

ANNUAL

2024 - 2025

REPORT

IHC New Zealand Inc
Annual Report for
the year ended
30 June 2025



This Annual Report, which is inclusive of the financial and non-financial performance information, reflects IHC New Zealand's measures for the year to 30 June 2025.

It is produced in accordance with the Charities Act 2005.

The Annual Report has been authorised by the IHC Board in accordance with its role under the Charities Act 2005.

Tony Shaw
Board Chair

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Board Chair update



IHC is a constantly evolving organisation. This financial year we celebrated 75 years of an organisation first set up by families coming together to advocate for better lives for their children with intellectual disabilities in the education and health systems.

What does not and has not changed is the commitment of our members and staff to our mission. We look for extraordinary leaders with unwavering commitment to improving the lives of people with intellectual disabilities.

This year we farewelled outgoing Chief Executive Ralph Jones after 33 years in the organisation and more than two decades in the role. Our Chief Executives JB Munro, Jan Dowland and Ralph Jones have helped shape our organisation – building on the strengths and adding new initiatives to those who have gone before.

It was therefore a privilege to welcome just the fourth Chief Executive, Andrew Crisp, to IHC. Andrew has a list of priorities including to get around the country and to meet as many people we support, members, families and staff as possible in his first year and has already hit the road running.

Andrew is also taking a closer look at the way the organisation operates and is ensuring more collaboration across the IHC Group as the charity and subsidiaries work together to provide innovative quality services.

A strategy review is underway. This involves consultation with a wide range of stakeholders, including the people we support. We are looking forward to discussions at our Annual General Meeting in October.

What is clear from the information gathered to date is that people need advocacy, community connection, and good homes.

This year the advocacy team released an important piece of research on the cost of exclusion. It found people with intellectual disabilities were far more likely to live in poverty. It's the second report out of a key relationship with Kōtātā researchers who interviewed people with an intellectual disability and their families and extracted data about the

outcomes of people with intellectual disability from the Integrated Data Infrastructure (IDI). The first report From Data to Dignity: Health and Wellbeing Indicators for New Zealanders with Intellectual Disability released last year remains a much-consulted piece of work.

For some years members have been challenging the IHC Board as to why so much money is being spent on increasing our investment in social housing. The concerns have been listened to. In April the Board resolved that it would not continue building social housing in and of itself, although we will continue to complete the houses we have to build under the Tauranga capacity contract. We further agreed that this was a significant change from the social housing growth strategy of building 5000 homes. The Board agreed it wanted an integrated IHC driven approach as to how it uses its property portfolio consistent with its vision. Following on from those decisions, it was agreed that we no longer needed a separate CEO of Accessible Properties. Andrew Crisp, CEO of the Group, will also perform that role.

I believe these decisions have been well received. Andrew and the Accessible Properties and IHC properties teams have already commenced a significant piece of work to assess each IHC/IDEA Services house, in terms of what maintenance work needs to be done to improve the quality of the homes, and which properties are fit for purpose. All this work is expected to improve the quality of homes in which the people we support live. Further we expect that in the longer term, once we have fulfilled our obligations under the Tauranga capacity contract, we will be in a position to use the significant capital base that Accessible Properties has built up for the benefit of the members and people we support.

In conclusion, I want to once again thank all my fellow Board members for their continued commitment to IHC. I also thank all the staff across the organisation for their hard work and commitment, day in and day out, in fulfilling our mission of supporting people with an intellectual disability to live satisfying lives in the community.

Tony Shaw
IHC Board Chair

Chief Executive update



Kia ora tātou,

I feel very privileged to have been appointed as IHC's Chief Executive. I am excited to lead an organisation that is dedicated to supporting people with intellectual disabilities to have satisfying lives. I was aware of IHC and its important role in New Zealand's history and community before I applied for the role, and since joining the organisation, my admiration of who we are and all that has been achieved has grown.

I have visited all our offices around the country and have been welcomed with Mihi Whakatau that demonstrate the strength, diversity and mana of people with intellectual disabilities, members, staff and each community. The Kapa Haka that I have been privileged to observe has been outstanding. I have been consistently impressed by the individuals I have met on my travels, and the commitment to achieving our mission. It has also highlighted to me how fortunate we are to have such a strong volunteering and donor base.

As indicated when I first started in February, I am committed to listening and learning about our organisation and to make sure we have the right voices informing me and our decision-making. I am also committed to making sure that we focus on and allocate our resources to what matters most.

I have held many staff, family and member forums, bringing together people to share their perspectives. I have also set up a formal advisory group of people with intellectual disabilities who meet regularly, in alignment

with our governance structure, to inform our work. This group is already providing valuable input into the strategy work we are undertaking on the future direction and focus of IHC. We are midway through this new strategy development process that began with widespread consultation inside and outside the organisation. This strategy will better define IHC's role and what we can do to have the greatest impact and build on its rich history of inclusion, advocacy and provision of community services and initiatives.

It is important that we work collaboratively and in an aligned way to deliver well on what matters most, both across the system and the organisation. For example, in May we announced that we would be taking a more integrated approach to property. The Accessible Properties senior managers have joined the IHC Group Executive team, and we are focussed on making sure that the homes our people live in are of high quality and fit for purpose going forward.

I want to thank everyone for the incredible welcome they have given me in my first six months. I have met with so many people who have been generous with their time and their opinions and advice. I look forward to working with you all in the year ahead to ensure people with an intellectual disability lead fulfilling lives.

Ngā manaakitanga

Andrew Crisp
CEO

Our mission

Ka kauwhau tikanga a IHC mō ngā tika, mō te whai tūranga tūturu me te toiora o ngā tāngata whai hauātanga hinengaro katoa, me te tautoko i tō rātou noho rangatira i te hāpori.

IHC will advocate for the rights, inclusion and welfare of all people with intellectual disabilities and support them to live satisfying lives in the community.



Charlotte Turner participating in an art activity

Caroline Tatton
IHC Art Awards Entrant 2024
Hootle the Owl

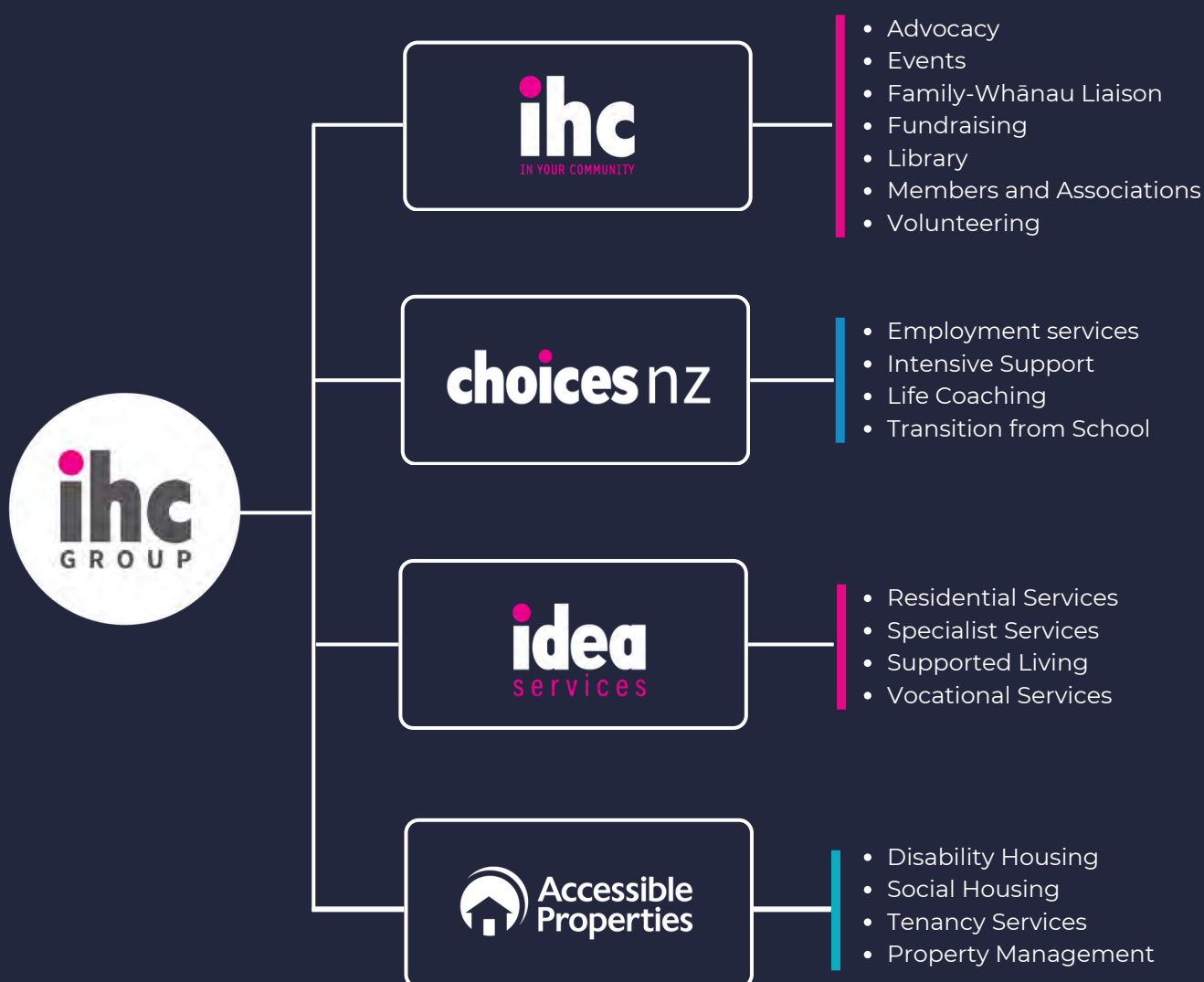


Thank you

Our heartfelt thanks to everyone who supports us in our mission to advocate for the rights, inclusion and welfare of all people with intellectual disabilities. We especially acknowledge and thank our valued partners and our wonderful Smile Club and IHC Calf & Rural fundraising programme donors, as well as those who choose to remember IHC in their wills. Together, we are working to make a positive difference for all people with intellectual disabilities, supporting them to live satisfying lives in the community.

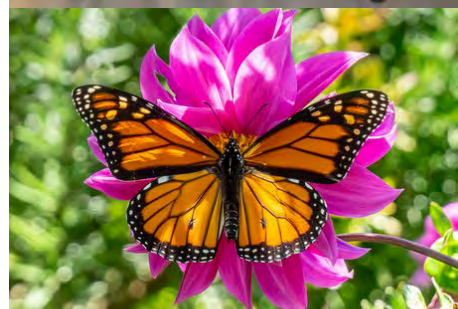
Our structure

IHC is made up of our community programmes (funded by donations) and three wholly-owned subsidiaries utilising our funding and resources to improve people's lives.



Our year at a glance

- **July 2024** – Amy Hall from Auckland wins the annual IHC Art Awards for her needlework self-portrait *Love Cats*.
- **August 2024** – Beren Hughes from New Plymouth wins the IHC Capture the Moment photography competition with his work *Friends Sharing Lunch*.
- **October 2024** – IHC celebrates 75 years and acknowledges all those people, past and present, who lead and support every day to make a difference for people with intellectual disabilities.
- **November 2024** – Our 75 years of IHC *Nothing about us without us* exhibition opens in Wellington, interweaving photographic portraits, still-life images, archival material and text to tell the story of IHC's journey so far.
- **November 2024** – IHC New Zealand Annual General Meeting held in Te Whanganui-a-Tara Wellington.
- **November 2024** – Te Anga Pāua o Aotearoa National Kapa Haka Festival takes to the stage at Tākina Wellington Convention and Exhibition Centre.
- **December 2024** – IHC farewells Chief Executive Ralph Jones as he retires after 33 years at IHC and more than two decades as Chief Executive.



- 
January 2025 – IHC Board Chair Tony Shaw is awarded the New Zealand Order of Merit (ONZM) for services to people with intellectual disabilities and the community in the New Year Honours.
- 
February 2025 – IHC welcomes new Chief Executive, Andrew Crisp, with a pōwhiri.
- 
February 2025 - IHC publishes an article in *The New Zealand Medical Journal* stating that funded annual health checks for people with intellectual disability could prevent more than 100 deaths a year and significantly reduce hospital admissions.
- 
April 2025 – IHC announces the formation of a new Chief Executive's Advisory Group that will ensure that the voices of people with intellectual disabilities are further integrated into our decision-making.
- 
May 2025 – IHC embarks on a strategy review to shape our work for the next decade, and to ensure we can best support people with intellectual disabilities in New Zealand to lead satisfying and fulfilling lives. An online survey is launched as well as forums held throughout the country to ensure everyone can have their say.
- 
May 2025 – The IHC Board announces a new focus on better integration between its disability and housing operations.
- 
June 2025 – IHC releases *The Cost of Exclusion: Hardship and People with Intellectual Disability in New Zealand*, revealing that New Zealanders with an intellectual disability are twice as likely to live in hardship or severe hardship compared to the rest of the population.



IHC strategy



Michael Trubovich and support worker Annemarie Mead participating in an art activity

IHC is reviewing our long-term strategy. We want to ensure that our work reflects what is important to people with intellectual disabilities and to understand how we can better support them to lead satisfying and fulfilling lives.

During 2024–2025 we met with many New Zealanders and undertook a survey to make sure our strategic goals and priorities best serve the people we support and their whānau and families.

In this financial year, we have continued to work in line with the 2024–2027 Strategic Goals and Priorities.



Aqua Fitness Instructor Marianne Sayer with Haley Gregory at the Lido Aquatic Centre with Support Worker Sunita Gambler in background

Strategic goals



Advocate for the rights of people with intellectual disabilities

- Work alongside people with lived experience and their families and whānau, disability service providers and communities across New Zealand.
- Commit to people with intellectual disability being the decision-makers in their daily lives and having choice, opportunity and control.
- Advocate for policy and law that supports inclusion and tackles inequity.
- Ground our work in the UN Convention on the Rights of Persons with Disabilities (CRPD), the Code of Health and Disability Services Consumers' Rights, and the Disability Action Plan.



Support families and whānau with information and connections

- Provide a library service with thousands of resources on intellectual disability.
- Connect people, either in person or online, through a volunteering friendship programme.
- Facilitate family-whānau liaisons, providing extra support in navigating the health and disability system.
- Provide online resources, such as the Stand Tall money game that teaches budgeting and life skills, and IHC Media – a platform that gives people an opportunity to share their content, and attend online forums and live learning sessions.



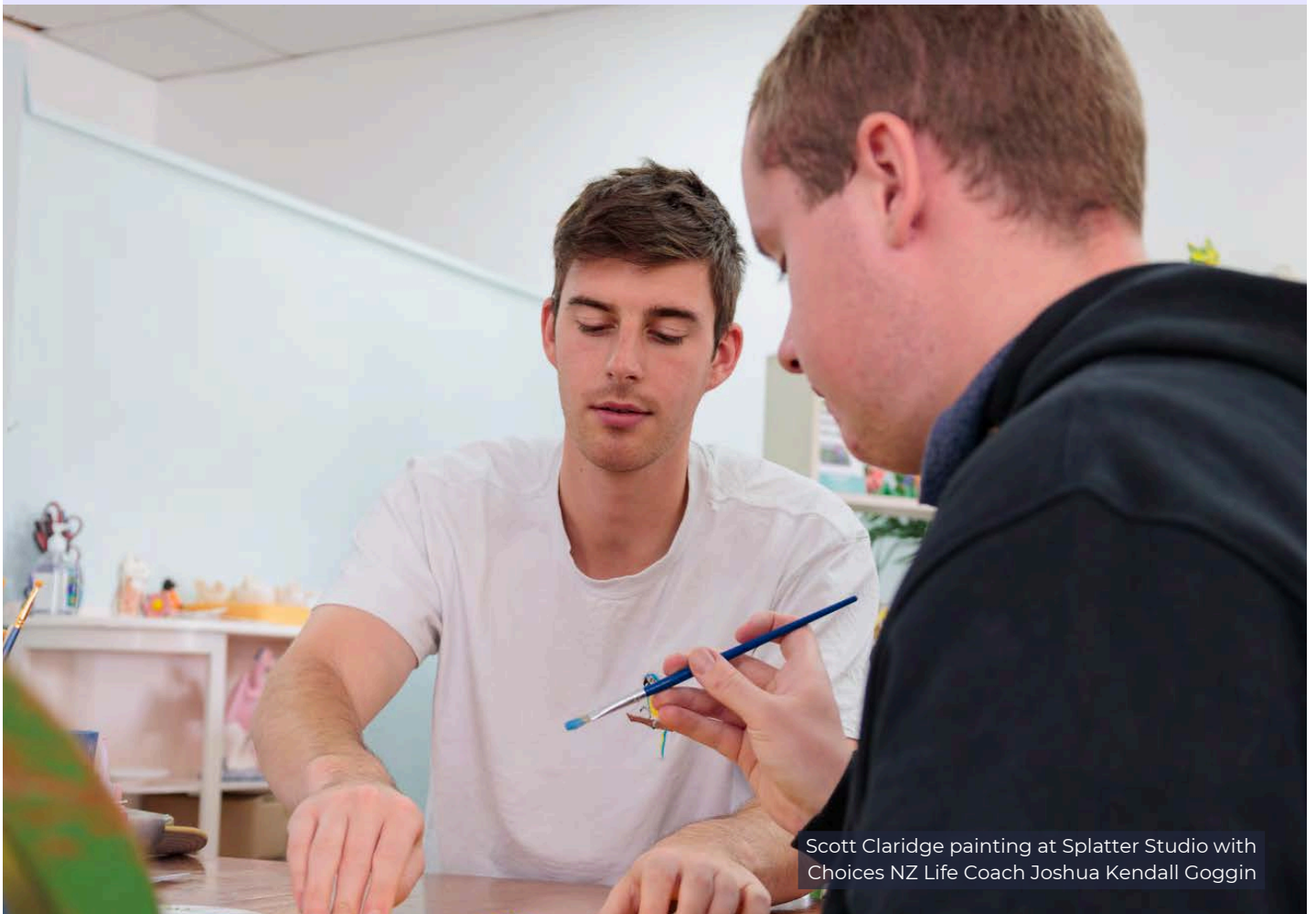
Provide support to enable people with intellectual disabilities to live in the community

- Provide home support to enable adults with intellectual disability to live independently in their own home.
- Enable adults with intellectual disabilities, who require a level of care, to live in a supportive residential community.
- Support people with intellectual disabilities to participate in communities and develop thriving friendships and relationships.
- Help people with intellectual disabilities to learn new skills, job-seek and transition from school – with a focus on outcomes, choice and control.



Provide housing, with a focus on accessible homes suitable for people with disabilities

- A good home makes a big difference to people's lives. We are committed to supporting long-term living in an inclusive and well-functioning community.
- Provide homes that are fit for purpose, warm, dry, safe and secure.



Scott Claridge painting at Splatter Studio with Choices NZ Life Coach Joshua Kendall Goggin

Strategic priorities



1. Greater choice and control

Providing services that empower people to have greater choice and control over their lives.



2. Leaders with intellectual disability

Supporting people with intellectual disabilities to advocate for their rights, including participating in leadership opportunities.



3. Delivering for Māori

Responding to the diverse needs and preferences of Māori, taking into account cultural differences and the unique challenges faced by Māori.



4. Accessible housing solutions

Providing safe, affordable and accessible housing for people with intellectual disabilities and their families/whānau. Social housing that also provides financial benefits to IHC's wider objectives.



5. Partnerships and collaboration

Achieving greater impact and outcomes through working with organisations and individuals (including members and volunteers).



6. Sustainability and financial resiliency

Promoting sustainable practices and financial management that support long-term success.



7. Right people

Employing a strong culture and skilled workforce aligned with the organisation's mission and values.



8. Smart business

Using technology and data that inform decision-making and reduce cost.

Setting the scene - the cost of exclusion



David Corner National Self-Advocacy Advisor; Tania Thomas Director of Advocacy; and Shara Turner Senior Advocate at the launch of *The Cost of Exclusion* report, 2025

What life's really like for people with intellectual disability
in New Zealand and why our work is needed.

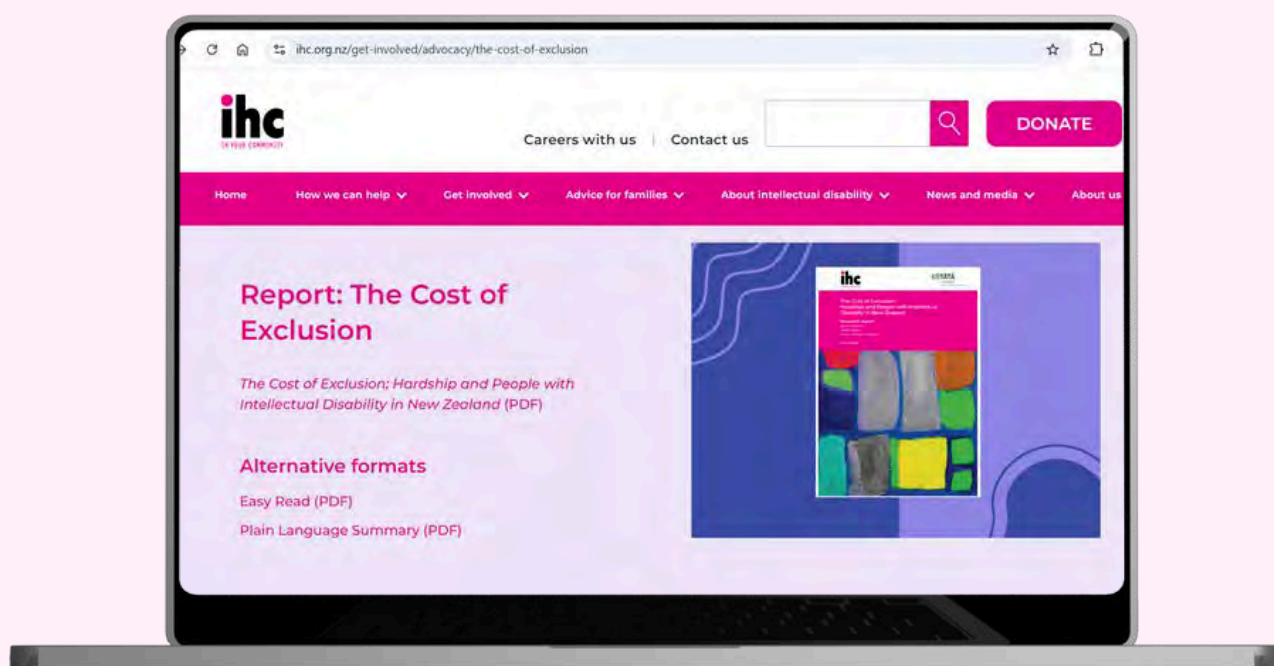
The Cost of Exclusion: Hardship and People with Intellectual Disability in New Zealand

IHC released *The Cost of Exclusion: Hardship and People with Intellectual Disability in New Zealand* report in late June 2025. This report reveals a deep, systemic issue, showing that New Zealanders with an intellectual disability are twice as likely to live in hardship compared to the rest of the population.

Researchers interviewed people with intellectual disability and their whānau/families, and extracted data about the outcomes of people with intellectual disability from the *Integrated Data Infrastructure* (IDI).

The IDI holds de-identified data on nine million individuals in New Zealand, dating back to 1840, collected from government agencies, surveys and non-governmental organisations over many years.

“This report provides solid evidence, using government data, that a continued push for policy change to improve the outcomes for people with intellectual disability is required. Our work is not yet done,” says IHC Chief Executive Andrew Crisp.



Adults

People with an intellectual disability are twice as likely to live in hardship or severe hardship compared to people who don't have an intellectual disability.

2x

For most people, hardship decreases as they age, but the level of hardship experienced by people with an intellectual disability stays the same as they age.



Almost 1 in 5 people with an intellectual disability live in hardship compared to 1 in 13 people who do not have an intellectual disability.

What does it mean for people with an intellectual disability to live in hardship?



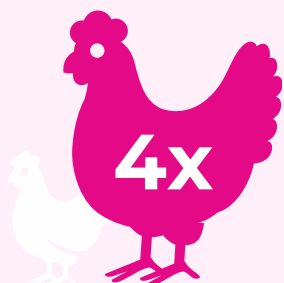
Up to four times more likely to live in rental accommodation compared to the non-intellectually disabled population



Almost three times more likely to cut back on fresh food because of cost compared to the non-intellectually disabled population



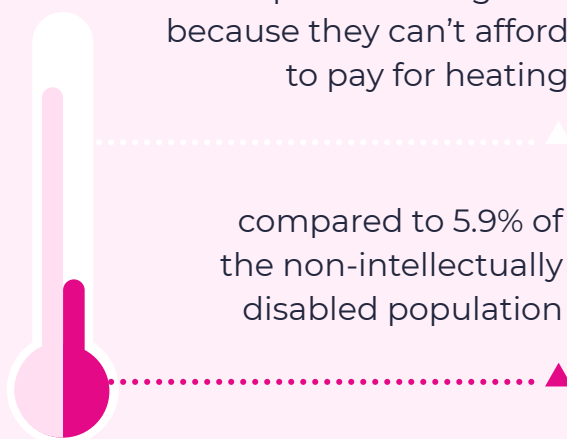
Over 42% of people with an intellectual disability couldn't pay an unexpected bill of \$500 within a month without borrowing



Over four times more likely to not be able to eat meat or protein equivalent at least every second day because of cost compared to the non-intellectually disabled population

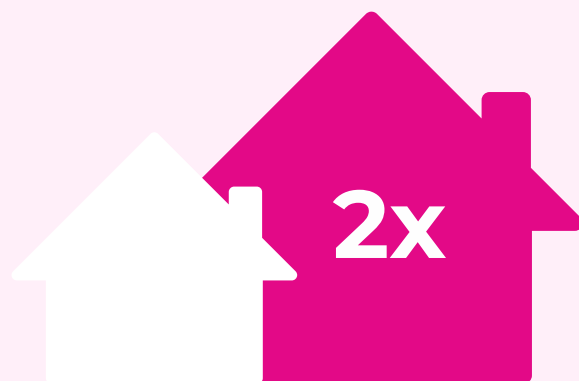
13.5% of people with an intellectual disability put up with feeling cold because they can't afford to pay for heating

compared to 5.9% of the non-intellectually disabled population

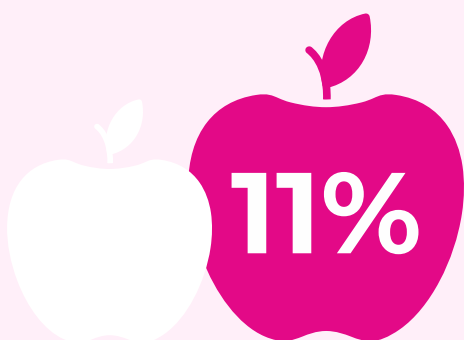


Children

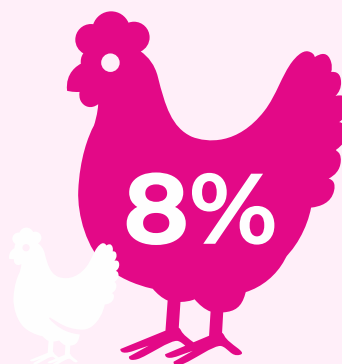
Children with an intellectual disability are twice as likely to live in hardship compared to other children.



What does living in hardship look like for children with an intellectual disability?



Over 11% of children with an intellectual disability are not able to access fresh food due to cost compared to just under 5% of other children



Over 8% of children with an intellectual disability are not able to have a meal with meat or protein equivalent in it every day because of cost compared to just over 3% of other children



Children with an intellectual disability are almost seven times more likely to be unable to attend a school event because of cost compared to other children.



Over a quarter of children with an intellectual disability can't afford to have friends around to eat occasionally compared to just under 9% of other children

"Getting funding feels like a full-time job... You have to prove, over and over, everything your child can't do, just to get the bare minimum."

Lani, mother of Meleia.

Statement of service performance



IHC's Patron and Art Awards Ambassador, Dame Denise L'Estrange-Corbet pictured with artist Kamini Nair at Grey Street Studio in Hamilton.

Te tatou mahi – our work – overview



Gabrielle - the face of IHC Calf & Rural

Community programmes

The IHC Programmes team works to improve outcomes for people with intellectual disability across New Zealand. We provide advocacy, library and information services, a volunteering programme, and community events, connection and support. We also work closely with and support our membership and associations.

We actively fundraise to ensure these programmes of work can continue and we are hugely grateful to New Zealanders for their generosity. Our valued donors enable us to continue to innovate and develop our programmes to best achieve our mission and improve people's lives. These fundraising activities include our Smile Club for regular donating, which is a rapidly growing programme, and we also receive one-off donations and the contributions of those who choose to remember IHC in their wills. We ensure that bequests are applied to have a lasting effect on the lives and futures of people with intellectual disabilities. We additionally manage the Calf and Rural Scheme, in which farmers pledge livestock and the price received for the animal is donated to IHC. This scheme has been running for 43 years and makes a huge difference in the lives of people with intellectual disabilities living in rural communities around the country.



A continuing focus is to ensure that people with intellectual disability are at the centre of decision-making about their own lives. Two new advisory groups – the IHC Chief Executive’s Advisory Group and the Easy Read Advisory Group – have been established this year, both wholly made up of people with intellectual disabilities.

Through advocacy, we work to persuade government, decision-makers and other organisations to change laws, policies, practices and beliefs to support people with intellectual disability to live satisfying lives in the community.

Based on the findings from the earlier *From Data to Dignity* research, backed up by our compelling cost benefit analysis published in the *New Zealand Doctor Rata Aotearoa*, we have asked the Government as a priority to fund free annual health checks for the 47,000 people with an intellectual disability. Annually these checks could save the lives of up to 104 people with intellectual disabilities and save millions of dollars of health-care spending. We already ensure health checks for people in our residential services.

We have worked on two resources to support people with intellectual disability: a *Health Literacy Guide* for Carers and, in partnership with Flying Kites, a web-based guide, *Moving out of Home*.

Our volunteer programme continues to foster meaningful connections, with a core focus being the one-to-one friendship programme. This year, we have introduced new processes to measure the success of our programme, particularly from the perspective of the people who we support. Of the people with intellectual disabilities who joined the programme to make a friend, more than 80% reported they had made a friendship. Our goal is to continue to expand learning and volunteering opportunities to support skill development and community connection.



IHC members

2024/25: **1,356**

2023/24: **1,720**



Volunteer hours

2024/25: **35,508**

2023/24: **33,500**



Library resources

issued

2024/25: **7,309**

2023/24: **6,990**

The IHC Library increased its offerings this year with a broad selection of e-books and physical items such as books, DVDs and kits. We also gave out 269 free books this year, with some of the latest thinking about neurodiversity, to parents or caregivers upon registration with the library. The Stand Tall money game, to help with the development of money management skills, has continued to be popular. An important focus of our work is to understand the needs and preferences of the users of our services. We recently surveyed carers to better understand their information preferences and expectations of our service.

It has been a full year of events to celebrate significant milestones, showcase the talents of the people we support, and to foster family and whānau connections. We celebrated 75 years of IHC with the *Nothing about us without us* exhibition, which interwove photographic portraits, still-life images, archival material and text to tell the story of IHC's journey. The exhibition reflected on our ongoing work advocating for the rights and inclusion of people with intellectual disabilities.

More than 550 artists and photographers showcased their creativity through the IHC Art Awards and the Capture the Moment photography competition.

In partnership with the Parent to Parent support organisation, we also facilitated five sibling camps and a mum's retreat, to support family members of people with intellectual disabilities.



IHC Art Awards exhibition opening, 2024



Swim Magic Head Instructor Jo Loveridge and Dive into Success participant Alfie Linn from the Richmond Aquatic Centre.

Disability services

We provided residential, vocational, supported living and specialist services for more than 3,200 people in the 2024/25 financial year. These government-funded quality services ensure people are well supported and have opportunities and enjoyment in their day-to-day lives.

Over two days in November, more than 25 roopū participated in Te Anga Pāua o Aotearoa National Kapa Haka Festival at the Tākina Wellington Convention and Exhibition Centre. It was the biggest kapa haka festival for people with intellectual disability that New Zealand has seen to date and provided hundreds of people the opportunity to showcase their immense talents in front of their friends and whānau.

Off the back of the festival, we commissioned a study to better understand the voices, insights and reflections of adults with intellectual disability participating in kapa haka. We plan to release this report later in 2025.

People we support have contributed more than 30,000 hours to New Zealand communities while working towards the Student Volunteer Army (SVA) Service Award. Since 2022, we have been partnering to deliver a programme to members that highlights and celebrates their impact, fostering a more inclusive and supportive environment.

Our clinical team launched the *Sweet, Savoury and Safe Cookbook* that is now available in all residential homes. This cookbook is a collection of recipes that the team has developed to promote safer meals in our services.



Disability services funding

2024/25: **\$373.8 million**
2023/24: **\$372.5 million**



People supported into paid employment

2024/25: **40**
2023/24: **47**



People supported in life coaching

2024/25: **52**
2023/24: **60**



People we supported

2024/25: **3,237**
2023/24: **3,318**

The team emphasise using different strategies to reduce the risks around eating, while still being nutritious and delicious. External auditors were so impressed with the cookbook that they have recommended it receive a Continuous Improvement Award from Healthcert as part of IDEA Services' certification status.

Five IDEA Services staff were awarded IHC Scholarships as part of their career development within the organisation. The IHC Scholarship Fund was introduced in 2021 for staff to undertake a course or degree with financial support. This year they were awarded to two support workers, two service managers and a senior care manager across a range of areas, including diplomas in business, health and wellbeing through to postgraduate study in clinical psychology.

The Government announced that from October 2024, the responsibility for delivering government disability support services would move from Whaikaha – The Ministry of Disabled People to Disability Support Services - Ministry of Social Development. Whaikaha has become a stand-alone government ministry responsible for leading work to improve the lives of disabled people through strategic policy advice, monitoring the effectiveness of services, education and advocating for positive change. We welcome all steps to improve the lives of people with disabilities and will continue to work closely with both ministries.

We have updated our complaints policy and process this year. We know that a robust, easy-to-use and accessible complaints process is an important part of providing a quality service.



Average FTE staff supporting people with a disability
2024/25: **2,760**
2023/24: **2,647**



Support hours
2024/25: **7,458,743**
2023/24: **7,197,474**



Staff who hold disability support qualifications
2024/25: **68%**
2023/24: **70%***

*Result reassessed to align with current year calculation methodology



Hannah on her employment journey at Number One Shoes.

The updated complaints policy aligns with the Code of Health and Disability Services Consumers' Rights. We have refreshed the information made available to the people we support to ensure families know of the process and what they can expect when making a complaint. As part of this process, we have updated our complaints training for all staff.

We constantly work on improving safety in our services and one such initiative focused on safer evacuation in the event of a fire. We elected Fire Safety Champions to support others by promoting fire awareness, conducting monthly fire drills and helping identify and resolve fire risks within their homes. This initiative, alongside Fire and Emergency New Zealand, provided training and practical tips around safe cooking, plugs, meeting points and evacuation plans.

This year we funded seven professional internships across our Regional Intellectual Disability Supported Accommodation Service (RIDSAS) and residential service for psychology students who aim to become Registered Psychologists. Since 2019, we have supported up to seven professional interns annually, with a 100 percent success rate to enter a psychology programme or become a Registered Psychologist while working for IDEA Services.

We introduced a Mental Health & Wellbeing Community of Practice for staff to learn more about a range of topics relating to the people we support, including trauma, addiction, depression and accessing mental health services. The Psychology team also launched a post-incident toolkit for Service Managers that emphasises the use of a Psychological First Aid (PFA) approach when supporting staff involved in a serious incident. This included training sessions led by Red Cross New Zealand for all service managers.



Through our Transition from School Programme, funded by the Ministry of Education's Ongoing Resourcing Scheme, Shaun is gaining work experience and getting involved in the community

Our 200th Active in HELL (AiH) graduate was 21-year-old Grace McCaffley, who was based at the Petone Hell Pizza store. AiH is supported by Choices NZ and teaches young adults with intellectual disabilities the practical skills required to thrive in a commercial kitchen, as well as the independence of having a job and the responsibility of working as part of a team. The first AiH trainee graduated in 2013 and since then the award-winning programme has opened the doors for young New Zealanders through the can-do attitudes and collaborative efforts of our facilitators and HELL franchisees throughout the country. Nineteen people completed the programme this year.

Choices NZ continues to provide a range of activities in the Manawatū region, including aqua aerobics, cooking, creative building, chair yoga and mobility, boxing, technology, strength and balance, cycling and coffee catch-ups. Choices NZ comprises nine life coaches and seven facilitators who provide support around learning new skills, finding a job, transitioning from school, maximising independence and, when needed, also provide intensive support.

We also supported four people through the Dive into Success internship programme in conjunction with Community Leisure Management (CLM). The eight-week programme provides people with intellectual disability, autism or neurodiversity the opportunity to gain knowledge, develop confidence and learn transferable skills for the workplace.

Two people we support have taken part in a six-week pilot internship with Hind Management and Sudima Hotels. The internship provides hands-on experience in a hotel department for disabled people to enhance their interpersonal skills and deepen their understanding of diverse perspectives.



Grace McCaffley at her job at Hell Pizza



Properties

IHC has 2,768 residential, vocational and community housing properties across New Zealand. This includes 765 homes for people with intellectual disabilities and 1,873 community housing homes.

Throughout the financial year, we have continued to work hard to ensure that all our homes are safe, comfortable and supportive places for both the people we support and our tenants.

We carried out 82 capital projects in the IDEA Services portfolio. We installed 59 wet-area bathrooms, 16 new kitchens, three ramps and made five fire safety system upgrades, making a real difference for the people who live in these homes.



Homes for
community or public
housing
2024/25: **1,873**
2023/24: **1,857**



Homes managed for
disability services
2024/25: **765**
2023/24: **776**



Community or
social housing where
the person identifies
as having a disability
2024/25: **50%**
2023/24: **52%**

More than 65 percent of IHC's social housing homes are in Tauranga and Te Puke. We acquired these homes from Housing New Zealand in 2017.

This year, we added 16 new social homes, most being fully accessible and designed to Lifemark 4-star standards, bringing the total of new social homes we have built in Tauranga and Te Puke to 79. The homes feature level entries, wide hallways, consistent handle and switch heights, and roll-in showers – making them safer and more functional for people of all abilities.

As at 30 June 2025, we have 97 homes in the pipeline. This includes an additional 23 homes to replace properties that have been sold or demolished. Construction is also underway on 22 additional units in Hamilton.



Tenant satisfaction with home (very happy, happy or OK)

2024/25: **94%**

2023/24: **99%**



Tenant satisfaction with service (very happy, happy or OK)

2024/25: **94%**

2023/24: **97%**



Rental occupancy rate

2024/25: **99%**

2023/24: **99%**

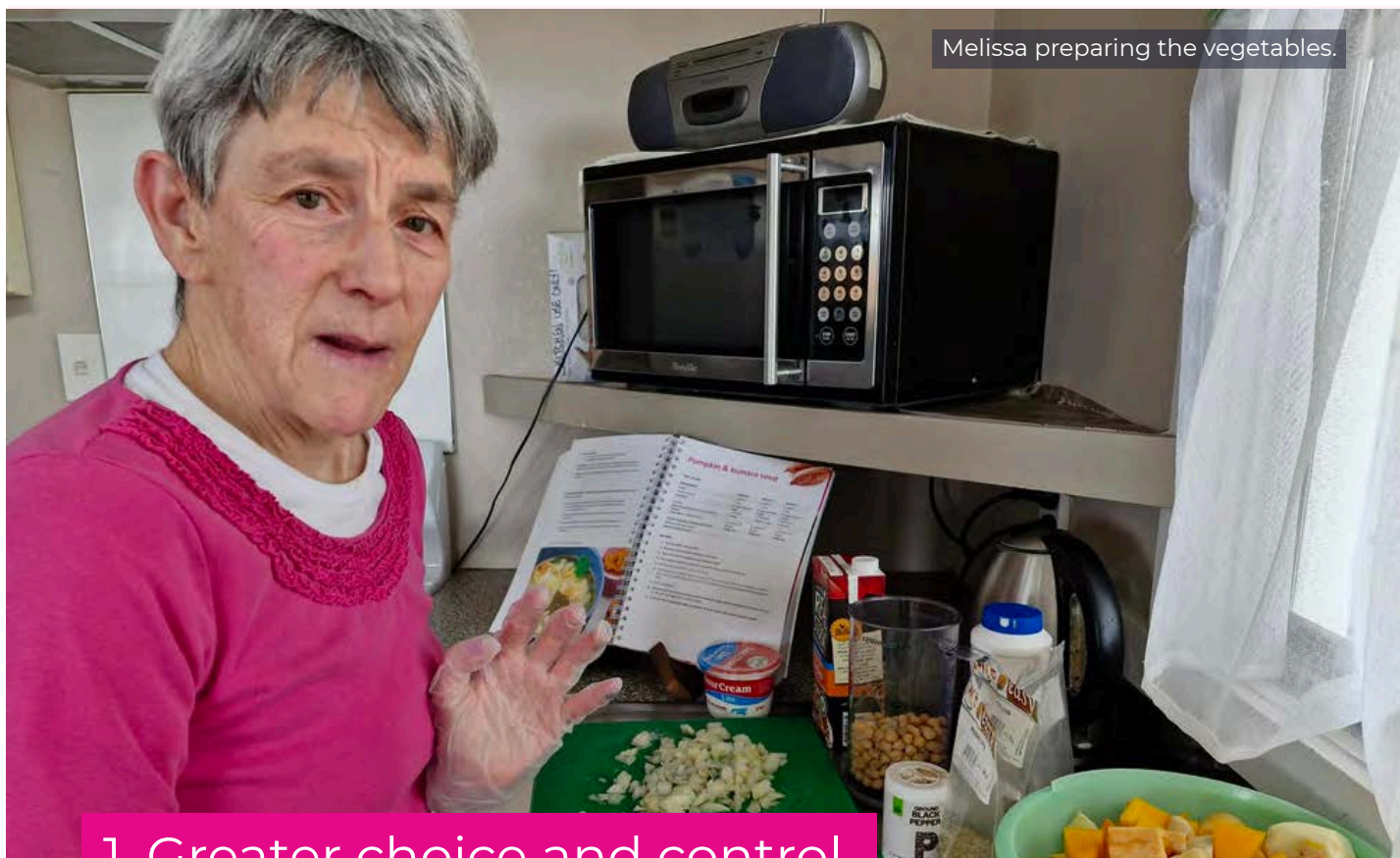


Sala Faase, in her home.



Te tatou mahi - our work - in stories





1. Greater choice and control

We work hard to provide the right support in the way of quality community, disability and housing services that promote the welfare of people with intellectual disabilities. We conduct research and run advocacy programmes to bring about systemic and societal change. We bring families and individuals together to offer support and information through our membership, volunteering, events, library, online programmes (IHC Media and Stand Tall) and family-whānau liaison services. Our disability services span the wide range from full-time residential care and activities to supported living with others, to independent living and employment support.

New IHC Sweet, Savoury and Safe Cookbook a recipe for change

The residents of Birkdale Road have become enthusiastic participants in meal planning and preparation since receiving the IHC cookbook.

The *IHC Sweet, Savoury and Safe Cookbook* was put into practice in our residential services in late 2024. It was put together by the clinical team and the recipes can easily be adapted for the different dietary needs of the people we support.

"We had been redoing the safer eating and drinking programme and included a cookbook with meals that could be changed to fit modified diets," says Director of Nursing Prue Lennox. "We wanted it to be an educational resource for staff."

Many high-risk foods have been taken out of the cookbook or are prepared in ways that minimise choking risk.

The cookbook also gives basic guidance to be used by people who haven't had much cooking experience.

The meals are easy to make and detailed pictures offer chances to include the people we support in meal planning and preparation.

For the residents of Birkdale Road, having the IHC cookbook open on the bench has allowed a much more collective approach to meal planning and cooking.

"In the past it's been difficult to know what everyone wanted, but now they can see the pictures and choose what they want to cook," says Support Worker Marzanne Vorster. "We all sit down with the cookbook to plan the menu."

The residents have enjoyed experimenting with a lot of different foods and flavours. Of course, some dishes are more popular than others.

"We've learnt couscous isn't a favourite – but there's a Moroccan lamb dish with flavours people hadn't tasted before and that went down really well."

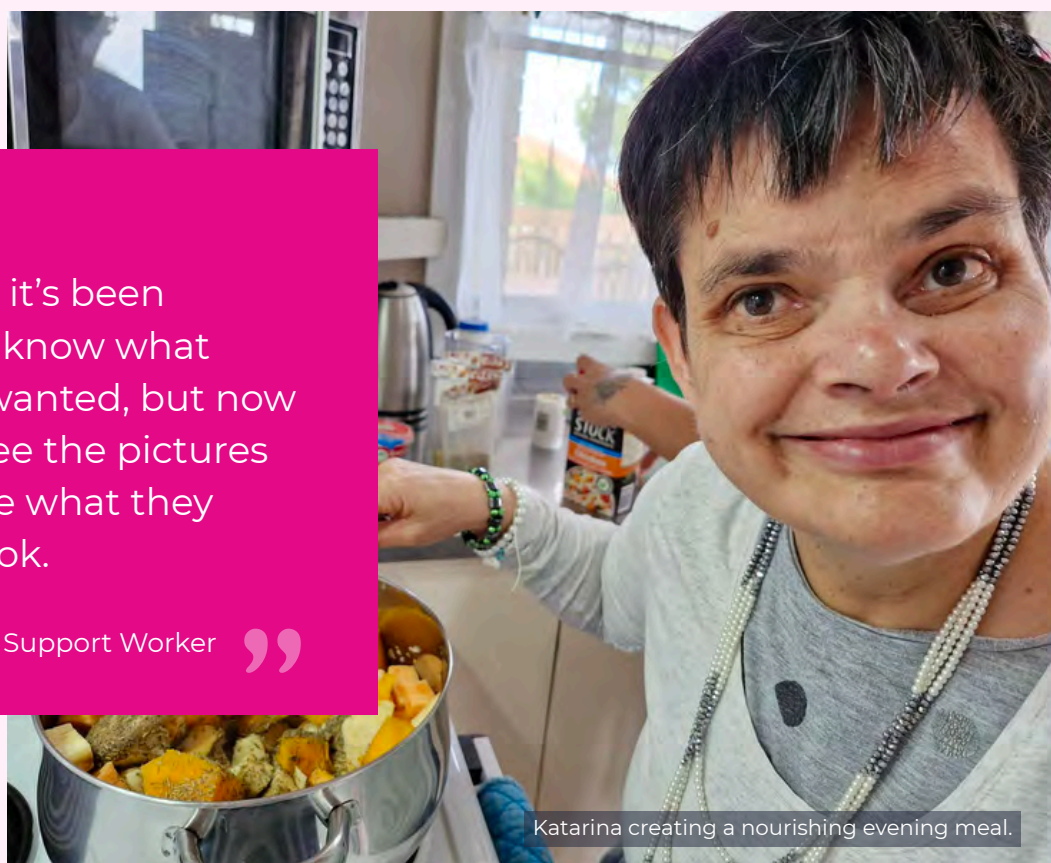
Birkdale Road resident Katarina says macaroni cheese is always her first choice when meal planning. The recipe in the book includes cauliflower which she loves. And Katarina takes a front and centre role in the preparation by grating the cheese.

“

In the past it's been difficult to know what everyone wanted, but now they can see the pictures and choose what they want to cook.

Marzanne Vorster, Support Worker

”



Katarina creating a nourishing evening meal.

2. Leaders with intellectual disability

We are proud of our history of creating opportunities for and supporting leaders with intellectual disabilities throughout our services, providing feedback and partnering on decision-making to funding national and international leadership. We recognise the rights of individuals to health, education and independence and recognise support for independence takes many forms. We are a stronger organisation thanks to the voices of people with lived experience represented throughout the organisation including in employment and quality processes, governance and our new Chief Executive's Advisory Group.

“

This is about our voices being at the centre of discussions leading and advising on things that affect us.

”

David Corner,
IHC Self Advocacy Advisor

IHC Advisory Group strengthens voice of disabled people in decision-making

A new advisory group to the Chief Executive will help ensure the voices of people with intellectual disabilities are further integrated into leadership and decision-making within the sector.

IHC Chief Executive Andrew Crisp says he's been travelling around the country listening to as many people as possible who are linked with IHC to better understand IHC's work and the sector.

"But this new group will have a particular formal role in providing me with key advice on our work and wider sector-systemic issues," says Andrew.

The group, chaired by IHC's Self Advocacy Advisor David Corner, will help improve services across the IHC Group and provide advice to improve matters related to the rights, inclusion and welfare of all people with an intellectual disability, so they can be supported to lead satisfying lives in the community.

"This is about our voices being at the centre of discussions leading and advising on things that affect us," says David. "People with an intellectual disability have a saying, 'nothing about us without us' and I am excited to be a part of this work."

The group will also provide feedback on relevant IHC policies and local and central government policies as well as advocate for the rights of all people with intellectual disabilities, guided by Te Tiriti o Waitangi and the United Nations Convention on the Rights of Persons with Disabilities.



David Corner,
IHC Self Advocacy Advisor



IHC is a well-recognised brand

2024/25: **79%**

2023/24: **80%**



Mainstream media mentions

2024/25: **202**

2023/24: **271**



Favourable mainstream media mentions

2024/25: **66%:**

2023/24: **70%**

(21% neutral 2024/25)

(20% neutral 2023/24)



IHC is a charity I can trust

2024/25: **60%**

2023/24: **62%**

(38% don't know 2024/25)

(35% don't know 2023/24)



3. Delivering for Māori

We continue to focus on delivering for Māori. Te Rautaki-Urupare Māori o IDEA Services, a kaupapa to increase the cultural capabilities of staff and improve the lives of Māori supported by our services, has continued this year. Led by Te Anga Pāua o Aotearoa, our Māori Advisory Group, this is part of an overall strategic focus to improve cultural capability in our workforce. We are constantly finding ways to meaningfully build the mahi of Te Anga Pāua o Aotearoa.

An example of this is our focus this year on supporting tāngata whaikaha Māori to connect with their own iwi. We have facilitated these connections by taking them to their own marae and helping to restore and build connections with whānau.

We hosted four regional kapa haka festivals, culminating in the Te Anga Pāua o Aotearoa National Kapa Haka Festival at Tākina in Te Whanganui-a-Tara in November 2024. These regional and national events proved to be a great opportunity to showcase the talent and mana of the people we support, while celebrating te ao Māori, the Māori world.

IDEA Services hosts National Kapa Haka Festival

“Are you ok? Are you worried about your brother not being here? Don’t you worry, he’ll be close to that TV screen. He’ll be watching you.”

Those are the reassuring words of a support worker to a kapa haka performer who was feeling the pressure ahead of her performance at the Te Angā Pāua National Kapa Haka Festival in Wellington in November 2024.

Support workers from all over Aotearoa, despite not having had much sleep, were on hand to allay fears, nerves, anxiety and, in some cases, over-excitement.

There had been an immense five-year build up to the festival in Te Whanganui-a-Tara. The last time many of these roopū had congregated was in Hamilton in 2018, after which the festival was derailed by COVID19. For many performers, this was their first time attending.

The 2024 festival was the biggest yet, with 26 roopū from Invercargill to the Far North coming together at Tākina Wellington Convention and Exhibition Centre. The theme this year was 'Noku te ao – 75 years living culture', celebrating IHC's 75th anniversary of supporting New Zealanders with intellectual disabilities in the community.

Vonny Davis, from IHC's Māori Advisory Committee Te Angā Pāua o Aotearoa, says kapa haka is a living artform.

"It nourishes kiritaki (people we support) and returns them to their whenua, their whānau, their iwi," says Vonny.

The festival's kaupapa of empowerment, community and connection for people with intellectual disabilities was evident throughout the event. As each roopū took to the stage, the talent, the mana and the love of kapa haka was on show in front of a big crowd of well-wishers and delighted Wellingtonians.

Jessica Tyson from Marlborough roopū Ngā Whaikaha Hinengaro o Wairau fronted for an early-morning interview with Radio New Zealand's First Up host Nathan Rarere, in which she talked about her favourite waiata, Pahiwi. Meanwhile, Christina Kelly from Counties Auckland, Tāmaki Makaurau's Te Rōpu Hinengaro o Kaute was interviewed by TVNZ. The festival featured on TVNZ's Te Karare and 1News as well as on Wellington radio stations Te Upoko o Te Ika and RadioActive.

An enormous number of people worked tirelessly behind the scenes to make this festival happen, helping to bring the magic of kapa haka to the stage.

“

It nourishes kiritaki (people we support) and returns them to their whenua, their whānau, their iwi.

”

Vonny Davis
IHC's Māori Advisory Committee
Te Angā Pāua o Aotearoa



Gisborne's Te Roopu Atawhai o Te Tairāwhiti

4. Accessible housing solutions

Throughout New Zealand we provide homes that make a difference in people's lives. Many people live with others in our homes while receiving 24/7 disability support, while others live more independently with flatmates or alone. In our social housing portfolio we offer a higher proportion of accessible housing for families or individuals with disabilities and throughout the country we have many modified homes with property solutions that improve people's lives.

Accessible design changing lives

Gary Williams says the hallway in his old house was too narrow for him to move and turn his wheelchair easily. This made it hard for him to get to the lounge and, as often is the case in homes that are not purpose-built, led to some wear and tear on the walls.

There are no halls in Gary's new home in Christchurch, which means it's no problem to get to the lounge anymore.

Gary was part of the concept planning team for the IDEA Services home, which was specifically designed for people with high physical needs.



Gary Williams and Kerry Long outside their home

Kerry Long, who also lives in the six-bedroom home, is just as pleased and says the extra space makes it much easier to get around, so he doesn't need as much staff support.

Service Manager Udeep Regmi agrees. "It's really increased the independence of the four residents who use wheelchairs," he said.

The features that make life easier for both residents and support staff include wide doorways with mechanised opening and closing, level access, a large kitchen and tracks for ceiling hoists. They also mean residents will be able to stay in their home as they get older and their needs increase.

Area Manager Michelle Hickey says the privacy and dignity of residents have been respected in the design. Extra storage for the equipment needed to support residents is tucked away, helping maintain the homely feel.

The location of the house, in busy Wigram, is proving to be a bonus too.

"One of our residents, Sam, loves the service station and all the cars he can see from his room. And the noise isn't a problem because of the double glazing and extra insulation," says Michelle.

Asset Manager Alex Urwin was in charge of the 18-month design, managing the project from concept through to completion.

"Wherever possible we build to universal design standards, and this building has a Lifemark-5 rating, meaning it meets accessibility, safety and adaptability standards for people with limited mobility," he said.

"It's satisfying to see a project like this come to fruition and to see how comfortable and happy the residents are."

“

It's really increased the independence of the four residents who use wheelchairs.

Udeep Regmi,
Service Manager

”

What we spent:



Healthy Homes

\$12.1 million
(2021–2025)

Waitapu Tamamutu, in her garden.



5. Partnerships and collaboration

IHC works with partners throughout the community, disability and housing sectors in order to maximise impact for individuals. That includes peak bodies including NZDSN (the New Zealand Disability Support Network), government working groups, disabled person's organisations and online communities. Our associations also work with local organisations to support community initiatives.

Volunteers with intellectual disabilities contributed more than 32,000 hours in 2024

People supported by IDEA Services contributed more than 32,000 hours to New Zealand communities in 2024, through the Student Volunteer Army (SVA) Service Award.

Since 2022, IDEA Services and SVA have been partnering to foster a more inclusive and supportive environment.

“Volunteers have a big impact on keeping our communities running well, and we know that people with intellectual disabilities are big contributors,” says IHC Chief Executive Andrew Crisp. “We are delighted to have partnered with SVA on this great initiative, and thrilled that people IDEA Services supports are now recognised through this scheme, like any member of the community, for the essential contributions they make.”

The SVA Service Award is a nationally recognised framework to celebrate the impacts of volunteering. The programme was introduced to the disability sector in an eight-month pilot at IDEA Services hubs in Christchurch in March 2022. It has now been launched in all 27 IHC areas nationwide.



Nina Amer collecting rubbish

IDEA Services National Programme Manager Philippa Johnson-Alatalo says “IDEA Services’ vision is for people with intellectual disabilities to participate and be valued as an important part of their communities. SVA celebrates the diverse forms volunteering can take, beyond what might be considered ‘traditional’ volunteering, which is a great step towards acknowledging the many ways the people we support are giving back.”

One such volunteer is Nina Amer, a 23-year-old who attends the IDEA Services Youth Space hub in Dunedin and has been awarded her Bronze Pin for completing 158 hours of volunteering.

“I was so happy and proud of myself for achieving my goals and getting my SVA Service Award certificate and badge,” says Nina. “I like sharing my skills with other people and making them happy. I enjoy working with other people and having fun.” “Nina’s achievements are a valuable demonstration of all her hard work and commitment to her local community,” says Philippa. “The SVA Service Award provides a way for people with intellectual disabilities to feel appreciated for their contributions, fostering a sense of belonging and driving social change through volunteering.”

SVA Head of Programmes Cat Robertson says “It’s fantastic to see people supported by IDEA Services across the country, many of whom have been volunteering in their communities for years, embracing the SVA Service Award programme.”

In 2024, 325 people supported by IDEA Services were responsible for 5.6% of all SVA Service Award hours nationally.

“

I was so happy and proud of myself for achieving my goals and getting my SVA Service Award certificate and badge.

”

Nina Amer



Nina Amer supporting the St Clair School Choir

6. Sustainability and financial resiliency

IHC is committed to meeting need now and in the future with investment in workforce, fundraising, properties, health and safety and clinical support to ensure we can provide quality services today and into the future.

Fundraising now – investing for the future

Fundraising is a core part of what we do at IHC. It funds our existing community programmes, new and innovative initiatives, and ensures we can support people with intellectual disability and their families now, and into the future.

The Smile Club monthly giving programme has grown rapidly over the past five years and is at the core of our fundraising and charitable impact, with 28,733 wonderful donors contributing a combined total of \$10.5 million over the past year. This is up from the previous financial year when 28,350 active donors contributed \$9.1 million. Some wonderful supporters include a gift to IHC in their wills, and in this past year, IHC received \$4.8 million from people who left a lasting legacy for people with intellectual disabilities and their families by remembering IHC in their wills.

IHC's Calf & Rural Scheme farmers pledge the sale price of one or more calves to IHC or donate a virtual calf. This wonderful rural programme is now back at pre-Mycoplasma Bovis levels, at \$1.3 million over the past year. The IHC Calf & Rural Scheme has been running for 43 years, with dairy farmers from around the country supporting IHC's work in rural communities.

"We want to extend our heartfelt thanks to our incredible supporters right across our fundraising efforts – they all step up for people with intellectual disabilities," says Greg Millar National Manager Fundraising.

“

We want to extend our heartfelt thanks to our incredible supporters right across our fundraising efforts – they all step up for people with intellectual disabilities.

”

Greg Millar,
National Manager
Fundraising



Lana, IHC Door to Door Fundraiser

“We know that when times are tough, they are toughest on the most vulnerable in any community. Our Cost of Exclusion report details, people with intellectual disabilities are far more likely to be living in financial hardship. The income we make through fundraising enables IHC to invest in areas like advocacy, support for families of children with intellectual disabilities, volunteering, local associations of people who know and respond to local needs, and our library and information services for families,” says Greg.



Michael Holdsworth, IHC Library Assistant

What we spent:



Quality

Quality initiatives that monitor and improve the lives of people in our services

\$800,000



Clinical

Clinical oversight and support for prevention and management of health issues and navigation of the health system

\$900,000



Psychology

Supporting the mental health and complex needs of individuals

\$700,000



Health & Safety
\$3.2 million

7. Right people

Our staff are the backbone of what we do and can have the greatest impact. Our people regularly get together in areas and nationally (often online) to discuss and share new learning, expectations and success. We have clearly developed career pathways and offer qualifications for support workers and development programmes for managers.

IHC Scholarships developing future leaders



Carlos Dellabarca IHC SupportWorker

IHC has always seen part of its role as being to invest in leaders in disability.

Since 2021, the IHC Scholarship Fund has provided a pathway for staff members interested in progressing their career within the organisation.

So far, 25 people across IHC, IDEA Services, Choices NZ and Accessible Properties have been awarded scholarships. These cover portions of course-related costs in a range of subjects including health and safety, psychological wellbeing, business administration, leadership and project management.

IHC General Manager Human Resources Donna Mitchell says that the scholarships recognise and enable the development of future leaders. They also provide them with opportunities to build their expertise in making real-world changes that benefit people with intellectual disability in New Zealand.

One of the first recipients, Carlos Dellabarca, had been working as a support worker for a decade and was considering the next step in his career with IDEA Services. When the opportunity for an IHC Scholarship popped up, Carlos jumped at the opportunity and enrolled at the Open Polytechnic to study for a Diploma in Business Management.

"I experienced the impact that decisions made in offices can have on services," says Carlos. "I wanted the opportunity to understand and contribute to discussions about these decisions while advocating for the people we support and our staff." Four years on, having completed his diploma, Carlos is the Service Manager – Specialty Focus for IDEA Services' mental health service in Kāpiti, where his passion for learning has continued.

I entered my manager's office and asked him, 'How can I be the best at my job and how can I develop myself further?' Carlos is now back in the classroom working towards a Postgraduate Diploma in Disability Sector Leadership.

Another recent recipient, Senior Advocate Shara Turner, is currently in her final year of a Master of Public Policy at The University of Auckland. She began studying in early 2023 and is now applying what she's learned in the classroom to benefit people with intellectual disability.

"I was able to do a cost benefit analysis about providing annual health checks for intellectually disabled people, and I discovered we may be able to save up to 104 intellectually disabled people per year if we had the health checks," Shara says. "The health checks would also pay for themselves because they would save the Government so much money, which is a really compelling argument."

Shara's manager, IHC Director of Advocacy Tania Thomas, says IHC Scholarships support career development.

"I feel very fortunate to have had one of my team make use of the IHC Scholarship," says Tania. "I'm proud of her and her achievements that have made a positive impact on the work of our team."

"It helps individual staff to stay current and that's really important given our workplace is always changing, always evolving, whether it be new technologies, new methodologies or, heaven forbid, new regulations."

Shara has recently published an article in *The New Zealand Medical Journal* about funding for annual health checks, and says there's a lot of work to do for the intellectually disabled population.

"If you can take the opportunity to train and learn more, you'll see real-world benefits for people who are not experiencing great outcomes," she says.

“

I feel very fortunate to have had one of my team make use of the IHC Scholarship," says Tania. "I'm proud of her and her achievements that have made a positive impact on the work of our team."

”

Tania Thomas
IHC Director of Advocacy



Shara Turner Senior Advocate presenting the Cost of Exclusion findings

8. Smart business

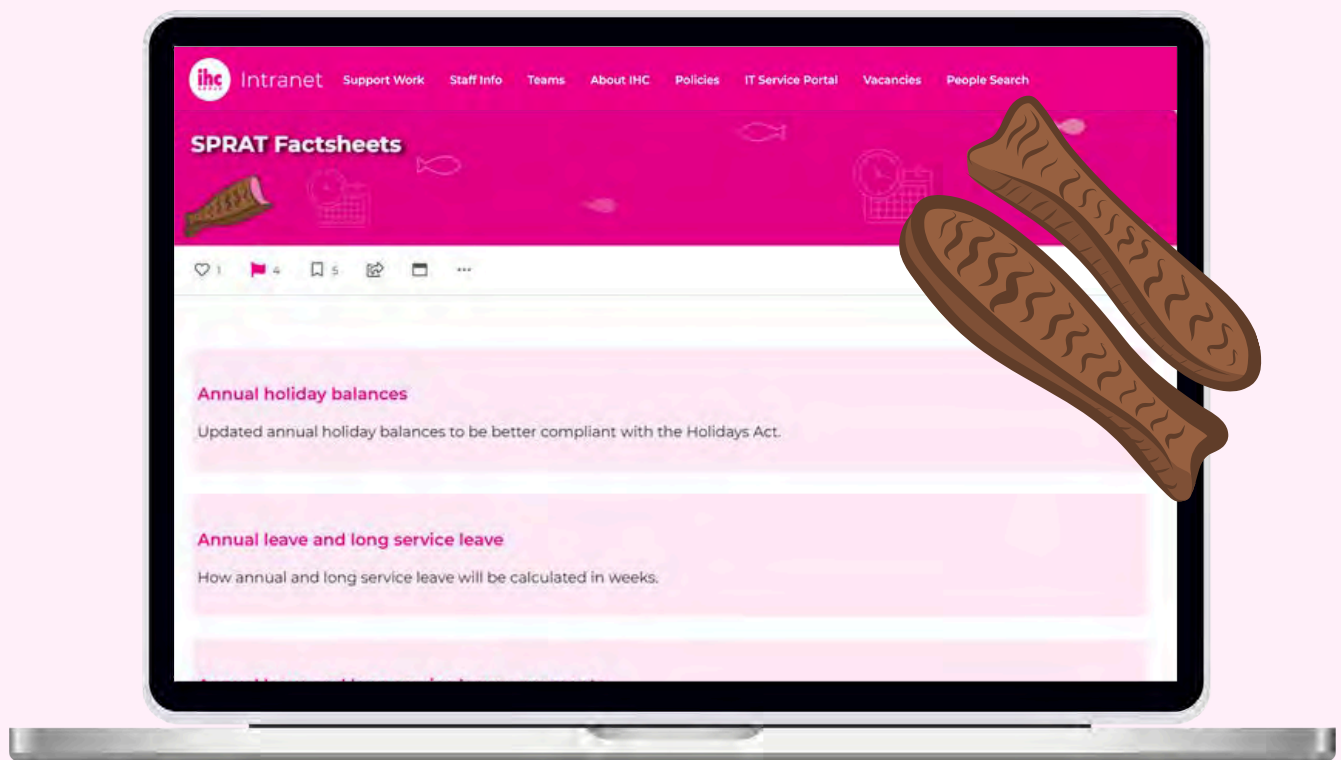
IHC utilises a shared national functions model that means all areas have access to the support they need as and when they need it. The functions include finance, human resources, health and safety, clinical, quality, communications and IT. This also allows us to see the maximum benefit of new initiatives and thinking.

Ensuring compliance and empowering our people with smarter HR tools

We have introduced new Human Resources (HR) systems to streamline the way we work. This has been a major programme of change across the IHC Group and involves everyone in the organisation.

This work followed the Holidays Act 2003 review undertaken by the Ministry of Business, Innovation and Employment (MBIE) that found that we, like most other organisations in New Zealand, were not compliant with the Holidays Act. Through Project SPRAT, we have ensured that we have corrected any retrospective issues and that we will better comply with the Holidays Act going forward.

Through the SPRAT project, we have also introduced a smarter set of intuitive tools that enable our people to manage their own HR processes and take ownership of their personal data.



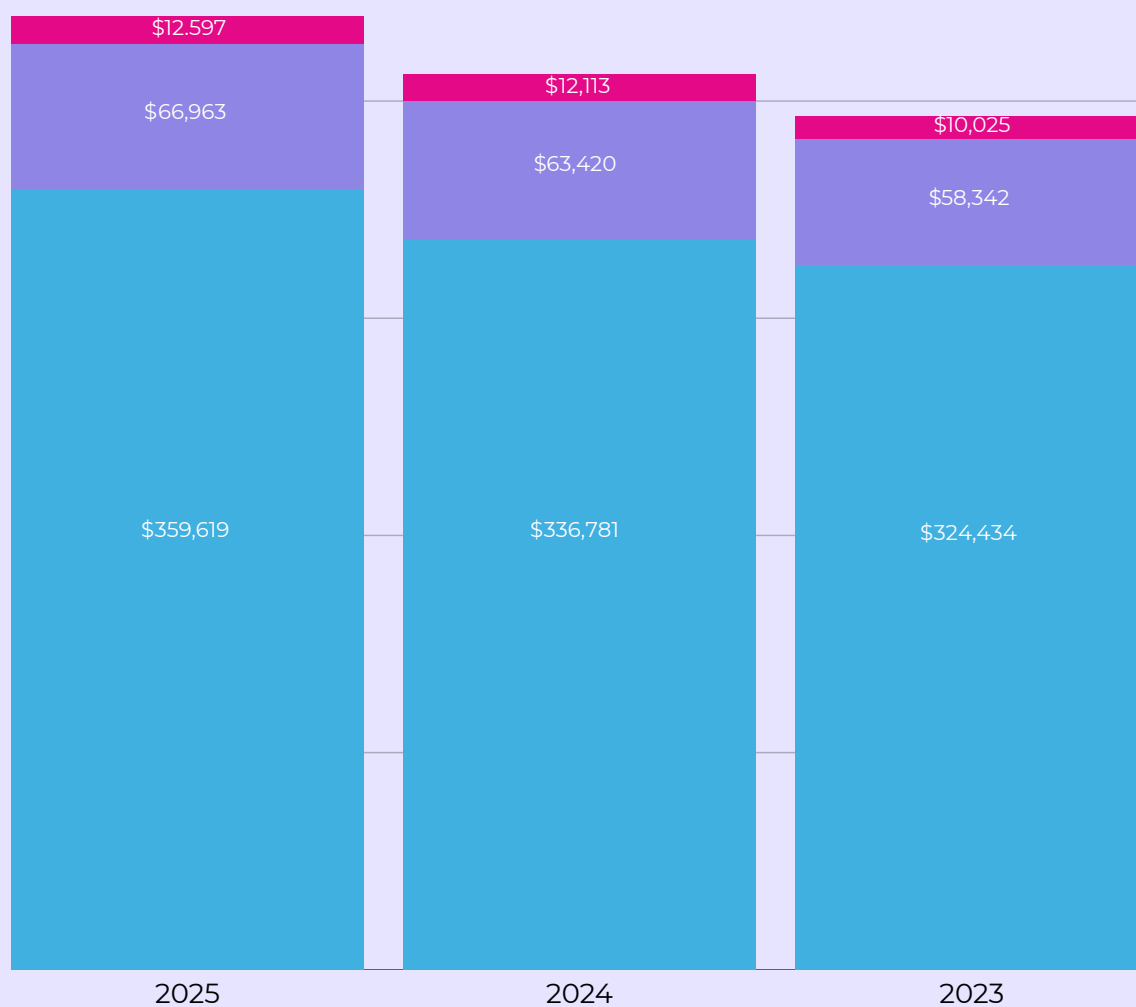
Expenditures

Savarnah Cannaway learning to skateboard with OnBoard Skate instructor, Craig Henderson, and Choices NZ

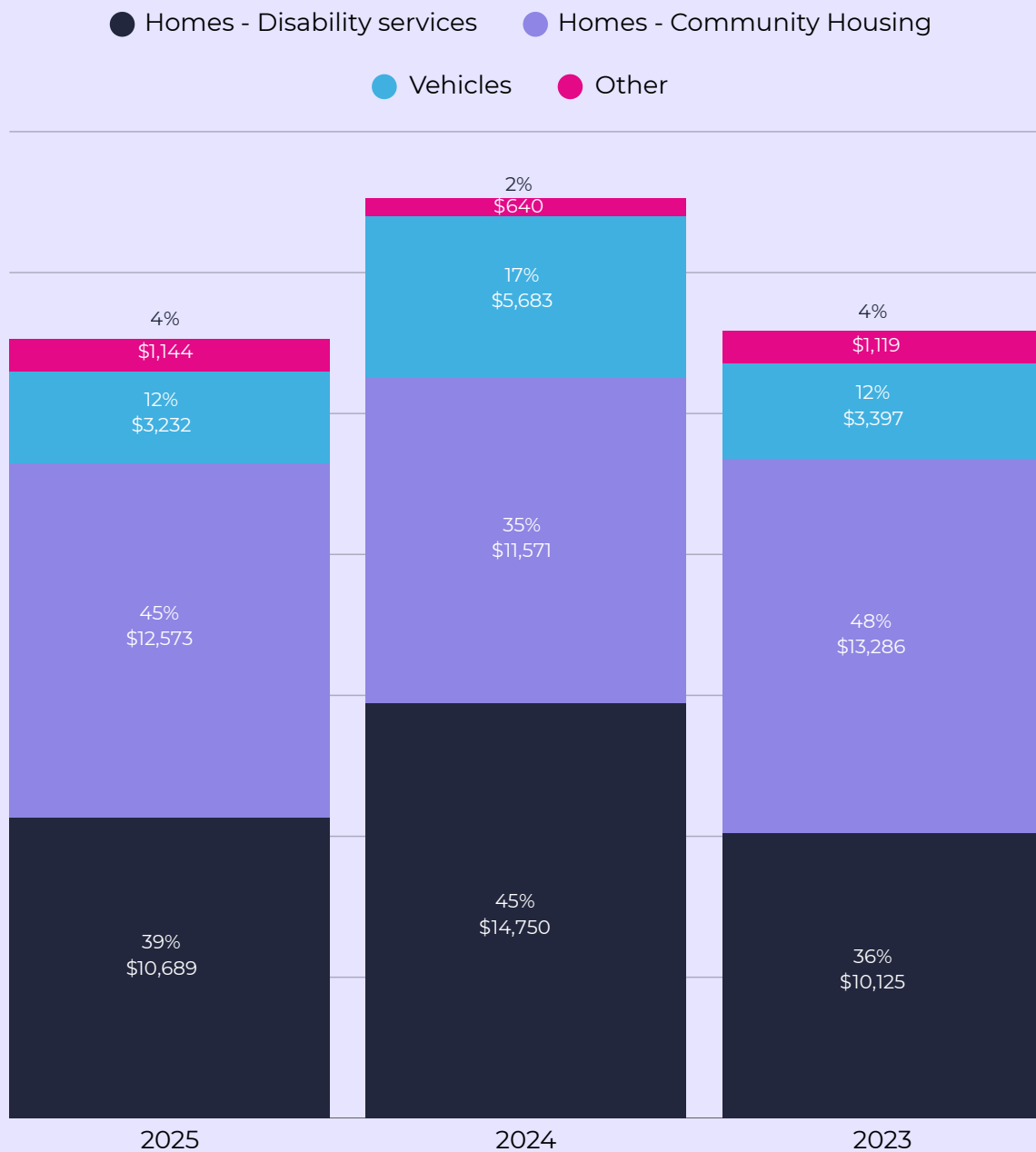


Summary of expenditure by output (\$000)

● Services ● Property ● Community programmes



Capital expenditure (\$'000)



FINANCIAL

2024 - 2025

STATEMENTS

ihc
IN YOUR COMMUNITY



IHC New Zealand Incorporated
Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2025

		Services	Property	Community	Group	Group
		2025	2025	2025	2025	2024
	Note	\$000	\$000	\$000	\$000	\$000
OPERATING						
Revenue						
Government contracts		341,557	-	-	341,557	340,673
Fees charged for services		32,264	-	-	32,264	31,810
Rent received			53,344	-	53,344	50,597
Fundraising revenue		-	-	13,397	13,397	12,134
Legacies received		-	-	4,796	4,796	1,980
Interest received		903	5,051	6	5,960	7,315
Other revenue		131	1,869	282	2,282	2,113
Total revenue	2	374,855	60,264	18,481	453,600	446,622
Expenses						
Personnel	3	(309,700)	(5,711)	(3,991)	(319,402)	(294,818)
Accommodation	3	(26,935)	(30,174)	(146)	(57,255)	(54,455)
Transport and travel		(8,303)	(472)	(280)	(9,055)	(8,211)
Administration	3	(10,245)	(6,009)	(1,514)	(17,768)	(17,918)
Fundraising expenses		-	-	(4,430)	(4,430)	(4,965)
Community projects		-	-	(2,236)	(2,236)	(1,731)
Interest		-	(11,202)	-	(11,202)	(13,989)
Depreciation and impairment	6	(4,436)	(13,395)	-	(17,831)	(16,227)
Total expenses		(359,619)	(66,963)	(12,597)	(439,179)	(412,314)
Internal rent and other		(18,833)	18,833	-	-	-
Support for services		4,115	(3,272)	(843)	-	-
Net operating surplus		518	8,862	5,041	14,421	34,308
NON-OPERATING						
Revenue						
Gain on sale of property, plant and equipment		333	3,829	-	4,162	7,460
Grants		369	-	-	369	57
Net gain in fair value of investments		-	871	-	871	1,198
	2	702	4,700	-	5,402	8,715
Expenses						
Loss on sale of property, plant and equipment		(63)	(228)	-	(291)	(244)
Loss in fair value of shared home ownership scheme		-	(62)	-	(62)	-
Net loss in fair value of interest rate swaps		-	(7,197)	-	(7,197)	(2,554)
		(63)	(7,487)	-	(7,550)	(2,798)
Net non-operating surplus / (deficit)		639	(2,787)	-	(2,148)	5,917
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		1,157	6,075	5,041	12,273	40,225

IHC New Zealand Incorporated
Statement of Changes in Accumulated Funds
For the year ended 30 June 2025

	Group 2025 \$000	Group 2024 \$000
ACCUMULATED FUNDS AT 1 JULY	340,596	300,371
Total comprehensive revenue and expense	12,273	40,225
ACCUMULATED FUNDS AT 30 JUNE	352,869	340,596

IHC New Zealand Incorporated
Statement of Financial Position
For the year ended 30 June 2025

	Note	Group 2025 \$000	Group 2024 \$000
ASSETS			
Current assets			
Cash and cash equivalents	4	46,752	47,445
Trade and other exchange receivables	5	20,780	19,934
Derivative assets	10	-	3,040
		67,532	70,419
Non-current assets			
Property, plant and equipment	6	504,928	496,117
Derivative assets	10	-	2,805
Investments	7	54,662	44,219
		559,590	543,141
TOTAL ASSETS		627,122	613,560
Current liabilities			
Trade and other payables	8	34,589	45,870
Borrowings	10	-	172,901
Derivative liabilities	10	643	-
Employee benefits and other liabilities	9	60,507	43,661
		95,739	262,432
Non-current liabilities			
Borrowings	10	167,878	403
Derivative liabilities	10	709	-
Shared home ownership scheme	12	2,395	2,623
Employee benefits and other liabilities	9	7,532	7,506
		178,514	10,532
TOTAL LIABILITIES		274,253	272,964
NET ASSETS		352,869	340,596
ACCUMULATED FUNDS		352,869	340,596

On behalf of the Board of Governance



ANTHONY SHAW, Board Chair
Wellington, 28 August 2025



ANDREW CRISP, Chief Executive
Wellington, 28 August 2025

IHC New Zealand Incorporated**Cash Flow Statement**

For the year ended 30 June 2025

	Note	Group 2025 \$000	Group 2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		446,129	438,942
Payments to suppliers and employees		(404,896)	(386,899)
NET CASH INFLOW FROM OPERATING ACTIVITIES	13	41,233	52,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		4,867	9,093
Purchase of property, plant and equipment		(26,428)	(32,127)
Government grants - non-operating		369	57
Purchase of investments		(9,572)	(21,361)
Receipt from investments		-	1
Settlement of share home ownership scheme deposits		(290)	(849)
NET CASH OUTFLOW USED IN INVESTING ACTIVITIES		(31,054)	(45,186)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(5,426)	(15,095)
Interest received		5,960	7,315
Interest paid		(11,406)	(13,989)
NET CASH OUTFLOW USED IN FINANCING ACTIVITIES		(10,872)	(21,769)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(693)	(14,912)
Add opening cash and cash equivalents brought forward		47,445	62,357
Ending cash and cash equivalents carried forward		46,752	47,445

Note 1: Accounting Policies

Reporting Entity

IHC New Zealand Incorporated (IHC) is an incorporated society domiciled in New Zealand registered under the Incorporated Societies Act 2022 and the Charities Act 2005. IHC is governed by a Board of Governance ("the Board").

IHC advocates for the rights, inclusion and welfare of all people with intellectual disabilities in New Zealand and supports them to live satisfying lives in the community. IHC and its controlled entities ("the Group") has a long history of providing good quality housing that prioritises people with disabilities, older people and those on low incomes.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") issued by the External Reporting Board (XRB) or the New Zealand Accounting Standards Board of the XRB. They comply with Public Benefit Entity ("PBE") Standards as appropriate for Tier 1 not-for-profit public benefit entities. The Group is a Tier 1 reporting entity as it had total expenditure greater than \$33 million in the two preceding reporting periods.

The consolidated financial statements have been prepared on a going concern basis. Management have reviewed the Group's future obligations and assessed the Group's ability to meet its obligations as they fall due having regard to both financial and non-financial considerations.

The consolidated financial statements have been prepared on the historical cost basis except for Investments, the Shared Home Ownership Scheme Liability, and Interest Rate Swaps which are measured at fair value. The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. Any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

These financial statements are presented in New Zealand dollars and are rounded to the nearest thousand. The financial statements have been prepared exclusive of GST, unless the Group is unable to claim GST input tax credits.

The Group is exempt from income tax under section CW 42(1) (a) of the Income Tax Act 2007. The Entities have been granted tax exempt status and are registered as charities under the Charities Act 2005.

Use of Judgements and Estimates

The preparation of the Group's financial statements requires the Board and Management to make judgements and estimates that affect the reported amounts of income, expenditure, assets, liabilities and the accompanying disclosures. The judgements and estimates used are continually evaluated. Management have identified the following judgements it has had to make as having the most significant effect on amounts recognised in the financial statements.

a) Global and Political Events

Management have considered the potential economic and social impact of the economic environment on the Group's financial statements including but not limited to, going concern assumption, asset impairment, provisions and loan arrangements. There is no significant impact on the financial statements.

Note 1: Accounting Policies continued

b) Operating lease commitments

The Group has entered into leases for commercial property, residential property and other equipment ("leased assets"). Management has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the leased assets, that it does not transfer all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

c) Fair value measurement of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The Group receives valuations prepared by a New Zealand registered Trading Bank. The inputs to these models are taken from observable markets where possible. See Note 10 and Note 11 for further disclosures.

d) Provisions

Provisions are measured at Management's best estimate of the expenditure required to settle the obligation and are discounted to present value as at reporting date where the effect is material. See Note 8 for further disclosures.

e) Impairment

As at each balance date, all assets are assessed for impairment by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include technological, economic and political factors and future expectations, as the primary objective is to provide services for community or social benefit rather than financial return. If an impairment trigger exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

f) Commitments

As at balance date the Group has capital expenditure commitments that have not met the criteria to be recognised as liabilities. See Note 14 and Note 15 for further details.

In addition to the items noted above further information of judgements and estimates can be found within:

- Note 6 – Estimated useful life of Property, Plant and Equipment and Intangibles
- Note 8 – Trade and Other Payables
- Note 9 – Employee Benefits and Other Liabilities
- Note 11 – Financial Risk Management
- Note 12 – Shared Home Ownership Scheme

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

a) Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the Group and its controlled entities as at 30 June 2025. Controlled entities are all those entities over which IHC has the power to govern the financial and operating policies so as to obtain benefit from their activities.

The financial statements of the controlled entities are prepared for the same reporting period as IHC, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Note 1: Accounting Policies continued

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date which control is lost. As at 30 June 2025 the Group consists of:

- Accessible Properties Limited*,
- Accessible Properties New Zealand Limited,
- AP Holdings Tauranga Limited*,
- AP Holdings Tauranga 2016 Limited Partnership*,
- AP Properties Tauranga Limited*,
- AP Properties Tauranga 2016 Limited Partnership,
- Choices New Zealand Limited,
- Enabling Good Lives Limited*,
- IDEA Services Limited,
- IHC Limited*,
- IHC New Zealand Incorporated,
- The Independence Collective* and
- Integral New Zealand Limited*.

* Non-trading entity

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition method involves recognising at acquisition date the identifiable assets acquired, the liabilities assumed and any non-controlling interest, separate from goodwill. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values. The cost of an acquisition is measured as the aggregate of the consideration transferred and the amount of any non-controlling interests.

Discontinued operations

During the period The Independence Collective sold substantially all of its assets and intangibles (such as contracts) as a going concern to a third party and current trading activities. An impairment loss of \$0.007 million is recognised in the Statement of Comprehensive Revenue and Expense.

b) Impact of new or amended accounting standards

There were no new standards and amendments which were effective from the year ended 30 June 2025 that materially impacted the preparation of these financial statements.

Reclassification of comparative information

The Group has revised the presentation of its liabilities in the notes to the financial statements to enhance transparency. As a result, accrued interest payable, which was previously included within Other Liabilities in Note 8, is now presented separately on its own line within the liabilities note. This change is a reclassification of comparative information only and has no impact on the total liabilities, net assets, or comprehensive revenue and expense for the prior period.

The comparative figures for the year ended 30 June 2024 have been reclassified to reflect this presentation change. The reclassification is summarised as follows:

Note 8	Reclassification	
	2024	2024
	\$000	\$000
Interest payable	687	-
Other liabilities	16,588	17,275

2: Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The specific recognition criteria below must also be met before revenue is recognised.

Revenue from Exchange Contracts

Contracts previously held with the Ministry of Disabled People (Whaikaha) were transferred to Disability Support Services - Ministry of Social Development (MSD-DSS), a new branded business group in the MSD, in September 2024 under the Public Service Act 2020.

Revenue from contracts with MSD-DSS, the Ministry of Social Development (MSD) and Te Whatu Ora - Health New Zealand (Te Whatu Ora) is taken to the Statement of Comprehensive Revenue and Expense when the requirements under the agreements with the purchasers of services have been met.

Rental income arising from the Ministry of Social Development and other tenants is accounted for on a straight-line basis over the lease term and included in revenue in the Statement of Comprehensive Revenue and Expense due to its operating nature.

Interest income is recognised in the Statement of Comprehensive Revenue and Expense as it is earned. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts the estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount.

Revenue from Non-Exchange Contracts

Non-exchange transactions are those where the Group receives value from another entity without giving approximately equal value in exchange. Revenue from non-exchange transactions is recognised when the Group obtains control of the transferred asset (cash, goods, services or property), and

- It is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- The transfer is free from conditions that require the asset to be refunded or returned if the conditions are not fulfilled.

Revenue from legacies, the Smile Club, and other fundraising is considered to be recognised when the cash is receipted and controlled by the Group.

Grant revenue is recognised in the Statement of Comprehensive Revenue and Expense when there is reasonable certainty that the grant will be received, and only to the extent which conditions associated with the transfer have been met.

Other revenue and expenses include fair value gains and losses on financial instruments at fair value through surplus or deficit, realised gains and losses on the sale of plant and equipment held at cost, and income derived from non-core activities such as shop sales and one-off conferences.

Note 2: Revenue continued

	2025	2024
	\$000	\$000
Revenue from exchange transactions		
Government support contracts		
Disability Support Services - Ministry of Social Development	298,150	299,374
Ministry of Social Development	42,225	40,147
Te Whatu Ora - Health New Zealand	1,182	1,152
Total government support contracts	341,557	340,673
Rent received	53,344	50,597
Fees charged for services	32,264	31,810
Net services event sales	226	393
Other revenue	2,056	1,720
Interest received	5,960	7,315
Total operating revenue from exchange transactions	435,407	432,508
Gain on sale of property	4,162	7,460
Net gain in fair value of investments	871	1,198
Total non-operating revenue from exchange transactions	5,033	8,658
Revenue from non-exchange transactions (transfers)		
Donations and other fundraising revenue	12,202	11,452
Grants (operating)	1,195	682
Legacies received	4,796	1,980
Total operating revenue from non-exchange transactions	18,193	14,114
Grants (non-operating)		
Housing and other	369	57
Total non-operating revenue from non-exchange transactions	369	57
Total Revenue	459,002	455,337
Operating revenue	453,600	446,622
Non-operating revenue	5,402	8,715
	459,002	455,337

Government Contracts

In the current year the Group received 74% (2024: 75%) of revenue through purchasing agreements with the MSD-DSS, MSD and Te Whatu Ora. The Group is reliant on Government contract revenue to carry out operations.

Residential services and a part of vocational services were purchased during the year by the MSD-DSS under one national purchasing agreement.

Vocational support services (Vocational Opportunities Support Programme and Ongoing Resourcing Scheme) and social housing services were purchased during the year by the MSD.

Refer to Note 19 for further information.

Note 2: Revenue continued

Support for Services

Service funding is not always sufficient to finance items necessary for the safe delivery of quality residential and vocational services. The parent entity, IHC New Zealand Incorporated provides an unconditional support payment to assist with the delivery of unfunded or under-funded services and costs associated with the right of use of assets.

Property Division Operating Revenue

The Group's Property Division operating surplus includes inter-group rent received from its controlled entity, IDEA Services. The Property Division charges the Services Division below market rents on residential homes, vocational bases and administration buildings. The revenue is used by the Property Division for property maintenance, debt servicing, and for the Group's capital expenditure programme such as plant and equipment, IT and other similar items used to support service delivery and the Groups operations.

Community Programmes

Community Programmes comprises revenue from fundraising activities that is used to cover fundraising costs and services not funded by the Government such as Advocacy, Self-Advocacy, Volunteering, Membership, the IHC Library and specific community projects.

	Group 2025 \$000	Group 2024 \$000
Fundraising Activities		
Revenue	18,481	14,804
Fundraising investment & marketing expenses	(3,544)	(4,563)
Fundraising administration expenses	(1,562)	(1,045)
Net surplus from fundraising activities	13,375	9,196

Note 3: Expenses

Expenses included the following:

	Group 2025 \$000	Group 2024 \$000
Personnel costs		
Salaries and wages	301,241	278,110
Accident insurance and death & disablement	2,098	2,255
KiwiSaver employer contribution	6,545	6,186
Staff travel reimbursements	939	703
Other employee costs	8,579	7,564
	319,402	294,818
Accommodation costs		
Repairs and maintenance costs	20,660	18,981
Food and provisions	9,973	9,761
Utilities	7,039	4,997
Rental and operating lease costs	6,363	6,109
Other accommodation costs	13,220	14,607
	57,255	54,455
Administration costs include:		
Auditors remuneration:		
Auditing services	184	175
Taxation and other Services	20	18
Shared Home Ownership assurance engagement	4	4
Legal Fees	894	781

Note 4: 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 that are able to be converted to cash with an original maturity of three months or less.

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value and for accounting are classified as financial assets at amortised.

	Group 2025 \$000	Group 2024 \$000
Cash and Cash Equivalents		
Cash at bank	46,752	47,445
	46,752	47,445

Note 5: Trade and other exchange receivables

Receivables from exchange transactions which generally have 14-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Trade receivables and contract revenue receivables are classified as financial assets at amortised cost.

	Group 2025 \$000	Group 2024 \$000
Trade and other exchange receivables		
Trade receivables	2,739	3,311
Contract revenue receivables	16,155	14,562
Prepayments and Other Debtors	1,886	2,061
	20,780	19,934

Doubtful debts

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Collectability of receivables is reviewed on an ongoing basis. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

Note 6: Property, plant & equipment and intangible assets

Initial recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Costs include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Measurement subsequent to initial recognition

Subsequent expenditure that increases the economic benefits derived from the asset are recognised in the carrying value of the item of property, plant and equipment.

Subsequent expenditure that does not increase the economic benefits derived from the asset, such as repairs and maintenance costs, are expensed and recognised in the Statement of Comprehensive Income.

Depreciation

Depreciation of property, plant and equipment, other than freehold land, is calculated on a straight-line basis over the estimated useful life of the asset.

Note 6: Property, plant & equipment and intangible assets continued

The estimated useful lives are as follows:

Freehold buildings	40 years
Leasehold improvements	10 years
Furniture and fittings	5 years
Plant and equipment	5-10 years
Motor vehicles	5 years

Freehold land and buildings

The Group holds freehold land and buildings, some of which are subject to encumbrance limiting use to pensioner or community housing.

Work in progress

Property under construction work in progress is recognised at cost.

On completion the property will be held by the Group (i.e. is not developed for sale). Borrowing costs that are not directly related to construction are recognised in the net surplus / (deficit) in the period in which they are incurred.

De-recognition

An item of property, plant & equipment is de-recognised upon disposal or when no future economic benefit, or service potential is expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition is included in the net surplus / (deficit) in the period the item is de-recognised. Gain or loss on de-recognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds (if any) and the carrying amount of the asset and are recognised in surplus or deficit when the asset is de-recognised.

Group 2025 \$000									
	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fittings	Intangibles	Motor Vehicles	Work in Progress	Total
Opening net carrying amount	194,749	263,893	241	1,959	12,521	18	10,527	12,209	496,117
Additions/Transfers	365	17,982	1,932	1,144	3,331	-	3,232	(348)	27,638
Disposals	(200)	(617)	-	(58)	(11)	-	(110)	-	(996)
Depreciation and impairment	-	(9,686)	(268)	(694)	(4,015)	(12)	(3,156)	-	(17,831)
Closing net carrying amount	194,914	271,572	1,905	2,351	11,826	6	10,493	11,861	504,928
At 30 June 2025									
Cost	194,914	386,933	4,947	23,675	33,253	2,032	47,233	11,861	704,848
Accumulated depreciation and impairment	-	(115,361)	(3,042)	(21,324)	(21,427)	(2,026)	(36,740)	-	(199,920)
Net carrying amount	194,914	271,572	1,905	2,351	11,826	6	10,493	11,861	504,928
Group 2024 \$000									
Opening net carrying amount	191,778	258,960	14	2,046	10,335	34	7,857	10,345	481,369
Additions/Transfers	3,394	15,659	260	640	5,684	-	5,683	1,324	32,644
Disposals	(423)	(1,679)	(28)	(43)	(36)	-	-	540	(1,669)
Depreciation charged for the year	-	(9,047)	(5)	(684)	(3,462)	(16)	(3,013)	-	(16,227)
Closing net carrying amount	194,749	263,893	241	1,959	12,521	18	10,527	12,209	496,117
At 30 June 2024									
Cost	194,749	369,822	3,015	22,589	29,933	2,032	44,111	12,209	678,460
Accumulated depreciation and impairment	-	(105,929)	(2,774)	(20,630)	(17,412)	(2,014)	(33,584)	-	(182,343)
Net carrying amount	194,749	263,893	241	1,959	12,521	18	10,527	12,209	496,117

Note 6: Property, plant & equipment and intangible assets continued

Asset held for Sale

As at 30 June 2025 Assets Held for Sale were \$nil (2024: \$0.0 million)

Shared Home Ownership scheme

Included in the freehold land and buildings are properties for which licences have been issued under the Shared Home Ownership scheme. Refer to Note 12 for the licence holders' interest.

Note 7: Investments

Investments are made up of equities, fixed income bonds and term deposits. The income is being used to fund support service activities.

	Group 2025 \$000	Group 2024 \$000
Investments		
Equities	11,888	9,857
NZ Fixed Income	22,966	15,295
International Fixed Income	4,623	2,211
Cash	14,362	15,674
Other Investments	823	1,182
	54,662	44,219

Note 8: Trade and other payables

Trade liabilities are stated at amortised cost and for accounting are classified as financial liabilities at amortised cost.

	Group 2025 \$000	Group 2024 \$000
Trade and other payables		
Trade liabilities	3,785	1,932
Interest payable	483	687
Other liabilities	15,550	16,588
Holidays Act provision	-	16,158
Employee entitlements	14,771	10,505
	34,589	45,870

Other liabilities include revenue received in advance and includes \$3.1 million related to capital accruals (2024: \$1.9 million). See note 18 for further details.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Note 8: Trade and other payables continued

Provisions are measured at Management's best estimate of the expenditure required to settle the obligation and are discounted to present value as at reporting date. The discount rate used to determine the present value reflects current market assessments at the time value of money and risks specific to the liability. The expense relating to any provision is presented in the net surplus / (deficit) for the year.

Personnel costs are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Holidays Act Provision

Following a compliance audit on a number of New Zealand organisations, the Group engaged PriceWaterhouseCoopers to undertake a detailed review and recalculation of employee entitlements for all staff dating back to 2012 to ensure they are paid in accordance with the Holidays Act 2003 ("the Act").

As at 30 June 2025 the Group has completed calculations covering the period to 22 May 2025 and implemented a new payroll system which was developed in collaboration with Act experts, legal advisers, and representatives from the union. These calculations recalculated all Act entitlements applying a methodology agreed with the Department of Labour. The Group has made several interim remediation payments to current and former employees.

As at 30 June 2025 the Holidays Act Provision has been reclassified to annual leave entitlements within employee benefits and other liabilities, and employee entitlements within trade and other payables. A final remediation amount recognised in payables as at 30 June 2025 was paid on 1 August 2025. For former staff remediation amounts are recognised as employee entitlements within trade and other payables.

	Group 2025 \$000	Group 2024 \$000
As at 1 July	16,158	19,120
Provisions re-classified to other liabilities	(4,978)	1,291
Provisions re-classified to employee entitlements	(7,854)	-
Provisions paid during the year	(766)	(4,253)
Provisions released during the year	(2,560)	-
As at 30 June	-	16,158

Note 9: Employee benefits and other liabilities

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees based on a projection of historical trends. Expected future payments are discounted using the treasury rates.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises the costs for a restructuring. If the benefits are not expected to be settled wholly within 12 months of the reporting date they are discounted.

Note 9: Employee benefits and other liabilities continued

	Group 2025 \$000	Group 2024 \$000
Current		
Long service leave	3,325	3,646
Annual leave	42,447	31,671
Sick leave	1,259	1,219
Accident compensation	490	493
Days in lieu & other	12,986	6,632
	60,507	43,661
Non current		
Long service leave	6,673	6,568
Accident compensation	859	938
	7,532	7,506
Total		
Long service leave	9,998	10,214
Annual leave	42,447	31,671
Sick leave	1,259	1,219
Accident compensation	1,349	1,431
Days in lieu & other	12,986	6,632
	68,039	51,167

The Group has elected to act as an agent for Accident Compensation Corporation (ACC) under the ACC Partnership Programme. Under this programme the Group takes responsibility for claims management of employees' work injuries and may be liable to pay amounts for future expected costs to manage any claim (PDP 1).

The liability for ACC is recognised and measured as the present value of expected future payments to be made in respect of employee work injuries up to the reporting date.

This liability is stated at fair value based on an independent actuarial assessment. The liability is an estimate with considerable uncertainty around the incurred but not reported, incurred but not enough reported and reopened claims. Due to the normal uncertainty associated with the claims process the actual liability will likely be different.

Note 10: Borrowings and derivatives

Borrowings are initially recognised at fair value, including directly attributable transaction costs. Subsequent to initial recognition, term borrowings are measured at amortised cost using the effective interest method and for accounting are classified as financial liabilities at amortised cost.

	Group 2025 \$000	Group 2024 \$000
Term loans (secured)	167,878	172,867
Term loans (secured) - Housing Innovation Fund	-	437
Derivative liabilities / (assets)	1,352	(5,845)
	169,230	167,459

	Group 2025 \$000	Group 2024 \$000
Current portion:		
Term loans (secured)	-	172,867
Term loans (secured) - Housing Innovation Fund	-	34
Derivative liabilities / (assets)	643	(3,040)
	643	169,861

Long term portion:		
Term loans (secured)	167,878	-
Term loans (secured) - Housing Innovation Fund	-	403
Derivative liabilities / (assets)	709	(2,805)
	168,587	(2,402)

Multi Option Credit Facilities

The Group has a Senior Facilities Agreement with Westpac New Zealand Limited and ASB Bank Limited with a total credit limit of \$265.0 million and an expiry date of 6 April 2027.

The facilities are secured by a first registered General Security Agreement, registered first mortgages over Accessible Properties New Zealand Limited and AP Properties Tauranga 2016 Limited Partnership assets and a cross guarantee between IHC New Zealand Incorporated, Accessible Properties New Zealand Limited, Choices New Zealand Limited and IDEA Services Limited. As at 30 June 2025 \$167.9 million was drawn down (2024: \$172.9m).

Housing Innovation Fund term loan

On 17 July 2024 the Group repaid the Housing Innovation Fund term loan in full.

Note 10: Borrowings and derivatives continued

Interest rate swaps

The Group has entered into interest rate swaps in order to manage interest rate risk by fixing the interest rate. The interest rate applying to the swap is the effective interest rate. The derivative liabilities in the below table are shown at their notional amounts.

	2025	Swap	Swap	BKBB	2024	BKBB
	\$000	Term	Maturity Date	Equ Rate	\$000	Equ Rate
Swap 1	-				3,000	0.545%
Swap 2	8,402	5 years	08 Mar 2027	1.850%	8,402	1.850%
Swap 3	7,000	5 years	02 Sep 2026	0.755%	7,000	0.755%
Swap 4	120,811	15 years	31 Mar 2032	4.096%	120,811	4.096%
Swap 5	6,000	5 years	03 Dec 2025	0.650%	6,000	0.650%
Swap 6	-				5,818	1.615%
Swap 7	8,000	6 years	31 Aug 2027	1.810%	8,000	1.810%
Swap 8	3,000	7 years	28 Feb 2028	1.850%	3,000	1.850%
Swap 9	3,000	4 years	11 June 2029	3.935%	3,000	4.975%
Swap 10	3,000	2 years	10 August 2026	4.795%	3,000	4.795%
	159,213				168,031	

Note 11: Financial risk management

The Group's principal financial instruments, other than derivatives, comprise of loans, cash, short-term deposits, trade debtors and trade creditors arising directly from operations. The Group uses NZ dollar interest rate swap contracts to manage the risk associated with interest rate fluctuations on floating rate borrowings. Such derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in surplus or deficit as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in surplus or deficit. Interest rate swaps are classified financial assets/ liability at fair value through surplus or deficit.

	Group 2025 \$000	Group 2024 \$000
Financial Assets		
Financial instruments at fair value through surplus or deficit		
Held for trading		
Investments	54,662	44,219
Interest rate swaps	-	5,845
Total financial assets at fair value	54,662	50,064
Debt instruments at amortised cost		
Cash and cash equivalents	46,752	47,445
Trade and contract receivables	18,894	17,873
Total financial assets at amortised cost	65,646	65,318
Represented by:		
Total current	65,646	68,358
Total non-current	54,662	47,024
Total financial assets	120,308	115,382

Note 11: Financial risk management continued

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through surplus or deficit.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Group's operating model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within an operational model with the objective to hold financial assets in order to collect contractual cash flows.

The Group's financial assets include cash and cash equivalents, trade receivables, investments and interest rate swaps.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- a) Financial assets at amortised cost (debt instruments).
- b) Financial assets at fair value through other comprehensive revenue and expense with recycling of cumulative gains or losses [FVOCRE] (debt instruments).
- c) Financial assets at fair value through surplus or deficit.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include cash and cash equivalents and trade receivables.

Financial assets at fair value through surplus or deficit

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance. This category includes investments and interest rate swaps.

Note 11: Financial risk management continued

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- a) The rights to receive cash flows from assets have expired; or
- b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCRE. The Group recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measure using the general approach.

	Group	Group
	2025	2024
	\$000	\$000
Financial Liabilities		
Financial instruments at fair value through surplus or deficit		
Shared home ownership scheme	2,395	2,623
Interest rate swaps	1,352	-
Total financial liabilities at fair value	3,747	2,623
Financial Liabilities at amortised cost		
Trade liabilities	3,785	1,932
Borrowings	167,878	173,304
Total financial liabilities at amortised cost	171,663	175,236
Represented by:		
Total current	4,428	174,833
Total non-current	170,982	3,026
Total financial liabilities	175,410	177,859

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or fair value through surplus or deficit and include borrowings, trade liabilities and the shared home ownership scheme.

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

Note 11: Financial risk management continued

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified into two categories:

- a) Financial liabilities at amortised cost.
- b) Financial liabilities at fair value through surplus or deficit.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost are subsequently measured using the effective interest rate (EIR) method. Gains or losses recognised in surplus or deficit when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included as finance costs in surplus or deficit. The Group's financial liabilities at amortised cost include trade liabilities and borrowings.

Financial liabilities at fair value through surplus or deficit

A financial liability is measured at fair value through surplus or deficit unless it is measured at amortised cost. Financial liabilities at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive revenue and expense. This category includes the shared home ownership scheme and interest rate swaps.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired.

Financial Instrument Risk

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks. They are summarised below:

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable deficits or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash equivalents, other highly marketable investments and available loan facilities at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Note 11: Financial risk management continued

			Future contractual cash flows				
				\$000			
As at 30 June 2025	Carrying amount	Total	2 months or less	2-12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Bank loans	(167,878)	(180,425)	(1,169)	(5,846)	(173,410)	-	-
Trade payables	(3,785)	(3,785)	(3,782)	(3)	-	-	-
	(171,663)	(184,210)	(4,951)	(5,849)	(173,410)	-	-
Derivative financial liabilities							
Interest rate swaps used for hedging	(1,352)	(1,353)	-	(643)	(683)	(655)	628
	(1,352)	(1,353)	-	(643)	(683)	(655)	628
As at 30 June 2024:							
Non-derivative financial liabilities							
Bank loans	(172,867)	(181,810)	(1,917)	(179,893)	-	-	-
Other borrowings	(437)	(686)	(12)	(60)	(67)	(184)	(363)
Trade payables	(1,935)	(1,935)	(1,931)	(4)	-	-	-
	(175,239)	(184,431)	(3,860)	(179,957)	(67)	(184)	(363)
Derivative financial assets							
Interest rate swaps used for hedging	5,845	5,871	-	3,040	1,349	530	952
	5,845	5,871	-	3,040	1,349	530	952

Bank loans, as disclosed in Note 10 contain financial covenants. A future breach of a covenant may require the Group to repay the loan earlier than indicated in the above table. The covenant is monitored on a regular basis by management and reported to the Audit Committee. During the year there were no breaches of loan covenants.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to its debt obligations. The Group's policy is to limit the portion of floating rate debt. To achieve this the Group has entered into interest rate swaps to convert floating rate borrowings to fixed rate borrowings.

Management monitor interest rate levels on an ongoing basis and, when appropriate, will lock in fixed rates in consultation with the Audit Committee. As at 30 June 2025, after taking into account the effects of interest rate swaps, approximately 95% of borrowings were at a fixed rate of interest (2024: 95%).

The following sensitivity analysis is based on the interest rate risk exposures at 30 June 2025. This shows the respective differences in annual net surplus/deficit and the equity balance at 30 June had interest rates been one percent higher or lower than the year end market rate.

	Group 2025 \$000	Group 2024 \$000
Impact on net surplus / (deficit) :		
Interest rates +1%		
Variable Interest rate instruments	(88)	(80)
Interest rate swaps	7,745	8,885
Interest rates -1%		
Variable Interest rate instruments	88	80
Interest rate swaps	(7,745)	(8,885)

Note 11: Financial risk management continued

All derivative financial instruments are held at fair value through surplus or deficit. No difference in interest rate would be directly recorded within equity.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, resulting in a loss being incurred. The Group is not exposed to material concentrations of credit risk other than its exposure to the government sector. All credit facilities to external parties are provided on normal trade terms.

Wherever possible, all individuals/organisations are assessed for credit worthiness and affordability, taking into consideration the Groups charitable objectives, before they are approved as a trading party. In addition, receivable balances are monitored on an ongoing basis with the result that exposure to bad debts is not significant.

The status of trade receivables at reporting date is as follows:

As at 30 June 2025:	Neither past due or impaired	Past Due but not impaired (0-60 days)	Past Due but not impaired (60-90 days)	>90 days	Total
Trade receivables	2,458	110	165	6	2,739
Contract revenue receivables	15,793	306	14	42	16,155
Total	18,251	416	179	48	18,894

As at 30 June 2024:

Trade receivables	2,688	335	81	207	3,311
Contract revenue receivables	13,374	1,178	-	10	14,562
Total	16,062	1,513	81	217	17,873

Fair value measurement

The Group uses various methods in estimating fair value. Depending on the inputs used in these methods, an asset measured at fair value is categorised as one of the following levels:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The methods used to estimate the fair value of financial instruments, are summarised in the table below. The following table shows the valuation techniques used in measuring Level 1 & Level 2 & Level 3 fair values as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Relationship with fair value
Interest rate swaps	Discounted cash flows & market comparison	Floating rate forward curve	Estimated liability decreases as floating rate increases
Shared Home Ownership Interest	Comparison technique	Not applicable	Not applicable
Equity & bonds security	Market comparison	Adjusted market multiple	Estimated value would increase/decrease if market multiple were higher/lower

Note 12: Shared Home Ownership scheme

The Shared Home Ownership scheme is a licence to occupy arrangement whereby deposits are received from contributors for a legal interest in the Group property. The deposits are repayable to contributors immediately on termination of the licence in accordance with the Certificate of Deposit and Licence to Occupy issued by the Group. The scheme is administered on behalf of the Depositors by the New Zealand Guardian Trust Company Limited under a Trust Deed dated 3 February 1992. Under the Deed, the Trustee is granted registered first mortgages over property owned by IHC New Zealand Incorporated.

The Shared Home Ownership scheme is stated at market value based on the independent valuation performed on a notional basis by QV Valuations at 30 June 2025. The cost of these licences at 30 June 2025 was \$0.6 million (2024: \$0.7 million). Accumulated revaluation as at 30 June 2025 was \$1.8 million (2024: \$1.9 million).

Note 13: Reconciliation of Surplus with Net Cash Inflow from Operating Activities

	Group 2025 \$000	Group 2024 \$000
Reported Net Surplus	12,273	40,225
Add non cash items:		
Depreciation and impairment	17,831	16,227
Revaluation of Shared Home Ownership	62	(172)
Loss on sale of property, plant & equipment	291	244
Net gain in fair value of investments	(871)	(1,026)
Net change in fair value of interest rate swaps	7,197	2,554
	<u>24,510</u>	<u>17,827</u>
Add / (less) item classified as financing/investing activities:		
Gain on sale of property, plant and equipment	(4,162)	(7,460)
Interest received	(5,960)	(7,315)
Interest paid	11,202	13,989
Government grants - non operating received	(369)	(57)
	<u>711</u>	<u>(843)</u>
Movements in working capital:		
(Increase) / decrease in trade and other exchange receivables	(846)	1,458
Decrease in trade and other payables	(12,287)	(6,257)
Decrease in inventory	-	68
Increase / (decrease) in provisions and other liabilities	16,872	(435)
	<u>3,739</u>	<u>(5,166)</u>
Net cash inflow from operating activities	<u>41,233</u>	<u>52,043</u>

Note 14: Leasing and capital commitments

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lease commitments under non-cancellable operating leases:

	Group 2025 \$000	Group 2024 \$000
Payable:		
Not later than one year	2,820	3,525
Later than one year and not later than five years	3,959	2,890
Later than five years	370	174
Total non-cancellable operating lease commitments	7,149	6,589

Ministry of Housing and Urban Development

The Group has entered into an agreement with the Ministry of Housing and Urban Development to construct social housing. Upon completion, these properties will be eligible for social rental subsidies. As at 30 June 2025, the Group had entered into capital expenditure contracts during the year, with \$18.9 million (2024: \$13.0 million) relating to existing housing projects not yet completed. Of this amount, Accessible Properties New Zealand Limited has contractual commitments of \$12.5 million, with AP Properties Tauranga 2016 Limited Partnership accounting for the remaining \$6.4 million.

Note 15: Contingent assets and liabilities

Crown Retained Interest

In 2017 the Group acquired 1,138 properties in Tauranga, along with related tenancy and property management services, from Kāinga Ora. The contractual agreement for the purchase of these properties makes the properties available to the Ministry of Social Development under a Capacity Contract. The initial term of the Capacity Contract is 25 years with one right of renewal for a further term between 15 and 25 years. A first ranking encumbrance ensuring use as social housing has been placed on each property.

The Group has assessed the encumbrance, Crown Retained Interest and the Capacity Contract as an executory contract defined in PBE IPSAS 19.18 as a contract under which both parties have performed their obligations to an equal extent. Management has re-assessed the current status of performed obligations as at 30 June 2025 and determined that the conditions of an executory contract remain satisfied. As such neither the assets nor liabilities with respect to unperformed obligations are recognised within these financial statements.

Royal Commission of Inquiry

The Royal Commission of Inquiry into Abuse in Care was released in July 2024 making 138 recommendations. IHC New Zealand acknowledges the traumatic experiences shared by survivors of abuse and neglect. The Group is working to implement a comprehensive and transparent process to address the relevant recommendations in the report. No provision has been recognised in the Statement of Financial Position as we are in the early stages of determining our response and are not able to quantify any financial liabilities that may arise.

Note 15: Contingent assets and liabilities continued

Motor vehicles

The Group has orders for motor vehicles totalling \$3.8 million as at 30 June 2025 (30 June 2024: \$1.6 million). These orders may be cancelled without financial penalty at any time prior to receipt. Management has determined they do not meet the definition of a liability under PBE IPSAS 1: *Presentation of financial statements*.

Strategic partnerships to deliver social housing

In April 2025, Accessible Properties New Zealand Limited was named by the Ministry of Housing and Urban Development (HUD) as one of five strategic partners under a new social housing initiative. This initiative follows Budget 2024, which allocated \$140 million in new Crown funding to support the delivery of 1,500 additional public housing dwellings by June 2027. As at the reporting date, Accessible Properties has not entered into any binding contractual arrangements with HUD for the construction of new homes in relation to this strategic partnership. Discussions remain ongoing regarding the specific terms, conditions, and delivery commitments associated with the development of social housing properties in Tauranga.

Other

The Group has several open investigations from Worksafe, The Health and Disability Commissioner, The Office of the Privacy Commission and the Human Rights Tribunal that may result in adverse findings and financial compensation awarded. The Group has not recognised any provision in the statement of financial position as it is not probable that a breach finding will arise and the amount cannot be reliably estimated.

Note 16: Transactions with related parties

The Group classifies its key management personnel into the following categories:

- Directors (of the governing body and subsidiary entities)
- Executive officers

Directors of the governing body receive an annual fee and expenses. Executive officers are employees of the Group and are on standard employment contracts. The table below depicts the aggregate remuneration of key management personnel, and the number of individuals determined on a full-time equivalent basis, receiving remuneration with each category.

	2025	Number	2024	Number
	\$000		\$000	
Board and Directors Fees	964	15	719	14
Executive Management Team	4,613	16	4,477	17
	5,577	31	5,196	31

Note 17: Grants received

Grants (recognised in Fundraising) of \$10,000 or more have been received from the following organisations:

- Toi Foundation
- IHC Foundation
- Glenice and John Gallagher Foundation
- Trust Waikato
- Hillier Bequest Charitable Trust
- JBS Dudding Trust
- Pelorus Trust
- Frimley Foundation
- Ernest Hyam Davis and Ted and Mollie Carr Legacies, proudly managed by Perpetual Guardian
- New Zealand Lottery Grants Board
- The Dines Family Charitable Trust
- Sport Manawatū Charitable Trust - Tū Manawa Active Aotearoa Fund
- The Access Foundation
- The Reed Charitable Trust
- Ministry of Social Development Te Manatū Whakahiato Ora
- Tu Manawa Active Aotearoa Fast Fund
- Holdsworth Charitable Trust

All trusts administered where the grant is to be itemised in the annual report have been received as follows:

- Whanganui Community Foundation \$5,000
- Roy Owen Dixey Charitable Trust \$4,000

Note 18: Capital management

The Group manages its capital largely as a by product of managing its property assets, revenue, expenses, liabilities and general financial dealings.

IHC New Zealand Incorporated and its subsidiaries have maintenance programmes in place for its property assets to achieve long term sustainable benefit in support of its mission to advocate for the rights, inclusion and welfare of all people with intellectual disabilities and support them to live satisfying lives in the community.

Note 19: Events subsequent to balance date

MSD DSS Residential Services Contract

All residential service contracts expire on 1 December 2025. As part of the New Zealand Government's Budget 2025 and the MSD led disability sector review, residential service providers will provide MSD a 'request for application' for new multi-year contracts to be issued prior to 1 December 2025. A one-off transitional payment covering the period from 1 July to 30 November 2025 was received in July 2025.

We have considered all possible outcomes in our assessment of going concern (Note 1).



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Independent auditor's report to the members of IHC New Zealand Incorporated

Report on the audit of the performance report

Opinion

We have audited the general purpose financial report (the "performance report") of IHC New Zealand Incorporated (the "Incorporation") and its subsidiaries (together the "Group"), which comprises the financial statements on pages 49 to 75, and the service performance information on pages 20 to 47. The complete set of financial statements comprise the consolidated statement of financial position of the Group as at 30 June 2025, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group and the notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information.

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

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

in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

This report is made solely to the Incorporated Society's members, as a body. Our audit has been undertaken so that we might state to the Incorporated Society's members those matters 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 Incorporated Society and the Incorporated Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) and the audit of the service performance information in accordance with NZ AS 1 (Revised) *The Audit of Service Performance Information* ("NZ AS 1"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

We are independent of the 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.

Ernst & Young provides taxation and other assurance related services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.



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Information other than the financial statements and auditor's report

Those charged with governance are responsible for the annual report, which includes information other than the consolidated financial statements, service performance information and auditor's report.

Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, 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.

Those charged with governance responsibilities for the performance report

Those charged with governance responsible, on behalf of the Entity, for;

- the preparation and fair presentation of the performance report in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- the selection of 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 Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- the preparation and fair presentation of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- the overall presentation, structure and content of the service performance information in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board; and
- such internal control as the directors determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, those charged with governance are responsible for assessing on behalf of the entity the 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 Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) and NZ AS 1 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 performance report.



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A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/>. This description forms part of our auditor's report.

Ernst + Young

Chartered Accountants
Wellington
3 September 2025



Visit our website www.ihc.org.nz
Call us on **0800 746 444**