TECT Community Trust Group

Consolidated Financial Statements
for the year ended 31 March 2026

Report contents

Directory
as at 31 March 2026

Trustees	M Arundel, Chairperson K Barry-Piceno, Deputy Chairperson P Blackwell R Gemming D Brash G Brownless	
Chief Executive	W A Werder	
Address	The Kollective 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 TECT Holdings Limited	8 February 2022 15 December 2006

Our Story

TECT Community Trust (TECT) is dedicated to supporting the people, places and initiatives that strengthen connection, bring vibrancy, and contribute to the local economy across Tauranga and the Western Bay of Plenty.

Our purpose is to help create lasting positive change. Through our funding, we work to enhance the wellbeing and quality of life of our communities, now and for generations to come.

Since 1993, TECT has played an important role in the region's growth, supporting everything from grassroots organisations to major regional projects. Our approach is inclusive, enabling both small community-led ideas and larger, transformational initiatives to take shape.

Our story is closely linked to the home of the country's first underground hydro generation scheme, a vital source of power for the region, Te Rere o Ōmanawa. This legacy continues to shape who we are today, grounding our work in a long-standing commitment to the people and places of the Western Bay through our past, present and future.

As our region continues to grow, so too does the pressure on both physical infrastructure and the social fabric that holds communities together. Our role in supporting this growth is becoming increasingly important.

By managing our investments responsibly, we are able to provide ongoing funding that supports the long-term needs and aspirations of our community.

Today, that support can be seen right across the Western Bay through the people, projects and places that help make this region a great place to live, work and belong.

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 Waihī Beach in the north, through to Ōtamarākau in the east, covering the same regions administered by Tauranga City Council and Western Bay of Plenty District Council.

Our Strategy

TECT's Strategic Plan sets the direction for how we invest our funding to support the long term wellbeing of Tauranga and the Western Bay of Plenty.

It reflects both the needs we see in our communities today and the opportunities and challenges that lie ahead as our region continues to grow. Through this plan, TECT focuses its funding where it can make the most meaningful and lasting difference.

Our funding priorities are guided by a set of strategic focus areas. These reflect the key issues and opportunities across the Western Bay and help guide funding towards the areas where it can create the greatest community benefit. TECT prioritises housing, our natural environment, built environment, priority communities, and community wellbeing and vibrancy.

This means investing in warm, healthy and affordable housing, protecting and restoring the natural environment, and supporting facilities and infrastructure that help people connect, participate and thrive. It also means backing communities experiencing the greatest need, including children and young people, older people, and diverse communities across the region. Alongside this, TECT invests in initiatives that strengthen social connection, wellbeing and vibrancy, recognising that a healthy, connected community is central to long term resilience.

Together, these strategic focus areas shape how funding decisions are made across the region. They are brought to life through TECT's funding framework, which connects our long term priorities with the way funding is distributed in practice.

Housing
Kāinga Āhuru

Natural Environment
Toitū Te Taiao

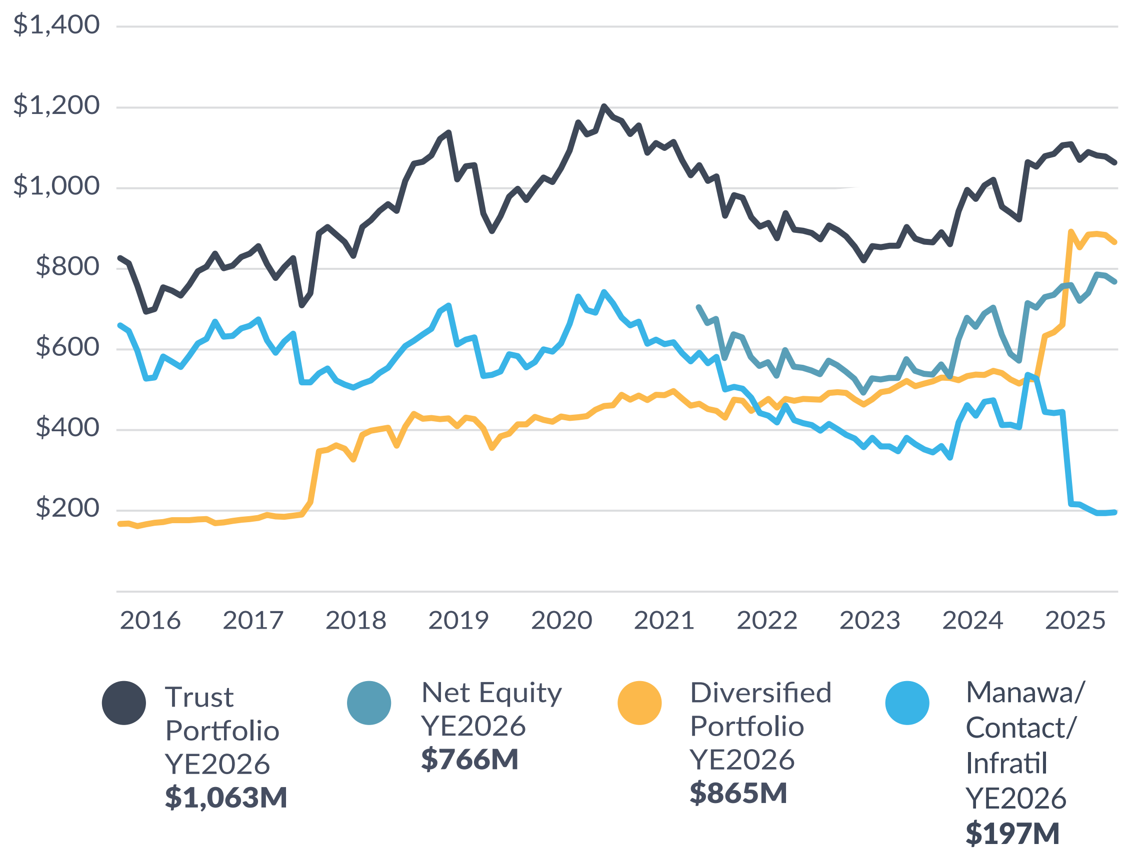
Built Environment
Whaitua Hononga

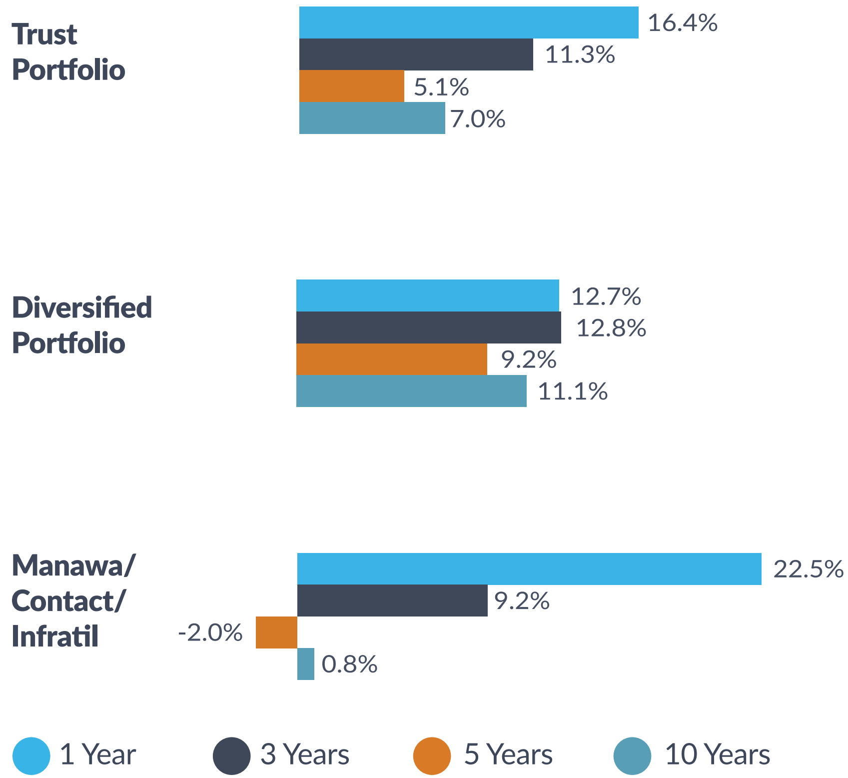
Priority Communities
Ngā Hāpori Mātua

Community Wellbeing & Vibrancy
Te Mauri me te Orangatanga

Investment Performance Summary

Market value ($ millions) to 31 March 2026





Manaaki Kaimai Mamaku Trust

Financial and Investment Highlights

16.4% return on overall portfolio (YE2025 9.3%)

The diversified portfolio had a return of **12.7%** (YE2025 7.2%)

This financial year TECT granted **$26.3M** to 275 organisations (YE2025 $12.9M)

Group administration expenses of **$2.3M** (before finance & interest payments) (YE2025 $2.3M)

$143M Group net surplus (YE2025 $8.5M)

Grants Programme

Every year, TECT ensures funding is available for local community organisations and initiatives across the region.

We are committed to engaging with our community and seek feedback annually to help shape our distribution plan. Funds that are not taken up for example, where projects do not proceed or accountability requirements are not met, are returned to the grants pool. Any unallocated funding is carried forward into the following year.

In YE2026, $18.1M was allocated for distribution across our five grant funds (YE2025: $16M).

TECT's funding framework includes both strategic and responsive grants, delivered through five funds: Community Facilities, Community Events, Community Development, Facilities of Regional Significance, and Catalyst for Change.

The following distribution plan was approved for YE2026:

Responsive Funds	
Community Facilities	
Allocated funds for YE2026	$4,000,000
Remaining balance as at 31 March 2025	$401,693
Total funds available	**$4,401,693**
Community Events	
Allocated funds for YE2026	$1,200,000
Remaining balance as at 31 March 2025	$132,717
Total funds available	**$1,332,717**
Community Development	
Allocated funds for YE2026	$5,000,000
Remaining balance as at 31 March 2025	$1,058,674
Total funds available	**$6,058,674**
Strategic Funds (Invite only)	
Facilities of Regional Significance	
Allocated funds for YE2026	$6,530,000
Remaining balance as at 31 March 2025	$5,749,691
Total funds available	**$12,279,691**
Catalyst for Change	
Allocated funds for YE2026	$1,400,000
Remaining balance as at 31 March 2025	$2,934,908
Total funds available	**$4,334,908**
Total allocations	
Allocated funds for YE2026	$18,130,000
Remaining balance as at 31 March 2025	$10,277,683
Total funds available	**$28,407,683**

Description and quantification of the Trust's output*

	YE2026	YE2025
Total number of grants approved	316	269
Number of community groups approved funding	275	226
Value of grants approved	$26,349,002	$12,865,371
Percentage of applications approved	82%	88%
Total grants paid out in the year	**$20,258,625**	**$11,928,315**

TECT continues to prioritise a funding process that is clear, consistent and transparent. The total value of grants approved reflects both the number of applications received and the nature of those requests. A further breakdown of grants approved is outlined below:

Grants approved by fund**

	YE2026	YE2025
Community Facilities	$4,312,145	$4,483,430
Community Events	$1,347,500	$1,052,500
Community Development	$5,859,357	$4,669,441
Facilities of Regional Significance	$11,350,000	$2,000,000
Catalyst for Change	$3,480,000	$660,000
Total	**$26,349,002**	**$12,865,371**

*Grants approved include both those made directly by TECT and those distributed through joint funding partnerships where TECT has contributed.

** Figures include lapsed grants that have been returned to the fund and reallocated. Strategic funds (Facilities of Regional Significance and Catalyst for Change) are accumulated over multiple years to support larger funding commitments, with remaining balances carried forward.

Katikati Bike Series 2026

Consolidated Statement of Comprehensive Revenue and Expenses

For the year ended 31 March 2026

	Notes	2026 $	2025 $
Revenue from exchange transactions	2	1,722,321	1,779,635
Finance income	3	156,390,201	23,338,396
Total income		**158,112,522**	**25,118,031**
Operating and administration expenses	4	2,287,149	2,302,643
Finance expenses	5	13,224,538	14,311,882
Total expenses		**15,511,687**	**16,614,526**
Net surplus		**142,600,834**	**8,503,505**
Other comprehensive revenue and expenses for the year			
Gain/(loss) in fair value movement of investments		152,315,717	46,753,322
		152,315,717	46,753,322
Total comprehensive revenue and expenses		**294,916,551**	**55,256,826**

Consolidated Statement of Changes in Net Assets

As at 31 March 2026

	Notes	Base Capital	Investment Fair Value Reserve	Accumulated Funds	Reserves for Distribution	Total Equity
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/loss 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**
Balance at 1 April 2025		705,142,246	(127,910,063)	1,422,874	10,277,681	588,932,740
						-
Total comprehensive revenue and expense for the year		-	152,315,717	142,600,834	-	294,916,551
Transfer of realised gain/loss on disposal of investments			(256,492,102)	256,492,102	-	-
Distributions of equity		-	-	(18,130,000)	(8,219,002)	(26,349,002)
Distributions written back		-	-	-	323,951	323,951
Balance at 31 March 2026		705,142,246	(232,086,448)	382,385,810	2,382,631	**857,824,241**

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 $	2025 $
Current Assets			
Cash and cash equivalents		2,129,747	2,298,053
Trade and other receivables		251,173	127,335
		2,380,921	**2,425,386**
Non-current Assets			
Legacy shareholding	8	205,101,477	413,522,671
Investment portfolio	9	834,851,019	491,128,241
Plant and equipment	15	292,254	228,672
Investment property	10	31,127,624	31,025,000
Loans to community organisations	7	36,489	51,709
		1,071,408,863	**935,956,293**
Total Assets		**1,073,789,784**	**938,381,680**
Current Liabilities			
Trade and other payables	6	1,607,019	5,751,766
Loan - TECT Consumer Trust	13	16,997,677	20,679,954
Provision for grant distributions	12	28,901,909	18,072,174
		47,506,606	**44,503,893**
Non-current Liabilities			
Loan - TECT Consumer Trust	13	160,458,932	291,945,042
Provision for grant distribution	12	8,000,000	13,000,000
		168,458,932	**304,945,042**
Total Liabilities		**215,965,537**	**349,448,935**
Net Assets		**857,824,241**	**588,932,740**
Equity		**857,824,241**	**588,932,740**

Trustee

Trustee

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 $	2025 $
Cash flows from operating activities		
Finance income	19,403,329	23,303,585
Revenue from exchange transactions	1,776,553	1,766,137
Cash paid to suppliers, staff and Trustees	(2,273,433)	(16,339,916)
Grants paid to the community	(20,195,316)	(11,937,913)
Funds invested	(508,455,337)	(138,829,060)
Proceeds from sale of investments	526,136,962	156,627,560
Taxes paid	29,690	(28,619)
Net cash flow - operating activities	**16,422,449**	**14,561,776**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(128,129)	(36,507)
Acquisition of investment property	(102,624)	-
Net cash flow - investing activities	**(230,751)**	**(36,508)**
Cash flows from financing activities		
Loans (repaid)/issued	(16,360,004)	(13,588,779)
Net cash flow - financing activities	(16,360,004)	(13,588,779)
Net increase/(decrease) in cash and cash equivalents	(168,306)	936,489
Cash at beginning of year	2,298,053	1,361,564
Cash at end of year	2,129,747	2,298,053
Represented by:		
Cash on hand and at bank	2,129,747	2,298,053

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 the 23 July 2026.

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 2026

(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 2026

(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 Instruments. Gains and losses recognised in other comprehensive revenue and expense for equity investments are not reclassified to surplus or deficit on disposal. Instead, cumulative gains or losses are transferred within equity from the fair value reserve to accumulated funds. 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.

(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. Gains and losses recognised in other comprehensive revenue and expense for equity investments are not reclassified to surplus or deficit on disposal. Instead, cumulative gains or losses are transferred within equity from the fair value reserve to accumulated funds. 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 2026

(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 2026

(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 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 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 2026

2 Revenue from exchange transactions

	Notes	2026 $	2025 $
Management fees		514,464	500,000
Services charged		19,980	39,960
Rental income		1,187,876	1,239,674
		1,722,321	**1,779,635**

3 Finance income

	Notes	2026 $	2025 $
Dividend income		12,523,696	12,581,826
Interest income		38,677	105,852
Investment portfolio distribution income		11,795,191	10,598,412
Initial remeasurement of inter-entity loan	13	132,014,720	
Other income		17,917	52,307
		156,390,201	**23,338,396**

4 Operating and Administration expenses

	2026 $	2025 $
Audit fees	30,995	32,510
Depreciation expense	63,882	61,716
Election costs	-	254,691
Employee benefit costs	943,940	884,171
Financial accounting and consultancy	67,645	60,076
Grants programme expenses	148,935	60,770
Investment expenses	510,949	464,286
Legal and advisory expenses	26,410	81,039
Trustee expenses	247,826	200,253
Other administration expenses	246,567	203,131
	2,287,149	**2,302,643**

5 Finance expenses

	Notes	2026 $	2025 $
Interest expense - TECT Consumer Trust		-	14,311,723
Effective interest adjustment of interest free loans	13	13,224,337	-
Other finance expenses		202	159
		13,224,538	**14,311,882**

Notes to the Consolidated Financial Statements
For the year ended 31 March 2026

6 Trade and other payables

	2026 $	2025 $
Accounts payable	110,225	153,188
Accrued expenses	77,780	29,995
Accrued interest	-	4,791,302
GST payable	30,750	60,440
Holiday pay accrual	50,919	46,989
Non-trade payable	1,337,344	669,851
	1,607,019	**5,751,766**

7 Loans to community organisations

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.

8 Legacy shareholdings

	2026 $	2025 $
Manawa Energy Limited		
Opening balance	413,522,671	381,648,713
Share sale	(534,256,759)	-
Fair value movement	120,734,088	31,873,958
Closing balance (Nil: (2025: 83,878,838 shares @ $4.93)	**-**	**413,522,671**
Contact Energy Limited		
Opening balance	-	-
Acquisition of shares	440,363,900	-
Share sale	(436,318,980)	-
Fair value movement	(4,044,920)	-
Closing balance (Nil: (2025: Nil)	**-**	**-**
Infratil Limited		
Opening balance	-	-
Acquisition of shares	218,833,593	-
Fair value movement	(13,732,116)	-
Closing balance (17,605,277 shares @ $11.65 (2025: Nil)	**205,101,477**	**-**

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.

On 20 October 2025, TECT Holdings Limited completed an agreement with Infratil Limited to sell 48.9M Contact Energy Limited shares for cash consideration of $218.8M and 17.6M Infratil Limited having an aggregate sale value of $436.1M.

Fair value has been assessed at $11.65 per share (Nil 2024), being the closing buy quotation on 31 March 2026 (being last business day of the month). No allowance has been made for commission payable on any disposal of shares.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2026

9 Investment portfolio

As at 31 March 2026	2026 $	2025 $
Cash Investments		
Amova Wholesale NZ Cash Fund (Formerly Nikko Asset Management	35,966,822	18,070,788
Alternative Debt		
Coolabah Short Term Income Fund	48,432,128	-
KKR Global Credit Opportunities Fund	35,944,649	-
Australasian Equities		
Amova Wholesale Core Equity Fund (Formerly Nikko AM Wholesale Core Equity Fund)	27,090,151	23,284,264
Salt Investment Funds	26,959,938	21,793,393
Impact Investments		
Enterprise Angels - EA Fund 2	121,151	164,074
Enterprise Angels - EA Fund 3	143,051	175,689
Purpose Capital Impact Fund	4,097,350	4,042,037
WNT Ventures Fund 2	234,450	405,040
WNT Ventures Fund 3	447,230	357,664
Bay of Plenty Housing Limited Partnership (YouOwn)	597,767	547,831
Bay of Plenty Housing Equity Fund	7,125,772	333,435
Climate Venture Capital Fund 2	679,719	-
Property		
Mercer Unlisted Property Portfolio B	52,678,096	35,537,223
Resolution Capital Global Property Securities PIE Fund	17,958,264	12,059,047
Unlisted Infrastructure		
Mercer Unlisted Infrastructure Portfolio	76,898,615	50,824,938
International Equities		
Mercer HOS Shares Index B	279,400,696	165,143,372
Mercer HOS Shares Index	64,026,821	54,579,339
Skerryvore Global Emerging Markets All-Cap Equity Fund	41,368,033	39,420,558
Macquarie True Index Emerging Markets Fund	12,276,778	-
Ironbark Apis Global Small Companies Fund	27,137,737	14,788,185
Langdon Global Smaller Companies Fund	18,420,373	15,003,957
Private Equity		
Continuity Capital Private Equity Fund No.2 LP	1,385,430	1,612,309
Continuity Capital Private Equity Fund No.4 LP	4,527,604	4,788,099
Continuity Capital Private Equity Fund No.6 LP	4,480,119	3,818,322
Continuity Capital Private Equity Fund No.8 LP	2,225,592	920,166
LGT - Crown Capital Opportunities VII SCS	7,190,085	6,826,865
LGT Global Private Equity Evergreen Fund (LGTGP)	11,180,703	-
LGT - Crown Co-Investment Opportunities IV Feeder S.C.SP	345,110	-
Oriens Capital Fund 1	1,511,346	1,847,922
Oriens Capital Fund 2	3,415,739	3,186,308
Pencarrow Bridge Fund	1,102,327	1,483,788
Pioneer Capital Partners	1,995,532	1,845,102
Waterman Fund 3	135,000	683,364
Waterman Fund 4	6,167,000	5,352,054
Waterman Fund 5	687,422	55,313
Waterman - Long Term Food Group LP	213,155	181,433
HarbourVest Partners Stewardship Feeder Fund LP	5,288,324	1,996,362
HarbourVest Co-Investment Fund VII	4,246,324	-
Community Capital Private Equity	748,613	-
Total investment portfolio	**834,851,019**	**491,128,241**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

10 Investment property

As at 31 March 2026	2026 $	2025 $
Impact Investments		
The Kollective	10,702,624	10,600,000
127 Durham Street	4,475,000	4,475,000
143 Durham Street	10,500,000	10,500,000
145 Durham Street	5,450,000	5,450,000
Carrying value of investment property	**31,127,624**	**31,025,000**

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

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

The investment properties below had valuations completed during the 31 March 2025 year by CBRE Valuation & Advisory Services:

The Kollective
127 Durham Street
143 Durham Street
145 Durham Street

11 Commitments and contingencies

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

	2026 $	2025 $
Community Capital Private Equity	6,814,867	-
Continuity Capital Private Equity Fund No.2 LP	125,000	125,000
Continuity Capital Private Equity Fund No.4 LP	702,075	900,000
Continuity Capital Private Equity Fund No.6 LP	1,190,680	1,400,000
Continuity Capital Private Equity Fund No.8 LP	7,900,000	9,000,000
Purpose Capital Impact Fund	275,000	525,000
LGT - Crown Capital Opportunities VII SCS	2,682,328	3,020,134
LGT - Crown Co-Investment Opportunities IV Feeder S.C.SP	9,717,777	-
HabourVest Partners Stewardship Feeder Fund LP	4,955,438	6,706,256
HarbourVest Co-Investment Fund VII	6,136,045	-
Oriens Capital Fund 1	12,500	37,500
Oriens Capital Fund 2	1,250,000	1,400,000
Pencarrow Bridge Fund	225,000	225,000
Pioneer Capital Partners	648,916	771,736
Waterman Fund 3	923,000	923,500
Waterman Fund 4	840,000	1,290,500
Waterman Fund 5	4,125,000	-
WNT Ventures Funds 2	-	29,000
WNT Ventures Funds 3	72,800	121,000
Bay of Plenty Housing Limited Partnership (YouOwn)	430,200	490,200
Bay of Plenty Housing Equity Fund	2,925,734	9,409,820
Total	**51,952,360**	**36,374,646**

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 2026

12 Provision for grant distributions

	2026 $	2025 $
Balance at beginning of year	30,994,874	31,922,903
Add grant distributions approved	26,349,002	12,865,371
Less grant distributions written back	(323,951)	(1,865,085)
	57,019,925	**42,923,189**
Less grant distributions paid	(20,258,625)	(11,928,315)
Balance at end of year	**36,761,300**	**30,994,874**
Grant distributions not yet uplifted		
Projects of regional significance	24,350,000	22,879,587
Community facilities	6,181,540	4,311,896
Community events	534,500	293,660
Community development	2,576,839	1,370,315
Catalyst for change	2,965,000	2,006,318
Tauranga Western Bay Combined Event Fund	153,422	133,097
	36,761,300	**30,994,874**
Tauranga Western Bay Combined Event Fund - Co-Funder Accounts	140,610	77,301
	36,901,909	**31,072,174**
Current portion of provisions for grants	28,901,909	18,072,174
Non-current portion of provisions for grants	8,000,000	13,000,000
	36,901,909	**31,072,174**

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 2026 of $140,611 (2025: $77,301).

13 Related party loan

	2026 $	2025 $
Loan - TECT Consumer Trust		
Opening balance	312,624,995	327,405,711
Initial remeasurement of inter-entity loan	(132,014,720)	-
Repayments	(16,378,004)	(14,780,716)
Effective interest adjustment	13,224,337	-
Closing balance	**177,456,609**	**312,624,995**
Current portion of loan	16,997,677	20,679,954
Non-current portion of loan	160,458,932	291,945,041
	177,456,609	**312,624,995**

A loan agreement formed part of the TECT restructure and expires on 31 December 2050. 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%. This resulted in a remeasurement of the loan, with the $132M reduction recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

Although the loan does not bear contractual interest, the TECT Consumer Trust recognises notional interest income over the term of the loan to reflect the economic return on the asset. This is calculated by applying the effective interest method based on estimated future cash flows, at an effective interest rate of 4.5% per annum.

Effective interest was incurred as an expense in TECT Community Trust of $13,224,337 during the year 31 March 2026 (2025: $14,311,723).

For financial reporting purposes, the financial arrangement shows a closing balance of $177.4M as at 31 March 2026. However this is the discounted value of the financial liability based on the present value of future cashflows. The nominal closing balance of the financial arrangement is $296.2M.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2026

14 Reserves for distribution

	2026	2025
Summary	$	$
Opening balance	10,277,682	4,884,883
Allocated - Annual distribution plan	18,130,000	16,393,085
	28,407,682	**21,277,968**
Transfers to provisions and payments	(26,349,002)	(12,865,371)
Write back to reserve	323,951	1,865,084
Closing balance	**2,382,631**	**10,277,682**
This comprises:		
Projects of Regional Significance		
Opening balance	5,749,691	5,744
Allocated - Annual distribution plan	6,530,000	7,543,947
Transfers to provisions and payments	(11,350,000)	(2,000,000)
Write back to reserves	-	200,000
Closing balance	**929,691**	**5,749,691**
Community Facilities		
Opening balance	401,692	1,628,180
Allocated - Annual distribution plan	4,000,000	2,421,820
Transfers to provisions and payments	(4,312,145)	(4,483,430)
Write back to reserve	163,671	835,122
Closing balance	**253,218**	**401,692**
Community Development		
Opening balance	1,058,674	36,951
Allocated - Annual distribution plan	5,000,000	4,961,201
Transfers to provisions and payments	(5,859,357)	(4,669,441)
Write back to reserve	39,786	729,963
Closing balance	**239,103**	**1,058,674**
Community Events		
Opening balance	132,717	219,100
Allocated - Annual distribution plan	1,200,000	966,117
Transfers to provisions and payments	(1,347,500)	(1,052,500)
Write back to reserve	120,494	-
Closing balance	**105,711**	**132,717**
Catalyst for Change		
Opening balance	2,934,908	2,994,908
Allocated - Annual distribution plan	1,400,000	500,000
Transfers to provisions and payments	(3,480,000)	(660,000)
Write back to reserve	-	100,000
Closing balance	**854,908**	**2,934,908**
Total closing balance	**2,382,631**	**10,277,682**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

15 Plant and equipment

Balance at 31 March 2026	Motor Vehicles $	Office Equipment $	Plant & Equipment $	Total $
Carrying value as at 31 March 2025	40,770	154,628	33,274	228,672
Additions	62,770	54,688	26,922	144,380
Disposals at cost	(4,851)	(2,173)	(21,801)	(28,825)
Accumulated depreciation on disposals	3,187	1,006	7,716	11,909
Current year depreciation	(20,101)	(38,047)	(5,734)	(63,882)
Carrying value at 31 March 2026	81,774	170,102	40,377	292,253

Balance at 31 March 2025	Motor Vehicles $	Office Equipment $	Plant & Equipment $	Total $
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

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.

Key Management and Governance Personnel Remuneration
TECT Community Trust classifies its key management personnel into the following categories:

2026	FTE
Trustees	6
Senior Management	3

Compensation for the Trust's key management personnel includes salaries and trustee fees. During the year, the total remuneration paid to key management personnel was $803,603 (2025: $724,624).

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 2026

18 Subsequent events after balance date

There were no significant events after balance date that were material to the financial statements.

SILKS AUDIT
Chartered Accountants

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

INDEPENDENT AUDITORS REPORT

To the Trustees of TECT Community Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TECT Community Trust 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 2026, 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 2026 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 2026, 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 Group or any of its subsidiaries.

Whanganui | Ngāmotu | Taupō | Te Papaioea | Rotorua | Tāmaki Makaurau | Kirikiriroa

(06) 345 8539 | tanderson@silks.co.nz | ctown@silks.co.nz | www.silksaudit.co.nz

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 Trustees 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 Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's 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/audit-report-13/

SILKS AUDIT
Chartered Accountants

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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.

Silks Audit

Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 23 July 2026

Whanganui | Ngāmotu | Taupō | Te Papaioea | Rotorua | Tāmaki Makaurau | Kirikiriroa

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