

Financial Results for the Ten Months Ended 30 April 2015

Recommendation

That the Board:

- i. Receives the report.

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Executive Summary

Financial Results for the ten months ended 30 April 2015:

	Current month variance to revised budget \$m	Year to date variance to revised budget \$m	Year to date results	Year to date Actual \$m	Year to date revised budget \$m	Full year revised budget \$m
Total operating income	1.9	5.9	↑ ●	526.5	520.6	627.2
Total operating expenditure	(3.0)	(0.2)	↔ ●	756.1	755.9	916.7
Surplus/(deficit) from operations	(1.1)	5.7	↑ ●	(229.6)	(235.3)	(289.5)
Income for capital projects	(3.8)	25.3	↑ ●	323.2	297.8	359.4
Net surplus/(deficit) before tax	(4.9)	31.0	↑ ●	93.6	62.6	69.9
Total direct capital	21.4	51.3	↓ ●	572.0	623.2	751.1

Key to symbols used:

↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Achieved budget or better
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

Section 2a – Financial Results for the ten months ended 30 April 2015

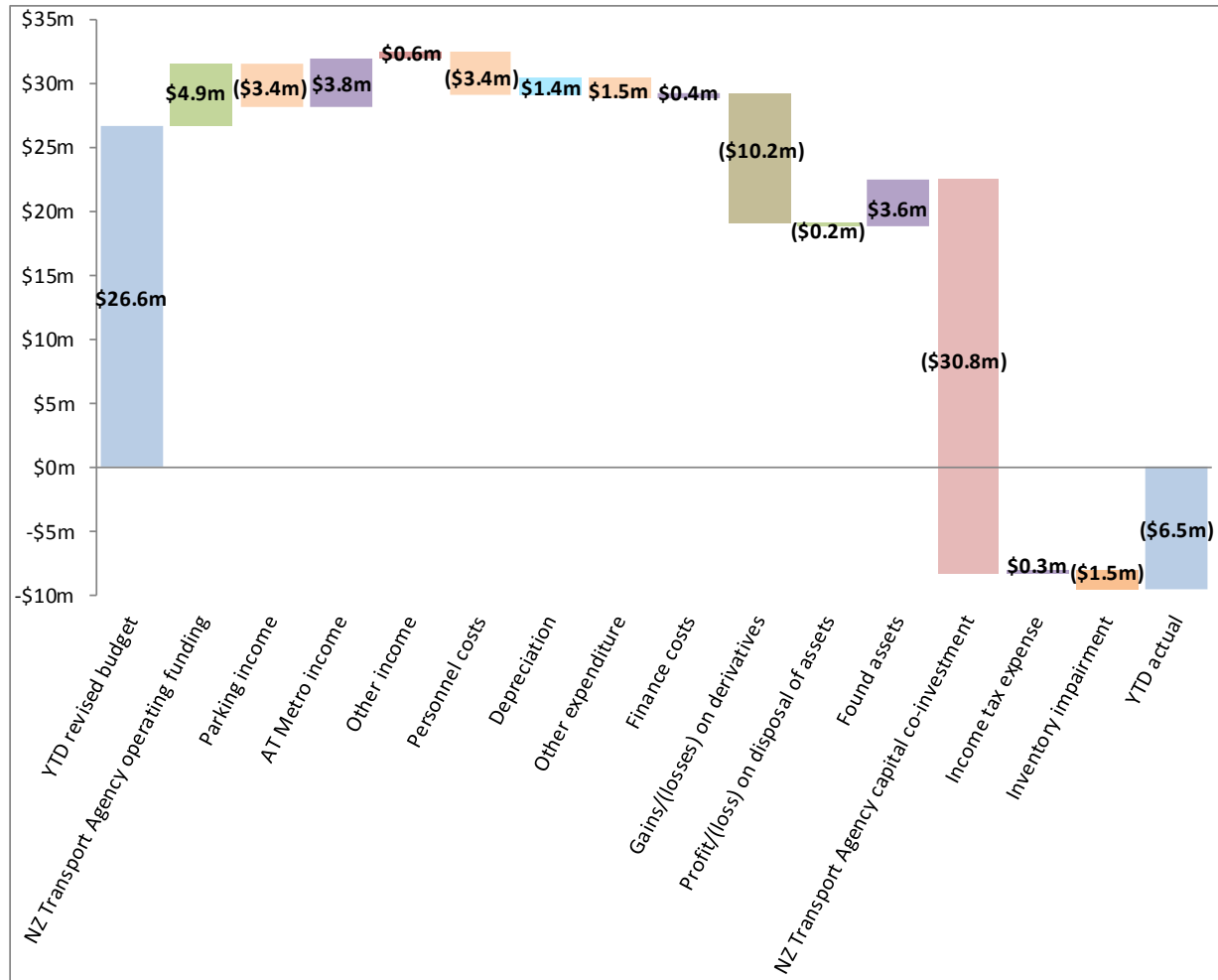
	Current month			Year to date			Results achieved	Full year Revised Budget \$000
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000		
Income								
<u>Operating income</u>								
Auckland Council funding	19,632	19,632	-	196,319	196,319	-	●	235,583
NZ Transport Agency operating funding	18,107	17,049	1,058	189,981	185,082	4,899	●	223,242
Parking and enforcement income	6,064	6,027	37	61,098	64,506	(3,408)	●	78,008
AT Metro income	6,480	6,030	450	56,534	52,753	3,781	●	64,396
Other revenue including other grants and subsidies	2,651	2,298	353	22,606	21,968	638	●	25,968
Total operating income	52,934	51,036	1,898	526,538	520,628	5,910	●	627,197
Expenditure								
Personnel costs	11,104	10,971	(133)	105,638	104,842	(796)	●	127,190
Capitalised personnel costs	(2,413)	(2,877)	(464)	(24,191)	(26,836)	(2,645)	●	(31,821)
Depreciation and amortisation expense *	24,992	24,849	(143)	241,922	243,323	1,401	●	293,020
Other expenses	43,531	41,143	(2,388)	411,983	413,428	1,445	●	501,612
Finance costs (Electric Trains)	2,443	2,558	115	20,797	21,158	361	●	26,706
Total operating expenditure	79,657	76,644	(3,013)	756,149	755,915	(234)	●	916,707
Surplus/(deficit) from operations	(26,723)	(25,608)	(1,115)	(229,611)	(235,287)	5,676	●	(289,510)
<u>Income for capital projects</u>								
NZ Transport Agency capital co-investment	11,108	15,238	(4,130)	111,965	142,762	(30,797)	●	181,918
Auckland Council capital grant	11,208	11,208	-	112,084	112,084	-	●	134,501
Other capital grants	-	-	-	-	-	-	●	-
Vested asset income	366	-	366	99,126	43,003	56,123	●	43,003
	22,682	26,446	(3,764)	323,175	297,849	25,326	●	359,422
Net surplus/(deficit) before tax and derivatives	(4,041)	838	(4,879)	93,564	62,562	31,002	●	69,912
Gains/(losses) on derivatives	(49)	124	(173)	(11,793)	(1,615)	(10,178)	●	(1,363)
Income tax benefit/(expense)	-	-	-	344	-	344	●	-
Found assets	2,575	-	2,575	18,361	14,775	3,586	●	14,775
Profit/(loss) on disposal of assets	(98)	-	(98)	(6,347)	(6,146)	(201)	●	(6,146)
Rolling Stock Inventory impairment	-	-	-	(1,500)	-	(1,500)	●	-
Net surplus/(deficit) after tax and derivatives	(1,613)	962	(2,575)	92,629	69,576	23,053	●	77,178

● : Largely on track
 ● : Monitoring/some action
 ● : Action required/taken

* The budget for depreciation and amortisation expense is based on AT's current assumptions, and differs from the SOI planned depreciation and amortisation expense of \$266m.

Section 2b – Net surplus/(deficit) waterfall

Net surplus/ (deficit) - Year to date revised budget to actual (excluding vested asset income)



Section 2c – Summary of financial results by activity

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Rail	10,137	8,779	1,358	91,938	89,466	2,472	108,532
Bus	8,297	7,923	374	78,254	77,305	949	93,467
Ferry	1,059	1,062	(3)	10,487	10,487	-	12,643
Other public transport	2,375	2,427	(52)	22,185	23,209	(1,024)	27,727
Parking	3,491	3,200	291	34,841	33,897	944	41,089
Enforcement	2,573	2,827	(254)	26,257	30,609	(4,352)	36,919
Roading and footpaths	3,286	3,342	(56)	39,081	40,191	(1,110)	44,196
Internal support	2,084	1,844	240	27,176	19,145	8,031	27,041
Auckland Council operating funding	19,632	19,632	-	196,319	196,319	-	235,583
Total operating income	52,934	51,036	1,898	526,538	520,628	5,910	627,197
Operating Expenditure							
Rail	14,998	12,555	(2,443)	134,264	131,159	(3,105)	158,668
Bus	13,225	13,278	53	131,172	131,635	463	159,782
Ferry	1,410	1,531	121	14,389	14,797	408	18,010
Other public transport	3,369	4,136	767	32,040	33,849	1,809	41,660
Parking	1,360	1,023	(337)	10,467	10,651	184	13,689
Enforcement	1,734	1,736	2	16,023	16,114	91	19,669
Roading and footpaths	10,281	9,558	(723)	94,505	94,593	88	116,419
Internal support	8,289	7,978	(311)	81,366	79,794	(1,572)	95,790
Depreciation *	24,991	24,849	(142)	241,923	243,323	1,400	293,020
Total operating expenditure	79,657	76,644	(3,013)	756,149	755,915	(234)	916,707
Profit/(loss) from Operations	(26,723)	(25,608)	(1,115)	(229,611)	(235,287)	5,676	(289,510)

* The budget for depreciation and amortisation expense is based on AT's current assumptions, and differs from the SOI planned depreciation and amortisation expense of \$266m.

Section 2c – Rail operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Activity Income	3,095	3,193	(98)	30,752	28,936	1,816	35,607
Other income	83	87	(4)	880	886	(6)	1,061
NZ Transport Agency operating funding	5,381	3,858	1,523	46,860	45,996	864	54,641
NZ Transport Agency operating funding - Electric Trains	1,578	1,641	(63)	13,446	13,648	(202)	17,223
Total operating income	10,137	8,779	1,358	91,938	89,466	2,472	108,532
Operating Expenditure							
Personnel costs	240	209	(31)	2,324	2,090	(234)	2,499
Capitalised personnel costs	3	(21)	(24)	14	(118)	(132)	(148)
Service delivery costs and professional services	7,800	7,383	(417)	84,140	82,892	(1,248)	98,978
Occupancy costs	335	313	(22)	3,528	3,315	(213)	3,948
Track access charges	3,313	1,583	(1,730)	16,696	15,555	(1,141)	19,428
Other expenditure	863	530	(333)	6,784	6,268	(516)	7,258
Finance costs (Electric Trains)	2,444	2,558	114	20,778	21,157	379	26,705
Total operating expenditure	14,998	12,555	(2,443)	134,264	131,159	(3,105)	158,668
Depreciation	2,669	2,534	(135)	23,795	24,047	252	29,116
Surplus/(deficit) from Operations	(7,530)	(6,310)	(1,220)	(66,121)	(65,740)	(381)	(79,252)
Internal support costs	2,187	2,222	35	18,927	21,446	2,519	24,637
Surplus/(deficit)	(9,717)	(8,532)	(1,185)	(85,048)	(87,186)	2,138	(103,889)

Section 2c – Bus operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Activity Income	1,271	1,167	104	11,618	10,801	817	13,356
Other income	980	671	309	3,714	2,875	839	3,293
NZ Transport Agency operating funding	6,046	6,085	(39)	62,922	63,629	(707)	76,818
Total operating income	8,297	7,923	374	78,254	77,305	949	93,467
Operating Expenditure							
Personnel costs	260	266	6	2,335	2,497	162	3,018
Capitalised personnel costs	24	-	(24)	87	14	(73)	14
Service delivery costs and professional services	12,379	12,826	447	126,335	127,448	1,113	154,665
Occupancy costs	37	109	72	848	945	97	1,190
Other expenditure	525	77	(448)	1,567	731	(836)	895
Total operating expenditure	13,225	13,278	53	131,172	131,635	463	159,782
Depreciation	172	170	(2)	1,551	1,634	83	1,975
Surplus/(deficit) from Operations	(5,100)	(5,525)	425	(54,469)	(55,964)	1,495	(68,290)
Internal support costs	2,202	2,237	35	19,060	21,596	2,536	24,809
Surplus/(deficit)	(7,302)	(7,762)	460	(73,529)	(77,560)	4,031	(93,099)

Section 2c – Ferry operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Operator access fees	316	276	40	2,958	2,644	314	3,184
Activity Income	81	57	24	614	572	42	686
Other Income	120	50	70	541	494	47	593
NZ Transport Agency operating funding	542	679	(137)	6,374	6,777	(403)	8,180
Total operating income	1,059	1,062	(3)	10,487	10,487	-	12,643
Operating Expenditure							
Personnel costs	86	88	2	961	895	(66)	1,067
Capitalised personnel costs	2	(2)	(4)	1	(16)	(17)	(20)
Service delivery costs and professional services	1,155	1,218	63	11,330	11,475	145	14,016
Other expenditure	167	227	60	2,097	2,443	346	2,947
Total operating expenditure	1,410	1,531	121	14,389	14,797	408	18,010
Surplus/(deficit) from Operations	(587)	(709)	122	(6,257)	(6,687)	430	(8,223)
Internal support costs	248	252	4	2,148	2,434	286	2,796
Surplus/(deficit)	(835)	(961)	126	(8,405)	(9,121)	716	(11,019)

Section 2c – Other public transport operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Other Income	534	529	5	5,457	5,545	(88)	6,616
NZ Transport Agency operating funding	1,841	1,898	(57)	16,728	17,664	(936)	21,111
Total operating income	2,375	2,427	(52)	22,185	23,209	(1,024)	27,727
Operating Expenditure							
Personnel costs	1,068	1,051	(17)	10,411	10,266	(145)	12,397
Capitalised personnel costs	32	317	285	467	(355)	(822)	286
Service delivery costs and professional services	1,158	1,636	478	11,536	13,958	2,422	16,739
IT costs	211	128	(83)	1,799	1,304	(495)	1,564
Other expenditure	900	1,004	104	7,827	8,676	849	10,674
Total operating expenditure	3,369	4,136	767	32,040	33,849	1,809	41,660
Depreciation	1,333	1,342	9	13,166	13,370	204	16,055
Surplus/(deficit) from Operations	(2,327)	(3,051)	724	(23,021)	(24,010)	989	(29,988)
Internal support costs	574	583	9	4,969	5,631	662	6,469
Surplus/(deficit)	(2,901)	(3,634)	733	(27,990)	(29,641)	1,651	(36,457)

Section 2c – Parking operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Other income	107	70	37	977	804	173	946
Parking fees	3,384	3,130	254	33,864	33,093	771	40,143
Total operating income	3,491	3,200	291	34,841	33,897	944	41,089
Operating Expenditure							
Personnel costs	255	270	15	2,459	2,467	8	2,983
Capitalised personnel costs	43	(17)	(60)	84	(142)	(226)	(176)
Service delivery costs and professional services	377	230	(147)	2,574	2,557	(17)	3,334
Occupancy costs	620	458	(162)	4,764	4,997	233	6,486
Other expenditure	65	82	17	586	772	186	1,062
Total operating expenditure	1,360	1,023	(337)	10,467	10,651	184	13,689
Surplus/(deficit) from Operations	1,583	1,646	(63)	18,963	17,885	1,078	20,978
Internal support costs	189	192	3	1,633	1,850	217	2,126
Surplus/(deficit)	1,394	1,454	(60)	17,330	16,035	1,295	18,852

Section 2c – Enforcement operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Infringement income	2,573	2,827	(254)	26,257	30,609	(4,352)	36,919
Total operating income	2,573	2,827	(254)	26,257	30,609	(4,352)	36,919
Operating Expenditure							
Personnel costs	918	876	(42)	8,414	8,212	(202)	10,067
Capitalised personnel costs	14	-	(14)	190	34	(156)	34
Service delivery costs and professional services	121	118	(3)	1,437	1,316	(121)	1,600
Other expenditure	681	742	61	5,982	6,552	570	7,968
Total operating expenditure	1,734	1,736	2	16,023	16,114	91	19,669
Depreciation	3	19	16	26	137	111	174
Surplus/(deficit) from Operations	836	1,072	(236)	10,208	14,358	(4,150)	17,076
Internal support costs	271	275	4	2,346	2,658	312	3,054
Surplus/(deficit)	565	797	(232)	7,862	11,700	(3,838)	14,022

Section 2c – Roading and footpaths operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Petrol tax	727	865	(138)	7,317	7,529	(212)	8,720
Other income	816	422	394	4,614	4,527	87	5,310
NZ Transport Agency operating funding	1,743	2,055	(312)	27,150	28,135	(985)	30,166
Total operating income	3,286	3,342	(56)	39,081	40,191	(1,110)	44,196
Operating Expenditure							
Personnel costs	2,080	1,973	(107)	19,010	19,122	112	23,716
Capitalised personnel costs	(353)	(1,060)	(707)	(4,234)	(5,922)	(1,688)	(7,311)
Service delivery costs and professional services	6,691	6,854	163	63,252	65,270	2,018	80,090
Occupancy costs	1,264	1,381	117	13,011	12,780	(231)	15,379
IT costs	73	160	87	167	948	781	1,267
Other expenditure	526	250	(276)	3,299	2,395	(904)	3,278
Total operating expenditure	10,281	9,558	(723)	94,505	94,593	88	116,419
Depreciation	18,960	18,755	(205)	186,494	185,695	(799)	223,204
Surplus/(deficit) from Operations	(25,955)	(24,971)	(984)	(241,918)	(240,097)	(1,821)	(295,427)
Internal support costs	1,604	1,630	26	13,887	15,735	1,848	18,076
Surplus/(deficit)	(27,559)	(26,601)	(958)	(255,805)	(255,832)	27	(313,503)

Section 2c – Internal support

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Other income	1,108	1,010	98	10,676	9,912	764	11,938
NZ Transport Agency operating funding	976	834	142	16,500	9,233	7,267	15,103
Total operating income	2,084	1,844	240	27,176	19,145	8,031	27,041
Operating Expenditure							
Personnel costs	6,196	6,238	42	59,725	59,292	(433)	71,444
Capitalised personnel costs	(2,177)	(2,093)	84	(20,800)	(20,332)	468	(24,501)
Directors Fees	42	52	10	437	472	35	594
Service delivery costs and professional services	2,051	1,846	(205)	20,152	20,466	314	24,392
Other expenditure	2,177	1,935	(242)	21,852	19,896	(1,956)	23,861
Total operating expenditure	8,289	7,978	(311)	81,366	79,794	(1,572)	95,790
Depreciation	1,070	1,258	188	9,125	10,702	1,577	13,218
Taxation	-	-	-	(344)	-	344	-
Surplus/(deficit) before allocation of costs	(7,275)	(7,392)	117	(62,971)	(71,351)	8,380	(81,967)
Internal support allocation	(7,275)	(7,392)	(117)	(62,971)	(71,351)	(8,380)	(81,967)
Total internal support allocation	(7,275)	(7,392)	(117)	(62,971)	(71,351)	(8,380)	(81,967)
Surplus/(deficit)	-	-	-	-	-	-	-

Section 3a – Summary of Capital Expenditure Split by activity

	Current month			Year to date			Results Achieved	Revised Budget \$000
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000		
New capital expenditure								
Roads and footpaths	15,062	15,878	816	107,026	140,070	33,044	●	171,305
AT Metro (includes CRL)	7,529	15,608	8,079	99,243	105,097	5,854	●	148,619
Parking operations	2,103	2,076	(27)	2,590	5,551	2,961	●	8,229
Internal support	1,579	208	(1,371)	19,382	12,020	(7,362)	●	12,392
Total new capital	26,273	33,770	7,497	228,241	262,738	34,497	●	340,545
Renewal capital expenditure								
Roads and footpaths	18,102	19,013	911	160,713	158,557	(2,156)	●	188,271
AT Metro	227	553	326	1,876	4,128	2,252	●	4,850
Parking operations	139	334	195	658	1,549	891	●	2,200
Total renewal	18,468	19,900	1,432	163,247	164,234	987	●	195,321
Electric multiple units (EMUs)								
Procurement	11,147	23,653	12,506	179,816	195,919	16,103	●	214,237
Depot	27	-	(27)	650	321	(329)	●	997
Total EMUs	11,174	23,653	12,479	180,466	196,240	15,774	●	215,234
Total direct capital	55,915	77,323	21,408	571,954	623,212	51,258	●	751,100
Vested assets	366	-	(366)	99,126	43,003	(56,123)	●	43,003
Total capital	56,281	77,323	21,042	671,080	666,215	(4,865)	●	794,103

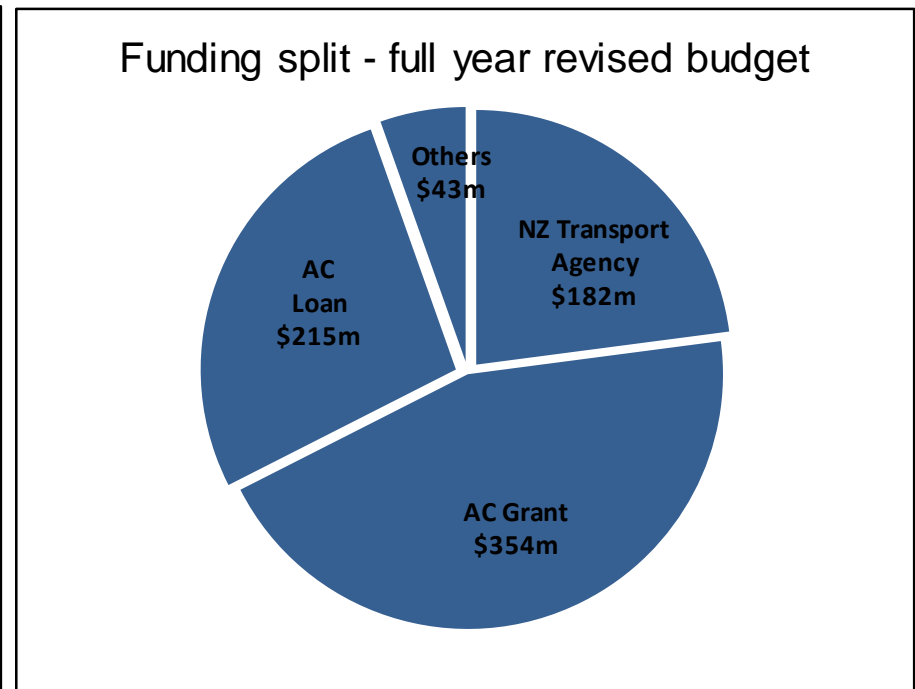
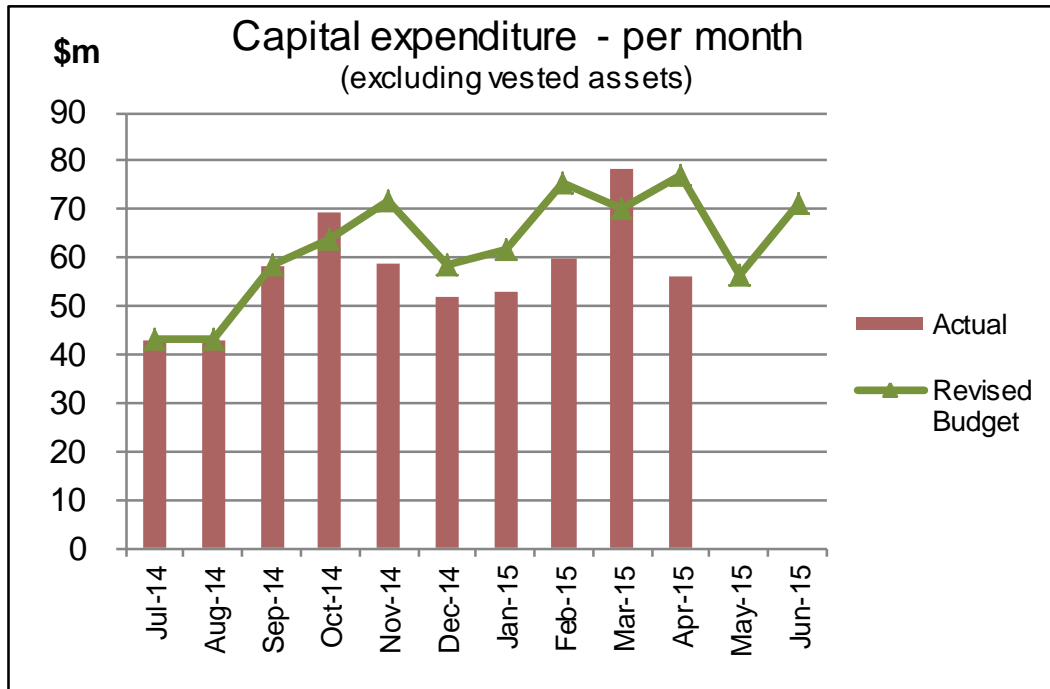
● : Largely on track
 ● : Some issues or risks
 ● : Project issues or risks

Section 3b – Summary of Capital Expenditure Split by category

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Core capital expenditure							
New capital							
Capital land acquisition	4,132	1,092	(3,040)	22,028	30,904	8,876	35,391
Roads and footpaths	10,611	12,636	2,025	82,547	101,837	19,290	125,131
AT Metro	4,754	5,188	434	26,939	29,701	2,762	52,146
Parking operations	2,103	2,076	(27)	2,590	5,551	2,961	8,229
Internal support	1,483	208	(1,275)	18,826	11,961	(6,865)	12,345
Total new capital core expenditure	23,083	21,200	(1,883)	152,930	179,954	27,024	233,242
Renewal							
Roads and footpaths	18,102	19,013	911	160,713	158,557	(2,156)	185,768
AT Metro	227	553	326	1,876	4,128	2,252	4,850
Parking operations	139	334	195	658	1,549	891	2,200
Total renewal core expenditure	18,468	19,900	1,432	163,247	164,234	987	192,818
Total core capital expenditure	41,551	41,100	(451)	316,177	344,188	28,011	426,060
Ring fenced capital expenditure							
City Rail Link- others	2,476	541	(1,935)	26,303	21,350	(4,953)	32,463
City Rail Link- land	267	9,794	9,527	44,779	52,591	7,812	62,299
EMU depot	27	-	(27)	650	321	(329)	997
EMU procurement	11,147	23,653	12,506	179,816	195,919	16,103	214,237
Local Board initiatives	375	1,784	1,409	3,086	6,972	3,886	9,973
Others	72	451	379	1,143	1,871	728	5,071
Total ring fenced capital expenditure	14,364	36,223	21,859	255,777	279,024	23,247	325,040
Total direct capital excluding vested assets	55,915	77,323	21,408	571,954	623,212	51,258	751,100
Vested assets	366	-	(366)	99,126	43,003	(56,123)	43,003
Total capital	56,281	77,323	21,042	671,080	666,215	(4,865)	794,103

Section 3c – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual	Revised	Variance	Actual	Revised	Variance	Revised
	\$000	Budget \$000		\$000	Budget \$000		Budget \$000
Funding							
NZ Transport Agency - new capital co-investment	4,365	9,791	(5,426)	40,339	69,529	(29,190)	101,395
NZ Transport Agency - renewal capital co-investment	6,743	5,447	1,296	71,626	73,233	(1,607)	80,523
AC funding (Non EMU)	11,208	11,208	-	112,084	112,084	-	134,501
Investment by AC	22,425	27,224	(4,799)	167,439	172,126	(4,687)	219,447
AC loan (EMU)	11,174	23,653	(12,479)	180,466	196,240	(15,774)	215,234
Vested assets	366	-	366	99,126	43,003	56,123	43,003
Total funding	56,281	77,323	(21,042)	671,080	666,215	4,865	794,103



Section 4a – Statement of Financial Position As at 30 April 2015

	Note	Actual 30 April 2015 \$000	Actual 31 March 2015 \$000
Assets			
Current assets			
Cash and cash equivalents	1	16,531	10,754
Trade and other receivables	2	155,895	149,800
Inventories		2,572	2,517
Other assets		12,022	17,253
Non-current asset held for sale		5,000	5,000
Total current assets		192,020	185,324
Non-current assets			
Property, plant and equipment		15,831,626	15,791,511
Property, plant and equipment - work-in-progress		409,288	415,552
Intangible assets		112,294	112,377
Amounts due from related parties		52,000	52,000
Total non-current assets		16,405,208	16,371,440
Total assets		16,597,228	16,556,764

Section 4a – Statement of Financial Position As at 30 April 2015

	Note	Actual 30 April 2015 \$000	Actual 31 March 2015 \$000
Liabilities			
Current liabilities			
Derivative financial instruments	3	4,334	4,908
Trade and other payables	4	164,974	184,607
Employee benefit liabilities	5	9,713	13,279
Borrow ings	6	4,645	4,284
Total current liabilities		183,666	207,078
Non-current liabilities			
Derivative financial instruments	3	3,498	7,343
Employee benefit liabilities	5	745	745
Borrow ings	6	532,603	498,294
Deferred tax liability	7	10,544	10,544
Total non-current liabilities		547,390	516,926
Total liabilities		731,056	724,004
Net assets		15,866,172	15,832,760
Equity			
Contributed equity		13,368,445	13,333,986
Retained earnings/(losses)		511,694	513,310
Reserves		1,986,033	1,985,464
Total equity		15,866,172	15,832,760

Section 4b – Notes to the Financial Statements As at 30 April 2015

	Actual 30 April 2015 \$000	Actual 31 March 2015 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	16,255	10,479
Till floats	276	275
Total cash and cash equivalents	16,531	10,754

The carrying value of cash and cash equivalents approximates their fair value.

2 Trade and other receivables

Trade debtors	4,312	3,760
Finance lease receivable	86	88
Infringements receivable	19,199	19,282
Amounts due from related parties	103,329	86,484
Accrued income	30,438	35,151
Goods and services tax	-	6,504
	157,364	151,269
Less provision for impairment of receivables	(1,469)	(1,469)
Total trade and other receivables	155,895	149,800

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables at 30 April 2015 is detailed below :

Section 4b – Notes to the Financial Statements As at 30 April 2015

	Gross	Impaired	Net
	\$000	\$000	\$000
Not past due	137,841	-	137,841
Past due 1 - 30 days	2,207	-	2,207
Past due 31 - 60 days	1,429	-	1,429
Past due 61 - 90 days	1,253	-	1,253
Past due > 90 days	14,634	(1,469)	13,165
	157,364	(1,469)	155,895

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment of receivables has been calculated on an individual basis. The provision is based on a review of significant debtor balances. Receivables are assessed as impaired due to significant financial difficulties being experienced by the debtor, and Auckland Transport management concluding that it is remote that the overdue amounts will be recovered.

Movements in the provision for impairment of receivables are as follows:

	Actual
	\$000
At 1 July 2014	1,179
Additional provisions made	376
Provisions reversed	(86)
Receivables written-off	-
At 30 April 2015	1,469

Section 4b – Notes to the Financial Statements As at 30 April 2015

	Actual 30 April 2015 \$000	Actual 31 March 2015 \$000
3 Derivative financial instruments		
Current liability portion		
Forward foreign exchange contracts - cash flow hedges	4,334	4,908
Current derivative financial instruments	4,334	4,908
Non-current liability portion		
Interest rate swaps - cash flow hedges	3,474	7,326
Forward foreign exchange contracts - cash flow hedges	24	17
Non-current derivative financial instruments	3,498	7,343
Total derivative financial instrument liabilities	7,832	12,251

Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

Forward foreign exchange contracts - hedge accounted

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$52m. The foreign currency principal amount was USD \$36m. These cash flow hedges have been accounted for as effective and the gain of \$37m on their revaluation has been transferred to the cash flow hedge reserve within equity.

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amount of the outstanding interest rate swap contracts was \$35m. At 30 April 2015 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.35% to 5.41%. The gain on their revaluation of \$1.5m has been recorded in the Statement of Financial Performance.

Section 4b – Notes to the Financial Statements As at 30 April 2015

	Actual 30 April 2015 \$000	Actual 31 March 2015 \$000
4 Trade and other payables		
Creditors	15,558	34,102
Goods and services tax	876	-
Accrued expenses	113,793	120,369
Retentions	7,334	7,220
Amounts due to related parties	26,599	22,178
Income in advance	814	738
	164,974	184,607

Creditors and other payables are non-interest bearing and are normally settled on 20-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

5 Employee benefit liabilities

Current portion

Accrued salaries and wages	1,827	5,520
Accrued leave	7,886	7,759
Current employee benefit liabilities	9,713	13,279

Non-current portion

Retirement gratuities	383	383
Long service leave	362	362
Non-current employee benefit liabilities	745	745

Section 4b – Notes to the Financial Statements As at 30 April 2015

	Actual 30 April 2015 \$000	Actual 31 March 2015 \$000
6 Borrowings		
Current portion		
Loans from Auckland Council	4,612	4,246
Finance Leases	33	38
Current borrow ings	4,645	4,284
Non-current portion		
Loans from Auckland Council	532,603	498,294
Finance Leases	-	-
Non-current borrow ings	532,603	498,294
Weighted average cost of funds on total borrow ings	5.79%	5.76%

Auckland Transport's loan debt of \$537m is issued at fixed rates of interest ranging from 3.78% to 6.22%. The interest rate on finance leases is 3%.

7 Deferred tax liability

	Property, plant and equipment \$000	Other provisions \$000	Tax losses \$000	Actual 30 April 2015 Total \$000
Deferred tax liability				
Balance at 1 July 2014	(10,888)	-	-	(10,888)
Charged to profit and loss	344	-	-	344
Charged to equity	-	-	-	-
Balance at 30 April 2015	(10,544)	-	-	(10,544)

Section 5a – Cash Flow

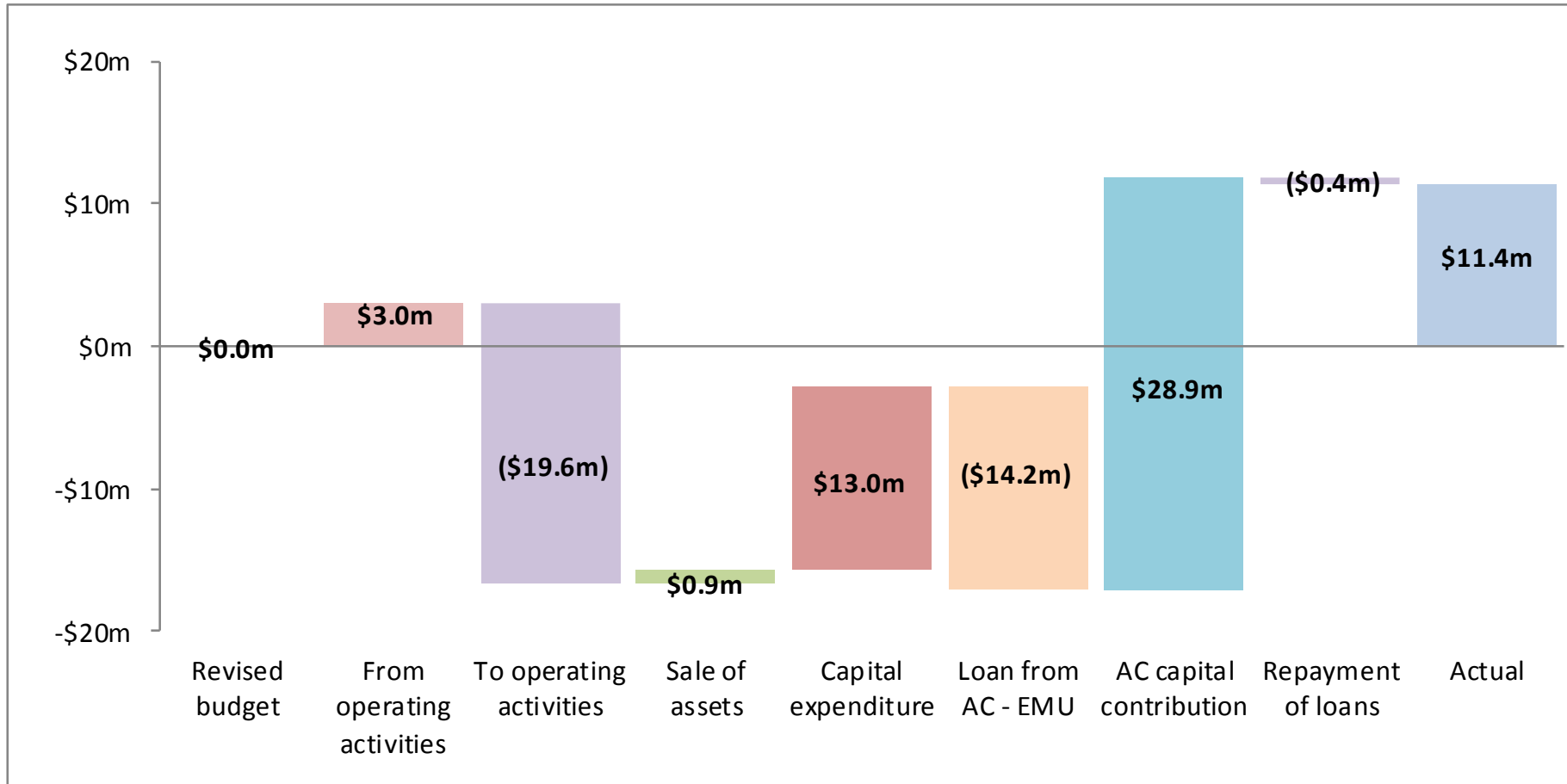
	Year to date		Full year
	Actual \$000	Revised Budget \$000	Revised Budget \$000
Cash flows from operating activities			
Total cash provided	778,477	775,474	943,616
Cash applied to:			
Payments to suppliers, employees and directors	518,253	496,969	596,931
Interest paid	19,517	21,158	26,706
Total cash applied	537,770	518,127	623,637
Net cash from operating activities	240,707	257,347	319,979
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	863	-	-
Total cash provided	863	-	-
Cash applied to:			
Capital expenditure projects	610,255	623,212	751,100
Total cash applied	610,255	623,212	751,100
Net cash from investing activities	(609,392)	(623,212)	(751,100)
Cash flows from financing activities			
Cash provided from:			
Loan from Auckland Council - EMU	182,000	196,240	215,234
Capital contribution from Auckland Council (Note 1)	200,997	172,126	219,447
Total cash provided	382,997	368,366	434,681
Cash applied to:			
Repayments of EMU loan from Auckland Council	2,813	2,467	3,510
Repayments of finance lease principal	49	34	50
Total cash provided	2,862	2,501	3,560
Net cash from financing activities	380,135	365,865	431,121
Net (decrease)/increase in cash and cash equivalents	11,450	-	-
Opening cash balance	5,080	-	-
Closing cash balance	16,530	-	-

Note 1 - Actual capital contribution from AC includes cash received in the current year for prior year capital expenditure.

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
Surplus/(deficit) after tax	92,629
Add/(less) non cash items	
Depreciation and amortisation	241,922
Vested assets	(99,126)
Found assets	(18,361)
Loss on disposal of property, plant and equipment	6,347
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate swaps	(1,489)
Income tax	(344)
	128,949
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	14,484
Decrease/(Increase) in inventories	1,628
(Decrease)/Increase in creditors and other payables	3,081
(Decrease)/Increase in employee benefits payable	(64)
	19,129
Net cash flow from operating activities	240,707

Section 5b – Cash Flow Waterfall

Cash flow – Year to date revised budget to actual



Section 6 – Accounts Receivable Report

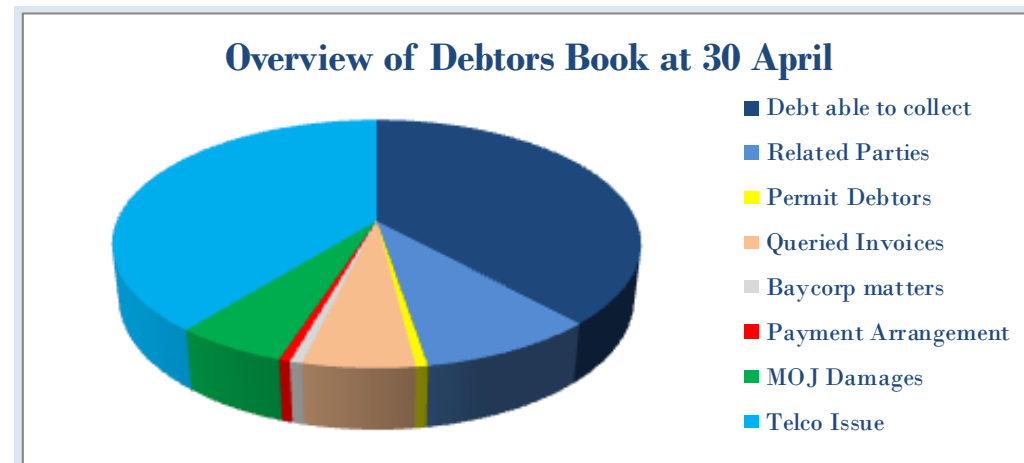
Accounts Receivable

An overview of the Debtors as at 30 April has 99.3% (99.5% March) of adjusted Debtors in 30 and 60 days, or not yet due.

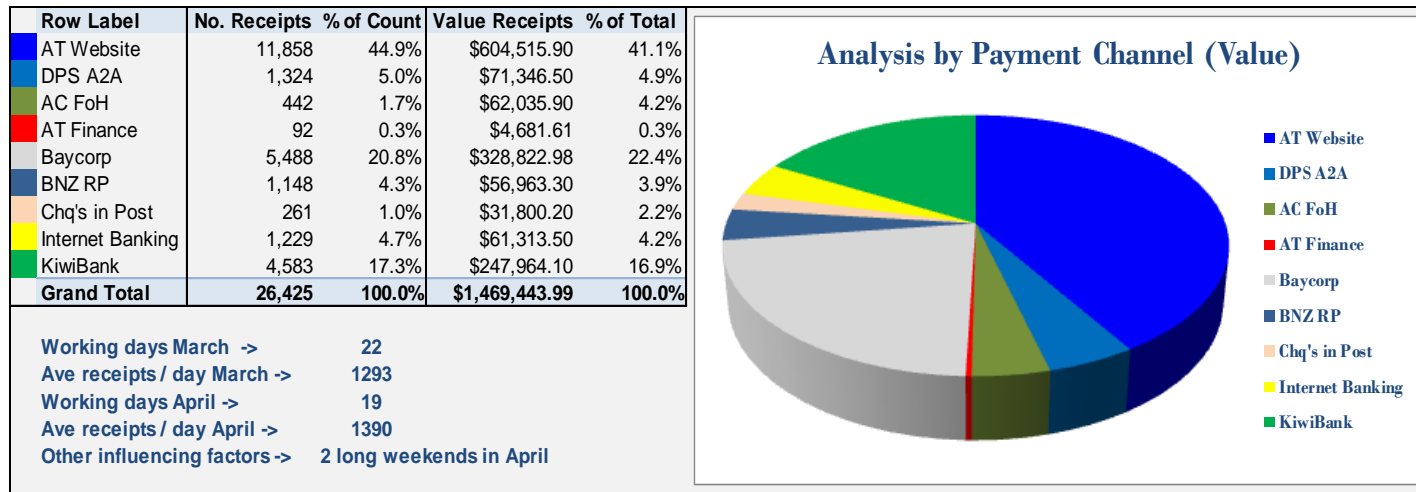
<u>Debtors Ageing Analysis as at 30 April 2015</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 30 April		4,721,112	2,142,864	317,768	159,157	241,334	13,374	1,846,614	1
Parking Permit Debtors		29,111	2,016	12,770	6,682	2,730	4,913	0	2
Total Debtors		4,750,223	2,144,880	330,538	165,839	244,064	18,287	1,846,614	
		100.0%	45.2%	7.0%	3.5%	5.1%	0.4%	38.9%	
O/s Related Parties	7	438,295	382,436	26,454	23,992	0	952	4,462	3
Trade Debtors	119	4,311,927	1,762,444	304,084	141,848	244,064	17,336	1,842,152	
		100.0%	40.9%	7.1%	3.3%	5.7%	0.4%	42.7%	
Queried Invoices	308	275,183	79,280	44,027	40,780	0	14,074	97,022	4
Cell Sites - Property	616	1,873,968	0	118,831	0	235,915	541	1,518,681	5
To Baycorp (Collection)	607	29,885	0	0	0	0	154	29,731	6
Payment Arrangement	67	28,083	0	389	25,945	0	0	1,749	7
Lodged Courts (Damages)	290	276,773	58,751	0	25,610	3,852	2,035	186,524	8
Adjusted Debtors		1,828,035	1,624,413	140,837	49,513	4,296	532	8,444	
		100.0%	88.9%	7.7%	2.7%	0.2%	0.0%	0.5%	

Notes relating to the Debtors Ageing Analysis:

- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These permits are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries. Of the total, \$61,000 relates to the issues previously reported on a group of apartments disputing parking charges. This debt has been fully provided for and, as advised, this debt will be written off this financial year.
- 5 - Relates to the on-going cell sites dispute. The balance owing by the Telco's has been fully impaired as at 31 December 2014 and may be written off in the future. There is an agreed strategy for settling the current outstanding balances and AT are currently engaging with the Telco's to agree a new fee arrangement by 1 July.
- 6 - Relates to accounts lodged with Baycorp for collection. All these amounts have been impaired in full and some may be written off in the future. All amounts written off are approved by the CFO in accordance with policy.
- 7 - Relates to customers where an arrangement to pay has been agreed to. These are monitored until full payment has been received.
- 8 - Relates to matters where AT is recovering damages from road accidents investigated by the Police. Many of the matters are being paid off at a nominal amount per week as instructed by the Courts.

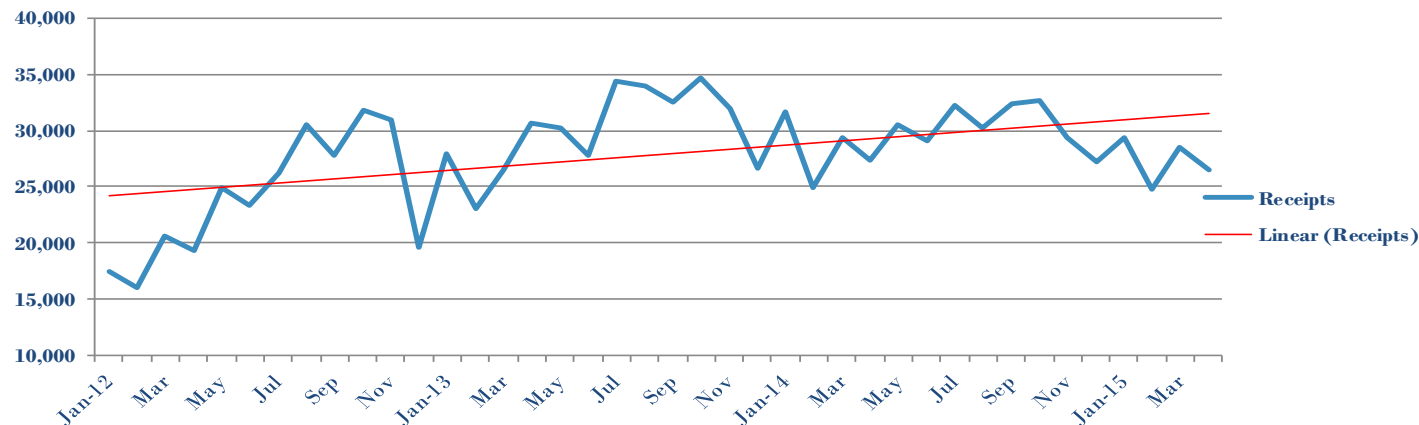


Infringement Overview:

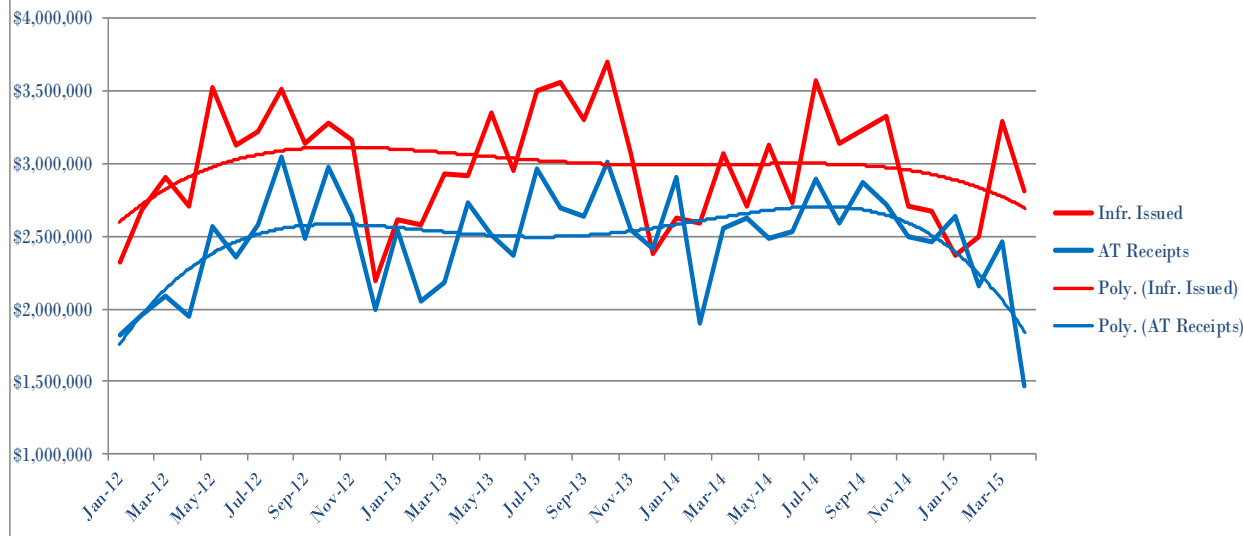


April's Infringement receipts by volume are 7.1% down on March (19 working days in April compared with 22 in March). While the contract with Baycorp has, over time, increased the number of infringements paid, ultimately, the comparison of infringements paid in a month is driven by the number of infringements issued in the preceding months. Of the customers not paying in response to a Baycorp letter of demand, 69% are making use of our electronic payment methods (67% in March).

Monthly Analysis of Number of Receipts by volume (Jan 2012 to Mar 2015)



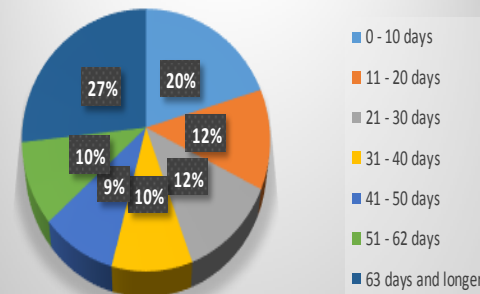
Infringements Issued versus Infringement Receipts Jan 12 to Apr 15



Analysis of receipts by value show that infringements issued over the past 18 months have decreased. Collections, as expected have followed the issued trend, but run between 1 and 4 months behind due to the payment lag. Infringements are handed to Baycorp on day 63 and this coupled with only 19 working days in April, Analysis of receipts by value show that infringements issued over the past 18 months have decreased. Collections, as expected have followed the issued trend, but run between 1 and 4 months behind due to the payment lag.

Days to pay infringement	No. paid	% volume	Value paid	% value	Ave Infr. \$
0 - 10 days	18,741	20.2%	\$699,374	14.0%	\$37.32
11 - 20 days	11,442	12.3%	\$551,001	11.0%	\$48.16
21 - 30 days	11,120	12.0%	\$654,569	13.1%	\$58.86
31 - 40 days	8,921	9.6%	\$512,429	10.3%	\$57.44
41 - 50 days	8,448	9.1%	\$436,813	8.8%	\$51.71
51 - 62 days	9,340	10.1%	\$615,010	12.3%	\$65.85
63 days and longer	24,871	26.8%	\$1,521,323	30.5%	\$61.17
Sub Total	92,883		\$4,990,519		

Analysis by volume paid for 3 months.



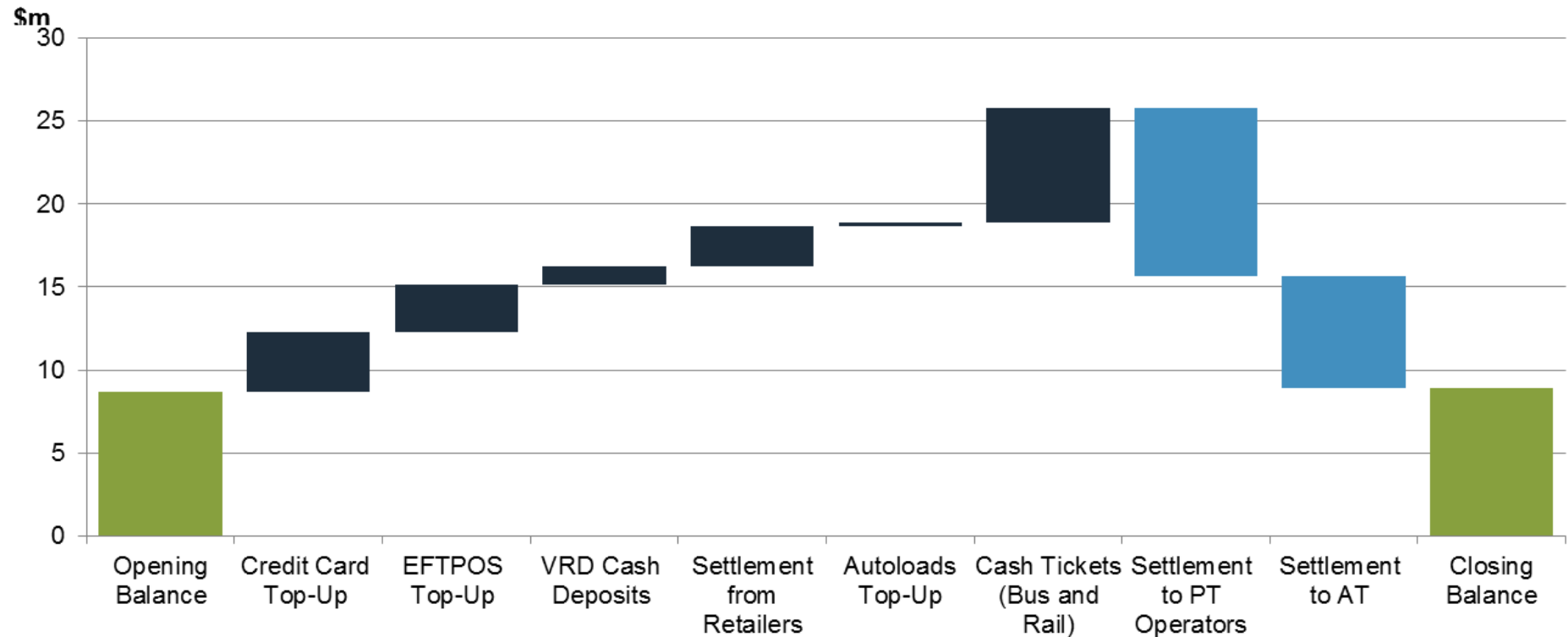
Analysis of infringements paid to AT or Baycorp between September and November 2014, relative to date of issue of the infringement. Note this excludes infringements sent to MOJ.



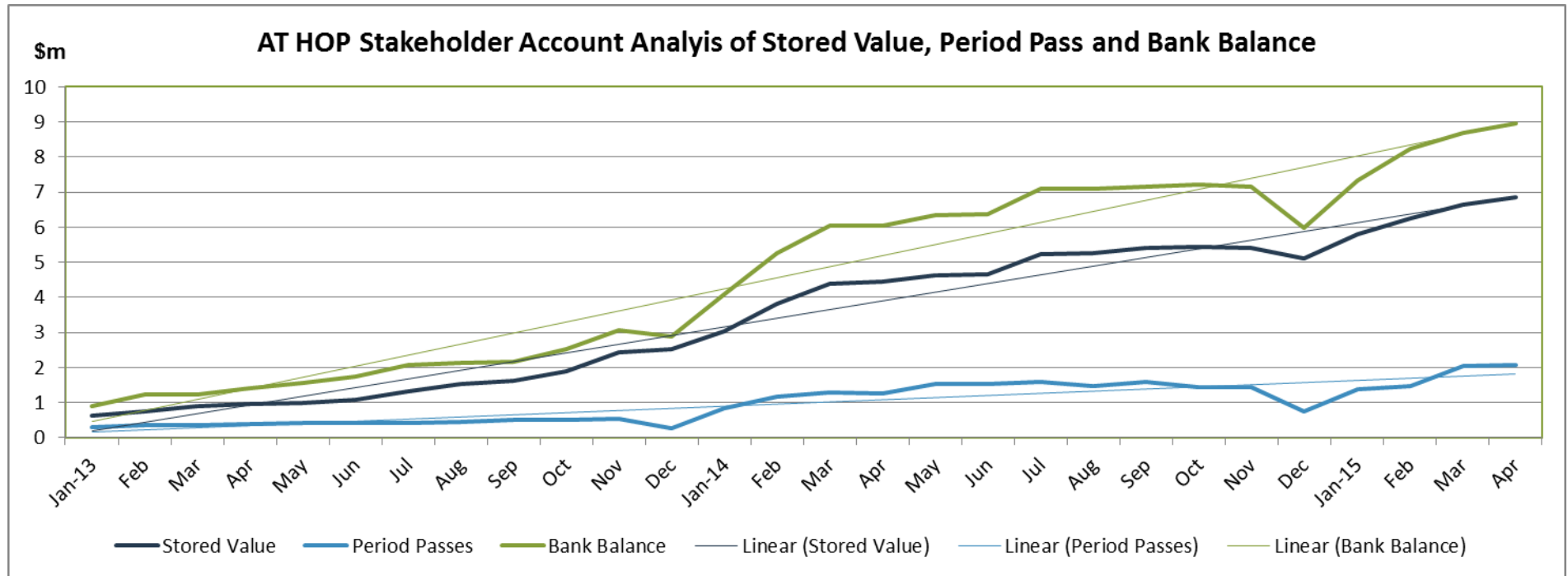
Section 7 – AT HOP Stakeholder Monthly Report (Does not form part of AT results)

The AT HOP Stakeholder bank account has increased by 2.9% in April 2015, from \$8.69 million to \$8.95 million.





AT HOP Stakeholder Account Movement - April 2015



The following graph provides an overview of monthly balances for Stored Value, Period Passes, and the AT HOP Stakeholder Account together with trend lines.



Document ownership

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