

Financial Results for the Three Months Ended 30 September 2014

This report summarises the Auckland Transport financial results for the three months ended 30 September 2014.

Recommendation

That the Board:

- i. Receives the report.

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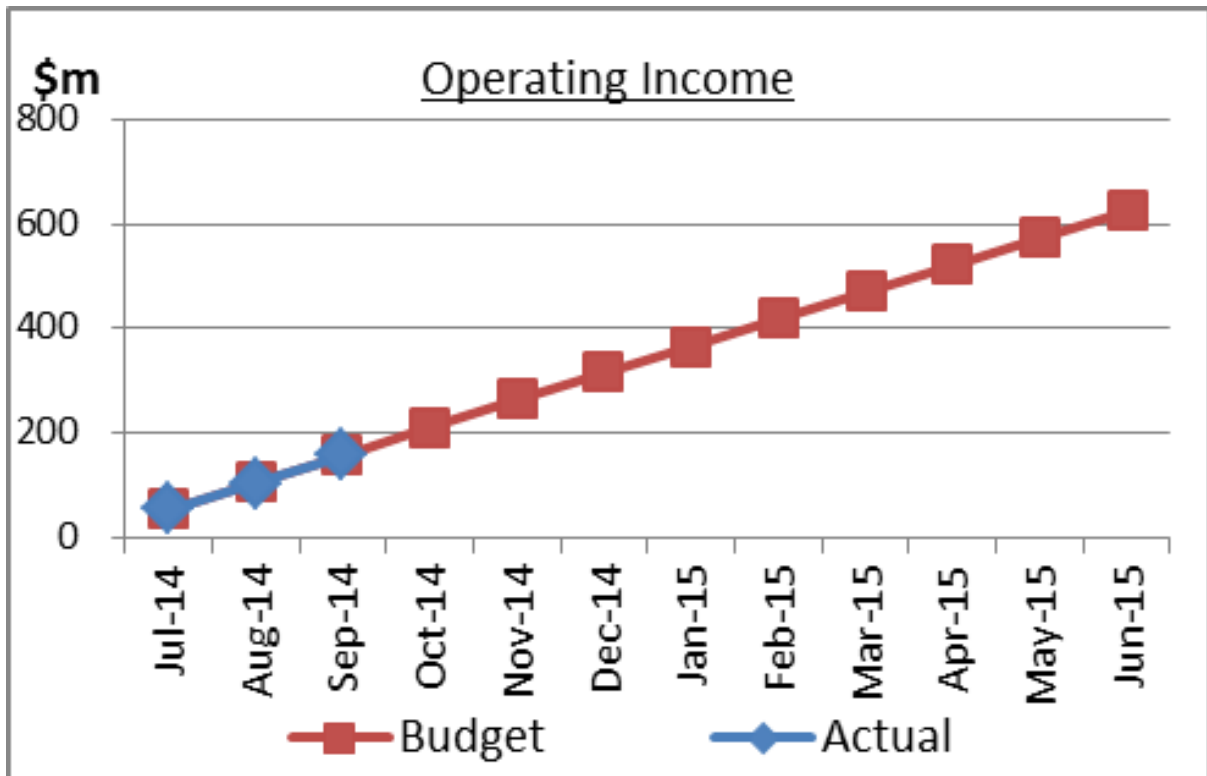
Executive Summary

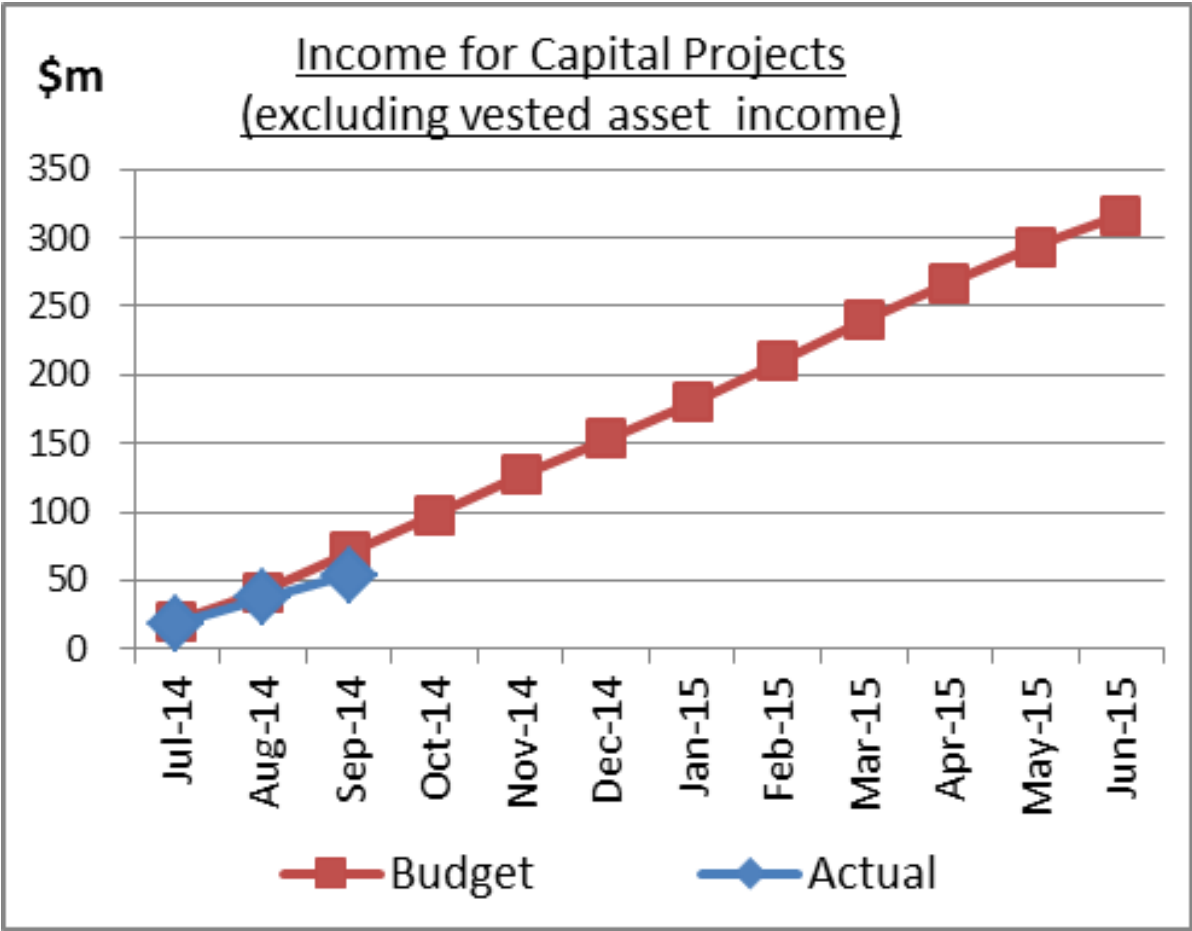
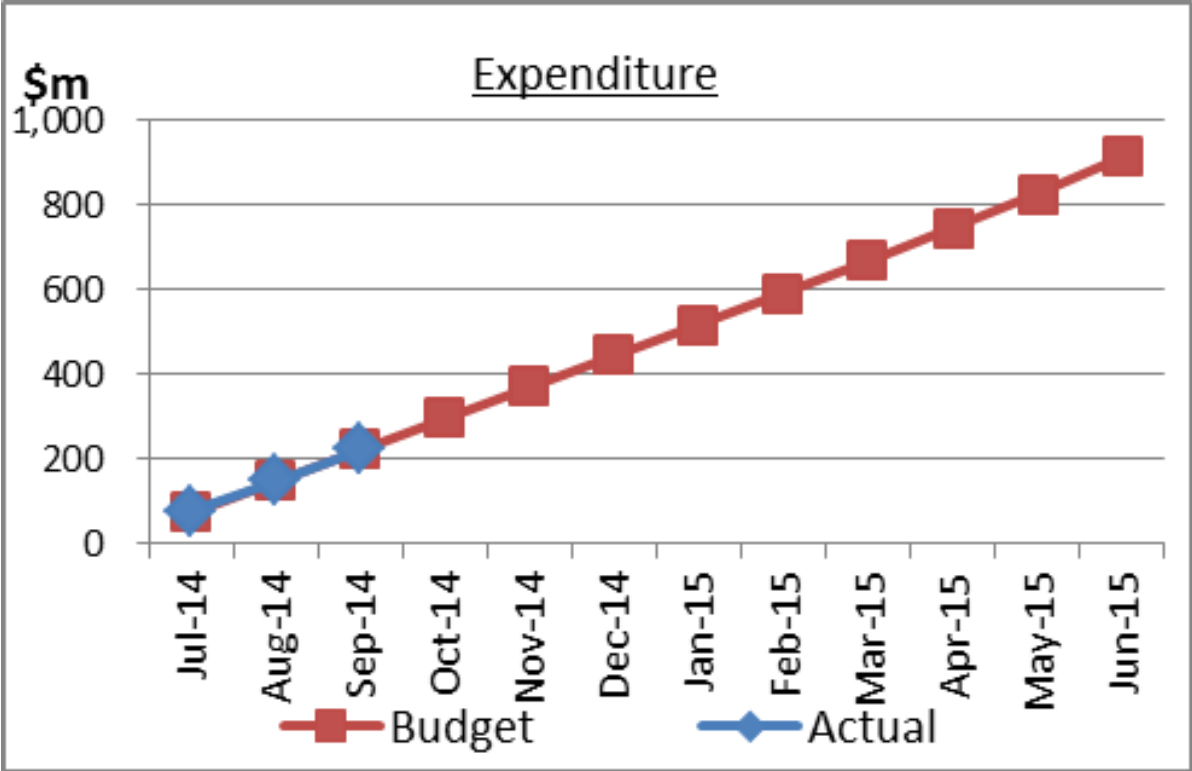
Financial Results for the three months ended 30 September 2014:

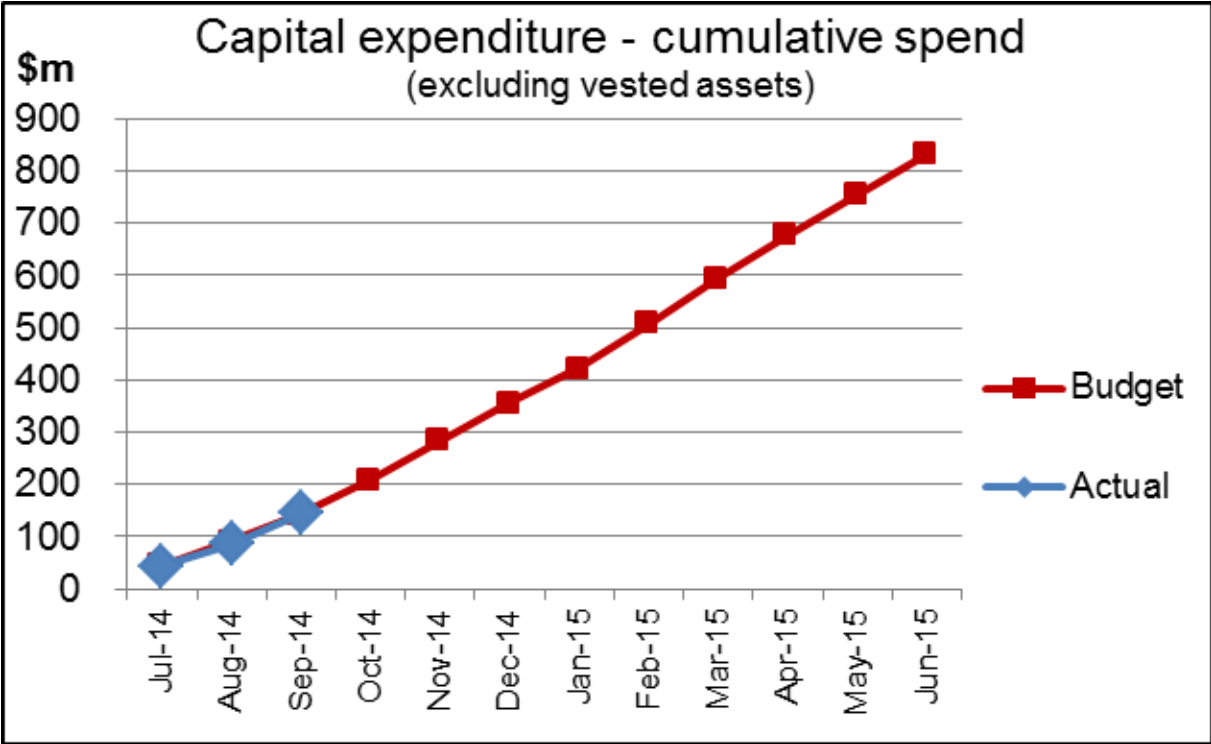
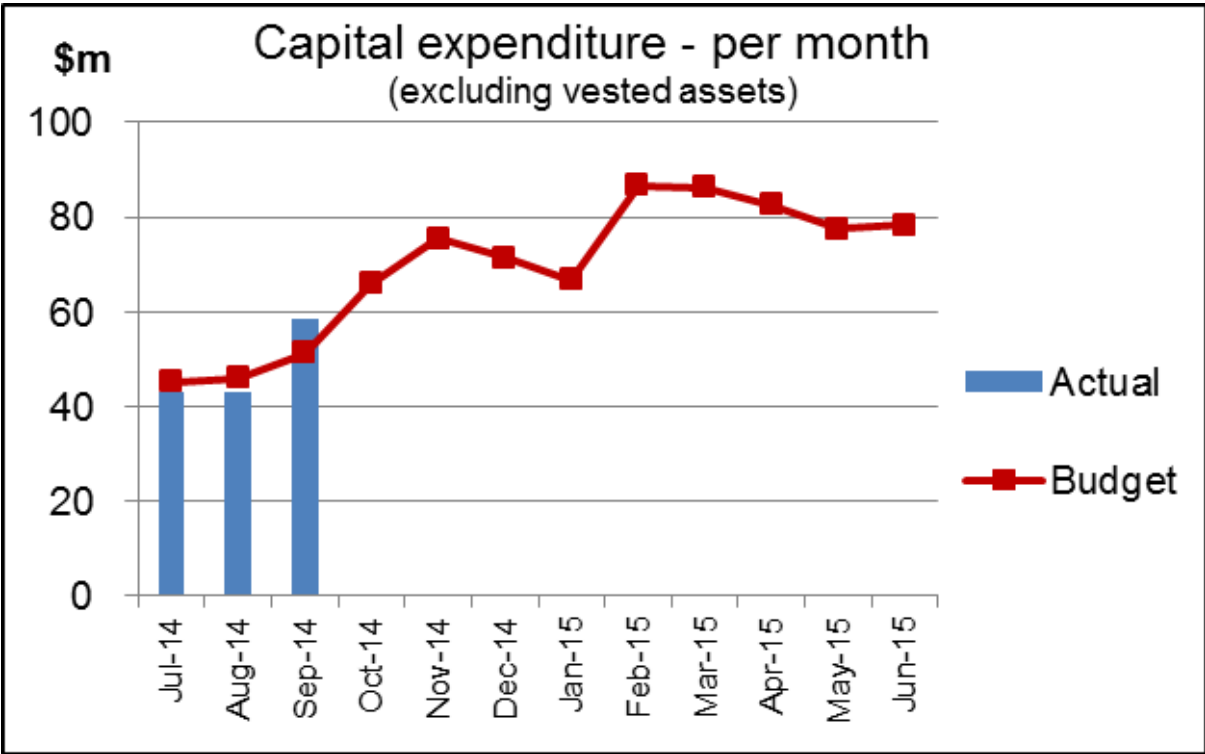
	Current month variance to budget \$m	Year to date variance to budget \$m	Year to date results	Year to date Actual \$m	Year to date budget \$m	Full Year Budget \$m
Total operating income	(0.3)	(1.8)	↓ ●	155.7	157.5	624.6
Total operating expenditure	(0.2)	(1.5)	↑ ●	221.5	220.0	912.0
Surplus/(deficit) from operations	(0.4)	(3.3)	↓ ●	(65.9)	(62.5)	(287.4)
Income for capital projects	31.6	26.5	↑ ●	96.7	70.1	316.4
Net surplus/(deficit) before tax	31.2	23.2	↑ ●	30.8	7.6	29.0
Total direct capital	(7.1)	(2.3)	↑ ●	144.7	142.4	833.0

Key to symbols used:

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

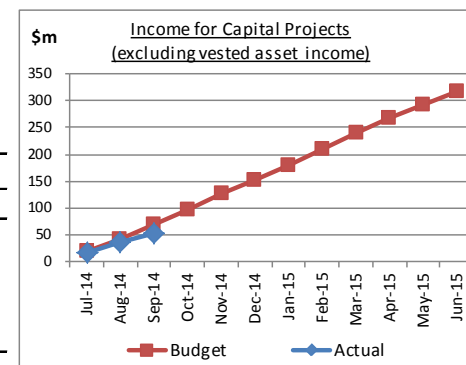
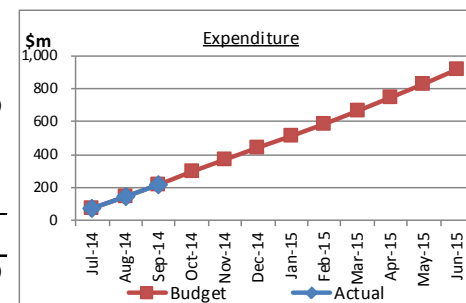
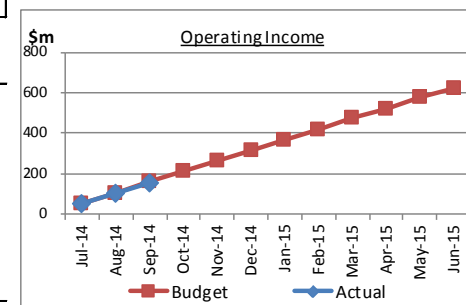






Section 2a – Financial Results for the three months ended 30 September 2014

	Current month			Year to date			Results achieved	Budget \$000
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000		
Income								
<u>Operating income</u>								
Auckland Council funding	19,632	19,632	-	58,896	58,896	-	●	235,583
NZ Transport Agency	18,733	19,404	(671)	55,250	57,698	(2,448)	●	227,178
Parking and enforcement income	6,693	6,718	(25)	19,259	20,237	(978)	●	79,702
Public transport income	5,089	4,741	348	15,870	14,446	1,424	●	56,465
Other revenue including other grants and subsidies	2,357	2,271	86	6,386	6,229	157	●	25,695
Total operating income	52,504	52,766	(262)	155,661	157,506	(1,845)	●	624,623
Expenditure								
Personnel costs	10,587	10,541	(46)	31,327	31,410	83	●	122,259
Capitalised personnel costs	(2,345)	(2,527)	(182)	(6,575)	(7,580)	(1,005)	●	(30,002)
Depreciation and amortisation expense *	23,270	23,543	273	69,383	68,632	(751)	●	290,927
Other expenses	41,527	41,139	(388)	122,300	122,110	(190)	●	501,592
Finance costs (Electric Trains)	1,719	1,890	171	5,081	5,470	389	●	27,264
Total operating expenditure	74,758	74,586	(172)	221,516	220,042	(1,474)	●	912,040
Surplus/(deficit) from operations	(22,254)	(21,820)	(434)	(65,855)	(62,536)	(3,319)	●	(287,417)
<u>Income for capital projects</u>								
NZ Transport Agency	5,831	17,233	(11,402)	20,040	36,497	(16,457)	●	181,918
Auckland Council capital grant	11,208	11,208	-	33,625	33,625	-	●	134,501
Other capital grants	-	-	-	-	-	-	-	-
Vested asset income	43,001	-	43,001	43,003	-	43,003	●	-
	60,040	28,441	31,599	96,668	70,122	26,546	●	316,419
Net surplus/(deficit) before tax and derivatives	37,786	6,621	31,165	30,813	7,586	23,227	●	29,002
Gains/(losses) on derivatives	74	-	74	(4,795)	-	(4,795)	-	-
Income tax benefit/(expense)	-	-	-	-	-	-	-	-
Found assets	14,775	-	14,775	14,775	-	14,775	-	-
Profit/(loss) on disposal of assets	(5,116)	-	(5,116)	(5,882)	-	(5,882)	-	-
Net surplus/(deficit) after tax and derivatives	47,519	6,621	40,898	34,911	7,586	27,325	●	29,002

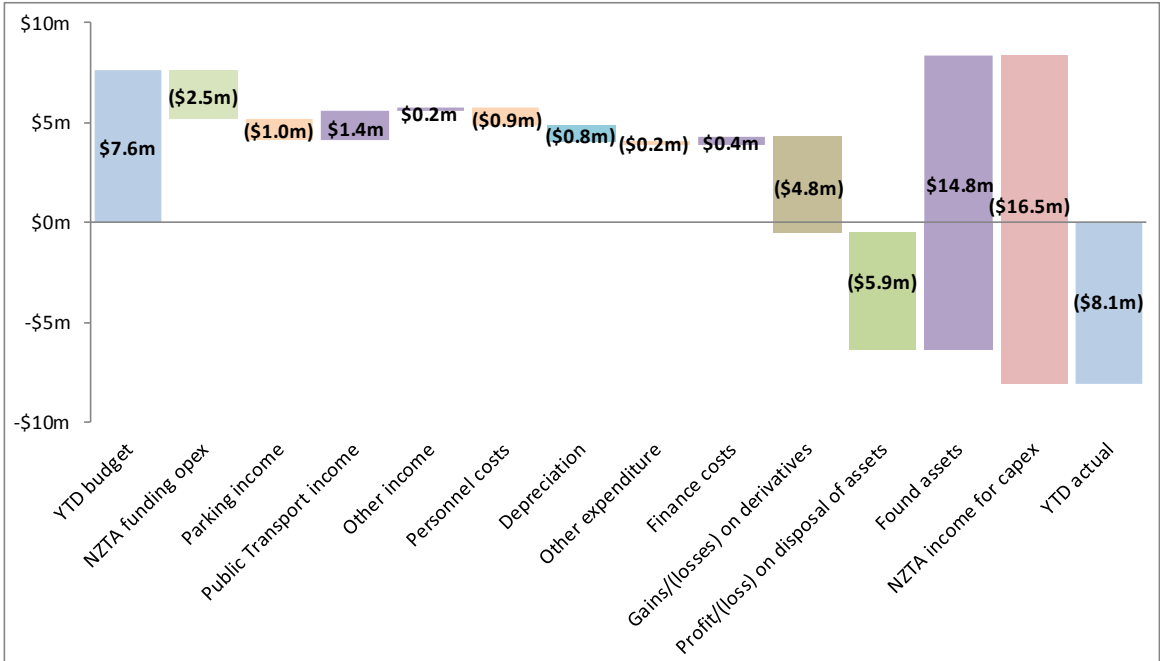


- : Largely on track
- : Monitoring/some action
- : Action required/taken

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

Section 2b – Net surplus/ (deficit) waterfall

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 e							
Rail	8,996	8,644	352	27,110	26,321	789	104,337
Bus	7,744	7,823	(79)	23,807	23,593	214	97,222
Ferry	794	761	33	2,707	2,437	270	10,634
Other Public Transport	1,953	2,432	(479)	6,222	7,091	(869)	28,327
Parking	3,646	3,411	235	10,240	10,533	(293)	42,036
Enforcement	3,047	3,307	(260)	9,019	9,704	(685)	37,666
Roading and footpaths	4,399	4,667	(268)	12,422	13,262	(840)	45,852
Internal support	2,293	2,089	204	5,238	5,669	(431)	22,966
Auckland Council operating funding	19,632	19,632	-	58,896	58,896	-	235,583
Total operating income	52,504	52,766	(262)	155,661	157,506	(1,845)	624,623
Operating Expenditure							
Rail	12,861	12,804	(57)	39,399	39,057	(342)	154,217
Bus	13,457	13,403	(54)	40,598	40,258	(340)	167,687
Ferry	976	1,094	118	3,694	3,806	112	16,656
Other Public Transport	2,827	3,606	779	9,053	10,244	1,191	43,393
Parking	949	1,161	212	2,937	3,572	635	14,470
Enforcement	1,553	1,722	169	4,659	5,110	451	19,860
Roading and footpaths	10,316	9,781	(535)	29,698	28,588	(1,110)	116,184
Internal support	8,550	7,471	(1,079)	22,097	20,775	(1,322)	88,646
Depreciation *	23,269	23,544	275	69,381	68,632	(749)	290,927
Total operating expenditure	74,758	74,586	(172)	221,516	220,042	(1,474)	912,040
Profit/(loss) from Operations	(22,254)	(21,820)	(434)	(65,855)	(62,536)	(3,319)	(287,417)

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

Section 2c – Rail operations

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income e							
Activity Income	3,081	2,806	275	9,209	8,446	763	32,161
Other income	84	53	31	271	162	109	1,460
NZTA operating subsidy	4,674	4,593	81	14,184	14,238	(54)	53,174
NZTA operating subsidy - Electric Trains	1,157	1,192	(35)	3,446	3,475	(29)	17,542
Total operating income	8,996	8,644	352	27,110	26,321	789	104,337
Operating Expenditure							
Personnel costs	191	206	15	665	609	(56)	2,427
Capitalised personnel costs	-	1	1	5	4	(1)	-
Service delivery costs and professional services	9,100	8,904	(196)	26,883	26,919	36	96,269
Occupancy costs	339	327	(12)	1,249	1,130	(119)	4,669
Track access charges	1,194	1,134	(60)	3,866	3,853	(13)	18,922
Other expenditure	318	342	24	1,650	1,072	(578)	4,666
Finance costs (Electric Trains)	1,719	1,890	171	5,081	5,470	389	27,264
Total operating expenditure	12,861	12,804	(57)	39,399	39,057	(342)	154,217
Depreciation	2,183	2,121	(62)	6,305	6,060	(245)	28,682
Surplus/(deficit) from Operations	(6,048)	(6,281)	233	(18,594)	(18,796)	202	(78,562)
Internal support costs	2,025	1,798	(227)	5,432	5,107	(325)	22,664
Surplus/(deficit)	(8,073)	(8,079)	6	(24,026)	(23,903)	(123)	(101,226)

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 e							
Activity Income	1,172	983	189	3,444	2,953	491	10,880
Other income	3	5	(2)	417	436	(19)	1,874
NZTA operating subsidy	6,569	6,835	(266)	19,946	20,204	(258)	84,468
Total operating income	7,744	7,823	(79)	23,807	23,593	214	97,222
Operating Expenditure							
Personnel costs	236	240	4	733	715	(18)	2,822
Capitalised personnel costs	(36)	-	36	14	-	(14)	-
Service delivery costs and professional services	13,127	12,993	(134)	39,384	38,949	(435)	162,402
Occupancy costs	119	110	(9)	275	331	56	1,554
Other expenditure	11	60	49	192	263	71	909
Total operating expenditure	13,457	13,403	(54)	40,598	40,258	(340)	167,687
Depreciation	147	146	(1)	442	426	(16)	1,952
Surplus/(deficit) from Operations	(5,860)	(5,726)	(134)	(17,233)	(17,091)	(142)	(72,417)
Internal support costs	2,202	1,955	(247)	5,906	5,553	(353)	24,644
Surplus/(deficit)	(8,062)	(7,681)	(381)	(23,139)	(22,644)	(495)	(97,061)

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 e							
Operator access fees	230	303	(73)	678	723	(45)	3,114
Activity Income	58	46	12	164	137	27	552
Other Income	55	76	(21)	176	183	(7)	787
NZTA operating subsidy	451	336	115	1,689	1,394	295	6,181
Total operating income	794	761	33	2,707	2,437	270	10,634
Operating Expenditure							
Personnel costs	96	88	(8)	306	277	(29)	1,063
Capitalised personnel costs	-	(2)	(2)	-	(7)	(7)	(27)
Service delivery costs and professional services	618	914	296	2,655	2,937	282	12,661
Other expenditure	262	94	(168)	733	599	(134)	2,959
Total operating expenditure	976	1,094	118	3,694	3,806	112	16,656
Depreciation	182	258	76	698	710	12	3,034
Surplus/(deficit) from Operations	(364)	(591)	227	(1,685)	(2,079)	394	(9,056)
Internal support costs	219	194	(25)	587	552	(35)	2,448
Surplus/(deficit)	(583)	(785)	202	(2,272)	(2,631)	359	(11,504)

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 e							
Other Income	406	469	(63)	1,511	1,406	105	5,637
NZTA operating subsidy	1,547	1,963	(416)	4,711	5,685	(974)	22,690
Total operating income	1,953	2,432	(479)	6,222	7,091	(869)	28,327
Operating Expenditure							
Personnel costs	948	1,144	196	3,353	3,435	82	13,589
Capitalised personnel costs	20	(81)	(101)	(265)	(241)	24	(854)
Service delivery costs and professional services	1,015	1,646	631	3,561	4,421	860	19,876
IT costs	34	144	110	267	422	155	1,685
Other expenditure	810	753	(57)	2,137	2,207	70	9,097
Total operating expenditure	2,827	3,606	779	9,053	10,244	1,191	43,393
Depreciation	1,323	1,327	4	3,976	3,765	(211)	15,918
Surplus/(deficit) from Operations	(2,197)	(2,501)	304	(6,807)	(6,918)	111	(30,984)
Internal support costs	570	506	(64)	1,528	1,437	(91)	6,377
Surplus/(deficit)	(2,767)	(3,007)	240	(8,335)	(8,355)	20	(37,361)

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 e							
Other income	111	72	39	294	219	75	771
Parking fees	3,535	3,339	196	9,946	10,314	(368)	41,265
Total operating income	3,646	3,411	235	10,240	10,533	(293)	42,036
Operating Expenditure							
Personnel costs	214	351	137	733	1,036	303	3,418
Capitalised personnel costs	(7)	(17)	(10)	(25)	(51)	(26)	(202)
Service delivery costs and professional services	228	286	58	649	892	243	3,618
Occupancy costs	442	433	(9)	1,428	1,358	(70)	6,033
Other expenditure	72	108	36	152	337	185	1,603
Total operating expenditure	949	1,161	212	2,937	3,572	635	14,470
Depreciation	534	546	12	1,645	1,744	99	6,674
Surplus/(deficit) from Operations	2,163	1,704	459	5,658	5,217	441	20,892
Internal support costs	190	169	(21)	510	479	(31)	2,127
Surplus/(deficit)	1,973	1,535	438	5,148	4,738	410	18,765

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 e							
Infringement income	3,047	3,307	(260)	9,019	9,704	(685)	37,666
Total operating income	3,047	3,307	(260)	9,019	9,704	(685)	37,666
Operating Expenditure							
Personnel costs	816	908	92	2,434	2,694	260	10,105
Capitalised personnel costs	17	-	(17)	34	-	(34)	-
Service delivery costs and professional services	138	105	(33)	441	338	(103)	1,497
Other expenditure	582	709	127	1,750	2,078	328	8,258
Total operating expenditure	1,553	1,722	169	4,659	5,110	451	19,860
Depreciation	2	3	1	7	30	23	212
Surplus/(deficit) from Operations	1,492	1,582	(90)	4,353	4,564	(211)	17,594
Internal support costs	261	232	(29)	700	658	(42)	2,919
Surplus/(deficit)	1,231	1,350	(119)	3,653	3,906	(253)	14,675

Section 2c – Roading and footpaths operations

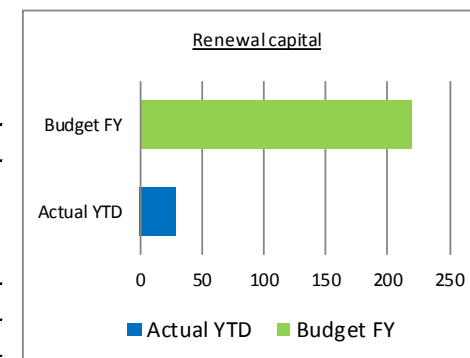
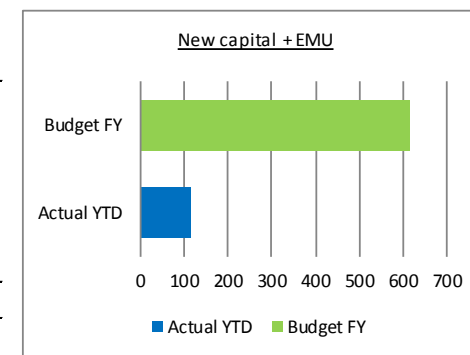
	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income e							
Petrol tax	722	798	(76)	2,163	2,120	43	8,677
Other income	327	369	(42)	1,278	985	293	4,016
NZTA operating subsidy	3,350	3,500	(150)	8,981	10,157	(1,176)	33,159
Total operating income	4,399	4,667	(268)	12,422	13,262	(840)	45,852
Operating Expenditure							
Personnel costs	1,953	2,031	78	5,290	6,078	788	23,314
Capitalised personnel costs	(249)	(485)	(236)	(446)	(1,455)	(1,009)	(5,865)
Service delivery costs and professional services	6,095	6,558	463	19,118	19,038	(80)	79,173
Occupancy costs	2,371	1,288	(1,083)	4,950	3,764	(1,186)	14,921
IT costs	(54)	170	224	(49)	510	559	2,037
Other expenditure	200	219	19	835	653	(182)	2,604
Total operating expenditure	10,316	9,781	(535)	29,698	28,588	(1,110)	116,184
Depreciation	18,164	18,318	154	54,412	53,371	(1,041)	221,881
Surplus/(deficit) from Operations	(24,081)	(23,432)	(649)	(71,688)	(68,697)	(2,991)	(292,213)
Internal support costs	1,525	1,354	(171)	4,092	3,847	(245)	17,075
Surplus/(deficit)	(25,606)	(24,786)	(820)	(75,780)	(72,544)	(3,236)	(309,288)

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 e							
Other income	1,308	1,103	205	2,944	3,123	(179)	13,002
NZTA operating subsidy	985	986	(1)	2,294	2,546	(252)	9,964
Total operating income	2,293	2,089	204	5,238	5,669	(431)	22,966
Operating Expenditure							
Personnel costs	6,132	5,573	(559)	17,813	16,566	(1,247)	65,521
Capitalised personnel costs	(2,090)	(1,943)	147	(5,893)	(5,829)	64	(23,053)
Directors Fees	46	36	(10)	145	99	(46)	504
Service delivery costs and professional services	1,791	1,998	207	3,795	4,979	1,184	21,437
Other expenditure	2,671	1,807	(864)	6,237	4,960	(1,277)	24,237
Total operating expenditure	8,550	7,471	(1,079)	22,097	20,775	(1,322)	88,646
Depreciation	734	825	91	1,896	2,526	630	12,574
Taxation	-	-	-	-	-	-	-
Surplus/(deficit) before allocation of costs	(6,991)	(6,207)	(784)	(18,755)	(17,632)	(1,123)	(78,254)
Internal support costs	(6,991)	(6,207)	784	(18,755)	(17,632)	1,123	(78,254)
Total internal support allocation	(6,991)	(6,207)	784	(18,755)	(17,632)	1,123	(78,254)
Surplus/(deficit)	-	-	-	-	-	-	-

Section 3a – Summary of Capital Expenditure Split by activity

	Current month			Year to date			Results Achieved	Budget \$000
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000		
New capital expenditure								
Roads and footpaths	12,192	13,792	1,600	36,786	40,367	3,581	●	235,231
Public transport	15,126	7,849	(7,277)	30,343	20,762	(9,581)	●	147,614
Parking operations	65	141	76	207	513	306	●	6,185
Internal support	2,367	1,287	(1,080)	4,686	2,305	(2,381)	●	9,154
Total new capital	29,750	23,069	(6,681)	72,022	63,947	(8,075)	●	398,184
Renewal capital expenditure								
Roads and footpaths	11,646	15,258	3,612	28,843	36,363	7,520	●	207,609
Public transport	188	233	45	531	430	(101)	●	9,210
Parking operations	28	175	147	68	290	222	●	2,869
Total renewal	11,862	15,666	3,804	29,442	37,083	7,641	●	219,688
Electric multiple units (EMUs)								
Procurement	16,615	12,428	(4,187)	43,034	41,235	(1,799)	●	215,163
Depot	127	43	(84)	211	154	(57)	●	-
Total EMUs	16,742	12,471	(4,271)	43,245	41,389	(1,856)	●	215,163
Total direct capital	58,354	51,206	(7,148)	144,709	142,419	(2,290)	●	833,035
Vested assets	43,001	-	(43,001)	43,003	-	(43,003)	●	-
Total capital	101,355	51,206	(50,149)	187,712	142,419	(45,293)	●	833,035



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

Section 3b – Summary of Capital Expenditure Split by category

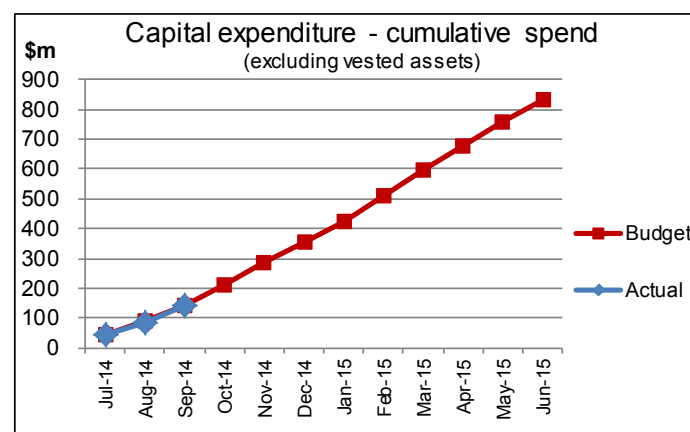
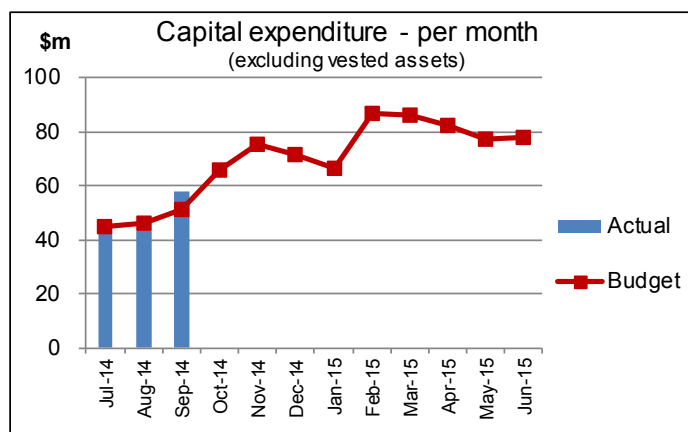
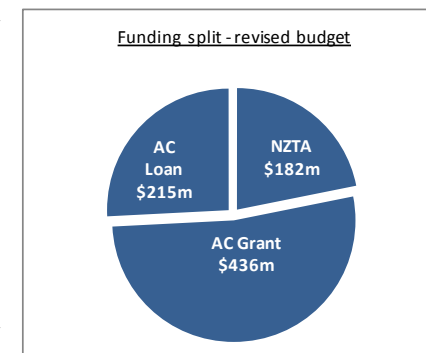
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Core capital expenditure							
New capital							
Capital land acquisition	2,767	4,586	1,819	9,280	10,164	884	65,816
Roads and footpaths	9,069	8,939	(130)	27,063	29,722	2,659	161,383
Public transport	2,450	2,163	(287)	5,381	6,012	631	76,239
Parking operations	65	141	76	207	513	306	6,185
Internal support	2,352	1,287	(1,065)	4,626	2,303	(2,323)	9,154
Total new capital core expenditure	16,703	17,116	413	46,557	48,714	2,157	318,777
Renewal							
Roads and footpaths	11,646	15,258	3,612	28,843	36,363	7,520	207,609
Public transport	188	233	45	531	430	(101)	9,210
Parking operations	28	175	147	68	290	222	2,869
Total renewal core expenditure	11,862	15,666	3,804	29,442	37,083	7,641	219,688
Total core capital expenditure	28,565	32,782	4,217	75,999	85,797	9,798	538,465
Ring fenced capital expenditure							
City Rail Link- others	3,198	2,435	(763)	8,567	6,958	(1,609)	34,365
City Rail Link- land	9,460	3,211	(6,249)	16,201	7,643	(8,558)	35,410
EMU depot	127	43	(84)	211	154	(57)	-
EMU procurement	16,615	12,428	(4,187)	43,034	41,235	(1,799)	215,163
Local Board initiatives	369	207	(162)	460	342	(118)	7,832
Others	20	100	80	237	290	53	1,800
Total ring fenced capital expenditure	29,789	18,424	(11,365)	68,710	56,622	(12,088)	294,570
Total direct capital excluding vested assets	58,354	51,206	(7,148)	144,709	142,419	(2,290)	833,035
Vested assets	43,001	-	(43,001)	43,003	-	(43,003)	-
Total capital	101,355	51,206	(50,149)	187,712	142,419	(45,293)	833,035

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

NZTA - new capital	1,440	10,414	(8,974)	8,769	20,956	(12,187)	103,831
NZTA - renewal capital	4,391	6,819	(2,428)	11,271	15,541	(4,270)	78,087
AC funding (Non EMU)	11,208	11,208	-	33,625	33,625	-	134,501
Investment by AC	24,573	10,294	14,279	40,763	30,908	9,855	301,453
AC loan (EMU)	16,742	12,471	4,271	43,245	41,389	1,856	215,163
Vested assets	43,001	-	43,001	43,003	-	43,003	-
Sale of assets	-	-	-	7,036	-	7,036	-
Total funding	101,355	51,206	50,149	187,712	142,419	45,293	833,035



Section 4a – Statement of Financial Position As at 30 September 2014

	Note	Actual 30 September 2014 \$000	Actual 31 August 2014 \$000
Assets			
Current assets			
Cash and cash equivalents	1	7,233	7,051
Trade and other receivables	2	167,077	180,543
Inventories		3,953	4,178
Other assets		18,233	7,325
Non-current asset held for sale		5,000	5,000
Total current assets		201,496	204,097
Non-current assets			
Property, plant and equipment - assets		15,347,441	15,256,897
Property, plant and equipment - work-in-progress		580,918	585,109
Intangible assets		114,087	112,719
Amounts due from related parties		52,000	52,000
Total non-current assets		16,094,446	16,006,725
Total assets		16,295,942	16,210,822
Liabilities			
Current liabilities			
Derivative financial instruments	3	16,690	28,437
Trade and other payables	4	164,486	135,102
Employee benefit liabilities	5	13,449	12,106
Borrowings	6	3,330	3,078
Total current liabilities		197,955	178,723
Non-current liabilities			
Derivative financial instruments	3	8,529	8,642
Employee benefit liabilities	5	745	745
Borrowings	6	390,128	390,585
Deferred tax liability	7	10,888	10,888
Total non-current liabilities		410,290	410,860
Total liabilities		608,245	589,583
Net assets		15,687,697	15,621,239
Equity			
Contributed equity		13,260,071	13,252,917
Retained earnings/(losses)		453,982	406,464
Reserves		1,973,644	1,961,858
Total equity		15,687,697	15,621,239

Section 4b – Notes to the Financial Statements As at 30 September 2014

	Actual 30 September 2014 \$000	Actual 31 August 2014 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	6,956	6,769
Till floats	277	282
Total cash and cash equivalents	7,233	7,051

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

2 Trade and other receivables

Trade debtors	3,019	2,536
Finance lease receivable	93	103
Infringements receivable	19,503	19,394
Amounts due from related parties	110,908	126,995
Accrued income	28,084	27,120
Goods and services tax	6,649	5,574
	168,256	181,722
Less provision for impairment of receivables	(1,179)	(1,179)
Total trade and other receivables	167,077	180,543

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 2014 is detailed below :

	Gross \$000	Impaired \$000	Net \$000
Not past due	148,123	-	148,123
Past due 1 - 30 days	2,576	-	2,576
Past due 31 - 60 days	1,732	-	1,732
Past due 61 - 90 days	1,300	-	1,300
Past due > 90 days	14,525	(1,179)	13,346
	168,256	(1,179)	167,077

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 follow s:

	Actual \$000
At 1 July 2014	1,179
Additional provisions made	-
Provisions reversed	-
Receivables written-off	-
At 30 September 2014	1,179

Section 4b – Notes to the Financial Statements As at 30 September 2014

	Actual 30 September 2014 \$000	Actual 31 August 2014 \$000
3 Derivative financial instruments		
Current liability portion		
Forward foreign exchange contracts - cash flow hedges	16,690	28,437
Forward foreign exchange contracts - not hedge accounted	-	-
Current derivative financial instruments	16,690	28,437
Non-current liability portion		
Interest rate swaps - cash flow hedges	8,474	8,548
Forward foreign exchange contracts - cash flow hedges	55	94
Non-current derivative financial instruments	8,529	8,642
Total derivative financial instrument liabilities	25,219	37,079

Forward foreign exchange contracts

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

Forward foreign exchange contracts - hedge accounted

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$190m. The foreign currency principal amount was USD \$133m. These cash flow hedges have been accounted for as effective and the gain of \$24.6m 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 \$181m. At 30 September 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.27% to 5.41%. The loss on their revaluation of \$3.5m has been recorded in the Statement of Financial Performance.

4 Trade and other payables

Creditors	30,802	12,911
Accrued expenses	108,979	100,295
Retentions	5,888	6,164
Amounts due to related parties	17,091	14,249
Income in advance	1,726	1,483
	164,486	135,102

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 30 September 2014

	Actual 30 September 2014 \$000	Actual 31 August 2014 \$000
5 Employee benefit liabilities		
Current portion		
Accrued salaries and wages	5,224	4,286
Accrued leave	8,225	7,820
Current employee benefit liabilities	13,449	12,106
Non-current portion		
Retirement gratuities	383	383
Long service leave	362	362
Non-current employee benefit liabilities	745	745
6 Borrowings		
Current portion		
Loans from Auckland Council	3,274	3,019
Finance Leases	56	59
Current borrowings	3,330	3,078
Non-current portion		
Loans from Auckland Council	390,117	390,572
Finance Leases	11	13
Non-current borrowings	390,128	390,585
Weighted average cost of funds on total borrowings	5.66%	5.66%
Auckland Transport's loan debt of \$393m is issued at fixed rates of interest ranging from 3.87% to 6.09%. The interest rate on finance leases is 3%.		

7 Deferred tax liability

	Property, plant and equipment	Other provisions	Tax losses	Actual 10 September 2014 Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2014	(10,888)	-	-	(10,888)
Charged to profit and loss	-	-	-	-
Charged to equity	-	-	-	-
Balance at 30 September 2014	(10,888)	-	-	(10,888)

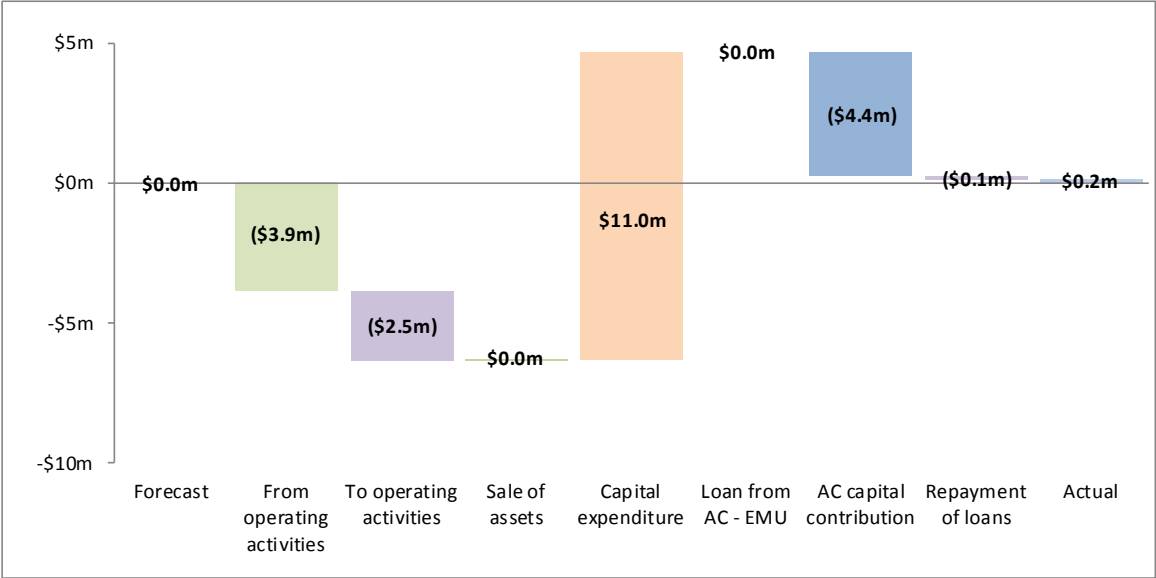
Section 5a – Cash Flow Rolling Forecast

	Current month		Forecast		
	Actual \$000	Forecast \$000	Oct 2014 \$000	Nov 2014 \$000	Dec 2014 \$000
Cash flows from operating activities					
Total cash provided	77,357	81,207	81,692	81,668	77,546
Cash applied to:					
Payments to suppliers, employees and directors	53,472	50,722	51,780	50,523	48,818
Interest paid	1,619	1,890	2,029	2,072	2,258
Goods and services tax (net)	-	-	-	-	-
Total cash applied	55,091	52,612	53,809	52,595	51,077
Net cash from operating activities	22,266	28,595	27,883	29,073	26,469
Cash flows from investing activities					
Cash provided from:					
Sale of property, plant and equipment	24	-	-	-	-
Total cash provided	24	-	-	-	-
Cash applied to:					
Capital expenditure projects	35,123	46,073	51,206	65,911	75,476
Total cash applied	35,123	46,073	51,206	65,911	75,476
Net cash from investing activities	(35,099)	(46,073)	(51,206)	(65,911)	(75,476)
Cash flows from financing activities					
Cash provided from:					
Loan from Auckland Council - EMU	-	-	22,000	25,000	27,000
Capital contribution from Auckland Council	13,219	17,632	1,477	12,072	22,180
Total cash provided	13,219	17,632	23,477	37,072	49,180
Cash applied to:					
Repayments of EMU loan from Auckland Council	200	140	140	220	159
Repayments of finance lease principal	5	14	14	14	14
Total cash provided	205	154	154	234	173
Net cash from financing activities	13,014	17,478	23,323	36,838	49,007
Net (decrease)/increase in cash and cash equivalents	181	-	-	-	-
Opening cash balance	7,052	-	-	-	-
Closing cash balance	7,233	-	-	-	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Current month
	\$000
Surplus/(deficit) after tax	47,519
Add/(less) non cash items	
Depreciation and amortisation	23,270
Vested assets	(43,001)
Found assets	(14,775)
Loss on disposal of property, plant and equipment	5,116
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate sw aps	(75)
Income tax	-
	(29,465)
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	9,671
Decrease/(Increase) in inventories	225
(Decrease)/Increase in creditors and other payables	6,193
(Decrease)/Increase in employee benefits payable	1,342
(Decrease)/Increase in investment funding from AC	(13,219)
	4,212
Net cash flow from operating activities	22,266

Section 5b – Cash Flow Waterfall

Cash flow – Current month forecast to actual



Section 6 – Accounts Receivable Report

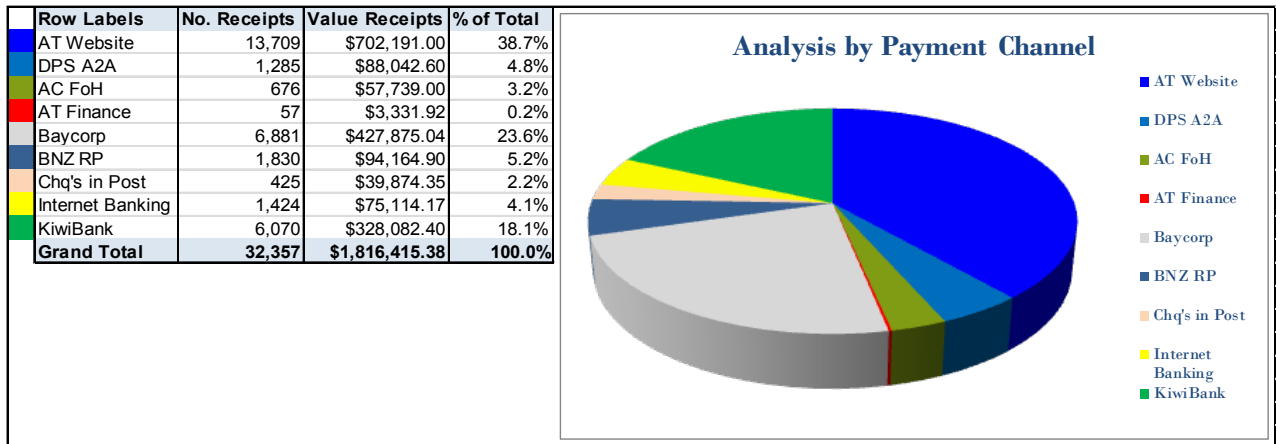
Accounts Receivable

An overview of the Debtors as at 30 September has 86% (85% August) of adjusted Debtors in 30 and 60 days, or not yet due.

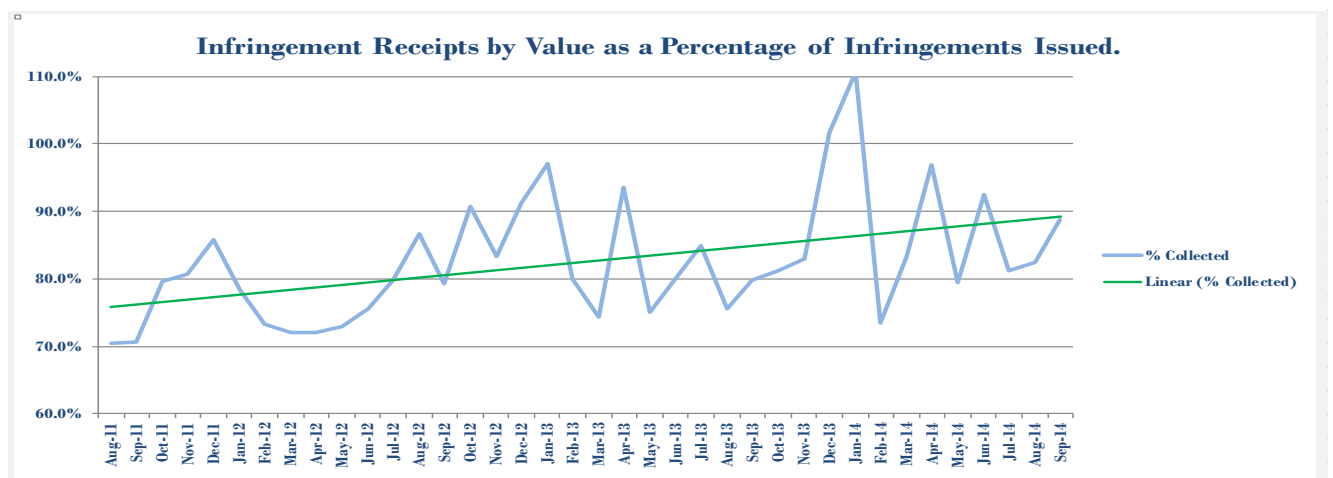
<u>Debtors Ageing Analysis as at 30 September 2014</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 30 Sep		3,737,909	1,576,472	654,839	7,097	89,488	184,258	1,225,756	1
Parking Permit Debtors		21,828	242	13,386	6,266	1,934	0	0	2
Total Debtors		3,759,737	1,576,714	668,225	13,363	91,422	184,258	1,225,756	
		100.0%	41.9%	17.8%	0.4%	2.4%	4.9%	32.6%	
O/s Related Parties	12	741,433	712,257	15,664	138	3,443	0	9,930	3
Trade Debtors	116	3,018,304	864,457	652,561	13,225	87,979	184,258	1,215,825	
		100.0%	28.6%	21.6%	0.4%	2.9%	6.1%	40.3%	
Queried Invoices	279	111,465	831	38,670	3,971	5,855	11,438	50,701	4
Cell Sites - Property	438	1,206,159	0	107,341	0	140	131,900	966,778	5
To Baycorp (Collection)	519	27,700	0	5,205	7,194	1,155	307	13,839	6
Payment Arrangement	41	1,757	0	0	0	1,757	0	0	7
Lodged Courts (Damages)	295	173,890	7,804	2,422	0	50,516	100	113,048	8
Adjusted Debtors	N/a	1,497,333	855,821	498,924	2,060	28,555	40,513	71,460	
		94.8%	54.2%	31.6%	0.1%	1.8%	2.6%	4.5%	

- 1 - These figures relate to Sundry Debtors administered in the SAP system.
- 2 - This figure relates to Parking Permit Debtors administered in the Pathway system.
- 3 - Relates to amounts owed by related parties (inter-company).
- 4 - 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. The issues previously reported on around a group of apartments disputing parking charges with Property has been resolved and we have started receiving the outstanding funds.
- 5 - This outstanding amount relates to the ongoing cell sites dispute. Two of the four accounts in dispute have been resolved and discussions have started to get resolution on the remaining Telco's. The balance owing by the Telco's has been impaired and may be written off in the future. Legal opinion has been sought and negotiations continue.
- 6 - 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.
- 7 - Payment arrangement relates to customers where an arrangement to pay has been agreed to and is monitored until full payment has been received.
- 8 - 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.

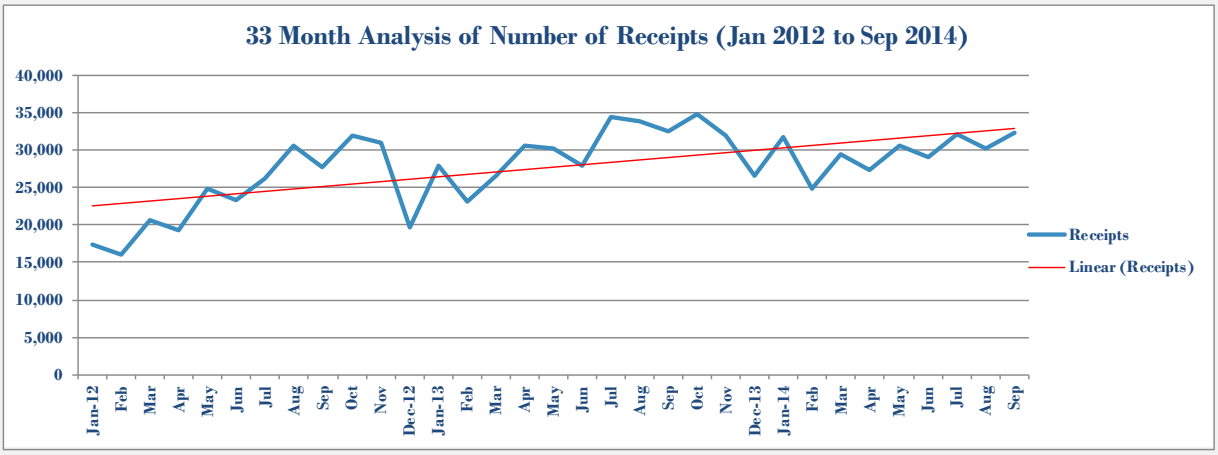
Infringement Overview



September's Infringement receipts by volume are 6.9% up on August (22 working days in September compared with 21 in August). There have been some noticeable changes in the payment channels used by customers in September. Website, DPS A2A and Baycorp have shown increases while internet banking, AC FoH and cheque's in post have all shown significant decreases. Of those customers not paying in response to a Baycorp letter of demand, 63% are making use of our electronic payment methods.

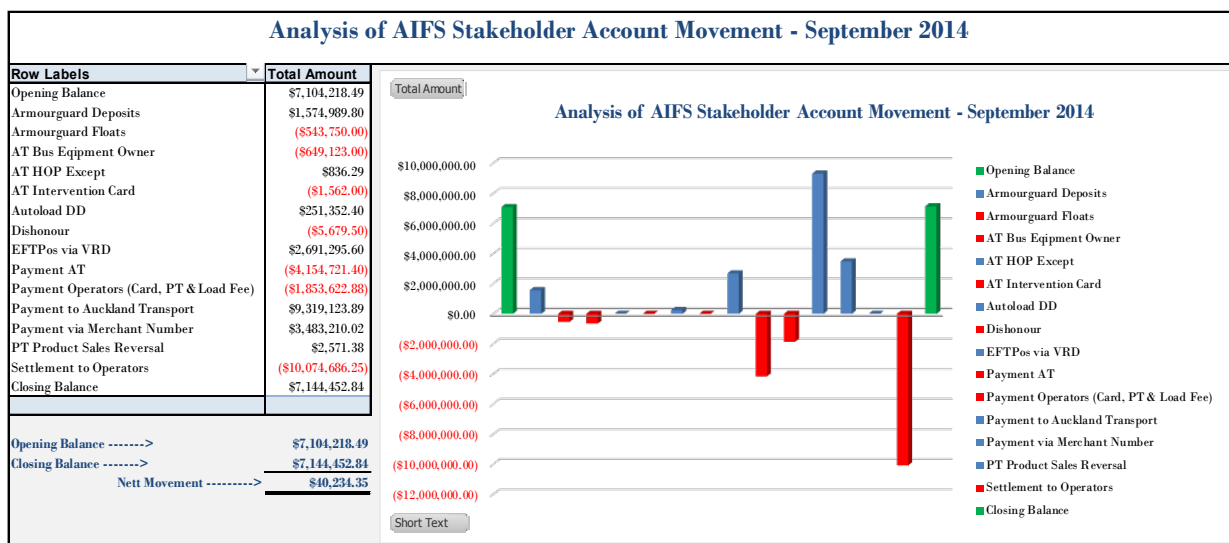


The graph above includes all receipts through AT, Baycorp and MOJ but excludes legacy receipts. Infringements issued rose by 2.9% in September when compared with August. The trend line clearly shows improved collection rates over the 3 year period.

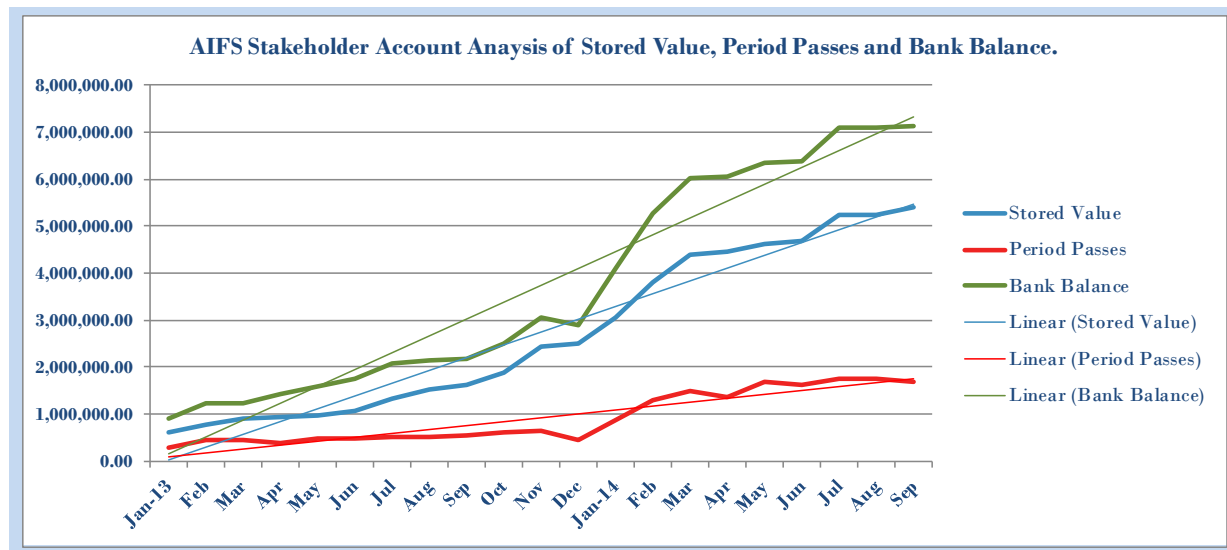


Section 7 – AIFS Stakeholder Monthly Report (Does not form part of AT results)





The AT HOP Stakeholder bank account has increased by 0.6% in September.



The following graph provides an overview of monthly balances for Stored Value, Period Passes and the AT HOP Stakeholder Account together with trend lines. The Stakeholder Account and Stored Value have increased by 0.6% and 3% respectively, while the Period Pass has decreased by 3.2% in September. Period Passes over the past 9 months have maintained a share of 25% of the Stakeholder Account.



Document ownership

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