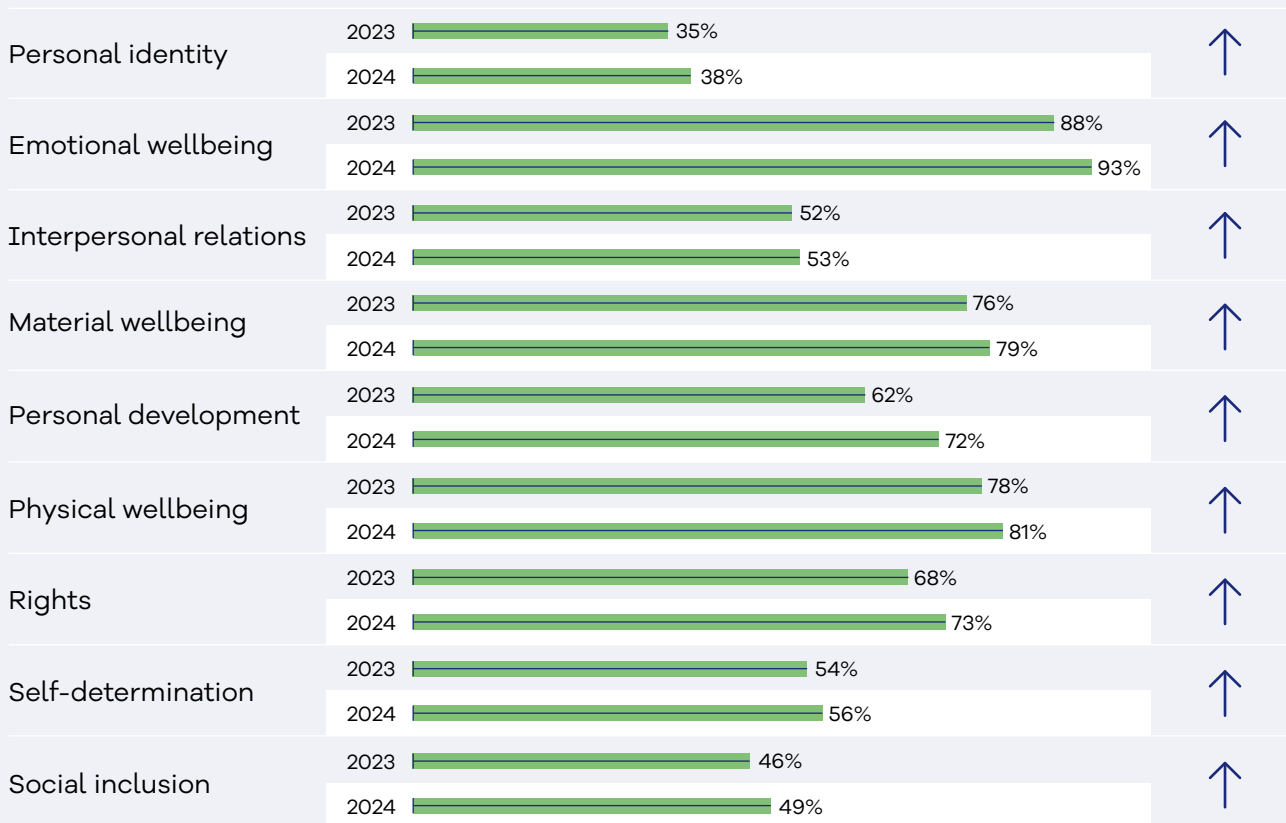
whole-of-organisation analysis and reporting processes; and more resources to support higher-quality personal planning and quality of life measurement.

We surveyed 345 people we support between 1 June and 31 May 2022-23 and 2023-24, and the graphs below represent a snapshot of the positivity ratings for each wellbeing domain.











Positive shifts can be seen in emotional wellbeing, self-determination, personal development, and physical and material wellbeing

My Life Survey Questions

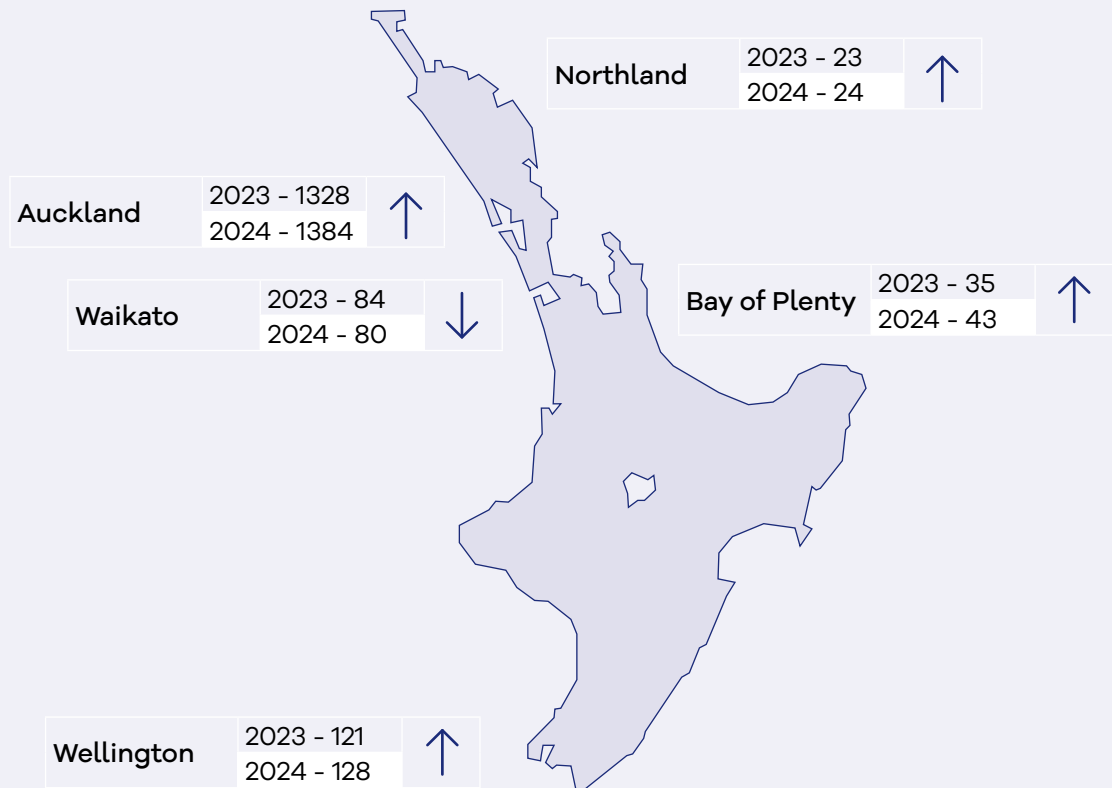
The green lines indicate positive responses provided by people we support in relation to their wellbeing, rights, etc.



Number of people/whānau supported by service*

Community Residential Support Services	2023 - 445 2024 - 451	↑	
Supported Independent Living	2023 - 34 2024 - 71	↑	
Choices in Community Living	2023 - 34 2024 - 32	↓	
Home Support	2023 - 481 2024 - 477	↓	
Respite	2023 - 359 2024 - 349	↓	
School Holiday Programmes	2023 - 120 2024 - 125	↑	
Aspirations	2023 - 165 2024 - 164	↓	
Cultural Support	2023 - 105 2024 - 99	↓	
Community Participation and Very High Needs (MSD)	2023 - 64 2024 - 66	↑	
Transitions support	2023 - 39 2024 - 35	↓	
Living My Life (ACC)	2023 - 0 2024 - 0	→	

Number of people/whānau supported by region*



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

Highlights

Increasing the voice of Māori

Mid-2023 saw the appointment of our new Pou Tikanga, Aufata Muaulu, to the Spectrum Group Executive Team. While the role is Group-wide, it is particularly significant for Spectrum Care as it's a key driver in delivering a te Ao Māori view in our support practices.

Aufata is of Ngāpuhi/Te Rarawa/Te Aupōuri iwi and Ngāti Rēhia/Ngāti Hine/Te Paatu hapū. He is also of Samoan descent, from the villages of Matautu Falealili, Sapunaoa Falealili, Tulaele and Vaivase.

A key focus for the role has been to assist Spectrum Care's Service Delivery Management to build cultural capability for working with Māori, including in tikanga and te reo Māori, to enable staff to work in mana-enhancing ways.

The role aims to have a significant impact in increasing the voice of tāngata whaikaha Māori and delivering greater equity by empowering mana and self-determination.



Increasing equity and inclusion

We saw a fantastic milestone achieved with the successful delivery of two Gig Buddies 'Gig in the Park' – the first at Fergusson Domain in Oranga and the second in Victoria Park in Auckland's CBD.

Gig Buddies started in Sussex, England, in 2013 and has expanded across the UK, Ireland and Australia. The programme was launched by Spectrum Care in 2023 and will be a key driver in addressing loneliness and connecting people to access events in their communities.

The two Gig in the Park events were inclusive rather than disability focused and featured disabled musicians and DJs among the wider line-up. Supporting opportunities such as this not only helps maximise the potential of the people we support but, most importantly, helps break down the barriers to social inclusion that disabled New Zealanders face every day.



Increasing choice and independence

In March of this year, Spectrum Care opened a home for three disabled young people in Warkworth.

The home and support options were developed through a partnership approach with the home owner, whānau members and Spectrum Care, and is part of our strategic commitment to having a maximum of three people living together to ensure greater choice and control for people living in residential services.

Residential community support services traditionally comprise groups of four to six disabled people. However, all our residential homes set up in 2023-24 now limit that to a maximum of three.

This commitment seeks to address institutional commentary on group homes through the United Nations Convention on the Rights of Persons with Disabilities New Zealand.

Reflecting on the successful delivery of this much-needed support, Chief Executive Sean Stowers felt wholehearted optimism and cooperation were the key attributes that led to the group of young adults being empowered to live more independently in their local community.

“We understand the need for more support options in the wider Warkworth region and look forward to working with funders and stakeholders to meet these needs,” he said.

At the site blessing, parents delivered emotional speeches saying how happy they were that their family members could live close by, while also increasing their independence.



One of the three residents, Ashton Wright (front, second from right) with his family at the opening.

Increasing the voice of Pasifika

Spectrum Care’s Pacific Leadership Group and the Pacific Cultural Group (composed of Pacific staff and people supported) play a key role in guiding and directing cultural experiences and opportunities, including delivering the annual Pacific Events Calendar.

These groups, forums and events serve a significant role in increasing the voice of Pasifika within Spectrum Care.

One event that is a perennial favourite is Spectrum Care’s Luau Night, which also marks the start of the Pasifika Events Calendar. It’s always a fantastic night out and this year was no exception! The Manhattan ballroom in Mt Roskill was decorated with beautiful Pasifika colours and patterns and – as always – everyone turned up in their best formal island dress. There was traditional food, dance performances and, of course, great music.



Increasing the voice of whānau

In late 2023, Spectrum Care created the new role of Whānau Engagement Lead. The position is responsible for championing effective communication between Spectrum Care, tangata whaikaha and their whānau, and aims to ensure that support options align with our commitment to a life of choice, freedom, and independence for every disabled person. Having been in place now for nearly a year, the Whānau Engagement Lead has begun to have a significant impact managing initiatives that emphasise the voice and choice of tāngata whaikaha and their whānau in day-to-day decisions and strategic planning.

In addition, this year saw Spectrum Care establish the Whānau Advisory Group as a forum where whānau can be included in decision-making and influence how support options are established and provided. The group includes nine whānau members who, with keenness and determination, assist us with driving change and improvements.

Our core aims in creating the Group is to listen, understand and provide opportunities for whānau to influence our decision-making; to partner with whānau to ensure disabled people and their whānau have choice and control in all aspects of their lives; and to offer a range of opportunities for people and whānau to influence policies and practice.

While the group is in the early stages of working together, we're excited about the contribution and change they'll bring.

Disclosure of Judgements

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

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





Financial Statements

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
Revenue from exchange transactions			
Other service income and recoveries		311	779
Revenue from non exchange transactions			
Contract income		105,881	94,486
Interest revenue		599	424
Capital charge revenue		-	-
Donation and fundraising revenue	15	225	5
Other revenue		66	54
Revenue		107,083	95,747
Cost of services provided		(88,695)	(79,586)
Operating surplus		18,388	16,161
Administrative expenses	13	(15,023)	(12,881)
Capital charge	15	(338)	(338)
Depreciation and amortisation expense	7, 8	(1,657)	(1,509)
Write-down of assets		-	(17)
Total expenses		(17,018)	(14,745)
Surplus for the year		1,371	1,416
Other comprehensive revenue and expenses			
Total comprehensive revenue and expenses attributable to the owners of the controlling entity		1,371	1,416

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

Statement of Changes in Net Assets

	Shared Capital \$000	Asset Revaluation Reserve \$000	Accumulated Surplus \$000	Systems Transformation Reserve \$000	Total Equity \$000
Share Capital issued at 1 July 2023	13,817	-	2,806	-	16,623
Surplus for the year	-	-	1,371	-	1,371
Other comprehensive revenue and expenses	-	-	-	-	-
Total comprehensive revenue and expenses for the year	-	-	1,371	-	1,371
Balance as at 30 June 2024	13,817	-	4,177	-	17,994
Share Capital issued at 1 July 2022	13,817	-	1,390	-	15,207
Surplus for the year	-	-	1,416	-	1,416
Other comprehensive revenue and expenses	-	-	-	-	-
Total comprehensive revenue and expenses for the year	-	-	1,416	-	1,416
Derecognition of property revaluation on sale	-	-	-	-	-
Shared Capital in	-	-	-	-	-
Balance as at 30 June 2023	13,817	-	2,806	-	16,623

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

Statement of Financial Position

As at 30 June 2024

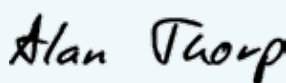
	Note	2024 \$'000	2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		7,392	10,846
Investments		-	1,000
Receivables from non-exchange transactions	6	12,554	9,914
Related party receivable	15	11,686	5,514
Other current assets		49	135
Total current assets		31,681	27,408
Non-current assets			
Property, plant and equipment	7	4,081	4,299
Intangible assets	8	671	1,006
Total non-current assets		4,751	5,305
TOTAL ASSETS		36,432	32,713
LIABILITIES			
Current liabilities			
Trade and other payables	9	2,610	2,186
GST and PAYE payable		1,571	1,590
Employee entitlements	10	13,082	11,190
Funding received in advance	16	1,174	1,124
Total current liabilities		18,438	16,090
TOTAL LIABILITIES		18,438	16,090
NET ASSETS		17,994	16,623
EQUITY			
Share capital	11	13,817	13,817
Accumulated surplus		4,177	2,806
TOTAL EQUITY		17,994	16,623

For and on behalf of the Board, who authorised the issue of these financial statements on 17 September 2024.



Grant Cleland

Board Chairperson



Alan Thorp

Director

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

Cash Flow Statement

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Receipts for services performed		103,550	94,172
Payments to suppliers and employees		(101,453)	(92,490)
Interest received/(paid)		597	283
Net cash flows from/(used in) operating activities	12	2,693	1,965
Cash flows from investing activities			
Proceeds from sale of fixed assets		182	167
Purchase of property, plant and equipment and intangible assets	7,8	(1,228)	(1,593)
Investment in term deposits		1,000	3,000
Net cash flows from/(used in) investing activities		(46)	1,574
Cash flows from financing activities			
Cash advances from/(to) subsidiary		(6,102)	1,527
Net cash flows from/(used in) financing activities		(6,102)	1,527
Net increase/(decrease) in cash during the year		(3,454)	5,066
Cash balances at beginning of year		10,846	5,779
Cash balances at end of year		7,392	10,846

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

Notes to the Financial Statements

for the year ended 30 June 2024

1. General information

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

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

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

Spectrum Care's services are primarily funded by Whaikaha – Ministry of Disabled People, Te Whatu Ora – Health New Zealand, Ministry of Social Development, Oranga Tamariki, the Accident Compensation Corporation and direct payments from disabled people and their whānau.

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

These financial statements are for the year ended 30 June 2024. Comparative information presented is for the year ending 30 June 2023.

These financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 17 September 2024.

2. Statement of compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the Financial Reporting Act 2013. They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Company is a public benefit not-for-profit entity and is applying Tier 1 Not-For-Profit PBE IPSAS as it has expenditure of more than \$30 million.

3. Summary of significant accounting policies

A) Basis of measurement

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

B) Functional and presentation currency

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

C) Changes in accounting policies

There were no changes in accounting policies during the year.

D) New standards

There were no new standards implemented this year.

E) Cash and cash equivalents

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

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

F) Investments

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

G) Property, plant and equipment

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

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

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

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

De-recognition

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

H) Intangible assets

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

- » Software – five years.

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

I) Leases

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

J) Impairment

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

K) Payables under exchange transactions

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

L) Employee entitlements

Wages, salaries, annual leave and sick leave

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

Long service leave and gratuities

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

M) Revenue

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

Revenue from non-exchange transactions

Revenue from non-exchange transactions is recognised in the period when the Company provides services to children, young people and adults with disabilities, and their families. The majority of the consideration for these services is received as funding from Whaikaha - Ministry of Disabled People, 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, Wellington and Waikato regions, respite care for adults in the Auckland, Waikato, Wellington and Bay of Plenty, and respite care for children in Auckland and Wellington. In addition, it includes Very High Needs care and support, Behavioural Support, Transitions, Care In Community Living, Supported Independent Living and Aspirations services, as well as the provision of accommodation and living cost assistance for people in the greater Auckland region. The Company also receives funding for running a School Holiday Programme of activities for children. Revenue is recognised either for the number of hours of services rendered or bulk funded according to the service contracts.

Interest revenue

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

Donation and fundraising revenue

Donation and fundraising revenue is a grant received which is recognised in the period when the Company provides the service with which the grant was issued for.

Other revenue

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

N) Goods and services tax (GST)

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

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

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

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

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

O) Financial instruments

Classification and subsequent measurement

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

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

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

Financial assets

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

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

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

- (a) entity's management model for financial assets; and
- (b) contractual cash flow characteristics of the financial asset.

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

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

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

Financial assets shall be measured at FVOCRE 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 OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit.

All financial assets not classified as measured at amortised cost or FVOCRE 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 Company does not have any financial assets at FVOCRE or FVTSD.

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

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

Financial liabilities

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

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

Impairment

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

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

P) Income tax

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

Q) Operating expenses

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

R) Cash Flow Statement

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

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

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

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

S) Provisions, contingent liabilities and contingent assets

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

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

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

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

T) Equity

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

U) Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. Adjustments have been made to the Statement of Financial Position for the comparatives shown for the year ended 30 June 2023 to reclassify certain payroll liabilities from GST and PAYE payable to Employee entitlements.

4. Financial risk management objectives and policies

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

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

Spectrum Care Limited 2024	Weighted Average Effective Interest Rate %	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	0.00	7,392	-	-	-	-	7,392
Investments	0.00	-	-	-	-	-	-
Related party receivable	3.68	11,686	-	-	-	-	11,686
Receivables from non-exchange transactions	0.00	12,554	-	-	-	-	12,554
		31,632	-	-	-	-	31,632
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00	2,610	-	-	-	-	2,610
	0.00	2,610	-	-	-	-	2,610
Spectrum Care Limited 2023							
Spectrum Care Limited 2023	Weighted Average Effective Interest Rate %	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	0.92	10,846	-	-	-	-	10,846
Investments	4.10	-	1,000	-	-	-	1,000
Related party receivable	3.63	5,514	-	-	-	-	5,514
Receivables from non-exchange transactions	0.00	9,914	-	-	-	-	9,914
		26,273	1,000	-	-	-	27,273
Financial liabilities (at amortised cost)							
Payables under exchange transactions	0.00	2,186	-	-	-	-	2,186
	0.00	2,186	-	-	-	-	2,186

Interest rate risk

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

Credit risk

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

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

Maximum credit risk	2024 \$000	2023 \$000
Financial assets		
Loans and borrowings		
Cash and cash equivalents	7,392	10,846
Investments	-	1,000
Related party receivable	11,686	5,514
Receivables from non-exchange transactions		
Not more than three months	11,145	8,996
More than three months	1,408	918

Concentration risk

There is usually a significant concentration of credit risk with respect to receivables of which a major amount is owed by the Company's principal funder, Whaikaha - Ministry of Disabled People and Te Whatu Ora - Health New Zealand. As at 30 June 2024, these receivables were \$9,998,877 (2023: \$7,839,669).

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

Liquidity risk

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

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

2024	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Gross Amount \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	7,392	-	-	-	-	7,392	7,392
Investments	-	-	-	-	-	-	-
Related party receivable	11,686	-	-	-	-	11,686	11,686
Receivables from non-exchange transactions	12,554	-	-	-	-	12,554	12,554
	31,632	-	-	-	-	31,632	31,632
Financial liabilities (at amortised cost)							
Payables under exchange transactions	2,610	-	-	-	-	2,610	2,610
	2,610	-	-	-	-	2,610	2,610
2023							
2023	0-6 Months \$000	7-12 Months \$000	1-2 Years \$000	3-5 Years \$000	5+ Years \$000	Total Gross Amount \$000	Total Carrying Amount \$000
Financial assets (loans and receivables at amortised cost)							
Cash and cash equivalents	10,846	-	-	-	-	10,846	10,846
Investments	-	1,000	-	-	-	1,000	1,000
Related party receivable	5,514	-	-	-	-	5,514	5,514
Receivables from non-exchange transactions	9,914	-	-	-	-	9,914	9,914
	26,273	1,000	-	-	-	27,273	27,273
Financial Liabilities (at amortised cost)							
Payables under exchange transactions	2,186	-	-	-	-	2,186	2,186
	2,186	-	-	-	-	2,186	2,186

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

2023	Loans and Receivables \$000	Other Amortised Cost \$000	Total Carrying Amount \$000	Fair Value \$000
Financial assets (loans and receivables at amortised cost)				
Financial assets	10,846	-	10,846	10,846
Investment	1,000	-	1,000	1,000
Related party receivable	5,514	-	5,514	5,514
Receivables from non-exchange transactions	9,914	-	9,914	9,914
	27,273	-	27,273	27,273
Financial liabilities				
Payables under exchange transactions	-	2,186	2,186	2,186
	-	2,186	2,186	2,186

Basis for determining fair values

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

Cash and cash equivalents and receivables from non-exchange transactions

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

Payables from exchange transactions

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

Related party receivable

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

Investments

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

5. Significant accounting judgements, estimates and assumptions

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

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

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. Determining the amortisation rates for intangible assets requires judgement as to the likely period of use of the assets. Different assessments of useful lives would result in different values being determined for amortisation costs, accumulated amortisation and net book values.

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.

6. Receivables from non-exchange transactions

	2024 \$000	2023 \$000
Trade receivables	11,016	9,575
Related party receivable	3	8
Other receivables	2,141	730
Provision for doubtful debt	(607)	(400)
	12,554	9,914

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

7. Property, plant and equipment

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

Spectrum Care Limited 2023	Freehold buildings \$000	Plant and equipment \$000	Motor vehicles \$000	Total \$000
At 1 July 2022 net of accumulated depreciation	64	99	3,774	3,936
Additions	97	275	1,221	1,593
Disposals	(21)	(4)	(153)	(177)
Depreciation on disposal	3	-	41	44
Depreciation charge for the year	(15)	(68)	(1,015)	(1,097)
At 30 June 2023 net of accumulated depreciation	129	302	3,868	4,299
At 30 June 2023				
Cost or fair value	150	380	5,676	6,206
Accumulated depreciation	(21)	(78)	(1,808)	(1,907)
Net carrying amount after revaluation	129	302	3,868	4,299

8. Intangible assets

	2024 \$000	2023 \$000
At 1 July opening balance	1,006	1,418
Additions	48	-
Disposal	(48)	-
Depreciation on disposal	-	-
Amortisation for the year	(335)	(412)
At 30 June net of amortisation	671	1,006
At 30 June		
Cost or fair value	1,772	1,772
Amortisation	(1,102)	(767)
Net carrying amount	671	1,006

9. Payables under exchange transactions

	2024 \$000	2023 \$000
Trade payables	144	178
Related party payables	2,195	1,733
Other payables	270	276
	2,610	2,186

10. Employee entitlements

	2024 \$000	2023 \$000
ACC levy	155	143
Accrued salaries and wages	5,370	4,286
Lieu days	1,584	1,375
Gratuities	655	524
Long service leave	696	657
Annual leave	4,477	4,061
Other	144	144
	13,082	11,190

11. Equity

Capital management

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

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

The Company's share capital consists of 100 issued and fully paid ordinary shares at \$138,165 per share. This equates to \$13,816,510.

	2024	2023
Beginning of the year	100	-
Share issue	-	100
Total shares authorised at 30 June	100	100

12. Statement of cash flows reconciliation

	2024 \$000	2023 \$000
Reconciliation of net surplus to net cash flows from operations		
Net surplus for the year	1,371	1,416
<i>Adjustments for:</i>		
Depreciation and amortisation	1,657	1,509
Interest receivable	69	(65)
Related party interest	(71)	(76)
(Gain)/loss on sale of assets	(57)	(34)
Changes in assets and liabilities		
Provision for ACC Levy	12	(78)
Provision long service Leave	40	(137)
Provision for lieu days	209	(47)
Provision for PAYE	62	58
Provision for annual leave	416	(154)
Provision for gratuities	132	(52)
Provision for salary, wages and sick leave	1,084	1,193
Creditors accrued	(5)	(369)
Provision for doubtful debts	207	124
Grant received in advance	50	78
Other employee provisions	(0)	24
(Increase)/decrease in trade and other receivables	(2,927)	(1,196)
(Decrease)/increase in trade and other payables	445	(231)
Net cash from operating activities	2,693	1,965

13. Administration expenses

	Notes	2024 \$000	2023 \$000
Management fees service level agreement	15	446	323
Shared service charge	15	8,817	7,903
Grant/donation spend allocation		242	101
Employee costs		2,205	1,941
Software expenses		196	79
General office expenses		121	80
Contractor and consultant expense		214	186
Advertising and marketing expense		16	27
Recruitment and training expense		47	38
Insurance		218	184
Computer maintenance		15	4
Vehicle		1,723	1,526
Travel and accommodation		60	58
Trustee costs		115	94
Bad debt expense		228	124
Legal		70	32
Leases		108	72
Loss on disposal of fixed assets		9	3
Cloud Software project costs		4	-
Other expenses		168	108
		15,023	12,881

14. Operating lease commitments

Minimum lease payments for the leases are as follows:

	2024 \$000	2023 \$000
Less than one year	311	295
Between one to two years	198	82
Between two to five years	17	35
More than five years	-	-
Total minimum lease payments	525	412

15. Related party transactions

Spectrum Care is a wholly owned entity of Spectrum Foundation. At 30 June 2024, the remaining payable from Spectrum Care to Spectrum Foundation amounts to \$1,470,671 (2023: \$1,072,907). The remaining receivable to Spectrum Care from the Foundation amounts to \$2,525 (2023: \$3,826). Transactions with Spectrum Foundation are discussed below.

Homes of Choice is also a wholly owned entity of Spectrum Foundation. At 30 June 2024, the remaining payable to Homes of Choice from Spectrum Care amounts to \$724,534 (2023: \$660,178). The remaining receivable from Homes of Choice to Spectrum Care amounts to \$144 (2023: \$4,393). Transactions with Homes of Choice are discussed below.

Spectrum Care is Homes of Choice's major source of revenue. Total rental revenue for properties that are owned by Homes of Choice is \$3,630,507 (2023: \$3,615,060). 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 \$1,254,367 (2023: \$834,640). The total payable in relation to the above rental arrangements at 30 June 2024 amounted to \$411,335 (2023: \$382,415).

A Service Level Agreement exists between Spectrum Foundation and Spectrum Care for administrative services provided by the Foundation to Spectrum Care. Total expense during the period in relation to this agreement is \$8,817,497 (2023: \$7,902,926). There is an outstanding amount payable in relation to this at year end of \$689,364 (2023: \$675,093) as it is paid a month in arrears.

A Service Level Agreement exists between Spectrum Care and Homes of Choice for property management services provided by Homes of Choice to Spectrum Care for which a monthly fee of \$37,207 (2023: \$26,879) was agreed. Total expense during the period in relation to this agreement is \$446,490 (2023: \$322,548). There is an outstanding payable in relation to this at year end of \$37,207 (2023: \$26,879) as it is paid a month in arrears. In addition, Spectrum Care paid \$275,221 (2023: \$163,340) to Homes of Choice for external property management fees. There is an outstanding payable in relation to this at year end of \$24,524 (2023: \$15,824) as it is paid a month in arrears.

During the year, Homes of Choice managed repairs for Spectrum Care for the sum of \$1,916,564 (2023: \$1,530,880) and Spectrum Foundation for the sum of \$5,554 (2023: \$1,499).

A monthly capital charge of \$28,125 (2023: \$28,125) was charged to Spectrum Care by Spectrum Foundation for the use of the \$13,816,510 investment of the Parent to the Company provided. Total expense during the period in relation to this agreement was \$337,500 (2023: \$337,500). The capital charge rate is determined by Spectrum Foundation and for the year of 30 June 2024 was 2.5 per cent (2023: 2.5 per cent).

During the year, Spectrum Care received a grant of \$146,666 (2023: \$146,666) from Spectrum Foundation in relation to the Company implementing the 'Gig Buddies' programme. Within Spectrum Foundation, the full cost of this was recognised in the 2024 financial year. Within Spectrum Care, \$217,527 (2023: \$5,226) was recognised as part of the Donation and Fundraising Revenue, being the amount of costs associated with the 'Gig Buddies' programme as at 30 June 2024. The remaining \$70,579 (2023: \$141,440) is recorded as funds received in advance liability.

Spectrum Care and Spectrum Foundation have two Directors and Trustees in common on their Board of Directors/Trustees (2023: Two). Spectrum Care and Homes of Choice have one director in common on their Board of Directors (2023: One)

The \$11,686,486 (2023: \$5,513,505) in related party receivables relates to money held on behalf of Spectrum Care by Spectrum Foundation. Of this \$8,000,000 (2023: \$4,000,000) relates to the Foundation holding term deposits on behalf of the Company with funds and interest returned upon maturity. Interest on these Term Deposits of \$155,305 (2023: \$84,063) has been accrued within related party receivables. The remaining amount relates to funding and contributions that are being paid into a Spectrum Foundation bank account when the money should have been paid by funders to Spectrum Care.

Compensation to Key Management Personnel in the form of short term employee benefits totalled \$345,295 (2023: \$329,217). Key Management Personnel is comprised of five Directors (2023: Five) and one Chief Operating Officer (2023: One).

16. Funding received in advance

	Notes	2024 \$000	2023 \$000
Residential contract		341	153
Respite contract		463	344
Home Support contract		171	385
Related party grant received in advance	15	71	141
Other		129	101
		1,174	1,124

17. Auditor's remuneration

	2024 \$000	2023 \$000
Amounts paid or payable to Grant Thornton New Zealand Audit Partnership for:		
Audit of the financial statements.	57	40
	57	40

18. Contingent liabilities and contingent assets

There are no contingent assets as at 30 June 2024 (2023: Nil).

19. Capital commitments

As at 30 June 2024, total capital commitments, consisting of vehicle purchases and vehicle fitouts are \$349,793 (2023: \$270,267).

20. Events after the reporting period

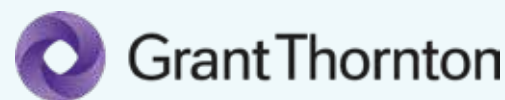
A share buy back transaction was approved by the Spectrum Foundation Board in July 2024 and approved by the Spectrum Care Board in August 2024. Once completed on the 27th of August, the number of shares in Spectrum Care reduced from 100 to 59 shares.

There are no other events that would impact the financial statements.



Independent Auditor's Report

To the Shareholder of Spectrum Care Limited



Report on the Audit of the general purpose financial report

Opinion

We have audited the general purpose financial report of Spectrum Care Limited (the "Entity") which comprise:

- a. the financial statements set out on pages 14 to 35, which comprise the statement of financial position as at 30 June 2024, 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
- b. the statement of service performance on pages 6 to 12.

In our opinion, the accompanying general purpose financial report present fairly, in all material respects:

- a. the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended; and
- b. the service performance for the year ended 30 June 2024 in accordance with the Entity's service performance criteria in accordance with the Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Entity in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

The Directors are responsible for the other information accompanying the general purpose financial report. The other information comprises of the Corporate Information and Directors' details but does not include the general purpose financial report and our auditor's report thereon.

Our opinion on the general purpose financial report 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 general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the general purpose financial report 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 general purpose financial report

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

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not For Profit); and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the general purpose financial report

Our objectives are to obtain reasonable assurance about whether the general purpose financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 the general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the entity's internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

-
- » Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity's to cease to continue as a going concern.
 - » Evaluate the overall presentation, structure and content of the financial statements and the service performance information, including the disclosures, and whether the financial statements and the service performance information represents the underlying transactions and events in a manner that achieves fair presentation.
 - » Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Restriction on use of our report

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

Grant Thornton

Grant Thornton New Zealand Audit Limited

Auckland, New Zealand
17 September 2024



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



Spectrum Care

Level 2, 205 Great South Road
Greenlane, Auckland 1051

PO Box 74422
Greenlane
Auckland 1546

09 634 3790
spectrumcare.org.nz