

Financial Results for the Five Months Ended 30 November 2015

Recommendation

That the Board:

- i. Receives the report.

Table of Contents

1. Executive Summary
2. Auckland Transport Financial Results
 - a. Split by category (section 2a)
 - b. Net surplus/(deficit) waterfall (section 2b)
 - c. Split by activity (section 2c)
3. Capital expenditure results
 - a. Split by activity (section 3a)
 - b. Split by category (section 3b)
 - c. Funding (section 3c)
4. Statement of Financial Position
 - a. Statement of Financial Position (section 4a)
 - b. Notes to the financial statements (section 4b)
5. Cash flow
 - a. Cash flow (section 5a)
 - b. Cash flow waterfall (section 5b)
6. Accounts receivable (section 6)
7. AT HOP stakeholder report (section 7)

Executive Summary

Financial results for the five months ended 30 November 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	0.5	2.5	↑ ●	282.5	280.0	669.4
Total operating expenditure	2.5	5.7	↓ ●	391.5	397.2	975.0
Surplus/(deficit) from operations	3.0	8.2	↓ ●	(109.0)	(117.3)	(305.6)
Income for capital projects	(12.3)	(34.0)	↓ ●	216.5	250.5	710.3
Net surplus/(deficit) before tax	(9.3)	(25.8)	↓ ●	107.5	133.3	404.7
Total direct capital	7.3	56.6	↓ ●	179.0	235.5	620.3

Key to symbols used:

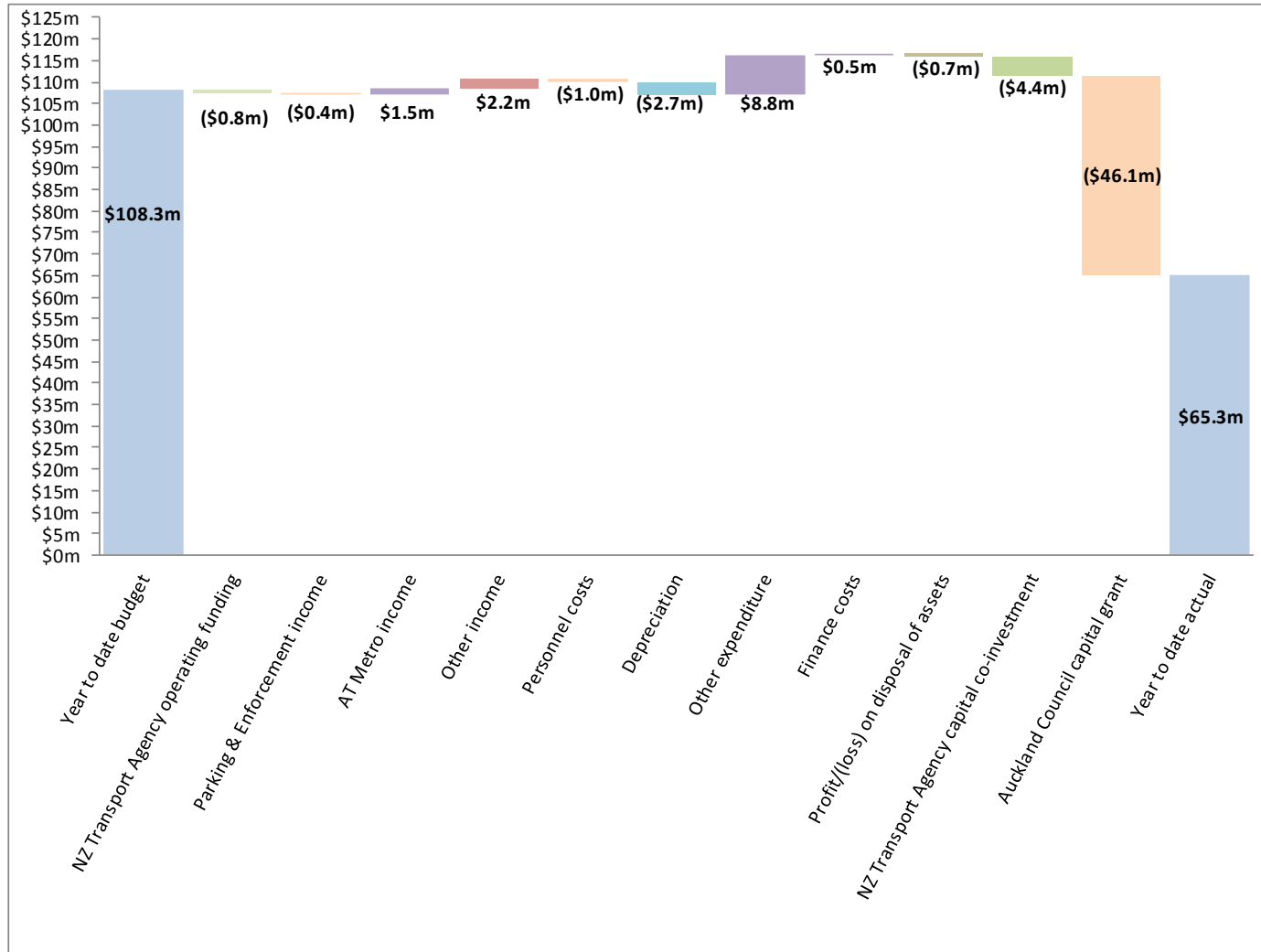
↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Largely on track
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

Section 2a – Financial results for the five months ended 30 November 2015

	Current month			Year to date			Results achieved	Full year Budget \$000
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000		
Income								
<u>Operating income</u>								
Auckland Council funding	20,813	20,813	0	104,065	104,065	0	●	249,755
NZ Transport Agency operating funding	20,100	20,751	(651)	100,350	101,158	(808)	●	238,008
Parking and enforcement income	6,350	6,114	236	32,397	32,776	(379)	●	80,106
AT Metro income	6,522	6,252	270	33,028	31,554	1,474	●	77,469
Other revenue incl. other grants and subsidies	2,536	1,906	630	12,661	10,420	2,241	●	24,091
Total operating income	56,321	55,836	485	282,501	279,973	2,528	●	669,429
Expenditure								
Personnel costs	11,465	11,420	(45)	57,883	58,675	792	●	141,063
Capitalised personnel costs	(3,158)	(2,909)	249	(13,105)	(14,853)	(1,748)	●	(39,066)
Depreciation and amortisation	26,556	25,628	(928)	128,906	126,255	(2,651)	●	310,932
Other expenditure	41,194	44,326	3,132	205,695	214,523	8,828	●	531,373
Finance costs (Electric Trains)	2,388	2,468	80	12,163	12,628	465	●	30,741
Total operating expenditure	78,445	80,933	2,488	391,542	397,228	5,686	●	975,043
Surplus/(deficit) from operations	(22,124)	(25,097)	2,973	(109,041)	(117,255)	8,214	●	(305,614)
<u>Income for capital projects</u>								
NZ Transport Agency capital co-investment	14,217	16,758	(2,541)	52,242	56,626	(4,384)	●	170,967
Auckland Council capital grant	22,441	32,150	(9,709)	122,816	168,921	(46,105)	●	439,314
Vested asset income	0	0	0	41,473	25,000	16,473	●	100,000
	36,658	48,908	(12,250)	216,531	250,547	(34,016)	●	710,281
Net surplus/(deficit) before tax and derivatives	14,534	23,811	(9,277)	107,490	133,292	(25,802)	●	404,667
Gains/(losses) on derivatives	191	0	191	(2)	0	(2)		0
Profit/(loss) on disposal of assets	(773)	0	(773)	(737)	0	(737)		0
Income tax benefit/(expense)	0	0	0	0	0	0		0
Net surplus/(deficit) after tax and derivatives	13,952	23,811	(9,859)	106,751	133,292	(26,541)	●	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	9,352	9,159	193	48,716	48,160	556	115,856
Bus	8,278	8,732	(454)	41,271	41,435	(164)	101,902
Ferry	1,039	1,063	(24)	5,004	5,370	(366)	13,313
Other public transport	2,480	2,345	135	11,061	11,218	(157)	29,848
Parking	3,809	3,688	121	18,856	18,544	312	48,172
Enforcement	2,541	2,426	115	13,541	14,232	(691)	31,934
Roading and footpaths	5,124	5,471	(347)	24,970	28,215	(3,245)	57,978
Internal support	2,885	2,139	746	15,017	8,734	6,283	20,671
Auckland Council operating funding	20,813	20,813	0	104,065	104,065	0	249,755
Total operating income	56,321	55,836	485	282,501	279,973	2,528	669,429
Operating Expenditure							
Rail	12,512	12,877	365	68,786	68,045	(741)	163,426
Bus	13,577	14,207	630	67,924	68,880	956	167,075
Ferry	1,438	1,588	150	6,831	7,627	796	19,262
Other public transport	3,552	3,637	85	16,154	16,919	765	47,000
Parking	945	1,129	184	5,221	5,660	439	13,676
Enforcement	1,254	1,710	456	8,425	8,793	368	21,312
Roading and footpaths	10,061	10,600	539	50,055	52,226	2,171	124,916
Internal support	8,550	9,557	1,007	39,240	42,823	3,583	107,444
Depreciation	26,556	25,628	(928)	128,906	126,255	(2,651)	310,932
Total operating expenditure	78,445	80,933	2,488	391,542	397,228	5,686	975,043
Surplus/(deficit) from Operations	(22,124)	(25,097)	2,973	(109,041)	(117,255)	8,214	(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	3,870	3,483	387	19,119	18,108	1,011	43,500
Other income	81	69	12	451	494	(43)	837
NZ Transport Agency operating funding	3,879	3,798	81	21,292	20,331	961	49,101
NZ Transport Agency operating funding - Electric Trains	1,522	1,809	(287)	7,854	9,227	(1,373)	22,418
Total operating income	9,352	9,159	193	48,716	48,160	556	115,856
Operating Expenditure							
Personnel costs	203	206	3	1,070	1,080	10	2,658
Capitalised personnel costs	0	(1)	(1)	1	(3)	(4)	0
Service delivery costs and professional services	7,909	7,541	(368)	43,203	41,232	(1,971)	98,295
Occupancy costs	331	348	17	1,242	1,656	414	4,070
Track access charges	999	1,646	647	7,297	8,299	1,002	19,750
Other expenditure	682	669	(13)	3,810	3,153	(657)	7,912
Finance costs (Electric Trains)	2,388	2,468	80	12,163	12,628	465	30,741
Total operating expenditure	12,512	12,877	365	68,786	68,045	(741)	163,426
Depreciation	3,817	2,836	(981)	16,601	13,777	(2,824)	34,750
Surplus/(deficit) from Operations	(6,977)	(6,554)	(423)	(36,671)	(33,662)	(3,009)	(82,320)
Internal support costs	2,062	2,619	557	9,085	11,960	2,875	31,188
Surplus/(deficit)	(9,039)	(9,173)	134	(45,756)	(45,622)	(134)	(113,508)

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	1,450	1,365	85	6,600	6,295	305	15,946
Other income	85	320	(235)	1,988	1,919	69	4,222
NZ Transport Agency operating funding	6,743	7,047	(304)	32,683	33,221	(538)	81,734
Total operating income	8,278	8,732	(454)	41,271	41,435	(164)	101,902
Operating Expenditure							
Personnel costs	272	266	(6)	1,362	1,382	20	3,296
Capitalised personnel costs	8	13	5	63	38	(25)	14
Service delivery costs and professional services	13,147	13,727	580	65,671	66,416	745	161,277
Occupancy costs	62	114	52	453	570	117	1,368
Other expenditure	88	87	(1)	375	474	99	1,120
Total operating expenditure	13,577	14,207	630	67,924	68,880	956	167,075
Depreciation	271	181	(90)	1,101	855	(246)	2,262
Surplus/(deficit) from Operations	(5,570)	(5,656)	86	(27,754)	(28,300)	546	(67,435)
Internal support costs	2,087	2,651	564	9,196	12,106	2,910	31,570
Surplus/(deficit)	(7,657)	(8,307)	650	(36,950)	(40,406)	3,456	(99,005)

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	302	335	(33)	1,335	1,414	(79)	3,996
Activity Income	92	52	40	396	261	135	798
Other income	58	58	0	286	287	(1)	831
NZ Transport Agency operating funding	587	618	(31)	2,987	3,408	(421)	7,688
Total operating income	1,039	1,063	(24)	5,004	5,370	(366)	13,313
Operating Expenditure							
Personnel costs	87	98	11	432	444	12	1,133
Capitalised personnel costs	0	0	0	(2)	0	2	0
Service delivery costs and professional services	1,149	1,221	72	5,566	6,063	497	15,497
Occupancy costs	63	122	59	283	380	97	861
Other expenditure	139	147	8	552	740	188	1,771
Total operating expenditure	1,438	1,588	150	6,831	7,627	796	19,262
Depreciation	249	239	(10)	1,243	1,192	(51)	2,874
Surplus/(deficit) from Operations	(648)	(764)	116	(3,070)	(3,449)	379	(8,823)
Internal support costs	231	294	62	1,018	1,341	322	3,496
Surplus/(deficit)	(879)	(1,058)	178	(4,088)	(4,790)	701	(12,319)

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	584	570	14	2,853	2,776	77	7,339
NZ Transport Agency operating funding	1,896	1,775	121	8,208	8,442	(234)	22,509
Total operating income	2,480	2,345	135	11,061	11,218	(157)	29,848
Operating Expenditure							
Personnel costs	988	1,089	101	5,121	5,554	433	13,667
Capitalised personnel costs	189	7	(182)	580	(204)	(784)	(487)
Service delivery costs and professional services	1,223	1,517	294	5,590	6,875	1,285	22,484
IT costs	20	204	184	897	1,040	143	2,489
Other expenditure	1,132	820	(312)	3,966	3,654	(312)	8,847
Total operating expenditure	3,552	3,637	85	16,154	16,919	765	47,000
Depreciation	1,230	1,261	31	6,408	6,429	21	14,900
Surplus/(deficit) from Operations	(2,302)	(2,553)	251	(11,501)	(12,130)	629	(32,052)
Internal support costs	513	651	138	2,259	2,974	715	7,755
Surplus/(deficit)	(2,815)	(3,204)	389	(13,760)	(15,104)	1,344	(39,807)

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	120	93	27	554	482	72	2,810
Parking Fees	3,689	3,595	94	18,302	18,062	240	45,362
Total operating income	3,809	3,688	121	18,856	18,544	312	48,172
Operating Expenditure							
Personnel costs	267	231	(36)	1,288	1,178	(110)	2,806
Capitalised personnel costs	6	0	(6)	27	0	(27)	0
Service delivery costs and professional services	301	316	15	1,584	1,573	(11)	3,817
Occupancy Costs	345	466	121	2,145	2,387	242	5,706
Other expenditure	26	116	90	177	522	345	1,347
Total operating expenditure	945	1,129	184	5,221	5,660	439	13,676
Depreciation	597	537	(60)	2,809	2,682	(127)	6,443
Surplus/(deficit) from Operations	2,267	2,022	245	10,826	10,202	624	28,053
Internal support costs	171	218	46	756	995	239	2,594
Surplus/(deficit)	2,096	1,804	291	10,070	9,207	863	25,459

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	429	(429)	1,028
Infringement income	2,541	2,340	201	13,541	13,803	(262)	30,906
Total operating income	2,541	2,426	115	13,541	14,232	(691)	31,934
Operating Expenditure							
Personnel costs	897	908	11	4,465	4,615	150	11,036
Capitalised personnel costs	(3)	0	3	1	0	(1)	0
Service delivery costs and professional services	168	148	(20)	704	718	14	1,686
Occupancy Costs	0	0	0	0	0	0	0
Other expenditure	192	654	462	3,255	3,460	205	8,590
Total operating expenditure	1,254	1,710	456	8,425	8,793	368	21,312
Depreciation	10	48	38	44	150	106	740
Surplus/(deficit) from Operations	1,277	668	609	5,072	5,289	(217)	9,882
Internal support costs	266	338	72	1,174	1,545	372	4,030
Surplus/(deficit)	1,011	330	681	3,898	3,744	155	5,852

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	730	727	3	3,654	3,633	21	8,720
Other income	432	313	119	2,642	2,458	184	4,980
NZ Transport Agency operating funding	3,962	4,431	(469)	18,674	22,124	(3,450)	44,278
Total operating income	5,124	5,471	(347)	24,970	28,215	(3,245)	57,978
Operating Expenditure							
Personnel costs	2,429	2,187	(242)	11,720	11,404	(316)	27,036
Capitalised personnel costs	(721)	(409)	312	(2,335)	(2,486)	(151)	(8,602)
Service delivery costs and professional services	7,132	7,158	26	31,743	33,443	1,700	83,696
Occupancy Costs	1,193	1,134	(59)	6,708	6,826	118	15,983
IT Costs	1	134	133	107	658	551	1,658
Other expenditure	27	396	369	2,112	2,381	269	5,145
Total operating expenditure	10,061	10,600	539	50,055	52,226	2,171	124,916
Depreciation	19,130	19,165	35	94,462	95,160	698	231,167
Surplus/(deficit) from Operations	(24,067)	(24,294)	227	(119,547)	(119,171)	(376)	(298,105)
Internal support costs	1,582	2,010	427	6,973	9,179	2,207	23,937
Surplus/(deficit)	(25,649)	(26,304)	654	(126,520)	(128,350)	1,831	(322,042)

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	1,172	847	325	5,519	4,232	1,287	10,158
Other income	199	19	180	845	98	747	233
NZ Transport Agency operating funding	1,514	1,273	241	8,653	4,404	4,249	10,280
Total operating income	2,885	2,139	746	15,017	8,734	6,283	20,671
Operating Expenditure							
Personnel costs	6,322	6,435	113	32,425	33,017	592	79,432
Capitalised personnel costs	(2,638)	(2,520)	118	(11,440)	(12,197)	(757)	(29,990)
Directors Fees	42	29	(13)	287	206	(81)	594
Service delivery costs and professional services	1,872	3,977	2,105	7,121	13,324	6,203	37,361
Other expenditure	2,952	1,636	(1,316)	10,847	8,473	(2,374)	20,047
Total operating expenditure	8,550	9,557	1,007	39,240	42,823	3,583	107,444
Depreciation	1,252	1,362	110	6,237	6,009	(228)	17,795
Taxation	0	0	0	0	0	0	0
Surplus/(deficit) from Operations	(6,917)	(8,780)	1,863	(30,460)	(40,098)	9,638	(104,568)
Internal support allocated	6,917	8,780	1,863	30,460	40,098	9,638	104,568
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	10,876	12,479	1,603	54,738	74,052	19,314	201,040
AT Metro (includes CRL)	9,232	10,926	1,694	37,130	51,894	14,764	176,396
Parking operations	195	720	525	448	3,333	2,885	6,245
Internal support	601	805	204	3,214	4,317	1,103	11,827
Total new capital	20,904	24,930	4,026	95,530	133,596	38,066	395,508
Renewal capital expenditure							
Roads and footpaths	19,104	21,928	2,824	71,609	75,704	4,095	189,826
AT Metro	655	544	(111)	2,071	2,402	331	5,915
Parking operations	64	400	336	206	1,059	853	2,234
Total renewal	19,823	22,872	3,049	73,886	79,165	5,279	197,975
Electric multiple units (EMUs)							
Procurement	923	1,106	183	9,579	22,785	13,206	26,798
Depot	0	0	0	(3)	0	3	0
Total EMUs	923	1,106	183	9,576	22,785	13,209	26,798
Total direct capital	41,650	48,908	7,258	178,992	235,546	56,554	620,281
Vested assets	0	0	0	41,473	25,000	(16,473)	100,000
Total capital	41,650	48,908	7,258	220,465	260,546	40,081	720,281

Section 3b – Summary of Capital Expenditure

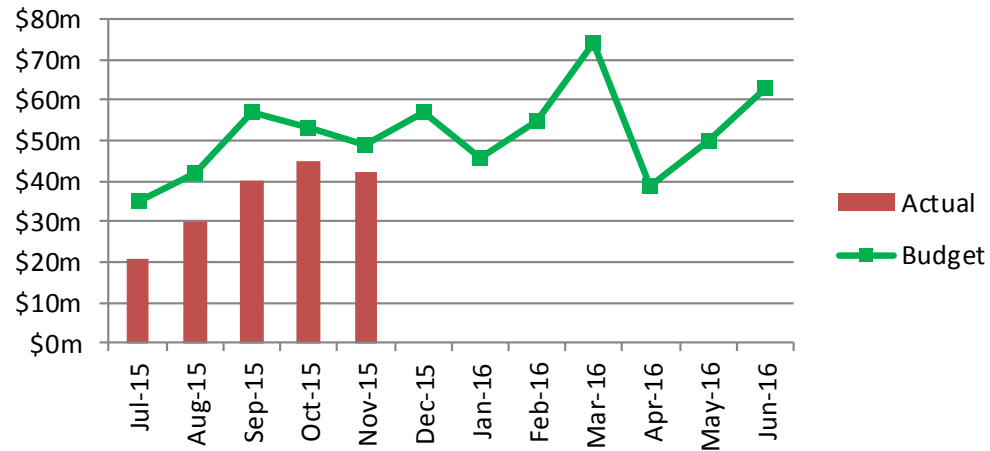
Split by category

	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	572	813	241	1,380	7,215	5,835	16,441
Roads and footpaths	9,272	10,518	1,246	48,642	53,630	4,988	138,411
AT Metro	2,685	4,707	2,022	12,516	21,701	9,185	59,379
Parking operations	195	720	525	448	3,333	2,885	6,245
Internal support	516	647	131	2,995	3,460	465	10,579
Total new capital core expenditure	13,240	17,405	4,165	65,981	89,339	23,358	231,055
Renewal							
Roads and footpaths	19,104	21,928	2,824	71,609	75,704	4,095	189,826
AT Metro	655	544	(111)	2,071	2,402	331	5,915
Parking operations	64	400	336	206	1,059	853	2,234
Total renewal core expenditure	19,823	22,872	3,049	73,886	79,165	5,279	197,975
Total core capital expenditure	33,063	40,277	7,214	139,867	168,504	28,637	429,030
Ring fenced capital expenditure							
City Rail Link - Others	5,346	5,072	(274)	19,787	23,746	3,959	49,903
City Rail Link - land	1,148	911	(237)	4,738	5,598	860	63,906
EMU depot	0	0	0	(3)	0	3	0
EMU procurement	923	1,106	183	9,579	22,785	13,206	26,798
Local Board initiatives	669	996	327	3,392	3,847	455	10,260
Local Residential Growth Fund	19	0	(19)	23	8,750	8,727	35,000
Others	482	546	64	1,609	2,316	707	5,384
Total ring fenced capital expenditure	8,587	8,631	44	39,125	67,042	27,917	191,251
Total direct capital excluding vested assets	41,650	48,908	7,258	178,992	235,546	56,554	620,281
Vested assets	0	0	0	41,473	25,000	(16,473)	100,000
Total capital	41,650	48,908	7,258	220,465	260,546	40,081	720,281

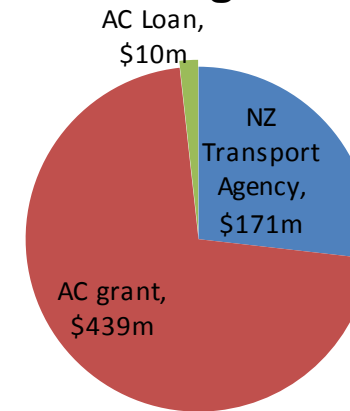
Section 3c – Capital Expenditure Funding

	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	5,230	6,930	(1,700)	20,290	23,242	(2,952)	101,427
NZ Transport Agency renewal co-investment	8,987	9,828	(841)	31,952	33,384	(1,432)	69,540
Auckland Council capital grant	26,510	32,150	(5,640)	117,174	168,920	(51,746)	439,314
Auckland Council loan (EMU)	923	0	923	9,576	10,000	(424)	10,000
Total new capital	41,650	48,908	(7,258)	178,992	235,546	(56,554)	620,281

Capital expenditure - per month (excluding vested assets)



Funding split - full year budget



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

	Note	Actual 30 November 2015 \$000	Actual 31 October 2015 \$000
Assets			
Current assets			
Cash and cash equivalents	1	6,555	8,624
Trade and other receivables	2	200,916	194,562
Inventories		6,554	6,751
Other assets		27,737	13,278
Non-current asset held for sale		4,400	4,400
Derivative financial instruments	3	600	298
Total current assets		246,762	227,913
Non-current assets			
Property, plant and equipment		16,143,338	16,148,010
Property, plant and equipment - work-in-progress		457,239	460,835
Intangible assets		113,418	113,921
Total non-current assets		16,713,995	16,722,766
Total assets		16,960,757	16,950,679

Section 4a – Statement of Financial Position

As at 30 November 2015

	Note	Actual 30 November 2015 \$000	Actual 31 October 2015 \$000
Liabilities			
Current liabilities			
Trade and other payables	4	157,403	138,886
Employee benefit liabilities	5	12,393	11,470
Borrowings	6	4,831	4,790
Total current liabilities		174,627	155,146
Non-current liabilities			
Derivative financial instruments	3	4,444	4,411
Trade and other payables	4	19,809	20,033
Employee benefit liabilities	5	675	675
Borrowings	6	479,019	479,392
Deferred tax liability	7	11,665	11,665
Total non-current liabilities		515,612	516,176
Total liabilities		690,239	671,322
Net assets		16,270,518	16,279,357
Equity			
Contributed equity		13,451,091	13,474,183
Retained earnings/(losses)		710,131	690,716
Reserves		2,109,296	2,114,458
Total equity		16,270,518	16,279,357

Section 4b – Notes to the Financial Statements

As at 30 November 2015

	Actual 30 November 2015 \$000	Actual 31 October 2015 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	6,280	8,350
Till floats	275	274
Total cash and cash equivalents	6,555	8,624
The carrying value of cash and cash equivalents approximates their fair value.		
2 Trade and other receivables		
Trade debtors	3,794	4,721
Finance lease receivable	71	73
Infringements receivable	31,826	31,634
Amounts due from related parties	142,159	134,263
Accrued income	35,272	34,442
Goods and services tax	2,437	3,978
	215,559	209,111
Less provision for impairment of receivables	(14,643)	(14,549)
Total trade and other receivables	200,916	194,562

Section 4b – Notes to the Financial Statements

As at 30 November 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 November 2015 is detailed below :

	Gross	Impaired	Net
	\$000	\$000	\$000
Not past due	183,010	-	183,010
Past due 1 - 30 days	2,326	-	2,326
Past due 31 - 60 days	1,482	-	1,482
Past due 61 - 90 days	1,375	-	1,375
Past due > 90 days	27,366	(14,643)	12,723
	215,559	(14,643)	200,916

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	525
Provisions reversed	-
Receivables written-off	-
At 30 November 2015	14,643

Section 4b – Notes to the Financial Statements

As at 30 November 2015

	Actual 30 November 2015 \$000	Actual 31 October 2015 \$000
3 Derivative financial instruments		
Current asset portion		
Forward foreign exchange contracts - cash flow hedges	600	298
Current derivative financial instruments	600	298
Total derivative financial instrument assets	600	298
Non-current liability portion		
Interest rate swaps - cash flow hedges	4,444	4,411
Non-current derivative financial instruments	4,444	4,411
Total derivative financial instrument liabilities	4,444	4,411

Forward foreign exchange contracts

The fair values of forward 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 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 \$13m. The foreign currency principal amount was USD \$9m. These cash flow hedges have been accounted for as effective and the gain of \$3K 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 flow s 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 \$33m. At 30 November 2015 the fixed interest rates of cash flow hedge interest rate swaps were 5.41%. The loss on their revaluation of \$849K has been recorded in the Statement of Financial Performance.

Section 4b – Notes to the Financial Statements

As at 30 November 2015

	Actual 30 November 2015 \$000	Actual 31 October 2015 \$000
4 Trade and other payables		
Current portion		
Creditors	30,668	13,266
Accrued expenses	110,916	109,962
Retentions	8,857	8,773
Amounts due to related parties	5,767	5,623
Income in advance	1,195	1,262
Total current trade and other payables	157,403	138,886
Non-current portion		
Amounts due to related parties	19,809	20,033
Total non-current trade and other payables	19,809	20,033
<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	2,963	2,414
Accrued leave	9,430	9,056
Current employee benefit liabilities	12,393	11,470
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 November 2015

	Actual 30 November 2015 \$000	Actual 31 October 2015 \$000
6 Borrowings		
Current portion		
Loans from Auckland Council	4,825	4,782
Finance Leases	6	8
Current borrowings	4,831	4,790
Non-current portion		
Loans from Auckland Council	479,019	479,392
Non-current borrowings	479,019	479,392
Weighted average cost of funds on total borrowings	6.00%	6.00%

Auckland Transport's loan debt of \$484m 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 November 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 November 2015	(11,665)	-	-	(11,665)

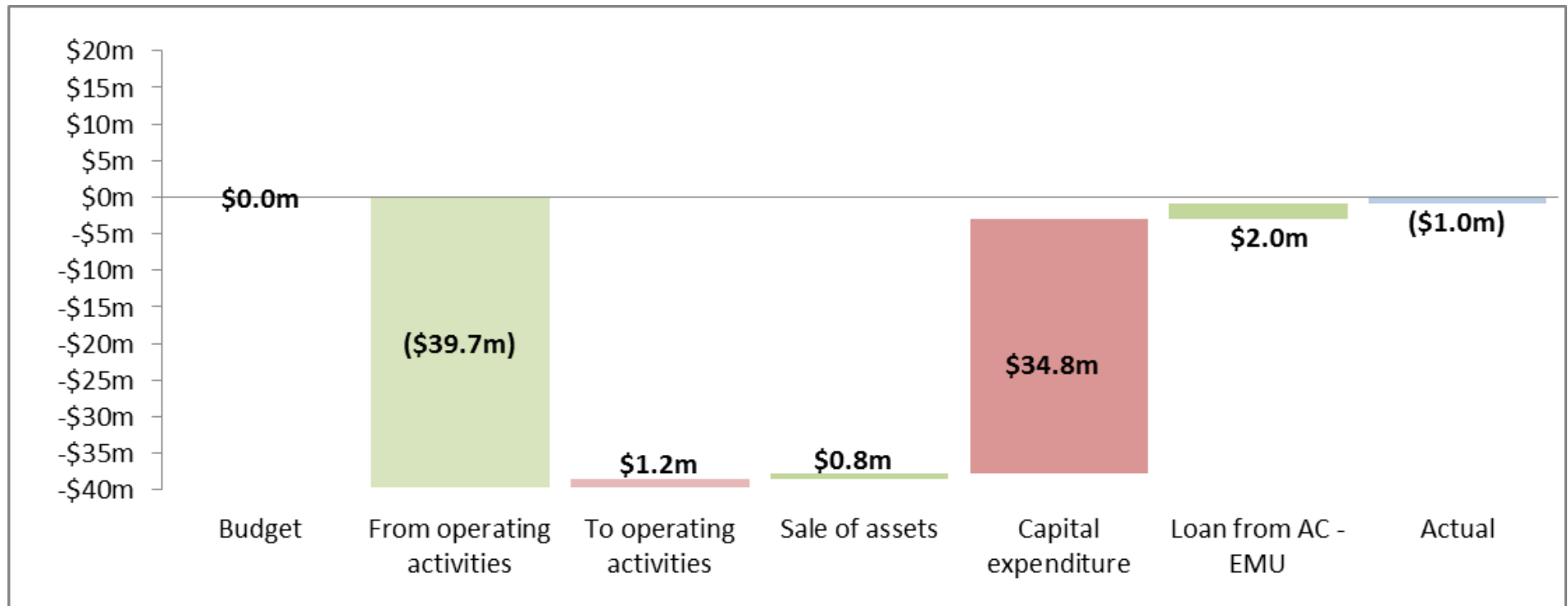
Section 5a – Cash Flow

	Year to date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	494,850	534,520	1,279,709
Cash applied to:			
Payments to suppliers, employees and directors	255,896	255,465	633,973
Interest paid	11,038	12,628	30,741
Goods and services tax (net)			
Total cash applied	266,934	268,093	664,714
Net cash from operating activities	227,916	266,427	614,995
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	756	-	-
Total cash provided	756	-	-
Cash applied to:			
Capital expenditure projects	229,735	264,547	620,281
Total cash applied	229,735	264,547	620,281
Net cash from investing activities	(228,979)	(264,547)	(620,281)
Cash flows from financing activities			
Cash provided from:			
Loan from Auckland Council - EMU	2,000	-	10,000
Capital contribution from Auckland Council	-	-	-
Total cash provided	2,000	-	10,000
Cash applied to:			
Repayments of EMU loan from Auckland Council	1,862	1,870	4,691
Repayments of finance lease principal	17	10	23
Total cash provided	1,879	1,880	4,714
Net cash from financing activities	121	(1,880)	5,286
Net (decrease)/increase in cash and cash equivalents	(942)	-	-
Opening cash balance	7,497	-	-
Closing cash balance	6,555	-	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
Surplus/(deficit) after tax	106,751
Add/(less) non cash items	
Depreciation and amortisation	128,906
Vested assets	(41,473)
Loss on disposal of property, plant and equipment	737
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate swaps	849
Income tax	-
	89,019
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	10,860
Decrease/(Increase) in inventories	(4,002)
(Decrease)/Increase in creditors and other payables	24,806
(Decrease)/Increase in employee benefits payable	482
	32,146
Net cash flow from operating activities	227,916

Section 5b – Cash Flow Waterfall

Cash flow – Year to date budget to actual



Section 6 – Accounts Receivable Report

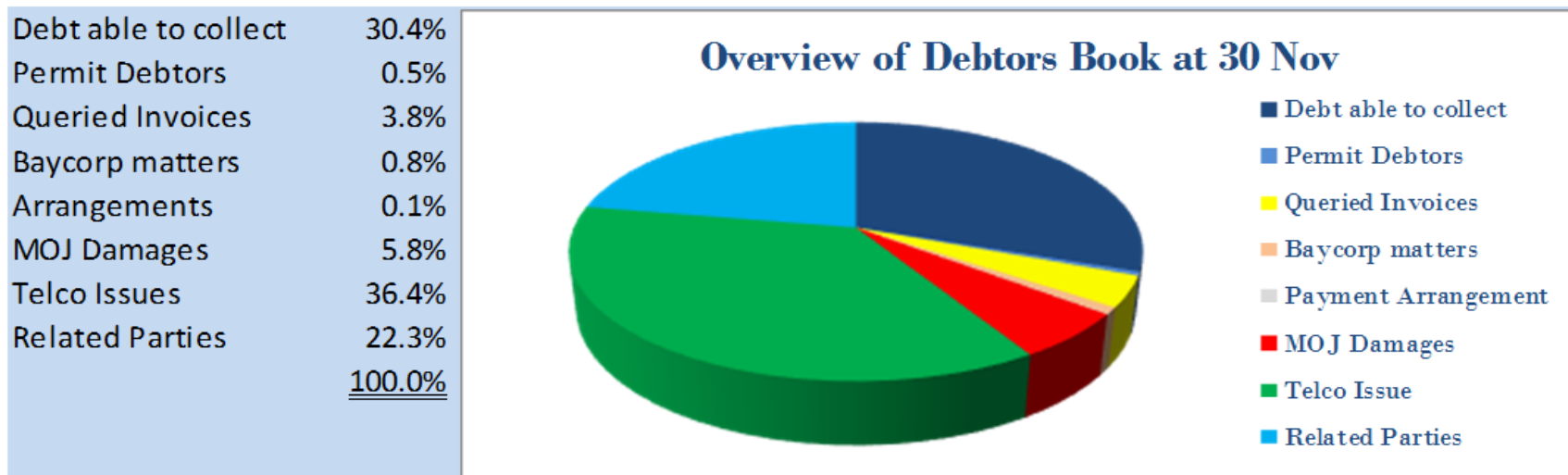
Accounts Receivable

An overview of the Debtors as at 30 November has 96.5% (96.1% October) of adjusted Debtors in 30 and 60 days, or not yet due.

<u>Debtors Ageing Analysis as at 30 November 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 Nov	167	4,865,001	1,748,829	640,276	64,866	186,564	39,809	2,184,657	1
Parking Permit Debtors	25	23,175	18,537	630	894	210	2,904	0	2
Total Debtors		4,888,176	1,767,366	640,906	65,760	186,774	42,713	2,184,657	
		100.0%	36.2%	13.1%	1.3%	3.8%	0.9%	44.7%	
O/s Related Parties	36	1,093,977	928,691	21,901	51,893	81,791	681	9,020	3
Trade Debtors	154	3,794,199	838,675	619,005	13,867	104,983	42,033	2,175,637	
		100.0%	22.1%	16.3%	0.4%	2.8%	1.1%	57.3%	
Queried Invoices	271	187,539	0	1,991	2,015	68,949	4,256	110,327	4
Cell Sites - Property	756	1,788,505	0	1,140	752	0	6,683	1,779,930	5
To Baycorp (Collection)	222	39,990	1,225	0	2,852	1,076	2,408	32,430	6
Payment Arrangement	130	2,857	0	0	1,188	0	115	1,554	7
Lodged Courts (Damages)	266	282,990	14,860	5,838	0	8,742	9,687	243,864	8
Adjusted Debtors		1,492,318	822,590	610,036	7,060	26,215	18,884	7,532	
		100.0%	55.1%	40.9%	0.5%	1.8%	1.3%	0.5%	

Notes relating to the Debtors Ageing Analysis:

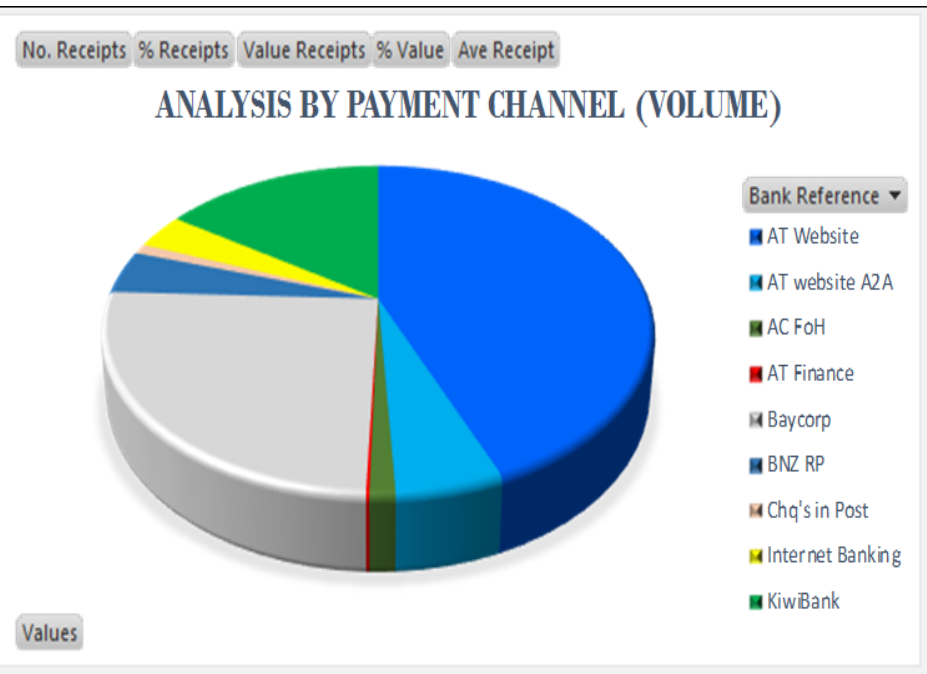
- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These permits are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices 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 cell sites dispute that has recently been resolved with both Spark and Vodafone. Agreement on the outstanding amount is resolved which will entail the fully impaired balance being written off but final entries are yet to be made. The future invoicing basis has also been agreed.
- 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:

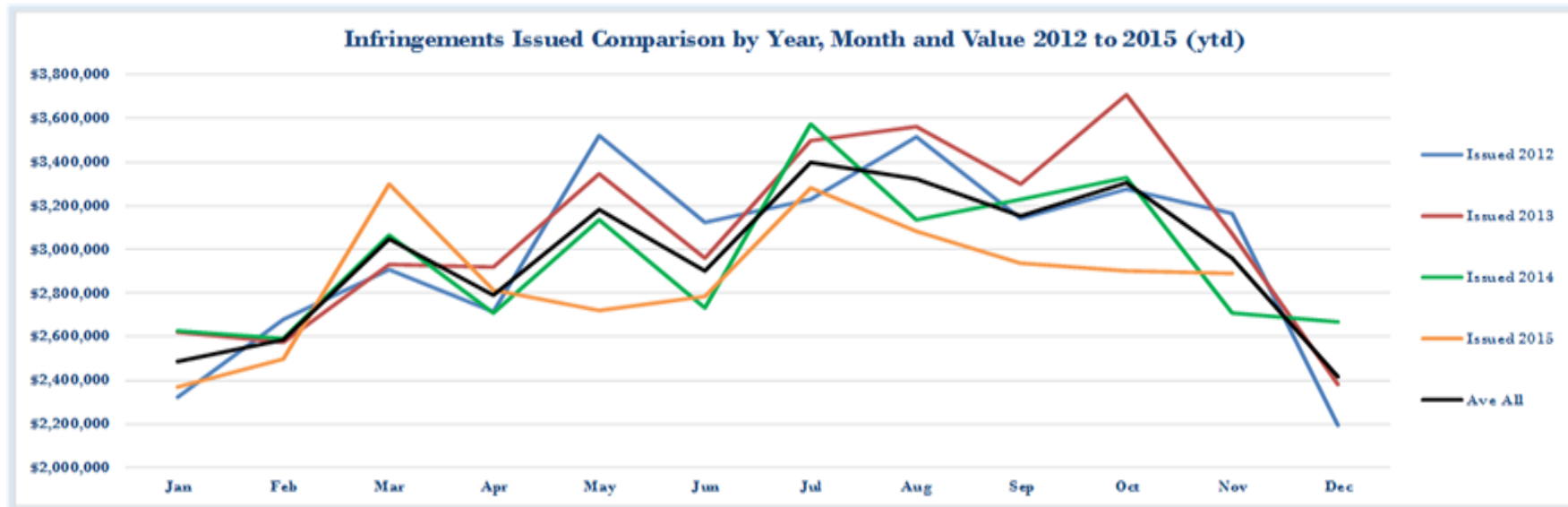
Row Labels	No. Receipts	% Receipts	Value Receipts	% Value	Ave Receipt
AT Website	12,114	43.8%	\$643,305.00	40.1%	\$53.10
AT website A2A	1,479	5.3%	\$79,691.40	5.0%	\$53.88
AC FoH	351	1.3%	\$32,905.30	2.0%	\$93.75
AT Finance	45	0.2%	\$3,955.00	0.2%	\$87.89
Baycorp	6,944	25.1%	\$447,813.64	27.9%	\$64.49
BNZ RP	1,180	4.3%	\$67,759.90	4.2%	\$57.42
Chq's in Post	277	1.0%	\$30,184.90	1.9%	\$108.97
Internet Banking	965	3.5%	\$54,014.36	3.4%	\$55.97
KiwiBank	4,297	15.5%	\$246,510.64	15.3%	\$57.37
Grand Total	27,652	100.0%	\$1,606,140.14	100.0%	\$58.08

Working days October -> 21
 Ave receipts / day Oct. -> 1,394
 Working days November -> 21
 Ave receipts / day Nov. -> 1,316
 Other influencing factors -> None

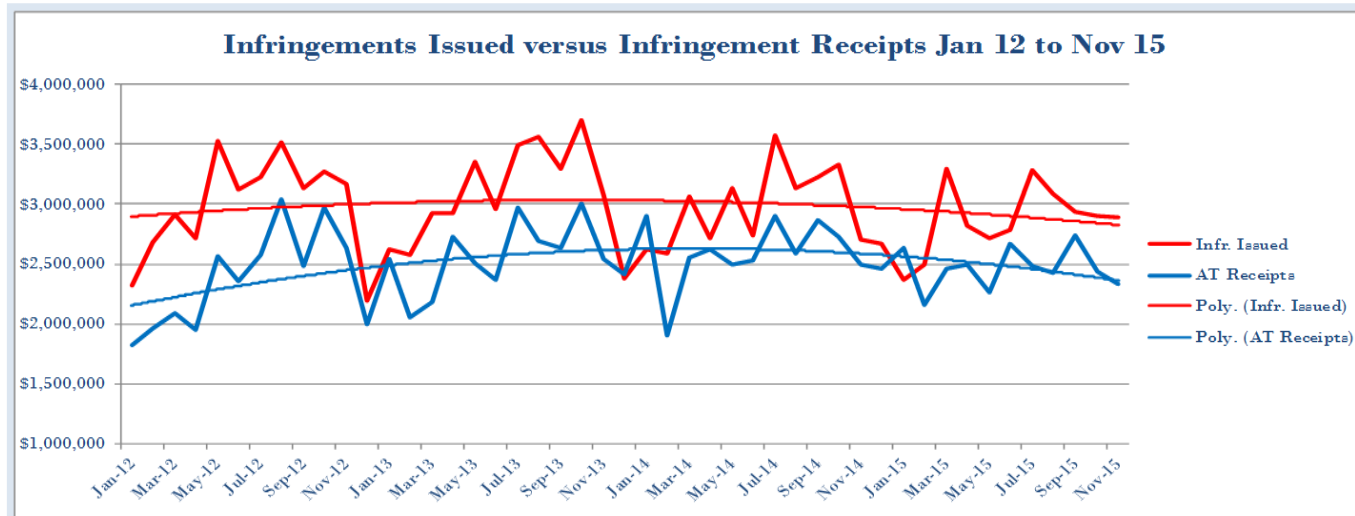


November's Infringement receipts by volume are down 5.5% on October (21 working days in each month). Of the customers not paying in response to a Baycorp letter of demand, 70% are making use of our electronic payment methods (70% in October).

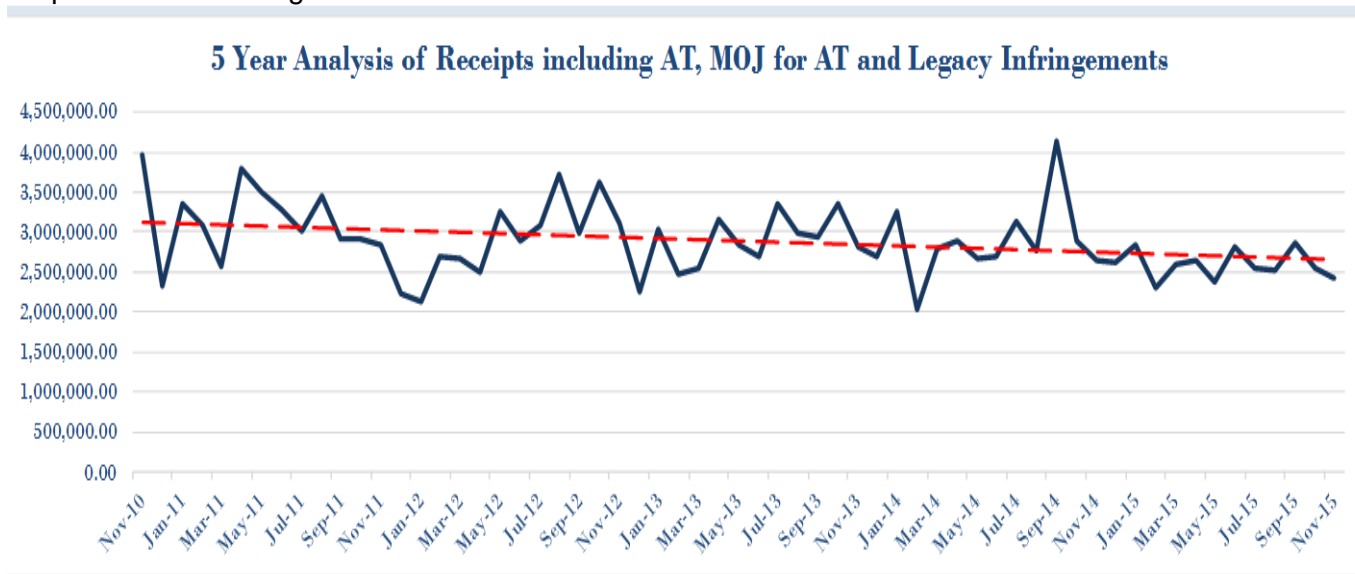
The following graph illustrates the seasonal issuance of infringements. Infringements issued in 2012 totalled \$35.8 million, 2013 \$36.8 million, 2014 \$35.5 million and current 11 month total for 2015 is \$31.6 million. On past trends we are expecting to report a total of \$34 million for 2015.



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 November is a direct result of the infringements issued in September and October. Infringements are handed to Baycorp on day 63 and remain with them for 87 days.



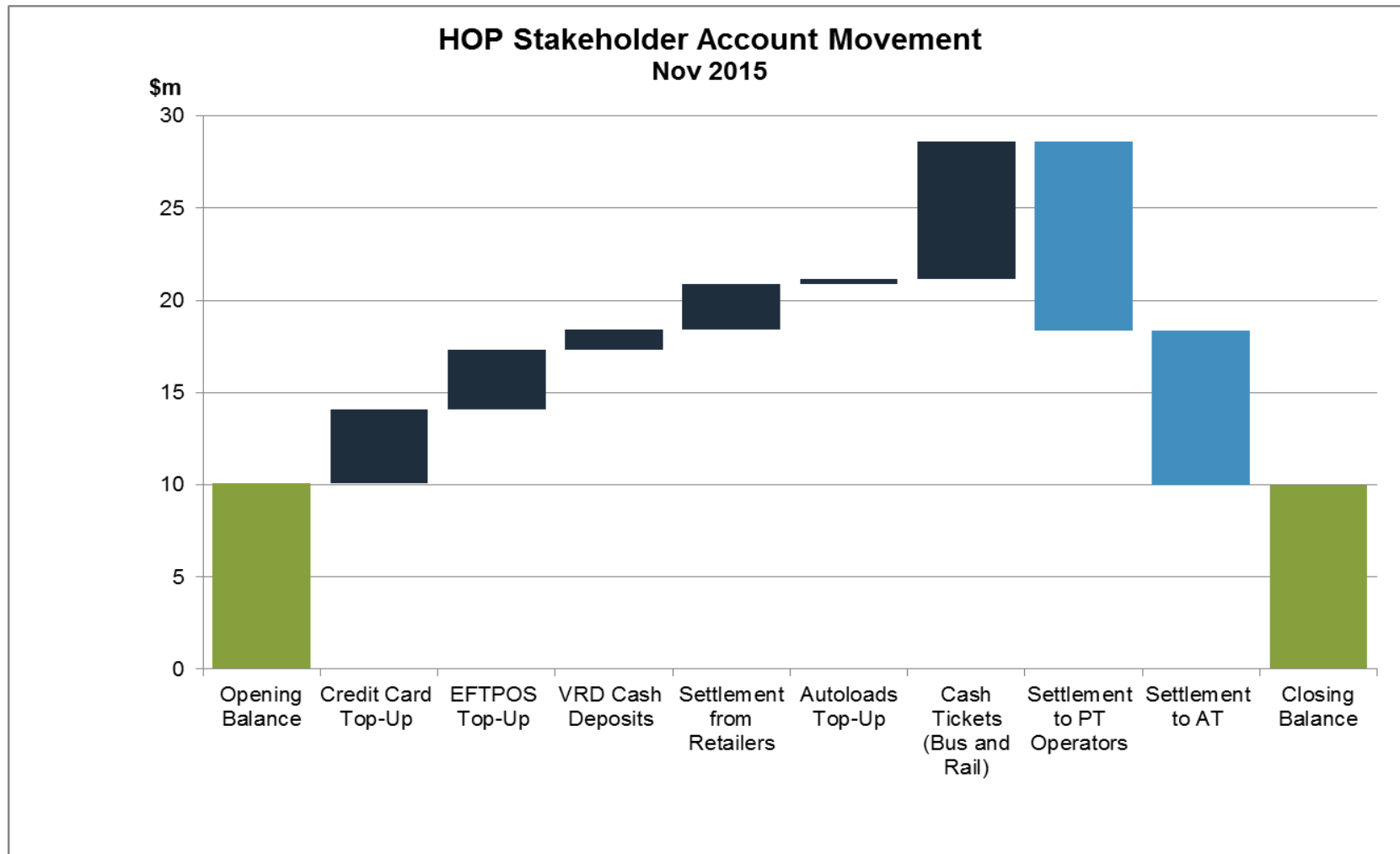
The following graphic overviews illustrate a gradual downward trend in total revenue from infringements lodged at the Ministry of Justice (MoJ). The graph includes AT's direct receipts as well as the income from MOJ for AT and Legacy. As expected, the Legacy receipts have gone down while the MOJ AT receipts have shown a gradual increase.



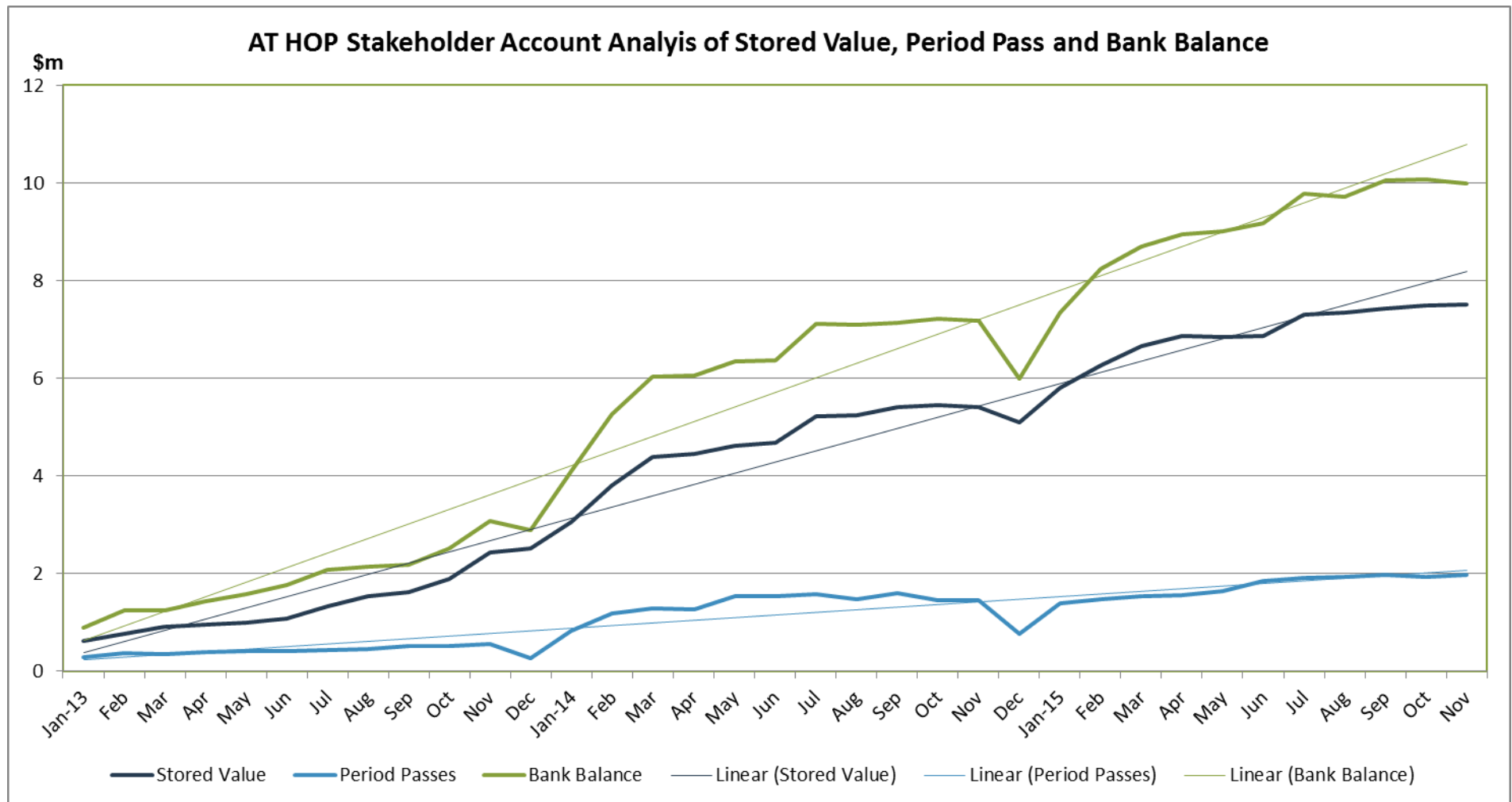
Section 7 – AT HOP Stakeholder Monthly Report

(Does not form part of AT results)


The AT HOP Stakeholder bank account has decreased by 1% in November 2015, from \$10.08 million to \$9.98 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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