

The Chief Executive
Timaru District Council
nigel.trainor@timdc.govt.nz

29 April 2025

Dear Nigel

Report for period 1 July 2024 to 31 March 2025

Please find attached the TDHL report for the period 1 July 2024 to 31 March 2025. The report is prepared in accordance with the 2024/2025 Statement of Intent which can be found [here](#) and contains the financial statements, activity updates and commentary for the financial year to 31 March 2025.

TDHL's direct operations relating to the property portfolio continues to perform strongly.

PrimePort is expected to deliver in line with budget.

With the Commerce Commission announcing its decision on the Alpine Energy Price Path Correction in early April, we now await the customer repayment process and the implications on financial reporting, which will flow through to TDHL as non-cash incorporations.

Regards



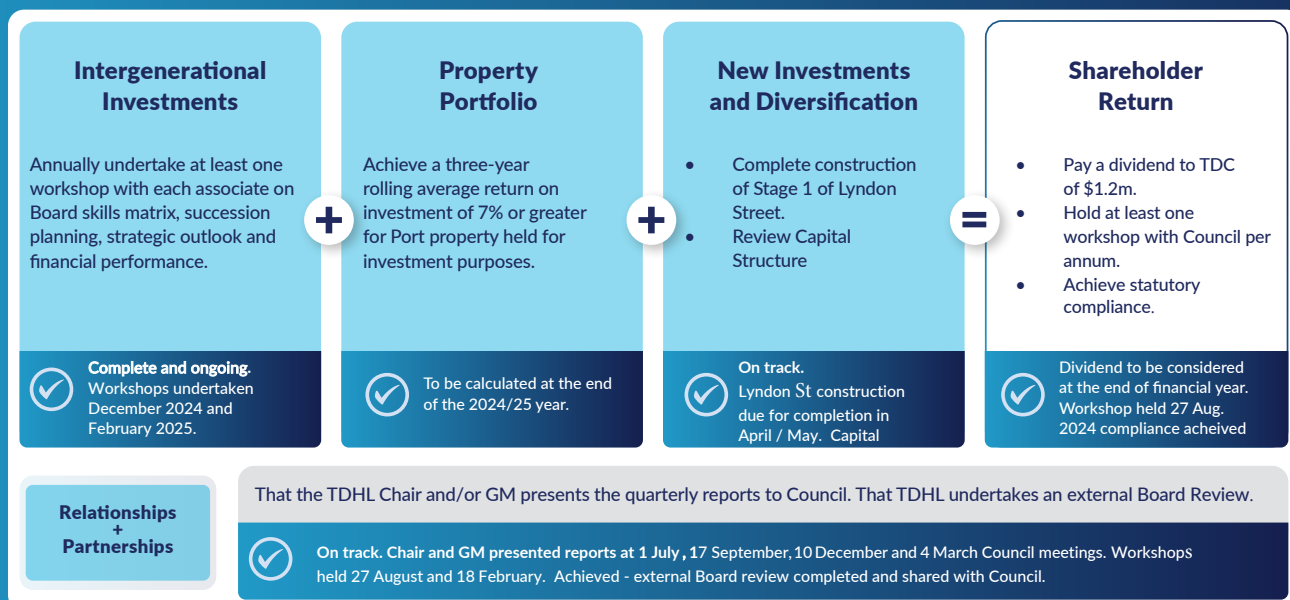
Frazer Munro
General Manager

Quarterly Report

Report for the period 1 July 2024 to 31 March 2025

Activity and Performance Targets

The specific 2024/25 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



- LGFA accession was successfully completed in Dec 2024 followed by the implementation of Treasury Policy. These are key enablers to TDHL diversification journey.
- The Chair, deputy Chair and General Manager provided Councillors with a Strategic update in February 2025 and presented to the 4 March Council meeting.

Alpine Energy



- Although post reporting period, the Commerce Commission announced its decision on the price path correction in early April.
- The Shareholders are working collectively on a response to the Statement of Corporate Intent.

PrimePort Timaru



- The PrimePort Chair presented to the February TDHL Board meeting.
- Work continues on the joint District Plan Review submission and attendance at hearings.

Property Portfolio



- Lyndon Street extension construction commenced in January with works progressing well. This will unlock nearly 14Ha of shovel-ready industrial land. Expected completion date of mid May 2025.
- The sale of 4 of the 5 CBD properties was finalised on 1 April. TDHL will continue to hold and develop the Union Bank building at 117 / 119 Stafford St.

Financial Performance Targets

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

The financial statements for the nine months ending 31 March 2025 are below.

Measure	2024/25 SOI Target	Forecast
EBITA	\$2,341,051	✗ \$2,107,010
Net Profit to S/H funds	6.8%	✗ 3.6%
Net tangible assets per share	\$6.40	✗ \$6.15
Earnings per share	\$0.45	✗ \$0.21
Dividends per share	\$0.04	✓ \$0.04
Shareholder funds to total assets	86%	✓ 85%

Profit and Loss – For the 9 months ended 31 March 2025

- The year to date operating profit of \$1.05m is positive to budget of \$986k, as is the net income to date of \$467k against budget of \$212k.
- As per the mid-year report, as a result of moving the Showgrounds settlement to next financial year, forecast full year other income is reduced, resulting in reduced earnings before interest and tax.

PROFIT & LOSS	2023/2024 (YTD)	2024/2025 (YTD)	Budget 2024/2025 (YTD)	Budget 2024/2025 (full FY)	Forecast 2024/2025 (Full Year)
Revenue	\$2,417,529	\$2,576,646	\$2,652,253	\$3,555,086	\$3,537,764
Cost of Sales	\$556,847	\$675,442	\$724,441	\$987,315	\$979,649
Gross Profit	\$1,860,682	\$1,901,205	\$1,927,812	\$2,567,771	\$2,558,115
Expenses	\$761,032	\$855,713	\$941,298	\$2,124,716	\$1,201,105
Operating Profit	\$1,099,649	\$1,045,492	\$986,514	\$443,055	\$1,357,010
Other Income	\$1,228,639	\$750,000	\$750,000	\$1,900,000	\$750,000
Earnings Before Interest & Tax	\$2,328,289	\$1,795,492	\$1,736,514	\$2,343,055	\$2,107,010
Interest Income	\$102,598	\$24,209	\$0	\$39,768	\$34,208
Interest Expenses	\$1,459,298	\$1,352,085	\$1,524,306	\$2,051,372	\$1,690,726
Earnings Before Tax	\$971,588	\$467,617	\$212,208	\$331,451	\$450,493
Tax Expenses	\$0	\$0	\$0	-\$117,195	-\$185,661
Earnings After Tax	\$971,588	\$467,617	\$212,208	\$448,646	\$636,154
Incorporation of Associate Surplus	\$0	\$0	\$0	\$13,376,850	\$5,769,414
Net Income	\$971,588	\$467,617	\$212,208	\$13,825,496	\$6,405,568
Retained Income	\$971,588	\$467,617	\$212,208	\$13,825,496	\$6,405,568

Movements in Equity – For the 9 months ended 31 March 2025

Movements in Equity	2024/2025 (YTD)
Equity - Opening Balance	\$185,525,003
Current Year Earnings	\$467,617
Equity Dividends Paid	\$0
Total Equity	\$185,992,620

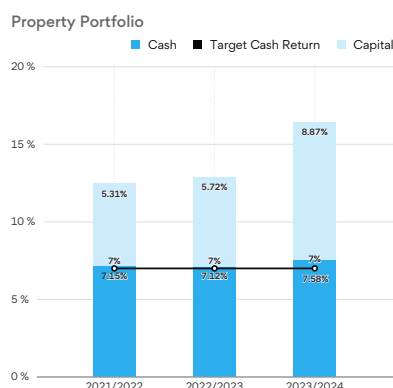
Balance Sheet – As at 31 March 2025

BALANCE SHEET	2023/2024 (YTD)	2024/2025 (YTD)
ASSETS		
Cash & Equivalents	\$808,302	\$962,009
Accounts Receivable	\$209,899	\$61,212
Other Current Assets	\$147,643	\$1,278,886
Total Current Assets	\$1,165,844	\$2,302,108
Investments or Other Non-Current Assets	\$208,314,825	\$214,296,306
Total Non-Current Assets	\$208,314,825	\$214,296,306
Total Assets	\$209,480,670	\$216,598,414
LIABILITIES		
Accounts Payable	\$224,279	\$186,266
Tax Liability	\$870,909	\$618,378
Other Current Liabilities	\$84,700	\$120,537
Total Current Liabilities	\$1,179,888	\$925,181
Long Term Debt	\$27,980,613	\$29,680,613
Total Non-Current Liabilities	\$27,980,613	\$29,680,613
Total Liabilities	\$29,160,502	\$30,605,794
EQUITY		
Retained Earnings	\$130,182,394	\$136,858,817
Current Earnings	\$971,588	\$467,617
Other Equity	\$49,166,186	\$48,666,186
Total Equity	\$180,320,168	\$185,992,620
Total Liabilities & Equity	\$209,480,670	\$216,598,414

Statement of Cash Flows - For the 9 months ended 31 March 2025

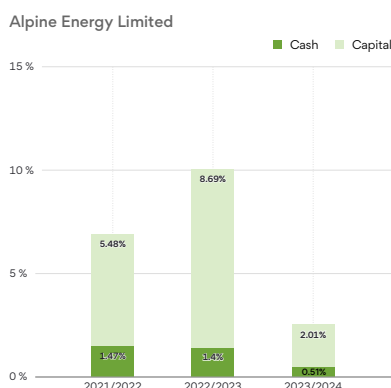
	2023/2024 (YTD)	2024/2025 (YTD)
OPERATING ACTIVITIES		
Rentals	\$2,706,508	\$3,002,494
Interest received	\$102,598	\$24,209
Dividends Received from Alpine Energy	\$942,279	\$0
Dividends Received from Primeport	\$757,500	\$750,000
	\$4,508,884	\$3,776,703
Payments to suppliers and employees	(\$1,811,971)	(\$2,087,401)
Interest Payments & Line of Credit	(\$1,433,105)	(\$1,235,953)
	(\$3,245,076)	(\$3,323,353)
Cash Flow from Operating Activities	\$1,263,808	\$453,350
INVESTING ACTIVITIES		
Sale of Stafford Street	\$0	\$704,806
Sale of Showgrounds	\$0	\$50,000
Capital Works	(\$3,017,960)	(\$1,200,355)
Cash Flow from Investing Activities	(\$3,017,960)	(\$445,549)
FINANCING ACTIVITIES		
Dividends Paid	(\$500,000)	\$0
Change in Long Term Debt	(\$100,000)	\$767,976
Term Deposit	\$0	(\$800,000)
Cash Flow from Financing Activities	(\$600,000)	(\$32,024)
Change in Cash & Equivalents	(\$2,354,151)	(\$24,224)
Cash & Equivalents, Opening Balance	\$986,233	\$3,162,454
Cash & Equivalents, Closing Balance	\$962,009	\$808,302

Segmented Portfolio Return 2021/22 to 2023/24



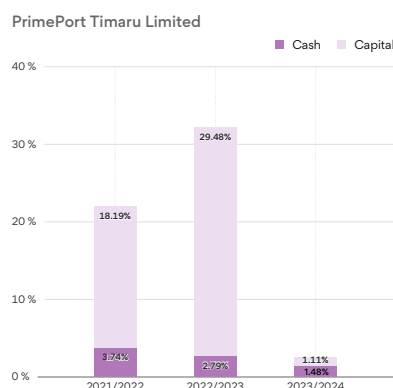
AVERAGE 3 YEAR TOTAL RETURN

13.92%



AVERAGE 3 YEAR TOTAL RETURN

6.52%



AVERAGE 3 YEAR TOTAL RETURN

18.93%

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. FY24 returns based on all properties owned by TDHL are as follows; Cash 4.74%, Capital 5.87%, Total 10.61%.



- 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 Alpine and PrimePort. 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.
- The 2023/24 year presented challenging trading considerations for both associates which was further impacted by changes to tax legislation.
- These will be updated for the 30 June 2025 report and will include a waterfall cashflow chart for the 2024/25 year.