

22 February 2022

The Chief Executive
Timaru District Council
PO Box 522
Timaru 7940

via email: bede.carran@timdc.govt.nz

Dear Bede

Timaru District Holdings Limited –Report for period 1 July to 31 December 2021

Timaru District Holdings Limited (TDHL) is pleased to present this report for the period 1 July 2021 to 31 December 2021.

The financial statements and activity updates below show that the strong start has been maintained and the focus remains on TDHL being well positioned to support Council through the forecast dividend, continue to re-invest in the business through its tenants and key relationships and continue to maintain manageable debt levels.

Financial Performance

The Timaru District Holdings Limited financial statements as at 31 December 2021 are provided below.

Profit and Loss

- The year-to-date operating surplus of just over \$2.6M is well above YTD and FY budget. This is a result of an increased dividend from PrimePort and the timing of dividend payments from Alpine Energy.
- Holding Company operational costs remain above budget due to higher than anticipated audit costs and associate appointment costs.

Movements in Equity / Statement of Cashflows

- These show the \$500,000 dividend paid to TDC on 28 October 2021 as per the Statement of Intent and a \$1M debt repayment made in November 2021.
- A further \$500,000 dividend to TDC is forecast to be paid before 30 June 2022.



Balance Sheet

- This reflects the increased equity, reduced liabilities and strong position as previously reported.

Governance

Timaru District Council

- An unmodified audit opinion was issued by Audit NZ on 29 November 2021.
- The TDHL AGM was held on 8 December 2021.
- Work is currently underway on the 2022/23 Statement of Intent including workshops with Councillors.

PrimePort Timaru Limited

- COVID considerations have resulted in the planned meeting with Port of Tauranga being postponed until further notice.
- The PPT Chair is due to present to the Board in early February.

Alpine Energy Limited

- The relationship with fellow shareholders remains a key focus. In addition to the planned 2022 shareholder meetings, several officer meetings have been undertaken in recent months.
- Regular updates continue to be received from AEL, with an updated briefing from the Board received in December 2021.

Property

- Programmed reviews and renewals are ongoing. The high-level of activity at the port and demand for businesses to be close to the wharf continues.
- There is also an ongoing steady stream of new enquiries for sites and leases as a result of targeted engagement with prospective tenants and development partners. Work on these long-term opportunities continues.
- Work and reinvestment continue with key tenants, including improvement works such as site upgrades and building enhancements.

Yours sincerely



Mark Rogers
Chairperson



Profit and Loss

Timaru District Holdings Limited

As at 31 December 2021

Account	YTD Actuals	YTD Budget	Full Year 2022 Budget	Full Year FY21 Actuals
Trading Income				
Property Operations				
Total Revenue	1,411,566	1,424,832	2,849,664	2,944,487
Total Expenses	372,423	373,240	723,980	776,412
Total Property Operations	1,039,142	1,051,592	2,125,684	2,168,075
Total Trading Income	1,039,142	1,051,592	2,125,684	2,168,075
Showgrounds				
Show grounds - Sale of Property	0	0	0	6,444,480
Show grounds Expenses - Cost of Property Sold	0	0	0	(5,059,208)
Total Expenses	0	68,970	137,940	185,266
Total Showgrounds	0	(68,970)	(137,940)	1,200,006
Gross Profit	1,039,142	982,622	1,987,744	3,368,081
Holding Company Operations				
Total Revenue	2,207,621	1,074,140	1,548,280	1,587,302
Total Operating Expenses	316,451	272,763	559,787	530,692
Total Holding Company Operations	1,891,170	801,377	988,493	1,056,611
Finance Costs				
Total Finance Costs	302,379	266,576	495,649	593,521
Operating Surplus (Deficit) Before Taxation	2,627,933	1,517,423	2,480,588	3,831,171

Movements in Equity

Timaru District Holdings Limited

For the 6 months ended 31 December

Account	Jul-Dec 2021
Equity	
Opening Balance	137,241,243
Current Year Earnings	2,627,933
Equity Dividends Paid	(500,000)
Total Equity	139,369,176

Statement of Cash Flows

Timaru District Holdings Limited

For the 6 months ended 31 December 2021

Account	YTD	Prior YTD
Operating Activities		
Cash was provided from:		
Total Cash was provided from:	3,850,777	5,425,068
Total Cash was disbursed to:	1,472,018	1,479,582
Net Cash Flows from Operating Activities	2,378,759	3,945,486
Financing Activities		
Repayment of long-term loans	(1,000,000)	(900,000)
Dividends Paid to Shareholders	(500,000)	(1,000,000)
Net Cash Flows from Financing Activities	(1,500,000)	(1,900,000)
Net Cash Flows	878,759	2,045,486
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	3,137,368	2,667,648
Cash and cash equivalents at end of period	4,016,128	4,713,134
Net change in cash for period	878,759	2,045,486

Balance Sheet

Timaru District Holdings Limited

As at 31 December 2021

Account	31 Dec 2021	31 Dec 2020
Assets		
Total Bank	4,016,128	4,713,134
Total Current Assets	1,163,703	312,379
Non-current Assets		
Investment Properties - Buildings & Other Structures	4,622,000	4,204,000
Investment Properties - Other Assets	39,022,895	43,278,000
Investments - Alpine	83,421,000	75,115,000
Investments - Primeport	33,014,500	30,290,000
Total Non-current Assets	160,080,395	152,887,000
Total Assets	165,260,226	157,912,513
Liabilities		
Current Liabilities		
Total Current Liabilities	1,210,437	1,123,164
Non-current Liabilities		
Total Non-current Liabilities	24,680,613	32,680,613
Total Liabilities	25,891,050	33,803,777
Net Assets	139,369,176	124,108,736
Equity		
Retained Earnings	108,368,990	93,108,551
Shares	31,000,186	31,000,186
Total Equity	139,369,176	124,108,736