

# Financial Statements

The summarised financial statements on the following two pages have been extracted from the audited Group Financial Statements.

## INCOME STATEMENT for the year ended 30 June 2019

	2019	2018
SERVICES	\$000	\$000
<b>Revenue</b>		
Government contracts	274,163	264,974
Fees charged for services	23,950	24,271
Other revenue	398	866
	298,511	290,111
<b>Expenses</b>		
Personnel	(250,946)	(235,901)
Accommodation	(42,670)	(42,984)
Other	(15,486)	(14,136)
	(309,102)	(293,021)
Net surplus / (deficit) from Services	<b>(10,591)</b>	<b>(2,910)</b>
<b>PROPERTY DIVISION</b>		
Revenue	45,198	43,248
Expenses	(39,022)	(38,511)
Net surplus (deficit) from Property Division	<b>6,176</b>	<b>4,737</b>
<b>COMMUNITY PROGRAMMES</b>		
<b>Revenue</b>		
Fundraising revenue	7,746	8,491
Legacies received	4,189	2,649
	11,935	11,140
<b>Less direct Fundraising expenses</b>		
Fundraising investment and marketing expenses <b>(13.1%)</b>	(1,566)	(2,156)
Fundraising administration <b>(14.6%)</b>	(1,739)	(1,875)
	(3,305)	(4,031)
Net surplus from Fundraising activities	<b>8,630</b>	<b>7,109</b>

IHC Programmes expenses	(3,048)	(2,927)
Service development programmes	(1,550)	(1,771)
	(4,598)	(4,698)
Net surplus / (deficit) from IHC Programmes	<b>4,032</b>	<b>2,411</b>

Gain on sale of property	155	4,421
Government property grants	3,638	2,952
Other non operating	(17,123)	(4,074)
<b>NET SURPLUS</b>	<b>(13,713)</b>	<b>7,537</b>

## BALANCE SHEET as at 30 June 2019

ASSETS		
Current assets	40,537	33,787
Non current assets	419,022	403,567
<b>TOTAL ASSETS</b>	<b>459,559</b>	<b>437,354</b>
LIABILITIES		
Current liabilities	68,715	73,731
Non current liabilities	212,694	171,760
<b>TOTAL LIABILITIES</b>	<b>281,409</b>	<b>245,491</b>
<b>NET ASSETS</b>	<b>178,150</b>	<b>191,863</b>
<b>EQUITY</b>	<b>178,150</b>	<b>191,863</b>

## STATEMENT OF CASH FLOWS for the year ended 30 June 2019

Net cash inflow / (outflow) operating activities	24,958	9,859
Net cash inflow / (outflow) from investing activities	(25,276)	(12,507)
Net cash inflow / (outflow) from financing activities	4,841	58
Net increase/ (decrease) in cash and cash equivalents	<b>4,523</b>	<b>(2,590)</b>
Add opening cash brought forward	10,952	13,542
Ending cash carried forward	15,475	10,952

Please refer to IHC's website for a copy of the audit report



## IHC Annual Report Highlights

2018-19 Financial Year.  
Go to IHC online for the full report.  
[ihc.org.nz](http://ihc.org.nz)

# IHC Annual Report Highlights

## 1 July 2018 – 30 June 2019 Strategy 2020 Objectives

The 2018-19 year has again been challenging for not just the IHC Group but the disability sector in general. Providers are under pressure to deliver more services with fewer resources in what has been an underinvestment in intellectual disability services by successive governments for two decades. The sector is at breaking point. A consolidation of service providers is a real probability if economies of scale or alternative revenue streams to support core business activities are not made available.

To this end, the IHC Board and management dedicated a meeting in February of the Board to specifically discuss several key strategic issues facing the society and our future approach to responding to them. We discussed the market pressures, trends and implications, system transformation, disability funding, policy and regulatory issues and cross-government funding. The Board was resolute in its commitment to ensure clarity around core business for intellectual disability and to continue to diversify its business activities, particularly in the areas of disability support services and housing, as a means to access other revenue streams and strengthen our organisation.

IHC has a long and proud history of responding to the changes in service expectations for people with intellectual disabilities and their families and today is no different. Residential services remain the largest part of our business and we remain committed to ensuring good lives for people in communities. Much work is underway to ensure people are living in the right homes for them, independently or with the right people, and that they are leaving home for a purpose – whether it be for connection, experiences, volunteering or work opportunities.

Property is a key part of our service delivery. In Accessible Properties, more than 40 projects for the IHC portfolio were completed or on track for completion at year end. That means we are continuing to ensure that we work together across the group to provide housing solutions that reflect people's changing needs.

We have invested in a community housing portfolio into which people are housed from the government's social housing register. Through that portfolio we are providing more than 1,700 homes to people in need.

We are well connected, and it is with pride that through our membership, our networks, our social media connections and more, we continue to ask how we can best serve people with intellectual disabilities and their families.

**Ralph Jones**  
IHC Group Chief Executive

### **Leadership – To be recognised as a leader in intellectual disability**

Throughout the year, IHC campaigned on a number of issues in the health, disability and education sectors. IHC made 35 media and sector announcements and was mentioned in the media 800 times.

As part of our Turn and Face the People programme, we have made significant changes to our leadership structure in services.

We have restructured our National Clinical Team to provide more clinical advice and support to both staff and managers.

In March, we began an online campaign called #AreWeThereYetNZ relating to the Tomorrow's Schools Review. Feedback from the campaign was used to inform IHC's written submission to the Review Taskforce.

### **Relationships and community connectedness - To be well recognised, highly regarded and sought as an organisation with which people want to engage**

Nearly 4,500 items were borrowed from the IHC Library and 1,163 people signed up to become new library members.

Through our friendship and skill-based programmes, 825 volunteers gave 66,330 hours of their time.

We have 2,280 IHC members.

204 families enjoyed short breaks as part of IHC's Take a break with us programme.

In Tauranga, Accessible Properties has been progressing the Pukehinahina Project in the Gate Pā/Tauranga South area, maximising the potential for a vibrant, thriving and accessible community.

### **Service excellence – To be sought as a provider of excellent support and housing services**

IDEA Services has continued to focus on providing services that are responsive to people's needs and empowers the 4,126 people we support.

The National Service Support Team has launched Communities of Practice as part of our ongoing commitment to improving the quality of the services we provide.

A new internal Home Audit Tool has been designed to ensure the safest and highest quality experiences for people we support.

### **Smart business – To be recognised as a smart, modern and efficient business**

The rollout of IHC Risk Manager was completed, allowing managers to manage incidents in a smart, efficient and modern way.

We began the rollout of IHC MySupport, a new system that provides specific information about needs, aspirations and plans for the people we support.

Smartrak, a new fleet tracking system, was launched across the organisation providing increased safety for staff working on their own, or during emergency situations.

### **Right people – To offer valued roles and careers to the right people**

Our new recruitment strategy was introduced, improving awareness of our organisation among people under the age of 30.

We've developed a process and guidelines so that staff wanting to move into management have a clear career pathway.

We have restructured our National Clinical Team to include a Director of Nursing, a Senior Psychologist, a Psychologist, a Registered Nurse and a Speech Language Therapist.

56 per cent of Support Workers have a minimum Level 2 (or equivalent) qualification, 34 per cent have a minimum Level 3, 15 per cent have achieved a Level 4 qualification and 55 Support Workers are enrolled in a Level 5 qualification.

The new Learning and Development Programme was introduced as part of the onboarding of Service Managers with the goal of growing Service Managers' confidence and increasing their leadership skills.

### **Diversification and sustainability – To succeed in the pursuit of new opportunities and be proactive in ensuring the sustainability of existing business**

The establishment of Choices New Zealand Limited responds to people's desire for more flexible services and opportunities to provide new services.

IHC and Accessible Properties own and manage more than 2,700 properties throughout New Zealand. Around 1,700 are available for social housing, with Accessible Properties retaining an expertise in housing for older people and those with disabilities.

### **Partnerships and collaboration – to be a valued partner across a range of initiatives**

We are thoughtful about the organisations we work with, ensuring that the partnerships are mutually beneficial and can deliver great outcomes for people.

The National Clinical Team has developed a relationship with Hospice New Zealand to work collaboratively with end-of-life care specialists to support people using our services to receive palliative care at home.

We are also often sought as a strategic influencer that serves on a number of boards and working groups.

### **Māori Responsiveness Strategy**

In December, 300 performers took the stage at the inaugural Te Anga Pāua o Āotearoa National Kapa Haka Festival at the Claudelands Arena in Hamilton.