



TDHL

Timaru District Holdings Ltd
Enabling Prosperity

Annual Report 2025

www.tdhl.co.nz



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Directors' declaration

In the opinion of the Directors of Timaru District Holdings Limited ('the Company') the financial statements and notes, on pages 11 to 29:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 30 June 2025 and the result of operations for the year ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the annual report including the financial statements of Timaru District Holdings Limited for the year ended 30 June 2025.



Mark F. Rogers (Chairperson)

Date: 26 September 2025



Darren M. Evans (Deputy Chairperson)

Date: 26 September 2025

Directory

Incorporation number	881487
Principal activities	Property – non-residential – renting or leasing
Registered office	117 Stafford Street Timaru 7910 New Zealand
Directors	Aaron W.K Bethune Rebecca L. Keoghan (ceased 1 November 2024) Sally B. Parker Mark F. Rogers Darren M. Evans
Shareholders	Timaru District Council 49,550,000 ordinary shares _____ 49,550,000 ordinary shares =====
Auditor	Audit New Zealand On behalf of the Auditor-General

Highlights & Challenges

Total Comprehensive Income

\$2.3M

down from \$6.7M

Net Cash from Operations

\$0.4M

down from \$1.4M

Dividends from Associates

\$0.75M

down from \$1.2M

Property Revenue

\$3.6m

up from \$3.3M

Investment Property Valuation

\$71.8M

up 6.5%

Share of Associate Surplus

-\$4.4M

down from \$3.3M

Total Dividend to TDC

\$1.2M

Up from \$1.0M

Total Equity

\$186.7M

up from \$185.5M

Chairman and General Manager Report

TDHL has delivered a strong operational performance this year with bottom line results impacted by contrasting share of associate loss. Our focus continues to be underpinned by disciplined execution, strategic resilience, and a commitment to delivering intergenerational value to our shareholder.

Strategic Overview

The 2024/25 year has been marked by an ongoing focus on operational excellence and completion of the final building blocks to enable portfolio resilience through diversification.

A key milestone this year was refinancing TDHL debt and accession to the Local Government Funding Agency (LGFA). This has ensured the property portfolio has continued to perform strongly. Combined with PrimePort's above budget performance, these returns have partially offset the challenges faced by Alpine. Delivering a solid operational result and positive net surplus, the current year's result illustrates the importance of our strategic focus on continued diversification.

Our engagement with the Timaru District Council has continued to be positive and constructive, with a focus on alignment to the Council's Long Term Plan, while the Statement of Intent and Investment Policy Statement guide our investment decisions. We have continued to support the Council's strategic priorities through delivering a dividend, transparent reporting, and collaborative governance.

Financial performance

TDHL recorded total comprehensive income of \$2.3 million, a result materially behind budget due to the impact of incorporating the negative performance of the associate investment in Alpine. PrimePort delivered a dividend in line with budget and an incorporated result ahead. The operational performance benefitted from the sale of four south Stafford Street legacy properties, robust property revenue growth and cost discipline. We achieved a positive net cash position of \$351k.

Further financial highlights include:

- Property revenue increased to \$3.6 million, up from \$3.3 million.
- Total equity rose to \$186.7 million.
- Cash payments to Council totalled \$2.4 million, including a \$1.2 million dividend.

These results affirm the strength of our direct operations and the benefits of a diversified portfolio, as we continue to provide stable and growing returns despite volatility in associate contributions.



TDHL has a 50.0% shareholding in PrimePort

PrimePort continues to be a critical logistics and infrastructure partner for the region. Bulk trade volumes were slightly up, revenue increased as a result of its diversified trade mix and while cost pressures increased, PrimePort produced a strong pre-tax profit coupled with a positive revaluation.



TDHL has 47.50% shareholding in Alpine Energy

Alpine Energy faced significant regulatory and reputational challenges following the Commerce Commission's investigation into historical pricing errors. Combined with slower network growth, this resulted in a poor final result. The shareholders have worked collaboratively to appoint high quality directors to the Board to enable long-term improvement.



TDHL own \$71.8m of investment property around the Port and Washdyke

TDHL's actively managed port precinct properties continued to perform strongly and underpins our results.

The first stage of Lyndon Street extension at Washdyke was completed opening up greenfield and diversification opportunities.

The CBD investment saw the disposal of four properties and the first stage of the 1877 Union Bank building restoration complete.

Chairman and General Manager Report *continued*

Governance and Engagement

The TDHL Board has maintained regular engagement with our associates, including Board-to-Board meetings, site visits, and strategic workshops. These interactions have strengthened our oversight and alignment across the portfolio.

The Board has also reviewed and updated key policies, including health and safety, privacy, and treasury management, ensuring our governance framework remains fit for purpose.

Looking Ahead

As we enter the 2025/26 financial year, TDHL will continue to:

- Leverage its strong property base to support economic investment.
- Pursue diversification opportunities aligned with shareholder priorities.
- Support associate companies through active governance and strategic alignment.
- Deliver sustainable financial returns and maintain a robust balance sheet.

We remain committed to our purpose: to manage and grow an investment portfolio that provides a sustainable intergenerational return and supports the strategic priorities of our shareholder. On behalf of the Board, we thank our shareholder, associates, and stakeholders for their continued trust and partnership.



Mark F. Rogers (Chairperson)

Date: 26 September 2025



Frazer Munro (General Manager)

Date: 26 September 2025

Statement of objectives and performance

For the year ended 30 June 2025 in New Zealand dollars

Strategic Priorities	Performance Target	Achievement	
Intergenerational Investments Ensuring our intergenerational investments (PrimePort and Alpine) are well governed, meet the needs of our community, and provide a growing sustainable return.	Annually undertake at least one workshop with each associate on Board skills matrix, succession planning, strategic outlook and financial performance.		Target met. Met and discussed Board skills and succession planning with each associate at least once during the year. Additional consultation with fellow shareholders and engagement with the respective Board Chairs was also undertaken. Strategic and financial performance is achieved through reviewing quarterly reporting from the associates.
Property Portfolio Manage and grow a property portfolio in a profitable manner that complements our associate investments and our shareholder's strategic priorities.	Achieve a three-year rolling average return on investment of 7% or greater for Port property held for investment purposes.		Target met. Return of 7.2% achieved.
New Investments & Diversification Pursue new and diverse investments that will grow the business.	Complete construction of Stage 1 of Lyndon Street. Review Capital Structure.		Target met. Physical works complete. Target met. Review completed in December 2024 marked by accession to LGFA.
Providing Shareholder Return Provide the shareholder with a sustainable and increasing cash dividend.	Pay a dividend to TDC of \$1.2m		Target met, \$1.2m paid in June 2025.
	Hold at least one workshop with Council per annum.		Target met. Workshops held in Aug 2024, Nov 2024 and Feb 2025.
	Achieve statutory compliance.		Target met. All statutory reporting time frames and compliance requirements met.
Relationships + Partnerships Ensuring we invest time and effort into the relationships with our shareholder, joint venture partners, associates and future investment partners. Ensuring we are aligned to our shareholder's strategic direction.	That the TDHL Chair and/or GM presents the quarterly reports to Council. That TDHL undertakes an external Board review.		Target met. Chair and GM presented reports at 1 July, 17 Sept, 10 Dec, 4 March, 3 June and 24 June Council meetings. Target met. Review completed and shared with Council.
Financial Metrics			
EBITA (excluding revaluations)	\$2,341,051	-\$3,089,000	Target not met due to the significantly under budget incorporated associated loss of Alpine Energy Limited.
Net Profit to S/H Funds	6.8%	-0.2%	Targets not met. The significantly under budget incorporated associate equity is responsibility for not meeting these targets, noting that these are non-cash incorporations.
Net tangible assets/share	\$6.56	\$6.02	
Earnings per share	\$0.45	\$0.08	
Dividends per share	\$0.04	\$0.04	Target met. Total dividend of \$1.2m paid to Council.
Shareholder funds to total assets	86%	85%	Target not met due to reduced associate equity - Alpine Energy Limited.

Statement of comprehensive income

For the year ended 30 June 2025 in New Zealand dollars

	Note	2025 \$000	2024 \$000
Revenue	3	3,601	3,313
Share of associate profit/(loss)	11	(4,361)	3,295
Revaluation of investment properties	9	4,280	3,682
		3,520	10,290
Operating expenses	5	(2,267)	(2,647)
Loss on changes in fair value of interest rate swaps		(62)	-
Operating profit before financing costs		1,191	7,643
Finance income		31	114
Finance expenses		(1,646)	(2,003)
Net financing costs	4	(1,615)	(1,889)
Profit/(loss) before income tax		(424)	5,754
Income tax benefit/(expense)	6	(29)	583
Profit/(loss) for the year after income tax		(453)	6,337
Other comprehensive income	11		
Share of associate profit/(loss) - other comprehensive income		2,785	343
Other comprehensive income for the year, net of income tax		2,785	343
Total comprehensive income for the year		2,332	6,680

Statement of financial position

As at 30 June 2025 in New Zealand dollars

	Note	2025 \$000	2024 \$000
Assets			
<i>Current assets</i>			
Cash and cash equivalents	7	149	986
Trade and other receivables		215	185
Property held for sale	10	1,202	1,202
Total current assets		1,566	2,373
<i>Non-current assets</i>			
Property, plant and equipment	8	1,183	-
Right of use assets		23	8
Investment properties	9	71,761	67,398
Investments in associates	11	142,914	145,240
Term deposits		800	-
Deferred tax asset	6	150	471
Total non-current assets		216,831	213,117
Total assets		218,397	215,490

	Note	2025 \$000	2024 \$000
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	12	313	414
Employee benefits		24	29
Interest bearing loans and borrowings	13	9,300	-
Income tax payable	6	327	624
Lease liabilities		22	9
Total current liabilities		9,986	1,076
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	13	21,681	28,881
Derivative financial liabilities	14,15	65	-
Total non-current liabilities		21,746	28,881
Total liabilities		31,732	29,957
Equity			
Share capital	17	31,000	31,000
Retained earnings		127,021	128,674
Asset revaluation reserve		28,644	25,859
Total equity		186,665	185,533
Total liabilities and equity		218,397	215,490

Statement of changes in equity

For the year ended 30 June 2025 in New Zealand dollars

	Note	Share capital \$000	Retained earnings \$000	Asset revaluation reserve \$000	Total \$000
Balance at 1 July 2024	17	31,000	128,674	25,859	185,533
Total comprehensive income for the year					
Profit for the year		-	(453)	2,785	2,332
Total comprehensive income for the year		-	(453)	2,785	2,332
Transactions with owners of the Company					
Dividends paid during the year		-	(1,200)	-	(1,200)
Total transactions with owners		-	(1,200)	-	(1,200)
Balance at 30 June 2025		31,000	127,021	28,644	186,665

Balance at 1 July 2023	17	31,000	123,337	25,516	179,853
Total comprehensive income for the year					
Profit for the year		-	6,337	343	6,680
Total comprehensive income for the year		-	6,337	343	6,680
Transactions with owners of the Company					
Dividends paid during the year		-	(1,000)	-	(1,000)
Total transactions with owners		-	(1,000)	-	(1,000)
Balance at 30 June 2024		31,000	128,674	25,859	185,533

Statement of cash flows

For the year ended 30 June 2025 in New Zealand dollars

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Cash received from customers		3,572	3,782
Cash paid to suppliers and employees		(2,507)	(2,321)
Interest received		33	114
Interest paid		(1,497)	(1,923)
Dividends received		750	1,700
Net cash from operating activities		351	1,352
Cash flows from investing activities			
Proceeds from other financial assets		-	1,500
Proceeds from sale of property held for sale		100	-
Proceeds from sale of Investment property		705	-
Acquisition of investment property		(2,079)	(3,319)
Acquisition of other financial assets		(800)	-
Net cash (to) investing activities		(2,074)	(1,819)
Cash flows from financing activities			
Proceeds from loans and borrowings		9,300	800
Repayments of loans and borrowings		(7,200)	-
Dividends paid		(1,200)	(1,000)
Lease payments		(14)	(10)
Net cash from/(to) financing activities		886	(210)
Net (decrease)		(837)	(677)
Opening cash and cash equivalents 1 July		986	1,663
Closing cash and cash equivalents 30 June	7	149	986

Notes to the financial statements

1 Reporting entity

Timaru District Holdings Limited ("the Company") is a Council Controlled Trading Organisation as defined in the Local Government Act 2002. The Company is wholly owned by Timaru District Council. The Company began operation on 29 October 1997.

The entity consists of Timaru District Holdings Limited, and associated entities, PrimePort Timaru Limited (50%) and Alpine Energy Limited (47.50%). All entities are incorporated and domiciled in New Zealand under the Companies Act 1993.

The Company's principal activity is property - non-residential - renting or leasing. The annual report presented is for Timaru District Holdings Limited as at and for the year ended 30 June 2025. The annual report was authorised for issue by the Company's Board of Directors on the date shown on page 1. The financial report was authorised for use by the Directors on 26 September 2025.

2 Basis of preparation

The financial statements of Timaru District Holdings Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Local Government Act 2002 and the New Zealand International Financial Reporting Standards.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

For the purposes of complying with NZ GAAP, the Company is eligible to apply Tier-2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS RDR") on the basis that it does not have public accountability and is not a large for-profit public sector entity. The Company has elected to report in accordance with NZ IFRS RDR and has applied disclosure concessions.

All accounting policies set out below have been consistently applied to all periods presented in these financial statements. Where applicable, certain comparatives have been restated to comply with the accounting presentation adopted in the current year to ensure consistency with the current year classification.

Changes or amended accounting policies

The following new standard was applied during the year:

Amendment to NZ IAS 1

The amendments clarify that only covenants required to be met on or before the reporting date impact whether a liability is classified as current or non-current. This holds even if covenant compliance is assessed after the reporting date. Entities must also disclose more information when their ability to defer settlement for at least 12 months depends on meeting covenants after the reporting date. Required disclosures include:

- the nature and timing of the covenants
- the carrying amount of related liabilities
- any indicators of potential non-compliance

These changes must be applied retrospectively.

FRS-44: New Zealand Additional Disclosures

As part of the Group's financial reporting practices, FRS-44: New Zealand Additional Disclosures have been applied. FRS-44: sets out the New Zealand-specific disclosure requirements exceeding IFRS requirements. These additional disclosures include but are not limited to, information about dividends, imputation credits, and audit fees. The application of FRS-44 has not had a material impact on the measurement of figures reported, but it does enhance the presentation and disclosure in the financial statements to ensure compliance with New Zealand-specific requirements. No other new standards, amendments or interpretations that have been issued and are effective have had a significant impact on the Group in the current consolidated financial statements.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment property which are measured at fair value, and associates which are equity accounted. Fair values have been determined for measurement purposes based on the methods outlined in the notes specific to the asset. Where applicable, further information about the assumptions made in determining fair value is also disclosed in the notes specific to that asset or liability.

These financial statements are presented in New Zealand dollars (\$) which is the Company's functional currency, rounded to the nearest thousand dollars (\$000). They have been prepared on a GST exclusive basis except for trade receivables and trade payables that are stated inclusive of GST.

Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The principal areas of judgement in preparing these financial statements are set out below. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Notes to the financial statements continued

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Goods and Services Tax

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of trade receivables and trade payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense. Timaru District Holdings Limited became registered for GST in January 2007 and all parent transactions prior to this time were recorded inclusive of GST.

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Cash and cash equivalents policy

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Company invests as part of its day-to-day cash management.

Derivative financial instruments

Derivatives held by the Group are initially measured at fair value. Subsequent to initial recognition derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land

Land is initially recognised at cost or deemed cost and subsequently revalued to fair value, based on valuations by external independent valuers. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation of port land is determined annually, while other land is evaluated every three years. Other land was last revalued in 2023.

Increases in the carrying amount arising on revaluation of land is credited to other comprehensive income and shown as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the profit or loss. The revaluation surplus recognised in the revaluation reserve is transferred directly to retained earnings when the surplus is realised, usually when the asset is de-recognised.

Land is not depreciated.

Property, plant and equipment (excluding land)

Plant and equipment are measured using the cost model. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Notes to the financial statements continued

Depreciation

Property, plant and equipment, excluding land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Land	0.00%
Land improvements	5.00%
Buildings	2.00%
Plant and equipment	16.00% - 50.00%

3 Revenue

	2025	2024
	\$000	\$000
Rental income	3,601	3,313
	3,601	3,313

Revenue is recognised when the performance obligation associated with the respective contract is satisfied and can be reliably measured.

Rental income from the investment property is recognised as revenue when due and paid by the Lessee and is spread evenly over the lease period. Rental income from investment property solely comprises of operating lease income from lease contracts in which the Company acts as a lessor (refer to note 9).

4 Net financing costs

	2025	2024
	\$000	\$000
Interest income	31	114
Finance income	31	114
Interest expense	(1,646)	(2,003)
Finance expense	(1,646)	(2,003)
Net financing costs	(1,615)	(1,889)

Finance income and expenses policy

Finance income comprises interest income on funds invested using the effective interest method. Finance expense comprise interest expense on interest bearing loans and borrowings. The interest expense component of interest bearing loans and borrowings is recognised as an expense using the effective interest rate method.

5 Operating expenses

	2025	2024
	\$000	\$000
Remunerations for Auditors:		
Audit and or review of the financial statements - recovery for prior year audit	18	12
Audit and or review of the financial statements - annual report audit	43	35
Directors' fees	194	209
Holding Company operating costs	1,613	1,094
Employee benefit expense	370	377
Bad debts written off	-	1
Impairment/(reversal of impairment)	-	911
Depreciation - Lease assets	29	8
	2,267	2,647

Notes to the financial statements continued

6 Income tax

	2025 \$000	2024 \$000
<i>Tax recognised in profit or loss</i>		
Current tax expense		
Current period	(292)	(244)
Total current tax expense	(292)	(244)
Deferred tax expense		
Origination and reversal of temporary differences	413	(339)
Recognition/(utilisation) of tax losses	(92)	-
Total deferred tax expense/(benefit)	321	(339)
Total income tax (benefit)/expense	29	(583)
Reconciliation of effective tax rate		
(Loss)/Profit before tax	(424)	5,754
Income tax using the Company's domestic tax rate of 28%	(119)	1,610
Permanent differences	358	(1,717)
Imputation credits received on dividends	(210)	(476)
Income tax (benefit)/expense	29	(583)
Deferred tax		
Investment property	(225)	203
Property held for sale	258	259
Employee benefits	7	8
Lease liability	6	3
Right of use assets	(6)	(2)
Accruals	18	-
Tax losses	92	-
Net deferred tax asset	150	471

The current tax liability of \$327,000 (2024: \$624,000) represents the amount of income taxes payable in respect of current and prior periods.

Income tax policy

Tax expense comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is recognised as an adjustment against the item to which it relates.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of goodwill. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the financial statements continued

7 Cash and equivalents

	2025	2024
Current assets	\$000	\$000
Bank accounts	149	986
Total cash and cash equivalents in the statement of cash flows	149	986

8 Property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and equipment
	\$000	\$000	\$000
Opening net book amount	-	-	-
Additions	321	841	40
Depreciation	(1)	(11)	(7)
Balance at 30 June 2025	320	830	33

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the previous financial year:

	Land	Buildings	Plant and equipment
	\$000	\$000	\$000
Opening net book amount	-	-	-
Additions	-	-	-
Depreciation	-	-	-
Balance at 30 June 2024	-	-	-

Property, plant and equipment policy

Buildings and Building Improvements have been stated at deemed cost less depreciation and impairment losses which is the fair value of the Stafford Street property at the date of the change in use from Investment Property to Plant and Equipment

Land is initially recognised at cost or deemed cost then periodically revalued to determine fair value of the land at the end of the financial year. An independent valuation of the land and is performed by a registered valuer every three years, to determine the fair value of the land as at the end of the financial year. The revaluation movement net of applicable deferred income taxes is applied to other comprehensive income and is included in "Asset Revaluation Reserves" in equity.

The first revaluation of land will be completed in the 2026 financial year.

Notes to the financial statements continued

8 Property, plant and equipment (continued)

Carrying value of property, plant and equipment:

	Land	Buildings	Plant and equipment
	\$000	\$000	\$000
<i>As at 30 June 2025</i>			
Cost	321	841	40
Accumulated depreciation	(1)	(11)	(7)
Balance at the end of the year	320	830	33

	Land	Buildings	Plant and equipment
	\$000	\$000	\$000
<i>As at 30 June 2024</i>	-	-	-
Cost	-	-	-
Accumulated depreciation	-	-	-
Balance at the end of the year	-	-	-

9 Investment properties

	2025 \$000	2024 \$000
Opening balance	67,398	62,684
Change in fair value	4,280	3,682
Acquisition of investment property	1,251	2,713
Reclassifying showgrounds lot 7 to property held for sale	-	(1,681)
Disposal of investment property	(704)	-
Transfer Stafford Street Properties to plant and equipment	(464)	-
Closing balance	71,761	67,398

Amounts recognised in profit and loss for investment properties

	2025 \$000	2024 \$000
Rental income from operating leases	3,601	3,313
Direct operating expenses from property that generated rental income	(967)	(631)
Direct operating expenses from property that did not generate rental income	(76)	(41)
Fair value gain recognised in other income	4,280	3,682
	6,838	6,323

Notes to the financial statements (continued)

9 Investment properties (continued)

Measuring investment property at fair value

Investment properties are land and buildings where the building is built to maximise the return on land and buildings as an “interim use”, are held for long term rental yield and are not occupied by the company. Investment property also includes property that is being constructed or developed for future use as investment property.

Properties leased to third parties under operating leases are generally classified as investment property unless:

- The occupants provide services that are integral to the operation of the company’s business;
- The property is being held for future delivery of services.

Land where there are infrastructure services in place or there is a firm commitment to provide such infrastructure is classified as investment property. Buildings that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

The classification of properties is done at the lowest possible level. Thus, where part of a property is occupied by a party other than the company, consideration is given to whether that portion of the building could be classified as an investment property. Classification as an investment property will be indicated if the section of the building could be separately sold or leased under a finance lease.

If the section of the property occupied by a party other than the company is unable to be sold or leased separately from the rest of the building, the building is assessed as a whole and will usually only be classified as investment property if the company occupies an insignificant portion of the total building.

Investment property is carried at fair value, based on valuation methodologies using direct sales comparison or a direct capitalisation of rental income using market comparison of capitalisation rates. These values are determined annually by external valuers. Gains or losses arising from a change in fair value are recorded in the Statement of Comprehensive Income.

Investment property held by the company has been independently reviewed as 30 June 2025 at by Hayden Doody SPINZ, ANZIV, MRICS a registered valuer with CBRE.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

If it is determined that the fair value of an investment property under construction is not reliably determinable but the company has an expectation that the fair value of the property will be reliably determinable when construction is complete, the investment property under construction will be measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

Transfers are made to investment property when there is a change in use. This may be evidenced by ending of owner occupation, commencement of an operating lease to another party or commencement of construction or development for future use as investment property.

The Company leases out its investment properties. The Company classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Assets held under operating leases are included within Investment property in note 9.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025	2024
	\$000	\$000
One year	2,290	1,882
Two years	1,889	1,570
Three years	1,748	1,562
Four years	1,261	1,440
Five years	635	1,093
More than five years	15,175	12,919
	22,998	20,466

Notes to the financial statements (continued)

10 Property held for sale

Property Held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction within the next financial year. Property held for sale is valued at the lower of carrying amount and fair value to sell less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the profit or loss. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Property held for sale is not depreciated or amortised while they are classified as held for sale.

At 30 June 2023 Timaru District Holdings Limited had committed to selling Showgrounds lots 8 and 9 with an expected settlement date of October 2023. This contract has been renegotiated to extend the settlement date into FY2026 and to include Showgrounds lot 7 in the sale.

11 Investments in associate companies

The interest in the associate companies has been reflected in the financial statements on an equity accounting basis, which shows the share of surplus/deficits in the profit for the year and the share of post-acquisition increases/decreases in net assets in the statement of financial position.

For the purpose of equity accounting, all property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses with the exception of port land and other land which is recognised at fair value. Port land is revalued every year, other land is revalued cyclically every 3 years. Other land was last revalued in 2023.

An impairment assessment has been completed for the Company's investment in associate entities (Alpine Energy Limited and PrimePort Timaru Limited) as at 30 June 2025. No impairment loss has been recognised.

PrimePort Timaru Ltd

Principal activity: Port operator

Ownership: 50.0% (2024: 50.0%)

Balance date: 30 June

Results of Associate

	2025	2024
	\$000	\$000
Share of profit before tax	2,815	2,267
Taxation	(932)	(1,287)
Share of Profit After Tax	1,883	980
Share of Other Comprehensive Income	2,785	343
Share of Total Comprehensive Income	4,668	1,323

Interest in Associate

	2025	2024
	\$000	\$000
Balance at Beginning of Year	51,673	51,108
Recognised total comprehensive income	4,668	1,323
Dividends	(750)	(758)
Balance at End of Year	55,591	51,673
Share of Recognised total comprehensive income	4,668	1,323
Share of profit after tax	1,883	980
Share of other comprehensive income	2,785	343
Dividends Paid	(750)	(758)
Total movement in investment	3,918	565

Notes to the financial statements (continued)

11 Investments in associate companies (continued)

Summarised financial information of PrimePort Timaru Limited presented on a gross basis

	2025	2024
	\$000	\$000
Current Assets	5,806	5,742
Non Current Assets	169,097	160,368
Current Liabilities	45,393	2,679
Non Current Liabilities	18,334	60,089
Revenues	33,237	30,344
Profit or loss from continuing operations	3,765	2,500
Other Comprehensive Income	5,570	144

Total Comprehensive Income

9,335 2,644

Alpine Energy Ltd

Principal activity: Electricity Distribution

Ownership: 47.50% (2024: 47.50%)

Balance date: 31 March

The financial statements of Alpine energy are prepared for the year to 31 March 2025. The Commerce Commission's investigation of the errors in the historical Information Disclosures (Price Path Correction) was concluded in FY25. Allowable revenue for the 2024 assessment period was overstated resulting in a \$10.8 million wash-up entitlement. This has not been recorded as a liabilities in FY25 as it relates to revenue which will be foregone in future periods. Any wash-up for the 2025 assessment period will follow the same treatment. Further an agreement was reached with the Commerce Commission and provisions have been recorded where a reliable estimate of the costs can be made. These costs include credits to current customers, payments to former consumers, community initiatives and execution costs to deliver on the agreed obligations. Alpine Energy Limited Management has determined that the credits to current customers of \$16.902 million are considered as variable consideration under NZ IFRS 15 – Revenue from contracts with customers, and have been adjusted to Revenue and other income. The provision for payments to former consumers and community initiatives agreed with the Commerce Commission have been recognised as operating expenses as they are not in scope of NZ IFRS 15.

During the FY2023 financial year, Alpine Energy Limited management discovered an administrative error in the previous nine years' Information Disclosure Schedules that were submitted to the Commerce Commission (the Commission). This administrative error resulted in the Commission using the incorrect information in setting the Company's default price-quality path under the Commerce Act 1986, resulting in the Commission setting maximum allowable revenue higher than it should have been. The matter was referred to the Commerce Commission with the investigation of errors concluded in the year ended 31 March 2025.

An agreement was reached between Alpine Energy Limited and the Commerce Commission (Price Path Correction) and provisions totalling \$19.075m were recorded in the financial statements ended 31 March 2025. This included credits to current customers, payments to former consumers, community initiatives and execution costs to deliver on the agreed obligations.

As at 30 June 2025 \$16,997,000 of these provisions have been realised and paid which has resulted in a significant change in reported current liabilities and non-current liabilities in the statement of financial position for Alpine energy Limited.

In accordance with the Commerce Commission settlement agreement Alpine Energy Limited have made the following provisions as at 31 March 2025:

- **Provision for Credits to current customers:**
Alpine Energy will return \$16.902 million to customers through bill credits to correct the overcharge for current customers. The majority of the credits were made in May 2025.
- **Provision for Community Initiatives:**
Alpine Energy will invest \$1.5 million to support the local community. The Commerce Commission has provided guidance on permitted initiatives over the next two years.
- **Provision for Execution costs:**
External support and sundry costs of \$0.573 million are required to develop the framework and processes to deliver the agreed obligations with the Commerce Commission. External support costs have been estimated based on the time required.
- **Provision for Payments to former consumers:**
Alpine Energy have commenced payments to former consumers who were on our network during the affected period. A six-month application process for former consumers to apply for a pro-rated refund was launched in April 25. The provision of \$0.1 million has been made based on forecasted volumes and payments. Applications are considered on a case-by-case basis.

Notes to the financial statements (continued)

11 Investments in associate companies (continued)

Results of Associate	2025	2024
	\$000	\$000
Share of profit before tax	(8,490)	4,452
Taxation	2,246	(2,137)
Share of Profit After Tax	(6,244)	2,315
Share of Total Comprehensive Income	(6,244)	2,315

Interest in Associate	2025	2024
	\$000	\$000
Balance at Beginning of Year	93,567	91,723
Recognised total comprehensive income	(6,244)	2,315
Dividends	-	(471)
Balance at End of Year	87,323	93,567
Share of Recognised total comprehensive income	(6,244)	2,315
	(6,244)	2,315
Dividends Paid	-	(471)
Total movement in investment	(6,244)	1,844

Summarised financial information of Alpine Energy Limited presented on a gross basis, adjusted for significant events

	2025	2024
	\$000	\$000
Current Assets	22,741	24,206
Non Current Assets	353,991	339,166
Current Liabilities	14,667	14,340
Non Current Liabilities	178,230	152,052
Revenues	63,869	86,108
Profit or loss from continuing operations	(13,145)	5,254
Other Comprehensive Income	-	(381)
Total Comprehensive Income	(13,145)	4,873

Consolidated Investment in Associates

	2025	2024
	\$000	\$000
Balance at beginning of year	145,240	142,831
Recognised total comprehensive Income	(1,576)	3,638
Dividends	(750)	(1,229)
Balance at End of Year	142,914	145,240

Notes to the financial statements (continued)

12 Trade and other payables

	2025	2024
	\$000	\$000
Trade creditors and accruals	113	236
Interest payable	86	159
Sundry payables	114	13
GST payables	-	6
	313	414

Trade and other payables policy

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

13 Interest bearing loans and borrowings

	Note	2025	2024
		\$000	\$000
Current			
LGFA Funding		9,300	-
		9,300	-
Non-current			
Bank loans		-	7,200
Loans from Timaru District Council	16	21,681	21,681
		21,681	28,881

The interest rates for the loans from Timaru District Council range from 3.96% to 6.81% (2024: 6.97% to 7.09%). These loans have no fixed repayment terms and are repayable within 366 days (2024: 366 days) after notice by the Council seeking repayment of the outstanding amount. The interest rate applied is linked to the bank bill rate for the period plus basis points agreed with the Council.

The bank loan was fully repaid in December 2024.

The LGFA \$9,300,000 borrowing was on a fixed interest rate of 3.46% until 11 September 2025. This subsequently was rolled over until 11 December 2025 with a fixed interest rate of 3.14%. The interest rate applied to the LGFA borrowing is reviewed every three months by reference to the bank bill bid rate for that period. The average rate on the LGFA borrowing during the year is 4.05%. The LGFA borrowing is secured under a General Security Deed.

Maturity dates of the interest rate instruments within the long term facility are:

	2025	2024
	\$000	\$000
One to two years	-	7,200

Notes to the financial statements (continued)

13 Interest bearing loans and borrowings (continued)

Security

Timaru District Holdings Limited commercial bills are secured by a first ranking general security agreement over all property of the company. Loan from Timaru District Council to the Company is secured by Debenture over the company's assets.

Interest bearing loans and liabilities policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

14 Financial instruments classification

Financial instruments are recognised in the Statement of Financial Position when the Company becomes party to a financial contract. They include cash and cash equivalents, short term investments, trade and other receivables, trade and other payables, interest bearing loans and borrowings, lease liabilities, shares in associate companies, related party receivables, and related party payables.

Financial assets (except for trade receivables without a significant financing component) and liabilities are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Financial assets and liabilities are classified into the following categories:

Financial assets held at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions, and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amounts outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.

Financial assets held at amortised cost comprise: cash and cash equivalents, short term investments, trade and other receivables, and related party receivables.

Financial assets held at fair value through profit and loss

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit and loss. Financial assets at FVTPL comprise derivative financial instruments.

Financial assets held at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income (FVOCI) if it meets both the following conditions, and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amounts outstanding.

Financial liabilities held at amortised cost

Financial liabilities not designated as at FVTPL on initial recognition are classified as at amortised cost. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.

Financial liabilities held at amortised cost comprise: trade and other payables, interest bearing loans and borrowings, related party payables, and lease liabilities.

Notes to the financial statements (continued)

14 Financial instruments classification (continued)

Impairment - financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The carrying value of financial assets and liabilities are as follows:

	2025 \$000	2024 \$000
Financial assets as per balance sheet		
<i>Measured at amortised cost:</i>		
Cash and cash equivalents	149	986
Receivables	139	98
Term deposits	800	-
Total financial assets	1,088	1,084

GST receivable and prepayments do not meet the definition of a financial asset and have been excluded from the above table.

	2025 \$000	2024 \$000
Financial assets as per balance sheet		
<i>Measured at amortised cost:</i>		
Payables and accruals	335	398
Term loans	30,979	28,881
<i>Measured at FVPL:</i>		
Derivatives	65	-
Total financial liabilities	31,379	29,279

GST payable, fringe benefit taxes and employee entitlements do not meet the definition of a financial liability and have been excluded from the above table.

15 Derivative financial instruments

	2025 \$000	2024 \$000
Current liabilities		
Interest rate swaps	(65)	-
	(65)	-

Notes to the financial statements (continued)

15 Derivative financial instruments (continued)

The Company has variable rate long term borrowings to fund ongoing activities. Swaps were entered into manage interest rate fluctuation risks. The interest rate swaps provide a fixed interest rate to the Company in exchange for a floating rate. The following table details outstanding interest rate swaps as at the reporting date:

	Contracted fixed interest rates %	Notional principal swap amounts		Carrying value asset/(liability)	
		2025 \$000	2024 \$000	2025 \$000	2024 \$000
Swap maturity dates					
March 2028	3.35	3,000	-	(7)	-
June 2030	3.65	5,000	-	(25)	-
June 2032	3.86	6,600	-	(33)	-
		14,600	-	(65)	-

Derivative financial instrument policy

Derivative financial instruments are recognised in the Statement of Financial Position when the Company becomes party to a financial contract. The Company holds derivative financial instruments to hedge its exposure to fluctuations in interest rates as the Company holds a floating-rate interest-bearing loan. They include interest rate swaps.

The company has a series of policies providing risk management for interest rates and the concentration of credit. The Company is risk averse and seeks to minimise exposure from its treasury activities. Its policies do not allow any transactions that are speculative in nature to be entered into. Information used to measure and manage risk includes staff experience, market commentary, strategic planning, financial planning and forecasting, financial reporting, operating and management systems, and risk management audits.

Derivative financial instruments held at fair value through profit and loss

Derivative financial instruments are classified as at fair value through profit and loss when the instrument is not designated as a hedging instrument in a qualifying hedge accounting relationship.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value using mark to market based on market observable interest or foreign exchange rates at valuation date. Any changes therein are recognised in the statement of comprehensive income.

Derivative financial instruments held at fair value through profit and loss comprise of interest rate swaps.

16 Related parties

Key management personnel

Key management personnel comprise the Directors and General manager.

Key management personnel compensation comprised of:

	2025 \$000	2024 \$000
Short term employee benefits	453	447
	453	447

Notes to the financial statements (continued)

16 Related parties (continued)

Dividends paid

During the year a dividend of \$1,200,000 (2024: \$1,000,000) was paid.

Transactions involving related entities

The entities, the nature of the relationship and the types of transactions which the Company entered into during the period are detailed below:

Related entity	Nature of relationship	Types of transactions
Timaru District Council	Parent	Rates and services, leases, loan payable,
Alpine Energy Limited	Associate	Leases
PrimePort Timaru Limited	Associate	Leases, services received

The following transactions between related parties occurred during the year:

2025	Sales of goods & services \$000	Purchase of goods & services	Dividends received \$000	Balances Receivable \$000	Balances Payable \$000	Loan Payable \$000
Related party						
Timaru District Council	81	1,735	-	8	84	21,681
Alpine Energy Limited	11	-	-	-	-	-
PrimePort Timaru Limited	112	223	750	4	39	-
	204	1,958	750	12	123	21,681

2024	Sales of goods & services \$000	Purchase of goods & services	Dividends received \$000	Balances Receivable \$000	Balances Payable \$000	Loan receivable/ Payable \$000
Related party						
Timaru District Council	56	1,924	-	-	121	21,681
Alpine Energy Limited	2	-	471	-	-	-
PrimePort Timaru Limited	106	40	758	-	-	-
	164	1,964	1,229	-	121	21,681

No related party debts have been written off or forgiven during the year. Refer to note 13 for Timaru District Council loan policy.

17 Share capital and reserves

Number of shares:	2025	2024	2025	2024
			\$000	\$000
Shares				
Balance 1 July	49,550,000	49,550,000	31,000	31,000
Balance at 30 June	49,550,000	49,550,000	31,000	31,000

Notes to the financial statements (continued)

17 Share capital and reserves (continued)

At 30 June 2025, share capital comprised 49,550,000 shares (2024: 49,550,000). 18,550,000 shares (2024: 18,550,000) issued at a price of \$1.35 each have been paid to \$185.50 (2024: \$185.50). This uncalled capital is security for the General Security Deed with LGFA. All issued shares rank equally.

Share capital policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

18 Contingencies

No contingent assets or contingent liabilities exist at balance date for Timaru District Holdings Limited (2024: nil).

No contingent assets or contingent liabilities exist at balance date for PrimePort Timaru Limited (2024: nil).

Alpine Energy Limited group has contingent liabilities of \$730,000 as at 31 March 2025 in the form of performance and import guarantees to cover ongoing project work (2024: \$730,000).

19 Capital commitments

As at 30 June 2025 the Company had contracted capital commitments of \$1,764,000. (2024: nil).

As at 31 March 2025 Alpine Energy Limited had contracted capital commitments of \$8,291,000. (2024: \$8,619,000).

As at 30 June 2025 PrimePort had no capital commitments (2024: nil).

20 Subsequent events

Post Alpine Energy Limited's year-end of 31 March 2025, the majority of current customers have received bill credits in relation to the Price Path Correction. These payments have been funded by drawdowns from Alpine Energy's borrowing facility.

Statutory information

Directors

Timaru District Holdings
Limited

Mark Rogers (Chairperson)
Darren M. Evans (Deputy Chairperson)
Sally B. Parker
Aaron W. K. Bethune
Rebecca L. Keoghan (ceased 1 November 2024)

Entries made in the interests register

The following entries were recorded in the interests registers of the Company:

Mark F. Rogers

Chairperson

PrimePort Timaru Limited - Director
Kingsdown Salisbury Hall Society Incorporated - Treasurer
MVHB Professional Services Limited - Shareholder and Director
Te Runanga o Arowhenua Limited - Chairman
The Rogers Family Trust - Trustee
Westroads Limited - Chairman
Cumberland Property Group Limited - Chairman
Cumberland Rural Properties Limited - Chairman
Fulton Hogan Limited - Shareholder
Subject to TDHL Deed of Access and Indemnity
Men at Work Limited - Chairman (ceased March 2025)

Darren Evans

Keith Andrews Trucks – Chief Executive Officer
Otautahi Community Housing Trust- Trustee Chairman
Calder Stewart Group – Chief Executive Officer (ceased March 2025)
Forthill Property Limited – Beneficial shareholder (ceased November 2024)
Subject to TDHL Deed of Access and Indemnity

Sally B. Parker

Timaru District Council - Councillor
Te Whatu Ora - Employee
NZNO New Zealand Nursing Organisation - Member
Subject to TDHL Deed of Access and Indemnity

Aaron W. K. Bethune

Business Manager at Ruakura Energy / Ruakura Business Manager Tainui Group Holdings
Alpine Energy Limited - Director
Bethune Consulting Limited – Director
Bethune Family Trust – Trustee
Subject to TDHL Deed of Access and Indemnity

Rebecca L Keoghan (ceased)

Keoghan Farm Limited - Director
Gravity Dance Studio - Director
Fire and Emergency NZ - Chairman and Director
Alpine Energy Ltd - Director (ceased)
Glen Elgin Family Trust - Trustee
Glenfiddich Family Trust - Trustee

Statutory information (continued)

Interest in transactions

- All transactions with Directors were entered into during the normal course of business and at normal terms and condition.

Use of Company information

- During the year there were no notices from Directors of the Company requesting to use Company information received in their capacity as Directors, which would otherwise have been available to them.

Shareholding by directors

There are no shareholdings held by directors.

Remuneration and other benefits to directors

Timaru District Council independently chose to undertake a review of Directors fees in October 2024 and established a new fee structure.

	Timaru District Holdings Limited	2025	2024
Director FY2025	Mark Rogers (Chairperson)	\$63,691	\$60,000
Director FY2025	Darren M. Evans	\$41,906	\$18,846
Director FY2025	Sally B. Parker	\$36,941	\$35,000
Director FY2025	Aaron Bethune	\$36,941	\$35,000
Ceased 1 November 2024	Rebecca L. Keogh	\$14,583	\$43,750
Ceased 6 December 2023	Peter J. Burt	\$ -	\$16,558
	Total	\$194,062	\$209,154

Indemnity and Insurance: Directors and Employees

Timaru District Holdings Limited

- The Company has entered into an agreement to indemnify all Directors, Company Secretary, and Executive Officer, against loss resulting from the actions which arise out of the performance of their normal duties as director or advisor.

Dividends

Net dividends of 4 cents per fully paid share were paid during the year.

Short term employee benefits

The Company paid short term employee benefits as follows:

1 employee of between	\$110,001 and \$120,000	(2024,1)
1 employee of between	\$230,001 and \$250,000	(2024,1)

Donations

During the year Timaru District Holdings Limited made no donations (2024: \$0).

Auditors' Remuneration

During the year the following amounts were payable to the auditors of the company:

Company	Audit Work	Recovery of Prior Year Fee
Timaru District Holdings Ltd	\$43,185	\$17,500

Independent Auditors Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Timaru District Holdings Limited's financial statements and statement of objectives and performance for the year ended 30 June 2025

The Auditor-General is the auditor of Timaru District Holdings Limited (the Company). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of objectives and performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 11 to 29, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of objectives and performance of the Company for the year ended 30 June 2025 on page 10.

Opinion

In our opinion:

- the financial statements of the Company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the statement of objectives and performance:
 - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and

Independent Auditors Report

- has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 26 September 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements and the statement of objectives and performance* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the statement of objectives and performance

The Board of Directors (the Board) is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for preparing the statement of objectives and performance in accordance with the Act.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and the statement of objectives and performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of objectives and performance, the Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board either intend to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the statement of objectives and performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of objectives and performance, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Independent Auditors Report

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders, taken on the basis of these financial statements and the statement of objectives and performance.

For the budget information reported in the statement of objectives and performance, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of objectives and performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of objectives and performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of objectives and performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the statement of objectives and performance, including the disclosures, and assess whether the statement of



objectives and performance achieves its statutory purpose of enabling the Company's shareholders to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the statement of objectives and performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of objectives and performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of objectives and performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of objectives and performance or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1:

International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.



Dereck Ollsson
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

