



TECT

ANNUAL REPORT

2021/2022

At the heart of
our community



**OVER 3,500
GRANTS MADE
SINCE 1993**





CONTENTS

- 04 Trust Governance
- 05 Chairperson and Chief Executive's Report
- 09 Restructure Complete; Rebate Protected
- 10 Investment Profile
- 11 The Year at a Glance
- 12 Key Projects
- 15 Community Events Fund
- 16 Community Development Fund
- 17 Community Facilities Fund
- 18 TECT Community Awards 2022
- 19 Total Funding Approved
- 23 Financial Statements
- 26 Notes to the Financial Statements
- 28 Auditor's Report



TRUST GOVERNANCE

TECT and TECT Charitable Trust operate under Deeds of Trust respectively dated 21 December 1993 and 27 March 2002.

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.

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



Directory as at 31 March 2022

Trustees

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

Chief Executive

Wayne Werder

Board Committees

Finance & Risk Committee

M Arundel, Chairperson
T Jennen
R Gemming, Independent

Investment Committee

E Shuck, Independent Chair
M Arundel
P Farmer

Auditor

Crowe NZ Audit
Partnership

Solicitor

Sharp Tudhope
Tauranga

Accountant

KPMG
Tauranga

Date of Commencement

TECT	21 December 1993
TECT Charitable Trust	27 March 2002
TECT Holdings Ltd	15 December 2006
TECT Community Trust	8 February 2022





CHAIRPERSON AND CEO'S REPORT



Bill Holland
Chairperson

The 12 months under review will go down as some of the most significant in the history of TECT. The sale of Trustpower's retail business to Mercury meant that, under the TECT Trust Deed, TECT's beneficiaries would no longer be the current local retail customers. Instead, the beneficiaries would have been only a small number of larger commercial and industrial electricity users.

CHAIRPERSON AND CEO'S REPORT

The confirmation of the sale of Trustpower reaffirmed 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.

The TECT restructure was completed on 23 February 2022, marking the end of a comprehensive process to ensure that TECT continues to bring long-lasting benefits to the Tauranga and Western Bay communities, while future-proofing the rebate for eligible beneficiaries.

From 1 April 2022, the Tauranga Energy Consumer Trust (newly named TECT Consumer Trust) will retain funds which, based on current financial projections, are sufficient to pay rebates until 31 December 2050. The balance of TECT's funds has been transferred to a new, long-term TECT Community Trust, focused on grants for local community projects. This new Trust will be operational from 1 April 2022, and as such this will be the last annual report of the TECT Group under the previous structure.

We are particularly excited about the ability of the new structure to fund future transformational projects and important services, which serve and benefit everyone in our community. The Western Bay's growing needs in terms of infrastructure, both physically and socially, are only going to increase. TECT can now play an increasingly critical role with this new structure in place.

The TECT team of staff and Trustees will now undertake a planning process, along with community consultation, so we can adopt a strategy to ensure the impact of these funds is maximised and well-leveraged with community support and input. The opportunity to get this right is hugely important. The privilege and responsibility of being involved in this process is fully appreciated by us all.



CHAIRPERSON AND CEO'S REPORT

Finance & Investment

Market volatility continued throughout the financial year, and with geopolitical considerations, monetary policy tightening, and inflation concerns, this volatility is likely to be around for some time.

The Trustees further strengthened the governance of the investment approach with the appointment of Frontier Advisors after a comprehensive selection process. The establishment of an Investment Committee with an independent chair (Dr Ed Schuck) further enhanced the governance of the investment strategy. As part of this transition, a thorough review is underway to ensure the Trust's investment objectives, policies and strategic asset allocation are fit-for-purpose in the new world we face.

We congratulate locally-based Purpose Capital Ltd. on their recent win of 'Best Impact Investment Fund 2022'. TECT is one of the cornerstone investors in this fund and it provides a great example of the increasing ability to use investment to not only financially support our own philanthropic goals, but also to achieve social and environmental impacts with the investments themselves.

Approximately 55% 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. With the combined assets, the Trust fund was valued at \$1.07B at 31 March 2022. The key financial results for the year are as follows:

- Group profit before tax was \$43.6M. This compares to \$32.4M in the previous year.
- Group expenses were \$3.7M compared to \$2.9M in the previous year.
- The diversified portfolio returned 9.6%, a strong return given the volatility in the markets throughout the year.

Distributions & Grantmaking

Despite the strong attention on the restructure and the continuing turmoil of Covid-19, it was pleasing to continue to make strong distributions. The Trust worked collaboratively with other local funders to ensure funds were available for those in need.

It is truly 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.

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 community support ranges from transformational projects that require cornerstone funders like TECT, through to smaller grassroots causes that enhance our community in their own special way.

The key distribution highlights for the year are as follows:

- The Trust received 188 applications and approved 176.
- A total of \$10.6M was approved for distribution across TECT's five grant funds.
- \$27M was approved for distribution to beneficiaries via the rebate payments.



176

Grants approved
this year

CHAIRPERSON AND CEO'S REPORT

Governance & Management

It has been a complex and time-consuming year for the Trustees, who have had to wrestle with an array of difficult issues. Their commitment is very evident in the numerous meetings held throughout the year. In almost all cases decision-making was unanimous, which is testament to the Trustees' ability to work through differences of opinion to ensure the final decision is well-supported and reflective of the various views. All of this was managed whilst still working and responding to the issues of Covid-19.

The small TECT management team faced a year like no other and responded gallantly to the demands required by the restructure, and the Covid-19 environment. A number of advisors, who provided specialist support as needed, also supported the team. The sealed orders from the High Court were the culmination of an enormous amount of blood, sweat and tears from many people, and we thank all those involved for their service.

This was no normal year. The wider TECT team can be proud of what they have achieved in an extremely challenging 12 months. It is a privilege to work for such a community-minded Trust, and we all look forward to the significant potential the Trust now has to make a transformational impact upon this region.



Bill Holland
Chairperson



Wayne Werder
CEO



**Total Approved
for Distribution**
\$587.2M

Direct
DISTRIBUTIONS
\$455.4M
Grant
DISTRIBUTIONS
\$131.7M

RESTRUCTURE COMPLETE; REBATE PROTECTED

The announcement by Trustpower in January 2021 that it was selling its retail arm required TECT to restructure and amend its Consumer Trust Deed to reflect this significant change.

The TECT restructure was completed on 23 February 2022, marking the end of a thorough and comprehensive process to ensure that TECT continues to bring long-lasting benefits to the Tauranga and Western Bay communities, while future-proofing the rebate for eligible beneficiaries.

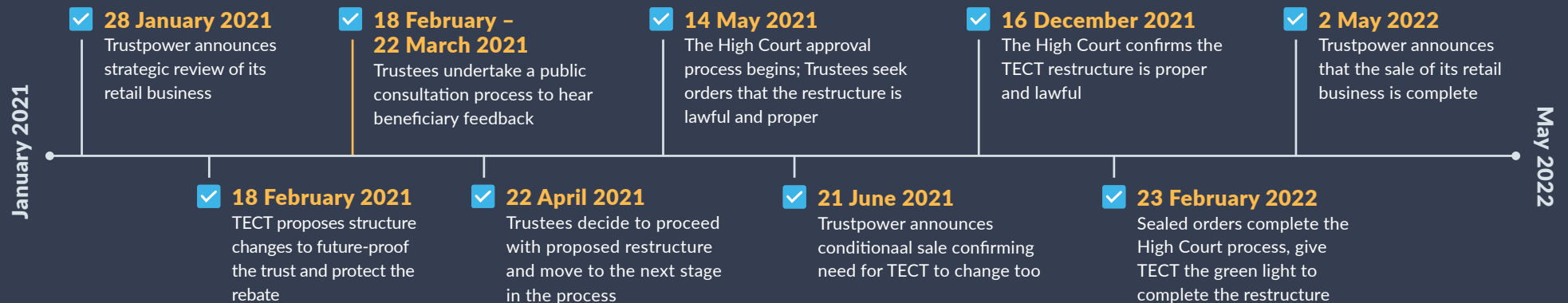
New TECT Community Trust

The balance of TECT's funds have been transferred to a new long-term community trust focused on grants for local community projects. This new Trust has been operational from 01 April 2022.

We are particularly excited about the ability of the new structure to fund future transformational projects and important services, which serve and benefit everyone in our community.

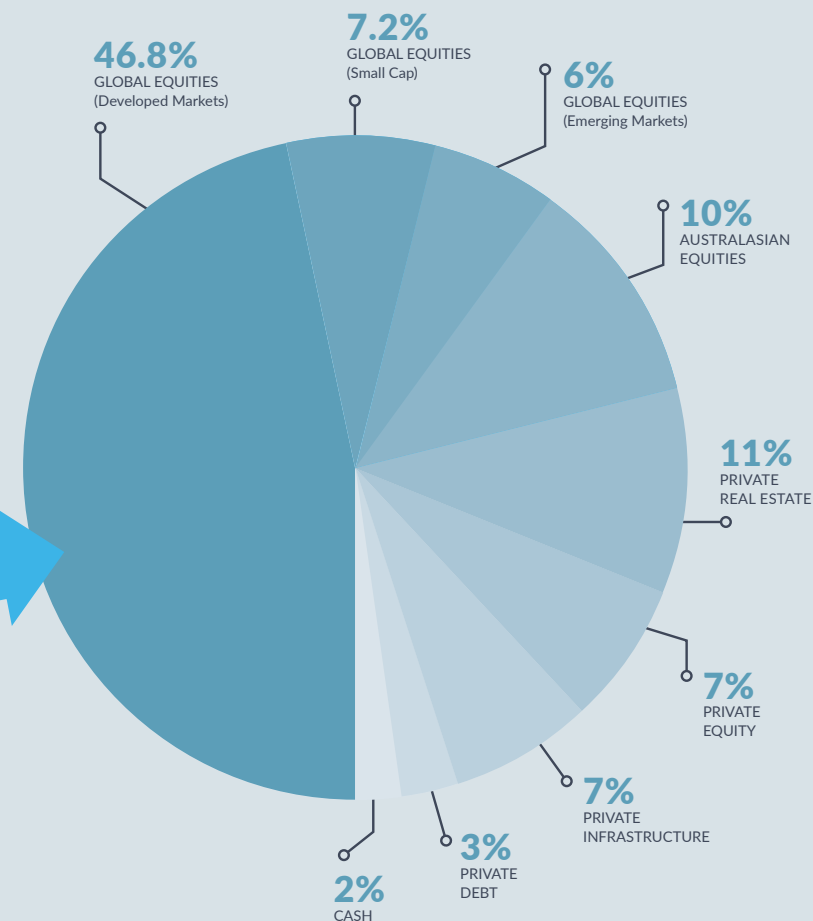
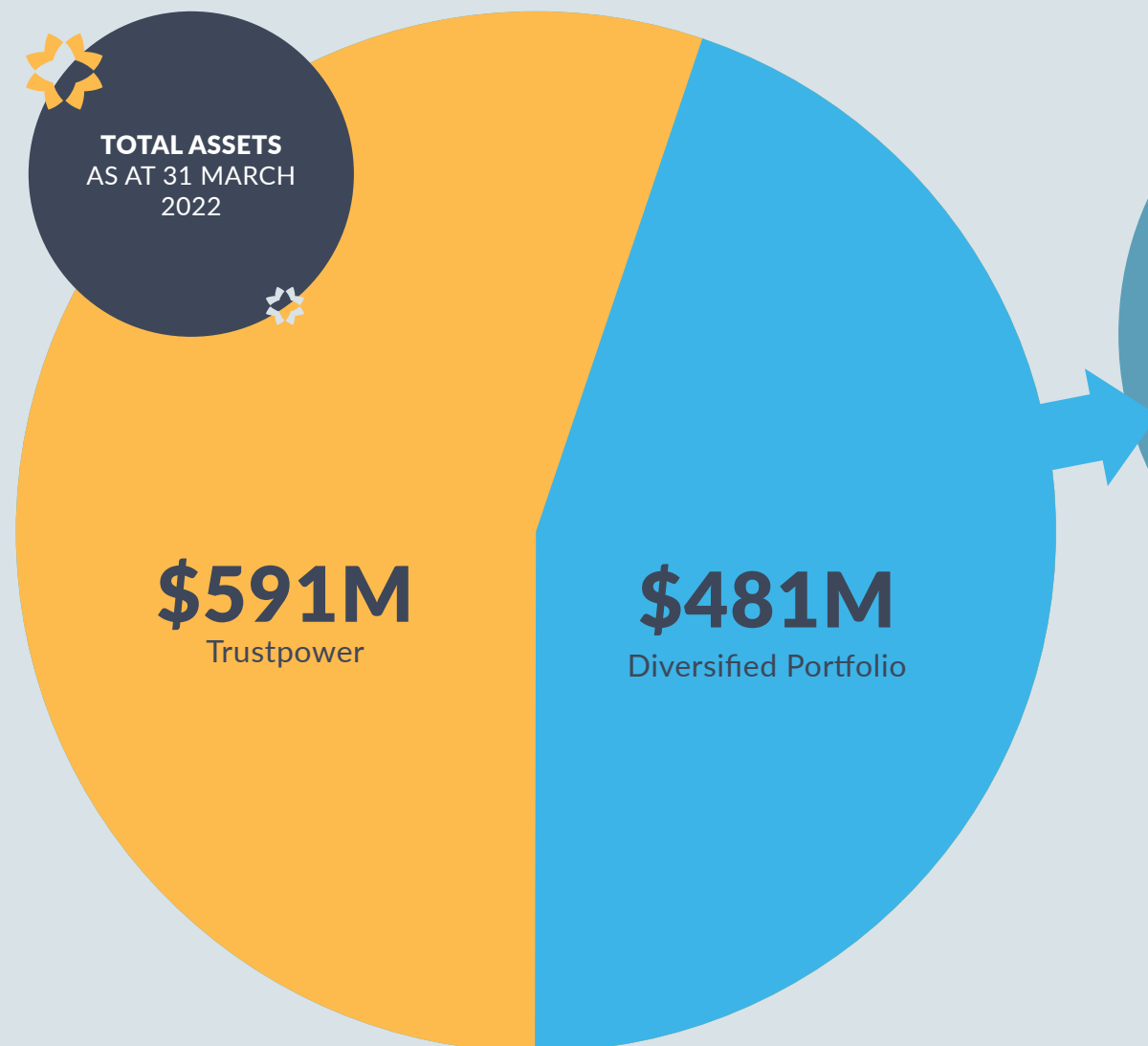
The Western Bay's growing needs in terms of infrastructure, both physically and socially, are only going to increase. TECT can now play an increasingly critical role with this new structure in place.

How did we get here?





INVESTMENT PROFILE



Diversified Portfolio
Strategic Asset Allocation - Target



THE YEAR AT A GLANCE

**\$1.07
billion**



Value of Trust Fund as at 31 March 2022

**\$43.6
million**

Net Profit Before Tax



188
Applications

176
Approved

**Total of \$36.9 million
distributed this financial year**



**\$12.68
million**
total grants approved



\$1,149,840
Catalyst for Change



\$2,660,371
Community Facilities



\$3,753,846
Community Development



\$795,404
Community Events



\$4,324,256
Projects of Regional
Significance



KEY PROJECTS



Wai Kōkopu

Wai Kōkopu is a programme designed to restore the health of the Waihī Estuary, located between Maketū and Pukehina, by reducing sedimentation and lowering harmful nitrogen, phosphorus and E. coli levels. The project involves wetland restoration, pest control, land retirement, the creation of native plant nurseries, and the repopulation of fish passageways. A critical project that involves significant collective community effort, TECT was proud to commit \$1.2 million to the first three years of its rollout.



Community Insights Lab

SocialLink's Community Insights Lab is helping the social sector to realise just how powerful a tool data can be. The initiative aims to create better outcomes for communities across the Western Bay of Plenty by providing up-to-date data insights that can inform local organisations' planning and policy, while also building the groups' confidence and skills to make the most of the data available to them. SocialLink received TECT funding of \$345,000 over three years to support the continuation of the project: a tremendous/valuable resource for our local community groups.



Youth Central

Bay of Plenty Youth Development Trust's new hub, Youth Central, is the largest dedicated youth development and community facility of its kind in Aotearoa. It delivers its programmes through boxing and outdoor adventure contexts. The charity works to develop well-rounded, vibrant, independent, and responsible youth who contribute to their communities. With a grant of \$250,000, TECT supported the fitout of the new building – a significant facility that provides a safe and positive environment for our youth.

KEY PROJECTS



Healthy Active Learning Programme

Ten Western Bay primary and intermediate schools saw a boost to their healthy active learning thanks to a \$364,136 investment from TECT over three years. Sport Bay of Plenty's Healthy Active Learning initiative aims to improve the wellbeing of tamariki through quality physical activity, and healthy eating and drinking choices. TECT is proud to support a programme that empowers youth to make informed decisions and will have a long-lasting, positive impact on thousands of young lives.



Ōtanewainuku Kiwi Trust

Ōtanewainuku Kiwi Trust promotes the protection of kiwi, kōkako and other indigenous species in the Ōtanewainuku Forest by undertaking integrated pest management control. This year TECT approved funding of \$30,720 over two years to support the Trust's operating costs and ensure they can continue to advocate for the conservation of the forest and its inhabitants. This care and advocacy creates a thriving environment for Tauranga residents to spend time in nature, as well as learn about flora, fauna, and the area's history from the Trust's volunteers.



Eastern Region Rescue Centre

A much-needed facility to meet the increasing demands for surf lifesaving services, the new Rescue Centre will serve as a hub for surf lifesaving operations in the Eastern region. It offers essential training space, equipment storage, and a communications coordination centre for major ocean and beach rescues in the region. Omanu Beach Charitable Trust sought TECT funding of \$500,000 towards the project – a significant facility that is future-proofed for tomorrow's needs and will support staff and volunteers in continuing to keep people safe on the water.

COMMUNITY EVENTS FUND

32 grants made
\$795,404



\$20,000

Volleyball New Zealand Summer Series

"TECT's funding allowed us to purchase much-needed equipment for the delivery of the G.J. Gardner Homes NZ Beach Tour in 2022, as well as the other important national and school volleyball events based in Mount Maunganui. The funding we received has helped us raise the standards of the competitions on and off the sand, and we're very grateful to TECT for their support of our community across our range of events."

Steven Upfold

General Manager, Volleyball New Zealand



\$30,000

Flavours of Plenty Festival

"The pilot year of the Flavours of Plenty Festival, which took place in April 2022, was a successful smorgasbord of sold-out events, producer-to-plate collaborations, workshops, showcases, degustations, and seeing the odd wheel of cheese rolling down the hills of Katikati! The financial injection from TECT was incredibly appreciated, and so was the belief in the project – one that we feel can benefit the Bay for years to come."

Rae Baker

Organiser, Flavours of Plenty Festival



\$15,000

Katikati Arts Festival

"The biennial Katikati Arts Festival celebrates the wide variety of arts the Katikati community are involved in. TECT's ongoing support has allowed us to grow the event and add new and exciting additions, like the 'Shrooms', a pop-up art installation displayed at Diggelmann Park for a week during the 2021 event. We also had to adapt the New Zealand Mural Contest to accommodate these uncertain times and become a 'virtual' contest; this allowed the event to go ahead and celebrate the community's local heroes."

Steve Graveson

President, Katikati Open-Air Art



COMMUNITY DEVELOPMENT FUND

111 grants made
\$3,753,846



\$80,000



\$15,000

YWAM Ships Aotearoa

Trinity Koha Dental Clinic

"TECT's commitment to help fund our pilot dental programme gave us the encouragement we needed to persevere with our audacious idea to launch Trinity Koha Dental clinics, which provide emergency oral care and oral health education. What started as a very loose idea in a board meeting at the start of 2021, has now become a key aspiration for us. Thank you TECT for always seeking to advance the well-being of our community!"

Marty Emmett
Managing Director

Tauranga Art Gallery

Public Art Programmes

"TECT's support is hugely important to Tauranga Art Gallery—it enables us to showcase the stories of our region, country, and the time we live in. This year the funding went toward staging 15 exhibitions of contemporary art from Aotearoa and offshore, working with 72 artists and providing thousands of rangatahi with inspiring art experiences. Not only did we commission new works that garnered international attention, but we also supported emerging local artists with their first solo exhibitions and helped them launch their art careers."

Stephen Cleland
Director

Gender Dynamix

Operating Costs

"The funding from TECT to support our operating costs was vital to Gender Dynamix providing clinical services to the gender diverse population of the Bay of Plenty, as well as five support groups a week. We serve well over 100 people a week and can honestly say that the funding has helped significantly improve the lives of our gender diverse community."

Matt Koch
Funding and Office Administrator



COMMUNITY FACILITIES FUND

34 grants made
\$2,660,371

\$27,129



Te Puna School

Pump Track

"The vision to create a cycle track within the school that could join up with the Omokoroa to Tauranga Cycleway has grown to what we have realised here today – a wonderful asset that enables us to have regularly timetabled classes to develop bike skills, and a great addition to the play facilities available during school and after hours. A lot of time and resource has gone into this project; we would not have been able to achieve it without the generous support of sponsors and donors such as TECT."

Neil Towersey
Principal

\$30,000



Devoy Squash & Fitness

Building Extension

"Devoy Squash & Fitness Centre is forever indebted to TECT, who have supported our club for a number of years. TECT grants have been pivotal in the club development and the most recent grant has allowed us to complete a \$1M expansion that has seen the construction of the only all-glass exhibition court in New Zealand. The return of world class squash players to New Zealand, and the ability to play in Tauranga, is solely attributed to the premier facilities we have developed with the assistance of key funders like TECT."

Karl Brown
Operations Manager

\$31,750



Waihi Beach Menzshed

Menzshed Construction

"The Waihi Beach Menzshed suffered as a result of Covid, with a loss of fundraising opportunities and rising costs. We needed help. TECT's financial support meant that we could close in our shed and use it. We are now getting great turnouts every week and men and women are enjoying the camaraderie provided by this opportunity. Thank you TECT for helping to make our dream possible."

Brian Baynes
Chairman, Waihi Beach Community Development
Charitable Trust



TECT COMMUNITY AWARDS 2022

The TECT Community Awards celebrate the people and groups who contribute to making the Western Bay one of the greatest places to live.

The much-anticipated 2022 event was scheduled to take place on Thursday 17th March at Baycourt. However, our region's move to the Covid-19 red traffic light setting meant the event had to be cancelled to ensure the community's safety. TECT adapted and moved the Community Awards online.

Similar to last year, a video about each finalist was published on our Facebook page each weekday from Monday 31st January until Friday 11th March. This meant as much of our community was able to be a part of the event as possible. Combined, these videos reached an audience of over 20,000 people.

Instead of an in-person awards ceremony, a winner from each category was announced online every weekday from Thursday 17th March until Monday 28th March, which built suspense and excitement. The numerous congratulatory comments on these Facebook posts are demonstrative of the value these people and groups add to the community.

While it was disappointing to not be able to experience the buzzing atmosphere that the in-person 2021 awards night brought, we are pleased to still have been able to celebrate the incredible work happening in the Western Bay, and acknowledge the volunteers and groups involved with the recognition they deserve.



WINNER
People's Choice
Award

2022 Winners



Event Excellence Award:

Bay of Plenty Garden and Art Festival



Sustainable Future Award:

Maketū Ōngātoto Wetland Society



Diversity and Inclusion Award:

English Language Partners Bay of Plenty



Heart of the Community Award:

YWAM Ships Aotearoa –
Trinity Koha Dental Clinic



Youth Spirit Award:

Quinn Boyle



Volunteer of the Year Award:

Bill Webb



Lifetime Service Award:

Maureen Paterson



People's Choice Award:

YWAM Ships Aotearoa –
Trinity Koha Dental Clinic

TOTAL FUNDING APPROVED

COMMUNITY FACILITIES	PROJECT	Approved
Albion Cricket Club Tauranga	Practice net upgrade	\$32,173
Aongatete Forest Project	Education facility	\$45,389
BOP Coast Rowing	Pontoon project	\$150,000
BOP Youth Development Trust	Building fitout	\$250,000
Bowentown Boating & Sportfishing Club	Outside decking	\$92,608
Bowls Tauranga South	Artificial turf	\$100,000
EnviroKatikati Charitable Trust	Renovations	\$15,000
Gate Pa School	Junior playground	\$40,000
Greerton Cricket Club	Cricket nets	\$34,845
Greerton Marist Recreation & Sports Club	Club redevelopment	\$200,000
Greerton Village School	Playground	\$25,000
Judea Rugby Club	Field lighting	\$75,000
Kaimai Outdoor Centre	Building upgrades	\$45,500
Katikati College	Astro-turf	\$100,000
Katikati Rugby & Sports Club	Lighting	\$75,000
Kutaroa Marae Reserve Charitable Trust	Marae rebuild	\$152,400
Mt Maunganui Tennis Club	Court resurface and fencing	\$40,000
Omanu Golf Club	Storage shed	\$80,000
Omokoroa Bowling Club	Artificial turf	\$100,000
Oropi School	Senior playground	\$25,526
Otamarakau School	Shade sail	\$75,000
Otumoetai Playcentre	Kitchen upgrade	\$10,000
Otumoetai Primary School	Playground equipment	\$32,198
Otumoetai Tennis Club	Clubhouse renovations	\$80,000
Papamoa Tennis Club	Court lighting	\$150,000
Stepping Stone Ministries Trust	Fixtures and furniture	\$30,000
Tauranga Boys College	Multipurpose Sports Facility	\$150,000
Tauranga Central Baptist Church	Building upgrades	\$300,000
Tauranga Netball Centre	Lighting	\$51,803
Tauranga Squash Rackets Club	Building extensions	\$30,000
Te Puke Playcentre	Building extensions	\$4,000
Te Puke Repertory Society	Building renovations	\$10,000
Te Puna School	Cycle track	\$27,179
Waihi Beach Community Development Charitable Trust	Shed construction	\$31,750

\$2,660,371





TOTAL FUNDING APPROVED

COMMUNITY DEVELOPMENT	PROJECT	Approved
AARC Trust	Rescue & rehabilitation programme of wildlife (2 years funding)	\$7,800
Alzheimer's Society Tauranga Inc	Education & support for people with Alzheimer's	\$45,000
Aphasia New Zealand	Support & advocacy for people with Aphasia	\$12,000
ARGOS Gymnastics Club	Equipment	\$10,373
Asthma & Respiratory BOP	ICT equipment	\$9,585
Bay Conservation Alliance	Supporting conservation initiatives (2-year funding)	\$127,500
BOP Classic Aircraft Trust	Museum operations	\$20,000
BOP Down Syndrome Association	Supporting people with down syndrome	\$25,000
BOP Multiple Sclerosis	Providing advocacy, education, and support	\$23,000
BOP Therapy Foundation	Counselling services	\$34,000
BOP Therapy Foundation	Covid 19 Recovery Funding - Increase in demand	\$7,763
BOP Symphonia	Stage extension	\$8,744
BOP Youth Development Trust	Youth development programmes	\$40,000
Big Buddy Mentoring Trust	Mentoring for fatherless boys	\$9,660
Blue Rovers Football Club	Portable goals	\$15,000
Brain Injured Children Trust	Supporting families with a child affected by brain Injury	\$8,000
Brave Hearts NZ	Supporting families of people with drug addiction	\$12,000
Breast Cancer Support Services	Supporting those diagnosed with breast cancer	\$35,000
Brookfield Kindergarten	Heat pumps	\$2,700
Cancer Society Waikato/BOP	Supporting those diagnosed with cancer	\$35,000
CCS Disability Action BOP	Supporting people with disabilities	\$20,000
Coastguard New Zealand	Bowentown, Tauranga and Maketu Coastguard units	\$55,000
Diabetes NZ Tauranga Branch	Information and support services	\$11,500
EmpowermentNZ	Social support services in Te Puke	\$50,000
Envirohub	Delivering projects that support a sustainable future	\$50,000
Epilepsy Association of NZ	Educating & supporting people with epilepsy	\$5,000
Families Achieving Balance	Support and education for vulnerable families	\$30,000
Film Bay of Plenty	Attracting screen productions to the Bay	\$40,000
Friends of the Blade	Pest control programme (2 years funding)	\$6,800
Garden to Table	Teaching children how to grow & prepare food	\$10,000

CONT. COMMUNITY DEVELOPMENT	PROJECT	Approved
Gender Dynamix	Advocacy, counselling & support services	\$15,000
Get Smart Tauranga Trust	Drug & alcohol counselling	\$30,000
Good Neighbour Aotearoa Trust	Food rescue & neighbourhood projects	\$65,000
Graeme Dingle Foundation WBOP	Kiwi Can and Project K programmes	\$115,000
Greerton Bible Church	Audio, visual and ICT equipment	\$4,730
Grief Support Services	Grief counselling	\$45,000
Hanmer BOP Charitable Trust	Covid-19 Recovery Funding - IT systems upgrade	\$14,269
He Kaupapa Kotahitanga Trust Tauranga	Operating Awhina House women's shelter	\$50,000
Homes of Hope Charitable Trust	Foster care for high needs children	\$100,000
House of Science NZ Charitable Trust	Providing schools with science resource kits	\$26,000
Katch Katikati	Supporting community development	\$40,000
Katch Katikati	Waitekohekohe Project	\$25,000
Katikati Community Centre	Providing an information, support and activity centre	\$50,000
Katikati Croquet Club	Mower	\$4,050
Katikati Open-Air Art	Operating costs	\$12,000
Kidz Need Dadz Charitable Trust	Strengthening father-child relationships	\$20,000
Life a Plenty Charitable Trust	Women's retreats	\$15,000
Life Education Trust	Health & wellbeing programme in schools	\$23,000
Maketu Ongatoro Wetland Society	Conservation & education initiatives (2-year funding)	\$85,000
Maketu Taiapure Charitable Trust	Community projects & upgrades	\$10,000
Male Survivors BOP Trust	Supporting male survivors of trauma and sexual abuse	\$15,000
Matua Kindergarten	Electrical equipment	\$1,725
Maungatapu Kindergarten	iPads and computer equipment	\$3,400
Menzshed Omokoroa	Establishment costs	\$10,000
Mobility Assistance Dogs Trust	Enhancing the lives of disabled people	\$8,000
Mockingbird Charitable Trust	Supporting families of children with spectrum disorders	\$30,000
Mt Maunganui Baptist Church	Heat pumps and computers	\$5,799
Ohauiti Settlers Association	Heat pumps and security system	\$6,556
Ōtanewainuku Kiwi Trust	Protection of kiwi & indigenous species (2 years funding)	\$30,720
Pacific Island Community Tauranga Trust	Social support for Pacific Island community	\$21,500



TOTAL FUNDING APPROVED

CONT. COMMUNITY DEVELOPMENT	PROJECT	Approved
Papamoa Swimming Club	Pool operations & Learn to Swim	\$20,000
Parafed BOP	Disability sporting programmes	\$25,000
Parent to Parent Coastal BOP	Supporting parents of children with special needs	\$10,000
Parkinsons Society	Support, education and information services	\$20,000
People First New Zealand	Supporting people with learning difficulties	\$1,500
Pillans Point School	WBOP Primary and Intermediate inter-school activities	\$40,000
PiPS	Gardening programme and equipment	\$20,000
Pirakau Hauora Charitable Trust	Heat pumps	\$2,700
Pregnancy Choice	Counselling and information services	\$25,000
Priority One	Instep programme	\$40,000
Project Parore	Restoring rivers & streams in Katikati (2-year funding)	\$51,000
Reach Out Trust	Van	\$15,000
Recreate NZ	Providing social opportunities for disabled youth	\$12,000
Road Safety Education	Driver Safety programme	\$9,000
Royal NZ Plunket	Community programmes supporting child development	\$17,500
Sailability Tauranga Charitable Trust	Equipment purchases	\$14,000
SPELD NZ – Tauranga	Supporting children & adults with learning disabilities	\$10,000
Sport Bay of Plenty	Healthy Active Learning Programme (3-year funding)	\$364,136
Squash Bay of Plenty	Development of squash in the Bay of Plenty	\$15,000
St Peters House	Counselling & social work services	\$45,000
St Peters in the City Presbyterian Church	Electrical equipment	\$9,000
StarJam Charitable Trust	Dance & music classes for disabled youth	\$6,000
STEAM-ED	Delivery of science, technology & robotics programmes	\$35,000
Tauranga Art Gallery Trust	Public art programmes	\$80,000
Tauranga Bridge Club	Air conditioning	\$35,000
Tauranga City AFC	Goal posts	\$22,975
Tauranga City Elim Church Trust	Audio visual equipment	\$54,037
Tauranga Living Without Violence	Supporting the recovery of domestic abuse victims	\$40,000
Tauranga Netball Centre	Performance pathways programme	\$15,000
Tauranga Pistol Club	Sign in system	\$10,000

CONT. COMMUNITY DEVELOPMENT	PROJECT	Approved
Tauranga Water Polo Club	Promoting, fostering and encouraging water polo	\$12,500
Tauranga Yacht & Power Boat Club	Sound system	\$19,535
Te Aranui Youth Trust	Covid-19 Recover Funding - Increase in demand	\$6,053
Te Aranui Youth Trust	Programmes that inspire and challenge youth at risk	\$23,000
Te Puke Community Menz Shed	Connecting men to share friendship and skills	\$2,000
Te Puke Events & Promotions	Community events and projects	\$20,000
Te Puke Toy Library	Providing educational toys for children	\$2,500
Te Tomika Trust	Waka ama & purakau/raranga korero programme	\$15,300
Te Tuhi Mareikura Trust	Pilot programme for at-risk Maori youth	\$40,000
Te Whakakaha Trust	Otawa Scenic Reserve restoration (2 years funding)	\$9,060
The Adastra Foundation	Youth scholarships	\$24,000
The Boys Brigade in NZ	ICONZ mentoring programme for boys	\$15,000
The Bright Vision Charitable Trust	Hāpai Māmā (antenatal) courses	\$15,000
The Daily Charitable Trust	Enhancing the wellbeing of the Te Puke community	\$50,000
The Duke of Edinburgh's International Award	Local award delivery	\$5,000
The Incubator Creative Hub	Growing a strong arts culture	\$80,000
The Rock Papamoa	Irrigation system	\$4,745
Tipu Skills for Life	Empowering youth with practical life skills	\$25,000
Triathlon Tauranga	Youth development programme	\$15,000
Volleyball Bay of Plenty	Secondary schools programme	\$10,000
WaiBOP Football	Increasing participation in football	\$14,000
Waipuna Hospice	Palliative care, support & information (3 years funding)	\$495,000
Welcome Bay Kindergarten	ICT equipment	\$2,585
Wesley Methodist Church	Heat pumps	\$5,766
Western Bay Wildlife Trust	Protection of wildlife & ecosystems (2 years funding)	\$24,000
Youth Encounter Ministries Trust	Youth development programme and equipment	\$44,780
Youth Search & Rescue Trust	Youth Search & Rescue skills programme	\$35,000
YWAM Ships Aotearoa	Essential dental services programme	\$27,000

\$3,753,846





TOTAL FUNDING APPROVED

The tables on page 20-23 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.

COMMUNITY EVENTS	PROJECT	Approved
BOP Classic Aircraft Trust	2022 Tauranga Airshow	\$15,000
BOP Major Squash Events	PSA Nations Cup and NZ Open Squash Championships	\$150,000
BOP Symphonia	2021 concerts	\$3,654
Flavours of Plenty	2022 Flavours of Plenty Festival	\$30,000
Get Kids Active Charitable Trust	Tough Guy & Gal Challenge	\$5,000
Hockey NZ	National Masters Tournament	\$20,000
Katikati Open Air-Art	Katikati Open-Air Art Festival	\$15,000
NZ Country Music Star Awards	2021 Country Music Awards	\$3,000
NZ Garden and Artfest Trust	Garden and Arts Festival 2022	\$100,000
Olympic Weightlifting NZ	National Championships	\$15,000
One Love Charity	Diwali - Holi Festivals	\$6,500
Opus Orchestra Trust	2022 concert series	\$9,000
Regional Events Fund*	To support event growth post-Covi.	\$200,000
Squash Bay of Plenty	Two national championships	\$7,000
STEM Wana Trust	STEM Festival	\$40,000
Taekwon-do Foundation NZ	ITKD Nationals	\$3,000
Taonga Tauranga Heritage BOP	Heritage Symposium	\$3,000
Tauranga Jazz Society	Jazz Festival 2022	\$80,000
Tauranga Musical Theatre	Les Miserables	\$10,000
Te Puke A&P Association	A&P Show 2022	\$3,000
The Tauranga Community Trust	A Night Before Christmas	\$30,000
Triathlon Tauranga	Summer triathlon series	\$13,500
Volleyball NZ	Beach Volleyball 2022	\$25,750
Waihi Beach Events & Promotions	Anzac Day Summer Kick Off	\$3,000
Youth Philharmonic Tauranga	2022 concerts	\$5,000
		\$795,404

REGIONAL EVENTS FUNDING*	Approved
Mount Festival of Multisport	2 years funding \$15,000
NZ Bridge National Bridge Congress	2 years funding \$31,000
NZ SUP Nationals 2022	\$2,000
Paddle Boarding World Champs 2023	\$40,000
Polo in the Bay	2 years funding \$17,000
Ta Atea Indigenous Art Event	2 years funding \$30,000
Tauranga STEM Festival (STEMFest)	2 years funding \$25,000
X*Air	2 years funding \$40,000

CATALYST FOR CHANGE	PROJECT	Approved
Kāinga Tupu	Kāinga Tupu: Growing Homes Strategy support	\$30,000
Ōtumoetai Intermediate	Te Tai Whanake ki Tauranga Moana (3 years funding)	\$789,840
Socialink	Community Insights Lab	\$120,000
Socialink	Building and empowering the social and community sector	\$210,000
		\$1,149,840

PROJECTS OF REGIONAL SIGNIFICANCE	PROJECT	Approved
Bay Oval Trust	Stage 3 Oval development	\$224,256
Omanu Beach Charitable Trust	New surf rescue base	\$500,000
Priority One	Stadium Feasibility & Business Case	\$100,000
The Elms Foundation	Property purchase	\$2,000,000
Wai Kōkopu Incorporated Society	Wai Kōkopu project	\$1,200,000
Whare Manaakitia Trust	New facility	\$300,000
		\$4,324,256





FINANCIAL STATEMENTS AND NOTES



FINANCIAL STATEMENTS

Summarised annual report
for the year ended 31 March 2022

Statement of profit or loss and other comprehensive income for the year ended 31 March 2022

	2022	2021
Revenue		
Dividends	29,776,988	27,260,622
Distributions received	17,311,661	7,711,752
Interest	3,488	213,261
Other income	237,803	208,429
Total Revenue	\$47,329,939	\$35,394,064
Expenses		
Accounting & financial consultancy	345,993	102,441
Consumer related expenses	389,756	505,994
Depreciation expense	57,586	67,530
Investment expenses	433,083	119,514
Legal & advisory expenses	1,502,520	1,029,973
Trustee expenses	202,796	234,941
Other administration expenses	825,524	727,503
Total Administrative Expenses	3,757,257	2,787,894
Finance Expenses		
Effective interest adjustment of interest free loans	(42,085)	26,045
Interest expense	-	-
Other finance expenses	8,051	116,035
Total Finance Costs	(34,034)	142,080
Total expenses	\$3,723,223	\$2,929,974
Profit before taxation	43,606,716	32,464,090
Tax expense	1,326,500	2,553,752
Profit after tax	\$42,280,215	\$29,910,338
Other comprehensive income Items which will be classified to Profit & Loss on certain conditions being met		
Deferred tax	-	-
Valuation gain/(loss) on investments	(80,107,498)	274,648,807
Total other comprehensive income	\$(80,107,498)	\$274,648,807
TOTAL COMPREHENSIVE INCOME	\$(37,827,283)	\$304,559,145

Statement of changes in equity for the year ended 31 March 2022

	2022	2021
Accumulated Final Profits		
Balance at the beginning of the year	250,499,182	241,201,725
Profit after Taxation	42,280,215	29,910,338
Prior year adjustments to distributions/grants	-	(582,500)
Capital gain/(loss) on investments	(17,553)	-
Consumer distributions/grants written back	1,708,532	925,927
Transfer from Reserve for distributions	(33,750,000)	(40,000,000)
Transfer realised gains from Fair Value Reserve	(21,029)	19,043,696
Balance at end of year	\$260,699,343	\$250,499,182
Fair Value Reserves		
Balance at the beginning of the year	877,874,836	622,269,725
Current year revaluation - Trustpower shares	(98,977,029)	153,498,274
Current year revaluation - Investment portfolios	18,869,531	121,150,533
Transfer to Accumulated profits	21,029	(19,043,696)
Balance at end of year	\$797,788,367	\$877,874,836
Reserves for Distributions		
Balance at the beginning of the year	9,433,036	7,555,926
Allocated - Annual Distribution Plan	33,750,000	40,000,000
Net transfers to provisions & payments	(38,946,798)	(38,122,890)
Balance at end of year	\$4,236,238	\$9,433,037
TOTAL EQUITY AT THE END OF THE YEAR	\$1,062,723,955	\$1,137,807,057

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 2022

Statement of financial position as at 31 March 2022

	2022	2021
Current assets		
Cash and cash equivalents	14,015,007	3,402,191
Trade and other receivables	14,974	128,406
Loans to consumer organisations	1,045,601	-
Total current assets	15,075,582	3,530,597
Non current Assets		
Investment portfolio	454,509,514	439,128,466
Investment property	10,650,000	10,619,855
Loans to consumer organisations	91,316	1,112,832
Property, plant and equipment	249,360	298,948
Deferred tax	245,062	1,571,562
Shares in Trustpower	591,345,808	690,322,837
Total non-current assets	1,057,091,060	1,143,054,501
Total assets	\$1,072,166,641	\$1,146,585,096
Current liabilities		
Trade and other payables	375,796	200,415
Provision for distributions	9,066,891	8,577,627
Total current liabilities	9,442,687	8,778,043
Total liabilities	\$9,442,687	\$8,778,043
Net assets	\$1,062,723,955	\$1,137,807,057
Equity		
Reserves for distribution	4,236,238	9,433,037
Fair value reserve	797,788,367	877,874,836
Accumulated profits	260,699,343	250,499,182
Total equity	\$1,062,723,955	\$1,137,807,057

Statement of cashflows for the year ended 31 March 2022

	2022	2021
Cash flows from operating activities		
Interest, dividends and other investment receipts	29,780,476	27,642,114
Distributions received and other income	17,108,237	7,366,083
Payments to suppliers and Trustees	(3,554,925)	(2,651,411)
Net cash from operating activities	43,333,788	32,356,787
Cash flows from investing activities		
Movements in other investments	-	(1,000,000)
Cash flows from portfolio investments	4,022,566	(10,321,484)
Acquisition of property, plant and equipment	(52,055)	(70,811)
Movements in term deposits	-	19,000,000
Net cash from investing activities	3,970,511	7,607,705
Cash flows from financing activities		
Payments to Trustpower consumers (including grants)	(36,709,482)	(38,806,891)
Repayments of consumer loans	18,000	68,000
Other cash items	-	-
Net cash from financing activities	(36,691,482)	(38,738,891)
Net (decrease)/Increase	\$10,612,819	\$1,225,603
Opening cash and cash equivalents	3,402,191	2,176,591
Closing cash and cash equivalents	\$14,015,007	\$3,402,191
Made up of:		
Bank balances	14,015,007	3,402,191
Total cash and cash equivalents	\$14,015,007	\$3,402,191

Bill Holland – Trustee
28 June 2022

Mark Arundel – Trustee
28 June 2022

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 and TECT Holdings 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 2022 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 28 June 2022, 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 Kollektive, Historic Village, 145 Seventeenth Avenue, Tauranga, 3112 or the Trust's website, www.tect.org.nz.

3. Taxation

The tax expense of \$1,326,500 relates to the deferred tax effect of the current year profit and reduction in excess imputation credits. (2021: benefit of \$2,553,752 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 \$6.62 and a high of \$7.38 compared to a market price of \$7.05 at balance date.

Notes continues on the next page...



NOTES to the consolidated financial statements

5. Commitments and Contingencies

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

	2022	2021
Continuity Capital PE Fund No 2	450,000	500,000
Continuity Capital PE Fund No 4	1,875,000	3,000,000
Continuity Capital PE Fund No 6	4,000,000	-
Enterprise Angels Fund 2	70,000	10,000
Enterprise Angels Fund 3	70,000	120,000
Enterprise Angels PCIF	3,750,000	4,350,000
LGT - Crown Capital Opportunities	4,817,718	4,996,075
Oriens Capital Fund 1	425,000	375,000
Oriens Capital Fund 2	4,150,000	-
Pencarrow Bridge Fund	275,000	275,000
Pioneer Capital Partners	1,560,566	-
Waterman Fund 3	1,000,000	1,050,000
Waterman Fund 4	3,125,000	3,125,000
WNT Ventures Funds 2	70,000	107,500
WNT Ventures Funds 3	435,000	490,000
	\$26,073,284	\$18,398,575

The TECT Group had no contingencies at the end of the financial year (2021: Nil).

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 2022 year. (2021: NIL)

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. Significant Events After Balance Date

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.

Following consultation with Consumers, the Trustees decided to proceed with changes to the structure of TECT. 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.

On 23 February 2022, TECT received Sealed Orders for its proposed restructure which signalled the completion of the High Court process. The restructure has now taken place with an effective date of 1 April 2022.

Restructure effect on Tauranga Energy Consumer Trust:

A new Community Trust has been established which will be operational from 1 April 2022 and has recently received charitable status. The new structure balances protecting the annual rebate for existing beneficiaries, and the purpose TECT was established for; to provide long-term benefit for all the residents and communities of Tauranga and Western Bay of Plenty.

The Tauranga Energy Consumer Trust was renamed to TECT Consumer Trust as at 1 April 2022. The intention of the Trustees is to distribute all assets/liabilities to the new TECT Community Trust as at 1 April 2022.

The intended purpose of the TECT Consumer Trust going forward is to service long term rebate obligations for existing consumers. This rebate obligation will be funded from assets in TECT Community Trust. TECT Holdings Limited also received charitable status with an effective date of 1 April 2022.



AUDITOR'S REPORT

AUDITOR'S 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 2022, 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 2022.

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 29 June 2022.

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.

Other than in our capacity as auditor we have no relationship with, or interests in, Tauranga Energy Consumer Trust or any of its controlled entities.

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Tauranga this 29th day of June 2022



Waiho i te toipoto,
kaua i te toiroa

Let us keep close
together, not wide
apart



At the heart of
our community