

The acting Chief Executive  
Timaru District Council  
[stephen.doran@timdc.govt.nz](mailto:stephen.doran@timdc.govt.nz)

10 November 2025

Dear Stephen

**Report for period 1 July 2025 to 30 September 2025**

Please find attached the TDHL report for the period 1 July 2025 to 30 September 2025. This report is prepared in accordance with 2025/26 Statement of Intent and includes relevant financial statements and activity updates.

The statements reflect the forecast and typical slow start to a TDHL financial year, due to the timing of rental receipts and PrimePort dividend not being received until the second quarter. Despite this, TDHL has produced a strong operating profit and is tracking ahead of year-to-date budget.

As always, we look forward to the opportunity to discuss this report with Council and welcome any questions.

Regards



Frazer Munro  
**General Manager**

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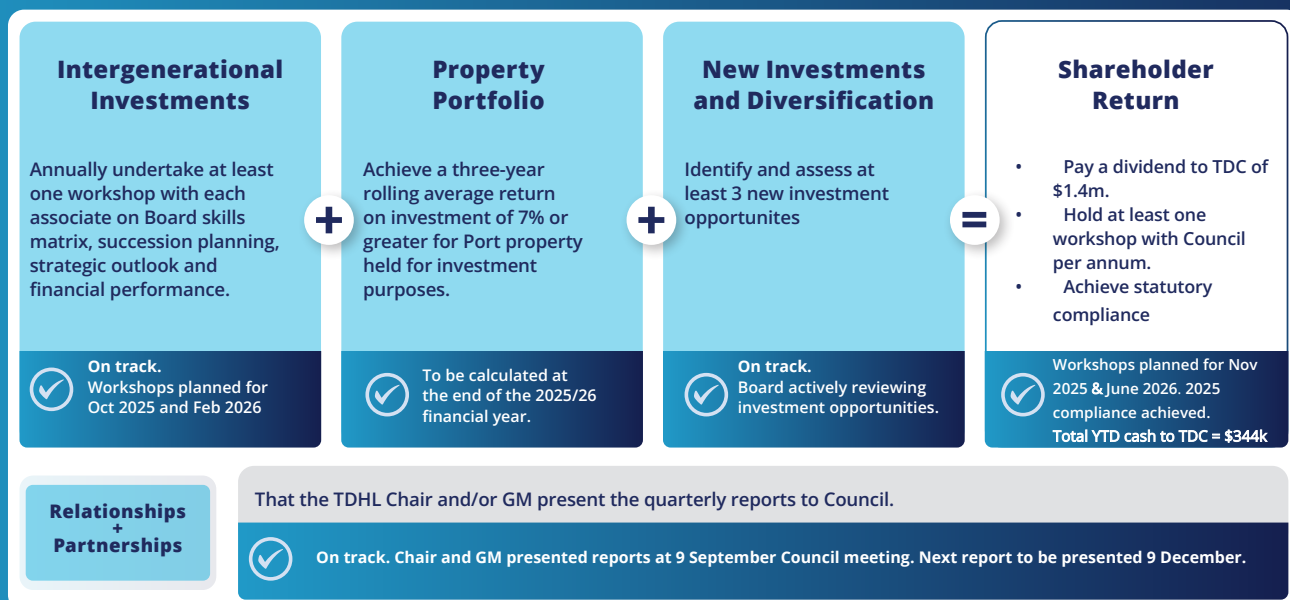
PO Box 178 Timaru 7910 

# First Quarter Report

Report for the period 1 July 2025 to 30 September 2025

## Activity and Performance Targets

The specific 2025/26 Activity and Performance Targets for TDHL are set annually in the Statement of Intent and are designed to support the higher-level Strategic Priorities and Outcomes. An assessment of TDHL's achievement against the activity targets is set out below:



### Timaru District Council



- TDHL completed the annual audit process, receiving an unmodified audit opinion and submitted our Annual Report within statutory time frames.
- The Chair and General Manager presented the year end unaudited financial report to the September Council meeting.
- The focus for the next quarter will be engaging with the new Council.

### Alpine Energy



- The Board attended the Alpine Energy AGM in early July, with a productive Board to Board meeting held prior to this.
- New Chair, Tony King commenced his role in August.
- Shareholding officers continue to work together to align expectations and provide a collective shareholder view.
- The focus for the next quarter will be developing a joint Letter of Expectation.

### PrimePort Timaru



- PrimePort released their audited 2024/25 results showing a strong year with revenue and profit ahead of budget and previous years result.
- The Chair and GM met with the PrimePort Board in September with full Board to Board meeting planned for November.

### Property Portfolio



- The port property portfolio is busy with regular rent reviews, lease renewals and new leases.
- Works are nearing completion on the sealing upgrade on the 10,000m2 yard at 59 Hayes Street, a major project adding financial and tenant resilience.
- Works on restoring the facade of the Union Bank building and preparing the ground floor for the Venture Timaru tenancy are progressing well in readiness for early Nov move.

## Financial Performance Targets

An assessment of TDHL's achievement against the performance targets is set out to the right.

Measure	2024/25 SOI Target	Forecast
<b>EBITA</b>	\$2,556,558	✓ \$2,657,603
<b>Net Profit to S/H funds</b>	3.6%	⚠ 3.5%
<b>Dividends</b>	\$1.4m	To be determined in June 2026
<b>Shareholder funds to total assets</b>	Greater than 60%	✓ 85%

## Profit and Loss – For the 3 months ended 30 September 2025

- The year to date operating profit of \$209k is positive to budget of \$139k, as is the Earnings before Tax of -83k versus budget of -141k. The negative actuals and forecasts is a reflection of the large quarterly and 6-monthly rent payments that are not received until 1 October onwards.
- Also expected in the second quarter is the PrimePort dividend of \$800k. There is no forecast Alpine dividend.

PROFIT & LOSS	2024/2025 (YTD)	2025/2026 (YTD)	Budget 2025/2026(YTD)	Budget 2025/2026 (Full FY)	Forecast 2025/2026 (Full FY)
Revenue	\$807,518	\$784,656	\$838,258	\$3,948,295	\$3,958,647
Cost of Sales	\$275,675	\$304,721	\$348,667	\$1,168,340	\$1,106,185
<b>Gross Profit</b>	<b>\$531,843</b>	<b>\$479,935</b>	<b>\$489,591</b>	<b>\$2,779,955</b>	<b>\$2,852,462</b>
Expenses	\$267,042	\$270,680	\$349,694	\$2,131,521	\$2,080,483
<b>Operating Profit</b>	<b>\$264,801</b>	<b>\$209,255</b>	<b>\$139,897</b>	<b>\$648,434</b>	<b>\$771,979</b>
Other Income	\$0	-\$14,375	\$0	\$1,900,000	\$1,885,625
<b>Earnings Before Interest &amp; Tax</b>	<b>\$264,801</b>	<b>\$194,880</b>	<b>\$139,897</b>	<b>\$2,548,434</b>	<b>\$2,657,603</b>
Interest Income	\$9,615	\$3,269	\$4,819	\$28,914	\$27,364
Interest Expenses	\$503,231	\$282,068	\$285,954	\$1,084,563	\$1,104,671
<b>Earnings Before Tax</b>	<b>-\$228,815</b>	<b>-\$83,920</b>	<b>-\$141,238</b>	<b>\$1,492,785</b>	<b>\$1,580,296</b>
Tax Expenses	\$0	\$0	\$0	\$199,881	\$199,881
<b>Earnings After Tax</b>	<b>-\$228,815</b>	<b>-\$83,920</b>	<b>-\$141,238</b>	<b>\$1,292,904</b>	<b>\$1,380,415</b>
Incorporation of Associate surplus / revaluation	\$0	\$0	\$0	\$9,495,549	\$9,495,549
<b>Net Income</b>	<b>-\$228,815</b>	<b>-\$83,920</b>	<b>-\$141,238</b>	<b>\$10,788,453</b>	<b>\$10,875,964</b>
<b>Retained Income</b>	<b>-\$228,815</b>	<b>-\$83,920</b>	<b>-\$141,238</b>	<b>\$10,788,453</b>	<b>\$10,875,964</b>

## Movements in Equity – For the 3 months ended 30 September 2025

Movements in Equity	2025/2026 (YTD)
Equity - Opening Balance	\$186,655,652
Current Year Earnings	-\$83,920
Equity Dividends Paid	\$0
<b>Total Equity</b>	<b>\$186,571,732</b>

## Balance Sheet – As at 30 September 2025

BALANCE SHEET	2024/2025 (YTD)	2025/2026 (YTD)
<b>ASSETS</b>		
Cash & Equivalents	\$525,154	\$2,037,627
Accounts Receivable	\$29,332	\$35,644
Other Current Assets	\$478,886	\$1,193,858
<b>Total Current Assets</b>	<b>\$1,033,373</b>	<b>\$3,267,129</b>
Fixed Assets	\$32,043	\$1,198,824
Investments or Other Non-Current Assets	\$214,443,122	\$217,105,669
<b>Total Non-Current Assets</b>	<b>\$214,475,165</b>	<b>\$218,304,493</b>
<b>Total Assets</b>	<b>\$215,508,538</b>	<b>\$221,571,622</b>
<b>LIABILITIES</b>		
Accounts Payable	\$710,463	\$1,399,338
Tax Liability	\$621,450	\$326,711
Other Current Liabilities	-\$176	\$11,528,104
<b>Total Current Liabilities</b>	<b>\$1,331,737</b>	<b>\$13,254,152</b>
Long Term Debt	\$28,880,613	\$21,745,738
<b>Total Non-Current Liabilities</b>	<b>\$28,880,613</b>	<b>\$21,745,738</b>
<b>Total Liabilities</b>	<b>\$30,212,350</b>	<b>\$34,999,890</b>
<b>EQUITY</b>		
Retained Earnings	\$136,515,817	\$138,846,467
Current Earnings	-\$228,815	-\$83,920
Other Equity	\$49,009,186	\$47,809,186
<b>Total Equity</b>	<b>\$185,296,188</b>	<b>\$186,571,732</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$215,508,538</b>	<b>\$221,571,622</b>

## Statement of Cash Flows - For the 3 months ended 30 September 2025

	2024/2025 (YTD)	2025/2026 (YTD)
<b>OPERATING ACTIVITIES</b>		
Rentals	\$997,574	\$999,915
Interest received	\$9,615	\$3,269
	<b>\$1,007,189</b>	<b>\$1,003,184</b>
Payments to suppliers and employees	(\$654,625)	(\$742,287)
Interest Payments & Line of Credit	(\$529,118)	(\$204,617)
	<b>(\$1,183,743)</b>	<b>(\$946,904)</b>
<b>Cash Flow from Operating Activities</b>	<b>(\$176,554)</b>	<b>\$56,280</b>
<b>INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	\$0	(\$15,171)
Showgrounds Sale	\$50,000	\$0
Capital Works	(\$334,525)	(\$352,570)
<b>Cash Flow from Investing Activities</b>	<b>(\$284,525)</b>	<b>(\$367,741)</b>
<b>FINANCING ACTIVITIES</b>		
Change in Long Term Debt	\$0	\$2,200,000
<b>Cash Flow from Financing Activities</b>	<b>\$0</b>	<b>\$2,200,000</b>
<b>Change in Cash &amp; Equivalents</b>	<b>(\$461,079)</b>	<b>\$1,888,539</b>
Cash & Equivalents, Opening Balance	\$986,233	\$149,088
Cash & Equivalents, Closing Balance	\$525,154	\$2,037,627

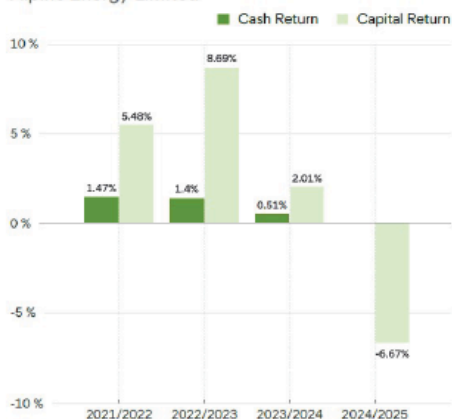
## Segmented Portfolio Return 2021/22 to 2024/25

Property Portfolio



12.2%

Alpine Energy Limited



1.9%

PrimePort Timaru Limited



14.6%

The Property Portfolio returns include property available to lease on commercial terms. Legacy properties (e.g. 1 Unwin Street) and Capital Projects (e.g. Martin Street) are excluded from the calculation.

Property Portfolio



Alpine Energy Limited



PrimePort Timaru Limited



- The graphs above show the last 3 years return from each of TDHL's investment sectors. The top graph shows percentage return and the lower graph shows absolute/dollar return.
- These show the strong cash and capital returns generated from the property portfolio and the predominance of the capital return that is generated by the associates (with the exception of this year for AEL). It is important to note that Alpine and PrimePort are subject to 3 to 5 yearly asset revaluation cycles that result in a lumpy capital return profile. TDHL is required to revalue its property portfolio annually.