

26 May 2022

The Chief Executive
Timaru District Council

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

Dear Bede

Report for period 1 July to 31 March 2022

TDHL is pleased to present this report for the period 1 July 2021 to 31 March 2022.

The financial statements and activity updates below reflecting a continuing strong financial performance for the year with the current operating surplus already exceeding budget. This is mainly due to the strong PrimePort dividend.

The operational focus re-investing in the business through its tenants and key relationships continues.

Financial Performance

The TDHL financial statements as at 31 March 2021 are provided below.

Profit and Loss

- The year-to-date operating surplus of just over \$3.0M 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.
- The property portfolio continues to perform strongly with the timing of rental payment expected to see the full year result slightly above budget.
- Holding Company operational costs remain above budget due to higher than anticipated audit costs, associate appointment costs and the increasing realisation of the cost of operations.

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.
- The Cashflow shows a strong cash position which will be allocated to a further \$500,000 dividend to TDC that was paid on 25 May 2022 and a \$500,000 repayment on the TDC cash advance facility to be paid in June.



- This in combination with the \$1.62M of interest payments made to TDC to date will result in TDHL providing \$3.2M in cash to TDC over the financial year.

Balance Sheet

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

Governance

Timaru District Council

- Engagement with Council continues at a governance and officer level.
- The priority for third quarter has been facilitating the appointment of the new independent director and discussing the 2022/23 Statement of Intent.
- TDHL would like to acknowledge and thank Councillors and officers for their co-operation on these matters which has enabled successful outcomes and a more aligned strategic direction.

PrimePort Timaru Limited

- In addition to the regular monthly reporting, the PPT Chair updated the Board via zoom in early February on trends and issues in the port sector.
- Engagement with the Port of Tauranga has also occurred via zoom.

Alpine Energy Limited

- TDHL, with the support of other shareholders, reappointed, Warren McNabb, for a further 3 year term. Mr McNabb is currently the Alpine Chair.
- The relationship with fellow shareholders remains a key focus with several joint projects and collaborative initiatives in progress.
- Regular updates continue to be received from AEL, with an update briefing from the Board anticipated for May 2022.

Property

- Through a strong operation relationship with PrimePort and active targeting of prospective tenants, the high-level of interest from businesses to be close to the wharf continues.
- Work and reinvestment continue with key tenants, including several large civil project soon to commence.

Yours sincerely



Mark Rogers
Chairperson



Profit and Loss

TDHL

For the 9 months ended 31 March 2022

Account	YTD Actuals	YTD Budget	Full Year 2022 Budget	Full Year FY2021 Actuals
Trading Income				
Property Operations				
Total Revenue	2,037,323	2,137,248	2,849,664	2,944,487
Total Expenses	458,289	539,860	723,980	776,412
Total Property Operations	1,579,034	1,597,388	2,125,684	2,168,075
Total Trading Income	1,579,034	1,597,388	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	11,799	103,455	137,940	185,266
Total Showgrounds	(11,799)	(103,455)	(137,940)	1,200,006
Gross Profit	1,567,235	1,493,933	1,987,744	3,368,081
Holding Company Operations				
Total Revenue	2,448,848	1,311,210	1,548,280	1,587,302
Total Operating Expenses	489,273	392,343	559,787	530,692
Total Holding Company Operations	1,959,575	918,867	988,493	1,056,611
Finance Costs				
Total Finance Costs	480,327	381,841	495,649	593,521
Operating Surplus (Deficit) Before Taxation	3,046,484	2,030,959	2,480,588	3,831,171

Movements in Equity

TDHL

For the 9 months ended 31 March 2022

Account **Jul 2021-Mar 2022**

Equity

Opening Balance	137,241,243
Current Year Earnings	3,046,484
Equity Dividends Paid	(500,000)
Total Equity	139,787,726

Statement of Cash Flows

TDHL

For the 9 months ended 31 March 2022

Account	YTD	Prior YTD
Operating Activities		
Total Cash was provided:	4,900,442	12,263,066
Total Cash disbursed:	2,088,134	2,290,183
Net Cash Flows from Operating Activities	2,812,308	9,972,883
Financing Activities		
Repayment of long-term loans	(1,000,000)	(6,900,000)
Dividends Paid to Shareholders	(500,000)	(1,500,000)
Net Cash Flows from Financing Activities	(1,500,000)	(8,400,000)
Net Cash Flows	1,312,308	1,572,883
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	4,449,676	4,240,532
Net change in cash for period	1,312,308	1,572,883

Balance Sheet

TDHL

As at 31 March 2022

Account	31 Mar 2022	31 Mar 2021
Assets		
Total Bank	4,449,676	4,240,532
Total Current Assets	1,074,887	122,585
Non-current Assets		
Investment Properties - Buildings & Other Structures	4,622,000	4,204,000
Investment Properties - Other Assets	39,022,895	36,745,064
Investments - Alpine	83,421,000	75,115,000
Investments - Primeport	33,014,500	30,290,000
Total Non-current Assets	160,080,395	146,354,064
Total Assets	165,604,958	150,717,181
Liabilities		
Total Current Liabilities	1,136,618	954,885
Non-current Liabilities		
Total Non-current Liabilities	24,680,613	26,680,613
Total Liabilities	25,817,231	27,635,498
Net Assets	139,787,726	123,081,682
Equity		
Retained Earnings	108,787,541	92,081,497
Shares	31,000,186	31,000,186
Total Equity	139,787,726	123,081,682