

The Chief Executive
Timaru District Council
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6 November 2023

Dear Bede

Report for the period 1 July 2023 to 30 September 2023

TDHL is pleased to present this report for the period 1 July 2023 to 30 September 2023.

The statements and activity updates below show a positive start to the year with Net Income well above budget.

With the majority of TDHL's revenue forecast to be received in the second and fourth quarters of the financial year, we are well placed to meet our year end forecasts.

This report is prepared in accordance with the 2023/2024 Statement of Intent which can be found [here](#).

Further descriptions and details are provided below.

Financial Performance

The financial statements for the three months ending 31 September 2023 are attached.

Profit and Loss

- The year-to-date operating surplus is \$68k, well ahead of YTD budget. This is primarily due to higher operating profit and lower than budgeted interest costs.

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Balance Sheet / Statement of Cashflows

- The balance sheet and statement of cashflows reflect the increased equity position from the close of the 2023 year.
- The strong cash position will be allocated to a dividend payment to Council at the end of December and the final payments for the 3 Fraser St sealing project.

Governance

Timaru District Council

- A key priority for TDHL is to foster and support a strong relationship with our shareholders on matters of substance.
- Following the submission of the updated Statement of Intent (Sol) in June, TDHL has continued to engage with TDC management and Council on the Sol, including talking to the Sol at the 8 August Council meeting.
- Unaudited Annual Financial statements were submitted within the statutory timeframe and presented to Council on 17 October.
- This has been followed by a successful audit which resulted in an unmodified audit opinion being issued and the completion of the TDHL Annual Report within statutory timeframes. A copy of the 2022/23 Annual Report can be found [here](#).

PrimePort Timaru Limited

- PrimePort announced their annual results on 24 August. A copy of the press release can be found [here](#) and the full Annual Report [here](#).
- The Port of Tauranga Board visited PrimePort in July. The TDHL Chair joined for a health and safety walkaround and dinner.
- A TDHL and PrimePort Board to Board meeting was held in late September.
- It is noted that 2023 is the 10-year anniversary of the joint venture with Port of Tauranga in PrimePort. This has been a highly successful venture and brought significant benefits to the wider District.

Alpine Energy Limited

- Meetings with fellow shareholders have continued, with officers meeting in August and September.
- A Board to Board meeting was held in early August followed by the Alpine AGM.

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- Further shareholder engagement is planned for late October and a presentation from the Alpine Chair is to be received in December.
- It is noted that the renewed Alpine Board are taking pro-active steps to improve the efficiency and effectiveness of the business as evidence by amalgamating NetCon in with Alpine Energy.

Property

- Work continues on the 3 Fraser St site sealing project and is expected to be complete in mid-December. This major capital project adds significant value to a key port tenant.
- The resource consent for demolition of the 101 to 107 Stafford St buildings was granted in October. Asbestos assessment are now being completed a with demolition anticipated in 2024.

Sincerely



Mark Rogers

TDHL Chair

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Profit and Loss - For the 3 months ended 30 September 2023

PROFIT & LOSS	2022/2023 (YTD)	2023/2024 (YTD)	Budget 2023/2024 (YTD)	Budget 2023/2024 (Full Year)
Revenue	\$672,341	\$735,273	\$718,007	\$3,180,520
Cost of Sales	\$178,737	\$219,502	\$232,993	\$847,952
Gross Profit	\$493,605	\$515,770	\$485,014	\$2,332,568
Expenses	\$222,145	\$271,408	\$338,595	\$1,536,482
Operating Profit	\$271,460	\$244,363	\$146,419	\$796,086
Other Income	\$235,709	\$235,570	\$235,570	\$2,232,383
Earnings Before Interest & Tax	\$507,169	\$479,933	\$381,989	\$3,028,469
Interest Income	\$12,226	\$70,159	\$0	\$0
Interest Expenses	\$297,314	\$481,475	\$539,753	\$2,183,529
Earnings Before Tax	\$222,081	\$68,616	-\$157,764	\$844,940
Net Income	\$222,081	\$68,616	-\$157,764	\$844,940

Balance Sheet - As at 30 September 2023

BALANCE SHEET	2022/2023 (YTD)	2023/2024 (YTD)
ASSETS		
Cash & Equivalents	\$4,358,048	\$2,614,257
Accounts Receivable	\$5,861	\$80,334
Other Current Assets	\$360,770	\$147,643
Total Current Assets	\$4,724,679	\$2,842,234
Investments or Other Non-Current Assets	\$170,401,130	\$206,349,219
Total Non-Current Assets	\$170,401,130	\$206,349,219
Total Assets	\$175,125,808	\$209,191,453
LIABILITIES		
Accounts Payable	\$106,643	\$230,470
Tax Liability	\$1,071,725	\$879,992
Other Current Liabilities	\$68,209	\$84,664
Total Current Liabilities	\$1,246,577	\$1,195,125
Long Term Debt	\$24,180,613	\$28,080,613
Total Non-Current Liabilities	\$24,180,613	\$28,080,613
Total Liabilities	\$25,427,190	\$29,275,739
EQUITY		
Retained Earnings	\$112,286,001	\$130,180,912
Current Earnings	\$222,081	\$68,616
Other Equity	\$37,190,536	\$49,666,186
Total Equity	\$149,698,618	\$179,915,714
Total Liabilities & Equity	\$175,125,808	\$209,191,453

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Statement of Cash Flows - For the 3 months ended 30 September 2023

Cash Flow Statement	2022/2023 (YTD)	2023/2024 (YTD)
OPERATING ACTIVITIES		
Cash was provided from:		
Rentals	\$858,972	\$834,869
Interest received	\$12,226	\$70,159
Dividends Received from Alpine Energy	\$706,709	\$706,709
Total Cash was provided from:	\$1,577,907	\$1,611,737
Cash was disbursed to:		
Payments to suppliers and employees	\$604,020	\$600,535
Interest Payments & Line of Credit	\$260,611	\$498,263
Total Cash was disbursed to:	\$864,631	\$1,098,798
Cash Flow from Operating Activities	\$713,276	\$512,939
CAPITAL WORKS		
Cash Flow From Capital Works	\$360,000	(\$1,061,135)
Change in Cash & Equivalents	\$1,073,276	(\$548,196)
Cash & Equivalents, Opening Balance	\$3,284,772	\$3,162,454
Cash & Equivalents, Closing Balance	\$4,358,048	\$2,614,257

Movements in Equity - For the 3 months ended 30 September 2023

Movements in Equity	2023/2024 (YTD)
Equity - Opening Balance	\$179,847,098
Current Year Earnings	\$68,616
Total Equity	\$179,915,714

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