

TECT Community Trust Group

Consolidated Financial Statements
for the year ended 31 March 2025

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As at 31 March 2025

Trustees

M Arundel, Chairperson	
K Barry-Piceno, Deputy Chairperson	
P Blackwell	
R Gemming	
D Brash	Elected November 2024
G Brownless	Elected November 2024
W Holland	Retired November 2024
P Farmer	Retired November 2024

Chief Executive

W A Werder

Address

The Kollektive
145 Seventeenth Avenue
Tauranga

Accountants

KPMG
Level 2
247 Cameron Road
Tauranga

Auditors

Silks Audit
Whanganui

Solicitors

Sharp Tudhope
Tauranga

Date of Commencement

TECT Community Trust	8 February 2022
TECT Holdings Limited	15 December 2006

Our Story

TECT is a community-focused trust that supports the people, places and projects that bring connection, vibrancy and economic benefit to Tauranga and the Western Bay of Plenty.

We're on a mission to make positive change in our community, improving the quality of life and wellbeing of current and future generations through our funding.

Since it was established in 1993, the fund has contributed significantly to the growth of our rohe and its people. Our inclusive and transformational funding process brings life to grassroots organisations and large-scale multi-million-dollar projects alike.

As the Western Bay grows, the demand on infrastructure, both physical and social, continues to increase. This is where TECT's support plays an increasingly critical role.

Through responsibly managing our investments, we can effectively distribute funds for the long-term benefit of our community.

Today, the trust's impact has echoed throughout our region, touching the lives of countless individuals now and in the future.

Our Purpose Ko te whāinga

To make a significant impact on shaping the quality of life and wellbeing of current and future generations in the Western Bay of Plenty. We are part of the fabric of this region and are ambitious for the future of our community.

Our Vision Ko te whakakitenga

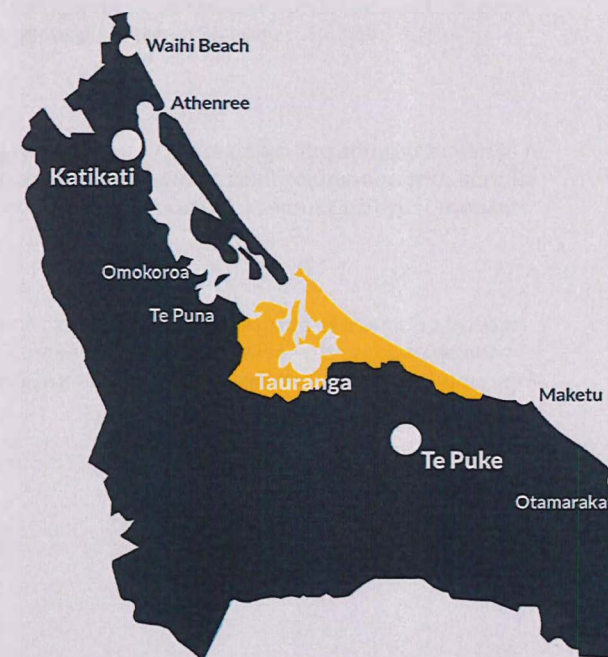
A thriving, caring and connected community here in the Western Bay of Plenty.

Our Mission Ko te uaratanga

Responsibly manage our investments and effectively distribute funds for the long-term benefit of the community we serve.

Our region

Our region stretches from Waihi Beach in the north, through to Otamarakau in the east, covering the same regions administered by Tauranga City Council and Western Bay of Plenty District Council.



Our Strategic Plan

Our strategy and funding framework has guided our decision making and actions.

This plan focuses on housing, the natural environment and community infrastructure as focus areas we need to prioritise our funding into. We will also focus on supporting priority communities such as Māori, diverse ethnic communities, children and young people, and older people experiencing disadvantage. We want Tauranga and the Western Bay of Plenty to be vibrant places where people, families and communities thrive, so will also focus on community wellbeing and vibrancy to build an economically sustainable and healthy region.

We aim to take action to make a difference and prepare for future needs now. Our strategic focus areas will guide our funding into our wider community, prioritise funding for initiatives that not only support those experiencing the greatest disadvantage, but also contribute to long lasting benefits for all. We are at the heart of the community and will continue to journey towards empowering all our communities to shape a better today and tomorrow.

The way we work



Impact Focused

We aim to be embedded in our community and to meaningfully contribute to community wellbeing and quality of life. Our fund enables us to invest in ways that seek to achieve deep, measurable impact, addressing key challenges and benefiting our region's people intergenerationally.



Collaborative

We have unique flexibility to use our resources collaboratively alongside other funders and believe it is important to work with people who have strong community connections and understanding. Together we work to bring about sustainable and equitable change in our region.



Balanced Approach

We will balance our funding approach between responsive and strategic investment. Responsive funding ensures we listen and stay open to community needs and ambitions. Strategic funding approaches give us the tools we need to address systemic issues in our region.



Enabling

We believe in empowering communities to lead change. Our aim is to help strengthen local organisations so they can create long-term social change that enables our region's communities to thrive. Across all our funds we aim to be approachable, accessible and enabling the community aspirations.



Agile

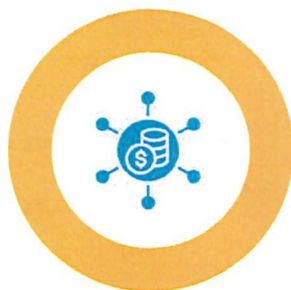
We recognise the value of being nimble and flexible – meaning that we can respond quickly to opportunities that may arise, and can adapt as the needs of our partners and communities change. Being evidence-informed ensures we adapt to our community's changing needs.



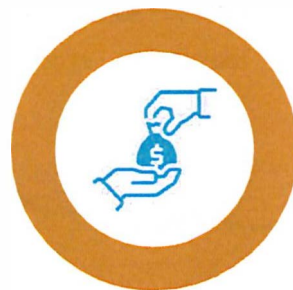
Commitment to Māori

We recognise the importance of building meaningful relationships with tangata whenua and enabling the aspirations of Māori in our region. As a Trust, we are committed to developing our understanding of Te Tiriti o Waitangi and its implications for our work.

Performance Highlights



9.3% return on overall portfolio (YE2024 7.3%)



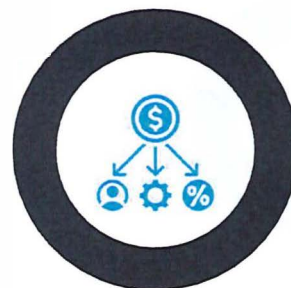
The diversified portfolio had a positive return of **7.2%** (YE2024 17.6%)



\$8.5M Group net surplus (YE2024 \$1.9M)



Group administration expenses of **\$2.3M** (before finance & interest payments) (YE2024 \$1.9M)



In this financial year TECT granted **\$13M** to 269 organisations (YE2024 \$31M)

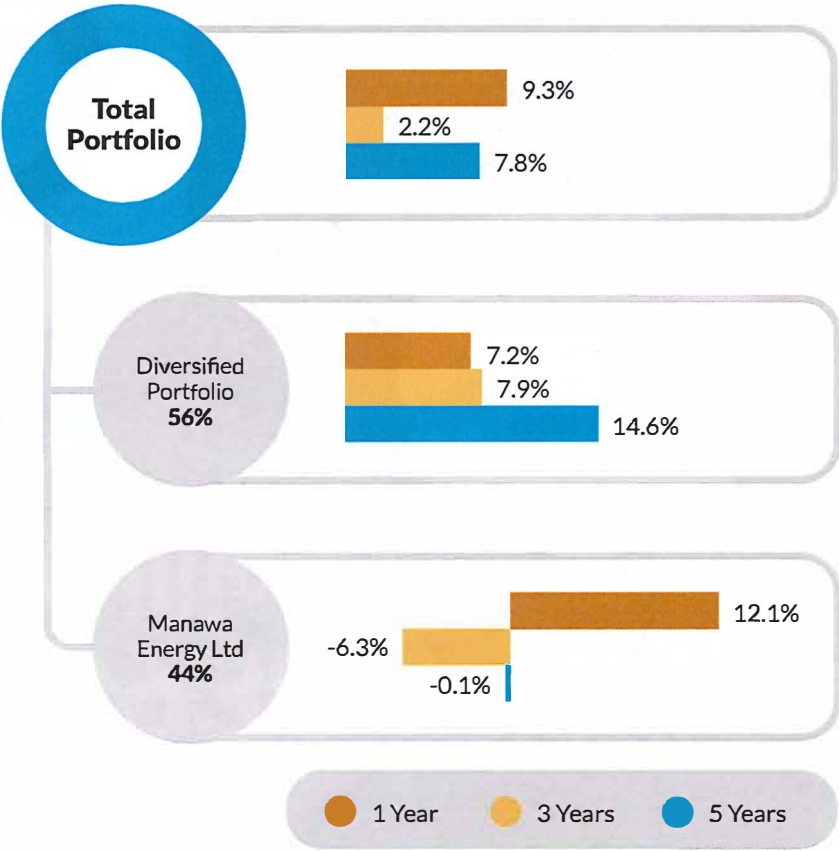
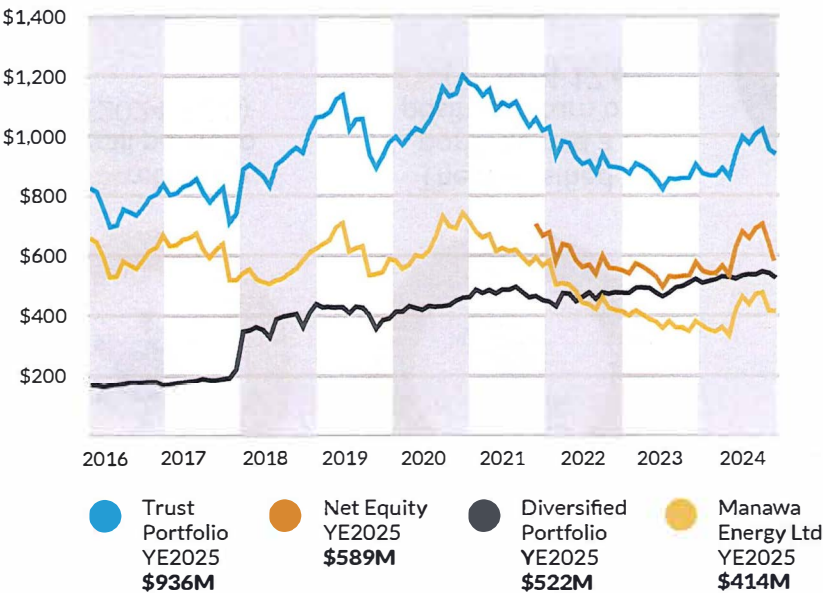
\$936 million
total assets

(YE2024 \$909M) with Net Assets of \$589M (YE2024 \$545M) after the loan from TECT Consumer Trust



Performance Summary

Market value (\$ millions) to 31 March 2025



Grants Programme

Each year, TECT makes funding available to community organisations and initiatives.

TECT strives to engage in community consultation and receive feedback on the distribution plan each year. Funds that are not uplifted due to projects not going ahead, or when accountability is not met, will be returned to the grants distribution pool and any unused funds are carried over to the following year.

In YE2025, \$16M was allocated for distribution across our five Grant Funds (\$19M YE24).

TECT's grants framework is split between strategic and responsive funding, across the five funds of Catalyst for Change, Community Development, Community Events, Community Facilities, and Facilities of Regional Significance.

The following distribution plan was approved for YE2025:

Strategic Funds (invite only)		Facilities of Regional Significance		
		Allocated to reserve YE2025		\$7,543,947
		Balance in reserves as at 31 March 2024		\$5,744
		Total in reserve		\$7,549,691
		Catalyst for Change		
Responsive funds		Allocated to reserve YE2025		\$500,000
		Balance in reserves as at 31 March 2024		\$2,994,908
		Total in reserve		\$3,494,908
		Community Development		
		Allocated to reserve YE2025		\$4,961,201
		Balance in reserves as at 31 March 2024		\$36,951
		Total in reserve		\$4,998,152
		Community Events		
		Allocated to reserve YE2025		\$966,117
		Balance in reserves as at 31 March 2024		\$219,100
		Total in reserve		\$1,185,217
		Community Facilities		
		Allocated to reserve YE2025		\$2,421,820
		Balance in reserves as at 31 March 2024		\$1,628,180
		Total in reserve		\$4,050,000
		Total Allocations		
		Allocated to reserve YE2025		\$16,393,085
		Balance in reserves as at 31 March 2024		\$4,884,883
		Total in reserve		\$21,277,968

Description and quantification of the entity's output

	YE2025	YE2024
Total number of grants approved	269	243
Number of community groups approved funding	226	210
Value of grants approved*	\$12,865,371	\$31,075,619
Percentage of applications approved	88%	87%
Total grants paid out in the year	\$11,928,315	\$19,351,689

The Trust continued to strive to operate a clear, consistent and transparent funding process. The value of grants approved is dependent on the number and type of applications received during the year. A further breakdown of the value of grants approved is as follows:

Grants approved by fund**

	YE2025	YE2024
Facilities of Regional Significance	\$2,000,000	\$21,650,000
Catalyst for Change	\$660,000	\$450,000
Community Development	\$4,669,441	\$5,075,536
Community Events	\$1,052,500	\$1,017,021
Community Facilities	\$4,483,430	\$2,386,062
Total	\$12,865,371	\$30,578,619



* Grants approved include total number of grants approved directly from TECT, as well as the funding decisions made through the joint funds where TECT has made a contribution.

** Includes lapsed grants returned to the fund, then reallocated. The strategic funds (Facilities of Regional Significance and Catalyst for Change) are built up over a number of years to allow for larger grants, and as such funds will be carried over into the next year.

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2025

	Notes	2025 \$	2024 \$
Revenue from exchange transactions	2	1,779,635	1,244,116
Finance income	3	23,338,396	17,669,037
Total income		25,118,031	18,913,153
Operating and administration expenses	4	2,302,643	1,946,688
Finance expenses	5	14,311,882	14,996,816
Total expenses		16,614,526	16,943,504
Net surplus		8,503,504	1,969,648
Other comprehensive revenue and expenses for the year			
Gain/(loss) in fair value movement of investments		46,753,322	37,917,876
		46,753,322	37,917,876
Total comprehensive revenue and expenses		55,256,826	39,887,524

Consolidated Statement of Changes in Net Assets

As at 31 March 2025

	Notes	Base Capital	Investment Fair Value Reserve	Accumulated Funds	Reserves for Distribution	Total Equity
Balance at 1 April 2023		705,142,246	(177,339,408)	(8,443,596)	15,805,135	535,164,377
Total comprehensive revenue and expense for the year		-	37,917,876	1,969,648	-	39,887,524
Capital gain on sale of fixed assets		-	-	126	-	126
Transfer of realised loss on disposal of investments		-	(7,534,332)	7,534,332	-	-
Distributions of equity		-	-	(19,455,577)	(11,625,354)	(31,080,931)
Distributions written back		-	-	-	705,101	705,101
Balance at 31 March 2024		705,142,246	(146,955,864)	(18,395,067)	4,884,882	544,676,199
Balance at 1 April 2024		705,142,246	(146,955,864)	(18,395,067)	4,884,882	544,676,199
Total comprehensive revenue and expense for the year		-	46,753,322	8,503,504	-	55,256,826
Transfer of realised gain on disposal of investments		-	(27,707,521)	27,707,521	-	-
Distributions of equity		-	-	(16,393,085)	3,527,714	(12,865,371)
Distributions written back		-	-	-	1,865,084	1,865,084
Balance at 31 March 2025		705,142,246	(127,910,063)	1,422,874	10,277,680	588,932,740

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 \$	2024 \$
Current Assets			
Cash and cash equivalents		2,298,053	1,361,564
Trade and other receivables		127,335	113,837
Loans to community organisations	7	-	1,173,937
		2,425,388	2,649,337
Non-current Assets			
Investment in shares	8	413,522,671	381,648,713
Investment portfolio	9	491,128,241	491,001,629
Plant and equipment	15	228,672	254,243
Investment property	10	31,025,000	33,370,748
Loans to community organisations	7	51,709	65,047
		935,956,293	906,340,380
Total Assets		938,381,681	908,989,717
Current Liabilities			
Trade and other payables	6	5,751,766	4,898,002
Loan - TECT Consumer Trust	13	20,679,954	15,378,942
Provision for grant distributions	12	18,072,174	14,009,801
		44,503,894	34,286,745
Non-current Liabilities			
Loan - TECT Consumer Trust	13	291,945,042	312,026,770
Provision for grant distribution	12	13,000,000	18,000,000
		304,945,042	330,026,770
Total Liabilities		349,448,936	364,313,515
Net Assets		588,932,740	544,676,199
Equity		588,932,740	544,676,199

Trustee

Trustee

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 \$	2024 \$
Cash flows from operating activities		
Finance income	23,303,585	17,577,537
Revenue from exchange transactions	1,766,137	1,243,081
Cash paid to suppliers, staff and Trustees	(16,339,916)	(16,987,809)
Grants paid to the community	(11,937,913)	(11,982,541)
Funds invested	(138,829,060)	(57,879,987)
Proceeds from sale of investments	156,627,560	97,032,534
Taxes paid	(28,619)	(38,544)
Net cash flow - operating activities	14,561,776	28,964,270
Cash flows from investing activities		
Acquisition of property, plant and equipment	(36,507)	(73,093)
Acquisition of investment property	-	(16,750,000)
Loans (repaid)/issued	(13,588,779)	(12,300,274)
Net cash flow - investing activities	(13,625,287)	(29,123,368)
Net increase/(decrease) in cash and cash equivalents	936,489	(159,098)
Cash at beginning of year	1,361,564	1,520,662
Cash at end of year	2,298,053	1,361,564
<i>Represented by:</i>		
Cash on hand and at bank	2,298,053	1,361,564

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Reporting entity

These consolidated financial statements are for the Group consisting of TECT Community Trust and TECT Holdings Limited

TECT Community Trust is a Charitable Trust, registered with Charities Services. All TECT Community Trust subsidiaries are incorporated and domiciled in New Zealand.

TECT Community Trust Group complies with the financial reporting requirements of the Financial Reporting Act 2013.

The Financial Statements comprise the Consolidated Financial Statements of the Group.

Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Trustees on 31 July 2025.

Background

The Tauranga Energy Consumer Trust (TECT) was established in 1993 as part of the reforms of the energy sector. It was created to be a cornerstone shareholder in the newly established Trustpower Limited, the energy company that succeeded to the assets of the Tauranga Electric Power Board, and to share the benefits of ownership of that company with Trustpower consumers resident in the Tauranga and Western Bay of Plenty district which it served, by way of payment of rebates and provision of grants and other benefits within the wider community of that district.

As a consequence of a strategic review by Trustpower of its retail consumer business in early 2021, TECT itself undertook a restructuring. Pursuant to that restructuring, TECT received High Court approval for a new community trust to serve the wider needs of the Tauranga and Western Bay District. Accordingly the Trustees established a charitable trust for the benefit of the people and community of the Tauranga and Western Bay of Plenty district, and for those purposes to receive from TECT the Initial Settlement Assets (including the shares then held by TECT in Trustpower Limited).

The base capital of \$705,142,246 represents funds transferred on resettlement from TECT Charitable Trust and TECT Consumer Trust on 1 April 2022, in line with the implementation deeds.

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities for which all reduced disclosure regime exemptions have been adopted. The entity has elected to report in accordance with the Tier 2 standards, taking advantage of all disclosure concessions as it is not publicly accountable and has expenses less than \$33 million.

(b) Basis of consolidation

The consolidated financial statements include the TECT Community Trust (The Parent) and its subsidiary, TECT Holdings Limited (100% shareholding). All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

(c) Measurement basis

The consolidated financial statements have been prepared on the basis of historical cost, apart from investments and investment property which are carried at fair value.

(d) Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$).

(e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with PBE Standards requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the Group's accounting policies. In making these judgements, estimates and assumptions concerning the future are made. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

- Impairment of assets

PBE Standards require that assets are carried at no more than their recoverable amount. This requires the Trustees to make judgements regarding amounts recoverable and provisions for impairment. The Trustees must apply judgements in assessing likely outcomes.

- Fair value

The Trustees have elected to account for the investments at fair value. As a result the Trustees are required to make judgements as to the fair value of the investments. Where these investments are publicly traded, the Trustees recognise fair value at the closing buy price at the reporting date. Where these investments are not publicly traded, the Trustees recognise fair value at the closing unit price of the underlying fund as provided by the fund manager of the respective investment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

(f) Taxation

TECT Community Trust Group is exempt from income tax under CW 40(1) of the Income Tax Act 2007.

Specific accounting policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied consistently to all periods presented in the financial statements and consistently by the Trust:

(a) Goods and services tax

All balances are presented net of goods and services tax (GST), except for receivables and payables which are presented inclusive of GST.

(b) Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the Group becomes party to a financial contract. They include cash balances, bank overdrafts, receivables, payables, investments in and loans to others, and term borrowings.

(c) Receivables and payables

Receivables and payables are initially recorded at fair value. Subsequently they are measured at amortised cost using the effective interest method less provision for impairment.

(d) Investments

The Group recognises its investments at fair value at every reporting date. The Group measures its investments at fair value through other comprehensive revenue and expense, in accordance with PBE IPSAS 41 Financial

(e) Portfolio investments

The Group has a number of portfolio investments. These investments are recognised at fair value in the Statement of Financial Position with movements being recognised in other comprehensive revenue and expenses. As the investments held are defined as equity investments by PBE IPSAS 28 Financial Instruments: Presentation, and are not held for trading, the Trustees have elected to apply the irrevocable other comprehensive revenue and expense option.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

(f) Loans to community organisations

Loans accrue interest and have been classified as financial assets measured at amortised cost. After initial recognition they are measured at amortised cost using the effective interest rate method less any impairment loss. Gains and losses when the asset is impaired or derecognised are recognised in revenue and expense.

(g) Borrowings

Borrowings are initially recorded at fair value net of transaction costs incurred, and subsequently at amortised cost using the effective interest method. All borrowing costs are recognised as an expense in the period they are incurred.

(h) Revenue from exchange transactions

Rental income from investment properties

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and included in revenue.

(i) Finance income

Interest income

Interest income is earned for the use of cash and cash equivalents or any amounts due to the Group. Interest income is recognised in the statement of comprehensive revenue and expenses as it is earned. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

Dividend income

Dividend income is recognised in surplus or deficit on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date. Dividends are shown net of imputation credits, and dividends and interest are shown gross of withholding taxes paid.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, deposits held at call with banks and other short term liquid assets of less than 90 days not forming part of the investment portfolio.

(k) Impairment of assets

The carrying amounts of the Group's assets other than those at fair value through profit or loss are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit or loss.

The estimated recoverable amount of investments and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions represent expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

Grants and distributions still to be paid are considered to be provisions as the amounts can be estimated reliably and past practice indicates substantially all of the communicated commitments are subsequently paid. Grant provisions are not discounted as the date of the cash outflow cannot be estimated reliably and in any event the effect of discounting is not considered to be material.

Grants and distributions recognised in the year are recorded through equity in the 'reserves for distribution' reserve, rather than through the Statement of Comprehensive Income as they are for the beneficiaries of the Group.

(m) Plant and equipment

All plant and equipment are stated at cost less depreciation. Depreciation has been calculated in accordance with maximum rates permitted under the Income Tax Act 2007. Trustees consider that these rates give a reasonable approximation of the estimated usable life's of these assets.

Principal depreciation rates are:

Motor vehicles	30%
Furniture and fittings	10% - 67%
Plant and equipment	10% - 40%

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(n) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost and is revalued by as at the market valuation, determined by an independent valuer every 3 years. Investment property acquired through a non-exchange transaction is Subsequent to initial recognition investment property is measured at fair value, with changes in fair value recognised in surplus or deficit in the statement of comprehensive revenue and expense.

(o) Employee entitlements

Annual leave entitlements due to employees are accounted for on the basis of contractual requirements.

Changes in accounting policies

All accounting policies have been consistently applied in these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2 Revenue from exchange transactions	2025	2024
	\$	\$
Management fees	500,000	250,000
Services charged	39,960	26,626
Rental income	1,239,674	967,488
	1,779,635	1,244,116
3 Finance income	2025	2024
	\$	\$
Dividend income	12,581,826	13,840,008
Interest income	105,852	311,123
Investment portfolio distribution income	10,598,412	3,470,679
Other income	52,307	47,226
	23,338,396	17,669,037
4 Operating and Administration expenses	2025	2024
	\$	\$
Audit fees	32,510	29,766
Depreciation expense	61,716	69,187
Election costs	254,691	-
Employee benefit costs	884,171	860,529
Financial accounting and consultancy	60,076	62,667
Grants programme expenses	60,770	69,838
Investment expenses	464,286	390,217
Legal and advisory expenses	81,039	59,563
Trustee expenses	200,253	199,432
Other administration expenses	203,131	205,489
	2,302,643	1,946,688
5 Finance expenses	2025	2024
	\$	\$
Interest expense - TECT Consumer Trust	14,311,723	14,996,565
Other finance expenses	159	251
	14,311,882	14,996,816

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6 Trade and other payables

	2025	2024
	\$	\$
Accounts payable	153,188	136,551
Accrued expenses	29,995	27,499
Accrued interest	4,791,302	4,657,340
GST payable	60,440	31,821
Holiday pay accrual	46,989	44,790
Non-trade payable	669,851	-
	5,751,766	4,898,002

7 Loans to community organisations

TECT Consumer Trust had advanced loans to two organisations, being Omanu Beach Charitable Trust and Te Mana O Toi LP.

The loan to Omanu Beach Charitable Trust is interest-free. For the purposes of calculating amortised cost the term per the loan agreement has been used and an interest rate applying to the prescribed interest rates for Fringe Benefit Tax since inception date of the loan agreement is assumed.

The loan to Te Mana O Toi was repaid in full on 5 September 2024.

8 Investment in shares

	2025	2024
	\$	\$
Manawa Energy Limited		
Opening balance	381,648,713	416,877,825
Fair value movement	31,873,958	(35,229,112)
Closing balance (83,878,838 shares @ \$4.93 per share (2024: 83,878,838 shares @ \$4.55))	413,522,671	381,648,713

Fair value has been assessed at \$4.93 per share (\$4.55 per share 2024), being the closing buy quotation on 31 March 2025 (being last business day of month). No allowance has been made for commission payable on any disposal of shares.

TECT Community Trust Group has the majority of its funds invested in Manawa Energy Limited, therefore there is a concentration of market risk associated with this investment. The Trustees have determined TECT Community Trust Group does not have significant influence over Manawa Energy Limited.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

9 Investment portfolio

	2025	2024
	\$	\$
As at 31 March 2025		
Cash Investments		
Nikko Asset Management	18,070,788	18,009,485
Australasian Equities		
Nikko AM Wholesale Core Equity Fund	23,284,264	23,230,957
Salt Investment Funds	21,793,393	-
Castle Point Trans Tasman Fund	-	21,937,263
Impact Investments		
Enterprise Angels - EA Fund 2	164,074	174,105
Enterprise Angels - EA Fund 3	175,689	180,604
Purpose Capital Impact Fund	4,042,037	3,467,155
WNT Ventures Fund 2	405,040	397,609
WNT Ventures Fund 3	357,664	199,438
Bay of Plenty Housing Limited Partnership (YouOwn)	547,831	395,159
Bay of Plenty Housing Equity Fund	333,435	200,000
Property		
Mercer Unlisted Property Portfolio B	35,537,223	35,811,776
Resolution Capital Global Property Securities Fund	-	8,809,289
Resolution Capital Global Property Securities PIE Fund	12,059,047	-
Unlisted Infrastructure		
Mercer Unlisted Infrastructure Portfolio	50,824,938	46,163,324
International Equities		
Mercer HOS Shares Index B	165,143,372	122,148,762
Mercer HOS Shares Index	54,579,339	106,961,119
Skerryvore Global Emerging Markets All-Cap Equity Fund	39,420,558	36,704,482
Vanguard International Small Companies Index Fund	-	32,337,308
Ironbark Apis Global Small Companies Fund	14,788,185	-
Langdon Global Smaller Companies Fund	15,003,957	-
Private Equity		
Continuity Capital Private Equity Fund No.2 LP	1,612,309	2,186,484
Continuity Capital Private Equity Fund No.4 LP	4,788,099	5,780,458
Continuity Capital Private Equity Fund No.6 LP	3,818,322	2,432,226
Continuity Capital Private Equity Fund No.8 LP	920,166	-
LGT - Crown Capital Opportunities VII SCS	6,826,865	6,082,991
Oriens Capital Fund 1	1,847,922	1,962,806
Oriens Capital Fund 2	3,186,308	2,512,431
Pencarrow Bridge Fund	1,483,788	1,941,757
Pioneer Capital Partners	1,845,102	1,590,860
Waterman Fund 3	683,364	1,009,031
Waterman Fund 4	5,352,054	7,341,694
Waterman Fund 5	55,313	-
HarbourVest Partners Stewardship Feeder Fund LP	1,996,362	914,471
Waterman - Long Term Food Group LP	181,433	118,587
Total investment portfolio	491,128,241	491,001,629

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

10 Investment property

	2025	2024
As at 31 March 2025	\$	\$
Impact Investments		
The Kollektive	10,600,000	10,650,000
127 Durham Street	4,475,000	5,000,000
143 Durham Street	10,500,000	11,750,000
145 Durham Street	5,450,000	5,970,748
Carrying value of investment property	31,025,000	33,370,748

Investment property comprises land and buildings that are leased to third parties under operating leases.

TECT Community Trust, the owner of the Kollektive, has entered into an agreement with Social Sector Innovation WBOP Charitable Trust (SocialLink) to manage the property. SocialLink lease spaces to various community organisations.

All investment properties had valuations completed during the 31 March 2025 year by CBRE Valuation & Advisory Services.

11 Commitments and contingencies

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

	2025	2024
	\$	\$
Continuity Capital Private Equity Fund No.2 LP	125,000	175,000
Continuity Capital Private Equity Fund No.4 LP	900,000	1,125,000
Continuity Capital Private Equity Fund No.6 LP	1,400,000	2,500,000
Continuity Capital Private Equity Fund No.8 LP	9,000,000	-
Enterprise Angels Fund 3	-	10,000
Purpose Capital Impact Fund	525,000	1,200,000
LGT - Crown Capital Opportunities	3,020,134	3,218,525
HabourVest Partners Stewardship Feeder Fund LP	6,706,256	7,159,893
Oriens Capital Fund 1	37,500	87,500
Oriens Capital Fund 2	1,400,000	2,100,000
Pencarrow Bridge Fund	225,000	225,000
Pioneer Capital Partners	771,736	937,309
Waterman Fund 3	923,500	953,500
Waterman Fund 4	1,290,500	1,820,000
WNT Ventures Funds 2	29,000	37,500
WNT Ventures Funds 3	121,000	267,000
Bay of Plenty Housing Limited Partnership (YouOwn)	490,200	621,400
Bay of Plenty Housing Equity Fund	9,409,820	9,800,000
Total	36,374,646	32,237,627

The investments outlined above are a schedule of committed capital for private equity investments. These remain uncalled at balance date.

The Group had no contingencies at the end of the financial year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

12 Provision for grant distributions

	2025 \$	2024 \$
Balance at beginning of year	31,922,903	13,616,513
Add grant distributions approved	12,865,371	31,080,931
Less grant distributions written back	(1,865,085)	(705,101)
	42,923,189	43,992,343
Less grant distributions paid	(11,928,315)	(12,069,440)
Balance at end of year	30,994,874	31,922,903
Grant distributions not yet uplifted		
Projects of regional significance	22,879,587	23,184,501
Community facilities	4,311,896	2,365,410
Community events	293,660	227,172
Community development	1,370,315	2,831,050
Catalyst for change	2,006,318	3,187,763
Tauranga Western Bay Combined Event Fund	133,097	127,008
	30,994,874	31,922,903
Tauranga Western Bay Combined Event Fund - Co-Funder Accounts	77,301	86,899
	31,072,174	31,922,903
Current portion of provisions for grants	18,072,174	14,009,801
Non-current portion of provisions for grants	13,000,000	18,000,000
	31,072,174	32,009,801

Payments of grants is generally conditional upon the organisation obtaining the full amount of funds required to complete the project. Generally, the Group does not release funds until all conditions imposed by Trustees have been met. Grants are normally paid out within 12 months except in exceptional circumstances where Trustees may allow an extension of time or in the case of major projects which may require longer time frames for completion. Grant provisions are not discounted as the date of cashflow cannot be estimated reliably and in any event the effect of discounting is not expected to be material.

The co-funders of the Tauranga Western Bay Community Events Fund (TWBCEF) are Acorn, BayTrust, Tauranga City Council, Western Bay of Plenty District Council and TECT Community Trust. The co-funders are invoiced for their portion of the grants when they are approved, however grants are paid to the recipients in two halves; 50% at the beginning and 50% at the end of the event. A provision is held in the balance sheet for these grant payments yet to be paid with a closing balance as at 31 March 2025 of \$77,301 (2024: \$86,899).

13 Related party loan

	2025 \$	2024 \$
Loan - TECT Consumer Trust		
Opening balance	327,405,711	339,723,985
Repayments	(14,780,716)	(12,318,274)
Closing balance	312,624,995	327,405,711
Current portion of loan	20,679,954	15,378,942
Non-current portion of loan	291,945,042	312,026,770
	312,624,995	327,405,711

A loan agreement formed part of the TECT restructure and expires on 31 December 2050. Principal and interest payments were made in the year and interest accrued at year end is reflected as accrued interest.

Interest was incurred at 4.5% of \$14,311,723 during the year 31 March 2025 (2024: \$14,996,565).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14 Reserves for distribution

	2025	2024
	\$	\$
Summary		
Opening balance	4,884,883	15,805,135
Allocated - Annual distribution plan	16,393,085	19,455,577
	21,277,968	35,260,712
Transfers to provisions and payments	(12,865,371)	(31,080,931)
Write back to reserve	1,865,084	705,101
Closing balance	10,277,682	4,884,883
This comprises:		
Projects of Regional Significance		
Opening balance	5,744	14,105,744
Allocated - Annual distribution plan	7,543,947	-
Transfers to provisions and payments	(2,000,000)	7,550,000
Write back to reserves	200,000	(21,650,000)
Closing balance	5,749,691	5,744
Community Facilities		
Opening balance	1,628,180	1,649,835
Allocated - Annual distribution plan	2,421,820	2,350,165
Transfers to provisions and payments	(4,483,430)	(2,886,062)
Write back to reserve	835,122	514,242
Closing balance	401,692	1,628,180
Community Development		
Opening balance	36,951	22,779
Allocated - Annual distribution plan	4,961,201	4,998,531
Transfers to provisions and payments	(4,669,441)	(5,090,536)
Write back to reserve	729,963	106,177
Closing balance	1,058,674	36,951
Community Events		
Opening balance	219,100	23,240
Allocated - Annual distribution plan	966,117	1,176,760
Transfers to provisions and payments	(1,052,500)	(1,004,333)
Write back to reserve	-	23,433
Closing balance	132,717	219,100
Catalyst for Change		
Opening balance	2,994,908	3,537
Allocated - Annual distribution plan	500,000	3,380,121
Transfers to provisions and payments	(660,000)	(450,000)
Write back to reserve	100,000	61,250
Closing balance	2,934,908	2,994,908
Total closing balance	10,277,682	4,884,883

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

15 Plant and equipment

	Motor Vehicles	Office Equipment	Plant & Equipment	Total
Balance at 31 March 2025				
Carrying value as at 31 March 2024	58,243	159,742	36,258	254,243
Additions	-	32,894	3,613	36,507
Disposals at cost	-	(362)	-	(362)
Accumulated depreciation on disposals	-	-	-	-
Current year depreciation	(17,473)	(37,646)	(6,597)	(61,716)
Carrying value at 31 March 2025	40,770	154,628	33,274	228,672
Balance at 31 March 2024				
Carrying value as at 31 March 2023	41,786	173,789	34,599	250,174
Additions	39,991	25,102	8,200	73,293
Disposals at cost	-	(74)	-	(74)
Accumulated depreciation on disposals	-	37	-	37
Current year depreciation	(23,534)	(39,112)	(6,541)	(69,187)
Carrying value at 31 March 2024	58,243	159,742	36,258	254,243

16 Related party transactions

Trustees of TECT Community Trust are also Trustees of TECT Consumer Trust. Given the common ownership and the dependency of funding between the two entities, they are considered related parties. All transactions with related parties are undertaken in the normal course of business on normal commercial terms.

No related party debts have been forgiven or written off throughout the year.

From time to time, applications for grants are received by TECT Community Trust Group from organisations in which TECT Community Trust Group Trustees have an interest. In these situations, Trustees adhere to the guidance in TECT Community Trust's Group's Code of Practice and remove themselves from the decision making process to ensure no conflicts of interest occur.

17 Capital management

The Group's capital is its Equity, which comprises Base Capital, Accumulated Funds, Reserves for Distribution and Fair Value Reserve. Equity is represented by net assets.

The Group manages its Equity prudently as part of the process of effectively managing its revenues, expenditure, assets, liabilities and all related financial affairs. In order to ensure that the Group achieves its charitable objectives and purpose, the Group has a board of trustees and directors that actively controls and monitors progress of plans and activities against financial and social key performance indicators.

There have been no material changes in the Group's management of capital during the period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

18 Subsequent events

- a) Effective 1 April 2025, a variation to the related party loan from TECT Consumer Trust was negotiated to reduce the interest rate from 4.5% to 0%.
- b) On 11 September 2024, Contact Energy Limited (Contact) entered into a Scheme Implementation Agreement (SIA) to acquire 100% of Manawa Energy Limited (Manawa) under a court approved Scheme of Arrangement (Scheme).

On 11 July 2025, all remaining conditions set out in the SIA were satisfied and Implementation of the Scheme was completed. As consideration, eligible Manawa shareholders received \$1.12 in cash per Manawa share plus 0.5830 new Contact shares for every Manawa share that was held at 5.00pm on the Scheme Record Date of 9 July 2025. TECT Holdings Limited was a 26.8% shareholder of Manawa Energy and as a result received \$93.9M in cash and 48.9M Contact Energy Limited shares.

- c) There were no other significant events after balance date that were material to the financial statements.

INDEPENDENT AUDITORS REPORT

To the Shareholders of TECT Community Trust Group

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TECT Community Trust Group and its subsidiaries (the Group) on pages 10 to 26 and the consolidated service performance on pages 4 to 9. The complete set of financial statements comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated and the statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion:

In our opinion, the accompanying financial report presents fairly, in all material respects:

- a) the service performance for the year ended 31 March 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods;
- b) the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) The Audit of Service Performance Information. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

Trustees' Responsibilities for the Financial Statements

The preparation, and fair presentation of the financial report in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

- The selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- The preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- The overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- Such internal control as Those Charged with Governance determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A detailed description of the auditors' responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the external reporting board website: <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/auditreport-13/>

Restriction on Distribution or Use

This report is made solely to the trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Other Matter

The consolidated financial statements of TECT Community Trust Group for the year ending 31 March 2024 were audited by another auditor who expressed an unmodified opinion on the 27 June 2024.

A handwritten signature in blue ink that reads 'Cameron Town'.

Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 31 July 2025