TECT

ANNUAL REPORT

2023/2024

Contents

The Elms Te Papa Tauranga

Who Are We

TECT Community Trust is governed by six trustees elected by the community for four-year terms. Terms of appointment are staggered so that three trustees retire every two years. The next election will be held in late 2024, and the newly elected trustees will start their terms after the AGM in November 2024.

The trustees act in accordance with the trust deed and are responsible for ensuring that the trust operates according to its key roles to meet all regulatory and legal requirements. The Board are supported by a team who run the day-to-day operations of the trust, including the investments, community grants scheme, collaborating with other local funders and community organisations, and working on projects for the Trust.

It is recognised that trustees and staff have a wide range of involvement throughout the TECT region, and the potential for conflict will occasionally arise. To cover this eventuality, trustees and staff disclose their involvement with other organisations, do not take part in discussions relating to organisations they have a conflict of interest with, and do not vote on any matter where a conflict or potential conflict exists.

Trust Deed Amendments - There were no changes between 1 April 2023 and 31 March 2024 to the Trust Deed of TECT Community Trust and it's subsidiary TECT Holdings Ltd. The Trust Deed is available to view on the website under Trust Reports and Documents.

Directory as at 31 March 2024

Trustees (clockwise)
Bill Holland, Chairperson
Mark Arundel, Deputy Chairperson
Peter Blackwell
Peter Farmer
Rachael Gemming
Kate Barry-Piceno

Future Directors (clockwise)
Cory Dixon
Laura Gaveika

Chief Executive
Wayne Werder

Date of Commencement
TECT Community Trust
8 February 2022

TECT Holdings Ltd
15 December 2006

Board Committees

Finance, Audit and Risk Committee
Rachael Gemming, Chair
Kate Barry-Piceno
Mark Arundel

Investment Committee
Edward Schuck, Independent Chair
Bill Holland
Mark Arundel
Peter Farmer

Auditor
Crowe NZ Audit Partnership

Solicitor
Sharp Tudhope Tauranga

Accountant
KPMG Tauranga

Trustees






Future Directors


EMPOWERING OUR COMMUNITIES TO SHAPE

A BETTER TODAY, AND TOMORROW

Chairperson & CEO's Report

Bill Holland | Chairperson

Reflecting on 2024, we are pleased to report a year marked by significant achievements and progress for TECT Community Trust, despite a challenging economic environment. The recent structural changes to the Trust are now bearing fruit, streamlining our operations and enabling us to be more agile and responsive to the needs of our community. Importantly, it has laid a solid foundation for us to start delivering on our strategic objectives, leading to strong investment returns and approval of a record amount of grant distributions for the Western Bay of Plenty community.

The global economic landscape presented numerous challenges, including persistent inflation and fluctuating markets. Despite these headwinds, TECT Community Trust, with the support of our investment advisors Frontier, has delivered strong investment returns. These returns have not only sustained our operations but have also allowed us to significantly increase our grant distributions. This year, we approved a record amount of grants, providing crucial funding to support the people, places, and projects making a difference in our community.

Central to our strategic vision is the goal and ability of delivering transformational change within our community. A prime example of this commitment is the $21 million grant to the Te Manawataki o Te Papa project. This project represents one of the most significant investments in our region's history and is poised to be a game-changer for our city and the wider region.

Te Manawataki o Te Papa, which translates to "the heartbeat of Te Papa," is an ambitious project aimed at revitalising the heart of our city. This initiative will create a vibrant urban space, serving as a hub for community activities, cultural events, and economic development. Our investment is aimed at the Museum to fund critical infrastructure and development, ensuring that the project meets its objectives of transformation and revitalisation. This initiative exemplifies our commitment to supporting projects with far-reaching and lasting impacts.

In addition to the Te Manawataki o Te Papa project, we have continued to provide substantial support to a wide range of community groups and initiatives. This year, over $31M of grants were approved, the largest amount in TECT's history, benefiting numerous organisations and projects across the Western Bay of Plenty. These grants have funded vital services and programs in areas such as health, education, sports, arts, and social services.

Our grant-making process is rigorous and inclusive, ensuring that funds are distributed equitably and transparently. We work closely with community groups to understand their needs and priorities, and we are committed to supporting initiatives that deliver the greatest benefit to our community.

None of our achievements this year would have been possible without the unwavering dedication and hard work of our Trustees and staff. Their commitment to our mission and their tireless efforts have been instrumental in navigating the challenges of this year and achieving our strategic goals. We extend our deepest gratitude to each of them for their contributions.

We also acknowledge the tremendous work of the community groups and the individuals who work and volunteer within them. These groups are the backbone of our community, providing essential services, support, and enrichment. Their efforts have a profound impact on the lives of many, and we are pleased to be able to support them in their endeavours.

It is pleasing to see the reward for the efforts of the restructure take shape, and to be able to see the potential that the Trust now has to make a significant impact on shaping the quality of life and wellbeing of current and future generations in the Western Bay of Plenty.

Despite economic challenges, we have delivered strong financial performance, approved record grant distributions, and made significant strides in delivering transformational change.

We are deeply grateful for the support and trust of our community – the Trust is yours and we are privileged to work on your behalf. We look forward to continuing our work together to create a better future for all.

Bill Holland
Chairperson

Wayne Werder
CEO

Total Grants Approved: $194.3M

Key Performance Highlights For The Year Include

The diversified portfolio had a positive return of **17.6%** (YE23 -2.3%)

In this financial year TECT granted **$31M** to **210** organisations (YE23 $16M)

Group administration expenses of **$2M** (before finance & interest payments) (YE23 $2.5M)

Total Assets were **$909M** (YE23 $893.6M) with Net Assets of **$545M** (YE23 $535.2M) after the loan from TECT Consumer Trust

$2M Group net surplus (YE23 $39.3M)

The overall Trust portfolio experienced an improved 12 months with a 7.5% return (YE23 -12.9%). While the three year annual return was negative, the five year annual return remained in positive territory.

Overall, performance of the diversified portfolio has been in line with other portfolios of similar asset allocations. Most portfolios experienced a strong rally over the March quarter, primarily due to the performance of international equities.

Much of the Trust portfolio performance was offset by longer timeframe losses associated with Manawa Energy Limited, resulting in a modest positive return for all periods except over three years. Manawa Energy Limited contributed positively to the portfolio performance in the last quarter of the year.

Financial & Investment Performance

The Trust's ability to make grants derives from a substantial pool of assets held and managed by the Trustees on behalf of the community. Assets include a 26.8% shareholding in Manawa Energy Limited and a Diversified Portfolio of equity and debt securities, both public and private, issued in New Zealand and offshore.

The Diversified Portfolio was established in 2015 with the aim reducing the investment risk of the Trust's overall portfolio while maintaining expected future returns. Initially funded by the proceeds of the sale in 2015 of 20 million shares in Trustpower Ltd., the Portfolio increased in size significantly as a result of the Trust's sale of its shares in Tilt Renewables in 2018.

Since its inception, the Trustees have maintained a high-growth strategy for investing the Diversified Portfolio. In doing so, they have acknowledged that a high-growth strategy can lead to greater volatility in annual returns than the typical balanced fund, but acceptance of this short-term risk is worthwhile because of the higher returns (and consequently higher grants budgets) this strategy can be expected to generate over the long term.

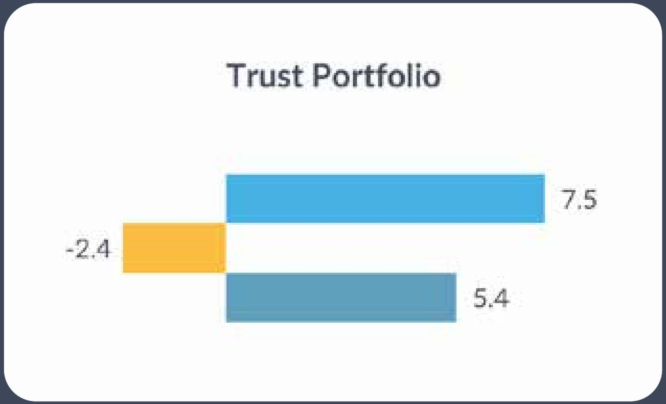
Pleasingly, the Trustees' decisions to diversify and pursue a high-growth strategy have benefited the Trust, particularly in the latest financial year ended 31 March 2024. While the return on the Trust's holding of Manawa shares (-5.1%) was poor due to a falling share price, the return generated by the Diversified Portfolio (+17.6%) was exemplary. Moreover, all asset classes in the Diversified Portfolio posted a positive return over the last 12 months – an outstanding result.

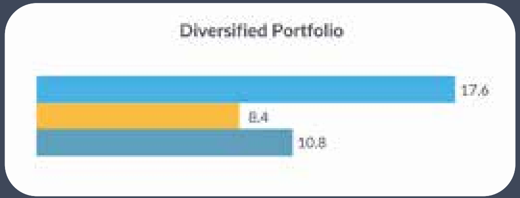
To provide stability in their spending from year to year and to maintain the purchasing power of the Trust's portfolio, the Trustees target an annual drawdown of 4% of the average market value of the portfolio over the preceding 12 quarters. Investment returns in excess of this target, as in the current year, are retained and invested so the Trust's portfolio grows with the rate of inflation over the long term and reserves are available to support grant-making in years where investment returns are below expectations.

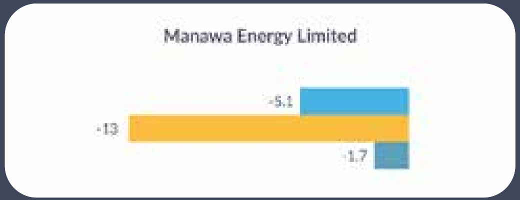
Edward Schuck | Investment Committee Independent Chair

Performance Summary

as at 31 March 2024







1 Year (%) 3 Years (% p.a) 5 Years (% p.a)

Life Education Trust WBOP

Why Do We Exist, What We Aim To Do

As a passionate and community-driven trust, we strive to nurture and build the prosperity of those who call Tauranga and the Western Bay of Plenty home, through steady support for local initiatives, events and facilities. Our efforts empower the community and organisations we support as we work together to make a significant impact on shaping the quality of life and wellbeing for all.

TECT's establishment 30 years ago, in 1993, marked a significant point in our community's history. As a community, we embarked on a journey towards a vision for our region where our communities and environment can thrive. Today, the trust's impact has echoed throughout our region, touching the lives of countless individuals now and in the future.

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.

Our Region

The TECT region is the same as the regions administered by Tauranga City Council and Western Bay of Plenty District Council.

Who We Are

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 Way of Working

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 of 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.

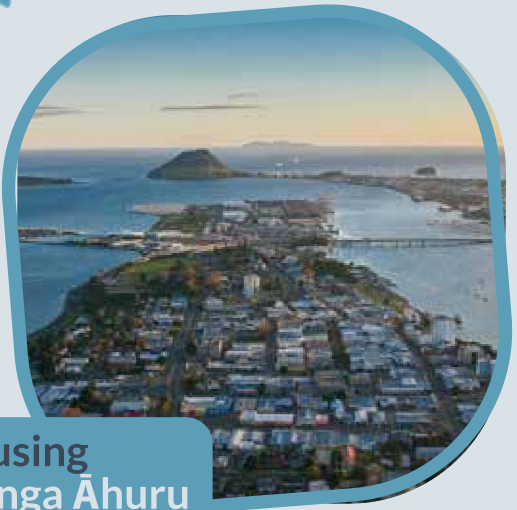
Commitment to Māori – We recognise the importance of building meaningful relationships with tangata whenua and enabling the aspirations of Māori in our region. As a Trust, we are committed to developing our understanding of Te Tiriti o Waitangi and its implications for our work.

Surf Life Saving NZ

At TECT, we strive to make a difference for Tauranga and Western Bay of Plenty communities, positively impacting the lives of current residents and future generations. Our funding approach is inclusive of all communities, and we prioritise support for those experiencing the highest need as well as enabling future transformational projects which benefit everyone in our community.

Strategic Focus Areas

At TECT we are focused on supporting our region through our five strategic focus areas.



Housing
Kāinga Āhuru

Natural Environment
Toitū Te Taiao

Community Wellbeing & Vibrancy
Te Mauri me te Orangatanga

Priority Communities
Ngā Hāpori Mātua

Built Environment
Whaituā Hononga

Housing
Kāinga Āhuru

Why do we believe this is important?

We believe everyone in our region should have access to warm, healthy, affordable and culturally appropriate housing.

To support this, we are focused on investing in initiatives that are community-led and increase access to warm, healthy, affordable and culturally appropriate housing for communities experiencing the greatest barriers to secure housing.

What have we done? Some highlights from the year:

BOP Housing Equity Fund

We invested $10M alongside other local funders into a newly established Housing Fund. The goal is to increase the housing supply by delivering inclusive and affordable housing solutions not being adequately met by the market or government.

YouOwn Shared Ownership Programme

We invested $1M into the BOP Housing Limited Partnership Fund, a co-ownership model partnering with home buyers to purchase a house. The goal is to invest alongside home market entrants who cannot meet minimum equity levels but who can service a mortgage.

20° Healthy Housing Programme

We committed $450,000 across three years to Sustainability Options to create healthy, warm, dry, ventilated & mould-free homes, and provide housing literacy (education) to owners to create a sustainable healthy home.

Natural Environment
Toitū Te Taiao

Why do we believe this is important?

We will invest in the protection and regeneration of our region's natural environment and biodiversity, and support initiatives that address the implications of climate change.

We will prioritise initiatives that achieve large scale transformationalimpact, bringing diverse stakeholders together and blending contemporary science with local knowledge, including mātauranga Māori, and that are community-led and help to build community care of and connection with our environment.

What have we done? Some highlights from the year:

Environment Restoration Projects
(Projects Parore - Uretara Estuary Managers)

We granted $450,000 over three years to support a large-scale environmental restoration project based in Katikati. The focus is on 8 catchments that feed into the northern Tauranga Harbour between Aongatete and Bowentown.

Conservation Initiatives
(Bay Conservation Alliance and Members)

We granted $500,575 over two years to Bay Conservation support and grow the capability and impact of communities working to restore and preserve indigenous biodiversity.

Cooney Reserve Bird Hide Project

We granted $39,000 to assist in the promotion, protection and preservation of Omokoroa Peninsula's natural environment. The goal is to restore and enhance local public reserves and estuary habitats to protect native flora and fauna.

Built Environment
Whaitua Hononga

Why do we believe this is important?

We will invest in local and regional amenities and facilities that support community connectedness, increase access to opportunities to participate in community activities and enhance the wellbeing and vibrancy of our communities.

We will actively work with Councils in our region to support the development of amenities and facilities, as well as funding community-led projects.

What have we done? Some highlights from the year:

Te Manawataki o Te Papa
(Tauranga City Council)

TECT approved its largest ever grant, committing $21M to the redevelopment of the Tauranga City Centre to create a hub that will enhance social, cultural, environmental and economic wellbeing of the city.

Waihi Beach Lifeguard Service

We granted $389,000 towards the development of an Emergency Services Hub at Bowentown to support lifeguard patrolling and provide other emergency services like NZ Police, St Johns, LSAR, and Fire Brigade a hub to work from.

Tawhitinui Marae Reserve

We granted $274,915 to assist Tawhitinui Marae to upgrade their buildings specifically the ablution block and kitchen preparation area in the wharekai.

Priority Communities
Ngā Hāpori Mātua

Why do we believe this is important?

We will provide support to the communities in our region experiencing highest needs. Our focus is Māori, diverse ethnic communities, children and young people, and older people experiencing disadvantage.

We will fund initiatives that increase access to opportunities for priority communities, support priority communities to lead their own solutions, are strengths-based and enable community ambitions, and/or incorporate cultural knowledge or other practices relevant to priority communities.

What have we done? Some highlights from the year:

Tauranga Multicultural Festival

We supported the annual event which celebrates the diversity of cultures in the region. The festival features a wide range of cultural performances, food stalls, arts and crafts, and interactive activities that showcase the traditions and heritage of ethnic groups from all over the world living in the area.

Rainbow Youth

We supported the work of Rainbow Youth to assist them to foster safe, inclusive, accepting and diverse family environments that are drug, smoke and alcohol free, in order to build resilience and wellbeing within Rainbow Youth and create an inclusive region for all.

Toi Kai Rawa

We supported the regional Māori economic development charitable trust to increase access to opportunities for Māori, whilst also supporting them to lead their own solutions through providing services to build their skills and experience learning opportunities.

Community Wellbeing and Vibrancy
Te Mauri me te Orangatanga

Why do we believe this is important?

We want Tauranga and Western Bay of Plenty to be vibrant places where people, families and communities thrive.

To support this, we will fund initiatives that promote social connection, inclusion and belonging, support whānau and community resilience, safety and wellbeing. As well as those that enable participation in community activities, arts, culture, sports and recreations, those that build skills and provide opportunities for learning, and strengthen the impact and sustainability of community organisations.

What have we done? Some highlights from the year:

SociaLink

We continued to support the work of SociaLink to help community organisations and provide opportunities for learning, connection, collaboration and research to enable greater impact.

Creative Bay of Plenty

We assisted Creative Bay of Plenty to advocate for and support the growth of arts and culture in Tauranga and Western Bay of Plenty. This work included coordinating projects and workshops, and supporting Ngā Toi Māori, youth research and continued support for smaller artists or creative organisations.

Wish 4 Fish

TECT funding allowed Wish 4 Fish to continue to provide fishing charters for people with disabilities, with the purpose to provide opportunities and experiences to groups who often aren't given fishing experiences.

Grants Programme

243
Number of grants approved

87%
The average application approval rate

210
Number of community groups approved funding

In this financial year TECT approved funding of **$31M**

Total grants paid out in the year **$19.4M**

Sonic Cinema

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 YE2024, $19M was allocated for distribution across our five Grant Funds ($27.5M YE23).

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 YE2024:

	ALLOCATED TO RESERVE YE2024	BALANCE IN RESERVES AS AT 31 MARCH 2023	TOTAL IN RESERVE
STRATEGIC			
Facilities of Regional Significance	$7,550,000	+ $14,105,744	**= $21,655,744**
Catalyst for Change	$3,380,121	+ $3,537	**= $3,383,658**
RESPONSIVE			
Community Developments	$4,998,531	+ $22,779	**= $5,021,310**
Community Events	$1,176,760	+ $23,240	**= $1,200,000**
Community Facilities	$2,350,165	+ $1,649,835	**= $4,000,000**
TOTAL ALLOCATIONS	**$19,455,577**	**+ $15,805,135**	**= $35,260,712**

Katikati MenzShed

Description and quantification of the entity's output

	YE 2024	YE 2023
Total number of grants approved	243	243
Number of community groups approved funding	210	238
Value of grants approved	$31,075,619	$15,982,275
Percentage of applications approved	87%	89%
Total grants paid out in the year	$19,351,689	$13,616,517

** 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.*

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

	YE 2024	YE 2023
Facilities of Regional Significance	$21,650,000	$920,000
Catalyst for Change	$450,000	$5,406,719
Community Development	$5,075,536	$5,072,009
Community Events	$1,017,021	$967,559
Community Facilities	$2,386,062	$3,616,488
TOTAL	$30,578,619	$15,982,275

** 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.*

Zespri AIMS Games

$21 million
to support the development of the museum and exhibition gallery within Tauranga's future civic precinct, **Te Manawataki o Te Papa - the heartbeat of Te Papa.**

Significant Grant

Joint Funding Initiatives

Kaupapa Māori Legacy Events Fund

$90k was allocated to a 3-year collaborative funding arrangement for Kaupapa Māori Legacy Events alongside partners BayTrust and Tauranga City Council. This fund includes equal contributions from each funder making $90k p/a available to regular Community-led Kaupapa Māori events that promote local history and share tikanga.

Tauranga Western Bay Community Events Fund

TECT contributed $500k to the collaborative community event fund alongside Acorn Foundation, BayTrust, Tauranga City Council and Western Bay of Plenty District Council. The five local funders jointly committed $900k for community-led local events across the region. This collaborative approach aims to reduce the funding application burden on event organisers, who usually complete multiple funding applications for the same event. A total of 79 events were funded, and all available funds were allocated by the end of the final funding round. Events took place between July 2023 and June 2024.

Western Bay Community Awards 2024

The Western Bay Community Awards brings together those involved in the Tauranga and Western Bay community and volunteer sector to celebrate and acknowledge their incredible work that helps make the Western Bay of Plenty one of the greatest places to live.

Delivered by TECT and supported by Acorn Foundation, BayTrust, Tauranga City Council and Western Bay of Plenty District Council, the awards showcase the dedication of various community groups and volunteers towards improving spaces, places and opportunities throughout the region.

Alongside recognising all finalists and celebrating the winners of each award category, the awards also offer an opportunity to showcase local talent. Violin duo, Emilia Yip and Nrushingha Rath from Tauranga Youth Philharmonic played as guests arrived at the 2024 awards, and Te Kapa Haka o Te Pūwhāriki officially opened the awards, whilst The Hittmen performed during the ceremony.

We are proud of the hard work put in by our community and their contributions to making the Western Bay of a great place to live. We want to thank each community group and volunteer for their efforts and look forward to more outstanding nominations for future Western Bay Community Awards.

Mary Dillon - Lifetime Service Winner

2024 Winners

Event Excellence Award
2023 Zespri AIMS GAMES

Sustainable Future Award
Live Well Waihi Beach

Diversity and Inclusion Award
Wish4Fish

Heart of the Community Award
Mums4Mums

Volunteer of the Year Award
Bryan Winters

Youth Spirit Award
Kate Dekker

Lifetime Service Award
Mary Dillon

People's Choice Award
Melanie Gearon

Total Funding Approved

COMMUNITY DEVELOPMENT

Organisation	Purpose of Funding	$ Funded
Age Concern Tauranga	Support the wellbeing of older people	$25,000
Alzheimer's Society Tauranga	Supports individuals & whanau affected by dementia	$45,000
Anxiety NZ	Treatment & support for people with anxiety conditions	$10,500
Aphasia NZ	Reduce the marginalisation faced by people with aphasia	$20,000
Aquatic Survival Skills Trust	Aquatic Survival Skills Programme	$80,000
ARGOS Gymnastics Club	Gym Equipment	$17,005
Asthma & Respiratory BOP	Air Purifiers	$3,600
Autism New Zealand	Empowering people living with autism	$5,000
Bay Conservation	Support capability of restoration & conservation projects	$500,575
Big Buddy Mentoring Trust	Male mentors for boys to guide them to adulthood	$15,000
BOP Assn for Deaf Children Inc	Promotes overall welfare of deaf children	$2,000
BOP Badminton Assn	Develop badminton in the BOP region	$15,000
BOP Clay Target Club	Equipment Purchase	$2,635
BOP Mulitple Sclerosis Society	Assist people with MS & neurological disorders	$25,000
BOP Regional Council	School Sustainability & Resilience Fund	$15,000
BOP Rugby Union	Rippa Rugby & Girl Code Programmes	$50,000
BOP Therapy Foundation	Provide free or subsidised counselling & therapy	$40,000
Brain Injured Children Trust	Improve the lives of children with brain injuries	$12,000
Brain Tumour Support NZ.	Provide information, support & guidance	$5,000
Breast Cancer Support Services	Enhance wellbeing & quality of life for those with breast cancer	$35,000
Cancer Society Waikato BOP	Reduce the impact of cancer in the community	$45,000
Canoe Slalom Bay of Plenty	Boat Purchase	$24,260
Casita Community Charitable Trust	Equip young adults with life skills	$10,000
Chrome Collective	Enrich the lives of people with disabilities	$40,000
Circability Trust	Circus arts & intervention based programmes	$10,000
Citizens Advice Bureau	Provide free information, advice & support	$16,500
Complex Chronic Illness Support	Support people diagnosed with complex chronic illnesses	$35,000
Creative Bay of Plenty	Arts & culture support agency	$90,000
Detour Theatre Trust	Creating theatre art with the community	$15,000
Diabetes New Zealand Tauranga	Support and education to people living with diabetes	$9,876
Digital Future Aotearoa	WBOP Programme Delivery	$10,000
EmpowermentNZ (The Hub Te Puke)	Support community resilience, wellbeing & safety	$50,000
Epilepsy Association of New Zealand	Improve the quality of lives of those living with epilepsy	$5,000
Film BOP	Developing the screen sector in the Bay	$30,000
Future Gymnastics Inc.	Purchase of Gym Flooring	$10,000
Garden to Table Trust	Teach tamariki how to grow, harvest, prepare & share food	$15,000
Gender Dynamix	Safe and inclusive space for the gender-diverse population	$21,000
Good Neighbour Aotearoa Trust	Hub for community support	$160,000
Graeme Dingle Foundation WBOP	Kiwi Can, Stars, Project K, Career Navigator programmes	$150,000

Organisation	Purpose of Funding	$ Funded
Greerton Bible Church	Electrical & Kitchen Equipment	$8,964
Grief Support Services Inc	Subsidised counselling to all experiencing loss and grief	$60,000
He Kaupapa Kotahitanga Trust	Operating Costs	$50,000
Headway Brain Injury Assn	Brain injury support & Vehicle Purchase	$20,000
Heart Kids New Zealand Inc	Congenital heart defects & rheumatic heart disease support	$5,000
Holy Trinity Tauranga	AV & Sound Equipment	$27,460
Homes of Hope Charitable Trust	Operating Costs	$90,000
House of Science Charitable Trust	Relevant & comprehensive science resources to schools	$30,000
Katch Katikati	Promotes the Katikati district via events & projects	$45,000
Katikati Community Centre	Community services - health, education, youth & wellbeing	$60,000
Katikati Community Centre	Grow on Katikati	$10,000
Katikati Open Air	Outdoor community art collection	$15,000
Kenzie's Gift	Supports mental health of those affected by serious illness & grief	$4,900
Kia Mau Charitable Trust	School Kapa Haka Development	$12,000
Kidz Need Dadz Charitable Trust	Strengthen families by supporting & educating dads	$24,000
Kura Kai	Supports whānau through providing freezer meals	$10,000
Life a Plenty Charitable Trust	Therapeutic counselling, retreats for women	$15,000
Life Education Trust WBOP Region	Specialist educators & their mascot 'Harold the Giraffe'	$23,000
Literacy Aotearoa Community Trust	Develops, promotes & delivers literacy services	$15,000
Male Survivors BOP	Support male survivors of abuse	$15,000
Mental Health Solutions	Connects those in need to free wellbeing support	$20,000
Menzshed Katikati	Dust Extractor & Spiral Thicknesser	$17,853
MenzShed Omokoroa Inc	Container Purchases	$16,200
Moana Sports and Cultural Trust	Cultural dance & recreation opportunities	$5,000
Mockingbird Charitable Trust	Supportive environment for neuro diverse children	$38,000
Multiples BOP	Provides support for families with multiples	$2,000
Mums4Mums Charitable Trust	Provides home support for new mums & newborns	$10,000
No3 District Federation of NZ Soccer	Youth Engagement Programmes	$20,000
NZ Family and Foster Care Federation	Supports caregivers to tamariki in care	$10,000
Omokoroa Community Police	Vehicle Purchase	$10,000
Omokoroa Golf Club Inc	Electric Mower Purchase	$55,000
Otumoetai Foodball Club Inc	Goals & Dugouts	$28,000
Otumoetai Golf Club	Tractor & Mower Purchases	$52,318
P.E.T Charitable Trust	Personal Care Packs	$2,000
Pacific Island Community Trust BOP	Creates pathways for Pacifica communities to thrive	$30,000
Papamoa Primary School	Community Pool Operations	$40,000
Papamoa Swimming Club	Swimming opportunities to Pāpāmoa community	$25,000
Parafed Bay of Plenty Incorporated	Operating Costs and Vehicle	$35,000
Parent to Parent Costal BOP	Support for families of children with disabilities	$10,000

Total Funding Approved

COMMUNITY DEVELOPMENT CONTINUED

Organisation	Purpose of Funding	$ Funded
Parkinson's NZ Charitable Trust	Community educators help families living with Parkinson's	$20,000
Presbyterian Support (Northern)	Social Worker in Te Puke ECE's	$10,000
Rainbow Youth Inc.	Support, queer, intersex & gender-diverse youth	$10,000
Recreate NZ	Quality out-of-home experiences for youth with disabilities	$25,000
Road Safety Education Limited	Programme Costs	$10,307
Royal New Zealand Coastguard	Operating Costs - 3 local units	$65,000
StarJam Trust Charitable Trust	Music workshops in dance, drumming, guitar & singing	$12,000
STEAM-ED Charitable Trust	Youth STEM programmes & Vehicle Purchase	$48,000
STEM Wana Trust	In schools science education programmes	$15,000
Storytime Foundation	Development service for children's First 1000 Days	$10,000
Surf Life Saving New Zealand	Lifeguard Operations & Equipment - Eastern Region & Clubs	$351,708
Taonga Tu Heritage Bay of Plenty	WBOP Heritage Map Development	$65,000
Tauranga Art Gallery Trust	Community Art Programmes	$100,000
Tauranga BMX Club	Equipment Purchases	$5,000
Tauranga BOP Hearing Association	Support the hearing-impaired community	$8,000
Tauranga Central Baptist Church	Projector Purchase	$6,956
Tauranga City AFC Inc.	Equipment and Furniture Purchase	$55,980
Tauranga Foodbank	Emergency food provisions	$60,000
Tauranga Hockey Association Inc	Youth Engagement Programmes	$69,097
Tauranga Living Without Violence	Help with domestic abuse victims	$50,000
Tauranga Motorcycle Club	Tractor Purchase	$50,000
Tauranga Netball Centre	Programme Costs and Screen Costs	$33,117
Tauranga Water Polo Club Inc	Youth Development Programmes	$12,500
Tauranga Womens Collective	Provide safe place for women & children	$50,000
Tauranga Yacht & Power Boat Club	Tractor Purchase	$9,900
Tauranga Youth Development Team	Youth development programmes & events	$20,000
Te Aranui Youth Trust	Youth mentoring & development programmes	$45,000
Te Puke Events & Promotions	Promoting the Te Puke District	$20,000
Te Puke Gymsport	Parkour Equipment	$22,557
Te Puke Toy Library	Provide good quality toys & equipment	$3,000
Te Tuinga Whanau Trust	Operating Costs - 2 years funding	$400,000
The Adastra Foundation	Sport and Performing Arts Scholarships	$36,000
The Boys Brigade	ICONZ youth programme	$25,000
The Daily Charitable Trust	Connecting the Te Puke community	$50,000
The Elms Foundation	History of the Elms Publication	$20,000
The Incubator Creative Hub	Platform to connect the creative sector	$120,000
The Raukatauri Music Therapy Trust	Deliver music therapy	$10,000
The Salvation Army TGA	Community Ministries & Bridge Programme	$20,000
The Stroke Foundation of NZ	Supporting people affected by stroke	$35,000
The Wish for Fish Charitable Trust	Fishing & sailing for disadvantaged individuals	$40,000
Tipu Skills for Life	Skills for life youth programme	$25,000
Toi Kai Rawa Trust	Hihiko Te Rawa Auaha Programme	$15,000
Triathlon Tauranga Inc	Youth Development Programme	$10,000
Under the Stars	Meals for the homeless	$8,000
Valli Rebel Creative Trust	Sonic Cinema	$4,468
Volleyball BOP Inc.	Community Sport Development	$10,000
Waiariki Whanau Mentoring	Manaaki Whānau Programme	$20,000
Waitaha Charitable Trust	Hapu/Iwi Development Programme	$15,000
Watersafe Auckland Inc.	Drowning Prevention Programme	$22,300
WBOP Neighbourhood Support	Develop neighbourhood connections	$20,000
Welcome Bay Community Centre Inc.	Support & connect local community	$40,000
Western Bay Heritage Trust	Western Bay Museum	$75,000
Youth Encounter Ministries Trust	Operating Costs - 2 years funding	$100,000
Youth Search and Rescue Trust	Trains students in search & rescue skills	$30,000
YWAM Ships Aotearoa	Mobile Dental Clinics	$25,000
		$5,075,536

COMMUNITY EVENTS

Organisation	Purpose of Funding	$ Funded
AIMS Games Trust	2023 Zespri AIMS Games	$130,000
BOP Major Squash Events	2023 Festival of Squash	$50,000
Ngati Ranginui Iwi	National Iwi Chairs Forum 2024	$15,000
NZ Garden & Arts Festival Trust	Bay of Plenty Garden & Arts Festival 2024	$100,000
Tauranga City Council	Black Caps vs England Test 2024	$15,000
Tauranga Jazz Society	2024 National Jazz Festival	$80,000
Tauranga Western Bay Community Event Fund	Joint event fund to support community led events	$517,284
Tennis New Zealand	NZ Open Tennis Champs	$40,000
Tourism Bay of Plenty	2024 Flavours of Plenty Festival	$35,000
Triathlon New Zealand	2024 NZ Schools Triathlon Championships	$35,000
		$1,017,284

Total Funding Approved

CATALYST FOR CHANGE

Organisation	Purpose of Funding	$ Funded
Project Parore	Environmental Restoration	$450,000
		$450,000

PROJECTS OF REGIONAL SIGNIFICANCE

Organisation	Purpose of Funding	$ Funded
FONT Public Art Trust	Public Art Installation in Red Square	$150,000
Tauranga Art Gallery Trust	Gallery Refurbishment	$500,000
Tauranga City Council	Te Manawataki o Te Papa (Museum & Exhibition Centre)	$21,000,000
		$21,650,000

COMMUNITY FACILITIES

Organisation	Purpose of Funding	$ Funded
Bowls Mount Maunganui	Artificial Green	$100,000
Katch Katikati	Waitekohekohe Recreational Reserve	$100,299
Katikati Community Baptist Church	Storage Shed Construction	$25,000
Mount Maunganui Primary	Shade Canopy	$100,000
Ngamuwahine Camp Trust	Cabin Purchases	$78,660
Omokoroa Environmental Management	Cooney Reserve Bird Hide Construction	$39,000
Omokoroa Settlers Hall Society Inc	Hall Renovations	$96,000
Pukehina Surf Club	Surf Club Building	$500,000
Stepping Stone Ministries Trust	Self-Contained Unit & Reflective Garden	$42,437
St Peters Presbyterian Church	Lift Installation	$24,525
Summerhill Charitable Trust	Community Building Construction	$266,513
Suzanne Aubert Catholic School	Senior Playground	$50,000
Tawhitinui Marae Reserve Trust	Ablution Blocks and Kitchen Renovations	$274,915
Te Ara Kahikatea	Dog Exercise Area	$48,258
Te Manawa o Papamoa School	Multi-Purpose Turf Court	$50,000
Te Puke Cricket Club	Roof Replacement	$9,126
Te Ranga School	Artificial Turf	$50,000
Te Whare Hauora o Ngati Kahu	Building Renovations	$97,769
The Elms Foundation	Site Development	$40,000
Waihi Beach Lifeguard Services	Emergency Service Hub and Changing Rooms	$389,000
Welcome Bay Community Church	Fence Construction	$4,560
		$ 2,386,062

TOTAL: $30,578,882

Community Development
$5,075,536

Community Events
$1,017,284

Catalyst for Change
$450,000

Projects of Regional Significance
$21,650,000

Community Facilities
$2,386,062

The tables on pages 26- 28 include all community organisation funding approved by trustees during the year, as well as grants made through joint funds. Some grants may lapse because grant conditions are not met or because funding is no longer required by the organisation. Because of this, the total funding approved may differ from the amount shown as approved in the Financial Report.

Financial Statements & Notes

Tauranga Volunteer Coastguard

Financial Statements

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2024

	Notes	2024 $	2023 $
Revenue from exhange transactions	2	1,244,116	727,760
Finance income	3	17,669,037	56,707,340
Total Revenue		**18,913,153**	**57,435,100**
Operating and Administration expenses	4	1,946,688	2,496,419
Finance expenses	5	14,996,816	15,598,756
Total Expenses		**16,943,504**	**18,095,177**
Net Surplus		**1,969,648**	**39,339,924**
Other Comprehensive Revenue and Expense for the Year			
Gain/(loss) in fair value movement of investments		37,917,876	(197,672,927)
		37,917,876	(197,672,927)
Total Comprehensive Revenue and Expense		**39,887,524**	**(158,333,003)**

Consolidated Statement of Changes in Net Assets

For the year ended 31 March 2024

	Notes	Base Capital	Investment Fair Value Reserve	Accumulated Funds	Reserves for Distribution	Total Equity
Balance at 1 April 2022						
Base capital - Initial settlement assets	1	705,142,246	-	-	-	705,142,246
Reserves for distribution transferred - TECT Consumer Trust		-	-	-	4,236,238	4,236,238
Total comprehensive income for the year		-	(197,672,927)	39,339,924	-	(158,333,003)
Transfer of realised loss on disposal of investments		-	20,333,520	(20,333,520)	-	-
Distribution of equity		-	-	(27,450,000)	11,467,725	(15,982,275)
Distribution written back		-	-	-	101,172	101,172
Balance at 31 March 2023		**705,142,246**	**(177,339,408)**	**(8,443,596)**	**15,805,135**	**535,164,378**

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

Consolidated Statement of Changes in Net Assets Continued

	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 income for the year		-	37,917,876	1,969,648	-	39,887,524
Capital gain on sale of fixed assets		-	-	126	-	126
Transfer of realised gain on disposal of investments		-	(7,534,332)	7,534,332	-	-
Distribution of equity		-	-	(19,455,577)	(11,625,354)	(31,080,931)
Distribution 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**

Consolidated Statement of Financial Position

as at 31 March 2024

	Notes	2024 $	2023 $
Current Assets			
Cash and cash equivalents		1,361,564	1,520,662
Trade and other receiveables		113,837	112,803
Loans to community organisations	7	1,173,937	1,088,006
		2,649,337	**2,721,471**
Non-current Assets			
Investment in shares		381,648,713	416,877,825
Investment portfolio	9	491,001,629	457,007,187
Plant and equipment	15	254,243	250,174
Investment property	10	33,370,748	16,620,748
Loans to community organisations	7	65,047	77,514
		906,340,380	**890,833,448**
Total Assets		**908,989,717**	**893,554,919**
Current Liabilities			
Trade and other payables	6	4,898,002	5,050,038
Loan - TECT Consumer Trust	13	15,378,942	15,856,140
Provision for grant distributions	12	14,009,801	13,616,513
		34,286,745	**34,522,690**
Non-current Liabilities			
Loan - TECT Consumer Trust	13	312,026,770	323,867,846
Provision for grant distributions	12	18,000,000	-
		330,026,770	**323,867,846**
Total Liabilities		**364,313,515**	**385,390,536**
Net Assets		**544,676,199**	**535,164,382**
Equity		**544,676,199**	**535,164,378**

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 $	2023 $
Cash flows from operating activities		
Finance income	17,577,537	56,697,944
Revenue from exchange transactions	1,243,081	646,119
Cash paid to suppliers, staff and Trustees	(16,987,809)	(13,151,786)
Grants paid to the community	(11,982,541)	(10,824,649)
Proceeds from sale of investments	97,032,534	427,424,591
Funds invested	(57,879,987)	(342,822,226)
Cash transferred on resettlement	-	13,664,590
Taxes paid	(38,544)	(6,711)
Net cash flow - operating activities	**28,964,270**	**131,627,873**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(73,093)	(64,128)
Acquisition of investment property	(16,750,000)	(5,970,748)
Loans (repaid)/issued	(12,300,274)	(124,072,334)
Net cash flow - investing activities	**(29,123,368)**	**(130,107,210)**
Net increase/(decrease) in cash and cash equivalents	(159,098)	1,520,662
Cash at beginning of year	1,520,662	-
Cash at end of year	**1,361,564**	**1,520,662**
Represented by:		
Cash on hand and at bank	**1,361,564**	**1,520,662**

Mark Arundel - Trustee
27 June 2024

Rachael Gemming - Trustee
27 June 2024

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

Notes to the Financial Statements

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 27 June 2024.

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.

(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 $30 million.

(b) Basis of consolidation
The consolidated financial statements include the TECT Community Trust (The Parent) and its subsidiary, TECT Holdings Limited (100% shareholding). The 2023 comparatives also include TECT Charitable Trust for the period 1 April 2022 - 31 May 2022 being the date the trust was wound up. 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 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.

Notes to the Financial Statements

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.

(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 onsistently 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. 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. 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.

(f) Loans to community organisations
These loans are interest free with the exception of the Te Mana O Toi LP loan, which started to accrue interest during the 2023 year. 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.

(j) Finance income
Interest income
Interest income is earned for the use of cash and cash equivalents or any amounts due to the Group. 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.

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.

Notes to the Financial Statements

(k) 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.

(l) 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.

(m) 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.

(n) Property, plant and equipment
All property, 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.

Principle 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.

(o) 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 as at the market valuation every 3 years. Investment property acquired through a non-exchange transaction is measured at it's fair value at the date of acquisition.

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.

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

Change in accounting policies

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

2. Revenue from exchange transactions

	2024 $	2023 $
Management fees	250,000	250,000
Services charged	26,626	23,685
Rental income	967,488	454,074
Total	**1,244,116**	**727,760**

3. Finance income

	2024 $	2023 $
Dividend income	13,840,008	49,069,120
Interest income	311,123	128,994
Investment portfolio distribution income	3,470,679	7,471,351
Other income	47,226	37,875
Total	**17,669,037**	**56,707,340**

Notes to the Financial Statements

4. Operating and Administration expenses

	2024 $	2023 $
Audit fees	29,766	31,100
Depreciation expense	69,187	63,313
Election costs	-	337,225
Employee benefit costs	860,529	710,789
Financial accounting and consultancy	62,667	158,220
Grants programme expenses	69,838	69,642
Investment expenses	390,217	434,253
Legal and advisory expenses	59,563	186,089
Trustee expenses	199,432	235,590
Other administration expenses	205,489	270,198
Total	**1,946,688**	**2,496,419**

5. Finance expenses

	2024 $	2023 $
Interest expense - TECT Consumer Trust	14,996,565	15,557,247
Other finance expenses	251	41,510
Total	**14,996,816**	**15,598,756**

6. Trade and other payables

	2024 $	2023 $
Accounts payable	136,551	200,847
Accrued expenses	27,499	23,750
Accrued interest	4,657,340	4,774,751
GST payable	31,821	-
Holiday pay accrual	44,790	50,690
Total	**4,898,002**	**5,050,038**

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. These two loans were novated to TECT Community Trust Group in line with the implementation deeds of the restructure as at 1 April 2022.

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 is interest-bearing. The agreed interest rate is OCR + 2% per annum calculated on a daily basis.

8. Investment in shares

Manawa Energy Limited	**2024 $**	**2023 $**
Opening balance	416,877,825	-
Balance transferred into TECT Community Trust Group on re-settlement	-	591,345,808
Fair value movement	(35,229,112)	(174,467,893)
Closing balance (83,878,838 shares @ $4.55 per share (2023: 83,878,838 shares @ $4.97)	**381,648,713**	**416,877,825**

Fair value has been assessed at $4.55 per share ($4.97 per share 2023), being the closing buy quotation on 28 March 2024 (being last business day of month). No allowance has been made for commission payable on any disposal of shares.

TECT Community Trust Group has a significant percentage 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 Financial Statements

9. Investments as at 31 March 2024

INVESTMENT PORTFOLIOS	Asset Allocation %	2024 $	Asset Allocation %	2023 $
Cash Investments	3.4%		3.4%	
Nikko Asset Management		18,009,485		16,321,441
Australian Equities	8.6%		10.4%	
Nikko AM Wholesale Core Equity Fund		23,230,957		26,546,151
Castle Point Trans Tasman Fund		21,937,263		22,671,668
Impact Investments	1.0%		0.6%	
Enterprise Angels - EA Fund 2		174,105		209,681
Enterprise Angels - EA Fund 3		180,604		185,059
Purpose Capital Impact Fund		3,467,155		1,818,200
WNT Ventures Fund 2		397,609		416,643
WNT Ventures Fund 3		199,438		118,219
Bay of Plenty Housing Limited Partnership (YouOwn)		395,159		-
Bay of Plenty Housing Equity Fund		200,000		-
Property	8.5%		9.4%	
Mercer Unlisted Property Portfolio B		35,811,776		36,217,197
Resolution Capital Global Property Securities Fund		8,809,289		8,162,450
Unlisted Infrastructure	8.8%		6.2%	
Mercer Unlisted Infrastructure Portfolio		46,163,324		29,429,127
International Equities	56.9%		61.2%	
Mercer HOS Shares Index B		122,148,762		128,080,820
Mercer HOS Shares Index		106,961,119		102,906,757
Skerryvore Global Emerging Markets All-Cap Equity Fund		36,704,482		31,706,930
Vanguard International Small Companies Index Fund		32,337,308		27,233,697
Private Equity	6.5%		5.3%	
Continuity Capital PE Fund No 2		2,186,484		2,120,685
Continuity Capital PE Fund No 4		2,780,458		5,375,348
Continuity Capital PE Fund No 6		2,432,226		1,623,915
LGT - Crown Capital Opportunities VII SCS		6,082,991		4,504,770
Oriens Capital Fund 1		1,962,806		1,617,476
Oriens Capital Fund 2		2,512,431		1,747,399
Pencarrow Bridge Fund		1,941,757		1,772,590
Pinoeer Capital Partners		1,590,860		1,543,359
Waterman Fund 3		1,009,031		909,564
Waterman Fund 4		7,341,694		3,768,043
HarbourVest Partners Stewardship Feeder Fund LP		914,471		-
Waterman - Long Term Food Group LP		118,587		-
Total investment portfolio	**93.6%**	**491,001,629**	**96.5%**	**457,007,188**

10. Investments property as at 31 March 2024

	Asset Allocation %	2024 $	Asset Allocation %	2023 $
Impact Investments	6.4%		3.5%	
The Kollective		10,650,000		10,650,000
127 Durham Street		5,000,000		-
143 Durham Street		11,750,000		-
145 Durham Street		5,970,748		5,970,747
Carrying value of investment property	**6.4%**	**33,370,748**	**3.5%**	**16,620,748**

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.

11. Commitments and contingencies

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

	2024 $	2023 $
Continuity Capital PE Fund No 2	175,000	200,000
Continuity Capital PE Fund No 4	1,125,000	1,425,000
Continuity Capital PE Fund No 6	2,500,000	3,250,000
Enterprise Angels Fund 3	10,000	30,000
Purpose Capital	1,200,000	2,650,000
LGT - Crown Capital Opportunities	3,218,525	4,005,757
HabourVest Partners Stewardship Feeder Fund LP	7,159,893	7,759,655
Oriens Capital Fund 1	87,500	287,500
Oriens Capital Fund 2	2,100,000	3,050,000
Pencarrow Bridge Fund	225,000	275,000
Pioneer Capital Partners	937,309	1,093,826
Waterman Fund 3	953,500	978,500
Waterman Fund 4	1,820,000	2,347,500
WNT Ventures Funds 2	37,500	50,000
WNT Ventures Funds 3	267,000	338,500
Bay of Plenty Housing Limited Partnership (YouOwn)	621,400	-
Bay of Plenty Housing Equity Fund	9,800,000	-
Total	**32,237,627**	**27,741,238**

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 Financial Statements

12. Provision for grant distributions

	2024 $	2023 $
Balance at beginning of year	13,616,513	-
Distributed from TECT Consumer Trust	-	8,560,059
Add grant distributions approved	31,080,931	15,972,275
Less grant distributions written back	(705,101)	(91,172)
	43,992,343	**24,441,162**
Less grant distributions paid	(12,069,440)	(10,824,649)
Balance at end of year	**31,922,903**	**13,616,513**
Grant distributions not yet uplifted		
Projects of regional significance	23,184,501	2,577,395
Community facilities	2,365,410	3,452,858
Community events	227,172	282,293
Community development	2,831,050	2,697,236
Catalyst for change	3,187,763	4,606,731
Tauranga Western Bay Combined Event Fund	127,008	-
	31,922,903	**13,616,513**
Tauranga Western Bay Combined Event Fund - Co-Funder Accounts	86,899	-
	32,009,801	**13,616,513**
Current portion of provisions for grants	14,009,801	13,616,513
Non-current portion of provisions for grants	18,000,000	-
Total	**32,009,801**	**13,616,513**

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 2024 of $86,899 (2023: nil).

13. Loans from related entities

Loan - TECT Consumer Trust	**2024 $**	**2023 $**
Opening balance	339,723,985	-
Advances	-	353,005,695
Repayments	(12,318,274)	(13,281,710)
Closing balance	**327,405,711**	**339,723,985**
Current position of loan	15,378,942	15,856,140
Non-current portion of loan	312,026,770	323,867,846
	327,405,711	**339,723,985**

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. A binding ruling and factual review were obtained from the Inland Revenue Department confirming that the restructure transactions were at arms length terms.

14. Reserves for distribution

Summary	**2024 $**	**2023 $**
Opening balance	15,805,135	-
Distributed from TECT Consumer Trust	-	4,236,238
Allocated - Annual distribution plan	19,455,577	27,450,000
	35,260,712	**31,686,238**
Transfers to provisions and payments	(31,080,931)	(15,982,275)
Write back to reserve	705,101	101,172
Closing balance	**4,884,883**	**15,805,135**
This comprises:		
Projects of Regional Significance		
Opening balance	14,105,744	-
Distributed from TECT Consumer Trust	-	1,675,744
Allocated - Annual distribution plan	7,550,000	13,350,000
Transfers to provisions and payments	(21,650,000)	(920,000)
Write back to reserve	-	-
Closing balance	**5,744**	**14,105,744**
Community Facilities		
Opening balance	1,649,835	-
Distributed from TECT Consumer Trust	-	309,689
Allocated - Annual distribution plan	2,350,165	4,950,000
Transfers to provisions and payments	(2,886,062)	(3,616,488)
Write back to reserve	514,242	6,634
Closing balance	**1,628,180**	**1,649,835**

Notes to the Financial Statements

14. Reserves for distribution continued

Community Development		
Opening balance	22,779	-
Distributed from TECT Consumer Trust	-	22,553
Allocated - Annual distribution plan	4,998,531	5,000,000
Transfers to provisions and payments	(5,090,536)	(5,071,509)
Write back to reserve	106,117	71,735
Closing balance	**36,951**	**22,779**
Community Events		
Opening balance	23,240	-
Distributed from TECT Consumer Trust	-	317,996
Allocated - Annual distribution plan	1,176,760	650,000
Transfers to provisions and payments	(1,004,333)	(967,559)
Write back to reserve	23,433	22,803
Closing balance	**219,100**	**23,240**
Catalyst for Change		
Opening balance	3,537	-
Distributed from TECT Consumer Trust	-	1,910,256
Allocated - Annual distribution plan	3,380,121	3,500,000
Transfers to provisions and payments	(450,000)	(5,406,719)
Write back to reserve	61,250	-
Closing balance	**2,994,908**	**3,537**
Total closing balance	**4,884,883**	**15,805,135**

15. Plant and equipment

	Motor Vehicles	Office Equipment	Plant & Equipment	Total
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**

15. Plant and equipment - continued

	Motor Vehicles	Office Equipment	Plant & Equipment	Total
Balance at 31 March 2023				
Carrying value as at 31 March 2022	-	-	-	
Distribution from TECT Group	59,695	170,010	19,656	249,360
Additions	-	41,951	22,177	64,128
Current year depreciation	(17,908)	(38,172)	(7,234)	(63,314)
Carrying value at 31 March 2023	**41,786**	**173,789**	**34,599**	**250,174**

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.

18. Subsequent events

As at balance date, TECT Community Trust was in the final stages of confirming a funding agreement to grant $21m to Tauranga City Council towards the Te Manawataki O Te Papa development. The intention is to have this finalised and signed on the 4th of June 2024. There were no other subsequent events to disclose for the 2024 year (2023: NIL).

Auditor's Report

Opinion

We have audited the consolidated financial statements of TECT Community Trust (the Trust) and its controlled entities (the Group) on pages 30 to 38, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies and the statement of service performance.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trust as at 31 March 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Trust 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, TECT Community Trust or any of its controlled entities. Partners and employees of our firm deal with the Trust on normal terms within the course of trading activities of the Trust. The firm has no other relationship with, or interests in, TECT Community Trust or any of its controlled entities.

Trustees' Responsibilities for the Consolidated Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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) 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, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor’s Report

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Members as a body. Our audit has been undertaken so that we might state to the Members 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
27 June 2024

TECT

At the heart of our community.

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