

Financial Results for the Three Months Ended 30 September 2015

Recommendation

That the Board:

- i. Receives the report.

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Executive Summary

Financial results for the three months ended 30 September 2015:

	Current month variance to budget \$m	Year to date variance to budget \$m	Year to date results	Year to date Actual \$m	Year to date Budget \$m	Full Year Budget \$m
Total operating income	0.0	(1.1)	↔ ●	167.0	168.1	669.4
Total operating expenditure	(0.3)	0.3	↓ ●	235.4	235.8	975.0
Surplus/(deficit) from operations	(0.3)	(0.8)	↔ ●	(68.4)	(67.7)	(305.6)
Income for capital projects	(38.4)	(52.5)	↓ ●	95.7	148.2	710.3
Net surplus/(deficit) before tax	(38.7)	(53.3)	↓ ●	27.2	80.5	404.7
Total direct capital	17.0	41.1	↓ ●	92.1	133.2	620.3

Key to symbols used:

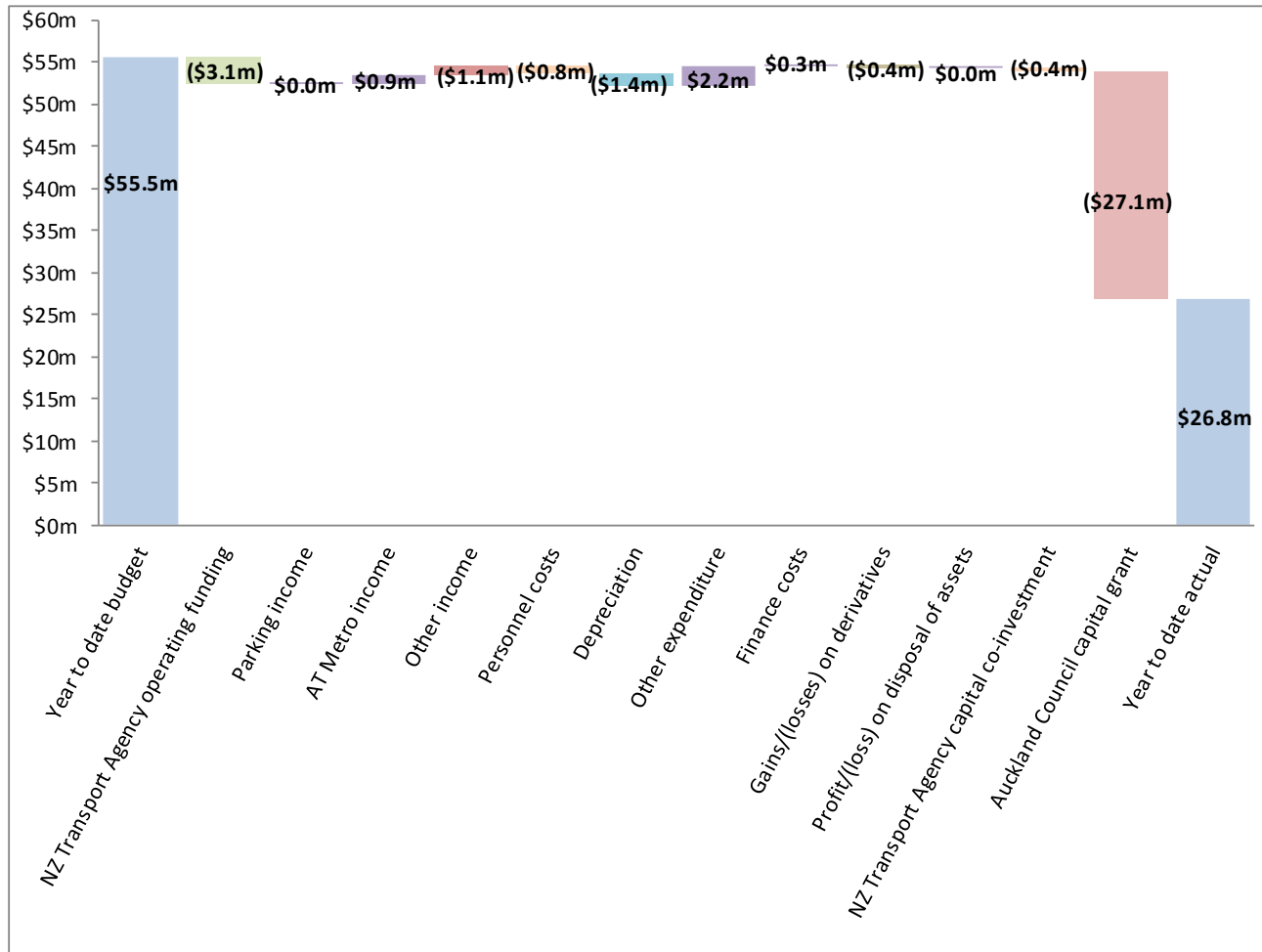
↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Largely on track
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

Section 2a – Financial results for the three months ended 30 September 2015

	Current month			Year to date			Full year	
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Results achieved	Budget \$000
Income								
<u>Operating income</u>								
Auckland Council funding	20,813	20,813	0	62,439	62,439	0	●	249,755
NZ Transport Agency operating funding	20,713	20,324	389	57,636	60,705	(3,069)	●	238,008
Parking and enforcement income	6,424	6,683	(259)	19,711	19,705	6	●	80,106
AT Metro income	6,226	6,008	218	19,543	18,655	888	●	77,469
Other revenue including other grants and subsidies	2,357	2,738	(381)	7,684	6,605	1,079	●	24,091
Total operating income	56,533	56,566	(33)	167,013	168,109	(1,096)	●	669,429
Expenditure								
Personnel costs	11,951	12,172	221	34,625	35,467	842	●	141,063
Capitalised personnel costs	(2,531)	(3,184)	(653)	(7,209)	(8,871)	(1,662)	●	(39,066)
Depreciation and amortisation	25,649	25,251	(398)	76,535	75,187	(1,348)	●	310,932
Other expenditure	42,462	42,898	436	124,186	126,413	2,227	●	531,373
Finance costs (Electric Trains)	2,382	2,472	90	7,312	7,598	286	●	30,741
Total operating expenditure	79,913	79,609	(304)	235,449	235,794	345	●	975,043
Surplus/(deficit) from operations	(23,380)	(23,043)	(337)	(68,436)	(67,685)	(751)	●	(305,614)
<u>Income for capital projects</u>								
NZ Transport Agency capital co-investment	9,852	10,007	(155)	24,518	24,946	(428)	●	170,967
Auckland Council capital grant	23,589	36,844	(13,255)	71,139	98,244	(27,105)	●	439,314
Vested asset income	0	25,000	(25,000)	0	25,000	(25,000)	●	100,000
	33,441	71,851	(38,410)	95,657	148,190	(52,533)	●	710,281
Net surplus/(deficit) before tax and derivatives	10,061	48,808	(38,747)	27,221	80,505	(53,284)	●	404,667
Gains/(losses) on derivatives	47	0	47	(414)	0	(414)		0
Profit/(loss) on disposal of assets	(52)	0	(52)	10	0	10		0
Income tax benefit/(expense)	0	0	0	0	0	0		0
Net surplus/(deficit) after tax and derivatives	10,056	48,808	(38,752)	26,817	80,505	(53,688)	●	404,667

Section 2b – Net surplus/(deficit) waterfall

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



Section 2c – Summary of financial results by activity

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Rail	10,138	9,840	298	30,030	29,698	332	115,856
Bus	8,056	7,974	82	24,278	24,440	(162)	101,902
Ferry	985	1,116	(131)	3,001	3,131	(130)	13,313
Other public transport	2,267	2,269	(2)	6,484	6,524	(40)	29,848
Parking	3,701	3,779	(78)	11,248	10,878	370	48,172
Enforcement	2,723	2,904	(181)	8,463	8,827	(364)	31,934
Roading and footpaths	4,627	6,085	(1,458)	14,641	16,899	(2,258)	56,591
Internal support	3,223	1,786	1,437	6,429	5,273	1,156	22,058
Auckland Council operating funding	20,813	20,813	0	62,439	62,439	0	249,755
Total operating income	56,533	56,566	(33)	167,013	168,109	(1,096)	669,429
Operating Expenditure							
Rail	14,639	13,884	(755)	43,052	42,261	(791)	163,426
Bus	13,392	13,504	112	40,208	40,605	397	167,075
Ferry	1,430	1,574	144	4,048	4,424	376	19,262
Other public transport	3,406	3,409	3	9,723	9,700	(23)	47,000
Parking	1,074	1,110	36	3,243	3,364	121	13,676
Enforcement	1,792	1,781	(11)	5,470	5,326	(144)	21,312
Roading and footpaths	10,067	10,076	9	29,415	30,034	619	120,676
Internal support	8,464	9,020	556	23,755	24,893	1,138	111,684
Depreciation	25,649	25,251	(398)	76,535	75,187	(1,348)	310,932
Total operating expenditure	79,913	79,609	(304)	235,449	235,794	345	975,043
Surplus/(deficit) from Operations	(23,380)	(23,043)	(337)	(68,436)	(67,685)	(751)	(305,614)

Section 2c – Rail operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Activity Income	3,826	3,645	181	11,463	10,950	513	43,500
Other income	107	98	9	294	317	(23)	837
NZ Transport Agency operating funding	4,679	4,285	394	13,557	12,881	676	49,101
NZ Transport Agency operating funding - Electric Trains	1,526	1,812	(286)	4,716	5,550	(834)	22,418
Total operating income	10,138	9,840	298	30,030	29,698	332	115,856
Operating Expenditure							
Personnel costs	214	219	5	656	658	2	2,658
Capitalised personnel costs	3	(1)	(4)	0	(2)	(2)	0
Service delivery costs and professional services	8,988	8,603	(385)	27,543	26,182	(1,361)	98,295
Occupancy costs	180	323	143	652	955	303	4,070
Track access charges	1,959	1,644	(315)	4,656	5,008	352	19,750
Other expenditure	913	624	(289)	2,233	1,862	(371)	7,912
Finance costs (Electric Trains)	2,382	2,472	90	7,312	7,598	286	30,741
Total operating expenditure	14,639	13,884	(755)	43,052	42,261	(791)	163,426
Depreciation	3,230	2,755	(475)	9,553	8,146	(1,407)	34,750
Surplus/(deficit) from Operations	(7,731)	(6,799)	(932)	(22,575)	(20,709)	(1,866)	(82,320)
Internal support costs	2,023	2,627	604	6,560	7,157	597	33,451
Surplus/(deficit)	(9,754)	(9,426)	(328)	(29,135)	(27,866)	(1,269)	(115,771)

Section 2c – Bus operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Activity Income	1,222	1,228	(6)	3,738	3,688	50	15,946
Other income	123	134	(11)	1,157	991	166	4,222
NZ Transport Agency operating funding	6,711	6,612	99	19,383	19,761	(378)	81,734
Total operating income	8,056	7,974	82	24,278	24,440	(162)	101,902
Operating Expenditure							
Personnel costs	278	275	(3)	802	838	36	3,296
Capitalised personnel costs	15	31	16	36	41	5	14
Service delivery costs and professional services	12,940	12,976	36	38,832	39,081	249	161,277
Occupancy costs	75	114	39	315	342	27	1,368
Other expenditure	84	108	24	223	303	80	1,120
Total operating expenditure	13,392	13,504	112	40,208	40,605	397	167,075
Depreciation	244	171	(73)	570	498	(72)	2,262
Surplus/(deficit) from Operations	(5,580)	(5,701)	121	(16,500)	(16,663)	163	(67,435)
Internal support costs	1,944	2,524	580	6,303	6,877	574	32,140
Surplus/(deficit)	(7,524)	(8,225)	701	(22,803)	(23,540)	737	(99,575)

Section 2c – Ferry operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Operator access fees	271	265	6	789	756	33	3,996
Activity Income	68	51	17	216	156	60	798
Other income	56	56	0	170	171	(1)	831
NZ Transport Agency operating funding	590	744	(154)	1,826	2,048	(222)	7,688
Total operating income	985	1,116	(131)	3,001	3,131	(130)	13,313
Operating Expenditure							
Personnel costs	104	99	(5)	258	253	(5)	1,133
Capitalised personnel costs	(2)	0	2	(2)	0	2	0
Service delivery costs and professional services	1,120	1,243	123	3,299	3,529	230	15,497
Occupancy costs	88	87	(1)	170	196	26	861
Other expenditure	120	145	25	323	446	123	1,771
Total operating expenditure	1,430	1,574	144	4,048	4,424	376	19,262
Depreciation	249	238	(11)	745	714	(31)	2,874
Surplus/(deficit) from Operations	(694)	(696)	2	(1,792)	(2,007)	215	(8,823)
Internal support costs	212	275	63	687	749	63	3,502
Surplus/(deficit)	(906)	(971)	65	(2,479)	(2,756)	278	(12,325)

Section 2c – Other public transport operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Other income	553	531	22	1,716	1,626	90	7,339
NZ Transport Agency operating funding	1,714	1,738	(24)	4,768	4,898	(130)	22,509
Total operating income	2,267	2,269	(2)	6,484	6,524	(40)	29,848
Operating Expenditure							
Personnel costs	1,063	1,159	96	3,208	3,336	128	13,667
Capitalised personnel costs	122	(89)	(211)	206	(187)	(393)	(487)
Service delivery costs and professional services	1,263	1,438	175	3,481	3,833	352	22,484
IT costs	222	222	0	665	630	(35)	2,489
Other expenditure	736	679	(57)	2,163	2,088	(75)	8,847
Total operating expenditure	3,406	3,409	3	9,723	9,700	(23)	47,000
Depreciation	1,242	1,286	44	3,936	3,896	(40)	14,900
Surplus/(deficit) from Operations	(2,381)	(2,426)	(49)	(7,175)	(7,072)	23	(32,052)
Internal support costs	464	603	139	1,506	1,643	137	7,678
Surplus/(deficit)	(2,845)	(3,029)	90	(8,681)	(8,715)	160	(39,730)

Section 2c – Parking operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Other income	111	110	1	328	292	36	2,810
Parking Fees	3,590	3,669	(79)	10,920	10,586	334	45,362
Total operating income	3,701	3,779	(78)	11,248	10,878	370	48,172
Operating Expenditure							
Personnel costs	228	234	6	749	709	(40)	2,806
Capitalised personnel costs	11	0	(11)	23	0	(23)	0
Service delivery costs and professional services	243	316	73	957	945	(12)	3,817
Occupancy Costs	541	466	(75)	1,425	1,426	1	5,706
Other expenditure	51	94	43	89	284	195	1,347
Total operating expenditure	1,074	1,110	36	3,243	3,364	121	13,676
Depreciation	553	536	(17)	1,658	1,608	(50)	6,443
Surplus/(deficit) from Operations	2,074	2,133	(59)	6,347	5,906	441	28,053
Internal support costs	161	209	48	522	570	48	2,663
Surplus/(deficit)	1,913	1,924	(11)	5,825	5,336	489	25,390

Section 2c – Enforcement operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Other income	0	86	(86)	0	257	(257)	1,028
Infringement income	2,723	2,818	(95)	8,463	8,570	(107)	30,906
Total operating income	2,723	2,904	(181)	8,463	8,827	(364)	31,934
Operating Expenditure							
Personnel costs	1,015	933	(82)	2,816	2,781	(35)	11,036
Capitalised personnel costs	(6)	0	6	(2)	0	2	0
Service delivery costs and professional services	131	141	10	398	422	24	1,686
Occupancy Costs	0	0	0	0	0	0	0
Other expenditure	652	707	55	2,258	2,123	(135)	8,590
Total operating expenditure	1,792	1,781	(11)	5,470	5,326	(144)	21,312
Depreciation	8	30	22	25	63	38	740
Surplus/(deficit) from Operations	923	1,093	(170)	2,968	3,438	(470)	9,882
Internal support costs	255	331	76	827	902	75	4,216
Surplus/(deficit)	668	762	(94)	2,141	2,536	(395)	5,666

Section 2c – Roading and footpaths operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Petrol tax	737	727	10	2,194	2,180	14	8,720
Other income	182	1,145	(963)	1,703	1,829	(126)	4,980
NZ Transport Agency operating funding	3,708	4,213	(505)	10,744	12,890	(2,146)	42,891
Total operating income	4,627	6,085	(1,458)	14,641	16,899	(2,258)	56,591
Operating Expenditure							
Personnel costs	2,316	2,411	95	6,577	6,751	174	26,218
Capitalised personnel costs	(475)	(634)	(159)	(968)	(1,600)	(632)	(8,646)
Service delivery costs and professional services	6,468	6,607	139	18,395	19,258	863	83,434
Occupancy Costs	1,400	1,374	(26)	4,241	4,428	187	15,983
IT Costs	10	130	120	33	390	357	1,658
Other expenditure	348	188	(160)	1,137	807	(330)	2,029
Total operating expenditure	10,067	10,076	9	29,415	30,034	619	120,676
Surplus/(deficit) from Operations	(24,307)	(23,023)	(1,284)	(71,081)	(70,032)	(1,049)	(295,252)
Internal support costs	1,438	1,867	429	4,662	5,087	424	23,773
Surplus/(deficit)	(25,745)	(24,890)	(855)	(75,743)	(75,119)	(625)	(319,025)

Section 2c – Internal support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Rental income	1,084	847	237	3,201	2,539	662	10,158
Other income	354	19	335	586	57	529	233
NZ Transport Agency operating funding	1,785	920	865	2,642	2,677	(35)	11,667
Total operating income	3,223	1,786	1,437	6,429	5,273	1,156	22,058
Operating Expenditure							
Personnel costs	6,733	6,842	109	19,559	20,141	582	80,249
Capitalised personnel costs	(2,199)	(2,491)	(292)	(6,502)	(7,123)	(621)	(29,947)
Directors Fees	117	46	(71)	202	145	(57)	594
Service delivery costs and professional services	1,418	2,515	1,097	4,069	5,796	1,727	37,623
Other expenditure	2,395	2,108	(287)	6,427	5,934	(493)	23,165
Total operating expenditure	8,464	9,020	556	23,755	24,893	1,138	111,684
Depreciation	1,256	1,203	(53)	3,741	3,365	(376)	17,796
Taxation	0	0	0	0	0	0	0
Surplus/(deficit) from Operations	(6,497)	(8,437)	1,940	(21,067)	(22,985)	1,918	(107,422)
Internal support allocated	6,497	8,437	1,940	21,067	22,985	1,918	107,422
Surplus/(deficit)	0	0	0	0	0	0	0

Section 3a – Summary of Capital Expenditure

Split by activity

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
New capital expenditure							
Roads and footpaths	14,993	21,207	6,214	32,014	43,963	11,949	198,180
AT Metro (includes CRL)	7,832	10,726	2,894	18,603	31,451	12,848	176,785
Parking operations	87	647	560	118	1,892	1,774	6,245
Internal support	672	1,371	699	2,345	3,061	716	14,298
Total new capital	23,584	33,951	10,367	53,080	80,367	27,287	395,508
Renewal capital expenditure							
Roads and footpaths	13,405	15,025	1,620	32,217	32,627	410	189,704
AT Metro	427	605	178	989	1,234	245	6,037
Parking operations	(14)	276	290	80	380	300	2,234
Total renewal	13,818	15,906	2,088	33,286	34,241	955	197,975
Electric multiple units (EMUs)							
Procurement	2,491	6,993	4,502	5,707	18,582	12,875	26,798
Depot	1	0	(1)	7	0	(7)	0
Total EMUs	2,492	6,993	4,501	5,714	18,582	12,868	26,798
Total direct capital	39,894	56,850	16,956	92,080	133,190	41,110	620,281
Vested assets	0	25,000	25,000	0	25,000	25,000	100,000
Total capital	39,894	81,850	41,956	92,080	158,190	66,110	720,281

Section 3b – Summary of Capital Expenditure

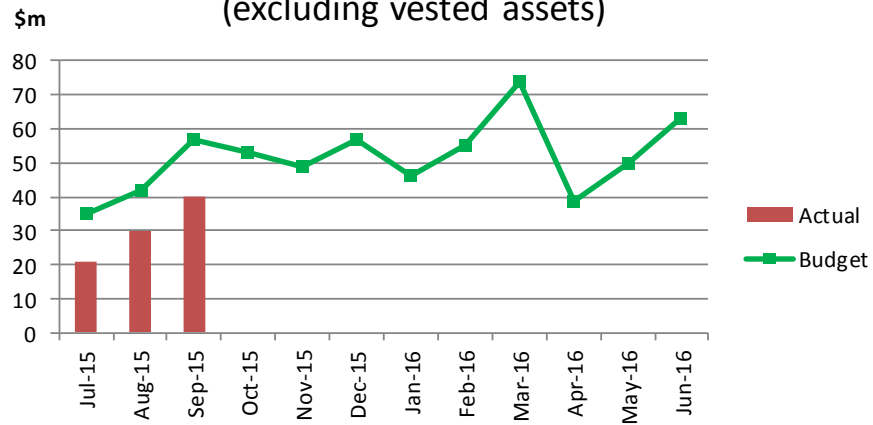
Split by category

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Core capital expenditure							
New capital							
Capital land acquisition	2,270	772	(1,498)	135	3,054	2,919	16,441
Roads and footpaths	11,465	10,562	(903)	29,592	29,488	(104)	134,302
AT Metro	3,305	4,810	1,505	7,140	13,688	6,548	59,769
Parking operations	87	647	560	118	1,892	1,774	6,245
Internal support	667	1,370	703	2,321	3,060	739	14,298
Total new capital core expenditure	17,794	18,161	367	39,306	51,182	11,876	231,055
Renewal							
Roads and footpaths	13,405	15,025	1,620	32,217	32,627	410	189,704
AT Metro	427	605	178	989	1,234	245	6,037
Parking operations	(14)	276	290	80	380	300	2,234
Total renewal core expenditure	13,818	15,906	2,088	33,286	34,241	955	197,975
Total core capital expenditure	31,612	34,067	2,455	72,592	85,423	12,831	429,030
Ring fenced capital expenditure							
City Rail Link - Others	4,125	4,814	689	10,190	13,706	3,516	49,903
City Rail Link - land	387	863	476	1,250	3,736	2,486	63,906
EMU depot	1	0	(1)	7	0	(7)	0
EMU procurement	2,491	6,993	4,502	5,707	18,582	12,875	26,798
Local Board initiatives	743	817	74	1,789	1,768	(21)	10,260
Local Residential Growth Fund	0	8,750	8,750	0	8,750	8,750	35,000
Others	535	546	11	545	1,225	680	5,384
Total ring fenced capital expenditure	8,282	22,783	14,501	19,488	47,767	28,279	191,251
Total direct capital excluding vested assets	39,894	56,850	16,956	92,080	133,190	41,110	620,281
Vested assets	0	25,000	25,000	0	25,000	25,000	100,000
Total capital	39,894	81,850	41,956	92,080	158,190	66,110	720,281

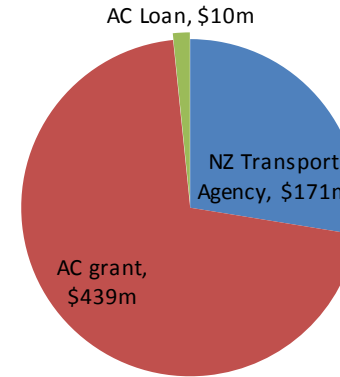
Section 3c – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Funding							
NZ Transport Agency new capital co-investment	3,882	3,357	525	10,834	11,201	(367)	101,427
NZ Transport Agency renewal co-investment	5,970	6,650	(680)	13,684	13,745	(61)	69,540
Auckland Council capital grant	27,550	36,843	(9,293)	61,848	98,244	(36,396)	439,314
Auckland Council loan (EMU)	2,492	10,000	(7,508)	5,714	10,000	(4,286)	10,000
Total new capital	39,894	56,850	(16,956)	92,080	133,190	(41,110)	620,281

Capital expenditure - per month
 (excluding vested assets)



Funding split - full year budget



Section 4a – Statement of Financial Position

As at 30 September 2015

	Note	Actual 30 September 2015 \$000	Actual 31 August 2015 \$000
Assets			
Current assets			
Cash and cash equivalents	1	7,377	5,494
Trade and other receivables	2	198,709	189,000
Inventories		2,270	2,450
Other assets		18,263	9,079
Non-current asset held for sale		4,400	4,400
Derivative financial instruments	3	1,687	1,511
Total current assets		232,706	211,934
Non-current assets			
Property, plant and equipment		16,107,484	16,103,171
Property, plant and equipment - work-in-progress		445,121	441,568
Intangible assets		113,623	115,172
Total non-current assets		16,666,228	16,659,911
Total assets		16,898,934	16,871,845

Section 4a – Statement of Financial Position

As at 30 September 2015

	Note	Actual 30 September 2015 \$000	Actual 31 August 2015 \$000
Liabilities			
Current liabilities			
Trade and other payables	4	154,128	125,406
Employee benefit liabilities	5	10,398	13,993
Borrowings	6	4,747	4,717
Total current liabilities		169,273	144,116
Non-current liabilities			
Derivative financial instruments	3	4,689	4,514
Trade and other payables	4	20,003	20,225
Employee benefit liabilities	5	675	675
Borrowings	6	477,861	478,237
Deferred tax liability	7	11,665	11,665
Total non-current liabilities		514,893	515,316
Total liabilities		684,166	659,432
Net assets		16,214,768	16,212,413
Equity			
Contributed equity		13,474,183	13,482,059
Retained earnings/(losses)		624,738	613,388
Reserves		2,115,847	2,116,966
Total equity		16,214,768	16,212,413

Section 4b – Notes to the Financial Statements

As at 30 September 2015

	Actual 30 September 2015 \$000	Actual 31 August 2015 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	7,103	5,220
Till floats	274	274
Total cash and cash equivalents	7,377	5,494
The carrying value of cash and cash equivalents approximates their fair value.		
2 Trade and other receivables		
Trade debtors	3,771	4,172
Finance lease receivable	76	78
Infringements receivable	31,537	31,604
Amounts due from related parties	146,491	135,419
Accrued income	31,179	26,681
Goods and services tax	-	5,385
	213,054	203,339
Less provision for impairment of receivables	(14,345)	(14,339)
Total trade and other receivables	198,709	189,000

Section 4b – Notes to the Financial Statements

As at 30 September 2015

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 September 2015 is detailed below :

	Gross	Impaired	Net
	\$000	\$000	\$000
Not past due	182,004	-	182,004
Past due 1 - 30 days	1,428	-	1,428
Past due 31 - 60 days	1,473	-	1,473
Past due 61 - 90 days	1,328	-	1,328
Past due > 90 days	26,821	(14,345)	12,476
	213,054	(14,345)	198,709

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 2015	14,118
Additional provisions made	227
Provisions reversed	-
Receivables written-off	-
At 30 September 2015	14,345

Section 4b – Notes to the Financial Statements

As at 30 September 2015

	Actual 30 September 2015 \$000	Actual 31 August 2015 \$000
3 Derivative financial instruments		
Current asset portion		
Forw ard foreign exchange contracts - cash flow hedges	1,687	1,511
Current derivative financial instruments	1,687	1,511
Total derivative financial instrument assets	1,687	1,511
Non-current liability portion		
Interest rate sw aps - cash flow hedges	4,689	4,514
Non-current derivative financial instruments	4,689	4,514
Total derivative financial instrument liabilities	4,689	4,514

Forward foreign exchange contracts

The fair values of forw ard foreign exchange contracts have been determined using a discounted cash flow s 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 forw ard foreign exchange contract prices.

Forward foreign exchange contracts - hedge accounted

The notional principal amount of outstanding forw ard foreign exchange contract cash flow hedges w as NZD \$18m. The foreign currency principal amount w as USD \$12m. These cash flow hedges have been accounted for as effective and the gain of \$1.09m on their revaluation has been transferred to the cash flow hedge reserve w ithin equity.

Interest rate swaps

The fair values of interest rate sw aps have been determined by calculating the expected cash flow s under the terms of the sw aps 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 sw ap contracts w as \$35m. At 30 September 2015 the fixed interest rates of cash flow hedge interest rate sw aps varied from 5.39% to 5.41%. The loss on their revaluation of \$1.09m has been recorded in the Statement of Financial Performance.

Section 4b – Notes to the Financial Statements

As at 30 September 2015

	Actual 30 September 2015 \$000	Actual 31 August 2015 \$000
4 Trade and other payables		
Current portion		
Creditors	30,779	10,640
Goods and services tax	256	-
Accrued expenses	107,841	99,886
Retentions	8,739	8,382
Amounts due to related parties	4,647	4,599
Income in advance	1,866	1,899
Total current trade and other payables	154,128	125,406
Non-current portion		
Amounts due to related parties	20,003	20,225
Total non-current trade and other payables	20,003	20,225
<p>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.</p>		
5 Employee benefit liabilities		
Current portion		
Accrued salaries and wages	1,359	5,202
Accrued leave	9,039	8,791
Current employee benefit liabilities	10,398	13,993
Non-current portion		
Retirement gratuities	383	383
Long service leave	292	292
Non-current employee benefit liabilities	675	675

Section 4b – Notes to the Financial Statements

As at 30 September 2015

	Actual 30 September 2015 \$000	Actual 31 August 2015 \$000
6 Borrowings		
Current portion		
Loans from Auckland Council	4,735	4,702
Finance Leases	12	15
Current borrowings	4,747	4,717
Non-current portion		
Loans from Auckland Council	477,861	478,237
Non-current borrowings	477,861	478,237
Weighted average cost of funds on total borrowings	6.00%	6.00%

Auckland Transport's loan debt of \$483m is issued at fixed rates of interest ranging from 5.55% 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 September 2015 Total \$000
Deferred tax liability				
Balance at 1 July 2015	(11,665)	-	-	(11,665)
Charged to profit and loss	-	-	-	-
Charged to equity	-	-	-	-
Balance at 30 September 2015	(11,665)	-	-	(11,665)

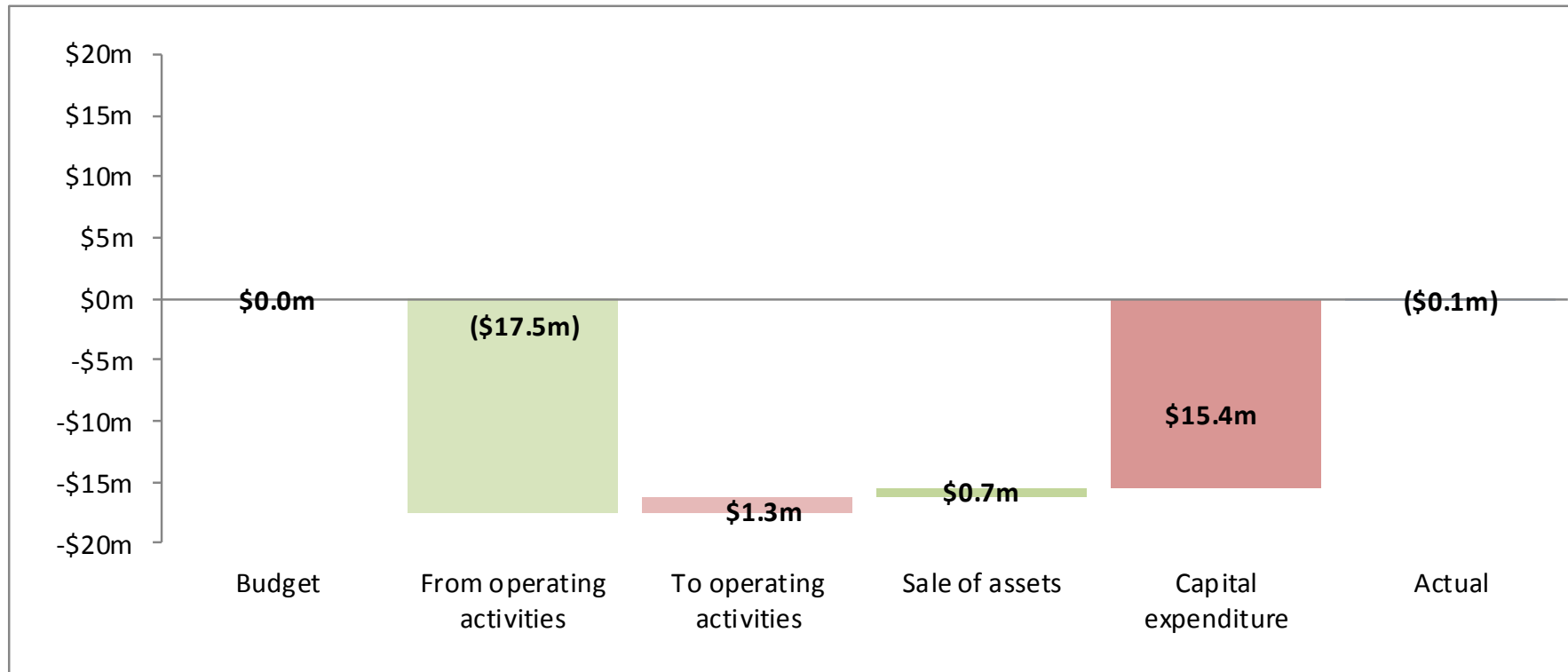
Section 5a – Cash Flow

	Year to date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	302,752	320,296	1,279,709
Cash applied to:			
Payments to suppliers, employees and directors	149,050	149,387	633,974
Interest paid	6,624	7,598	30,741
Total cash applied	155,674	156,985	664,715
Net cash from operating activities	147,078	163,311	614,994
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	712	-	-
Total cash provided	712	-	-
Cash applied to:			
Capital expenditure projects	146,789	162,189	620,280
Total cash applied	146,789	162,189	620,280
Net cash from investing activities	(146,077)	(162,189)	(620,280)
Cash flows from financing activities			
Cash provided from:			
Loan from Auckland Council - EMU	-	-	10,000
Capital contribution from Auckland Council	-	-	-
Total cash provided	-	-	10,000
Cash applied to:			
Repayments of EMU loan from Auckland Council	1,110	1,116	4,691
Repayments of finance lease principal	11	6	23
Total cash applied	1,121	1,122	4,714
Net cash from financing activities	(1,121)	(1,122)	5,286
Net (decrease)/increase in cash and cash equivalents	(120)	-	-
Opening cash balance	7,497	-	-
Closing cash balance	7,377	-	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
Surplus/(deficit) after tax	26,817
Add/(less) non cash items	
Depreciation and amortisation	76,535
Vested assets	-
Loss on disposal of property, plant and equipment	(10)
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate sw aps	1,094
Income tax	-
	77,619
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	22,794
Decrease/(Increase) in inventories	282
(Decrease)/Increase in creditors and other payables	21,077
(Decrease)/Increase in employee benefits payable	(1,511)
	42,642
Net cash flow from operating activities	147,078

Section 5b – Cash Flow Waterfall

Cash flow – Year to date budget to actual



Section 6 – Accounts Receivable Report

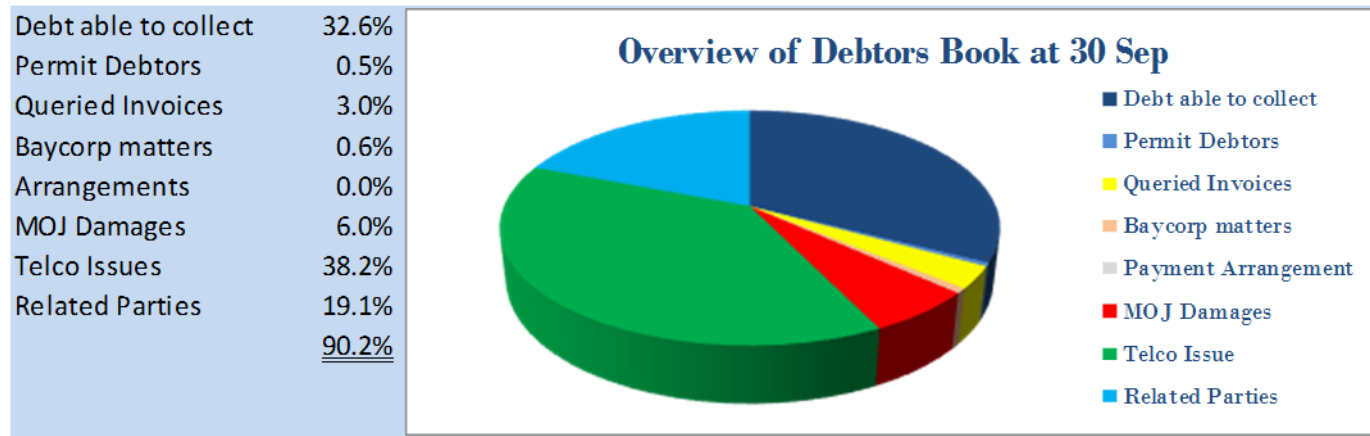
Accounts Receivable

An overview of the Debtors as at 30 September has 98.5% (98.9% August) of adjusted Debtors in 30 and 60 days, or not yet due.

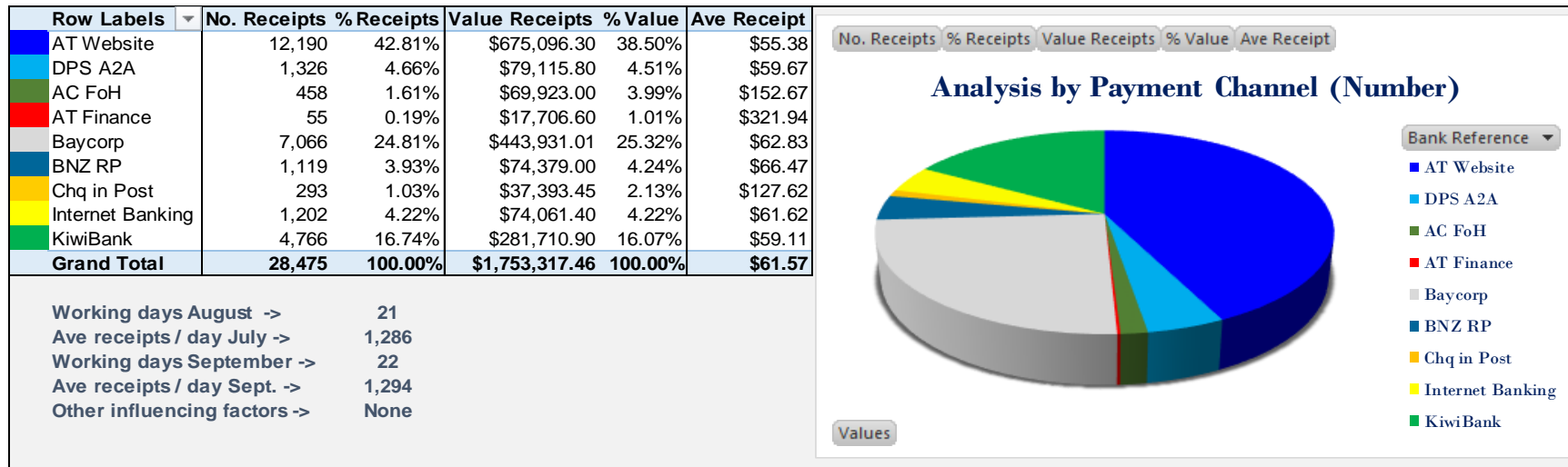
<u>Debtors Ageing Analysis as at 30 September 2015</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 30 Sep	152	4,642,526	1,878,228	583,133	21,857	32,635	188,114	1,938,559	1
Parking Permit Debtors	29	22,065	0	16,017	1,989	909	3,150	0	2
Total Debtors		4,664,591	1,878,228	599,150	23,846	33,544	191,264	1,938,559	
		100.0%	40.3%	12.8%	0.5%	0.7%	4.1%	41.6%	
O/s Related Parties	32	894,467	779,999	104,804	644	453	2,271	6,296	3
Trade Debtors	154	3,770,124	1,098,230	494,346	23,202	33,091	188,994	1,932,262	
		100.0%	29.1%	13.1%	0.6%	0.9%	5.0%	51.3%	
Queried Invoices	259	141,200	9,030	522	4,970	1,947	31,204	93,526	4
Cell Sites - Property	721	1,788,016	0	92,461	2,025	1,530	106,371	1,585,629	5
To Baycorp (Collection)	306	29,084	0	0	2,076	349	621	26,038	6
Payment Arrangement	228	2,080	0	891	0	0	0	1,189	7
Lodged Courts (Damages)	256	283,533	535	50	0	27,449	37,118	218,381	8
Adjusted Debtors		1,526,213	1,088,664	400,422	14,131	1,816	13,679	7,499	
		100.0%	71.3%	26.2%	0.9%	0.1%	0.9%	0.5%	

Notes relating to the Debtors Ageing Analysis:

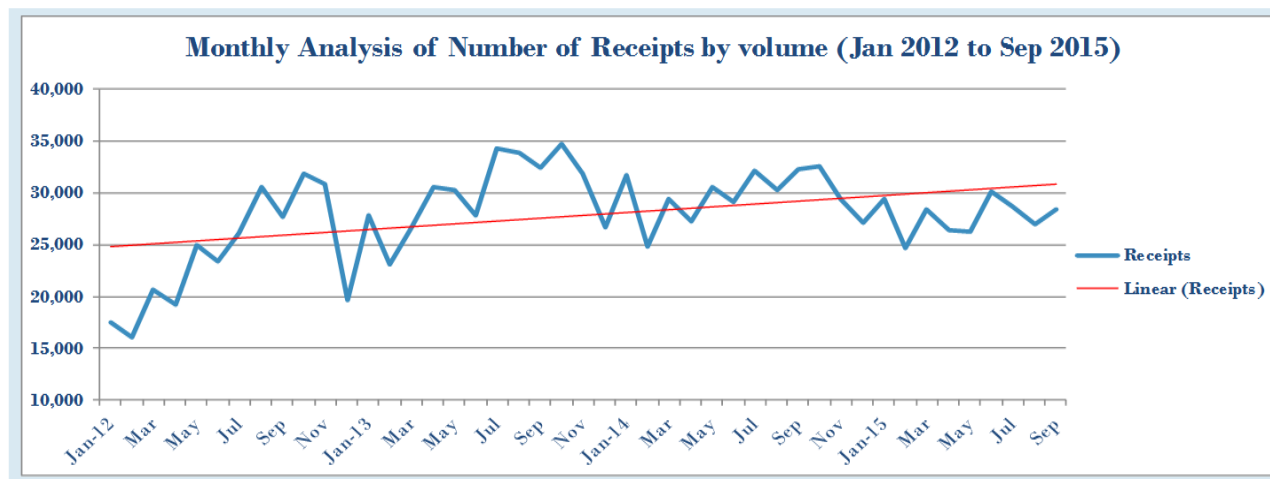
- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These permits are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries.
- 5 - Relates to the on-going cell sites dispute. The balance owing by the Telco's has been fully impaired as at 30 June 2015 and may be written off in the future. A draft settlement document has been supplied to Spark for their consideration following reaching an "in principle" agreement. We are awaiting their response. This matter has now been escalated to senior AT Managers for further negotiation / discussion.
- 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.



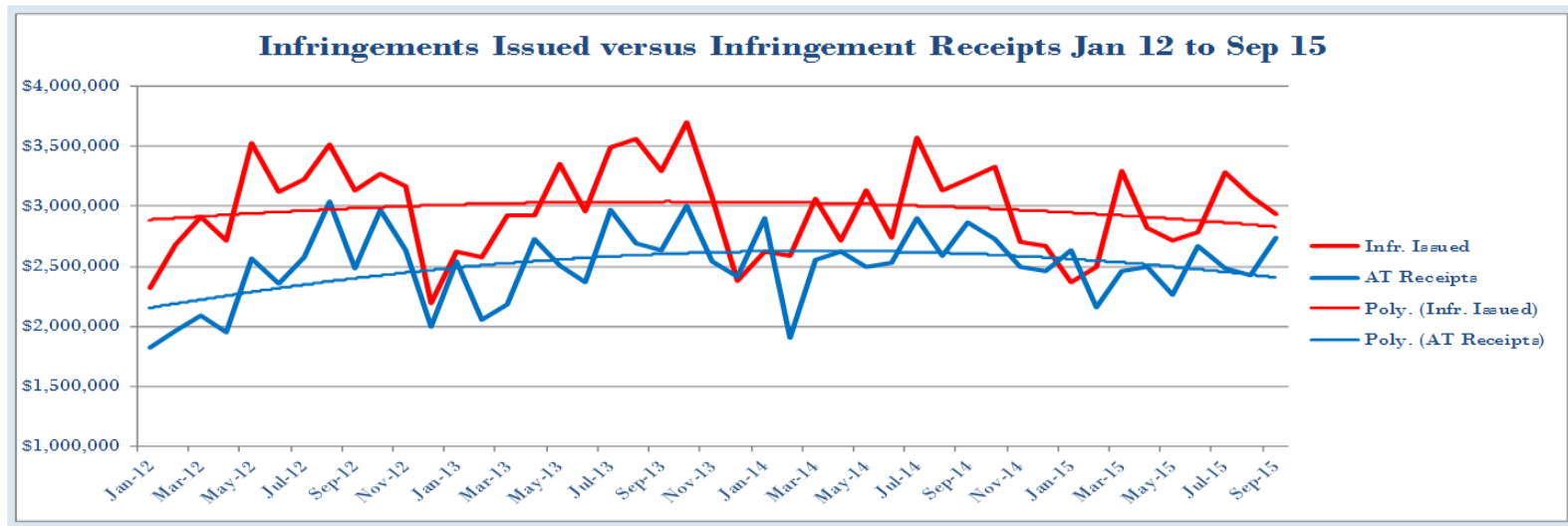
Infringement Overview:



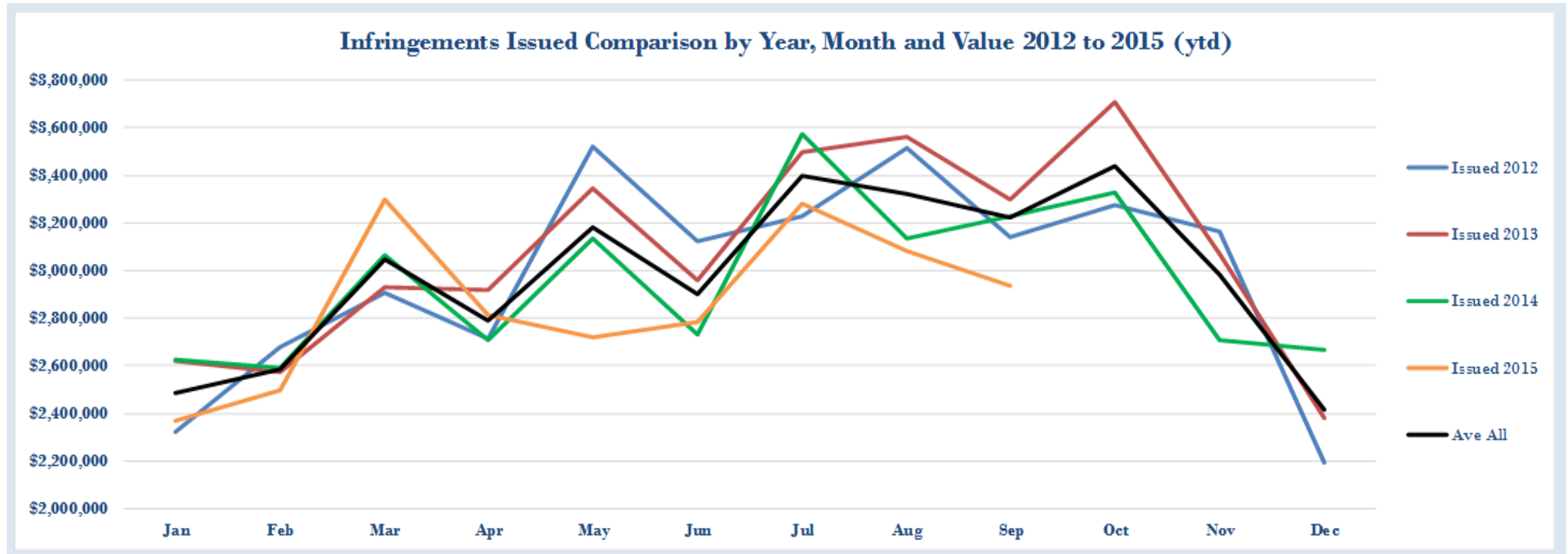
September's Infringement receipts by volume are 5.5% up on August (22 working days in September compared with 21 in August). The increase is a direct result of higher volumes of infringements issued in August which has had an effect on receipts. Of the customers not paying in response to a Baycorp letter of demand, 69% are making use of our electronic payment methods (67% in August).



Analysis of receipts by value show that infringements issued over the past 18 months have decreased. While collections follow the issue trend two to three months later, the collection lines over time are moving closer. The infringements receipts dip in July and August is a direct result of the infringements issued troughs in May and June. Infringements are handed to Baycorp on day 63 and remain with them for 87 days. .



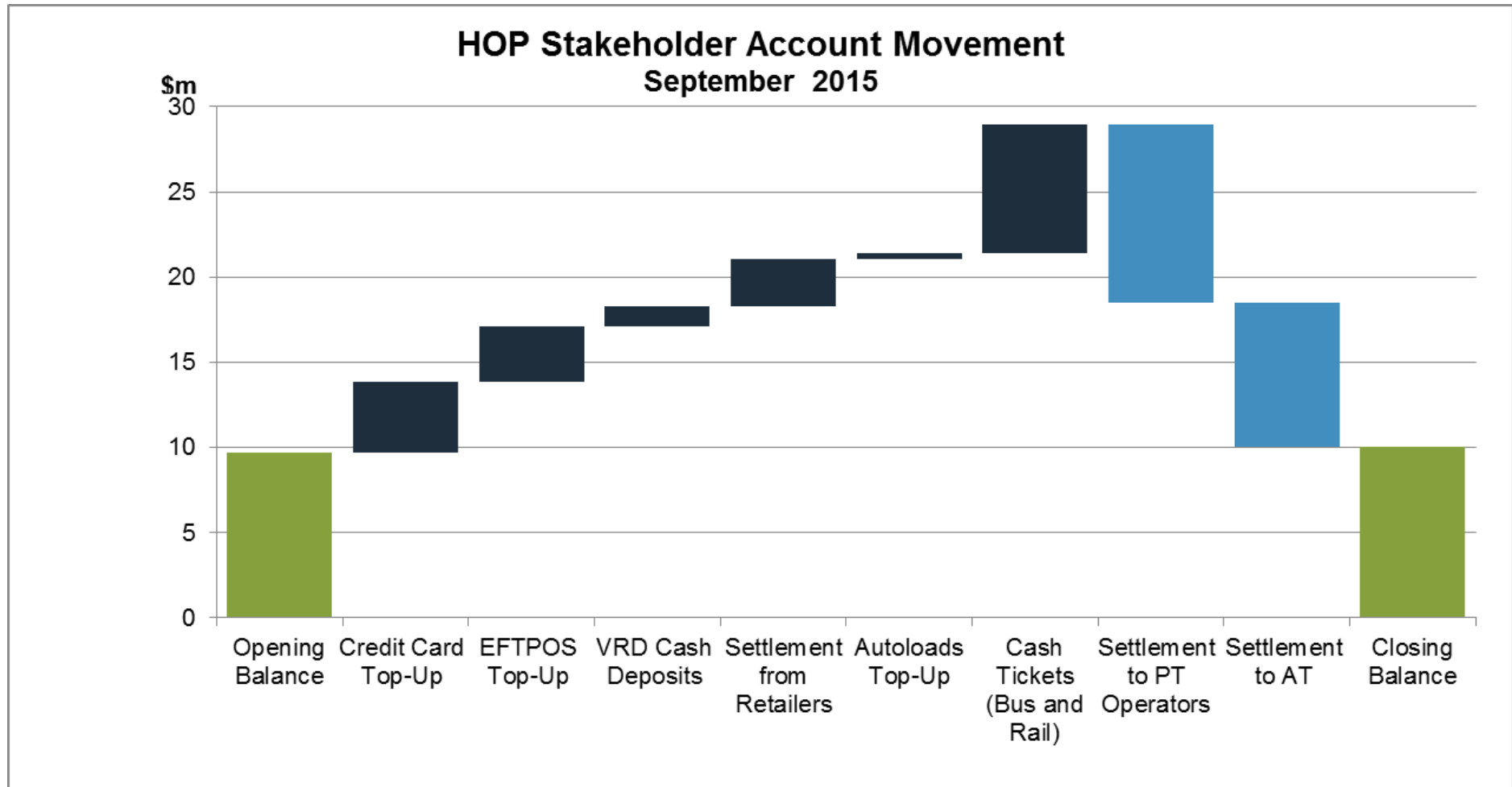
The following graph illustrates the seasonal issuance of infringements. Infringements issued in 2012 totalled \$35.8m, 2013 \$36.8M, 2014 \$35.5m and on current year to date trends is expected to reach \$34.1m in 2015. This will mean 2015 is 5.5% down on the \$36m average of the last three years.



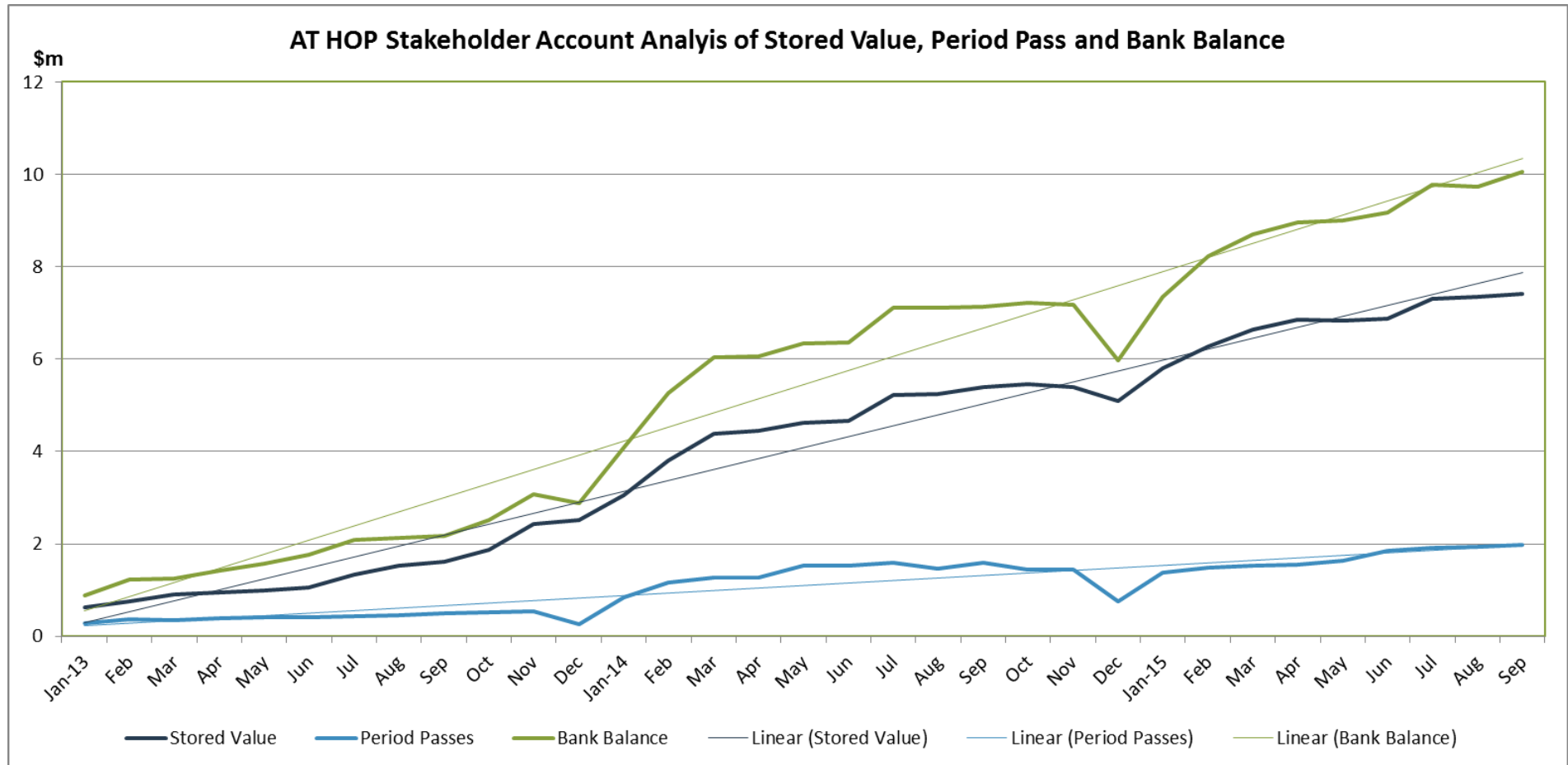
Section 7 – AT HOP Stakeholder Monthly Report

(Does not form part of AT results)





The AT HOP Stakeholder bank account has increased by 3% in September 2015, from \$9.73 million to \$10.05 million.



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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