

Financial Results – 11 months to 31 May 2014

This report summarises the Auckland Transport financial results for the eleven months ended 31 May 2014.

Recommendation

That the board:

- i. Receive the report

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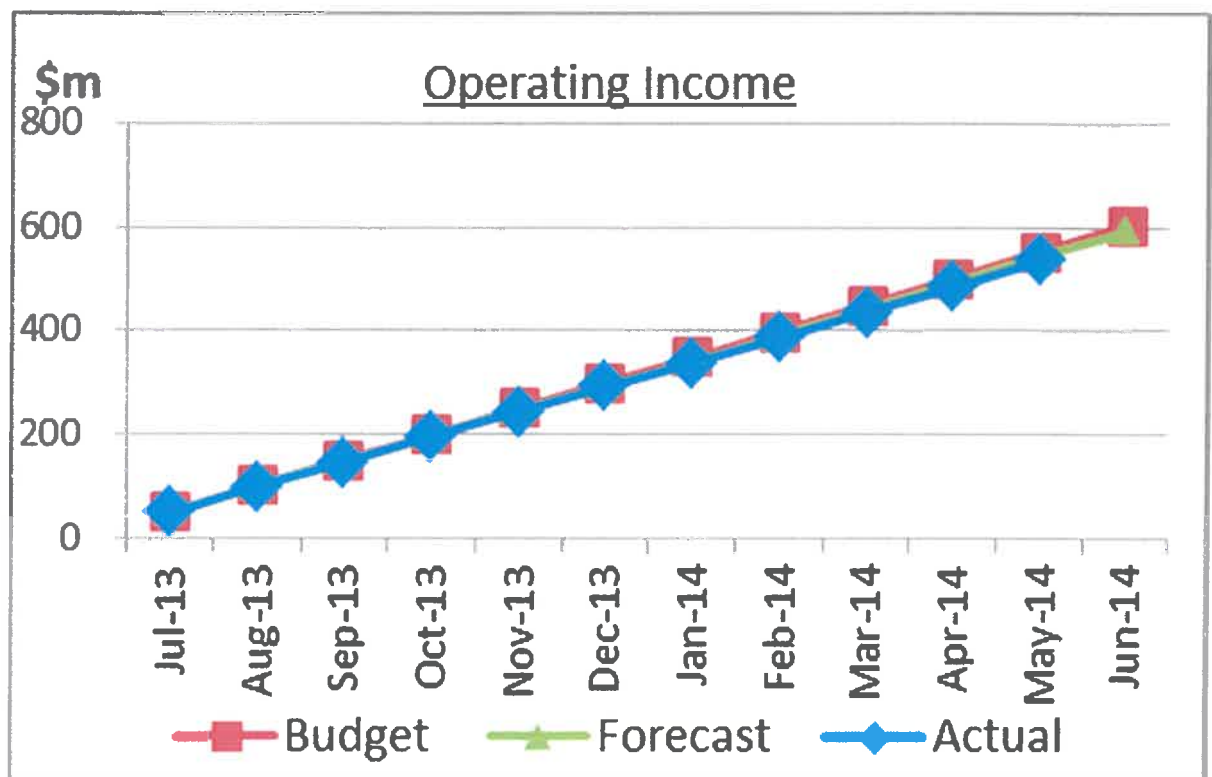
Executive Summary

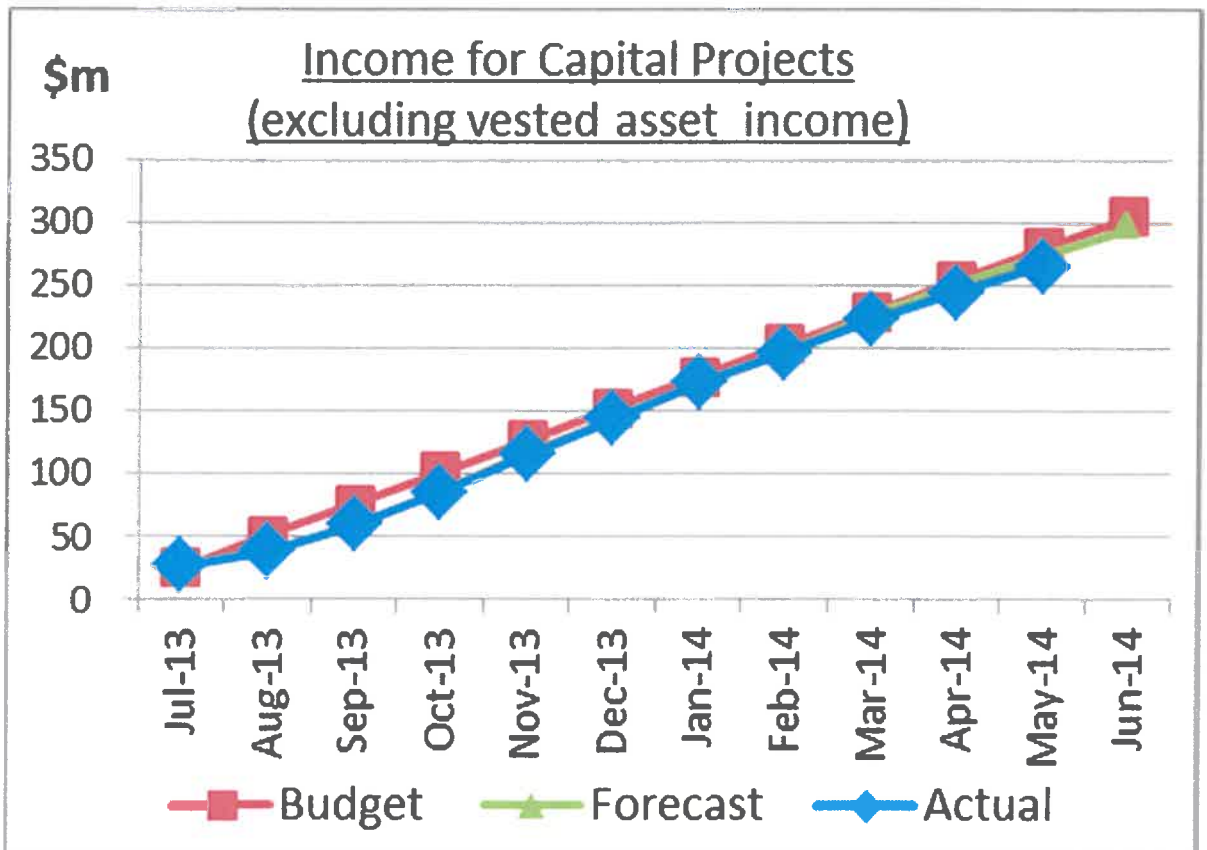
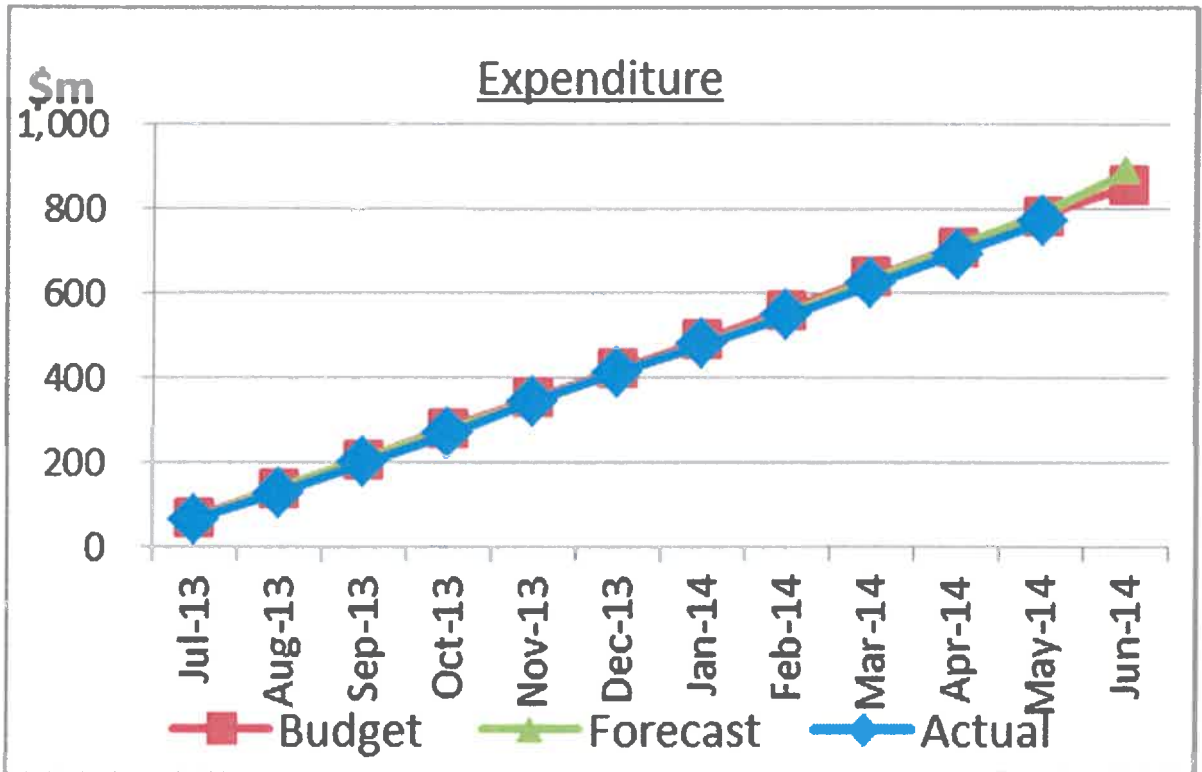
Financial Results for the eleven months ended 31 May 2014:

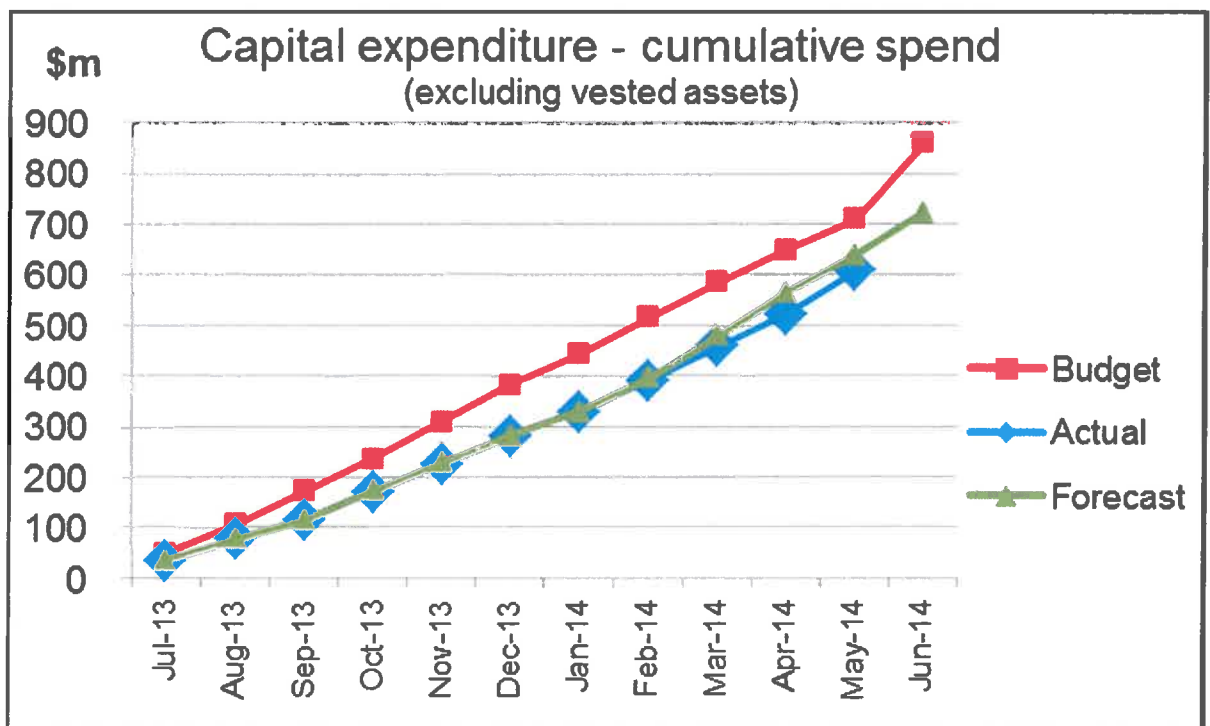
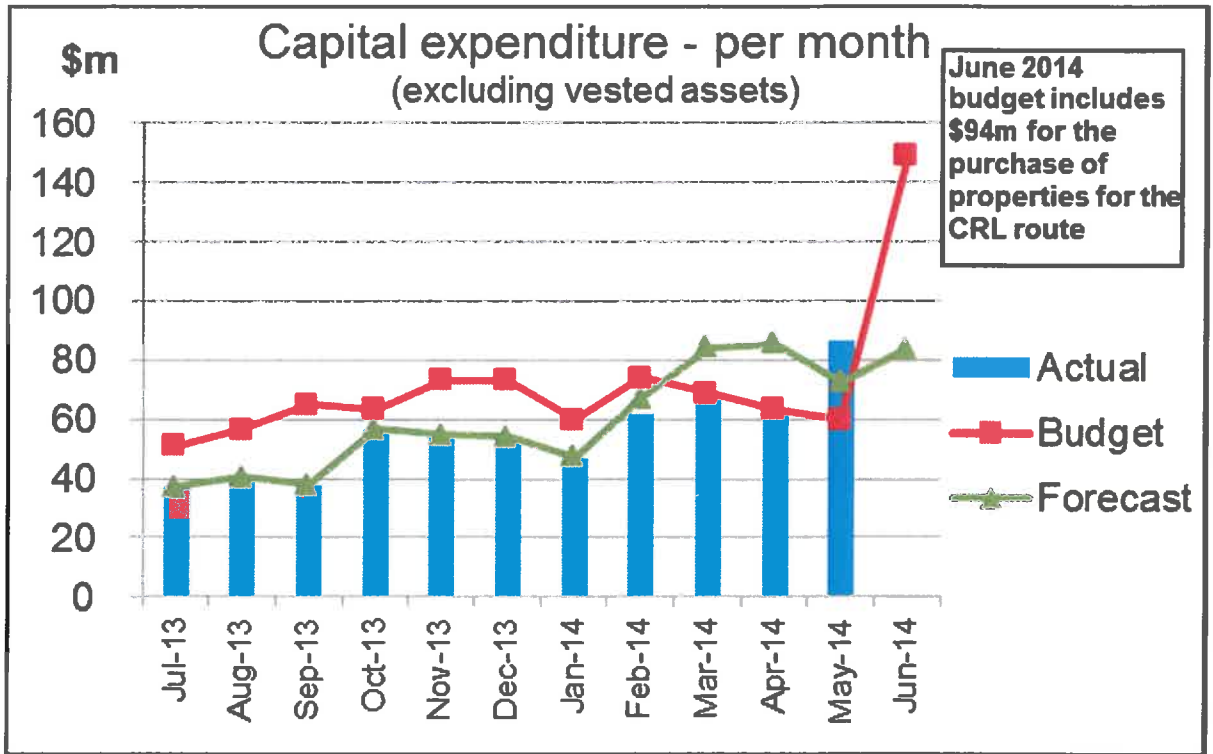
	Current month variance to Forecast \$m	Year to date variance to Forecast \$m	Year to date results	Year to date Actual \$m	Year to date Forecast \$m	Full year Forecast \$m	Full Year Budget \$m
Total operating income	1.7	(6.3)	↓ ●	537.3	543.5	593.4	604.0
Total operating expenditure	5.9	22.3	↓ ●	769.7	792.0	872.0	856.7
Surplus/(deficit) from operations	7.6	16.0	↑ ●	(232.4)	(248.5)	(278.6)	(252.7)
Income for capital projects	16.5	11.2	↑ ●	341.8	330.6	351.2	305.8
Net surplus/(deficit) before tax	24.1	27.2	↑ ●	109.3	82.1	72.6	53.1
Total direct capital	(14.0)	30.5	↓ ●	608.3	638.7	722.8	859.5

Key to symbols used:

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



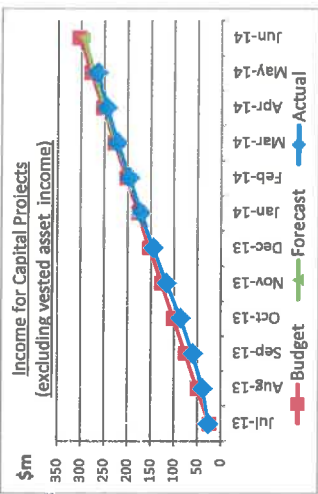
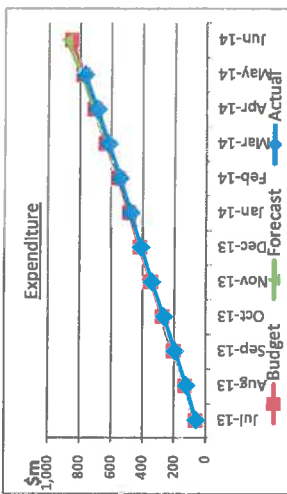
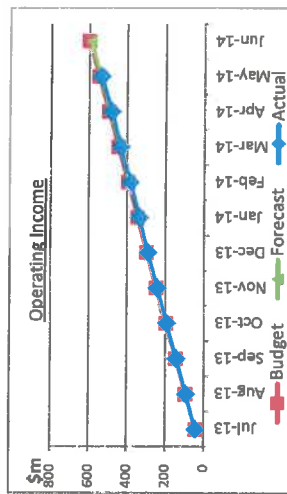




Section 2a - Auckland Transport Financial Results for the eleven months ended 31 May 2014

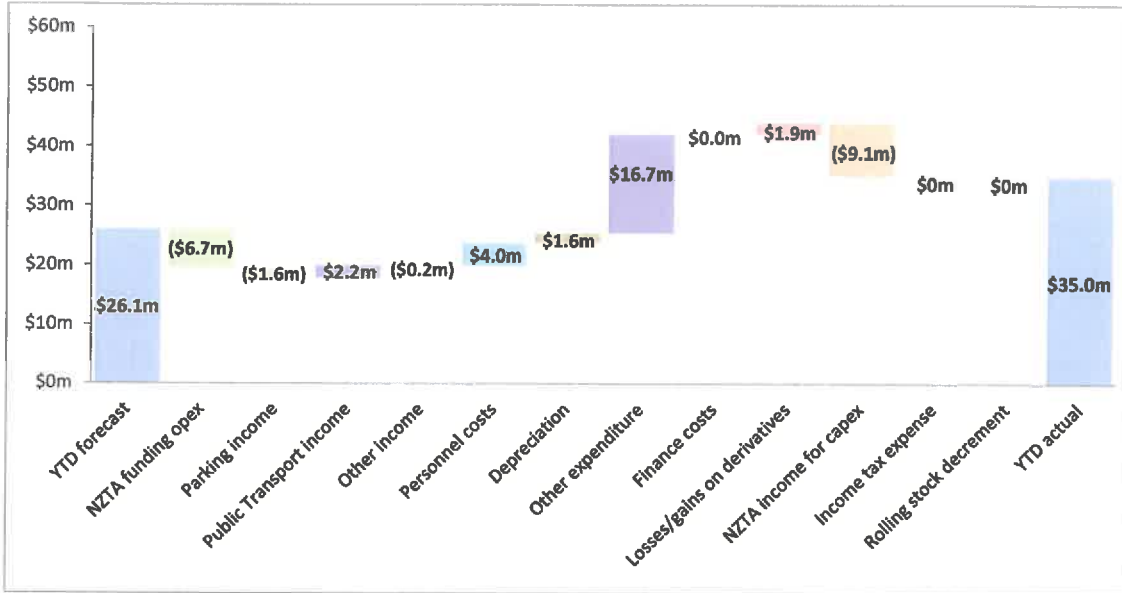
	Current month			Year to date			Full year			Results achieved
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000	
Income										
Operating income										
Auckland Council funding	19,178	19,178	-	210,980	210,980	-	230,138	230,138	-	●
NZ Transport Agency	20,621	18,952	1,769	189,411	196,147	(6,736)	214,201	219,917	(5,716)	●
Parking and enforcement income	5,795	6,603	(808)	65,931	67,483	(1,552)	73,620	76,932	(5,312)	●
Public transport income	5,503	4,680	823	50,088	47,917	2,169	52,262	51,379	883	●
Other revenue including other grants and subsidies	1,997	2,062	(65)	20,865	21,013	(148)	23,130	23,620	(490)	●
Total operating income	53,094	51,375	1,719	537,253	543,520	(6,267)	593,351	603,986	(10,635)	●
Expenditure										
Personnel costs	11,115	13,288	2,173	100,147	103,034	2,887	112,925	109,471	(4,454)	●
Capitalised personnel costs	(3,021)	(2,425)	596	(26,971)	(25,906)	1,063	(27,965)	(24,355)	3,610	●
Depreciation and amortisation expense	29,809	23,759	(50)	251,233	252,827	1,594	276,586	263,422	(23,164)	●
Other expenses	43,242	46,360	3,138	433,101	449,833	16,732	496,734	500,865	4,131	●
Finance costs (Electric Trains)	1,404	1,427	23	12,165	12,201	36	13,690	16,285	4,595	●
Total operating expenditure	76,549	82,429	5,880	769,675	791,987	22,312	871,970	896,688	(15,282)	●
Profit/(loss) from Operations	(23,455)	(31,054)	7,599	(32,422)	(248,467)	16,045	(278,619)	(352,702)	(25,917)	●
Income for capital projects										
NZ Transport Agency	9,558	13,307	(3,749)	148,469	157,544	(9,075)	167,492	177,639	(10,147)	●
Auckland Council capital grant	10,678	10,678	-	117,462	117,462	-	126,140	128,140	(2,000)	●
Other capital grants	-	-	-	-	-	-	-	-	-	●
Vested asset income	20,259	-	20,259	75,828	55,569	20,259	55,569	-	55,569	●
Net surplus/(deficit) before tax and derivatives	17,040	(7,069)	24,109	109,337	82,108	27,229	351,201	305,779	45,422	●
Losses/(gains) on derivatives	3,915	-	(3,915)	(1,469)	459	1,928	459	-	(459)	●
Income tax expense/(benefit)	-	-	-	(52)	(52)	-	(52)	-	52	●
Rolling stock revaluation decrement	-	-	-	-	-	-	16,666	-	(16,666)	●
Net surplus/(deficit) after tax and derivatives	13,125	(7,069)	20,194	110,868	81,701	29,157	55,509	53,077	2,432	●

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

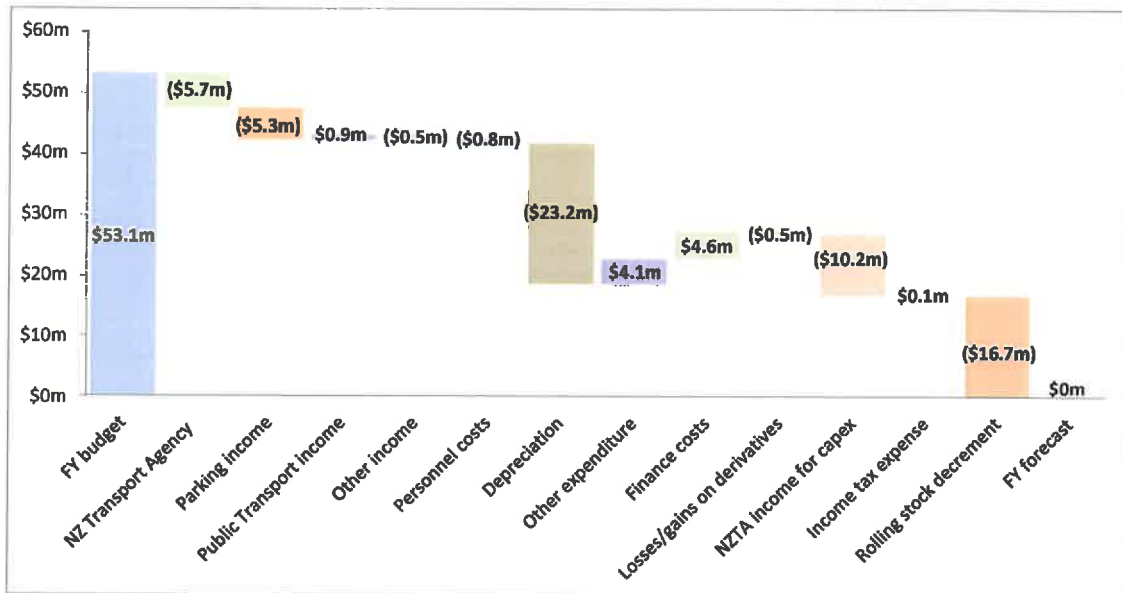


Section 2b - Net surplus/(deficit) waterfall

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



Net surplus/(deficit) - Full year budget to forecast (excluding vested asset income)



Section 2c - Summary of financial results by activity for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Rail	8,496	8,510	(14)	84,720	85,401	(681)	94,851	105,077	(10,226)
Bus	7,369	8,713	(1,344)	82,731	85,880	(3,149)	93,061	93,188	(127)
Ferry	801	953	(152)	8,536	9,129	(593)	9,988	9,832	156
Other Public Transport	5,232	2,216	3,016	24,410	23,272	1,138	25,372	24,640	732
Parking	3,518	3,340	178	34,785	34,567	198	37,761	37,942	(181)
Enforcement	2,277	3,263	(986)	31,166	32,916	(1,750)	35,859	40,990	(5,131)
Roading and footpaths	3,080	3,543	(463)	39,565	42,205	(2,640)	45,469	46,034	(565)
Internal support	3,143	1,659	1,484	20,400	19,190	1,210	20,852	16,145	4,707
Auckland Council operating funding	19,178	19,178	-	210,960	210,960	-	230,138	230,138	-
Total operating income	53,094	51,375	1,719	537,253	543,520	(6,267)	593,351	603,986	(10,635)
Operating Expenditure									
Rail	11,836	12,379	543	122,984	124,994	2,010	139,199	147,095	7,896
Bus	13,554	15,302	1,748	138,804	145,155	6,551	159,409	157,836	(1,573)
Ferry	1,346	1,534	188	12,978	13,967	989	15,221	14,915	(306)
Other Public Transport	4,317	4,492	175	38,227	39,387	1,160	43,220	44,025	805
Parking	1,558	1,261	(297)	11,625	12,153	528	13,340	14,566	1,226
Enforcement	1,751	2,097	346	18,268	18,491	223	20,124	20,976	852
Roading and footpaths	10,788	11,128	340	102,265	105,160	2,895	116,040	115,997	(43)
Internal support	7,589	10,477	2,888	73,491	79,853	6,362	88,833	87,857	(976)
Depreciation	23,810	23,759	(51)	251,233	252,827	1,594	276,584	253,421	(23,163)
Total operating expenditure	76,549	82,429	5,880	769,675	791,987	22,312	871,970	856,688	(15,282)
Profit/(loss) from Operations	(23,455)	(31,054)	7,599	(232,422)	(248,467)	16,045	(278,619)	(252,702)	(25,917)

Section 2c - Rail Operations for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Activity Income	3,323	2,850	473	27,797	26,760	1,037	29,378	29,715	(337)
Other income	90	92	(2)	970	954	16	1,045	1,460	(415)
NZTA operating subsidy	4,098	4,573	(475)	47,473	49,185	(1,712)	54,933	62,305	(7,372)
NZTA operating subsidy - Electric Trains	985	995	(10)	8,480	8,502	(22)	9,495	11,597	(2,102)
Total operating income	8,496	8,510	(14)	84,720	85,401	(681)	94,851	105,077	(10,226)
Operating Expenditure									
Personnel costs	849	288	(561)	2,402	1,894	(508)	2,136	2,343	207
Capitalised personnel costs	2	20	18	(86)	(9)	77	(109)	-	109
Service delivery costs and professional services	7,364	8,125	761	88,590	89,119	529	99,135	101,554	2,419
Occupancy costs	246	433	187	3,649	4,109	460	4,635	4,660	25
Track access charges	1,517	1,629	112	12,415	13,626	1,211	15,138	15,258	120
Other expenditure	454	457	3	3,849	4,053	204	4,577	4,995	418
Finance costs (Electric Trains)	1,404	1,427	23	12,165	12,202	37	13,687	18,285	4,598
Total operating expenditure	11,836	12,379	543	122,984	124,994	2,010	139,199	147,095	7,896
Depreciation	3,787	3,306	(481)	36,534	36,082	(452)	39,388	33,897	(5,491)
Surplus/(deficit) from Operations	(7,127)	(7,175)	48	(74,798)	(75,675)	877	(83,736)	(75,915)	(7,821)
Internal support costs	1,495	2,811	1,316	16,889	19,399	2,510	21,782	21,727	(55)
Surplus/(deficit)	(8,622)	(9,986)	1,364	(91,687)	(95,074)	3,387	(105,518)	(97,642)	(7,876)

Section 2c - Bus Operations for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Activity Income	1,134	919	215	11,016	10,258	758	11,094	10,620	474
Other income	11	8	3	2,003	2,137	(134)	2,145	2,238	(93)
NZTA operating subsidy	6,224	7,786	(1,562)	69,712	73,485	(3,773)	79,822	80,330	(508)
Total operating income	7,369	8,713	(1,344)	82,731	85,880	(3,149)	93,061	93,188	(127)
Operating Expenditure									
Personnel costs	235	327	92	2,041	2,168	127	2,387	2,605	218
Capitalised personnel costs	(97)	14	111	114	224	110	238	-	(238)
Service delivery costs and professional services	13,320	14,806	1,486	134,932	141,007	6,075	154,867	151,861	(3,006)
Occupancy costs	48	109	61	792	1,025	233	1,140	2,463	1,323
Other expenditure	48	46	(2)	725	731	6	777	907	130
Total operating expenditure	13,554	15,302	1,748	138,604	145,155	6,551	159,409	157,836	(1,573)
Depreciation	139	134	(5)	1,355	1,367	12	1,501	658	(843)
Surplus/(deficit) from Operations	(6,324)	(6,723)	399	(57,228)	(60,642)	3,414	(67,849)	(65,306)	(2,543)
Internal support costs	1,604	3,016	1,412	18,122	20,816	2,694	23,372	23,314	(58)
Surplus/(deficit)	(7,928)	(9,739)	1,811	(75,350)	(81,458)	6,108	(91,221)	(88,620)	(2,601)

Section 2c - Ferry Operations for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Operator access fees	230	218	12	2,983	2,864	119	3,084	3,075	9
Activity Income	31	51	(20)	506	541	(35)	580	500	80
Other Income	58	69	(11)	709	721	(12)	791	787	4
NZTA operating subsidy	482	615	(133)	4,338	5,003	(665)	5,533	5,470	63
Total operating income	801	953	(152)	8,536	9,129	(593)	9,988	9,832	156
Operating Expenditure									
Personnel costs	84	95	11	662	687	25	761	781	20
Capitalised personnel costs	105	6	(99)	35	(67)	(102)	(185)	(22)	163
Service delivery costs and professional services	899	1,137	238	9,862	10,849	987	11,950	10,940	(1,010)
Other expenditure	258	296	38	2,419	2,498	79	2,695	3,216	521
Total operating expenditure	1,346	1,534	188	12,978	13,967	989	15,221	14,915	(306)
Depreciation	177	177	-	1,931	1,931	-	2,107	2,074	(33)
Surplus/(deficit) from Operations	(722)	(758)	36	(6,373)	(6,769)	396	(7,340)	(7,157)	(183)
Internal support costs	152	285	133	1,712	1,967	255	2,209	2,203	(6)
Surplus/(deficit)	(874)	(1,043)	169	(8,085)	(8,736)	651	(9,549)	(9,360)	(189)

Section 2c - Other Public Transport Operations for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Other income	624	472	152	4,102	3,678	424	4,145	2,984	1,161
NZTA operating subsidy	4,608	1,744	2,864	20,308	19,594	714	21,227	21,656	(429)
Total operating income	5,232	2,216	3,016	24,410	23,272	1,138	25,372	24,640	732
Operating Expenditure									
Personnel costs	1,337	1,571	234	12,912	13,329	417	14,598	14,838	240
Capitalised personnel costs	(74)	28	102	(648)	(478)	170	(445)	(636)	(191)
Service delivery costs and professional services	1,770	1,885	115	16,186	16,958	772	18,571	23,618	5,047
IT costs	347	133	(214)	1,873	1,648	(225)	1,780	1,635	(145)
Other expenditure	937	875	(62)	7,904	7,930	26	8,716	4,570	(4,146)
Total operating expenditure	4,317	4,492	175	38,227	39,387	1,160	43,220	44,025	805
Depreciation	770	938	168	8,330	9,076	746	10,014	8,698	(1,316)
Surplus/(deficit) from Operations	145	(3,214)	3,359	(22,147)	(25,191)	3,044	(27,862)	(28,083)	221
Internal support costs	447	841	394	5,055	5,806	751	6,519	6,503	(16)
Surplus/(deficit)	(302)	(4,055)	3,753	(27,202)	(30,997)	3,795	(34,381)	(34,586)	205

Section 2c - Parking Operations for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Other income	70	72	(2)	823	808	15	880	771	109
Parking fees	3,448	3,268	180	33,942	33,759	183	36,881	37,171	(290)
Total operating income	3,518	3,340	178	34,765	34,567	198	37,761	37,942	(181)
Operating Expenditure									
Personnel costs	277	369	92	2,843	2,990	147	3,238	1,870	(1,368)
Capitalised personnel costs	(14)	(17)	(3)	(212)	(167)	45	(184)	(202)	(18)
Service delivery costs and professional services	251	329	78	2,545	2,966	421	3,327	4,315	988
Occupancy costs	616	492	(124)	5,375	5,540	165	5,990	6,518	528
(Profit)/loss on disposal of assets	354	-	(354)	406	52	(354)	52	-	
Other expenditure	74	88	14	668	772	104	917	2,065	1,148
Total operating expenditure	1,558	1,261	(297)	11,625	12,153	528	13,340	14,566	1,278
Depreciation	609	590	(19)	6,514	6,477	(37)	7,067	6,442	(625)
Surplus(deficit) from Operations	1,351	1,489	(138)	16,626	15,937	689	17,354	16,934	472
Internal support costs	148	278	130	1,672	1,921	249	2,157	2,152	(5)
Surplus(deficit)	1,203	1,211	(8)	14,954	14,016	938	15,197	14,782	467

Section 2c - Enforcement Operations for the eleven months ended 31 May 2014

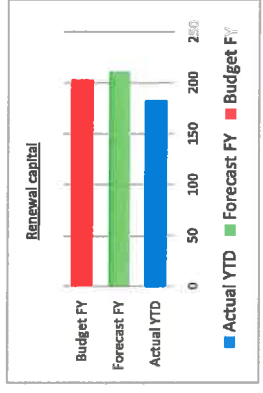
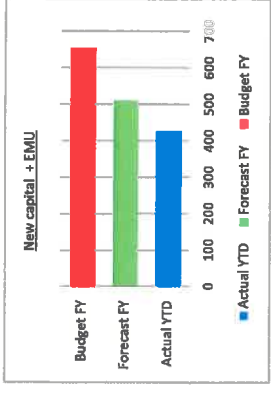
	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Infringement income	2,277	3,263	(986)	31,166	32,916	(1,750)	35,859	40,990	(5,131)
Total operating income	2,277	3,263	(986)	31,166	32,916	(1,750)	35,859	40,990	(5,131)
Operating Expenditure									
Personnel costs	945	1,323	378	9,849	10,054	205	10,893	11,906	1,013
Capitalised personnel costs	(5)	-	5	105	56	(49)	56	-	(56)
Service delivery costs and professional services	199	145	(54)	1,668	1,584	(84)	1,730	1,607	(123)
Other expenditure	612	629	17	6,646	6,797	151	7,445	7,463	18
Total operating expenditure	1,751	2,097	346	18,268	18,491	223	20,124	20,976	852
Depreciation	16	40	24	271	320	49	360	1,091	731
Surplus/(deficit) from Operations	510	1,126	(616)	12,627	14,105	(1,478)	15,375	18,923	(3,548)
Internal support costs	213	401	188	2,408	2,766	358	3,106	3,098	(8)
Surplus/(deficit)	297	725	(428)	10,219	11,339	(1,120)	12,269	15,825	(3,556)

Section 2c - Roading and Footpaths Operations for the eleven months ended 31 May 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
Operating Income									
Petrol tax	732	723	9	7,807	7,865	(58)	8,588	8,677	(89)
Other income	245	313	(68)	3,687	3,561	126	3,883	2,795	1,088
NZTA operating subsidy	2,103	2,507	(404)	28,071	30,779	(2,708)	32,998	34,562	(1,564)
Total operating income	3,080	3,543	(463)	39,565	42,205	(2,640)	45,469	46,034	(565)
Operating Expenditure									
Personnel costs	1,509	2,170	661	15,542	16,457	915	17,927	17,154	(773)
Capitalised personnel costs	(356)	(340)	16	(4,131)	(3,998)	133	(4,444)	(5,459)	(1,015)
Service delivery costs and professional services	7,927	7,557	(370)	73,613	75,551	1,938	83,622	84,300	678
Occupancy costs	1,339	1,328	(11)	13,684	13,094	(590)	14,423	15,347	924
IT costs	2	83	81	163	626	463	741	2,249	1,508
(Profit)/loss on disposal of assets	15	-	(15)	(349)	(364)	(15)	(364)	-	364
Other expenditure	352	330	(22)	3,743	3,794	51	4,135	2,406	(1,729)
Total operating expenditure	10,788	11,128	340	102,265	105,160	2,895	116,040	115,997	(43)
Depreciation	17,520	17,544	24	190,160	190,211	51	207,755	196,142	(11,613)
Surplus/(deficit) from Operations	(25,228)	(25,129)	(99)	(252,860)	(253,166)	306	(278,326)	(266,105)	(12,221)
Internal support costs	1,179	2,216	1,037	13,318	15,298	1,980	17,177	17,134	(43)
Surplus/(deficit)	(26,407)	(27,345)	938	(266,178)	(268,464)	2,286	(295,503)	(283,239)	(12,264)

Section 3a - Summary of Capital Expenditure for the eleven months ended 31 May 2014
Split by activity

	Current month			Year to date			Full year			
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Forecast \$000	Budget \$000	Variance \$000
New capital expenditure										
Roads and footpaths	20,576	26,286	4,720	179,491	206,086	26,595	🟡	229,119	232,562	3,443
Public transport	21,628	12,064	(9,534)	96,738	94,161	(2,577)	🟡	110,675	258,838	146,163
Parking operations	30	320	290	698	1,037	399	🟢	1,624	8,289	6,675
Internal support	2,274	3,386	1,112	16,667	20,089	3,432	🟢	22,970	4,712	(18,258)
Total new capital	44,507	41,056	(3,412)	293,594	321,443	27,849	🟡	364,388	502,411	138,023
Renewal capital expenditure										
Roads and footpaths	19,663	17,340	(2,323)	173,377	180,839	7,462	🟡	196,463	188,200	(8,263)
Public transport	536	816	280	8,366	11,014	2,648	🟢	12,368	12,722	364
Parking operations	247	355	108	1,333	1,341	8	🟢	2,169	2,121	(38)
Internal support	-	-	-	-	-	-	-	-	-	-
Total renewal	20,446	18,511	(1,935)	183,076	193,194	10,118	🟢	210,980	203,043	(7,937)
Electric multiple units (EMUs)										
Procurement	19,213	12,887	(6,326)	122,242	113,098	(9,144)	🟡	136,439	135,589	(850)
Depot	2,420	140	(2,280)	9,354	11,002	1,648	🟢	11,007	18,429	7,422
Total EMUs	21,633	13,027	(8,606)	131,596	124,100	(7,496)	🟢	147,446	154,018	6,572
Total direct capital	86,586	72,633	(13,953)	608,286	638,737	30,471	🟡	722,814	859,472	136,658
Vested assets	20,269	-	(20,269)	75,828	55,569	(20,259)	🟢	55,569	-	(55,569)
Total capital	106,845	72,633	(34,212)	684,094	694,306	10,212	🟡	778,383	859,472	81,089



- 🟢 : Largely on track
- 🟡 : Some issues or risks
- 🔴 : Project issues or risks

Section 3b - Summary of Capital Expenditure for the eleven months ended 31 May 2014

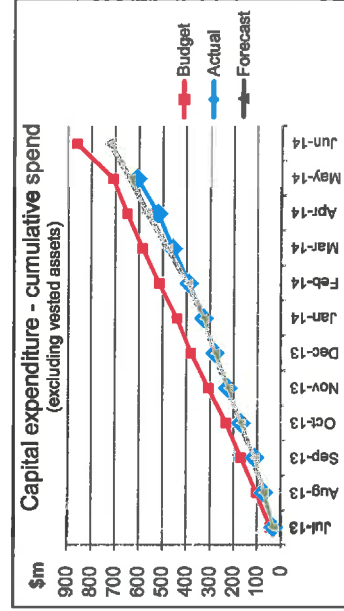
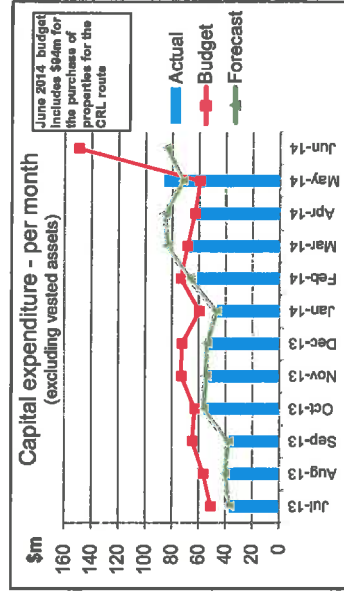
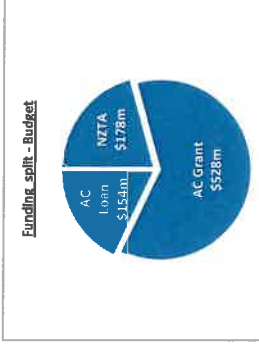
Split by category

	Current month			Year to date			Full year			
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Forecast \$000	Budget \$000	Variance \$000
Core capital expenditure										
New capital										
Capital land acquisition	2,879	3,830	1,051	32,253	39,836	7,583	●	47,129	43,789	(3,340)
Roads and footpaths	16,947	19,981	3,014	141,928	159,829	17,901	●	174,152	171,527	(2,625)
Public transport	7,374	5,860	(1,414)	42,688	47,949	5,261	●	59,026	84,462	25,436
Parking operations	30	320	290	698	1,097	399	●	1,624	8,299	6,675
Internal support	1,769	3,288	1,519	15,917	19,020	3,103	●	21,772	4,712	(17,060)
Total new capital core expenditure	28,999	33,459	4,460	233,484	267,731	34,247	●	303,703	312,789	9,086
Renewal										
Roads and footpaths	19,663	17,340	(2,323)	173,377	180,839	7,462	●	196,463	185,697	(10,766)
Public transport	536	816	280	8,366	11,014	2,648	●	12,358	12,722	364
Parking operations	247	355	108	1,333	1,341	8	●	2,169	2,121	(38)
Total renewal core expenditure	20,446	18,511	(1,935)	183,076	193,194	10,118	●	210,980	200,540	(10,440)
Total core capital expenditure	49,445	51,970	2,525	416,560	460,925	44,365	●	514,683	513,329	(1,354)
Ring fenced capital expenditure										
City Rail Link- others	2,521	2,088	(423)	17,140	15,838	(1,302)	●	17,753	30,163	12,410
City Rail Link- land	11,641	3,675	(7,966)	36,278	28,314	(6,964)	●	32,726	137,214	104,488
EMU depot	2,420	140	(2,280)	9,354	11,002	1,648	●	11,007	18,429	7,422
EMU procurement	19,213	12,687	(6,326)	122,242	113,098	(9,144)	●	136,439	135,589	(850)
Local Board initiatives	987	1,563	566	5,684	7,397	1,713	●	8,633	15,900	7,267
Others	359	310	(49)	1,008	1,163	155	●	1,573	8,848	7,275
Total ring fenced capital expenditure	37,141	20,663	(16,478)	191,706	177,812	(13,894)	●	208,131	346,143	138,012
Total direct capital excluding vested assets	86,586	72,633	(13,953)	608,266	638,737	30,471	●	722,814	859,472	136,658
Vested assets	20,259	-	(20,259)	75,828	55,569	(20,259)	●	55,569	-	(55,569)
Total capital	106,845	72,633	(34,212)	684,094	694,306	10,212	●	778,383	859,472	81,089

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

Section 3c- Capital Expenditure Funding for the eleven months ended 31 May 2014

Funding	Current month			Year to date			Full year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
NZTA - new capital	4,618	10,588	(5,970)	70,214	79,976	(9,762)	86,987	111,621	(24,634)
NZTA - renewal capital	4,940	2,719	2,221	78,255	77,568	687	80,505	86,019	14,486
Auckland Council funding (Non EIMU)	10,678	10,678	-	117,462	117,462	-	128,140	128,140	-
Investment by Auckland Council	44,717	35,621	9,096	210,739	239,631	(28,892)	279,736	389,674	(119,938)
Auckland Council loan (EIMU)	21,633	13,027	8,606	131,696	124,100	7,496	147,446	154,018	(6,572)
Vested assets	20,259	-	20,259	75,828	55,569	20,259	55,569	-	55,569
Total funding	106,845	72,633	34,212	684,094	694,306	(10,212)	778,383	859,472	(81,089)



**Section 4a - Statement of Financial Position
As at 31 May 2014**

	Note	Actual 31 May 2014 \$000	Actual 30 April 2014 \$000
Assets			
Current assets			
Cash and cash equivalents	1	44,751	44,450
Trade and other receivables	2	130,647	131,094
Inventories		4,246	4,888
Other assets		4,214	8,103
Total current assets		183,858	188,535
Non-current assets			
Property, plant and equipment - assets		14,266,923	14,105,099
Property, plant and equipment - work-in-progress		640,007	729,577
Intangible assets		101,665	92,657
Amounts due from related parties		46,000	46,000
Total non-current assets		15,054,595	14,973,333
Total assets		15,238,453	15,161,868
Liabilities			
Current liabilities			
Derivative financial instruments	3	34,310	34,151
Trade and other payables	4	160,571	133,437
Employee benefit liabilities	5	8,965	11,767
Borrowings	6	2,416	2,292
Total current liabilities		206,262	181,647
Non-current liabilities			
Derivative financial instruments	3	12,152	12,363
Employee benefit liabilities	5	745	851
Borrowings	6	320,233	308,571
Deferred tax liability	7	9,121	9,121
Total non-current liabilities		342,251	330,906
Total liabilities		548,513	512,553
Net assets		14,689,940	14,649,315
Equity			
Contributed equity		13,151,952	13,127,980
Retained earnings/(losses)		429,563	416,439
Reserves		1,108,425	1,104,896
Total equity		14,689,940	14,649,315

**Section 4b - Notes to the Financial Statements
As at 31 May 2014**

Actual	Actual
31 May 2014	30 April 2014
\$000	\$000

1 Cash and cash equivalents

Cash at bank - Trading	4,259	7,767
Till floats	282	282
Cash investment with Auckland Council	40,210	36,401
Total cash and cash equivalents	44,751	44,450

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

2 Trade and other receivables

Trade debtors	5,164	2,743
Finance lease receivable	109	111
Infringements receivable	17,934	18,177
Amounts due from related parties	71,469	70,979
Accrued income	31,411	30,396
Goods and services tax	7,963	8,837
	134,050	131,243
Less provision for impairment of receivables	(3,403)	(149)
Total trade and other receivables	130,647	131,094

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 31 May 2014 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	112,543	-	112,543
Past due 1 - 30 days	1,901	-	1,901
Past due 31 - 60 days	2,116	-	2,116
Past due 61 - 90 days	1,220	-	1,220
Past due > 90 days	16,270	(3,403)	12,867
	134,050	(3,403)	130,647

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 2013	1,754
Additional provisions made	1,658
Provisions reversed	(1)
Receivables written-off	(8)
At 31 May 2014	3,403

Section 4b - Notes to the Financial Statements
As at 31 May 2014

	Actual	Actual
	31 May 2014	30 April 2014
	\$000	\$000

3 Derivative financial instruments

Current liability portion

Forward foreign exchange contracts - cash flow hedges	34,310	34,151
Forward foreign exchange contracts - not hedge accounted	-	-

Current derivative financial instruments	34,310	34,151
---	---------------	---------------

Non-current liability portion

Interest rate swaps - cash flow hedges	8,612	5,134
Forward foreign exchange contracts - cash flow hedges	3,540	7,229

Non-current derivative financial instruments	12,152	12,363
---	---------------	---------------

Total derivative financial instrument liabilities	46,462	46,514
--	---------------	---------------

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 - not hedge accounted

The notional principal amount of outstanding forward foreign exchange contracts that were not hedge accounted was NZD \$Nil. The foreign currency principal amount was EUR €Nil.

Forward foreign exchange contracts - hedge accounted

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$251m. The foreign currency principal amount was USD \$177m. These cash flow hedges have been accounted for as effective and the loss of \$19m 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 \$253m. At 31 May 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.20% to 5.41%. The gain on their revaluation of \$2.9m has been recorded in the Statement of Financial Performance.

4 Trade and other payables

Creditors	27,707	8,091
Accrued expenses	110,862	105,812
Retentions	6,387	6,291
Amounts due to related parties	14,280	11,815
Income in advance	1,335	1,428
	160,571	133,437

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.

**Section 4b - Notes to the Financial Statements
As at 31 May 2014**

Actual	Actual
31 May 2014	30 April 2014
\$000	\$000

5 Employee benefit liabilities

Current portion

Accrued salaries and wages	2,039	5,207
Accrued leave	6,926	6,560
Current employee benefit liabilities	8,965	11,767

Non-current portion

Retirement gratuities	383	383
Long service leave	362	468
Non-current employee benefit liabilities	745	851

6 Borrowings

Current portion

Loans from Auckland Council	2,246	2,123
Finance Leases	170	169
Current borrowings	2,416	2,292

Non-current portion

Loans from Auckland Council	319,923	308,246
Finance Leases	310	325
Non-current borrowings	320,233	308,571

Weighted average cost of funds on total borrowings	5.62%	5.60%
--	-------	-------

Auckland Transport's loan debt of \$322m is issued at fixed rates of interest ranging from 4.20% to 6.09%. The interest rate on finance leases is 3%.

7 Deferred tax liability

	Property, plant and equipment	Other provisions	Tax losses	Actual 31 May 2014 Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2013	(9,173)	-	-	(9,173)
Charged to profit and loss	52	-	-	52
Charged to equity	-	-	-	-
Balance at 31 May 2014	(9,121)	-	-	(9,121)

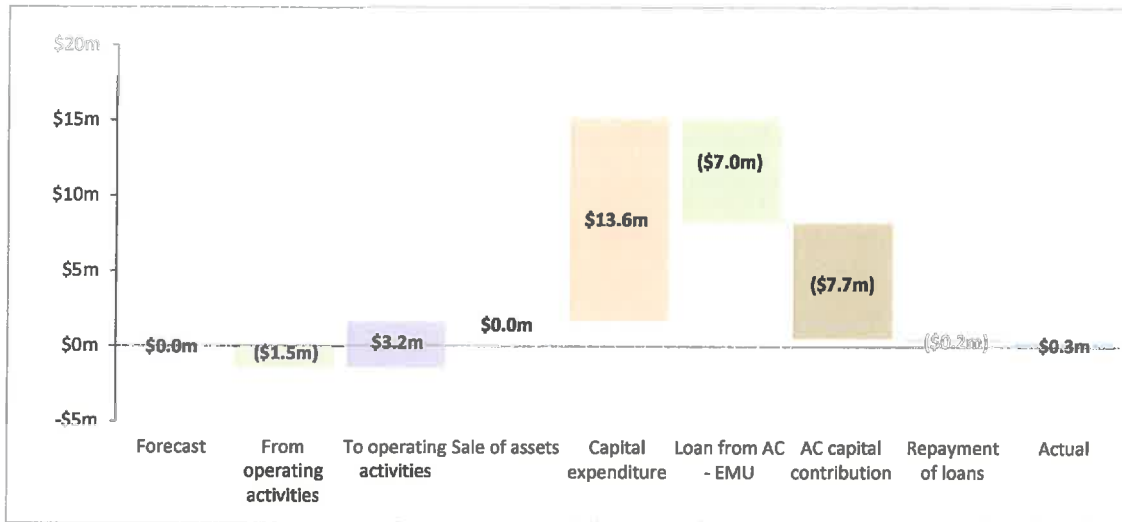
Section 5a - Cash Flow Rolling Forecast as at 31 May 2014

	Current month		Forecast
	Actual	Forecast	Jun 2014
	\$000	\$000	\$000
Cash flows from operating activities			
Total cash provided	73,854	75,360	70,459
Cash applied to:			
Payments to suppliers, employees and directors	47,077	49,948	48,192
Interest paid	1,142	1,427	1,485
Goods and services tax (net)	-	-	-
Total cash applied	48,219	51,375	49,678
Net cash from operating activities	25,635	23,985	20,781
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	10	-	-
Total cash provided	10	-	-
Cash applied to:			
Capital expenditure projects	59,082	72,633	84,078
Total cash applied	59,082	72,633	84,078
Net cash from investing activities	(59,072)	(72,633)	(84,078)
Cash flows from financing activities			
Cash provided from:			
Loan from Auckland Council - EMU	12,000	19,000	36,000
Capital contribution from Auckland Council	21,953	29,648	27,451
Total cash provided	33,953	48,648	63,451
Cash applied to:			
Repayments of EMU loan from Auckland Council	201	-	140
Repayments of finance lease principal	14	-	14
Total cash provided	215	-	154
Net cash from financing activities	33,738	48,648	63,297
Net (decrease)/increase in cash and cash equivalents	301	-	-
Opening cash balance	44,450	-	-
Closing cash balance	44,751	-	-

	Current month
Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
Surplus/(deficit) after tax	\$000
	13,125
Add/(less) non cash items	
Depreciation and amortisation	23,809
Vested assets	(20,259)
Loss on disposal of property, plant and equipment	369
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate swaps	3,478
Income tax	-
	7,397
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	22,187
Decrease/(Increase) in inventories	642
(Decrease)/Increase in creditors and other payables	3,336
(Decrease)/Increase in employee benefits payable	(2,908)
(Decrease)/Increase in investment funding from AC	(18,144)
	5,113
Net cash flow from operating activities	25,635

Section 5b - Cash flow

Cash flow - Current month forecast to actual



Section 6 - Accounts Receivable and Accounts Payable Monthly Report.

Accounts Receivable

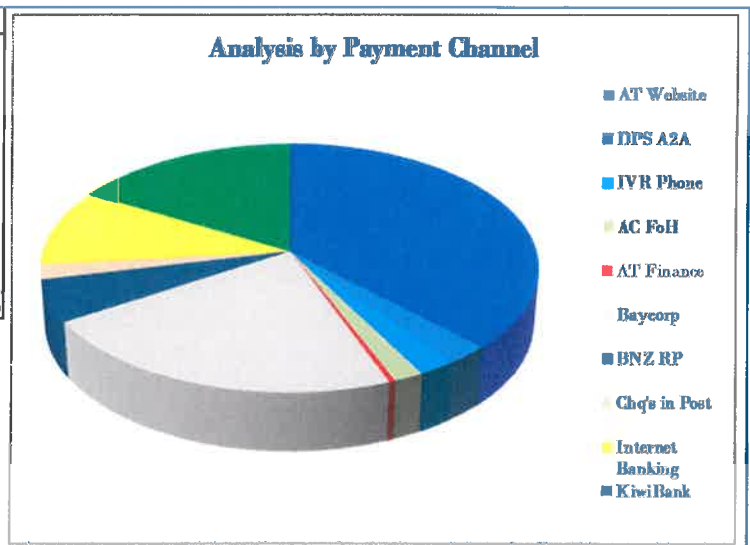
An overview of the Debtors as at 31 May has 88.2% (83.1% April) of adjusted Debtors in 30 and 60 days.

<u>Debtors Ageing Analysis as at 31 May 2014</u>								
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</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 31 May		6,046,286	2,314,551	100,030	686,660	44,603	2,900,443	
		100.0%	38.3%	1.7%	11.4%	0.7%	48.0%	
O/s Related Parties	32	881,691	864,067	313	3,330	0	13,980	1
Trade Debtors	119	5,164,596	1,450,484	99,717	683,330	44,603	2,886,463	
		100.0%	28.1%	1.9%	13.2%	0.9%	55.9%	
Queried Invoices	284	178,978	13,879	9,389	9,856	15,882	129,971	2
Cell Sites - Property	496	3,189,331	1,418	13,980	508,131	23,046	2,642,755	3
To Baycorp (Collection)	448	25,069	0	191	540	1,124	23,214	4
Parking Access Blocked	31	250	0	250	0	0	0	5
Lodged Courts (Damages)	150	147,780	59,823	19,363	7,425	1,445	59,725	6
<u>Adjusted Debtors</u>	<u>N/a</u>	<u>1,623,187</u>	<u>1,375,364</u>	<u>56,544</u>	<u>157,377</u>	<u>3,105</u>	<u>30,798</u>	
		100.0%	84.7%	3.5%	9.7%	0.2%	1.9%	

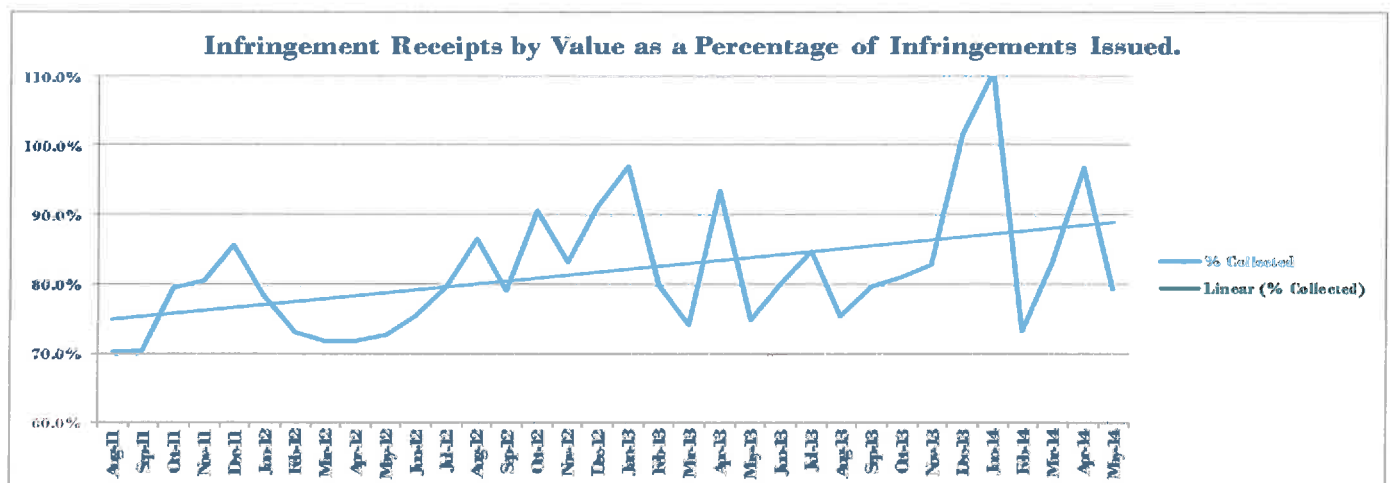
- 1 - Relates to amounts owed by related parties (inter-company).
- 2 - This comprises invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries. An amount of \$130k, outstanding from a group of apartment owners relating to increased parking charges under dispute, is with the Property Department who have demanded payment. Property appear to have resolved the matter and are of the opinion that there will be a substantial recovery of the rental arrears. An amount of \$91k was provided as doubtful in December in respect of these matters.
- 3 - The outstanding amount relates to ongoing cell sites dispute. While the total owing by the Telco's has been impaired and may be written off in the future, legal opinion has been sought and negotiations continue.
- 4 - This section comprises accounts lodged with Baycorp for collection. All these amounts have been impaired and some may be written off in the future. All amounts written off are approved by the CFO in accordance with policy.
- 5 - Parking Access Blocked comprises monthly parking leases who have had their access to the various car parks blocked due to non-payment.
- 6 - Lodged at Court 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

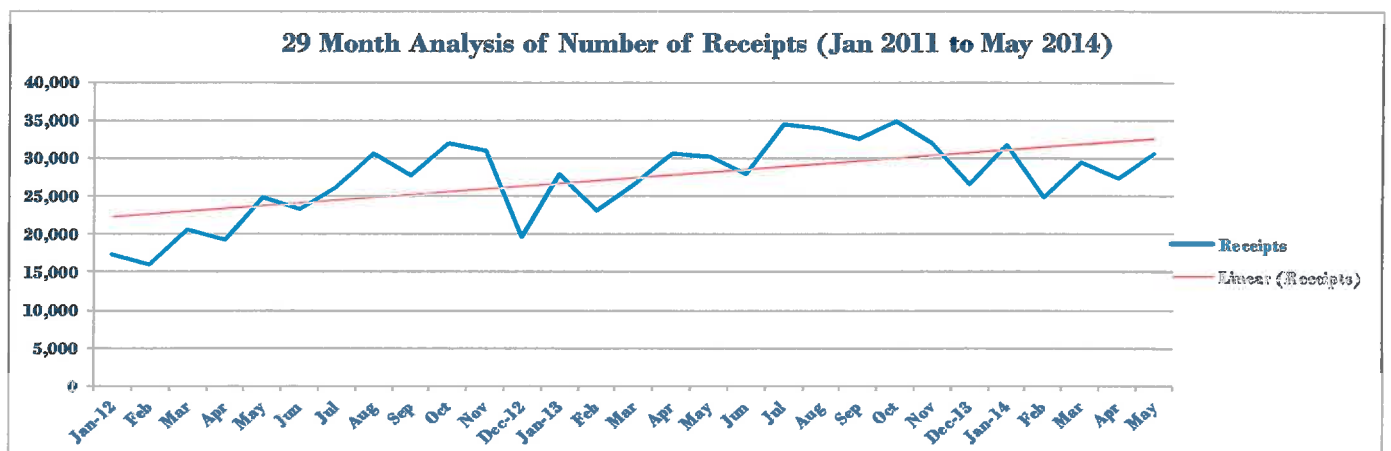
Row Labels	No. Receipts	% Receipts	Value Receipts	% Value
AT Website	11,452	37.5%	\$552,477.30	33.2%
DPS A2A	750	2.5%	\$44,628.00	2.7%
IVR Phone	655	2.1%	\$38,148.20	2.3%
AC FoH	529	1.7%	\$55,696.40	3.3%
AT Finance	109	0.4%	\$3,382.60	0.2%
Baycorp	6,639	21.8%	\$387,896.56	23.3%
BNZ RP	1,665	5.5%	\$86,014.40	5.2%
Chq's in Post	588	1.9%	\$53,189.59	3.2%
Internet Banking	3,054	10.0%	\$178,615.60	10.7%
KiwiBank	5,079	16.6%	\$266,105.72	16.0%
Grand Total	30,520	100.0%	\$1,666,154.37	100.0%



May's Infringement receipts by volume are 12% up on April (22 working days in May compared with 19 in April). Last month we reported that the IVR payment channel would end in May, but following discussions with Customer Services, it was decided to extend this end date by one month. The new Account2Account payment channel has not attracted as many clients as was hoped, but we will be amending the strip tickets to include this channel and we are hoping for a greater uptake. This is one of our most cost effective payment methods.

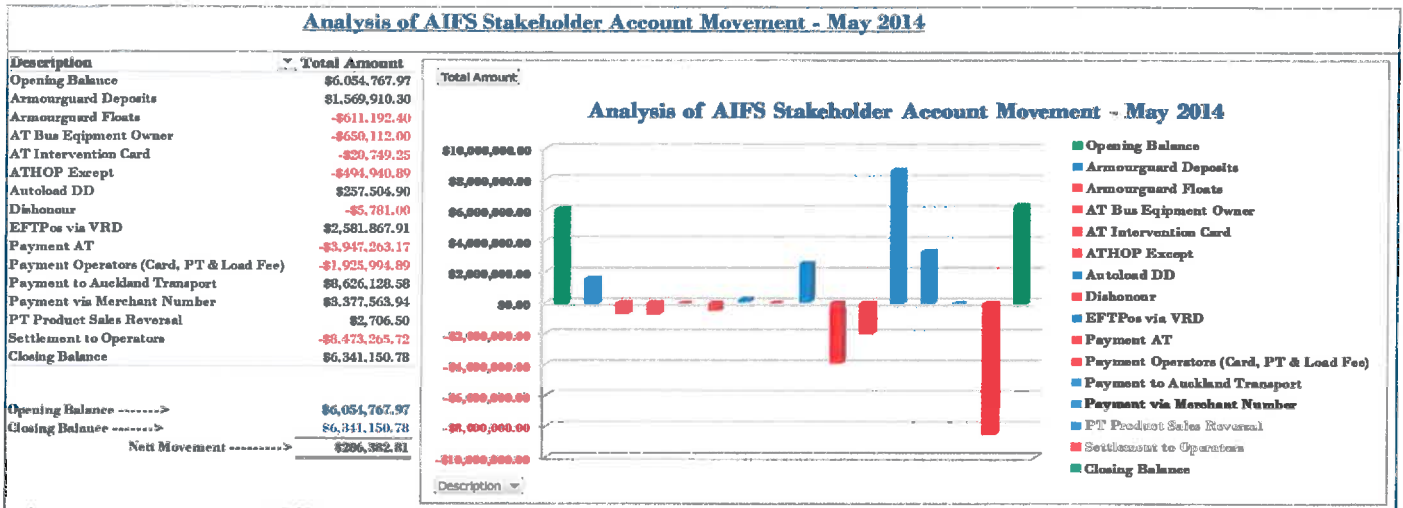


The graph above includes all receipts through AT and Baycorp. The trend line clearly shows improved collection rates over the 3 year period.

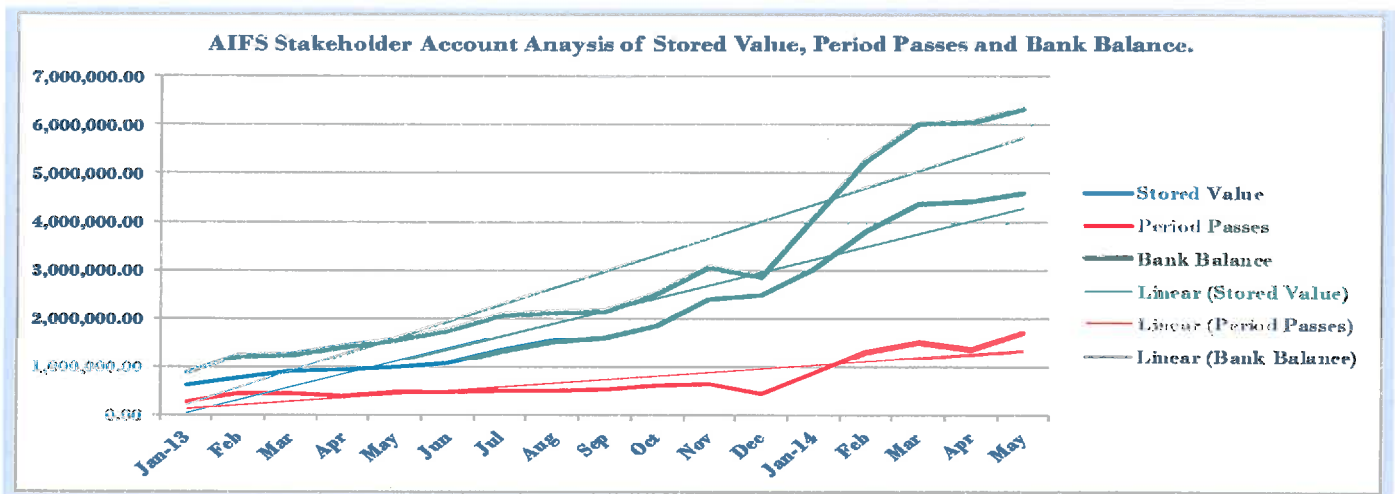


Section 7 - AIFS Stakeholder Monthly Report (Does not form part of AT results)

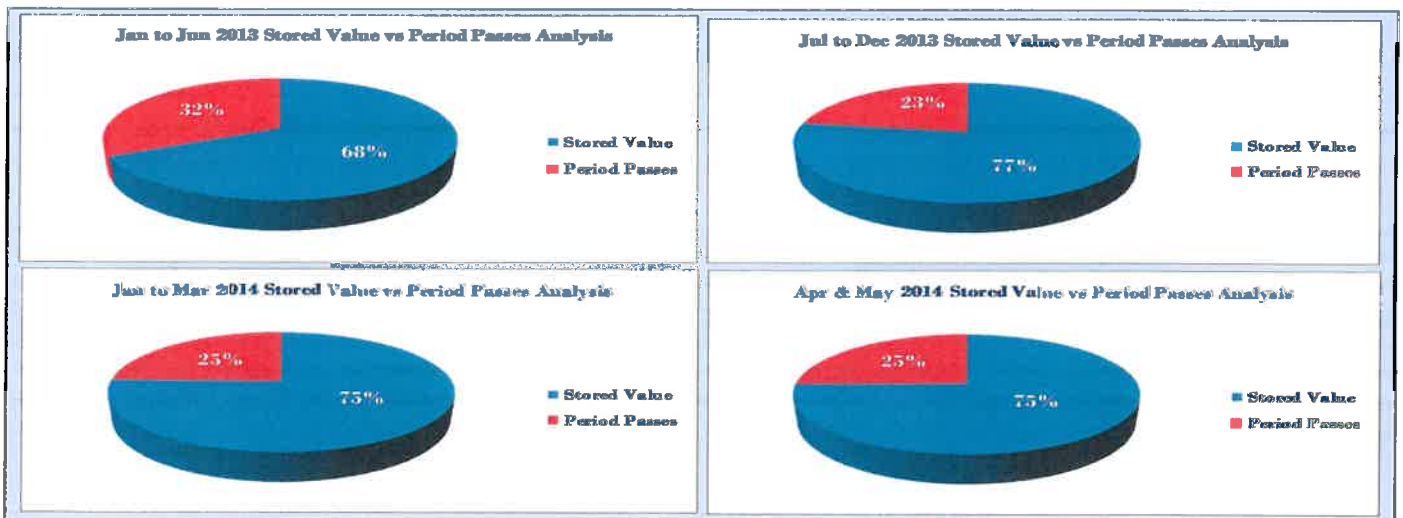
The AIFS Stakeholder bank account increased by 4.7% in May, following an increase of 0.5% in the bank balance in April.







The following graph provides an overview of monthly balances for Stored Value, Period Passes and the AIFS Stakeholder account together with trend lines. The Stakeholder account, Stored Value and Period Pass balances all increased by 4.7%, 4.0% and 25% respectively in May. The large Period Pass increase is as a result of schools returning in May.



The graphs below illustrate the split between stored value and period passes. Period Passes over the past 5 months have maintained a share of 25% of the Stakeholder Account.



Document ownership

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Recommended by	Julian Michael Financial Reporting Manager	
	Stephen Smith Finance Manager	
Approved for Submission	Richard Morris Chief Financial Officer	