

# TIMARU DISTRICT HOLDINGS LIMITED

PO Box 178  
Timaru 7940

23 February 2021

The Chief Executive  
Timaru District Council  
PO Box 522  
Timaru 7940

via email at [bede.carran@timdc.govt.nz](mailto:bede.carran@timdc.govt.nz)

Dear Bede

## **Timaru District Holdings Limited – Half Year Report for period 1 July to 31 December 2020**

Timaru District Holdings Limited (TDHL) is pleased to present this report for the period 1 July to 31 December 2020.

### **Financial Performance**

#### Summary

- The Timaru District Holdings Limited financial statements for the half year ending 31 December 2020 are attached for your information.
- The half year surplus of \$2,377,715 is above budget of \$916,225. As with the quarterly result, the difference is a result of the budget anticipating a zero dividend from Alpine, whereas two dividends of \$235,570 have now been received.
- The outlook for the full year surplus has been reforecast and is now anticipated to be in the order \$3.7M excluding property revaluation and share of Associate surpluses.
- The investment properties continue to perform solidly and are supported by favourable recent rent review and lease negotiations.

#### Dividends

- TDHL paid cash dividends to Council on 30 September 2020 and 30 November 2020 totalling \$1M. The total dividend of \$2 million for the 2020/21 financial year is budgeted and anticipated to be paid.

## Debt repayment

- A repayment of \$900,000 on the external debt facility was made in November 2020.

## Governance

### Timaru District Holdings Limited

- 2021/2022 Statement of Intent supplied to Council 23 February 2021.
- A program of workshops and discussion sessions with Councils are being arranged for the first half of 2021.

### PrimePort Timaru Limited

- TDHL continue to receive regular reporting from PrimePort.
- An increased level of engagement with the PrimePort Board is being planned for 2021, as well as engagement with fellow shareholder Port of Tauranga.

### Alpine Energy Limited

- A series of workshops and briefs will be held by Alpine in the 2021 year as well as the shareholder engagement.

## Property

- Work on rent reviews, tenant management and lease renewals is ongoing to ensure the portfolio is kept optimised and current. Several new lessee have recently been secured.
- The Showgrounds Agreement for Sale and Purchase went unconditional on December 2020 and settled in early February 2021.

## Risk Management

- The Board is currently refreshing the TDHL risk management framework with the objective of enhancing business decision making.
- This will be informed by engaging with stakeholders in a discussion on risk appetite, the ability of TDHL to effectively manage risks and established best practice.

Yours sincerely



Ian Fitzgerald  
Chairperson

## Profit and Loss

Timaru District Holdings Limited  
For the 6 month ended 31 December 2020

Account	YTD Actuals	YTD Budget	Prior YTD Actual	Revised Full Year Forecast	Full Year Budget	Full Year FY20 Actuals
<b>Trading Income</b>						
<b>Property Operations</b>						
Total Revenue	1,515,030	1,356,984	1,479,866	2,872,014	2,713,968	2,687,667
Total Expenses	421,334	369,000	489,102	756,334	728,000	657,909
Total Property Operations	1,093,696	987,984	990,764	2,115,680	1,985,968	2,029,758
Total Trading Income	1,093,696	987,984	990,764	2,115,680	1,985,968	2,029,758
<b>Gross Profit</b>	<b>1,530,758</b>	<b>814,484</b>	<b>990,764</b>	<b>3,022,666</b>	<b>1,638,968</b>	<b>2,029,758</b>
<b>Holding Company Operations</b>						
Total Revenue	1,325,883	680,531	1,800,889	1,800,023	711,336	5,599,577
Total Operating Expenses	204,874	148,092	94,927	471,640	322,084	295,514
Total Holding Company Operations	1,121,010	532,439	1,705,962	1,328,384	389,252	5,304,063
<b>Finance Costs</b>						
Total Finance Costs	274,053	430,698	640,914	584,718	855,063	1,006,126
<b>Operating Surplus Before Taxation</b>	<b>2,377,715</b>	<b>916,225</b>	<b>2,055,812</b>	<b>3,766,332</b>	<b>1,173,157</b>	<b>6,327,695</b>

## Movements in Equity

Timaru District Holdings Limited  
For the 6 months ended 31 December 2020

Account	Jul-Dec 2020
<b>Equity</b>	
Opening Balance	122,695,970
Current Year Earnings	2,377,715
Equity Dividends Paid - Ordinary Shareholder Dividend	(1,000,000)
<b>Total Equity</b>	<b>124,073,685</b>

## Statement of Cash Flows

Timaru District Holdings Limited  
For the 6 months ended 31 December 2020

Account	Jul-Dec 2020
<b>Operating Activities</b>	
Total Cash from operations	5,424,595
Cash disbursed to operating	
Total Cash disbursed to costs	1,479,109
<b>Net Cash Flows from Operating Activities</b>	<b>3,945,486</b>
<b>Financing Activities</b>	
Repayment of long-term loans	(900,000)
Dividends Paid to Shareholders	(1,000,000)
<b>Net Cash Flows from Financing Activities</b>	<b>(1,900,000)</b>
<b>Net Cash Flows</b>	<b>2,045,486</b>
<b>Cash and Cash Equivalents</b>	
Cash and cash equivalents at beginning of period	2,667,648
Cash and cash equivalents at end of period	4,713,134
<b>Net change in cash for period</b>	<b>2,045,486</b>

# Balance Sheet

Timaru District Holdings Limited  
As at 31 December 2020

Account	31 Dec 2020	31 Dec 2019
<b>Assets</b>		
<b>Bank</b>		
BNZ 00 Account	687,561	(2,556,543)
BNZ 23 Account	2,525,573	3,039,000
BNZ - Term Deposits	1,500,000	1,500,000
<b>Total Bank</b>	<b>4,713,134</b>	<b>1,982,457</b>
<b>Current Assets</b>		
Accounts Receivable	275,786	282,162
<b>Total Current Assets</b>	<b>275,786</b>	<b>282,162</b>
<b>Non-current Assets</b>		
Investment Properties - Buildings & Other Structures	4,204,000	4,180,000
Investment Properties - Other Assets	43,278,000	41,310,000
Investments - Alpine	75,115,000	70,650,156
Investments - Primeport	30,290,000	28,598,750
<b>Total Non-current Assets</b>	<b>152,887,000</b>	<b>144,738,906</b>
<b>Total Assets</b>	<b>157,875,920</b>	<b>147,003,525</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	57,377	47,970
Accrued Interest	120,000	0
Intercompany Payable - TDC	918,211	664,896
GST Payable (Receivable)	26,908	27,070
Derivative Financial Instruments - Short Term Provisions	0	292,906
Taxation	(874)	0
<b>Total Current Liabilities</b>	<b>1,121,621</b>	<b>1,032,842</b>
<b>Non-current Liabilities</b>		
Derivative Financial Instruments - Long Term Provisions	0	146,453
Development Loan No 1 2002 - Non Current Loan Principal	10,500,000	11,900,000
Intercompany Loan	22,180,613	22,180,613
<b>Total Non-current Liabilities</b>	<b>32,680,613</b>	<b>34,227,066</b>
<b>Total Liabilities</b>	<b>33,802,235</b>	<b>35,259,908</b>
<b>Net Assets</b>	<b>124,073,685</b>	<b>111,743,617</b>
<b>Equity</b>		
Retained Earnings	93,073,500	80,743,431
Shares	31,000,186	31,000,186
<b>Total Equity</b>	<b>124,073,685</b>	<b>111,743,617</b>