



Annual Report 2020/21

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An aerial photograph of a coastal city at sunset. The sun is low on the horizon, casting a warm glow over the city and the ocean. In the foreground, a group of people are sitting on a rocky cliff, looking out over the city. The city features a mix of residential and commercial buildings, including several high-rise apartments. A large cruise ship is docked in the harbor. The ocean is visible on the left, with waves breaking on the beach. The sky is filled with soft, golden light. Blue curved graphic elements are overlaid on the image.

**OVER 3400
GRANTS MADE
SINCE 1993**

Trust Governance

TECT and 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 beneficiaries for four-year terms. The terms of appointment of trustees are staggered so that three trustees retire every two years. The current trustees are Bill Holland (Chairperson), Natalie Bridges (Deputy Chairperson), Mark Arundel, Peter Farmer, Peter Blackwell and Tina Jennen. Trustees are responsible for managing TECT's assets for the benefit of qualifying beneficiaries.

Trustees: Peter Farmer, Mark Arundel, Tina Jennen, Bill Holland, Natalie Bridges, Peter Blackwell



Directory as at 31 March 2021

Trustees

B Holland, Chairperson
N Bridges, Deputy Chairperson
M Arundel
P Farmer
P Blackwell
T Jennen

Auditor

Crowe NZ Audit
Partnership

Solicitor

Sharp Tudhope
Tauranga

General Manager

Wayne Werder

Accountant

KPMG
Tauranga

Date of Commencement

TECT	21 December 1993
TECT Charitable Trust	27 March 2002
TECT Holdings Ltd	15 December 2006
TECT Property Ltd	22 March 2016

Trust Deed Amendments

There were no changes to the Trust Deeds of the Tauranga Energy Consumer Trust or the TECT Charitable Trust between 1 April 2020 and 31 March 2021. The Trust Deeds are available to view on the trust's website under Trust Reports and Documents.

Chairperson and General Manager's Report



Chairperson and General Manager's Report

The 12 months under review have provided much to think about for the trustees and the Trust as a whole. The global pandemic has been unprecedented in terms of its impact on health, wellbeing, and the economy, and has forced a rethink of how we all go about our business.



Bill Holland
Chairperson

As the nation got on top of the pandemic, any hope for business as usual to be restored at TECT was once again disturbed in January 2021, when Trustpower announced a strategic review of its retail business. This review was aimed at testing market interest in the sale of Trustpower's mass market retail business. A sale of Trustpower's Retail Business to a third party meant that, under the TECT Trust Deed, TECT's beneficiaries would no longer be the current local retail customers, and instead, the beneficiaries after a sale would be only a small number of larger commercial and industrial electricity users in the Tauranga and Western Bay of Plenty region who would remain customers of the Trustpower generation business if the retail business was sold. Clearly the trustees had to act and later in this report we provide a summary of the activity that occurred.

Response to Covid-19

The Trust responded to the issues of Covid-19 in several ways. The office was able to implement business continuity plans which ensured TECT was able to operate throughout the entire 12 months including the lockdown period. In an effort to support the Trust's beneficiaries, the trustees made a decision to make an earlier payment of the mid-year rebate which was well received. Likewise, the Trust worked at speed to establish a collaborative funding approach with the BayTrust, Acorn Foundation and Tauranga City Council to ensure funds were available to meet the immediate and mid-term needs from Covid. The Covid-19 Rapid Response and Recovery funds were a great example of a community pulling together and working together.

Sale of Trustpower Retail

Trustpower announced on 28 January 2021, that it was undertaking a strategic review of its retail business, that included a potential sale. As a result, trustees released a proposal that outlined the changes to TECT's structure needed to meet the purpose of the Trust Deed, and to ensure that the best interests of the Trust and its beneficiaries were protected. The proposal protected the rebate for existing TECT beneficiaries for approximately 30 years. After a comprehensive consultation process, where 791 written submissions were received, trustees adopted a final proposal for changes to the Trust.

Approximately two-thirds of submissions received were supportive of the changes in the proposal and its focus on protecting the rebate, which is very encouraging and has given us the confidence to proceed to the next stage in the process.

As a result of these deliberations, trustees were satisfied that the proposal that was consulted on was the best solution to take forward. On 14 May 2021, the trustees filed an application in the High Court seeking orders under the Trusts Act 2019 that it is lawful and proper for the trustees to implement the proposed changes to TECT. The court hearing for that application will take place later in the year.

A subsequent announcement was made by Trustpower on 21 June 2021 that it had agreed a conditional sale of its gas, telecommunications, and retail electricity supply business to Mercury NZ Limited for \$441 million.

The confirmation of the conditional sale of Trustpower's retail business reaffirms how crucial it was for us to act when we did to ensure that the rebate was protected for our existing beneficiaries under a change of ownership.

Trustees will now need to carefully consider the specific detail of the conditional sale, prior to shareholder approval in September. We note that the majority shareholder Infratil has advised it intends to vote in favour of the sale.

Finance & Investment

The financial year was dogged by the coronavirus-triggered market volatility. Global share markets bounced back spectacularly from the brief Covid-induced shock early last year that saw indices rapidly fall as much as 30% in March 2020. Approximately 60% of TECT's assets are held through a 26.8% shareholding in Trustpower. The remainder is made up of a diversified portfolio of investments including a range of national and international investments. Together the Trust fund was valued at \$1.14B at 31 March 2021. The Trust continued to be supported by investment advisor Fidato Ltd, which provided strategic advice to assist the trustees in developing their investment policies and to help evaluate the performance of the Diversification Portfolio and the Trust's investment managers.

The key financial results for the year are as follows:

- Group profit before tax was \$32.5M. This compares to \$52.6M in the previous year (which included a special dividend from Trustpower).
- Group expenses were \$2.9M compared to \$1.6M in the previous year reflecting the additional costs of related to the restructure, as well as the Trustee election, and additional costs related to the Covid-19 situation.
- Group equity grew by \$267M to \$1,137M.
- The diversified portfolio returned 38.4% driven largely by the bounceback from the market volatility in March 2020.

Distributions & Grantmaking

It was pleasing to be able to react to the turmoil of Covid-19, and provide support where it was most needed. For the TECT rebate this meant bringing forward a payment to allow an early payment in May which was well received by the Trust beneficiaries. The Trust also worked at speed to establish a collaborative funding approach with other local funders. From this fund, \$924,000 was distributed to 66 community groups in 2020/21, with TECT contributing \$411,916. It was humbling to see the innovation and community spirit that those within our community displayed to address the need.

Alongside the rebate, TECT's grants programme continued to contribute to the creation of a region from which not only current residents will benefit, but future generations. This intergenerational impact continues to be seen and measured throughout our community. This community support reaches from grassroots causes that would otherwise find it hard to qualify for funding elsewhere, through to transformational projects that equally need TECT to get off the ground.

It is always inspiring to see the amount of commitment and passion from those that work in the community sector, and we thank all the wonderful community groups for their ongoing work.

The key distribution highlights for the year are as follows:

- The Trust received 299 applications and approved 257.
- A total of \$7.4M was approved for distribution across TECT's five grant funds.
- \$30.9M was distributed to beneficiaries via three rebate payments.



Governance & Management

The biennial election of trustees took place in mid-2020 with 13 nominations received. The election saw the retirement of Amanda Sutcliffe and we all thank Amanda for her contribution. Bill Holland and Natalie Bridges were re-elected and were joined by Peter Farmer as the three elected trustees.

The year under review and the following 2021/22 will no doubt be viewed in future years as one of the most significant periods for the Trust. The trustees have had to navigate their way through a number of significant challenges and their commitment can be shown through the number of meetings held throughout the year as they worked to ensure the Trust is future-proofed in the ever-evolving world we live in.

The small TECT management team responded professionally and at pace to the demands of Covid-19, as well as the work required in regard to the restructure. This was no normal year, and the team can be proud of what they have achieved in an extremely challenging financial year. We were also supported by a number of advisors who continue to provide specialist support when required – we thank them for their service.

It is a privilege to work for the Trust and we all look forward to continuing to make a positive impact upon this region.



Bill Holland
Chairperson



Wayne Werder
General Manager



Wayne Werder
General Manager



Our Collaborative Response to Covid-19

In the wake of Covid-19, it was clear we had an important role to play in supporting our community - not only in its survival, but in its recovery. But just like our country working together to stop the spread of Covid-19, we knew that working together with other local funders would amplify our impact.

TECT, BayTrust, Acorn Foundation and Tauranga City Council's Community Services Team met and quickly agreed that a joint funding approach with a single application and pool of funds would be the quickest way to meet the immediate needs of community groups heading into lockdown. TECT offered to play the lead role and other funders supported the process design.

Rapid Response Fund

The four funders committed to a combined pool of \$600,000 from their granting reserves to support community groups experiencing increased demand and/or funding shortfall as a result of the initial Covid-19 lockdown.

Groups who were providing essential services as defined by the government were invited to make the first applications before it was opened up to the wider not-for-profit sector. Others eligible to apply included groups that faced a significant funding shortfall, saw an increase in demand or faced additional costs in enabling them to adapt their service delivery to meet the restrictions of the government's Alert Level system.

The Rapid Response funding was over and above annual operating and programme funding support provided by the individual funders.

We were committed to working together to get the funding where it was needed most, paying grants quickly and upfront, and adapting to evolving community needs in order to support gaps not covered by government funding. It was also the first time funders' boards delegated decision-making to CEOs and GMs to ensure timely responses to requests.

Over an 8-week period, we were able to support 34 community groups. From IT purchases and PPE, to community meals and food parcels, \$231,500 in funding went a long way to helping community groups protect and care for the most vulnerable in our community. TECT's contribution to this totalled \$95,000.

Tauranga Community Foodbank
\$12,000 in Rapid Response Funding, April 2020.

"We are grateful our local funders have come together to make it quick and simple to get this additional funding so we can feed the many families in need around our region."

Nicki Goodwin, Tauranga Community Foodbank Manager

Largest Grant
\$22,876

Average Grant
\$6,615

Smallest Grant
\$546

Community Meal/food Providers	\$75,265	33%
Health & Social Services	\$101,772	44%
Youth	\$17,885	8%
Community Support	\$36,616	16%
TOTAL	\$231,538	

WBOP COVID-19 Recovery Fund

In June 2020, after the lockdown period had ended, the funders decided to transition to phase two of their Covid-19 response.

The fund was made up of residual funds from the Rapid Response Fund, and an additional \$400,000 of contributions by all funders. The Recovery Fund opened in June with \$772,000 available.

While the initial Rapid Response Fund launched by the funders in April provided emergency support, the WBOP COVID-19 Recovery Fund aimed to aid the recovery phase; enabling the longer-term rebuild of the community sector.

The fund supported groups providing immediate or essential services such as food banks, refuges, and emergency housing, and those organisations working to prevent an escalated need for emergency support such as budgeting, alcohol and drug services, family violence prevention, and housing advocacy.

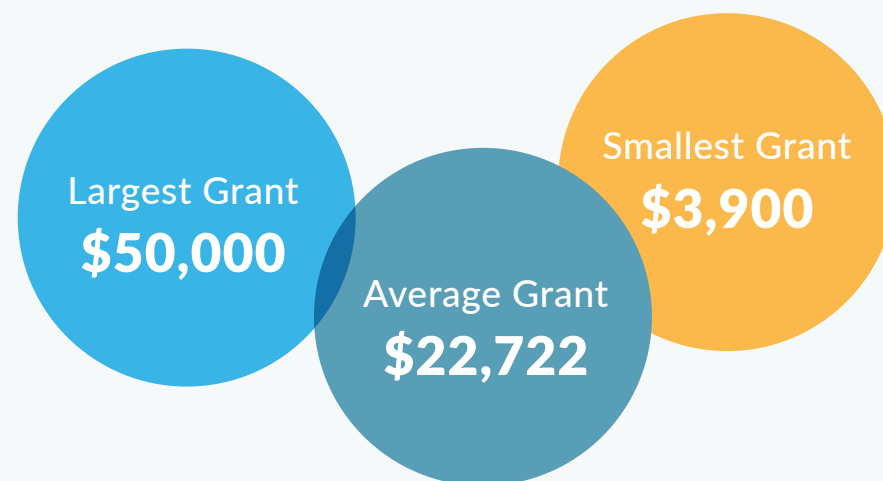
Those organisations responding to economic and social issues were also supported, including community-led engagement programmes, inclusivity initiatives, cultural opportunities, and youth engagement programmes. These groups all reported a spike in client anxiety from school closures, job losses, and vicarious fear of Covid-19.

Community groups that applied for funding were typically facing either increased demand or income shortfall due to Covid-19. In total, over \$770,000 was granted out of the Recovery Fund, with TECT contributing \$345,000 of that. We were delighted our collaborative funding effort could help over 30 community groups continue their service delivery, improve their capability to deliver and ensure they would meet financial commitments.

Families Achieving Balance - \$14,000 in Recovery Funding, August 2020

"This Recovery funding has been absolutely vital. We are so grateful to our local funders – we couldn't have survived financially without it. The funding has allowed us to increase our senior social worker's hours by one extra day a week, which makes such a huge difference during this time."

Heather Johnston, Families Achieving Balance Manager



Community Meal/Food Providers	\$15,990	2%
Health & Social Services	\$388,853	50%
Youth Engagement	\$196,050	25%
Sport	\$107,669	14%
Other	\$64,000	8%
TOTAL	\$772,562	

The totals represented may not match those in the Total Funding Approved page due to some approvals occurring after the financial year-end.

Looking forward,

we see great value in continued collaborative funding approaches with other local funders.

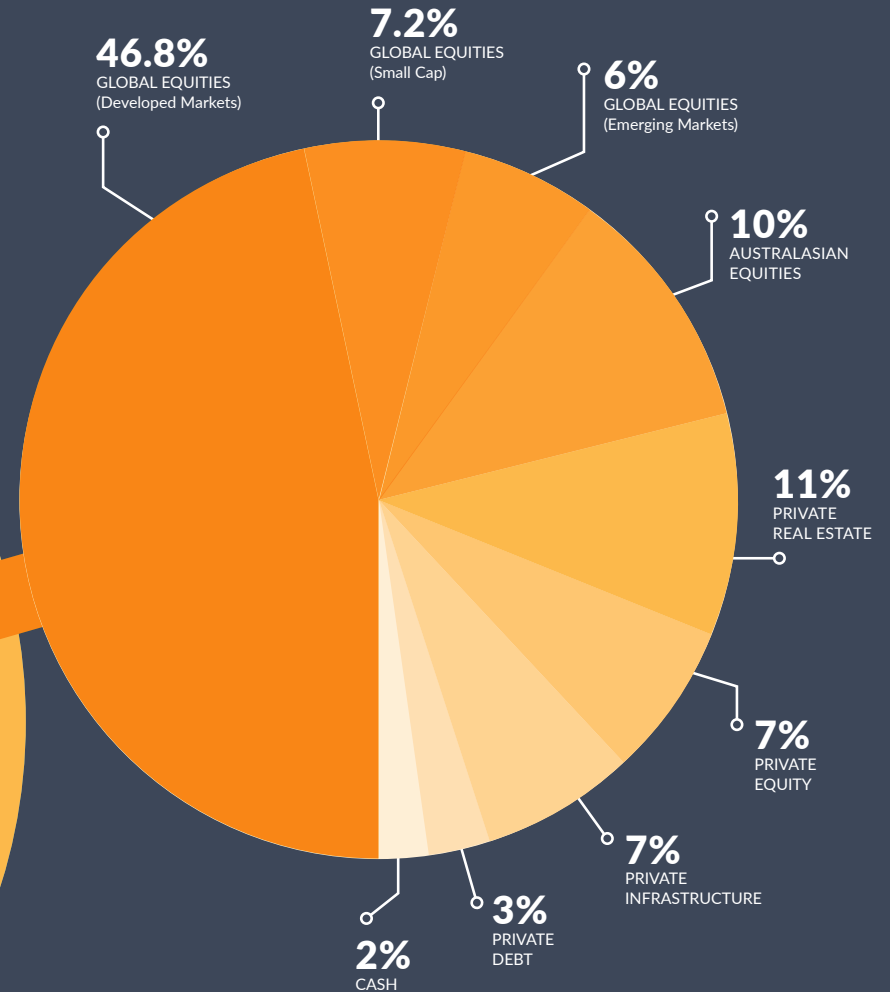
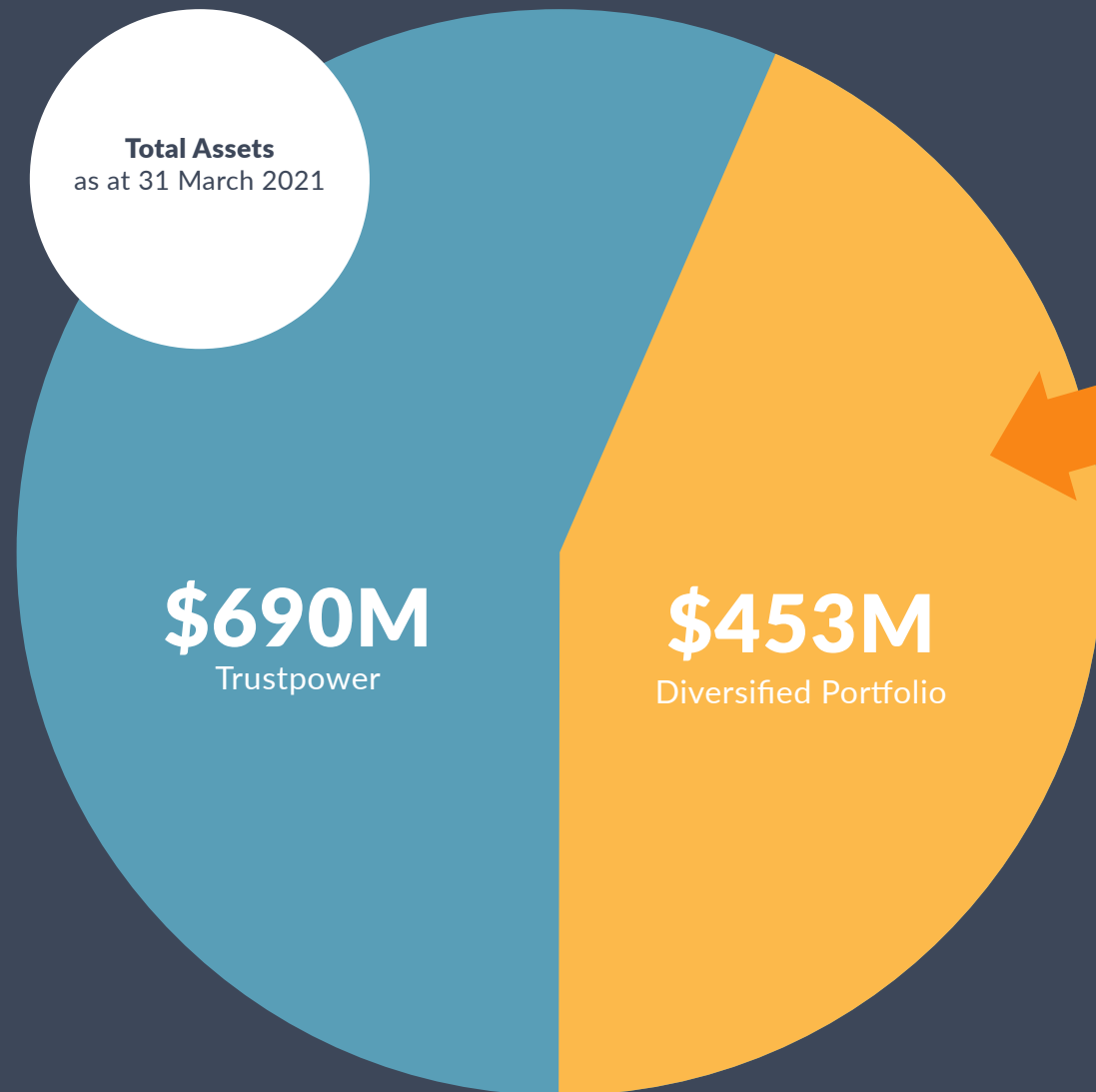
Feedback from community groups

Community groups found the Rapid Response and Recovery Fund processes overwhelmingly positive. They noted having a single application to multiple funders helped save time and money, which ultimately could be streamed back into frontline work.

They also rated the turnaround time, communication, and online application form highly.



Investment Profile



Diversified Portfolio
Strategic Asset Allocation - Target

The Year at a Glance

\$1.14 billion



Value of Trust Fund as at 31 March 2021

\$32.5 million

Net Profit Before Tax



299 | **257**
Applications | Approved

Total of **\$39.4 million** distributed this financial year



\$7.4 million
total grants approved

\$441,640
Catalyst for Change



\$2,816,960
Community Facilities



\$3,337,368
Community Development



\$814,965
Community Events

TECT Proposal 2021

On the 28th January 2021, Trustpower announced that it was undertaking a strategic review of its retail business, including a potential sale.

A sale of Trustpower's retail business to a third party would mean that TECT beneficiaries would no longer be Trustpower's 53,000 Tauranga and Western Bay local retail customers. Instead, TECT's beneficiaries would only be a small number of larger commercial electricity users that remain customers of the Trustpower Generation business.

Trustees released a proposal on the 18th February 2021 that outlined the changes to TECT's structure needed to meet the purpose of the Trust Deed, and to ensure that the best interests of the Trust and its beneficiaries were protected.

The proposal that was consulted on balanced the protection of the annual TECT rebate for existing beneficiaries, and the purpose TECT was established for.

791 written submissions were received during the consultation period, and 32 of these were heard during the oral hearing that took place on 25 March 2021.

Trustees reviewed all feedback and adopted a final proposal for changes to the Trust, as outlined below. Approximately two-thirds of submissions were supportive of the changes in the proposal and the focus on protecting the rebate.

Thank you to all who engaged with the process and provided views through a written submission, attendance at one of our consumer information sessions or at the oral hearing.

Trustees are confident that the final proposal will ensure that TECT will continue to meet the purpose it was established for while future-proofing the rebate.



How is TECT is changing?

TECT would retain funds which are sufficient to pay a yearly rebate to all existing beneficiaries (as of Thursday 28 January 2021) for approximately 30 years (i.e. the intention is to retain enough funds to pay, based on current financial projections, rebates until 31 December 2050).

An existing beneficiary is essentially a customer of Trustpower in the defined Tauranga and Western Bay of Plenty District who currently is eligible to receive a rebate.

The changes will be implemented by changing the TECT Trust Deed as summarised in the Consumer Information Memorandum dated 18 February 2021, such as changes to the definition of Consumer, the distribution clauses to lock in the rebates, the removal of the restrictions on selling Trustpower shares, the provisions regarding trustees and the provisions about winding up.

The balance of TECT's funds (including its shareholding in Trustpower) would be transferred to a new long-term community trust focused on grants for local community projects.

What now?

As a final step, TECT made an application to the High Court on 14 May 2021 for directions confirming the validity of the trustees decision. That application is yet to go to a hearing. The proposed restructure will only proceed if the High Court makes those directions. More details about the court proceeding can be found on the Trust's website, www.tect.org.nz.



TECT COMMUNITY AWARDS 2021

The TECT Community Awards 2021 were held in March 2021 at Baycourt Community and Art Centre.

With the 2020 Awards held online due to the Covid-19 lockdown, there was plenty of excitement and anticipation in the lead up to this year's Awards.

To ensure as much of our community could be a part of the event as possible, we released videos about each finalist online in the weeks before the event. Over 200,000 people were reached through the online videos, with hundreds of hours of video footage watched.

When the big night arrived, all those involved in the not-for-profit sector were brought together to celebrate and recognise the incredible volunteers and community groups that help make the Western Bay of Plenty one of the greatest places to live.

From the buzz upon arrival, and welcoming performance from Bay Music School, to the hushed quiet in the room before the erupting of applause as winners were announced, and tears in the room at Tauranga Intermediate Kapa Haka's show-stopping performance - it was a memorable event for all.

"It was wonderful to hear the many stories and amazing efforts people put into volunteering in our community. We live in a remarkable community and the evening gave us an opportunity to reflect on how fortunate we are."

- Community Awards attendee



2021 Winners



Event Excellence Award:
A Night Before Christmas



Sustainable Future Award:
Oropi School - Garden to Table



Diversity and Inclusion Award:
Mockingbird



Rising Star Award:
Bay of Plenty Youth Development Trust



Youth Spirit Award:
Courtney Bignell



Volunteer of the Year Award:
Sibylle Steppat



Lifetime Service Award:
Lou Rigg



People's Choice Award:
Oropi School - Garden to Table

Key Projects and Funding



Key Projects



Te Tai Whanake ki Tauranga Moana

A Te Ao Māori Localised Curriculum is being developed for all 67 Tauranga Moana schools, early childhood centres and the wider community in partnership with Tauranga Moana Iwi thanks to a TECT grant of \$176,640. The Curriculum will encompass foundational Te Reo, our Tikanga, stories and history; a tremendous resource for all educational organisations in Tauranga Moana, while also benefiting the wider community by being accessible to all.



Tauranga Riding for the Disabled

TECT has supported the Tauranga RDA since 1996, and this year approved funding of \$140,000 over two years towards their operating costs. The funding provides much-needed assurance the charity can continue their equine-based therapy programmes in the years ahead. It was another cause for celebration after the charity completed its building extensions and all-weather riding arena in 2020 thanks to a \$200,000 TECT grant.



20 Degrees

20 Degrees is a collaborative healthy housing programme dedicated to helping our community work towards warmer, drier and healthier homes that can reach 20°C cost effectively. The programme is backed by one of the largest collaborative funding efforts in our region's history. TECT and five other funding partners committed over \$1.5 million to the first three years of the programme's rollout.

Key Projects



Kopurererua Valley Floating Walkway

The Kopurererua Valley Rotary Centennial Trust works to assist with the 'K' Valley reserve development - enhancing the enjoyment of the area by the community for recreational purposes. The Trust sought TECT funding of \$141,800 to develop a floating walkway that would have minimal impact on any archaeological features below. As a significant historic site where the wounded were taken following the Battle of Gate Pa, and a fantastic recreational reserve, we were delighted to support the project.



Papamoa Surf Lifesaving Club

The new Papamoa Surf Lifesaving Club is a building that represents a lot for the future. Lives that will be saved, sporting careers that will be developed, and memorable events that will be hosted. Future-proofed for tomorrow's needs, the new base features secure space for rescue equipment storage, education and training areas, improved communication systems, first aid facilities, and duality for broader community use. As a cornerstone funder, TECT contributed \$1 million towards the project - a significant community facility we're proud to be a part of.



TECT Rescue Helicopter

Since 2003, TECT has supported the TECT Rescue Helicopter with over \$2.6 million in funding to help cover operating costs. \$600,000 of that was approved in 2019 to support the charity over the following three years. The TECT Rescue Helicopter performed 448 life-saving missions in 2020 - we are incredibly proud to support this vital community service.

32 grants made
\$814,965

Community Events Fund

\$65,000



Tauranga Jazz Festival

"We are incredibly grateful for the funding we received this year, and to know TECT has supported the festival with over \$1 million in funding over the years, we just feel very privileged. Not only has it provided many community benefits, but it has actually helped the music industry – especially from that Youth Jazz Competition stage with young talent progressing onto become professional musicians."

Marc Anderson,
Festival Manager, Tauranga Jazz Society

\$3,000



Diwali Festival

"Thank you, TECT, for your generous support in helping finance the venue hire and site theming of the Tauranga Diwali Festival 2021. Our community experienced an awesome culturally-rich afternoon celebrating the timeless Festival of Lights with over 2500 people from all over the world."

Bela Reid,
Secretary, One Love Charity

\$12,000



Olympic Weightlifting National Championships

"After a particularly difficult year with lockdowns and uncertainty for upcoming competitions, we wanted to create an event for our athletes to celebrate their hard work, and to put Tauranga on the map for Olympic weightlifting events. We certainly achieved this. We couldn't have done it without TECT's support."

Stephanie Symynuk,
Vice President, Olympic Weightlifting

197 grants made
\$3,337,368

Community Development Fund

\$57,640



Surf Life Saving NZ Eastern Region

Operating costs and equipment

"This grant is exceptionally timely as funding has become difficult in the current economic climate. We have been overdue to replace some of these key patrol and rescue items as they have aged beyond retirement, meaning we can no longer use them. Without this equipment, we would not be able to deliver patrolling services at a number of locations, so we are incredibly grateful to TECT."

Chase Cahalane, Eastern Region Regional Manager

\$52,832



Tauranga Budget Advisory Service

Total Money Management programme

"Our Total Money Management programme supports some of our most vulnerable clients, but is not fully funded. Support from TECT has enabled us to continue this vital service and expand our workforce. We are so grateful we have this funding secured, particularly during these months where demand is high and so many in our community are in need."

Shirley McCombe, Manager

\$25,000



Age Concern

Supporting and connecting older people

"TECT's funding goes towards our operational costs and wages, which is such a hard one to fund. But it is vital as our work is so people-focused – not just with the older community, but with their families and whanau too. It's hard work, and we go through lots of boxes of tissues, but it is incredibly rewarding. Knowing we have TECT behind us makes such a big difference."

Tanya Smith, General Manager

26 grants made
\$2,816,960

Community Facilities Fund

\$500,000



Tauranga Community Housing Trust

Gate Pa housing project

"We are so grateful for TECT's funding in helping us build 12 new one-bedroom homes in Gate Pa for our community's vulnerable. The purchase of Tuka Grove will be funded using equity from our existing housing and loans from our lending partners, and the TECT grant reduces the amount of debt we need to have. This will enable us to progress further housing builds and continue to address the housing shortage in this region."

Jacqui Ferrel, General Manager

\$200,000



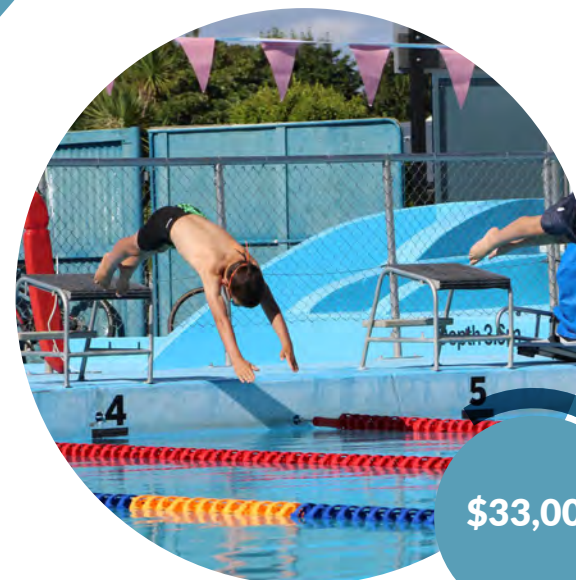
Omokoroa Golf Club

Foreshore protection

"The foreshore project was conceived some years ago as land retention along the foreshore due to years of erosion had become critical to the golf course. Securing TECT funding was crucial to getting Stage 2 underway and hence overall completion of the project. Had we not obtained the TECT funds then Stage 2 commencement would have at best been delayed or quite possibly not happened at all. So in this regard TECT funds have been a key seed fund that we have been able to leverage off to complete the project."

David Hughes, Foreshore Committee member

\$33,008



Te Puke Memorial Pool

Pool upgrade

"The Friends of Te Puke Memorial Pool were thrilled at receiving the funding from TECT. With the Council matching the amount we were able to start on the plans for an upgrade of the water heating system and the covers for the pool. The pool is a wonderful asset and needed in our Te Puke community."

Jo Page, Chairperson

Total Funding Approved

COMMUNITY FACILITIES

Approved

Bethlehem Primary School	Playground	\$40,000
Christian Education Trust	Upgrade Bethlehem College hockey turf	\$100,000
Friends of Te Puke Memorial Pool	Pool upgrade	\$33,008
Holy Trinity	Hall refurbishment	\$300,000
Kaimai Outdoor Education Centre	Education centre upgrades	\$32,440
Kopurererua Valley Rotary Trust	Floating walkway	\$141,800
Maungatapu Kindergarten	Water play area	\$6,650
Mt Maunganui College	Marae redevelopment	\$150,000
Mt Maunganui Primary School	Junior playground	\$39,610
NZ Deerstalkers Association	Carpark	\$44,174
Omokoroa Community Tennis Club	Booking system and lighting	\$26,000
Omokoroa Golf Club	Foreshore protection	\$200,000
Oropi Playgroup	Playground upgrade	\$5,500
Otumoetai Intermediate School	Outdoor canopy	\$100,000
Otumoetai Playcentre	Playground	\$28,916
Papamoa Playcentre	Building renovations	\$50,000
Pukehina Surf Rescue	New surf club	\$400,000
Tahatai Coast School	Playground equipment	\$29,000
Tauranga Brass	Heat pumps and upgrades	\$11,552
Tauranga Community Housing Trust	Housing project	\$500,000
Tauranga Hockey Association	Ancillary structures	\$72,636
Tauranga Special School	Outdoor sensory spaces	\$80,000
Te Puke Intermediate School	Playground equipment	\$40,000
Te Rereatukahia Marae	Ablution block upgrade	\$60,674
The BOP Sikh Society	Temple upgrade	\$150,000
Whakamarama Community Centre	Centre upgrade	\$175,000

\$2,816,960

CATALYST FOR CHANGE

Approved

Otumoetai Intermediate	Local Maori curriculum development	\$176,640
SocialLink	Building and empowering the social and community sector	\$265,000

\$441,640

COMMUNITY EVENTS

Approved

AIMS Games Trust	AIMS Games 2021	\$120,000
BOP Major Squash Events Inc.	2021 WSF Men's World Teams Squash Championships	\$100,000
BOP Mustang Owners Club	Car show	\$2,000
BOP Rugby Union	Domain upgrades for Mitre 10 Cup games	\$5,000
BOP Symphonia	2020 concerts	\$3,500
Creative BOP	Tauranga Tūramarama festival	\$45,000
Get Kids Active Charitable Trust	Tough Guy and Gal Challenge	\$5,000
Hockey NZ	NHC and National Masters Comps	\$40,000
ICC Women's Cricket 2021	Women's Cricket World Cup 2021	\$50,000
Indian Ink Trust	Play 'Paradise or the Impermanence of Ice Cream'	\$3,500
Katikati Community Centre	Festival of Cultures	\$3,000
Kaupapa Maori Legacy Event Fund	Local events delivered by Tangata Whenua (2-year funding)	\$55,000
Mount Festival Charitable Trust	Festival of Multisport 2021	\$40,000
Multicultural Tauranga	Multicultural Festival	\$6,308
NZ Country Music Star Awards	2020 Country Music Awards	\$4,000
Olympic Weightlifting NZ	National Championships	\$12,000
One Love Charity	Diwali Festival	\$3,000
Opus Orchestra Trust	2021 concert series	\$8,000
Parafed BOP	Festival of Disability Sport 2021	\$6,000
Positive Connection Community Trust	Mt Zouk Fest 2021	\$1,000
Runanga Ngai Tamawhariua	Whanau Well Day 2020	\$5,000
Scholars Baroque Aotearoa	2021 concerts	\$2,000
Squash BOP	NZ School Champs	\$3,000
Taekwon-do Foundation of NZ	ITKD Nationals	\$3,000
Tauranga Arts Festival Trust	2021 Tauranga Arts Festival and 2022 Escape!	\$160,000
Tauranga Jazz Society	Tauranga Jazz Festival 2021	\$65,000
Tauranga Musica	2021 concerts	\$3,500
Tauranga Performing Arts Society	Performing Arts Festival 2020	\$10,000
Triathlon Tauranga	Summer Tri Series	\$18,000
Urban Dance Youth Trust	Youth Hip Hop Dance Competition	\$9,157
Volleyball NZ	Beach Volleyball 2021	\$20,000
Youth Philharmonic Tauranga	2021 Concerts	\$4,000

\$814,965

Total Funding Approved

COMMUNITY DEVELOPMENT

Approved

Age Concern Tauranga	Supporting & connecting older people	\$25,000
Alzheimer's Tauranga	Education & support for people with Alzheimer's	\$45,000
Anxiety New Zealand Trust	Supporting people with anxiety & depression	\$7,500
Aphasia NZ Charitable Trust	Support & advocacy for people with aphasia	\$7,000
Argos Gymnastic	Air conditioning	\$37,000
Autism New Zealand	Education & support for people with autism	\$5,000
Bethlehem Community Church	Water tanks	\$8,970
Bethlehem Pottery Club	Kiln	\$6,209
BOP Badminton Association	Promoting and developing the sport of badminton	\$10,000
BOP Cricket Association	Marquee and Trailers	\$5,565
BOP Multiple Sclerosis	Providing advocacy, education, & support for MS	\$14,000
BOP Rugby Union	Rippa Rugby programme	\$20,000
BOP Therapy Foundation	Counselling services	\$25,000
BOP Youth Development Trust	Tauranga Boxing Academy - afterschool programmes for youth	\$20,000
Brain Injured Children Trust	Supporting families with a child affected by brain Injury	\$6,000
Brave Hearts NZ	Supporting families of people with drug addiction	\$12,000
Breast Cancer Support Services	Supporting those diagnosed with breast cancer	\$35,000
Cancer Society of NZ - Waikato/BOP	Supporting those diagnosed with cancer	\$35,000
CCS Disability Action BOP	Supporting people with disabilities	\$30,000
Coastguard Eastern Region	Saving lives at sea	\$65,609
COLAB Te Puke	Collective creating a connected, thriving community	\$40,000
Complex Chronic Illness Support	Educating & supporting people with hidden illnesses	\$26,000
Cool Bananas Youthwork Trust	Values-based school programme	\$10,000
Creative Bay of Plenty	Creative mini-grants	\$10,000
Diabetes NZ Tauranga Branch	Information and support for those with diabetes	\$10,000
EERST	Paper4Trees Programme (3-year funding)	\$36,000
EmpowermentNZ	Social support services in Te Puke	\$40,000
Envirohub	Delivering projects that support a sustainable future	\$40,000
EnviroKatikati Charitable Trust	Youth Navigator	\$25,000
Epilepsy NZ	Educating & supporting people with epilepsy	\$5,000
EVolocity	Electric vehicle building initiative in school	\$7,500
Evolution Aquatics Tauranga	Sound system	\$3,000
Families Achieving Balance	Support & education for vulnerable families	\$25,000
Film Bay of Plenty	Attracting screen productions to the Bay	\$40,000

CONT. COMMUNITY DEVELOPMENT

Approved

Garden to Table Trust	School programme teaching children how to grow food	\$10,000
Gender Dynamix	Supporting transgender & gender non-conforming people	\$10,000
Get Smart Tauranga Trust	Drug & alcohol counselling	\$25,000
Greerton Bible Church	ICT Equipment	\$4,918
Grief Support Services	Grief counselling	\$45,000
Headway Brain Injury Association	Supporting & educating for those with a brain injury	\$10,000
Homes of Hope Charitable Trust	Foster care for high needs children	\$100,000
House of Science Tauranga	Providing schools with science resource kits	\$50,000
Impact Gymsport Academy Inc.	Heating system	\$12,898
Impact Hub Waikato	Open Challenge Accelerator	\$37,500
Institute of Directors NZ	NFP governance courses and events	\$25,000
Katch Katikati	Supporting community development	\$30,000
Katikati Community Centre	Providing an information, support and activity centre	\$35,000
Keynotes	Singing performances	\$1,000
Kidz Need Dadz Charitable Trust	Strengthening father-child relationships	\$15,450
Life Education Trust	Health & wellbeing programme in schools	\$35,000
Lifeline Church	Sound system	\$50,000
Maketu Taiapure Charitable Trust	Enhancing & promoting collaboration within the community	\$10,000
Male Survivors BOP	Supporting male survivors of trauma and sexual abuse	\$15,000
Maungaarangi Kindergarten	ICT equipment	\$5,904
Maunganui All Day Kindergarten	ICT equipment	\$4,985
Merivale Community Centre	Social service & youth engagement programmes	\$40,000
Mockingbird NZ	Supporting families of children with spectrum disorders	\$25,000
Mt Maunganui Sports Club	Equipment purchases	\$16,830
NZ Blue Light Ventures	Driver navigation programme	\$25,000
Omanu Beach Surf Lifesaving Club	Equipment	\$20,000
Omokoroa Sports and Recreation Society	Fitout costs	\$52,172
Opeys All Day Kindergarten	ICT equipment & washer-dryer	\$9,281
Otamarakau Kindergarten	ICT equipment	\$1,727
Otumoetai Football Club	Goal posts	\$30,150
Otumoetai Golf Club Inc.	Mower	\$25,841
Otumoetai Te Puna Pony Club	Security system	\$7,558
P.E.T Charitable Trust	Personal care kits	\$5,000
Pacific Island Community Trust	Social support for Pacific Island community	\$15,889

Total Funding Approved

CONT. COMMUNITY DEVELOPMENT

Approved

Papamoa Coast Kindergarten	ICT Equipment	\$4,870
Papamoa Swimming Club	Offering learn to swim lessons to children in the Papamoa	\$20,000
Papamoa Toy Library	Ensuring local children have access to good quality toys	\$5,000
Parafed BOP	Disability sporting programmes	\$15,000
Parent to Parent Coastal BOP	Supporting parents of children with special needs	\$9,000
Parkinson's NZ	Providing support to people with Parkinson's	\$20,000
People First NZ	Empowering & supporting people with learning disability	\$1,000
Pillans Point School	WBOP Principals Association Sports Events Coordinator	\$38,000
PiPs	Gardening programme and equipment	\$15,000
Pirakau Hauora Charitable Trust	Equipment	\$4,269
Pregnancy Choice	Counselling & information for unplanned pregnancies	\$25,000
Priority One	Instep programme	\$30,000
Rainbow Youth	Providing support for intersex, queer, & gender diverse youth	\$10,000
Road Safety Education Ltd	Driver safety programme	\$5,000
Royal NZ Plunket	Community programmes supporting child development	\$30,000
Shakti Ethnic Women's Support	Empowering ethnic women towards living violence free lives	\$40,000
Sport BOP	GO4it school programme	\$60,000
St George's Anglican Church of Gate Pa	Heat pumps	\$9,200
St Peters House	Counselling & social work services	\$40,000
StarJam Charitable Trust	Dance & music classes for disabled youth	\$4,800
STEM Wana Trust	2020 STEM initiatives	\$35,000
Surf Life Saving NZ - Eastern Region	Operating costs and equipment	\$57,640
Sustainable BOP Charitable Trust	Supporting the development of more sustainable practices	\$10,000
Sustainable Business Network	Delivering BOP Low Carbon Circular Economy programme	\$10,000
Tai o Fenua Kindergarten	Equipment upgrades	\$8,877
Tauranga BOP Hearing Association	Supporting people with hearing difficulties	\$9,000
Tauranga Budget Advisory Service	Total Money Management programme	\$52,832
Tauranga City AFC	Goal posts	\$20,000
Tauranga Community Foodbank	Providing food parcels to families and people in need	\$40,000
Tauranga Living Without Violence	Supporting domestic abuse victims	\$30,000
Tauranga Moana Outrigger & Canoe Club	Trailer	\$10,600
Tauranga Netball Association	Performance Pathway Programme	\$12,000
Tauranga Riding for the Disabled	Equine therapy programme delivery (2-year funding)	\$140,000
Tauranga South Community Patrol	New vehicle	\$10,000

CONT. COMMUNITY DEVELOPMENT

Approved

Tauranga Women's Refuge	Running Tauranga Women's Refuge	\$45,000
Te Aranui Youth Trust	Programmes that inspire and challenge youth at risk	\$15,000
Te Puna Community Kindergarten	ICT equipment	\$4,629
Te Puna Quarry Park Society	Security cameras	\$5,440
Te Ranga School	Kitchen appliances	\$3,592
Te Whetu Marae	Heat pump	\$2,247
The Adastra Foundation	Youth scholarships	\$20,000
The Boys Brigade	ICONZ mentoring programme for boys	\$22,500
The Bright Vision Charitable Trust	Running the Hāpai Māmā (antenatal) course	\$15,000
The Duke of Edinburgh Awards	Operating costs	\$5,000
The Girl Guides Association of NZ	Delivery of the Guiding Programme in the Western Bay	\$10,000
The Salvation Army NZ Trust	Community Ministries services	\$40,000
The Scout Association of NZ	Programme delivery in the Western Bay of Plenty	\$10,000
The Stroke Foundation of NZ	Stroke prevention information & support	\$25,000
The Tomorrow Project Inc	Teaching youth how to deal with alcohol peer pressure	\$2,500
The Wish for Fish Charitable Trust	Salt water activities for people with disabilities	\$30,000
Tipu Skills for Life	Empowering young people with skills for a positive future	\$15,000
Triathlon Tauranga	Youth development programme	\$10,000
Venture Centre Charitable Trust	Providing support to grassroot entrepreneurs	\$40,000
Victim Support Tauranga	Supporting people affected by crime, trauma and suicide	\$20,000
Volleyball BOP	Bay of Plenty Secondary Schools Volleyball Championships	\$10,000
Waibop Football	Ensuring participation in football and sport	\$14,000
WBOP Neighbourhood Support	Strengthening neighbourhood connections	\$10,000
Welcome Bay Community Centre	Fostering the interests of Welcome Bay residents	\$20,000
Welcoming Communities	Welcoming Communities programme	\$45,000
Western Bay Heritage Trust	Katikati Museum operations	\$40,000
Wild Whiskers Tauranga	Rehabilitating and finding homes for wild and stray kittens	\$4,000
Youth Encounter Ministries	Youth development programme	\$30,000
Youth Search & Rescue Trust	Youth Search & Rescue skills programme	\$35,000

Total Funding Approved

The tables on page 22-25 include 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 per the Financial Report also includes direct beneficiary distributions.

WBOP COVID-19 RAPID RESPONSE FUNDING* (subset of Community Development) Approved

Autism NZ	Laptop purchase	\$589
Awhina House	IT purchases, quarantine setup, PPE & cleaning supplies	\$1,000
Cancer Society NZ - Waikato/BOP	IT purchases, frozen meals, freezer	\$1,997
Curate Church	Community meals for 6 weeks	\$7,200
Deaf Aotearoa	Broadcasting Covid-19 Updates on Kordia TV	\$400
EmpowermentNZ (Te Puke)	Purchase of food for food parcels	\$998
Good Neighbour Aotearoa Trust	IT Purchases, PPE, additional cleaning, Increase in staffing	\$7,200
Homes of Hope	House and office Expenses, shortfall in gaming funding	\$1,794
Kai Aroha	Community Meals	\$2,000
Katikati Baptist Church	Clothing & washing for RSE workers	\$900
Katikati Community Centre	PPE & safety equipment	\$246
Kidz Need Dadz	Additional fixed term Advocacy Role	\$2,914
Maketu Health & Social Services	Care pack distribution & PPE	\$2,250
Neighbourhood Support WBOP	Admin for increase in groups	\$428
Nepalese Association in BOP	Support to newcomers and students	\$1,200
Nga Kakano Foundation	PPE, IT Equipment, zoom room, increased admin costs	\$10,294
Ngati Wakaiti/Ngati Ruahine Trust	Food parcels & wages	\$800
Open Home Foundation	Engagement resource packs for clients	\$2,899
Pacific Island Community Tauranga Trust	Increase in staffing/admin, food & clothing parcels	\$4,800
People First NZ	IT/phone expenses, website redesign, laptop, printing	\$2,235
Pirirakau Hauora	Equipment, IT & communications purchases	\$1,346
Reach Out Trust - Katikati Foodbank	Purchase of food for food parcels	\$2,250
St John NZ - Central Region	PPE	\$3,600
Street Kai	Increase in demand for meals and food parcels	\$2,000
Street Kai	Community meals	\$400
Tauranga Foodbank	Additional food, cleaning & staffing increase	\$4,800
Tauranga Living Without Violence	IT purchases, online social platform, at-home costs	\$1,804
Te Manu Toroa	IT purchases, signage, triage infrastructure, staff wellbeing	\$5,720
Te Puna Hauora	Smartphones for practitioners x18	\$1,937
Te Tuinga Whanau Support	Meals for those in transitional housing	\$4,000
The Boys Brigade	Additional ICONZ delivery for 3 months	\$3,440
The Salvation Army NZ Trust	IT purchases, freezer & child's resource packs	\$4,240
The Search Party Te Puke	Meal costs, IT equipment	\$3,170
Under the Stars	Community meals	\$3,200
Vector Group Charitable Trust	Te Puke Covid-19 website & youth lockdown engagement	\$900

WBOP COVID-19 RECOVERY FUNDING* (subset of Community Development) Approved

AIMS Games Trust	Income shortfall	\$22,500
Alzheimer's Society Tauranga/WBOP	New initiative, income shortfall	\$15,750
Aphasia NZ	Income shortfall	\$4,500
Big Buddy Mentoring	Income shortfall	\$2,250
BOP Classic Aircraft Trust	Income shortfall	\$13,500
BOP MS Society	Increased Demand	\$1,755
Brain Injured Childrens Trust	Increased in demand, income shortfall	\$4,500
Brave Hearts NZ	Income shortfall/service adaption	\$4,005
Complex Chronic Illness Support	Income shortfall	\$6,543
EmpowermentNZ	Increased demand, collaborative initiative	\$27,500
Families Achieving Balance	Income shortfall, increased demand	\$6,300
Graeme Dingle Foundation WBOP	Income shortfall	\$13,500
House of Science	Income shortfall	\$13,500
Life Education Trust WBOP	Income shortfall	\$3,150
Live For More	Increase in demand/income shortfall	\$13,500
Mental Health Solutions (Wise Group)	Collaborative and innovative initiative - Here2HelpU	\$22,066
Merivale Community Centre	Increased demand	\$13,635
Mt Maunganui Lifeguard Service	Income shortfall	\$13,500
Ngamuwahine Outdoor Education Camp	Income shortfall	\$13,050
Papamoa Surf Club	Income shortfall	\$12,451
RRR Rescue, Revive Rehome BOP	Increased demand	\$2,250
Shakti Ethnic Women's Support	Increased demand	\$9,000
Socialink	Innovative initiative - digital divide	\$7,344
St Peters Care & Counselling	Increased demand	\$6,300
Tauranga Foodbank	Increased demand	\$7,196
Tauranga RDA	Income shortfall	\$9,000
Te Tuinga Whanau Support	Increase in demand, income shortfall	\$12,150
The Boys Brigade NZ	Increased demand	\$4,050
Tipu Skills for Life	Increased demand	\$7,650
Youth Encounter Ministries	Increased demand	\$11,250
Youth Search & Rescue Trust	Income shortfall, service adaption	\$13,320

\$3,337,368

*Figures represent TECT's contribution, not the total grant amounts.

Financial Statements and Notes



Financial Statements

Summarised annual report
for the year ended 31 March 2021

Statement of profit or loss and other comprehensive income for the year ended 31 March 2021

	2021	2020
Revenue		
Dividends	27,260,622	41,100,631
Distributions received	7,711,752	11,332,303
Interest	213,261	1,683,255
Other income	208,429	142,797
Total Revenue	\$35,394,064	\$54,258,985
Expenses		
Accounting & financial consultancy	102,441	92,933
Consumer related expenses	505,994	320,195
Depreciation expense	67,530	60,770
Investment expenses	119,514	130,726
Legal & advisory expenses	1,029,973	107,888
Trustee expenses	234,941	180,786
Other administration expenses	727,503	666,655
Total Administrative Expenses	2,787,894	1,559,953
Finance Expenses		
Effective interest adjustment of interest free loans	26,045	(75,438)
Interest expense	-	9
Other finance expenses	116,035	145,361
Total Finance Costs	142,080	69,933
Total expenses	\$2,929,974	\$1,629,886
Profit before taxation	32,464,090	52,629,099
Tax expense	2,553,752	(1,845,167)
Profit after tax	\$29,910,338	\$54,474,266
Other comprehensive income Items which will be classified to Profit & Loss on certain conditions being met		
Deferred tax	-	17,364,777
Valuation gain/(loss) on investments	274,648,807	(66,870,951)
Total other comprehensive income	\$274,648,807	\$(49,506,174)
TOTAL COMPREHENSIVE INCOME	\$304,559,145	\$4,968,093

Statement of changes in equity for the year ended 31 March 2021

	2021	2020
Accumulated Final Profits		
Balance at the beginning of the year	241,201,725	245,978,588
Profit after Taxation	29,910,338	54,474,266
Prior year adjustments to distributions/grants	(582,500)	-
Consumer distributions/grants written back	925,927	168,871
Transfer from Reserve for distributions	(40,000,000)	(59,420,000)
Transfer realised gains from Fair Value Reserve	19,043,696	-
Balance at end of year	\$250,499,182	\$241,201,725
Fair Value Reserves		
Balance at the beginning of the year	622,269,725	671,775,899
Current year revaluation - Trustpower shares	153,498,274	(17,614,556)
Transfer to Accumulated profits	(19,043,696)	-
Current year revaluation - Investment portfolios	121,150,533	(49,256,395)
Deferred tax on Fair Value Movements - Trustpower shares	-	17,364,777
Balance at end of year	\$877,874,836	\$622,269,725
Reserves for Distributions		
Balance at the beginning of the year	7,555,926	3,742,329
Allocated - Annual Distribution Plan	40,000,000	59,420,000
Net transfers to provisions & payments	(38,122,890)	(55,606,404)
Balance at end of year	\$9,433,037	\$7,555,926
TOTAL EQUITY AT THE END OF THE YEAR	\$1,137,807,057	\$871,027,375

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

Financial Statements

Summarised annual report
for the year ended 31 March 2021

Statement of financial position as at 31 March 2021

	2021	2020
Current assets		
Cash and cash equivalents	3,402,191	2,176,591
Trade and other receivables	128,406	224,781
Other investments	-	19,000,000
Total current assets	3,530,597	21,401,371
Non current Assets		
Investment portfolio	439,128,466	307,184,899
Investment property	10,619,855	10,656,502
Loans to consumer organisations	1,112,832	206,877
Property, plant and equipment	298,948	276,788
Deferred tax	1,571,562	4,125,314
Shares in Trustpower	690,322,837	536,824,563
Total non-current assets	1,143,054,501	859,274,942
Total assets	\$1,146,585,096	\$880,676,313
Current liabilities		
Trade and other payables	200,415	202,490
Provision for distributions	8,577,627	9,446,448
Total current liabilities	8,778,043	9,648,938
Total liabilities	\$8,778,043	\$9,648,938
Net assets	\$1,137,807,057	\$871,027,375
Equity		
Reserves for distribution	9,433,037	7,555,923
Fair value reserve	877,874,836	622,269,725
Accumulated profits	250,499,182	241,201,725
Total equity	\$1,137,807,057	\$871,027,375

Statement of cashflows for the year ended 31 March 2021

	2021	2020
Cash flows from operating activities		
Interest, dividends and other investment receipts	27,642,114	53,813,079
Distributions received and other income	7,366,083	296,699
Payments to suppliers and Trustees	(2,651,411)	(1,706,873)
Net cash from operating activities	32,356,787	52,402,905
Cash flows from investing activities		
Movements in other investments	(1,000,000)	-
Cash flows from portfolio investments	(10,321,484)	(75,009,364)
Acquisition of property, plant and equipment	(70,811)	(1,083,989)
Movements in term deposits	19,000,000	74,000,000
Net cash from investing activities	7,607,705	(2,093,353)
Cash flows from financing activities		
Payments to Trustpower consumers (including grants)	(38,806,891)	(55,162,279)
Repayments of consumer loans	68,000	168,000
Other cash items	-	5,910
Net cash from financing activities	(38,738,891)	(54,988,369)
Net (decrease)/Increase	\$1,225,603	\$(4,678,815)
Opening cash and cash equivalents	2,176,591	6,855,406
Closing cash and cash equivalents	\$3,402,191	\$2,176,591
Made up of:		
Bank balances	3,402,191	2,176,591
Total cash and cash equivalents	\$3,402,191	\$2,176,591


Bill Holland – Trustee
15 June 2021


Mark Arundel – Trustee
15 June 2021

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

Notes

to the consolidated
financial statements

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).

Tauranga Energy Consumer Trust is not a Charitable Trust and accordingly may not continue for more than 80 years. On the winding up of the Trust, all surplus assets shall be paid, applied or appropriated to or for the benefit of the consumers.

At 31 March 2021 TECT Group held 83,878,838 shares in Trustpower; representing 26.8% in the capital of the company. These shares are held by TECT Holdings Ltd, a 100% wholly owned subsidiary company.

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 New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (IFRS RDR) in its full financial statements.

This summary is extracted from the full financial statements authorised for issue by the Trustees on 15 June 2021, for which an unmodified audit opinion has been given. This summary has also been examined by Crowe New Zealand Audit Partnership 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 The Collective, Historic Village, 145 Seventeenth Avenue, Tauranga, 3112 or the Trust's website, www.tect.org.nz.

3. Taxation

The tax expense of \$2,553,752 relates to the deferred tax effect of the current year profit and reduction in excess imputation credits. (2020: benefit of \$1,845,167 relates to the tax effect of the current year losses, excess imputation credits not recognised).

4. Trustpower Limited Investment

TECT Group has the majority of its funds invested in Trustpower. The share price in Trustpower is subject to significant fluctuations. In the two months immediately following balance date the Trustpower price varied between a low of \$6.50 and a high of \$8.70 compared to a market price of \$8.23 at balance date.

5. Commitments and Contingencies

The TECT Group had the following commitments at the end of the financial year:

	2021	2020
LGT – Crown Capital Opportunities	4,996,075	6,889,980
Waterman Fund 3	1,050,000	1,125,500
Waterman Fund 4	3,125,000	4,875,000
Purpose Capital Impact Fund	4,350,000	4,750,000
Continuity Capital PE Fund No 2	500,000	750,000
Continuity Capital PE Fund No 4	3,000,000	4,125,000
Enterprise Angels Fund 2	10,000	30,000
Enterprise Angels Fund 3	120,000	180,000
Oriens Capital	375,000	900,000
Pencarrow Bridge Fund	275,000	275,000
WNT Ventures 2	107,500	97,500
WNT Ventures 3	490,000	0
	\$18,398,575	\$23,997,980

The TECT Group had no contingencies at the end of the financial year (2020: Nil).

Notes

to the consolidated
financial statements

6. Related Party Transactions

Bill Holland, Wayne Werder and Mark Arundel are trustees of the Tauranga Tertiary Campus Charitable Trust. There were no transactions between TECT and the Tauranga Tertiary Campus Charitable Trust for the 2021 year. (2020: NIL)

Peter Farmer is a director of Farmer Motor Group Limited. During the 2021 year, TECT paid monies to Farmer Motor Group Limited for services in relation to motor vehicles. All services provided were on normal trade terms.

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.

7. Subsequent Events

On the 28th of January 2021, Trustpower announced it was undertaking a strategic review of its retail business, including a potential sale.

As Tauranga Energy Consumer Trust is a 26.8% shareholder of Trustpower, the sale of its retail business would also require changes to the structure of Tauranga Energy Consumer Trust.

After a comprehensive consultation process including a notice of proposal for beneficiaries to make submissions, Trustees have reviewed all feedback and have adopted a final proposal for changes to the Tauranga Energy Consumer Trust.

As at 31 March 2021, the Trustees were continuing to work with engaged advisors to assist with the implementation and next steps.

On 14 May 2021, the Trustees filed an application in the High Court seeking orders under the Trusts Act 2019 that it is lawful and proper for the Trustees to implement the proposed changes to TECT.



Auditor's Report



Report of The Independent Auditor on The Summary Consolidated Financial Statements

To the Beneficiaries of the Tauranga Energy Consumer Trust

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 March 2021, the summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Tauranga Energy Consumer Trust and its controlled entities (the Group) for the year ended 31 March 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited financial statements, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 15 June 2021.

Trustees' Responsibility for the Summary Consolidated Financial Statements

The Trustees are responsible on behalf of the entity for the preparation of the summary consolidated financial statements in accordance with FRS-43: Summary Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Our firm provides consultancy services to the Group. The firm has no other relationship with, or interests in, Tauranga Energy Consumer Trust and its controlled entities.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Tauranga this 15th day of June 2021

TECT Annual General Meeting / AGM

Join us at our 2021 Annual General Meeting

Thursday 29th July 2021, 1:00pm

Papamoa Surf Life Saving Club,

561 Papamoa Beach Road, Papamoa Beach



At the heart of our community