# ANNUAL REPORT

## 2025-2026

IHC New Zealand Inc
Annual Report for
the year ended
30 June 2026

ISSN 3021-4637

IN YOUR COMMUNITY

This Annual Report, which is inclusive of the financial and non-financial information, reflects IHC New Zealand's measures for the year to 30 June 2026.

It is produced in accordance with the Charities Act 2005.

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

**Mark Campbell**
**Board Chair**

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**Cover image:** Courtney Ratana learning to skateboard with OnBoard Skate and Choices NZ.

Leanna Brown
*Number 1*
IHC Art Awards Entrant 2025

# Board Chair update

Kia ora koutou,

It is a privilege to write my first introduction to the Annual Report as Chair of the IHC Board especially at a time when our organisation is entering a new and exciting chapter.

I've served on the IHC Board since 2021 and took over the role of Chair in April 2026.

Like any organisation, we are not perfect. We face challenges, we learn from them, and we continuously look for ways to improve. What gives me confidence is the quality of our people and their willingness to work alongside those we support, their whānau, and each other to find better ways forward.

The last twelve months has seen significant change in our organisation, but it's change that leaves us re-energised and ready to build a robust future.

Chief Executive, Andrew Crisp, is now into his second year in the role. We have a refreshed senior leadership team and a new strategy that provides a clear direction for our future. Across IHC, I sense a renewed energy, a stronger sense of purpose, and a shared commitment to what we are here to achieve. The heartbeat of this organisation is strong.

Over recent months I've been lucky enough to spend time visiting services and communities around the country. What has impressed me most is the extraordinary dedication of our people. One message I have heard clearly is the importance of staying connected to the communities we serve and the people we support.

A membership organisation first and foremost has the vocational buy in of its members. They are an integral part of it not just for their own individual benefit, but for the good of the whole. We are a large and diverse organisation operating in a wide range of environments and circumstances, but our members are our core.

I believe now is the time to simplify and return to this core purpose. While IHC operates as a registered incorporated society and a not-for-profit organisation, our purpose extends far beyond our structure. We exist to advocate for the rights, welfare, inclusion and opportunities of people with intellectual disabilities.

That purpose should sit at the centre of every decision we make. Whether we are shaping strategy, allocating resources or improving services, the fundamental question remains the same: is this the right thing for people with intellectual disabilities? By returning to that simple principle, we are ensuring that our future direction remains grounded in the values that have guided IHC for generations.

The Board's role is to support and enable the leadership team as they implement our strategy. We are committed to remaining connected to our people, strengthening our membership focus, and ensuring that the voices of those we support continue to shape our direction. We also remain focused on advocating for the rights of people with intellectual disabilities, particularly as legislative and policy changes create new challenges and opportunities.

The past year has given the Board great confidence in the future. We have a capable leadership team and a clear strategy and dedicated people across the country who are committed to delivering it. Most importantly, we have a clear purpose: supporting people with intellectual disabilities to have a voice, a place to belong, a place to call home, and opportunities to live fulfilling and meaningful lives.

**Mark Campbell**
**Chair, IHC Board**

# Chief Executive update

In my first full year at IHC, a significant highlight was the launch of our new strategy. The foundation of this strategy was informed by listening and learning about what matters most to our community.

People told us they want the same things most New Zealanders want – opportunities to learn, work, build relationships and live independently and safely. They also want strong advocacy, connected communities and a system that is easy to navigate.

You can see an overview of the new strategy on the following page. Because it was launched partway through the financial year, the performance reported here relates to our previous strategy.

To help lead this work, I have brought together a new executive team with a mix of experience, fresh perspectives and a shared commitment to our purpose.

The challenges facing our sector are significant. They are complex and systemic. As an organisation, we need to evolve to meet those challenges head on.

With the direction of our new strategy, dedicated people and a shared purpose, we are well placed to make a meaningful difference for the 50,000 New Zealanders with an intellectual disability.

Our new leadership will build on the dedication and contribution of others over many decades. Tony Shaw is one of those people. He stepped down as IHC Board Chair in March after more than 40 years of service to IHC, leaving a strong legacy of leadership and advocacy. We are very grateful for his contribution.

New Chair Mark Campbell is a long-standing leader in the disability sector, an IHC Board member of nearly four years and the parent of a daughter with an intellectual disability. He brings invaluable personal insight and professional experience to the role.

This year, following strong advocacy for more than a decade, we secured a successful resolution to our education complaint on behalf of learners with intellectual disabilities and their whānau.

The settlement means government will work with the disability community to remove systemic barriers, creating a more equitable and inclusive education system that upholds the right of every child and young person to education.

There is still a lot to do but this was an important step forward and a reminder of the impact that advocacy can have in creating change.

In November 2025, on behalf of IHC, I acknowledged the important findings and recommendations of the Abuse in Care Royal Commission of Inquiry: 1950-1999.

I offered our sincere and unreserved apology to those people who suffered abuse and neglect in our services.

While we can't change the past, we have committed to continuing to improve and have made many of the changes recommended by the inquiry. We offered immediate and practical help, such as counselling and payment for people still in our services, and we continue to encourage people to share their experiences if they want to do so.

One of the strongest messages we heard while developing our strategy was the importance of having a good home.

We have now completed a nationwide review of our residential properties to better understand how well they meet the news of the people we support. The findings will guide future investment, and help us provide homes that support choice, wellbeing and a sense of belonging.

A home is also part of a wider community. Strengthening community connections is central to our strategy, and we have a strong foundation to build on.

Across the country, people are making friends, learning new skills and finding opportunities to participate through our volunteering programme, Associations, family and sibling camps, kapa haka and other community initiatives.

None of this would be possible without the dedication of our staff, volunteers, members, donors and supporters. Every day, they help to make sure our values of respect, inclusion and empowerment are more than just words.

Together, we will continue working towards a New Zealand where people with intellectual disabilities are valued, included and empowered to live the lives they choose.

Ngā manaakitanga

**Andrew Crisp**
**IHC Chief Executive**

# Our Strategy on a Page

## What we are here for

**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.

## What we are seeking to achieve

### Individual

People with intellectual disability are informed, confident, and heard.

People with intellectual disability experience good health, housing, and wellbeing.

### Community

People with intellectual disability are valued for their leadership, contribution, and mana.

### Whānau

Whānau are valued, connected, informed, and strong.

### Māori

Māori with an intellectual disability and Māori whānau have tino rangatiratanga.

## How we will work

Ensure the wellbeing of people with intellectual disability and their whānau is the absolute foundation of every decision and action.

Collaborate with our partners to build a powerful, unified network that drives positive change across Aotearoa.

We will use evidence-based data for all our work. This ensures our actions are measurable and achieve the greatest possible impact.

## What we will do

Be accountable to people with intellectual disability and their whānau.

Strengthen local community relationships for everyone with intellectual disability.

Support for strong self-advocacy and systemic advocacy.

Provide a broad range of services and housing options to support choice and wellbeing.

# 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 hapori.

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.

Kerstin Grimes participates in an IHC Media Drawing session from her local daybase.

Lachlan Thomson
Tropical Garden
IHC Art Awards Entrant 2025


# Thank you

We thank everyone who supports us to advocate for the rights, inclusion and welfare of all people with intellectual disabilities. We especially thank our valued partners and amazing Smile Club and IHC Calf & Rural fundraising programme donors, as well as those who choose to remember IHC in their wills. Your generosity makes a difference, improving the lives of all New Zealanders living with intellectual disabilities and supporting them to live satisfying lives in the community.

# Our structure

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

**ihc IN YOUR COMMUNITY**

- Advocacy
- Events
- Family-Whānau Liaison
- Fundraising
- Library
- Members and Associations
- Volunteering

**choices nz**

- Employment services
- Intensive Support
- Life Coaching
- Transition from School

**idea services**

- Residential Services
- Specialist Services
- Supported Living
- Vocational Services

**Accessible Properties**

- Disability Housing
- Social Housing
- Tenancy Services
- Property Management

# Our year at a glance

**July 2025** – Renee Derix from Hamilton wins the annual IHC Art Awards for her stencilled and embellished artwork, Underwater.

**August 2025** – Dan Zam from Auckland wins the IHC Capture the Moment photography competition with her work, Whio.

**October 2025** – Chief Executive, Andrew Crisp, extends IHC's sincere and unreserved apology to survivors, members and whānau, following the publication of the report of the Royal Commission of Inquiry into Abuse in Care: 1950-1999

**October 2025** – IHC New Zealand Annual General Meeting is held in Ōtautahi Christchurch.

**October – November 2025** – IHC hosts four regional kapa haka festivals across Aotearoa, for people with intellectual disabilities to bring their talent and joy for kapa haka to the stage.

**November 2025 –** IHC's new strategy is launched.

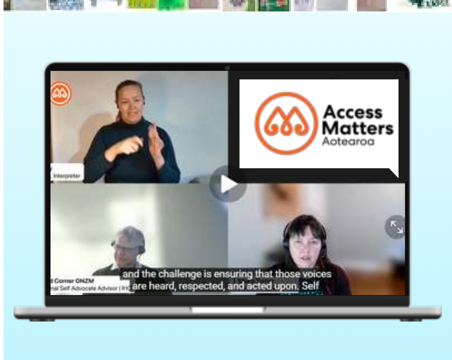
**December 2025** – IHC Chief Executive Andrew Crisp, Minister of Education Hon Erica Stanford, and Secretary for Education Ellen MacGregor-Reid sign a landmark settlement for the benefit of disabled students and their family and whānau.

**January 2026** – National Self Advocacy Advisor, David Corner, receives an ONZM (Officer of the New Zealand Order of Merit) in the New Year honours, for his outstanding contribution to the disability community.


**February 2026** – IHC releases From Data to Dignity 2026: Health and Wellbeing Indicators for New Zealanders with Intellectual Disability, updating our ground-breaking 2023 work.

**April 2026** – New IHC Executive team members are welcomed with a mihi whakatau in Te Whanganui-a-Tara.

**May 2026** – IHC Library receives 100 entries and announces the winners of its first bookmark competition.




**June 2026** – IHC's Advocacy team contributes to the Access Matters Aotearoa Kōrero for Change webinar on political and democratic processes, shining a light on the barriers and potential for people with intellectual disability participating in democracy.

# IHC strategy 2024-2027

Amy Hall took third place in the 2025 IHC Art Awards with *Harriet: My Cat*, a hand-sculpted ceramic vase which is a tribute to her beloved pet.

As outlined in Andrew Crisp's introduction to this report, IHC is developing a new strategy, with the first step being the creation of our 'Strategy on a Page' (see page 6). Our new strategy reflects our accountability to all New Zealanders with intellectual disabilities and their whānau, and our commitment to ensuring that all people with intellectual disabilities live satisfying lives in their communities.

While the goals and priorities of our new strategy are being finalised, we have continued to work in line with the 2024-27 Strategic Goals and Priorities for this reporting year.


# 2024–2027 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 Person with Disabilities (CRPD), the Code of Health and Disability Services Consumers' Rights, and the New Zealand Disability Strategy 2026-2030.

## 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.

Our new Sullivan Crescent development in Hamilton opened in January, providing 12 warm, fully accessible homes for older people.

# 2024–2027 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 accessle 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.

# Statement of service performance

Regulars at the line dancing session at Knox Hall in Lower Hutt.

Our Statement of service performance (SSP) metrics are historical measures. We are currently undertaking work to refresh and broaden the set of measures that we use to reflect our new strategy, and to better measure our performance in terms of accountability to all 50,000 New Zealanders who have an intellectual disability.

# Disability services and community programmes

**Disability services funding**
2025/26: **$384.9 million**
2024/25: **$373.8 million**

**IHC members**
2025/26: **1,484**
2024/25: **1,356**

**Support hours**
2025/26: **7,857,528**
2024/25: **7,458,743**

**Average FTE staff supporting people with a disability**
2025/26: **2,811**
2024/25: **2,760**

**People we supported**
2025/26: **3,171**
2024/25: **3,237**

**Volunteer hours** [1]
2025/26: **47,178**
2024/25: **35,508**

**People supported into paid employment**
2025/26: **60**
2024/25: **40**

**People supported in life coaching**
2025/26: **35**
2024/25: **52**

**Library resources issued** [2]
2025/26: **5,237**
2024/25: **7,309**

**Staff who hold disability support qualifications**
2025/26: **71%** 2024/25: **68%**

[1] For the first time we have included association volunteer hours in the current year numbers reported. They reflect the significant contribution provided by IHC members and provide a more complete picture of the volunteer resources that support our achievements.

[2] The results reflect international trends in information use. AI-powered search increasingly summarises information from trusted sources at the point of search, reducing the need for users to click through to the original webpage or resource.

# Property

**Tenant satisfaction with service (very happy, happy or OK)**
2025/26: **93%**
2024/25: **94%**

**Homes managed for disability services**
2025/26: **756**
2024/25: **765**

**Rental occupancy rate**
(percentage of properties actively rented)
2025/26: **99%**
2024/25: **99%**

**Tenant satisfaction with home (very happy, happy or OK)**
2025/26: **93%**
2024/25: **94%**

**Homes for community or public housing**
2025/26: **1,892**
2024/25: **1,873**

**Community or social housing where the person identifies as having a disability**
2025/26: **49%**
2024/25: **50%**

# Brand perception and media

**Mainstream media mentions**
2025/26: **203**
2024/25: **202**

**IHC is a well-recognised brand**
2025/26: **76%**
2024/25: **79%**

**Favourable mainstream media mentions**
2025/26: **75%**
2024/25: **66%**
(**22%** neutral 2025/26)
(**21%** neutral 2024/25)

**IHC is a charity I can trust**
2025/26: **58%**
2024/25: **60%**
(**38%** don't know 2025/26)
(**38%** don't know 2023/24)

# 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

**$1 million**

**Health & Safety**

**$3.3 million**

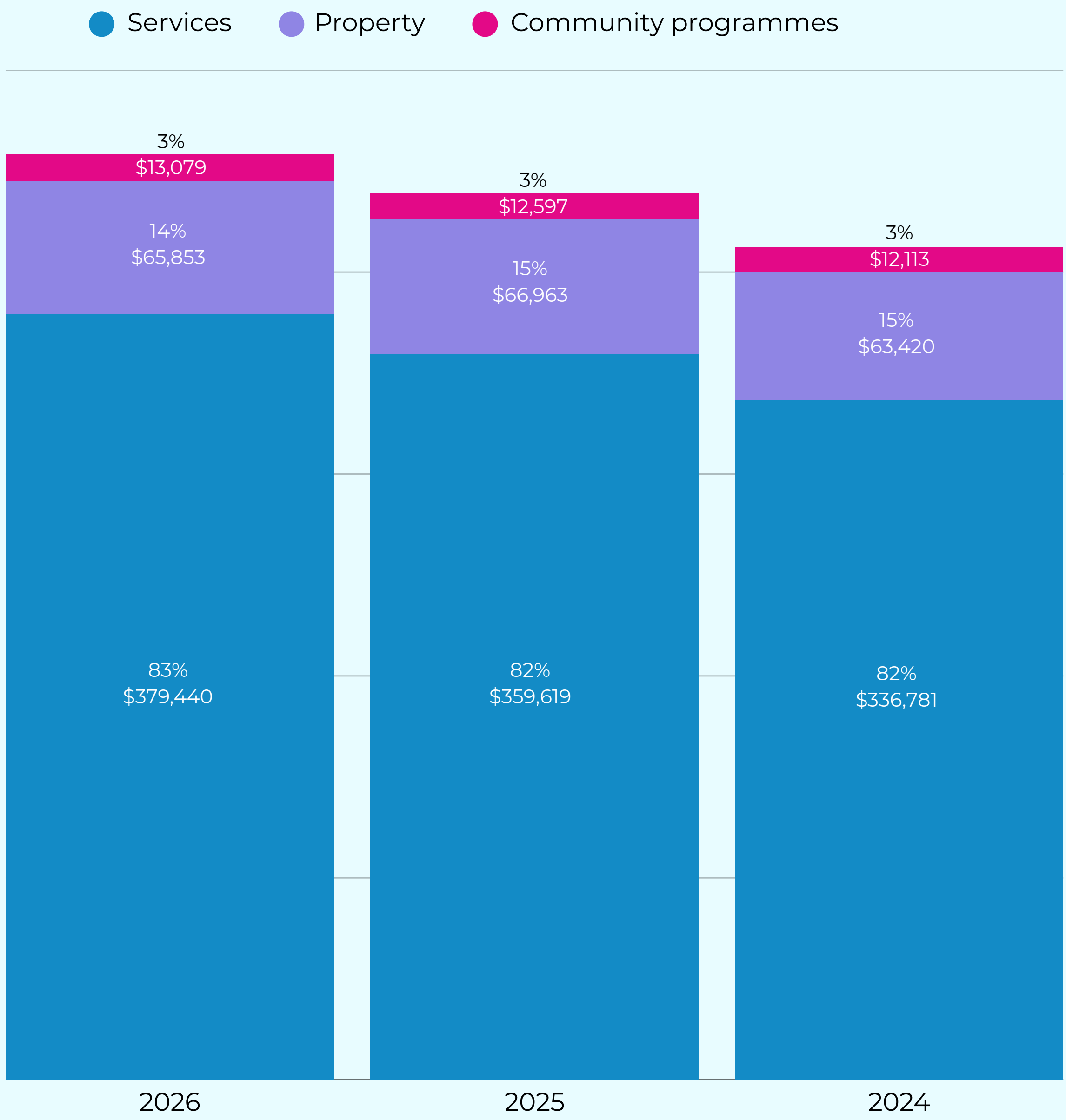
**Psychology**
Supporting the mental health and complex needs of individuals

**$900,000**

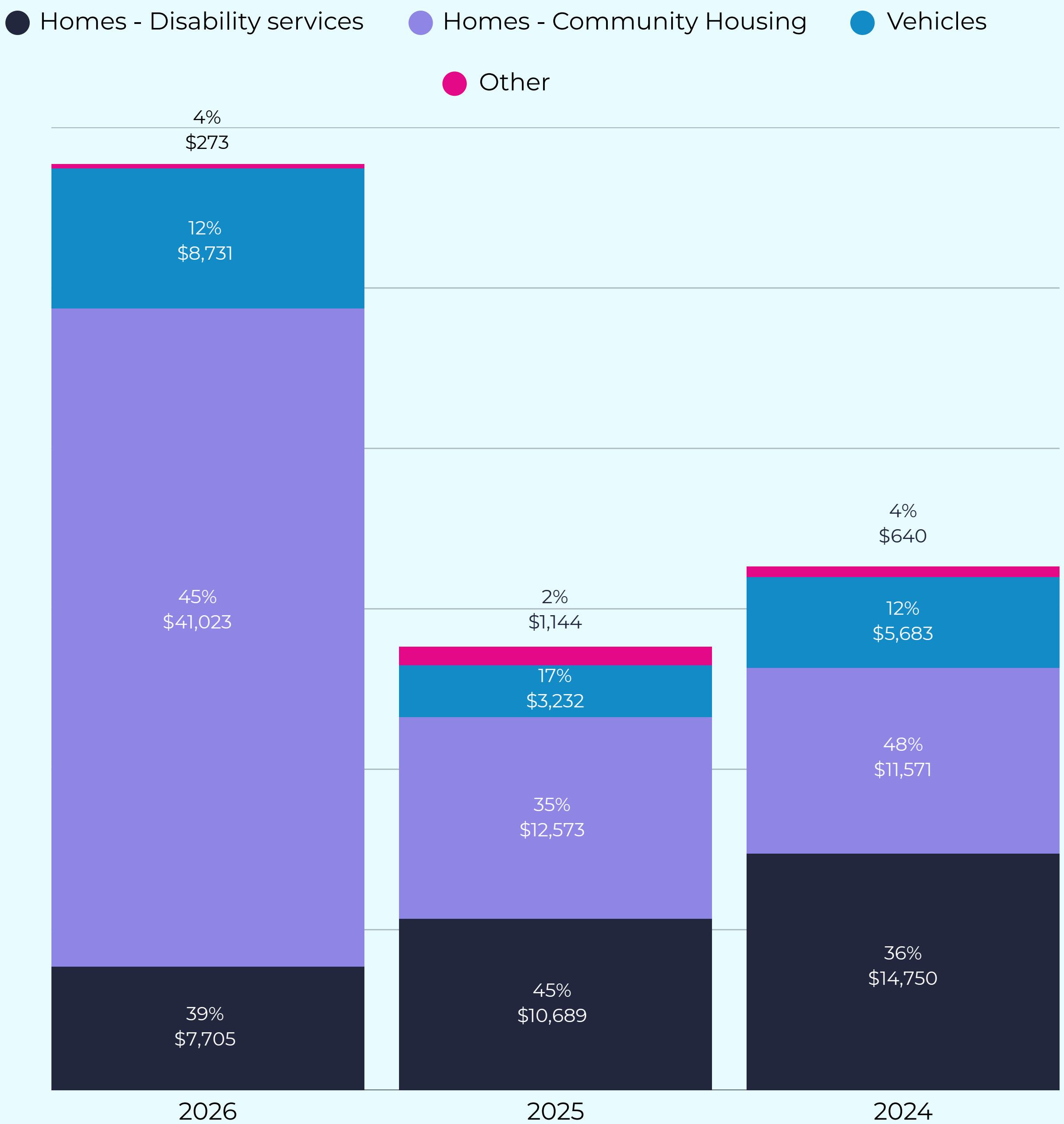
# Expenditures

Christina Kelly on the ‘Growing Together’ internship programme between Punchbowl and Choices NZ.

# Summary of expenditure by output ($000)



# Capital expenditure ($000)



# Te tatou mahi – overview of our work

2025 Capture the Moment first place winning photo, *Whio* by Dam Zam.

# **Strategic goal 1:** Advocate for the rights of people with intellectual disabilities

Advocacy remained at the heart of IHC's work this year as we continued to champion the rights, inclusion and wellbeing of people with intellectual disabilities across Aotearoa New Zealand.

## Submissions and consultations

IHC made 10 submissions to government consultations, select committees, international bodies and sector agencies. These covered a wide range of issues, including disability support services, health, emergency management, transport, electoral participation, carers' support, workforce development and abuse in care redress.

Several themes emerged and we consistently called for:

- Government policy to be firmly grounded in the United Nations Convention on the Rights of Persons with Disabilities (CRPD)
- Disabled people to be meaningfully involved in decisions that affect their lives
- Stronger accountability across public services

We also highlighted the distinct experiences of people with intellectual disabilities, including Māori with intellectual disabilities, and advocated for greater accessibility and inclusion across society.

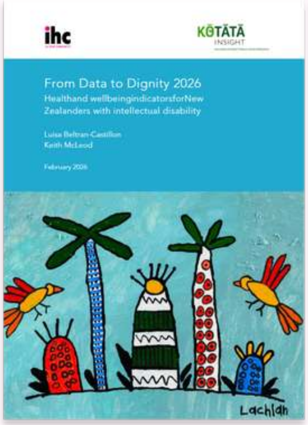
Among our submissions was our response to the Disability Support Services Bill. IHC consulted with its members and our submission argued that while a legislative framework for disability support services is important, the Bill does not provide sufficient safeguards, accountability or protection of disabled people's rights and should not proceed as it stands.

## Chief Executive's Advisory Group

IHC's advisory group to the Chief Executive consists of seven members who each have an intellectual disability. The group met five times this year with Director of Advocacy Tania Thomas and Chief Executive Andrew Crisp, to provide advice and discuss issues and ideas to inform IHC work plans and advocacy.

The group has provided input into IHC's new strategy, given advice on safeguarding in residential services, and advocated for Enabling Good Lives to be included in the New Zealand Disability Strategy. The group also discussed issues concerning the Minimum Wage Exemption and persistent prejudices and misunderstandings about intellectual disability in the community.

## Research: From Data to Dignity 2026




Evidence-based advocacy continued to be a key focus. In February 2026, IHC released *From Data to Dignity 2026*, an updated report examining health and wellbeing outcomes for New Zealanders with intellectual disabilities. Building on our 2023 research, the report provides robust evidence that significant inequities remain across many areas of life. By measuring outcomes and identifying gaps, the report helps ensure advocacy is informed by evidence.

## Education settlement

In December 2025, after 15 years of legal action and decades of advocacy, IHC reached a landmark settlement with the Government that acknowledges the education system has not worked equitably for many disabled learners and commits to a long-term programme of reform.

The settlement recognises disabled students' right to education on an equal basis with their non-disabled peers and commits the Ministry of Education to implementing IHC's Framework for Action. It establishes a six-year programme of work, an accountability mechanism to monitor progress, and a stakeholder group that includes people with lived disability experience.

## Apology to survivors

The year also included an important moment of reflection and accountability. In October 2025, IHC formally apologised to survivors, members and whānau for the abuse and neglect experienced within IHC services intended to protect and support people with intellectual disabilities. The organisation committed to practical action, including ongoing improvements to safeguarding, support for survivors, and approximately $3 million in payments to people who lived in IHC residential services at some time from 1950 to 1999 (the period under inquiry) and who were still in those services.

## Looking ahead

Through research, submissions, legal action and collaboration with government and community partners, we will continue to advocate for systems that are inclusive, accountable and responsive to the voices of people with intellectual disabilities and their whānau.

# **Strategic goal 2:** Support families and whānau with information and connections

We aim to support families and whānau with useful, relevant information and enriching connections. We want everyone who engages with IHC to have an empowering experience in which they feel informed and connected within their communities.

## IHC Library

The IHC Library issued 5,237 resources this year, including a wide selection of e-books, books, DVDs and information kits. To ensure that we provide accessible information, we have created a new collection of local and international Easy Read and plain language publications.

The Library held its first bookmark competition, open to young people with intellectual disabilities and/or autism. The competition attracted over 100 entries and the winners' designs will feature on the bookmarks in free books issued when people register with the Library. This scheme has been refreshed with new titles that provide diagnosis-relevant parenting books to support families.

The Library's new work experience programme is giving people with intellectual disabilities the opportunity to build skills working in the library environment. Our first intern has started, working alongside the library assistant to gain hands-on learning experience in that role.

Thanks to more parent contributors, Awhi ngā Mātua - a parent-led initiative empowering families to drive positive change – now has a bank of 90 articles available to families and whānau. These resources include less-covered topics such as Fetal Alcohol Spectrum Disorder (FASD) and Māori carer perspectives.

We continued to develop an oral history archive. There are now 44 recorded interviews, telling an important digital story of the history of IHC and the wider disability sector in Aotearoa New Zealand, and we have an online oral history exhibition in development.

The Library team led the commissioning of research on carer information needs and behaviour in July 2025 with the final report completed in September 2025. This report builds on the long-term project's earlier research.

Bookmark competition winning entries (left to right) by: Zoe Beckett, James Brittain, Lily Kuzma and Caleb Nathan.

## Communicating well with families and whānau

We are committed to ensuring we communicate well with our members and whānau. IHC's Chief Executive is now sending a monthly email to keep them informed about what is happening at IHC and in our communities.

## Family-Whānau Liaisons

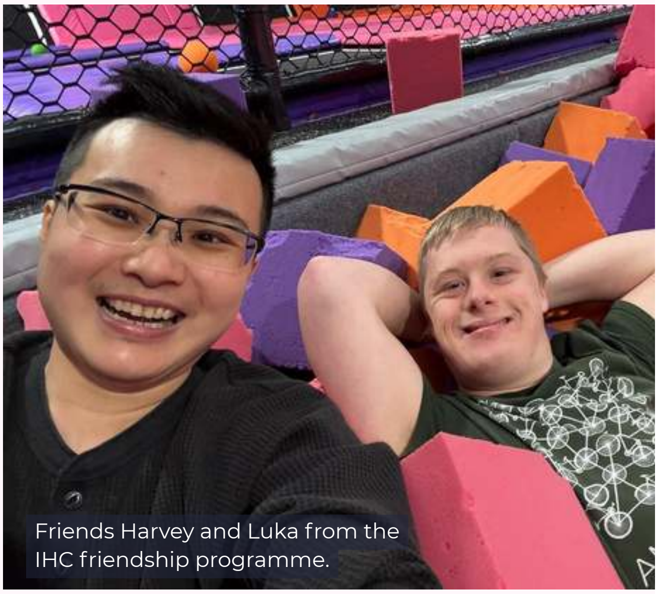
The IHC Family Whānau Liaison programme supported people with intellectual disabilities and their whānau to navigate complex systems, access services, and build stronger community connections. Family-Whānau Liaisons responded to 199 enquiries, most commonly relating to information (73), support services (55), education (23), and advocacy (23).

Across the country, they provided guidance on disability funding, education pathways, housing, future planning, and community inclusion while facilitating peer support networks and strengthening local partnerships. The programme also helped secure funding and opportunities for individuals and community initiatives, improved access to information and services, and identified systemic barriers affecting disability support, education, housing, health, and social inclusion.

## Volunteering and community engagement

IHC's Volunteering and Community Engagement programme has continued to reduce isolation and strengthen community connections, while creating new opportunities for people with intellectual disabilities to learn skills, contribute, volunteer and take on leadership roles. Across Aotearoa New Zealand, 441 volunteers contributed 22,416 hours supporting people to build friendships and participate in their communities. The programme established 69 new friendship matches, grew the online volunteering programme by 57% (from 37 to 58 friendships), and reduced the number of people waiting more than 100 days for a friendship match from 71 to 16. Outcomes included 88 people making a new friend, 26 feeling more connected to their community, 12 reporting increased independence, and 8 learning new skills. Staff and volunteers partnered with more than 130 community organisations nationwide, while new initiatives such as the Ambassador Leadership Programme and IHC Community Liaison roles expanded opportunities for inclusion, leadership and contribution.

In addition to the contribution made through the IHC Volunteering and Community Engagement programme, 24,762 volunteering hours were logged by IHC members in associations across New Zealand.



Friends Harvey and Luka from the IHC friendship programme.

## IHC Media

IHC Media is a digital platform with content for and by people with intellectual disabilities. People from our services and the wider community take part in regular sessions. Over the past year, IHC Media has grown steadily and built a loyal audience. It offers daily live online sessions in dance, movement, drawing, kapa haka, drumming, and strength and balance. It also provides a safe, inclusive website where people can share content.

Attendance is steady, with about 15 people at each session. Busier sessions, such as Jolt Dance and Tū Meke Reo, often have up to 30 people attending.

This year, more people with intellectual disabilities have taken leadership roles on IHC Media. Jolt Dance is presented by Jacob Levington and Caitlin Roy. Chardonnay Kyle now co-hosts the Thursday morning 'Draw with Lindsey' session and provides technical support during Tuesday morning's Tū Meke Reo. Indika Mendis often co-leads parts of Thursday afternoon's Strength and Balance session. People with intellectual disabilities are also encouraged to lead parts of Wednesday's movement session and Friday's drumming session.


Chardonnay Kyle leads a tūī craft session in a video featured on the IHC Media website.

# **Strategic goal 3:** Provide support to enable people with intellectual disabilities to live in the community

## Residential, vocational and supported living services

This year, we provided residential, vocational and supported living services to 3,171 people. Through these government-funded services, we support people to live satisfying lives in their communities.

Our teams bring a wide range of backgrounds, skills and specialist expertise. This year, we strengthened the clinical team by adding an occupational therapist, dietitian and speech language therapist.

To promote safer eating for the people we support, we have introduced a new approach to modified food, working closely with people in our services and their families. We partnered with The Pure Food Co, which specialises in texture-modified meals that are nutritious, appealing and consistent.

Our services have focused on creating more opportunities for people we support to take on leadership roles. This is Enabling Good Lives in practice – people with intellectual disabilities having real choice and a real voice.

In Taranaki, a People We Support Leadership Group has been set up. The group has organised a dance event, planned a holiday for 2027 and started a pen pal programme.

A new national programme is helping people we support take an active role in the monthly newsletter sent to homes, staff, family and friends. It helps people build confidence, develop communication and decision-making skills, and take on leadership responsibilities.

In Canterbury, Sean Woodnut, who is supported by IDEA Services, has trained as an auditor in our Consumer Audit programme. People with lived experience, like Sean, work alongside a regional Quality Improvement leader to help audit homes. They talk with other people we support about their experiences and satisfaction with our services.

## Employment, transition and life coaching support

Choices NZ delivers five core contracts across employment, education transitions, personalised disability support and intensive response services. Services are available in Otago, Invercargill, Christchurch, Nelson, Marlborough, Wellington, Porirua, the Kāpiti Coast, Manawatū, Whanganui, Taranaki and Gisborne.

Choices NZ supported 504 people with intellectual disabilities and people facing complex barriers this year, across employment, education transitions, personalised disability support and intensive response services. We received 364 referrals, showing ongoing demand for our support and strong confidence in our work.

Early support and youth development remain a key focus. Choices NZ's services help people build skills, confidence and pathways to independence. This year, we supported 120 people under 21 through our employment, transition and life coaching programmes.

We supported 60 people into paid work, helping strengthen inclusion and economic participation. We also built stronger partnerships with employers.

Four internship programmes now offer structured, paid work experience:
- Open Doors with Sudima Hotels
- Dive into Success with Community Leisure Management
- Active in Hell with Hell Pizza
- Growing Together with Punchbowl orchard and post-harvest services

## Fundraising – making great things happen

We actively fundraise to ensure that we can continue to support people with intellectual disabilities to live satisfying lives in the community. This enables IHC to provide enriching programmes such as cultural experiences, participation opportunities and events that create inclusion and connection across the community.

We are extremely grateful to our valued partners, donors, and those who choose to remember IHC in their wills.

This year, the IHC Calf & Rural Scheme raised $1.48 million which equals our best ever year in the Scheme's 43-year history. The Calf & Rural programme is an important example of many individuals, businesses and community organisations working collaboratively to make an impact on rural communities and improve opportunities for people with intellectual disabilities. These contributors range from long-time sponsors PGG Wrightson and Allflex to the 3,000+ farmers who donate a calf or a virtual calf, to the transporters who provide free or heavily subsidised transportation at sale time, and IHC Calf & Rural Ambassador Jamie MacKay of 'The Country', who regularly promotes the Scheme.

The IHC Smile Club and Rural Smile Club have close to 30,000 donors, who collectively gave $10.6 million this year. Each of these wonderful donors has a lasting impact on the lives and futures of people with intellectual disabilities and their families.

## Celebrating kapa haka

Our Māori advisory group, Te Anga Paua, hosted four regional kapa haka events across Aotearoa in late 2025:

- Ngā Tāngata Manawa o te Tai-tonga in the Southern Region
- Te Hoenga Waka in the Northern region
- Te Wakatini in the Mid Central Region
- Te Ngākautaki o ngā Kāhui-maunga in the Central Region.

More than 700 people, all with intellectual disabilities, took to the stage across the four festivals, sharing their talent and love for kapa haka with their communities.

Te Anga Paua published a study – 'The Benefits of Kapa Haka for Adults with Intellectual Disabilities in Aotearoa New Zealand' – that sought to better understand the voices, insights and reflections of adults with intellectual disability participating in kapa haka.


Te Roopu Atawhai o Te Tairāwhiti (Gisborne) performing at Te Wakatini Kapa Haka Festival in the Mid Central Region

## Events and programmes that foster creativity, participation and connection

We received 552 entries in the 2025 IHC Art Awards, all of which were exhibited at Webb's Wellington. A total of 370 artworks were sold on behalf of the artists, with 100% of the proceeds going directly to them, supporting and celebrating their creative achievements.

The 2025 Capture the Moment photography competition attracted 164 entries. Thirty finalist photographs were selected and exhibited at the FOTOFEST Hawke's Bay, showcasing the creativity and talent of the photographers. 100% of sales proceeds went to the photographers.

IHC Associations play a vital role in bringing people together through events such as social gatherings, workshops and community celebrations, which create opportunities for connection, inclusion and shared experiences.

In partnership with the Parent to Parent support organisation, IHC facilitated eight sibling camps (21 siblings attended) and three Whenua Iti family camps (160 people attended), to support family members of people with intellectual disabilities.

People we support have contributed more than 32,000 hours of volunteering time working towards the Student Volunteer Army (SVA) Service Award. This contribution reflects the ongoing strength of community connection and the important role volunteering plays in enriching the lives of the people we support.

## Developing a great workforce to support people with intellectual disabilities

A major focus this year has been on building the leadership and management capability within IHC. The introduction of the new executive leadership team is the first step in this programme of work.

The IHC Scholarship Fund is one of the ways we can provide a pathway for staff members interested in progressing their career within our organisation. Through these opportunities people within the IHC team can develop in their careers, ensuring they can better support people with intellectual disabilities to live full and satisfying lives in their communities.

This year, seven staff have been awarded an IHC Scholarship, and four people who have previously received a scholarship have been promoted or changed role.

Additional targeted scholarships were introduced to improve capability in focus areas that align with organisational objectives. Quality and Health & Safety were the two focus areas chosen. Three scholarships were awarded in Health & Safety and five scholarships were awarded in Quality.

IHC also funds up to seven psychology placements and internships each year through Legacy funding. This investment supports IHC's strategic commitment to being responsive to the 50,000 people in New Zealand with an intellectual disability by helping grow a workforce with specialist expertise in intellectual disability.

This year, IHC has again supported seven psychology placements. These psychologists have made valuable contributions across IDEA Services residential services and the Regional Intellectual Disability Supported Accommodation Service (RIDSAS).

IHC Art Awards 2025 judges, Michel Tuffrey, Mark Hutchins-Pond, Elizabeth Caldwell and Tim Walker, holding the winning pieces.

# **Strategic goal 4:** Provide housing, with a focus on accessible homes suitable for people with disabilities

A home is more than just a place to live – it plays a key role in people's wellbeing, independence and sense of belonging.

Across the IHC property portfolio we have 756 residential homes, 40 vocational and community-based facilities, and 1,892 community housing properties.

During the year, we completed a nationwide assessment of our residential homes to better understand how well they are meeting the needs of the people who live in them. What we learn will help guide future investment and improvements.

Alongside this work, we carried out a maintenance and upgrade programme which included 59 wet-area bathrooms, 16 new kitchens, 3 ramps and 5 fire safety system improvements.

We continue to grow our community housing portfolio to meet our commitments under the Tauranga Capacity Contract.

We have added 21 new homes in Tauranga and Te Puke this year, most designed to Lifemark 4-star standards, bringing the total number delivered under the contract to 119. These homes include accessible features such as level entries, wide hallways and roll-in showers, making them safer and more functional for people of all abilities.

In January, our new Sullivan Crescent development in Hamilton opened, providing 12 warm, fully accessible homes for older people. The development was recognised at the 2026 Property Industry Awards with a Merit in the Community and Affordable Housing category.

People with intellectual disability have homes in Sullivan Crescent and other Hamilton complexes, living alongside neighbours in safe, welcoming communities.

By year-end we had 71 new community housing homes in the pipeline, including 3 that will be built to Lifemark 5-star standards and 11 replacement homes for properties that have been sold or demolished.

Together, our investments in new housing, property improvements and long-term planning are helping ensure more people can live in homes that are safe, accessible and truly feel like home.

Construction of five new homes on a section in Te Puke.

# Te tatou mahi - our work in stories


Jayne Bruce with her artwork, *Cup of Tea*, at the IHC Art Awards 2025 exhibition opening.

These stories give a flavour of our year in review. They shine a light on some of the work we have done in line with our eight strategic priorities, supporting people with intellectual disabilities to live satisfying lives in the community.

## 1. Greater choice and control

**New Easy Read makes information on sex and relationships more accessible**

A new easy read booklet about consent is helping make information about sex and relationships more accessible for people with intellectual disabilities across Aotearoa.

The project began when IHC's Psychology team identified a gap in clear, New Zealand-specific Easy Read resources on consent to sex. In response, the IHC Easy Read team partnered with Sexual Wellbeing Aotearoa to adapt trusted information into an Easy Read format.

"It's important that people know what's okay and what's not and this booklet helps with that," says IHC Self-advocacy Assistant, Alice Matthews. "I'm glad that this information is now available in an accessible way."


1,000 copies have been printed and shared across IDEA Services and Sexual Wellbeing Aotearoa to ensure that people with intellectual disabilities can get relevant information to support understanding and informed choices about sex, relationships and consent.

## 2. Leaders with intellectual disability

**Beauty & Bloom – world famous in Aotearoa**

It was a day of excitement and nerves when TVNZ's Seven Sharp came to film the team behind Beauty & Bloom – a range of handcrafted home and beauty products created by people supported by IDEA Services. Founded in 2021, the initiative was developed with the backing of the IHC North Canterbury Branch Committee, the expertise of local cosmetic chemist Stacey Fraser and the ongoing support of Service Manager Renee Davis.

One of the team, Jared, had a goal to promote Beauty & Bloom and had TV in his sights. "I wrote down that our next step was promoting Beauty & Bloom and getting on Seven Sharp," he says. "We need people to know about Beauty & Bloom and start buying the products. They're amazing products and they're all homemade."

The team celebrated their Seven Sharp appearance with a viewing party alongside their friends and whānau. And as it aired, their dream to get more people buying their products was being realised. Before the programme finished, they had received 88 new orders and that number was up to 250 by the next day, with many messages of support and encouragement.

## 3. Delivering for Māori

**Festivals bring talent and joy for kapa haka to the stage**

Four regional kapa haka festivals, performed entirely by people with intellectual disabilities, took place in late 2025. Hosted by Te Anga Paua, our Māori Advisory Group, more than 700 performers took the opportunity to showcase their talents, connect with their cultural heritage (whakapapa), learn new waiata and actions, and bring the community together in a celebratory environment.

Robert Smith of Te Roopu o Hauraki me Te Rohe Pōtae said that being a part of the roopu had strengthened his understanding of Māori culture. “Since joining kapa haka, I’ve learned about visiting marae and the tikanga that comes with it. Te Wakatini is a celebration of culture and it brings people together through music and performance.”

Ameria Wallace, the current kaitātaki wahine from Wairarapa’s Te Roopu Manaaki, said “I have been doing [kapa haka] since I was a little child. It’s part of my culture, it’s who I am. I love all the songs, and I love the wahine leadership role that I do.”

## 4. Accessible Housing Solutions

**A new chapter for Trish: from insecurity to comfort**

After 19 years settled in a private rental in Whanganui, Trish’s world was upended when the house was put on the market and her long-term tenancy came to a sudden end.

With no alternatives available, she found herself in insecure temporary housing and then in emergency accommodation. Because she is supported by IDEA Services, her situation was flagged as urgent and the hunt was on.

IHC’s Properties team identified a property that was available and Trish soon had the keys to a new place – a comfortable, welcoming home that offered not just shelter, but a fresh start.

“It’s good, very good,” smiles Trish. “My home is very warm and cosy.”

The house is spacious and offers the luxury of gas hot water. It also boasts a garden and lawn area and Trish’s friend helps her to maintain it.

“I’m feeling more settled and comfortable in my lovely new surroundings,” says Trish.

Perhaps the most comfort comes from the knowledge that Trish won’t have to move any time soon.

## 4. Partnerships and Collaboration

**Choices NZ and Punchbowl partnership brings hope and changes lives**

Choices NZ partners with organisations to deliver work internships for people with intellectual disabilities.

The new 'Growing Together' collaboration between Choices and Punchbowl (an orchard and provider of post-harvest services) has so far offered two interns the opportunity to build skills and confidence through paid work experience at Punchbowl. Elese was based in the packhouse kitchen and lunchroom, and has since been offered a permanent part-time Kitchen Assistant position at Punchbowl.

Elese's sister wrote about how life-changing these opportunities can be for people. "I just want to say to Punchbowl and Choices NZ...The impact of this on Elese and our whānau is huge. For us it's beyond words and statistics. So, when something like this happens, collaboration that solves gnarly problems, it matters and means more than you might think it does, it brings hope."

## 6. Sustainability and financial resiliency

**Action for the environment at Climate Action Campus Ōtautahi**

Student Volunteer Army (SVA) Service Award members from IDEA Services teamed up with the University of Canterbury SVA club at Climate Action Campus Ōtautahi. The first of its kind in the country, Climate Action Campus is an environmental movement designed to encourage both understanding and action on climate change. The volunteers learnt about the importance of native trees to the ecosystem. Their task was then to clear large spaces of weeds so more native trees can thrive.

For the volunteers, the sense of belonging, and being part of something meaningful, shines through.

"It makes me feel good and gives me work and real-life experience," says Luke.

"It is the right thing to do – I feel happy," says Mark.

Perhaps Hayden summed it up best when he says, "it makes me feel like I have done something good with my life, it gives me purpose to use my powers for good."

**IHC donors ensure the charitable work of IHC can continue and grow**

A five-year Board approved Fundraising Income growth strategy has been successfully completed, with the number of active Smile Club donors doubling in that time from 15,000 to 29,000 along with Smile Club income moving from $5.5 million to $11 million.

Having this group of donors giving a regular monthly donation provides regular income throughout the year that IHC can rely on in its delivery of our programmes of charitable work.
In that five-year period gross Fundraising income has moved from $10 million to $17 million and net Fundraising income has increased by $6 million.

Phase two of the IHC five-year Income Growth Strategy 2026-2030 focuses in on developing our Gifts in Wills (Legacies) programme and High Value Giving, with an ongoing focus on the IHC Smile Club programme.

Greg Millar, IHC's National Manager Fundraising says that IHC is incredibly grateful for the support of donors. "These amazing donors choose to make a lasting difference in the lives and futures of people with intellectual disabilities and their families by supporting our work and mission. Without their support, IHC would not be able to deliver on its mission and vision."

## 7. Right people

### A new leadership team for IHC

IHC has reshaped its leadership team to support its new strategy, with changes across all executive roles and five new senior appointments.

Five executive positions were disestablished so their functions could be grouped and led differently under the new structure. Three roles transitioned with changes: Director of Advocacy, Chief Operating Officer, renamed Chief Services Officer, and General Manager Tenancy Services, renamed Chief Community Impact Officer.

IHC Receptionist and Advocate Alice Matthews, who has an intellectual disability, helped interview candidates for the new leadership roles alongside Chief Executive Andrew Crisp and Director of the Chief Executive's Office Janine Stewart. Alice says it was an exciting opportunity and important for someone with an intellectual disability to be on the panel to "show what IHC is all about". She says the successful candidates stood out for their dedication to making IHC the best it could be.

The new executive team appointments are:

- Greg Taylor, Chief Property Officer (only internal appointee, previously Director of Finance and Property Integration)
- Rachael Davie, Chief Services Officer
- Rachel Baxter, Chief People and Corporate Officer
- Richard Eglinton, Chief Financial and Digital Officer

The new executive team members join Andrew Crisp, Chief Executive; Janine Stewart, Director of the Office of the Chief Executive; Tania Thomas, Director of Advocacy; and Tania Wilson, Chief Community Impact Officer. Claire Baillie also joined IHC as Head of Strategic Communication.

The new leaders were formally welcomed at a mihi whakatau in Wellington in April 2026.

# 8. Smart business

### Safety and confidence when using AI at work

IHC has introduced Microsoft Copilot as its approved artificial intelligence tool to help staff use AI safely and confidently at work.

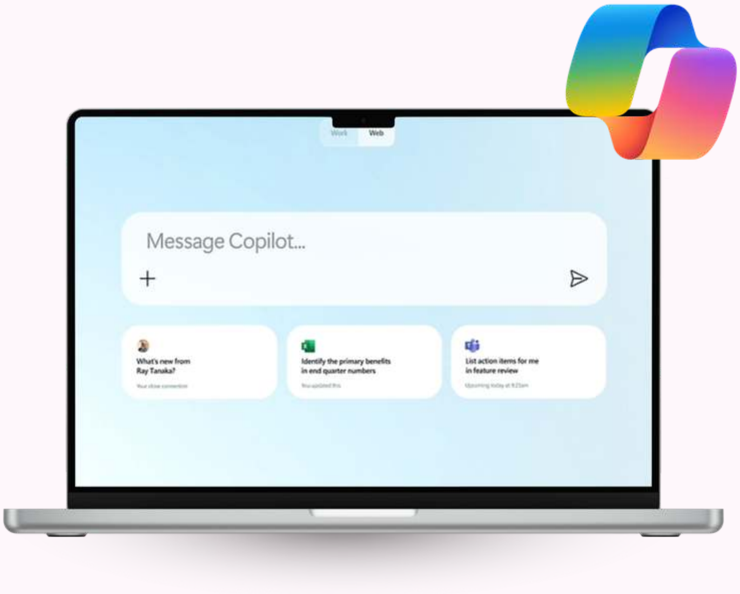
To guide the rollout, IHC introduced new Use of AI Guidelines and updated its ICT Acceptable-use Policy. Staff were also supported through demonstrations, Q&A sessions and a resource hub on the IHC intranet.

The guidelines were designed to protect the privacy and information of the people IHC supports, as well as the organisation's information. They also give staff practical guardrails, so people know what is safe to use and where AI can help make work easier.

The rollout was overseen by a project team, reporting to the Chief Executive, that included senior staff from services, IT and communications. Project lead Daniel Barnett says feedback from staff has been positive.

"It's been great to see people using it, asking good questions and proposing potential uses, and making some real efficiency gains," he says. "The aim has always been to reduce the time staff spend on administrative tasks so we can focus more on the parts of our roles that matter most and improve the work IHC does for people with intellectual disabilities."

The introduction of Copilot is an early step in IHC's broader AI strategy, which is guided by the organisation's values.



# FINANCIAL

2025-2026

# STATEMENTS


Te Ngākautaki o ngā Kāhui-maunga Kapa Haka Festival in the Central Region 2025.

ihc
IN YOUR COMMUNITY

## IHC New Zealand Incorporated

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2026

| | Note | Services 2026 $000 | Property 2026 $000 | Community Programmes 2026 $000 | Group 2026 $000 | Group 2025 $000 |
|---|---|---|---|---|---|---|
| **OPERATING** | | | | | | |
| **Revenue** | | | | | | |
| Government contracts | | 352,161 | - | - | 352,161 | 341,557 |
| Fees charged for services | | 32,741 | - | - | 32,741 | 32,264 |
| Rent received | | - | 56,000 | - | 56,000 | 53,344 |
| Fundraising revenue | | - | - | 13,609 | 13,609 | 13,397 |
| Legacies received | | - | - | 2,834 | 2,834 | 4,796 |
| Interest and investment income | | 116 | 3,297 | 2 | 3,415 | 5,960 |
| Other revenue | | 156 | 346 | 374 | 876 | 2,282 |
| **Total revenue** | **2** | **385,174** | **59,643** | **16,819** | **461,636** | **453,600** |
| **Expenses** | | | | | | |
| Personnel | 3 | (322,257) | (5,623) | (4,278) | (332,158) | (319,402) |
| Accommodation | 3 | (28,847) | (29,447) | (97) | (58,391) | (57,255) |
| Transport and travel | | (7,775) | (353) | (180) | (8,308) | (9,055) |
| Administration | 3 | (14,518) | (5,878) | (1,772) | (22,168) | (17,768) |
| Fundraising expenses | | - | - | (4,327) | (4,327) | (4,430) |
| Community projects | | - | - | (2,425) | (2,425) | (2,236) |
| Interest | | - | (9,841) | - | (9,841) | (11,202) |
| Depreciation and impairment | 6 | (6,043) | (14,711) | - | (20,754) | (17,831) |
| **Total expenses** | | **(379,440)** | **(65,853)** | **(13,079)** | **(458,372)** | **(439,179)** |
| Internal rent and other | | (19,192) | 19,192 | - | - | - |
| Support for services | | 5,642 | (4,684) | (958) | - | - |
| **Net operating (deficit) / surplus** | | **(7,816)** | **8,298** | **2,782** | **3,264** | **14,421** |
| **NON-OPERATING** | | | | | | |
| **Revenue** | | | | | | |
| Gain on sale of property, plant and equipment | | 610 | 2,943 | - | 3,553 | 4,162 |
| Grants | | 9 | - | - | 9 | 369 |
| Net gain in fair value of investments | | - | 288 | - | 288 | 871 |
| Gain in fair value of shared home ownership | | - | 204 | - | 204 | - |
| | **2** | **619** | **3,435** | **-** | **4,054** | **5,402** |
| **Expenses** | | | | | | |
| Loss on sale of property, plant and equipment | | - | (729) | - | (729) | (291) |
| Loss in fair value of shared home ownership scheme | | - | - | - | - | (62) |
| Net loss in fair value of interest rate swaps | | - | (631) | - | (631) | (7,197) |
| | | **-** | **(1,360)** | **-** | **(1,360)** | **(7,550)** |
| **Net non-operating surplus / (deficit)** | | **619** | **2,075** | **-** | **2,694** | **(2,148)** |
| **TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR** | | **(7,197)** | **10,373** | **2,782** | **5,958** | **12,273** |

## Statement of Changes in Accumulated Funds

For the year ended 30 June 2026

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **ACCUMULATED FUNDS AT 1 JULY** | **352,869** | **340,596** |
| Total comprehensive revenue and expense | 5,958 | 12,273 |
| **ACCUMULATED FUNDS AT 30 JUNE** | **358,827** | **352,869** |

**IHC New Zealand Incorporated**
Statement of Financial Position
As at 30 June 2026

| | Note | Group 2026 $000 | Group 2025 $000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 4 | 46,906 | 46,752 |
| Trade and other exchange receivables | 5 | 33,155 | 20,780 |
| | | **80,061** | **67,532** |
| **Non-current assets** | | | |
| Property, plant and equipment | 6 | 538,999 | 504,928 |
| Investments | 7 | 38,078 | 54,662 |
| | | **577,077** | **559,590** |
| **TOTAL ASSETS** | | **657,138** | **627,122** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 8 | 34,043 | 34,589 |
| Derivative liabilities | 10 | 983 | 643 |
| Employee benefits and other liabilities | 9 | 60,974 | 60,507 |
| | | **96,000** | **95,739** |
| **Non-current liabilities** | | | |
| Borrowings | 10 | 191,965 | 167,878 |
| Derivative liabilities | 10 | 1,000 | 709 |
| Shared home ownership scheme | 12 | 1,742 | 2,395 |
| Employee benefits and other liabilities | 9 | 7,604 | 7,532 |
| | | **202,311** | **178,514** |
| **TOTAL LIABILITIES** | | **298,311** | **274,253** |
| **NET ASSETS** | | **358,827** | **352,869** |
| **ACCUMULATED FUNDS** | | **358,827** | **352,869** |

On behalf of the Board of Governance

**MARK CAMPBELL, Board Chair**
Wellington, 27 August 2026

**ANDREW CRISP, Chief Executive**
Wellington, 27 August 2026

## IHC New Zealand Incorporated
Cash Flow Statement
For the year ended 30 June 2026

| | Note | Group 2026 $000 | Group 2025 $000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from operations | | 444,606 | 446,498 |
| Payments to suppliers and employees | | (428,826) | (404,896) |
| **NET CASH INFLOW FROM OPERATING ACTIVITIES** | **13** | **15,780** | **41,602** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sale of property, plant and equipment | | 5,731 | 4,867 |
| Purchase of property, plant and equipment | | (55,648) | (26,428) |
| Drawdown / (purchase) of investments | | 16,872 | (9,572) |
| Settlement of share home ownership scheme deposits | | (449) | (290) |
| Interest received | | 3,415 | 5,960 |
| **NET CASH OUTFLOW USED IN INVESTING ACTIVITIES** | | **(30,079)** | **(25,463)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Drawdown / (repayment) of borrowings | | 24,000 | (5,426) |
| Interest paid | | (9,547) | (11,406) |
| **NET CASH INFLOW / (OUTFLOW) USED IN FINANCING ACTIVITIES** | | **14,453** | **(16,832)** |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **154** | **(693)** |
| Add opening cash and cash equivalents brought forward | | 46,752 | 47,445 |
| Ending cash and cash equivalents carried forward | | 46,906 | 46,752 |

## 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.

## Note 1: Accounting policies continued

a) 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.

b) 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.

c) 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.

d) 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 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 2026. 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 2026 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.

b) Impact of new or amended accounting standards
There were no new standards and amendments which were effective from the year ended 30 June 2026 that materially impacted the preparation of these financial statements.

## Note 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*
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 on cash and bank deposits is recognised using the effective interest rate method. The effective interest rate discounts the estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount. Investment income is recognised based on the movement in the investment manager's reported capital value, after adjusting for capital contributions and withdrawals and separately recognising movements in unrealised fair value.

## Note 2: Revenue continued

*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 reliable; 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 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.

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Revenue from exchange transactions** | | |
| Government support contracts | | |
| Disability Support Services - Ministry of Social Development | 310,505 | 298,150 |
| Ministry of Social Development | 40,390 | 42,225 |
| Te Whatu Ora – Health New Zealand | 1,266 | 1,182 |
| **Total government support contracts** | **352,161** | **341,557** |
| Rent received | 56,000 | 53,344 |
| Fees charged for services | 32,741 | 32,264 |
| Net services event sales | 132 | 226 |
| Other revenue | 744 | 2,056 |
| Interest received | 3,415 | 5,960 |
| **Total operating revenue from exchange transactions** | **445,193** | **435,407** |
| Gain on sale of property | 3,553 | 4,162 |
| Gain in fair value of investments | 288 | 871 |
| Gain in fair value of shared home ownership scheme | 204 | - |
| **Total non-operating revenue from exchange transactions** | **4,045** | **5,033** |
| **Revenue from non-exchange (transfers)** | | |
| Donations and other fundraising revenue | 13,609 | 12,202 |
| Grants (operating) | - | 1,195 |
| Legacies received | 2,834 | 4,796 |
| **Total operating revenue from non-exchange transactions** | **16,443** | **18,193** |

## Note 2: Revenue continued

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| Grants (non-operating) | | |
| Housing and other | 9 | 369 |
| **Total non-operating revenue from non-exchange transactions** | **9** | **369** |
| **Total revenue** | **465,690** | **459,002** |
| **Operating revenue** | **461,636** | **453,600** |
| **Non-operating revenue** | **4,054** | **5,402** |
| **Total operating and non-operating revenue** | **465,690** | **459,002** |

**Government contracts**
In the current year the Group received 76% (2025: 74%) 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.

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

**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 Group's 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.

## Note 2: Revenue continued

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Fundraising activities** | | |
| Revenue | 16,819 | 18,481 |
| Fundraising investment and marketing expenses | (3,245) | (3,544) |
| Fundraising administration expenses | (1,908) | (1,562) |
| **Net surplus from fundraising activities** | **11,666** | **13,375** |

## Note 3: Expenses

Expenses included the following:

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Personnel costs** | | |
| Salaries and wages | 315,827 | 301,241 |
| Accident, death and disablement insurance | 2,356 | 2,098 |
| KiwiSaver employer contribution | 7,247 | 6,545 |
| Staff travel reimbursements | 862 | 939 |
| Other employee costs | 5,866 | 8,579 |
| **Total personnel costs** | **332,158** | **319,402** |
| **Accommodation costs** | | |
| Repairs and maintenance | 19,460 | 20,660 |
| Food and provisions | 10,608 | 9,973 |
| Utilities | 8,375 | 7,039 |
| Rental and operating lease costs | 6,519 | 6,363 |
| Other accommodation costs | 13,429 | 13,220 |
| **Total accommodation costs** | **58,391** | **57,255** |
| **Administration costs include:** | | |
| Auditors remuneration: | | |
| Auditing services | 179 | 184 |
| Taxation and other services | 10 | 20 |
| Shared Home Ownership assurance engagement | 4 | 4 |
| Legal fees | 506 | 894 |

## 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 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash at bank | 46,906 | 46,752 |
| **Total cash and cash equivalents** | **46,906** | **46,752** |

## 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 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Trade and other exchange receivables** | | |
| Trade receivables | 1,822 | 2,739 |
| Contract revenue receivables | 28,871 | 16,155 |
| Prepayments and other debtors | 2,462 | 1,886 |
| **Total trade and other exchange receivables** | **33,155** | **20,780** |

*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.

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.

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

**Group 2026 $000**

| | Freehold land | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture & fittings | Intangibles | Motor vehicles | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| Opening carrying amount | 194,914 | 271,572 | 1,905 | 2,351 | 11,826 | 6 | 10,493 | 11,861 | **504,928** |
| Additions / transfers | 4,836 | 30,059 | 672 | 273 | 3,269 | - | 8,731 | 9,892 | **57,732** |
| Disposals | (924) | (1,924) | - | (5) | (1) | - | (53) | - | **(2,907)** |
| Depreciation / impairment | - | (10,493) | (452) | (801) | (4,610) | (6) | (4,392) | - | **(20,754)** |
| **Carrying amount** | **198,826** | **289,214** | **2,125** | **1,818** | **10,484** | **-** | **14,779** | **21,753** | **538,999** |
| **As at 30 June 2026** | | | | | | | | | |
| Cost | 198,826 | 414,523 | 5,619 | 23,943 | 36,521 | 2,032 | 55,911 | 21,753 | **759,128** |
| Depreciation / impairment | - | (125,309) | (3,494) | (22,125) | (26,037) | (2,032) | (41,132) | - | **(220,129)** |
| **Carrying amount** | **198,826** | **289,214** | **2,125** | **1,818** | **10,484** | **-** | **14,779** | **21,753** | **538,999** |

**Group 2025 $000**

| | Freehold land | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture & fittings | Intangibles | Motor vehicles | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| Opening 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 / impairment | - | (9,686) | (268) | (694) | (4,015) | (12) | (3,156) | - | **(17,831)** |
| **Carrying amount** | **194,914** | **271,572** | **1,905** | **2,351** | **11,826** | **6** | **10,493** | **11,861** | **504,928** |
| **As at 30 June 2025** | | | | | | | | | |
| Cost | 194,914 | 386,933 | 4,947 | 23,675 | 33,253 | 2,032 | 47,233 | 11,861 | **704,828** |
| Depreciation / impairment | - | (115,361) | (3,042) | (21,324) | (21,427) | (2,026) | (36,740) | - | **(199,920)** |
| **Carrying amount** | **194,914** | **271,572** | **1,905** | **2,351** | **11,826** | **6** | **10,493** | **11,861** | **504,928** |

*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 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Investments** | | |
| Equities | 13,042 | 11,888 |
| NZ fixed income | 17,387 | 22,966 |
| International fixed income | 4,553 | 4,623 |
| Term deposits | 2,297 | 14,362 |
| Other investments | 799 | 823 |
| **Total investments** | **38,078** | **54,662** |

## Note 8: Trade and other payables

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

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Trade and other payables** | | |
| Trade liabilities | 3,116 | 3,785 |
| Interest payable | 690 | 483 |
| Other liabilities | 16,796 | 15,550 |
| Employee entitlements | 13,441 | 14,771 |
| **Total trade and other payables** | **34,043** | **34,589** |

Other liabilities include revenue received in advance and includes $5.2 million related to capital accruals (2025: $3.1 million).

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.

## 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.

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Employee benefits and other liabilities** | | |
| **Current** | | |
| Long service leave | 3,198 | 3,325 |
| Annual leave | 41,863 | 42,447 |
| Sick leave | 1,330 | 1,259 |
| Accident compensation | 457 | 490 |
| Days in lieu and other | 14,126 | 12,986 |
| | **60,974** | **60,507** |
| **Non-current** | | |
| Long service leave | 6,720 | 6,673 |
| Annual leave | 884 | 859 |
| | **7,604** | **7,532** |
| **Total** | | |
| Long service leave | 9,918 | 9,998 |
| Annual leave | 41,863 | 42,447 |
| Sick leave | 1,330 | 1,259 |
| Accident compensation | 1,341 | 1,349 |
| Days in lieu and other | 14,126 | 12,986 |
| **Total employee benefits and other liabilities** | **68,578** | **68,039** |

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 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Borrowings and derivatives** | | |
| Term loans (secured) | 191,965 | 167,878 |
| Derivative liabilities | 1,983 | 1,352 |
| **Total borrowings and derivatives** | **193,948** | **169,230** |
| **Current** | | |
| Derivative liabilities | 983 | 643 |
| | **983** | **643** |
| **Non-current** | | |
| Term loans (secured) | 191,965 | 167,878 |
| Derivative liabilities | 1,000 | 709 |
| | **192,965** | **168,587** |

*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 2028.

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 2026 $192.0 million was drawn down (2025: $167.9m).

*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.

| 2026 $000 | Swap Term | Swap Maturity Date | BKBB Equ Rate | 2025 $000 | BKBB Equ Rate |
|---|---|---|---|---|---|
| - | - | - | - | 6,000 | 0.65% |
| 8,402 | 5 years | 08 Mar 2027 | 1.85% | 8,402 | 1.85% |
| 7,000 | 5 years | 02 Sep 2026 | 0.76% | 7,000 | 0.76% |
| 120,811 | 15 years | 31 Mar 2032 | 4.10% | 120,811 | 4.10% |
| 8,000 | 6 years | 31 Aug 2027 | 1.81% | 8,000 | 1.81% |
| 3,000 | 7 years | 28 Feb 2028 | 1.85% | 3,000 | 1.85% |
| 3,000 | 4 years | 11 June 2029 | 3.94% | 3,000 | 3.94% |
| 3,000 | 2 years | 10 August 2026 | 4.80% | 3,000 | 4.80% |
| 7,000 | 1 year | 18 March 2027 | 2.86% | - | - |
| 10,000 | 2 years | 20 March 2028 | 3.34% | - | - |
| 3,000 | 3 years | 25 May 2029 | 3.84% | - | - |
| **173,213** | | | | **159,213** | |

## Note 11: Financial risk management

The Group's principal financial instruments, other than derivatives, comprise of loans, cash, short-term deposits, trade and contract receivables, interest payable 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.

| **Financial assets** | **Group 2026 $000** | **Group 2025 $000** |
|---|---|---|
| **Financial instruments at fair value through surplus or deficit** | | |
| **Held for trading** | | |
| Investments | 38,078 | 54,662 |
| **Total financial assets at fair value** | **38,078** | **54,662** |
| **Financial assets at amortised cost** | | |
| Cash and cash equivalents | 46,906 | 46,752 |
| Trade and contract receivables | 30,693 | 18,894 |
| **Total financial assets at amortised cost** | **77,599** | **65,646** |
| **Represented by:** | | |
| Total current | 77,599 | 65,646 |
| Total non-current | 38,078 | 54,662 |
| **Total financial assets** | **115,677** | **120,308** |

### 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.

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 to generate cash flows. The model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

## Note 11: Financial risk management continued

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 and contract 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.
b) Financial assets at fair value through other comprehensive revenue and expense with recycling of cumulative gains or losses [FVOCRE].
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 and contract 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 (when in an asset position).

**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.

## Note 11: Financial risk management continued

| Financial liabilities | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Financial instruments at fair value through surplus or deficit** | | |
| Shared home ownership scheme | 1,742 | 2,395 |
| Interest rate swaps | 1,983 | 1,352 |
| **Total financial liabilities at fair value** | **3,725** | **3,747** |
| **Financial liabilities at amortised cost** | | |
| Trade liabilities | 3,116 | 3,785 |
| Borrowings | 191,965 | 167,878 |
| Interest payable | 690 | 483 |
| **Total financial liabilities at amortised cost** | **195,771** | **172,146** |
| **Represented by:** | | |
| Total current | 4,789 | 4,911 |
| Total non-current | 194,707 | 170,982 |
| **Total financial liabilities** | **199,496** | **175,893** |

### 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, interest payable and the shared home ownership scheme.

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

### 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, interest payable 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 (when in a liability position).

### Derecognition

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

## Note 11: Financial risk management continued

**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.

| As at 30 June 2026 | Carrying amount | Total | 2 months or less | 2-12 months | 1 – 2 years | 2-5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | | |
| Borrowings | (191,965) | (203,704) | (1,101) | (5,506) | (197,097) | - | - |
| Trade payables | (3,116) | (3,116) | (3,113) | (3) | - | - | - |
| Interest payable | (690) | (690) | (621) | (69) | - | - | - |
| **Total non-derivatives** | **(195,771)** | **(207,510)** | **(4,835)** | **(5,578)** | **(197,097)** | **-** | **-** |
| **Derivative financial liabilities** | | | | | | | |
| Interest rate swaps used for hedging | (1,983) | (1,983) | (7) | (976) | (494) | (590) | 84 |
| **Total derivatives** | **(1,983)** | **(1,983)** | **(7)** | **(976)** | **(494)** | **(590)** | **84** |
| **As at 30 June 2025** | | | | | | | |
| **Non-derivative financial liabilities** | | | | | | | |
| Borrowings | (167,878) | (180,425) | (1,169) | (5,846) | (173,410) | - | - |
| Trade payables | (3,785) | (3,785) | (3,782) | (3) | - | - | - |
| Interest payable | (483) | (483) | (483) | - | - | - | - |
| **Total non-derivatives** | **(172,146)** | **(184,693)** | **(5,434)** | **(5,849)** | **(173,410)** | **-** | **-** |
| **Derivative financial liabilities** | | | | | | | |
| Interest rate swaps used for hedging | (1,352) | (1,353) | - | (643) | (683) | (655) | 628 |
| **Total derivatives** | **(1,352)** | **(1,353)** | **-** | **(643)** | **(683)** | **(655)** | **628** |

## Note 11: Financial risk management continued

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 covenants are 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 2026, after taking into account the effects of interest rate swaps, approximately 90% of borrowings were at a fixed rate of interest (2025: 95%).

The following sensitivity analysis is based on the interest rate risk exposures at 30 June 2026. 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.

| **Impact on net surplus / (deficit)** | **Group 2026 $000** | **Group 2025 $000** |
|---|---|---|
| **Interest rates +1%** | | |
| Variable interest rate instruments | (188) | (88) |
| Interest rate swaps | 6,551 | 7,745 |
| **Interest rates -1%** | | |
| Variable interest rate instruments | 188 | 88 |
| Interest rate swaps | (6,551) | (7,745) |

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.

## Note 11: Financial risk management continued

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

| | Neither past due or impaired $000 | Past due Past due but not impaired (0-60 days) $000 | Past due but not impaired (60–90 days) $000 | >90 days $000 | Total $000 |
|---|---|---|---|---|---|
| **As at 30 June 2026** | | | | | |
| Trade receivables | 1,003 | 245 | 329 | 245 | 1,822 |
| Contract revenue receivables | 28,667 | 188 | 15 | 1 | 28,871 |
| **Total** | **29,670** | **433** | **344** | **246** | **30,693** |
| **As at 30 June 2025** | | | | | |
| 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** |

**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 | Fair value level |
|---|---|---|---|---|
| Interest rate swaps | Discounted cash flows & market comparison | Floating rate forward curve | Estimated liability decreases as floating rate increases | Level 2 |
| Shared Home Ownership Interest | Comparison technique | Not applicable | Not applicable | Level 2 |
| Equity & bonds security | Market comparison | Adjusted market multiple | Estimated value would increase/decrease if market multiple were higher/lower | Level 1 |

## 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 2026 was $0.5 million (2025: $0.6 million). Accumulated revaluation as at 30 June 2026 was $1.3 million (2025: $1.8 million).

## Note 13: Reconciliation of surplus with net cash flow from operating activities

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Reported net surplus** | **5,958** | **12,273** |
| **Non-cash items** | | |
| Depreciation and impairment | 20,754 | 17,831 |
| Revaluation of shared home ownership | (204) | 62 |
| Loss on sale of property, plant and equipment | 729 | 291 |
| Net gain in fair value of investments | (288) | (871) |
| Net change in fair value of interest rate swaps | 631 | 7,197 |
| | **21,622** | **24,510** |
| **Items classified as financing/investing activities** | | |
| Gain on sale of property, plant and equipment | (3,553) | (4,162) |
| Interest received | (3,415) | (5,960) |
| Interest paid | 9,841 | 11,202 |
| | **2,873** | **1,080** |
| **Movements in working capital** | | |
| Increase in trade and other exchange receivables | (12,375) | (846) |
| Decrease in trade and other payables | (2,837) | (12,287) |
| Increase in provisions and other liabilities | 539 | 16,872 |
| | **(14,673)** | **3,739** |
| **Net cash inflow from operating activities** | **15,780** | **41,602** |

## 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.

| | Group 2026 $000 | Group 2025 $000 |
|---|---|---|
| **Lease commitments payable** | | |
| Not later than one year | 3,346 | 2,820 |
| Later than one year and not later than five years | 4,559 | 3,959 |
| Later than five years | 335 | 370 |
| **Total non-cancellable operating lease commitments** | **8,240** | **7,149** |

*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 2026, the Group had entered into capital expenditure contracts during the year, with $22.6 million (2025: $18.9 million) relating to existing housing projects not yet completed.

## 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 2026 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.

*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.

*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, and the Chief Executive Officer delivered a public apology in October 2025. IHC has established a framework for responding to the relevant recommendations in the report, along with responding to individual claims from that historic period. No provision has been recognised in the Statement of Financial Position as we are not able to quantify any financial liabilities that may arise.

## 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.

| | 2026 $000 | Number | 2025 $000 | Number |
|---|---|---|---|---|
| Board and director fees | 876 | 12* | 964 | 18 |
| Executive management team | 4,364 | 14 | 5,333 | 16 |
| **Total key management personnel remuneration** | **5,240** | **26** | **6,297** | **34** |

* The number reported is as at 30 June 2026

## Note 17: Grants received

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

- Glenice and John Gallagher Foundation
- Trust Waikato
- Hillier Bequest Charitable Trust
- Pelorus Trust
- Holdsworth Charitable Trust
- The Reed Charitable Trust
- The Lion Foundation
- Sutherland Self Help Trust

## 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

No adjusting or non-adjusting events have occurred between the reporting date and the date these financial statements were approved for issue that would require disclosure or adjustment to these financial statements.

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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 annual report (the "performance report") of IHC New Zealand Incorporated (the "Incorporation") and its subsidiaries (together the "Group"), which comprises the financial statements on pages 41 to 65, and the service performance information on pages 16 to 22. The complete set of financial statements comprise the consolidated statement of financial position of the Group as at 30 June 2026, 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 2026 and its consolidated financial performance and cash flows for the year then ended

- the service performance for the year ended 30 June 2026, in that the service performance information is appropriate and meaningful and prepared in accordance with the 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 Incorporation's members, as a body. Our audit has been undertaken so that we might state to the Incorporation'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 Incorporation and the Incorporation'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 as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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 other information. The other information comprises the annual report, but does not include the consolidated financial statements, service performance information and our auditor's report thereon.

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 Group, for;

- the preparation and fair presentation of the performance report in accordance 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 those charged with governance 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.

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
31 August 2026

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Call us on **0800 746 444**