



VISION

Our Consumers live
and are engaged in a
vibrant and enriching
community.



PURPOSE

To manage our Trustpower
shareholding and other assets for the
benefit of qualifying Consumers.



DISTRIBUTIONS & GRANTMAKING

To deliver greater
benefit to our
Consumers and our
Community



GOVERNANCE & OPERATIONS

To ensure effective
and efficient delivery
of our Vision and
Mission in accordance
with our Values.



FINANCE & INVESTMENT

To manage our investments
in a manner consistent
with our Trust Deed and
Values so that the funding
available to benefit
Consumers is maximised.

VALUES ∩ Fairness ∩ Respect ∩ Integrity ∩ Prudence

TRUST GOVERNANCE

TECT and its subsidiary TECT Charitable Trust operate under Deeds of Trust respectively dated 21 December 1993 and 27 March 2002. Provisions of the Electricity Amendment Act 2001 also impact upon Trust Governance.

TECT is governed by six Trustees who are elected by Consumers for 4-year terms. The terms of appointment of Trustees are staggered so that three Trustees retire every two years. The current Trustees are Bill Holland (Chair), Bruce Cronin (Deputy Chair), Ken Collings, Ron Scott, Paul Tustin and Pete Blackwell. Trustees are responsible for managing TECT's assets for the benefit of qualifying Consumers. Trustee conduct is governed by a Code of Practice which is published on TECT's website.



Trustees from left to right: Bruce Cronin, Paul Tustin, Ron Scott, Bill Holland, Ken Collings and Pete Blackwell

TRUST DIRECTORY

TRUSTEES

Bill Holland, Chairperson

Bruce Cronin, Deputy Chairperson

Pete Blackwell

Ken Collings

Ron Scott

Paul Tustin

GENERAL MANAGER

Wayne Werder

ACCOUNTANT

BDO, Tauranga

AUDITOR

KPMG, Tauranga

SOLICITOR

Sharp Tudhope, Tauranga

BANKERS

Westpac, ANZ Bank, ASB, BNZ

DATE OF COMMENCEMENT

TECT	21/12/1993
TECT Charitable Trust	27/03/2002
TECT Holdings Ltd	15/12/2006
TECT Finance Ltd	(wound up 2016)
TECT Property Ltd	21/06/2016

TRUST DEED AMENDMENTS

During the year, in order to better align with the TECT Trust Deed, Trustees approved amendments to the TECT Charitable Trust Deed relating to clause 4A with regard to the treatment of Income and Capital.

CHAIRPERSON'S REPORT

Dear Consumers

I am pleased to report on another productive year for TECT.

Having established our own fully staffed office in 2014, this is the second annual report under the new management approach. I am pleased to report that the new approach has been very successful and has allowed the organisation to continue to grow its activities in the Western Bay of Plenty community. In his report our General Manager, Wayne Werder, provides more details of the activities for the year, but I would like to highlight some of the key milestones.

Bill Holland



Diversified Investments

The sell down of a portion of Trustpower shares in 2015 provided the Trust with a level of diversification. After an extensive decision making process the proceeds from the sale have been reinvested into a Diversified Portfolio. Fidato Ltd, led by Ed Schuck have ably assisted the Trust with its investment strategy.

Trustpower

TECT's major investment remains a 26.8% shareholding in Trustpower. TECT once again received a healthy dividend equating to 42c per share. The operating environment that Trustpower competes in continues to be extremely competitive and the fall in Trustpower's share value across the year is evidence of this. At the time of writing Trustees continue to assess the proposal to demerge Trustpower's wind business.

Increased Consumer Cheques

An increase from the previous year was agreed taking the total allocation for distribution to \$30.9m. Trustees agreed to include additional payments for Consumers who also have their gas and internet services with Trustpower and this was received favourably by the majority of Consumers.

Improved Grant Making

It was pleasing once again to be able to support so many worthy organisations

and causes throughout the year.

Trustees approved 161 grants which is the most ever in TECT's history. I am continually amazed at the work that these community groups do in the community, and the many volunteer hours that are contributed. We are truly blessed to have these groups in our community helping make our region a great place to live, work and play.

Community Hub

The Community Hub project continued to evolve and the ability to work alongside the Historic Village has created some very exciting opportunities. We are absolutely convinced that the Hub will lead to even greater collaboration, and a more productive environment for the community organisations.

Significant Projects

The progress on the new university campus in Durham Street moved closer to reality. The funders, through the Tauranga Tertiary Campus Charitable Trust continued to work closely with the University of Waikato to ensure this facility will be of significant benefit to the wider Tauranga community.

Trustees

The biennial elections will take place this year and at the time of writing 11 candidates are standing for the three spots available. Once again this is an indication of the strong interest in TECT's

activities. Long serving trustees Bruce Cronin and Ken Collings both chose not to re-stand. Bruce and Ken have contributed to TECT's affairs over an extended period and we thank them for their input and wise counsel over a number of years.

I am very grateful to my co-Trustees for the amount of time they have spent in ensuring that all of these changes have been carried out in an orderly fashion. The TECT Board and staff are in excellent heart and ready to continue on this journey of improvement which has been so successful so far.

Bill Holland
Chairperson

GENERAL MANAGER'S REPORT

It is a pleasure to report on the conclusion of another financial year. The year ended March 2016 will be the second full year that the TECT office has been operational and I am pleased to report that the organisation is in good health.

A number of key decisions were made throughout the year that have significantly changed the way that TECT goes about its business. I am pleased to report that these changes have been implemented successfully and will ensure that TECT continues to add value to its Consumers and partners.

Wayne Werder



Governance & Management

The goal of any organisation like TECT should be to operate in the most efficient and effective manner possible. As a management team of only three we are proud that we have been able to operate in a manner that supports this goal. As such I would like to thank TECT's staff, Paula Hudson and Jeanette Voss, for their commitment throughout the year, particularly with the increased workload which has been embraced as an opportunity not an issue. We are also supported by a number of advisors who continue to provide the specialist support when required, and I would like to acknowledge their contribution across the year.

The Trustees are charged with providing the governance and policy direction for the organisation. TECT operates with only six Trustees and as such it requires the full contribution of all for the organisation to function effectively. I wish to thank the Trustees for their support, guidance and wisdom throughout the year. This year we see the retirement of two long serving Trustees, Bruce Cronin, and Ken Collings. I would personally like to thank both Ken and Bruce for the support during my first two years with TECT and wish them all the best for their future endeavours.

Finance & Investment

Key financial results for the year are as follows:

- Group profit was \$146.4m, compared to \$42.5m in 2014/2015. This is largely due to the gain on sale of the 20 million Trustpower shares sold during the year which have previously been recorded at fair value. On sale of the shares, the cumulative gain previously recognised was required to be reclassified to profit or loss. This has limited impact on the equity position.
- Group expenses (before tax) were \$1.5m compared to \$2.5m in the previous year.

- Group equity decreased by \$26.5m to \$764m, largely as a result of the decrease in the Trustpower share price from the previous year.

Trustpower

In December 2015 Trustpower made a market announcement signalling that it was considering separating into two New Zealand listed companies; Trustpower Core, a largely New Zealand based hydro-electricity generator and retailer, and NewCo, a company focused on operating and developing Australasian wind assets. As a result TECT has conducted in depth due diligence on the proposal with the assistance of specialist advisors. This due diligence continues at the time of writing. TECT consulted with its Consumers re the demerger and the changes to the Trust Deed that would be required, and the feedback that was received was overwhelmingly supportive.

In the year under review, TECT received dividends from Trustpower of \$35.2m or 42c per share. The share price of Trustpower decreased from \$7.95 per share in the previous year to \$7.66 per share at 31 March 2016, which contributed to the overall reduction in total group equity.

Diversified Portfolio

In May 2015, in the interests of diversifying its investment portfolio, TECT sold 20 million of its shares in Trustpower. The shares were sold at a price of \$7.74 per share, totalling gross proceeds of \$154,800,000. TECT's current shareholding is 26.8 per cent of shares in the Company which ensures TECT retains the same degree of influence in the Company. Following the sell down, TECT Trustees committed to reinvest the \$154M into a diversified portfolio, and engaged Fidato Ltd to assist with the process of confirming an investment strategy to allow funds to be invested within an agreed framework.

Distributions & Grantmaking

TECT's primary distribution scheme remains its annual cheque to Consumers. In 2015 TECT introduced a new calculation for the cheques which saw further benefits for those Consumers with gas and internet services with Trustpower. In 2015 \$30.9m was allocated to be distributed tax free directly to eligible Consumers. The minimum amount distributed was \$435. Trustees have resolved to further increase the minimum amount to be distributed in November this year, to \$440 per eligible Consumer.

In the reporting year TECT made grants to 161 organisations, the most ever in one financial year in the history of TECT. In total \$9.3m was allocated to Community Organisations. These organisations are the backbone of the not-for-profit sector and the breadth and depth of their contribution to the wider Western Bay of Plenty continues to amaze. I encourage you to read further into this report to gain an appreciation of the extraordinary breadth of TECT's support for our Community Organisations.

The foundation laid over many years has provided the platform by which TECT can continue to benefit its Consumers and Community Organisations. In the 22 years of TECT's existence, \$306m has now been paid directly to Consumers and \$93m has been paid to Community Organisations, a significant contribution indeed. Looking ahead, we will continue to work hard to ensure that our Consumers can live and be engaged in a vibrant and enriching community.

A handwritten signature in black ink, appearing to read 'Wayne Werder'.

Wayne Werder
General Manager

ICONIC PROJECTS FUND

About this fund: This fund is targeted to significant regional projects that deliver inter-generational benefit and wide impact.

 **TOTAL AMOUNT GRANTED \$3,034,000**

2 
ORGANISATIONS

1 FIRST-TIME APPLICANT



TECT
WAS
HERE

**St John Tauranga
Building Project
Charitable Trust
\$2,034,000**

St John Tauranga Building Renovation

"St John would like to express our sincere gratitude to TECT for supporting the redevelopment of our 17th Avenue site thus enabling the project to proceed. Thanks to TECT St John will have an operational central hub that is fit for purpose from which to deliver both the emergency ambulance service and our full range of community health related programmes".

Jeremy Gooders, District Operations Manager



TECT
WAS
HERE

**WBOPDC Omokoroa-
Bethlehem Cycleway
Bridge
\$1,000,000**

Iconic Bridge Over Wairoa River

"The grant for the iconic new bridge across the Wairoa River is another example of TECT working collaboratively with councils for the benefit of the community. Council consulted on cycleways through our Long Term Plan and received widespread public support for these initiatives, but we can't do it on our own. The walkways and cycleways that this bridge links will provide benefits for generations of Bay locals and visitors".

Ross Paterson, Western Bay of Plenty Mayor

COMMUNITY AMENITIES FUND

About this fund: Funding within this category is to contribute to Community Amenities within the TECT district. An amenity must be of significant benefit to the community with funding directed towards a permanent new amenity or a significant upgrade of an existing amenity.



**TOTAL AMOUNT
GRANTED
\$2,491,035**

33 

ORGANISATIONS

8 **FIRST-TIME
APPLICANTS**

**AVERAGE GRANT
\$75,500** 



SMALLEST GRANT

\$9,352

LARGEST GRANT

\$400,000



**TECT
WAS
HERE**

**Omokoroa
Community
Skate Group**

\$50,000

Western Ave Skate Path

"Thank you TECT, your funding enabled us to build a Skate Path suitable for all ages and abilities, for skate board and scooter enthusiasts alike".

**Erin Cartwright, Chairperson,
Omokoroa Community Skate
Group**



**TECT
WAS
HERE**

**Kopurererua
Valley Rotary
Centennial Trust**

\$175,000

**Kopurererua Valley Bridges and
Trail Signage**

"Thank you TECT, your funding will enable us to bridge the northern and southern sides of Kopurererua Valley and erect great trail signage".

**Mark Dean, Chairperson,
Kopurererua Valley Rotary
Centennial Trust**



**TECT
WAS
HERE**

**Mount
Maunganui
Lifeguard Service**

\$400,000

Building Renovations

"Thank you TECT, your funding will ensure our community has a safe, modern, multi-use facility and enable us to continue to provide our volunteer lifeguarding and emergency response services to the community over the next 30 – 40 years".

**Glenn Bradley, General Manager,
Mount Maunganui Lifeguard Service**

COMMUNITY DEVELOPMENT FUND

About this fund: TECT's Community Development Fund is targeted to supporting the work of community organisations as well as community projects and programmes that have a positive impact on the Western Bay of Plenty and Tauranga communities.


**TOTAL AMOUNT
GRANTED
\$3,141,325**

98 
ORGANISATIONS

23 **FIRST-TIME
APPLICANTS**

**AVERAGE GRANT
\$32,054** 

**SMALLEST GRANT
\$1,000
LARGEST GRANT
\$450,000**



**TECT
WAS
HERE**

**Aongatete
Forest
Restoration
\$12,061**

Pest Control & Conservation Education

"The trees, the birds, the children and the volunteers want to thank TECT for helping fund our pest eradication project. Health is now returning to Aongatete forest and we can bring back lost species like weka".

Basil Graeme, Trustee, Aongatete Forest Restoration Trust



**TECT
WAS
HERE**

**Philips
Search and
Rescue
\$450,000 (3 YEARS)**

Trustpower TECT Rescue Helicopter

"TECT have been joint naming rights sponsor of the Trustpower TECT Rescue Helicopter for 13 years. Without their support it is possible our community would not have a rescue helicopter, an unimaginable thought. Thank you TECT for your belief in what we do".

Liam Brett Kelly, Pilot, Trustpower TECT Rescue Helicopter



**TECT
WAS
HERE**

**Katikati
Twilight
Concerts
\$40,000**

Stage at Haiku Reserve

"The Katikati Twilight Concert Committee would like to send a big thank you to TECT for their help in funding our new outdoor stage on the Haiku Reserve. The Katikati Community now has an asset to be proud of, so thank you".

Diana More, Katikati Twilight Concerts Committee

COMMUNITY EVENTS FUND

About this fund: TECT's Community Events Fund supports groups that show local initiative and where the Grant will benefit a significant part of our community providing a Community Event.


TOTAL AMOUNT
GRANTED
\$598,813

28 
ORGANISATIONS

10 FIRST-TIME
APPLICANTS

AVERAGE GRANT
\$21,386 


SMALLEST GRANT
\$2,000
LARGEST GRANT
\$100,000



**TECT
WAS
HERE**

**NZ Country
Music Star
Awards**
\$4,000

2015 Star Awards

"Thank you TECT, your funding enabled Country Music singers from across NZ to come to Tauranga and compete in our prestigious annual Awards".

**Sharon McEnteer, Treasurer, NZ
Country Music Star Awards**



**TECT
WAS
HERE**

**AIMS
Games Trust**
\$100,000

2015 AIMS Games International Sporting Championship

"Thank you TECT, your generous support has been a key factor in the growth of our event to 8,000+ athletes in 2015. This has supported our amazing vision to realise the dream of creating memories for generations of young athletes and to create a lifelong love of sport".

**Vicki Semple, Tournament
Director, AIMS Games Trust**



**TECT
WAS
HERE**

**Tarnished
Frocks & Divas**
\$30,000

A Tangled Thread

"Thank you TECT, your funding has enabled an aspiring group of local fashion students and women over the age of 40 to bring our show, 'A Tangled Thread' to the Tauranga region. Financial support from TECT is valued by our organisation, and helps us to deliver a high quality event".

**Kerry Lee, Trustee, Tarnished Frocks
& Divas Charitable Trust**

TOTAL FUNDING ALLOCATED 2015/16

COMMUNITY DEVELOPMENT

ORGANISATION	PROJECT	APPROVED
Alzheimer's Society	Education, Support & Advocacy Service	\$30,000
Amputee Society	Support & Advocacy for Amputees	\$1,600
Aongatete Forest Restoration Trust	Pest Eradication Programme	\$12,061
Aquinas College	IT/AV Equip, Gazebo's, Shade Sails	\$65,476
Arataki Kindergarten	Technology Purchases	\$4,160
Autism New Zealand	Information, Support & Advocacy Service	\$8,000
BOP Clay Target Association	Storage Shed	\$28,931
BOP Rugby Union	Junior Rugby Development	\$33,000
BOP Sailing Academy Trust	Boat Purchases	\$24,005
Beachaven Family Services	Social Support, Information & Advice	\$20,000
Beyond Imagination Trust	Computers, AV Equipment, Air Conditioning	\$25,907
BOP Badminton Association	Vehicle Purchase	\$10,000
BOP Multiple Sclerosis Society	Information & Support Services	\$29,000
Brookfield Primary School	iPads	\$10,000
Child Cancer Foundation	Support & Advisory Services	\$30,000
Cool Bananas Youthwork Trust	IT/AV Equipment	\$10,000
Decision Reach Out (Toro Mai) Trust	Youth Leadership Programme	\$10,000
ERST	Paper4trees Programme	\$32,550
Energy Options Charitable Company Ltd	Healthy Homes Insulation Programme	\$300,000
Epilepsy Association of New Zealand	Information & Support Services	\$5,000
Families Achieving Balance Charitable Trust	Family Support Services	\$20,000
Gate Pa Anglican Church	Equipment Purchases	\$5,300
Gate Pa School	Computers and IT Equipment	\$19,970
Greerton Bible Church	Equipment Purchases	\$3,703
Greerton Kindergarten	ICT / Electrical Appliances	\$4,165
Grief Support Services	Counselling Services	\$25,000
Homes of Hope Charitable Trust	Support for Foster Children	\$330,000
House of Science	Connect & Resource the Science Community	\$25,000
Kaimai Outdoor Centre	Outdoor Education Centre	\$12,000
Kaimai School	ICT Purchases	\$9,500
Kaka Street Special School	Interactive Teaching Aids	\$47,625
Katikati Community Baptist Church	Lighting & Microphone purchases	\$7,908
Katikati Community Patrol	Voluntary Patrols	\$1,150
Katikati Community Resource Centre	Information, Support & Advisory Service	\$36,000
Katikati Kindergarten	Flooring Upgrade	\$3,747
Katikati Maori Wardens	Supporting Youth, Community Safety & Welfare	\$17,920
Kidz Need Dadz Charitable Trust	Education & Support for Dads	\$15,000
Life Education Trust (WBOP)	Child Health Programme	\$35,000
Maketu Educare	Technology Purchases	\$3,300
Matua School	ICT / Electrical Appliances	\$9,000
Maungatapu School	IT Equipment	\$23,000
Mount Maunganui Community Patrol	Voluntary Patrols	\$1,160
Mount Maunganui Mainstreet Inc	Street Christmas Decorations	\$6,000
Mural Town Twilight Concerts	Stage at Haiku Reserve	\$40,000
NZ Red Cross - Tauranga	Establish Disaster Welfare Support Team	\$34,000
Omokoroa Bowling Club	Glass Cleaner	\$1,476
Orienteering Bay of Plenty	Mapping of McLaren's Falls & Mount Maunganui	\$2,500
Oropi School	IT Purchases	\$7,385
Otumoetai Baptist Church	Sound System	\$10,000
Otumoetai College	IT/AV Purchases	\$75,000
Otumoetai Football Club	Floodlighting	\$10,000
Otumoetai Intermediate School	ICT Equipment	\$72,613
P.E.T Charitable Trust	Emergency Care Kits	\$6,000
Paengaroa School	IT Equipment	\$24,800
Papamoa College	ICT Infrastructure	\$26,000
Papamoa Community Support Centre	Social Services, Budgeting, Education	\$25,000
Papamoa Playcentre	Equipment Purchases	\$6,310
Papamoa Primary School	IT Equipment	\$37,324
Papamoa Swimming Club	Swimming Lessons & Squad Development	\$22,080
Papamoa Toy Library	Providing Educational Toys	\$6,000
Parafed Bay of Plenty	Developing Adaptive Sports	\$15,000
Philips Search & Rescue	Trustpower TECT Rescue Helicopter	\$450,000
Pirirakau Hauora Charitable Trust	Equipment Purchases	\$4,706
Pregnancy Choice	Counselling, Support & Information	\$23,500
Shakti Ethnic Womens Support	Womens Development, Empowerment & Support	\$40,000
Social Sector Innovation Trust	Support Social Sector Organisations	\$85,000
Sport Bay of Plenty	GO4it Fundamental Skills Programme	\$100,000
Squash Bay of Plenty	Vehicle Purchase	\$10,000
St Joseph's Catholic Church	AV Equipment	\$5,500
St Peters Anglican Church Katikati	Storage Extension & Microphones	\$10,460
St Peters Presbyterian Church	Equipment Purchases	\$10,000
St Thomas More Parish	IT/AV Equipment	\$4,243
Stepping Stone Ministries Trust	Vehicle Purchase	\$10,000
Stroke Foundation of NZ	Vehicle Purchase	\$7,000
Tauranga & District Group Riding for the Disabled	Equine Therapy Programmes	\$50,000
Tauranga (BOP) Hearing Assn	Hearing Loss Advice & Support	\$16,938
Tauranga Bowling Club	Equipment Purchases	\$6,270
Tauranga Boys College	IT and Machinery Purchases	\$71,847
Tauranga Civic Choir	Portable Teired Stage Seating	\$15,000
Tauranga Environment Centre	Environmental Advice, Information & Events	\$23,982
Tauranga Intermediate School	IT / AV Equipment	\$100,000
Tauranga Methodist Church	Equipment Purchases	\$1,000
Tauranga Moana Nightshelter Trust	Accommodation & Support to Homeless	\$20,000
Tauranga Squash Rackets Club	Technology Purchases	\$13,947
Tauranga Waldorf School	Sound System	\$8,719
Te Kura o Te Moutere o Matakana	Classroom Air Conditioning	\$7,392
Te Puke Baptist	CAP Budgeting Programme	\$5,500
Te Puke Intermediate School	iPads	\$3,430
Te Puke Kindergarten	Computers and Camera	\$2,384
Te Puke Primary School	iPads	\$13,330
Te Puna Hauora ki Uta Tai	Electrical Items	\$4,865
Te Tuinga Whanau Support Services Trust (CC25057)	Support, Advocacy & Mentoring for Youth	\$30,000
Turning Point Trust	Mental Health & Addiction Support	\$26,186
Vincent House Charitable Trust	Machinery & Vehicle Purchase	\$42,500
Volunteer Western BOP	Support, Promote & Enable Volunteering	\$23,000
Water Safety NZ	Swim for Life Programme	\$100,000
WBOP Neighbourhood Support	Develop Neighbourhood Connections & Support	\$2,000
Welcome Bay Community Centre	Information, Support & Advisory Service	\$20,000
TOTAL		\$3,141,325



TOTAL APPROVED GRANTS

FOR THE YEAR END
31 MARCH 2016

\$9,265,173



TOTAL FUNDING ALLOCATED 2015/16

ICONIC PROJECTS

ORGANISATION	PROJECT	APPROVED
St John Tauranga Building Project Charitable Trust	St John Tauranga Building Renovation	\$2,034,000
Western Bay District Council	Omokoroa to Tauranga Cycleway Bridge	\$1,000,000
	TOTAL	\$3,034,000

COMMUNITY AMENITIES

ORGANISATION	PROJECT	APPROVED
Bay Venues Ltd	Baypark - Improvements for Events	\$110,000
Blue Rovers Junior Football Club	Purchase Pemberton Park Clubhouse	\$89,573
Bowls Tauranga South	Kitchen Renovation	\$35,000
Eastern Districts Rugby & Sports Club	Kitchen Renovation	\$66,312
Habitat for Humanity	Electrical Items for Houses	\$64,318
Homewood Park Tennis Club	Tennis Court Resurfacing	\$52,000
Katikati Memorial Hall Committee	Hall Window Replacement	\$19,320
Katikati Rugby & Sports Club	Field Lighting	\$45,000
Kelston Deaf Education Centre	Tauranga Sensory Centre	\$70,255
Kids Campus Tauranga Public Childcare Society	Building Extension	\$50,000
Kopurerua Valley Rotary Centennial Trust	Bridges and Trail Signage	\$175,000
Maketu Ongatoto Wetland Society	Storage Shed Construction	\$30,000
Maungatapu Kindergarten	Building Renovation	\$11,460
Merivale Whanau Aroha	Playground Redevelopment	\$12,245
Mount Maunganui Lifeguard Service	Building Renovation	\$400,000
Nga Kakano Foundation	Fitout Health Services Building	\$86,000
Ngamuwahine Camp Trust	Sewer System Upgrade & Equipment	\$60,000
NZ Deerstalkers Association	Administration Building	\$75,000
Omanu Golf Club	Kitchen Renovation	\$50,000
Omokoroa Community Skate Group	Skate Path	\$50,000
Otumoetai Tennis Club	Clubhouse Renovation	\$100,000
Pirihima Whanau Trust	Iwi Housing	\$118,884
Royal NZ Plunket Society (BOP Area)	Te Puke Plunket Building	\$200,000
Sisters of St Joseph of Cluny	Office Renovation	\$12,945
Tauranga BOP Petanque Association	Site Development	\$26,250
Tauranga Community Housing Trust	Community Housing Project	\$250,000
Tauranga Rowing Club	Clubroom Renovation	\$30,000
Tauranga Sports Club	Kitchen and Changing Room Renovation	\$27,239
Te Matai School	Playground	\$19,882
Te Matapihi Kohanga Reo	Building Renovation	\$25,000
Te Puna Community Kindergarten	Enclose Deck Area	\$9,352
Te Rereatukahia Marae	Wharekai Renovation	\$70,000
The Orchard Community Trust	Building Renovation	\$50,000
	TOTAL	\$2,491,035

COMMUNITY EVENTS

ORGANISATION	PROJECT	APPROVED
AIMS Games Trust	AIMS Games Sporting Championship	\$100,000
BOP Classic Aircraft Trust	WW100 Exhibition	\$59,000
BOP Classic Aircraft Trust	Tauranga City Airshows	\$60,000
BOP Symphonia	2015 Concerts	\$5,500
Disabled Persons Assembly	Disability Employment Summit	\$3,000
Gate Pa School	Pasifika Festival	\$4,535
Harvestpoint Christian Outreach Centre	Te Puke Christmas in the Park	\$7,500
Journey Restorative Trust	Greerton Family Fair	\$2,500
Mainstreet Tauranga	Tauranga Santa Parade	\$5,000
Mainstreet Tauranga	Opera in the Park	\$30,000
Mount Festival Charitable Trust	Mount Festival of Multisport	\$35,000
NZ Country Music Star Awards	2015 Star Awards	\$4,000
NZ Hockey Federation	International Black Sticks Series	\$15,000
Scholars Pro Musica Inc	Concert Series	\$5,000
Steiger New Zealand	No Longer Music Concert	\$3,000
Tarnished Frocks & Divas	A Tangled Thread	\$30,000
Tauranga A&P Association	Tauranga A&P Lifestyle Show	\$20,000
Tauranga City Basketball Assn	Tall Ferns Test & Miniball Tournament	\$45,000
Tauranga Filipino Society	Annual Filipino Festival	\$10,000
Tauranga Indoor Bowls Assn	National Indoor Bowls Tournament	\$10,000
Tauranga Jazz Society Inc	National Jazz Festival	\$80,000
Tauranga Moana Maori Squash Trust	Nga Hau E Wha National Squash Champs	\$5,000
Tauranga Performing Arts Competition	Performing Arts Festival	\$10,000
Te Aranui Youth Trust	Safe Driver Expo	\$31,550
Te Manu Toroa Trust	Well Child Day	\$5,728
Te Puke A&P Show	Te Puke A&P Show	\$2,000
Triathlon Tauranga	Generation Homes Womens' Triathlon	\$3,000
Volleyball NZ	National Club Champs	\$7,500
	TOTAL	\$598,813

The table above includes all community organisation funding approved by Trustees during the year. Some grants may lapse because grant conditions are not met or because funding is no longer required by the organisation. Because of this, the total funding approved may differ from the amount shown as approved in the Financial Report. Total Distributions Approved in the Financial Report also includes direct Consumer distributions.



TOTAL ALLOCATED FOR DISTRIBUTION (over the history of TECT since 1993)

Direct Distributions.....	\$306.8m
Grant Distributions.....	\$93.1m
TOTAL	\$399.4m



CONSUMER CHEQUE DISTRIBUTION

TECT's primary distribution scheme is to Consumers by way of cheques. The cheque distribution is of significant benefit to Consumers and provides a huge cash injection into the local economy. To be eligible for the TECT cheque, you must be a Trustpower customer in TECT's District and have an active Trustpower power account continuously from 1 April to 30 September.



In November 2015, TECT distributed \$30,900,000 to eligible Consumers. Each Consumer received a fixed amount of \$435 plus a small variable amount based on their total spend with Trustpower over the six month qualifying period. 2015 saw the introduction of bonus payments for Consumers who also have internet and gas accounts with Trustpower.

The 2016 distribution will see eligible Consumers receive a fixed amount of \$440, plus a variable amount based on their total spend for the qualifying period. Further payments for Consumers with internet and gas account remain the same as 2015, and cheques will be mailed out in November.



**IN 2015, THE AVERAGE
CHEQUE AMOUNT WAS
\$553.**



CONSUMER CARD DISCOUNTS

TECT Cards allow Consumers discounts on normal entry prices to a range of facilities and events funded via TECT's Community Grants Programme. The TECT Card must be presented to be eligible for discounts. Discounts are offered throughout the year and details are on the TECT website.



20% OFF

Normal entry price to Baywave TECT Aquatic & Leisure Centre

EARLY BIRD DISCOUNTS

For Garden Trail as part of the BOP Garden & Arts Festival in November 2016

50% OFF

Tickets to the Tall Blacks pre-season game in September 2016

CONCESSION TICKET

One free ride when purchasing a concession card for the Miniature Railway at Memorial Park

\$5 OFF

Pre-purchased tickets for Scholar's Pro Musica's concert "The Creation" by Joseph Haydn in August 2016

20% OFF

Casual court hire at Devoy Squash & Fitness Centre



Haven't got a TECT Card? Visit www.tect.org.nz for criteria and to apply.

TECT GROUP SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS 2015/16

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	TECT GROUP	
	2016	2015
	\$	\$
Investment Income		
Dividend Income	35,229,112	41,551,535
Net Change in Fair Value of Derivative designated at Fair Value through Profit & Loss	189,466	-
Distributions Received	131,642	-
Interest Income	2,721,460	985,342
Management Fees	5,400	-
Effective Interest Adjustment of Interest Free Loans	-	13,591
Net Gain on disposal of Trustpower shares reclassified from Equity	109,279,971	-
Miscellaneous Operating Income	2,169	1,183
TOTAL INCOME	147,559,220	42,551,651
Administration Expenses		
Accounting & Financial Consultancy	100,645	84,545
Legal and Advisory Fees	151,320	42,976
Trustee Expenses	202,188	169,003
Other Administration Expenses	547,969	656,544
Finance Expenses		
Finance Expenses	420,033	1,533,291
Depreciation Expense	33,506	28,264
TOTAL EXPENSES	1,455,661	2,514,623
PROFIT BEFORE TAXATION	146,103,559	40,037,028
Tax Expense	(260,965)	1,536,002
PROFIT AFTER TAXATION	146,364,524	38,501,026
Plus Other Comprehensive Income		
Valuation Gain/(Loss) on Investments	(14,324,638)	151,663,103
Net Fair Value Gain on disposal of Trustpower Shares transferred to profit and loss	(109,279,971)	-
Deferred Tax on Sale of Trustpower Shares	2,346,181	-
Deferred Tax on Fair Value Movements - Trustpower Shares	(12,000,408)	(9,681,640)
Total Other Comprehensive Income	(133,258,836)	141,981,463
TOTAL COMPREHENSIVE INCOME	13,105,688	180,482,489

STATEMENT OF CHANGES IN TRUST EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	TECT GROUP	
	2016	2015
	\$	\$
Accumulated Final Profits		
Balance at Beginning of Year	107,552,128	106,517,770
Profit After Taxation	146,364,524	38,501,026
Consumer Distributions/Grants Written Back	124,706	591,172
Transfers to Reserves for Distributions	(40,584,000)	(38,057,840)
Balance at end of year	213,457,358	107,552,128
Fair Value Reserves		
Balance at Beginning of Year	682,953,557	540,972,094
Current Year Revaluation - Trustpower Shares	(16,668,151)	151,663,103
Net Fair Value Gain on disposal of Trustpower Shares		
Transferred to Profit and Loss	(109,279,971)	-
Current Year Revaluation - Investment Portfolios	2,343,512	-
Deferred Tax on Sale of Trustpower Shares	2,346,181	-
Deferred Tax on Fair Value Movements - Trustpower Shares	(12,000,408)	(9,681,640)
Balance at end of year	549,694,720	682,953,557
Reserves for Distributions		
Balance at Beginning of Year	96,704	11,687,752
Allocated - Annual Distribution Plan	40,584,000	38,057,840
Net Transfers to Provisions & Payments	(39,779,622)	(49,648,888)
Balance at end of year	901,082	96,704
TRUST EQUITY AT END OF THE YEAR	764,053,160	790,602,389

These statements are to be read in conjunction with the notes to the financial report.

FULL CONSOLIDATED FINANCIAL STATEMENTS AVAILABLE

The Summarised Consolidated Financial Statements on this page have been extracted from the full audited Consolidated Financial Statements of the Trust for the year ended 31 March 2016. If you require more detailed information, copies of the full Consolidated Financial Statements and the unmodified auditor's opinion dated 01 July 2016 can be obtained from: The General Manager, Tauranga Energy Consumer Trust, PO Box 356, Tauranga 3140.

TECT GROUP SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS 2015/16

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	TECT GROUP	
	2016	2015
	\$	\$
TOTAL TRUST EQUITY (INCLUDING RESERVES)	764,053,160	790,602,389
Represented by:		
Current Assets		
Cash & Cash Equivalents	1,503,891	1,289,201
Short Term Deposits	-	2,546,642
Sundry Accounts Receivable & Prepayments	87,376	27,902
Interest Rate Swaps - Westpac/ANZ Bank	337,743	148,276
Taxation Refund Due	416,939	416,938
Total Current Assets	2,345,949	4,428,959
Non Current Assets		
Investments		
Shares in Trustpower Ltd	642,511,899	825,836,762
Loans to Consumer Organisations	838,333	192,896
Investment Portfolios	143,242,517	-
Investment Property - Work in Progress	212,992	-
Total Investments	786,805,741	826,029,658
Non Current Assets		
Property, Plant & Equipment	65,651	64,950
TOTAL ASSETS	789,217,341	830,523,567
Less Current Liabilities		
Sundry Accounts Payable	182,692	74,846
Payments in Advance	23,695	-
Accrued Expenses	11,872	31,019
Loans	-	12,000,000
Provision for Distributions	15,555,004	15,164,277
Total Current Liabilities	15,773,263	27,270,142
Non Current Liabilities		
Deferred Taxation	9,390,918	12,651,036
Total Non Current Liabilities	9,390,918	12,651,036
TOTAL LIABILITIES	25,164,181	39,921,178
NET ASSETS	764,053,160	790,602,389

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	TECT GROUP	
	2016	2015
	\$	\$
NET CASH FLOWS FROM OPERATING ACTIVITIES	36,700,095	38,459,749
NET CASH FLOWS FROM INVESTING ACTIVITIES	14,778,706	14,931,570
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(51,264,111)	(54,775,521)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	214,690	(1,384,202)
Add Opening Cash & Cash Equivalents	1,289,201	2,673,403
CLOSING CASH & CASH EQUIVALENTS	1,503,891	1,289,201
Represented by:		
Cash & Cash Equivalents	1,503,891	1,289,201
	1,503,891	1,289,201

Trustee



Trustee



Date: 01/07/2016

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. REPORTING ENTITY

These are the Summarised Financial Statements for the TECT Group comprising Tauranga Energy Consumer Trust ("TECT"), TECT Charitable Trust, TECT Holdings Limited and TECT Property Limited.

The Tauranga Energy Consumer Trust was established under a Trust Deed on 21 December 1993 as a consequence of the Tauranga Electric Power Board's Establishment Plan. TECT is a Consumer Trust, the income and capital of which are to be used to provide benefits to Consumers who are Trustpower customers in the area defined in the Trust Deed (being the area supplied by the Tauranga Electric Power Board as at 21 December 1993 subsequently amended to include the Tauranga district area previously supplied by Tauranga Electricity Limited).

TECT is not a Charitable Trust and accordingly may not continue for more than 80 years. On the winding up of the Trust the assets of the Trust, which remain, will be distributed for the benefit of Consumers.

At 31 March 2016 TECT Group held 83,878,838 shares, representing 26.8% in the capital of Trustpower Limited. On 22 April 2015 TECT Group sold 20 million shares, reducing its shareholding from 103,878,838 to 83,878,838 shares or 26.8% in the capital of Trustpower Limited.

2. BASIS OF PREPARATION

The summary financial statements are prepared in accordance with FRS 43 Summary Financial Statements. The full financial statements have been prepared in accordance with New Zealand

Generally Accepted Accounting Practice (NZ GAAP), as applicable for profit-oriented entities. The Trust has made an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) in its full financial statements.

This summary is extracted from the full financial statements authorised for issue by the Trustees on 1 July 2016, for which an unmodified audit opinion has been given. This summary has also been examined by KPMG and a copy of their summary unmodified audit opinion is included in this report.

The summary financial statements are presented in New Zealand dollars and rounded to the nearest dollar.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of the Trust. You can obtain a copy of the full financial statements free of charge from the TECT office at 525 Cameron Road, Tauranga 3141 or the Trust's website, www.tect.org.nz.

3. TAXATION

The tax benefit of \$260,965 relates to current group tax charges of \$9,524,899 less Total Dividend Imputation Tax Credits of \$9,785,864.

4. DEFERRED TAX

Deferred Tax shown in the Statement of Financial Position arises primarily from revaluation of financial instruments to fair value. The deferred tax liability arising in relation to the fair value movements in Trustpower shares includes allowance for imputation

credits likely to be attached to future dividends. The level of imputation credits attached to dividends may vary significantly from year to year. Accordingly the deferred tax calculation has been based on an average of the credits received during the last four years. The estimated level of imputation credits is reviewed at each reporting date.

5. IMPUTATION CREDITS

As TECT is not a company it does not have an Imputation Credit account. TECT Holdings Limited is registered as an Imputation Group. As at 31 March 2016 the Group had imputation credits available of \$62,765,569 (2015: \$52,931,787).

6. TRUSTPOWER INVESTMENT

TECT Group has the majority of its funds invested in Trustpower shares. The share price is subject to significant fluctuations; in the two months immediately following balance date the price varied between a low of \$7.65 and a high of \$8.00 compared to a market price of \$7.66 at balance date.

7. COMMITMENTS AND CONTINGENCIES

There were no commitments or contingencies at the end of the financial year (2015: Nil).

8. RELATED PARTY TRANSACTIONS

Mr Bill Holland is a Trustee of TECT and TECT Charitable Trust and is a Director on the Board of each of the TECT Group's subsidiary companies.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

Mr Holland is also a Partner in the law firm Holland Beckett. TECT has entered into an agreement to lease premises with Spoke Investments Limited from Holland Beckett at an annual cost of \$48,000 (excluding GST).

Mr Paul Tustin is a Trustee of TECT and TECT Charitable Trust and is a Director on the Board of each of the TECT Group's subsidiary companies. Mr Tustin is also a Partner in the law firm Cooney Lees Morgan. During the year TECT has engaged the firm to complete work of a minor nature.

Trustees are required to be Consumers as defined in TECT's Trust Deed and are therefore beneficiaries of TECT and accordingly are related parties. All transactions with related parties are undertaken in the normal course of business on normal commercial terms.

9. INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS



To the beneficiaries of Tauranga Energy Consumer Trust

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 March 2016 and the summary consolidated statements of comprehensive income, changes in trust equity and cash flows for the year then ended and notes, are derived from the audited consolidated financial statements of Tauranga Energy

Consumer Trust and its subsidiaries ("the group") for the year ended 31 March 2016. We expressed an unmodified audit opinion on those financial statements in our audit report dated 1 July 2016. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our audit report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the group.

This report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the trust's beneficiaries those matters we are required to state to them in the 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 trust's beneficiaries as a body, for our audit work, this report or any of the opinions we have formed.

Trustees' responsibility for the consolidated financial statements

The trustees are responsible for the preparation of a summary of the audited consolidated financial statements, in accordance with FRS-43 Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our

procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 Engagements to Report on Summary Financial Statements.

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

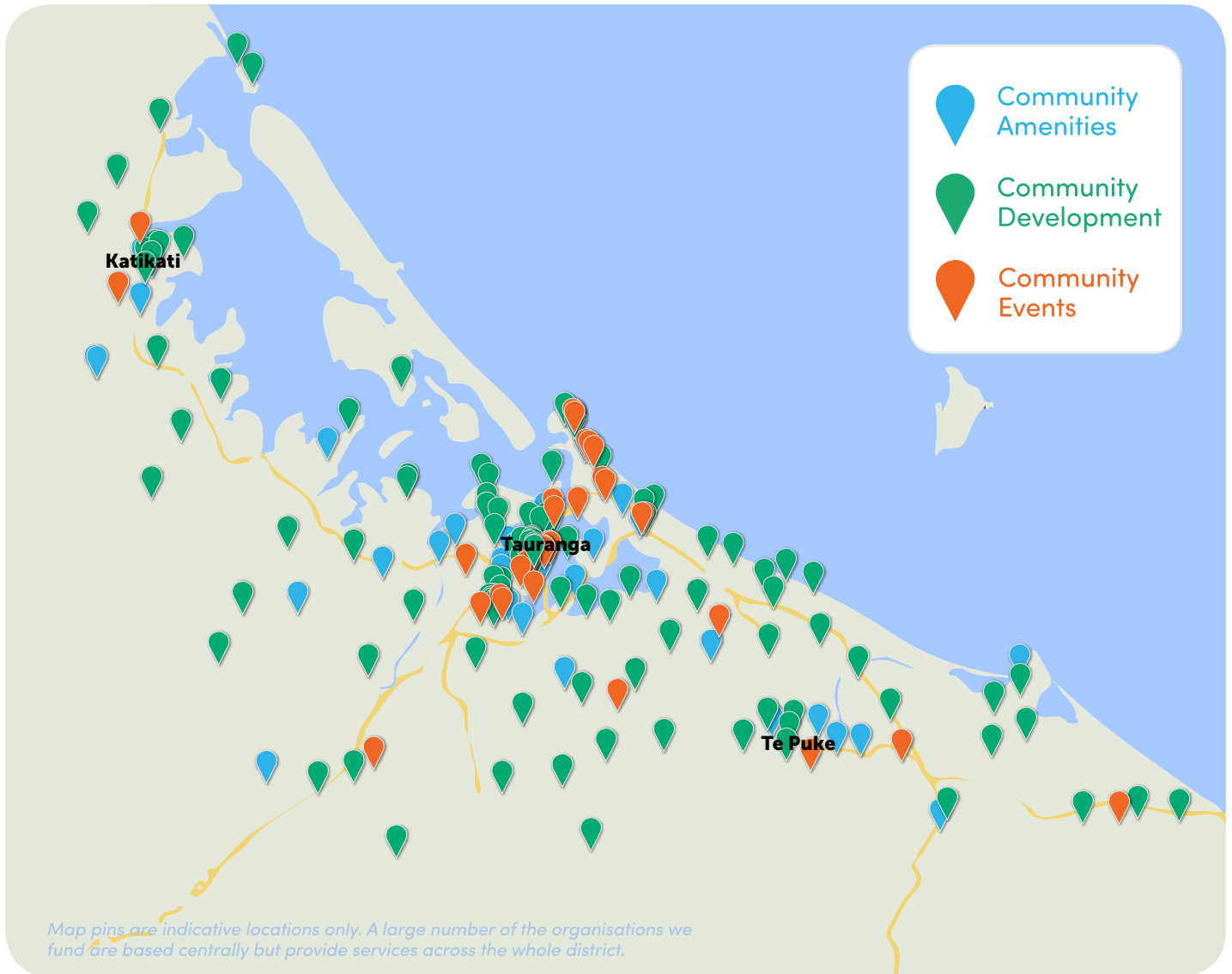
Opinion

In our opinion, the summary consolidated financial statements, derived from the audited consolidated financial statements of Tauranga Energy Consumer Trust and its subsidiaries ("the group") for the year ended 31 March 2016, are a fair summary of those financial statements, in accordance with FRS-43 Summary Financial Statements.

A stylized, handwritten signature of the KPMG firm, written in black ink.

1 July 2016
Tauranga

TECT - HERE, THERE AND EVERYWHERE...



JOIN US AT OUR AGM

5pm, Thursday 28th July, Mount Club,
Kawaka Street, Mount Maunganui



The HUB, 525 Cameron Road | PO Box 356, Tauranga, 3140
Phone: 07 578 5094 Fax: 07 578 9050 Email: info@tect.org.nz

www.tect.org.nz