

Financial Results for the Seven Months Ended 31 January 2015

This report summarises the Auckland Transport financial results for the seven months ended 31 January 2015.

Recommendation

That the board:

- i. Receive the report

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Executive Summary

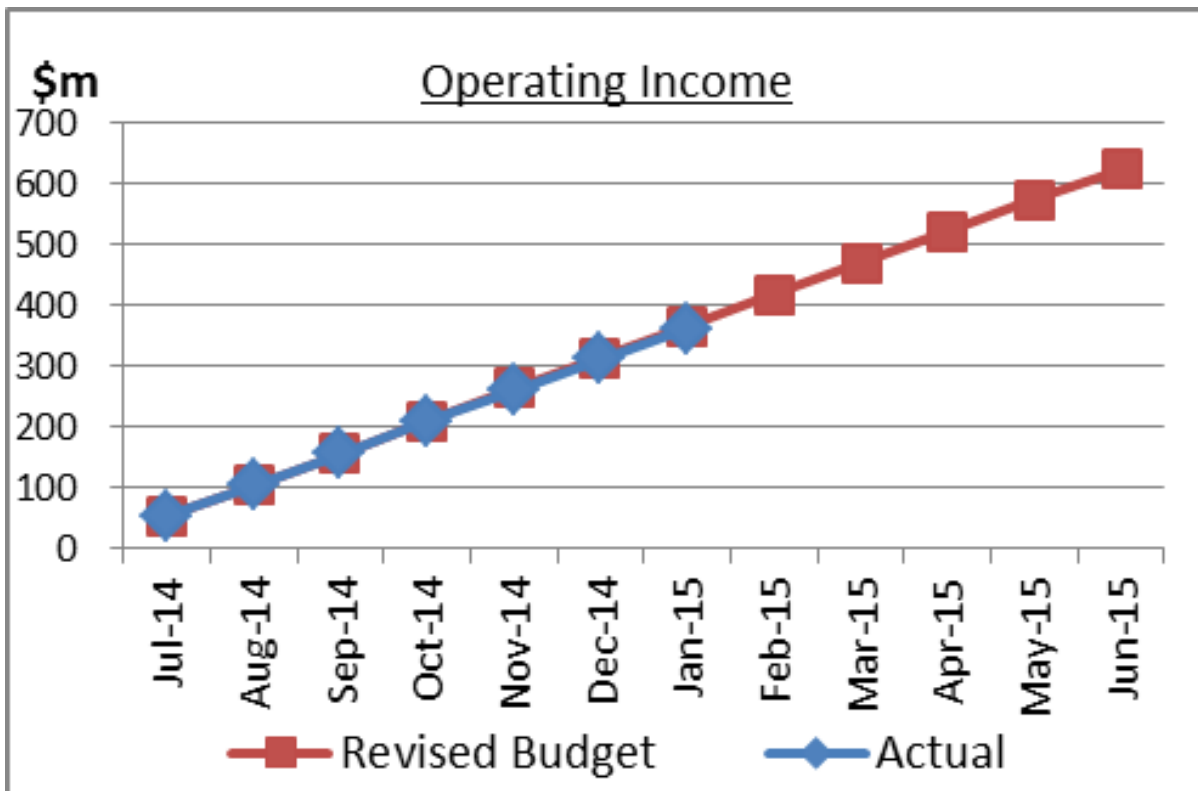
Financial Results for the seven months ended 31 January 2015:

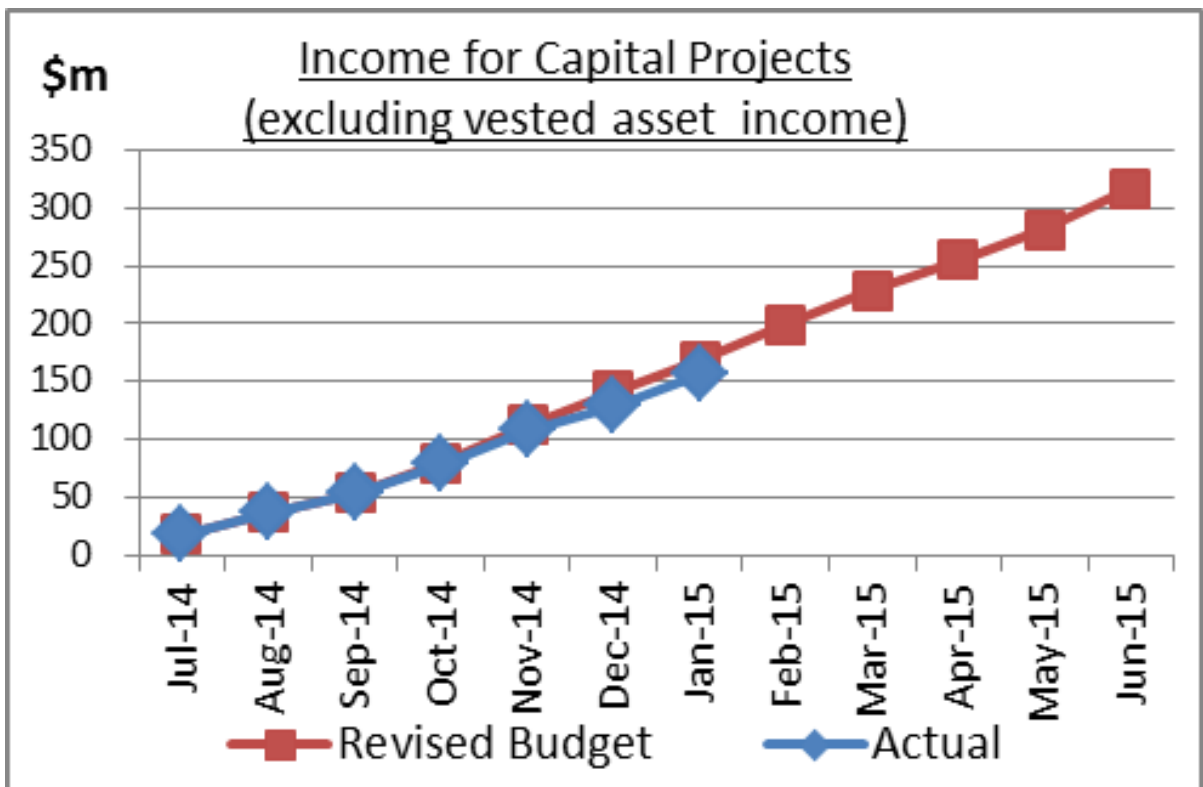
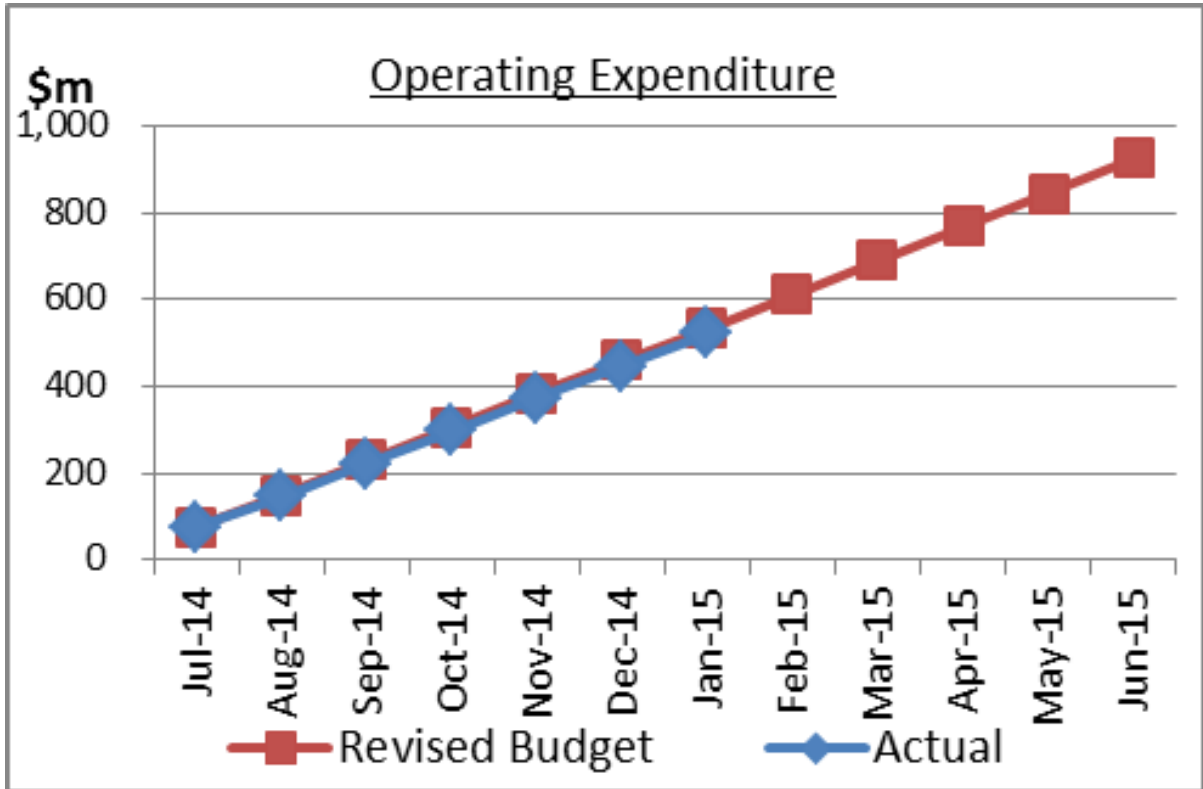
| | Current month variance to revised budget \$m | Year to date variance to revised budget \$m | Year to date results | Year to date Actual \$m | Year to date revised budget \$m | Full year revised budget \$m |
|-----------------------------------|--|---|----------------------|-------------------------|---------------------------------|------------------------------|
| Total operating income | - | (3.4) | ↓ ● | 360.5 | 364.0 | 627.2 |
| Total operating expenditure | (1.1) | 3.2 | ↓ ● | 521.8 | 525.0 | 916.7 |
| Surplus/(deficit) from operations | (1.1) | (0.2) | ↔ ● | (161.2) | (161.0) | (289.5) |
| Income for capital projects | 0.9 | 23.1 | ↑ ● | 233.8 | 210.8 | 359.4 |
| Net surplus/(deficit) before tax | (0.2) | 22.9 | ↑ ● | 72.6 | 49.7 | 69.9 |

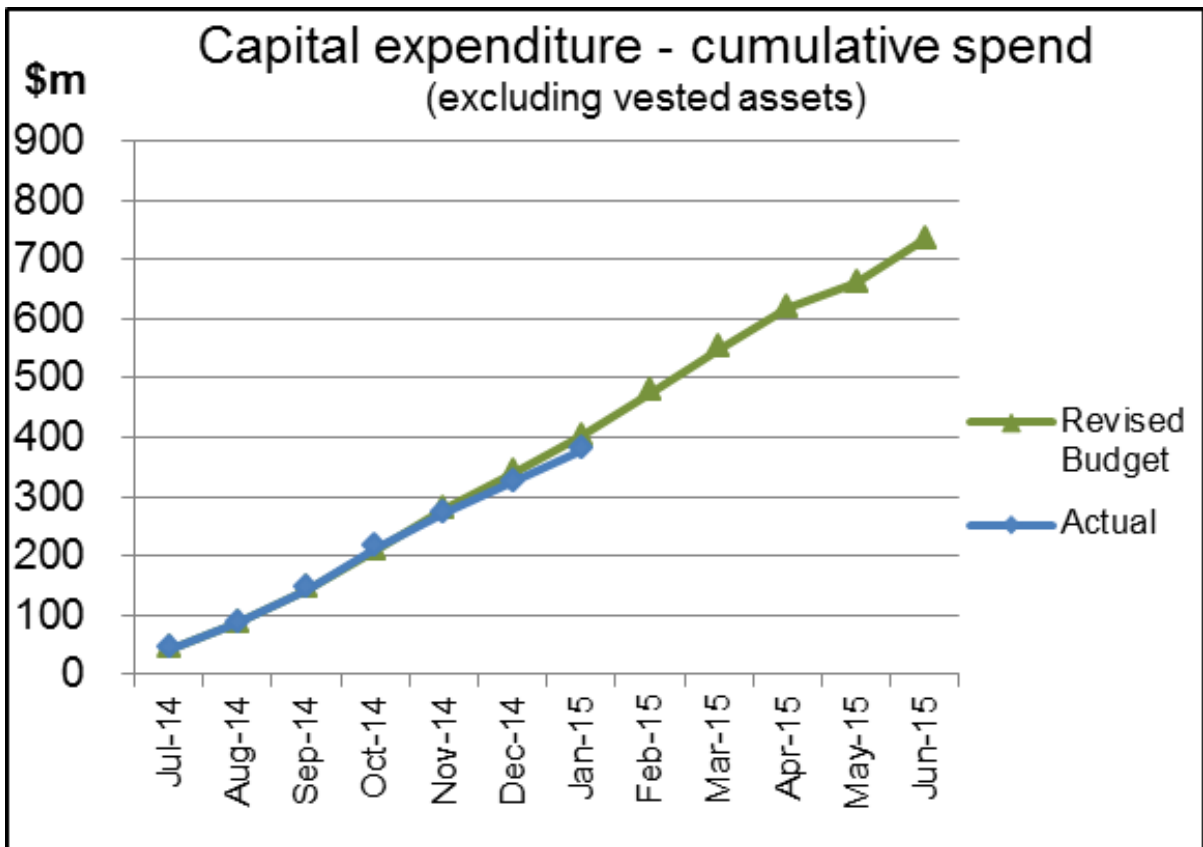
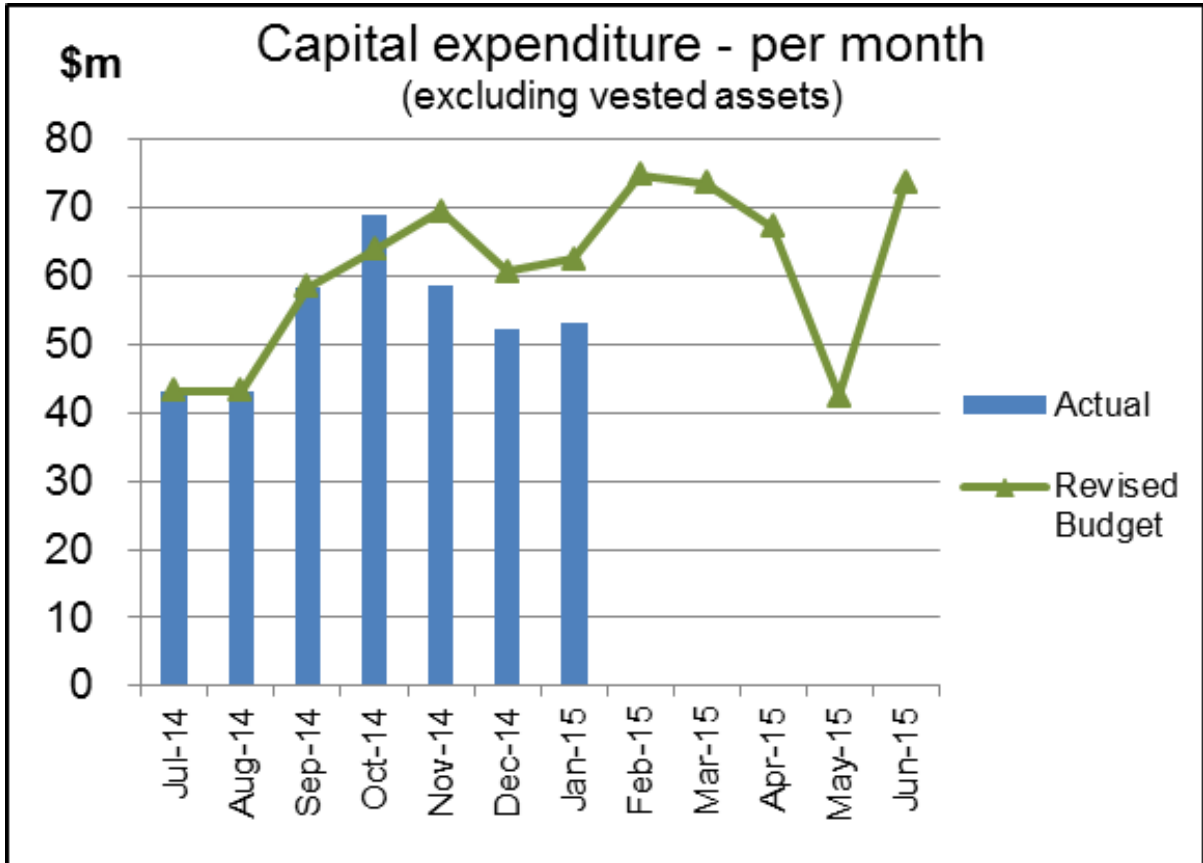
| | | | | | | |
|----------------------|-----|------|-----|-------|-------|-------|
| Total direct capital | 8.4 | 22.6 | ↓ ● | 377.9 | 400.6 | 733.4 |
|----------------------|-----|------|-----|-------|-------|-------|

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 |



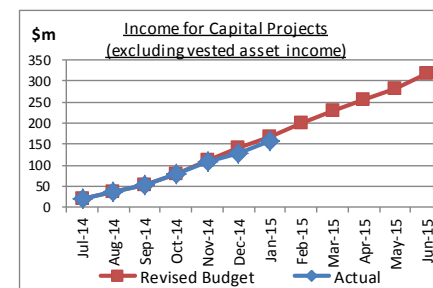
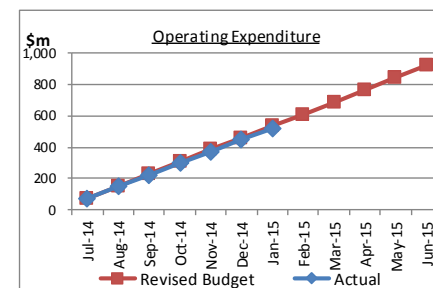
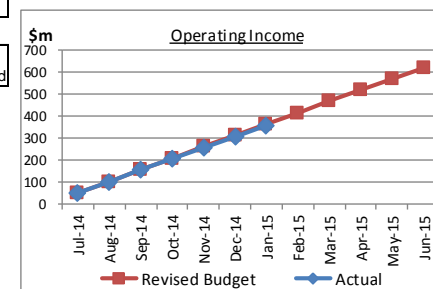




Section 2a – Financial Results for the seven months ended 31 January 2015

| | Current month | | | Year to date | | | | Full year | | | |
|---|-----------------|----------------------------|-------------------|------------------|----------------------------|-------------------|---------------------|----------------------------|------------------|-------------------|---------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Results achieved | Revised Budget \$000 | Budget \$000 | Variance \$000 | Results achieved |
| Income | | | | | | | | | | | |
| <u>Operating income</u> | | | | | | | | | | | |
| Auckland Council funding | 19,632 | 19,632 | - | 137,424 | 137,424 | - | ● | 235,583 | 235,583 | - | ● |
| NZ Transport Agency | 18,490 | 18,378 | 112 | 128,145 | 130,494 | (2,349) | ● | 223,242 | 227,178 | (3,936) | ● |
| Parking and enforcement income | 5,345 | 6,004 | (659) | 42,383 | 45,229 | (2,846) | ● | 78,008 | 79,702 | (1,694) | ● |
| AT Metro income | 4,650 | 4,163 | 487 | 37,228 | 35,465 | 1,763 | ● | 64,395 | 56,465 | 7,930 | ● |
| Other revenue including other grants and subsid | 2,257 | 2,201 | 56 | 15,364 | 15,358 | 6 | ● | 25,969 | 25,695 | 274 | ● |
| Total operating income | 50,374 | 50,378 | (4) | 360,544 | 363,970 | (3,426) | ● | 627,197 | 624,623 | 2,574 | ● |
| Expenditure | | | | | | | | | | | |
| Personnel costs | 9,936 | 9,775 | (161) | 72,837 | 71,859 | (978) | ● | 127,190 | 122,259 | (4,931) | ● |
| Capitalised personnel costs | (2,085) | (2,923) | (838) | (15,848) | (17,936) | (2,088) | ● | (31,821) | (30,002) | 1,819 | ● |
| Depreciation and amortisation expense * | 24,196 | 24,849 | 653 | 165,556 | 168,777 | 3,221 | ● | 293,020 | 290,927 | (2,093) | ● |
| Other expenses | 40,769 | 39,956 | (813) | 285,422 | 288,431 | 3,009 | ● | 501,612 | 501,592 | (20) | ● |
| Finance costs (Electric Trains) | 2,257 | 2,324 | 67 | 13,787 | 13,868 | 81 | ● | 26,706 | 27,264 | 558 | ● |
| Total operating expenditure | 75,073 | 73,981 | (1,092) | 521,754 | 524,999 | 3,245 | ● | 916,707 | 912,040 | (4,667) | ● |
| Surplus/(deficit) from operations | (24,699) | (23,603) | (1,096) | (161,210) | (161,029) | (181) | ● | (289,510) | (287,417) | (2,093) | ● |
| <u>Income for capital projects</u> | | | | | | | | | | | |
| NZ Transport Agency | 15,923 | 15,052 | 871 | 77,826 | 89,316 | (11,490) | ● | 181,918 | 181,918 | - | ● |
| Auckland Council capital grant | 11,208 | 11,208 | - | 78,459 | 78,459 | - | ● | 134,501 | 134,501 | - | ● |
| Other capital grants | - | - | - | - | - | - | ● | - | - | - | ● |
| Vested asset income | 24 | - | 24 | 77,559 | 43,003 | 34,556 | ● | 43,003 | - | 43,003 | ● |
| | 27,155 | 26,260 | 895 | 233,844 | 210,778 | 23,066 | ● | 359,422 | 316,419 | 43,003 | ● |
| Net surplus/(deficit) before tax and derivatives | 2,456 | 2,657 | (201) | 72,634 | 49,749 | 22,885 | ● | 69,912 | 29,002 | 40,910 | ● |
| Gains/(losses) on derivatives | (3,554) | 128 | (3,682) | (12,830) | (1,983) | (10,847) | ● | (1,363) | - | (1,363) | ● |
| Income tax benefit/(expense) | - | - | - | 344 | - | 344 | ● | - | - | - | ● |
| Found assets | - | - | - | 15,185 | 14,775 | 410 | ● | 14,775 | - | 14,775 | ● |
| Profit/(loss) on disposal of assets | 1 | - | 1 | (6,025) | (6,146) | 121 | ● | (6,146) | - | (6,146) | ● |
| Rolling Stock Inventory impairment | - | - | - | (1,500) | - | (1,500) | ● | - | - | - | ● |
| Net surplus/(deficit) after tax and derivatives | (1,097) | 2,785 | (3,882) | 67,808 | 56,395 | 11,413 | ● | 77,178 | 29,002 | 48,176 | ● |

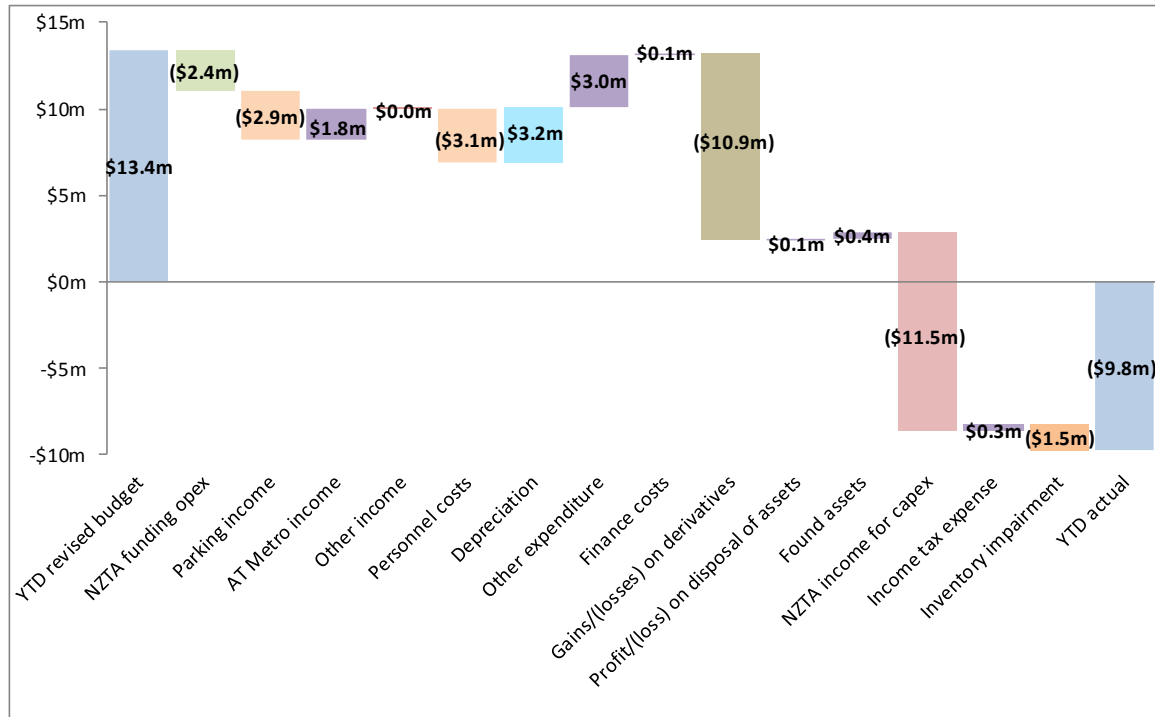
* The budget for depreciation and amortisation expense is based on ATs current assumptions, and differs from the SOI planned depreciation and amortisation expense of \$266m.



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

Section 2b – Net surplus/(deficit) waterfall

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



Section 2c – Summary of financial results by activity

| | Current month | | | Year to date | | | Full Year | | |
|--------------------------------------|-----------------|----------------------------|-------------------|------------------|----------------------------|-------------------|----------------------------|------------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Rail | 8,895 | 8,651 | 244 | 62,419 | 62,038 | 381 | 108,532 | 104,337 | 4,195 |
| Bus | 7,302 | 6,981 | 321 | 53,812 | 53,655 | 157 | 93,467 | 97,222 | (3,755) |
| Ferry | 1,186 | 1,146 | 40 | 7,193 | 7,204 | (11) | 12,642 | 10,634 | 2,008 |
| Other public transport | 2,064 | 2,276 | (212) | 15,202 | 15,610 | (408) | 27,727 | 28,327 | (600) |
| Parking | 3,423 | 3,395 | 28 | 23,949 | 23,950 | (1) | 41,089 | 42,036 | (947) |
| Enforcement | 1,922 | 2,609 | (687) | 18,434 | 21,279 | (2,845) | 36,919 | 37,666 | (747) |
| Roading and footpaths | 4,262 | 3,773 | 489 | 28,715 | 29,711 | (996) | 44,196 | 45,852 | (1,656) |
| Internal support | 1,688 | 1,915 | (227) | 13,396 | 13,099 | 297 | 27,042 | 22,966 | 4,076 |
| Auckland Council operating funding | 19,632 | 19,632 | - | 137,424 | 137,424 | - | 235,583 | 235,583 | - |
| Total operating income | 50,374 | 50,378 | (4) | 360,544 | 363,970 | (3,426) | 627,197 | 624,623 | 2,574 |
| Operating Expenditure | | | | | | | | | |
| Rail | 14,070 | 13,522 | (548) | 91,769 | 91,634 | (135) | 158,668 | 154,217 | (4,451) |
| Bus | 11,822 | 11,752 | (70) | 90,820 | 91,370 | 550 | 159,782 | 167,687 | 7,905 |
| Ferry | 1,563 | 1,622 | 59 | 9,986 | 10,064 | 78 | 18,010 | 16,656 | (1,354) |
| Other public transport | 3,130 | 3,141 | 11 | 22,381 | 21,836 | (545) | 39,889 | 43,393 | 3,504 |
| Parking | 1,114 | 1,239 | 125 | 6,988 | 7,574 | 586 | 13,689 | 14,470 | 781 |
| Enforcement | 1,752 | 1,683 | (69) | 11,105 | 11,121 | 16 | 19,669 | 19,860 | 191 |
| Roading and footpaths | 8,462 | 8,919 | 457 | 67,222 | 66,946 | (276) | 118,191 | 116,184 | (2,007) |
| Internal support | 8,964 | 7,254 | (1,710) | 55,927 | 55,677 | (250) | 95,789 | 88,646 | (7,143) |
| Depreciation * | 24,196 | 24,849 | 653 | 165,556 | 168,777 | 3,221 | 293,020 | 290,927 | (2,093) |
| Total operating expenditure | 75,073 | 73,981 | (1,092) | 521,754 | 524,999 | 3,245 | 916,707 | 912,040 | (4,667) |
| Profit/(loss) from Operations | (24,699) | (23,603) | (1,096) | (161,210) | (161,029) | (181) | (289,510) | (287,417) | (2,093) |

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

Section 2c – Rail operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|------------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Activity Income | 1,632 | 1,682 | (50) | 20,253 | 19,422 | 831 | 35,607 | 32,161 | 3,446 |
| Other income | 83 | 87 | (4) | 617 | 623 | (6) | 1,061 | 1,460 | (399) |
| NZTA operating subsidy | 5,740 | 5,403 | 337 | 32,723 | 33,115 | (392) | 54,641 | 53,174 | 1,467 |
| NZTA operating subsidy - Electric Trains | 1,440 | 1,479 | (39) | 8,826 | 8,878 | (52) | 17,223 | 17,542 | (319) |
| Total operating income | 8,895 | 8,651 | 244 | 62,419 | 62,038 | 381 | 108,532 | 104,337 | 4,195 |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 211 | 204 | (7) | 1,608 | 1,478 | (130) | 2,499 | 2,427 | (72) |
| Capitalised personnel costs | - | (22) | (22) | 6 | (77) | (83) | (148) | - | 148 |
| Service delivery costs and professional services | 8,293 | 7,952 | (341) | 58,845 | 59,403 | 558 | 98,978 | 96,269 | (2,709) |
| Occupancy costs | 264 | 260 | (4) | 2,176 | 2,396 | 220 | 3,948 | 4,669 | 721 |
| Track access charges | 2,375 | 2,219 | (156) | 10,600 | 10,079 | (521) | 19,428 | 18,922 | (506) |
| Other expenditure | 670 | 585 | (85) | 4,765 | 4,488 | (277) | 7,258 | 4,666 | (2,592) |
| Finance costs (Electric Trains) | 2,257 | 2,324 | 67 | 13,769 | 13,867 | 98 | 26,705 | 27,264 | 559 |
| Total operating expenditure | 14,070 | 13,522 | (548) | 91,769 | 91,634 | (135) | 158,668 | 154,217 | (4,451) |
| Depreciation | 2,380 | 2,534 | 154 | 15,606 | 16,443 | 837 | 29,116 | 28,682 | (434) |
| Surplus/(deficit) from Operations | (7,555) | (7,405) | (150) | (44,956) | (46,039) | 1,083 | (79,252) | (78,562) | (690) |
| Internal support costs | 2,490 | 1,983 | (507) | 14,466 | 14,880 | 414 | 24,636 | 23,520 | (1,116) |
| Surplus/(deficit) | (10,045) | (9,388) | (657) | (59,422) | (60,919) | 1,497 | (103,888) | (102,082) | (1,806) |

Section 2c – Bus operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Activity Income | 848 | 801 | 47 | 7,737 | 7,475 | 262 | 13,356 | 10,880 | 2,476 |
| Other income | 924 | 622 | 302 | 2,219 | 1,603 | 616 | 3,293 | 1,874 | 1,419 |
| NZTA operating subsidy | 5,530 | 5,558 | (28) | 43,856 | 44,577 | (721) | 76,818 | 84,468 | (7,650) |
| Total operating income | 7,302 | 6,981 | 321 | 53,812 | 53,655 | 157 | 93,467 | 97,222 | (3,755) |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 209 | 256 | 47 | 1,600 | 1,720 | 120 | 3,018 | 2,822 | (196) |
| Capitalised personnel costs | 8 | - | (8) | 59 | 14 | (45) | 14 | - | (14) |
| Service delivery costs and professional services | 11,375 | 11,345 | (30) | 87,837 | 88,462 | 625 | 154,665 | 162,402 | 7,737 |
| Occupancy costs | 91 | 85 | (6) | 654 | 666 | 12 | 1,190 | 1,554 | 364 |
| Other expenditure | 139 | 66 | (73) | 670 | 508 | (162) | 895 | 909 | 14 |
| Total operating expenditure | 11,822 | 11,752 | (70) | 90,820 | 91,370 | 550 | 159,782 | 167,687 | 7,905 |
| Depreciation | 151 | 170 | 19 | 1,039 | 1,123 | 84 | 1,975 | 1,952 | (23) |
| Surplus/(deficit) from Operations | (4,671) | (4,941) | 270 | (38,047) | (38,838) | 791 | (68,290) | (72,417) | 4,127 |
| Internal support costs | 2,508 | 1,997 | (511) | 14,567 | 14,985 | 418 | 24,809 | 23,686 | (1,123) |
| Surplus/(deficit) | (7,179) | (6,938) | (241) | (52,614) | (53,823) | 1,209 | (93,099) | (96,103) | 3,004 |

Section 2c – Ferry operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Operator access fees | 399 | 310 | 89 | 1,924 | 1,778 | 146 | 3,068 | 3,114 | (46) |
| Activity Income | 67 | 64 | 3 | 371 | 397 | (26) | 686 | 552 | 134 |
| Other Income | 61 | 60 | 1 | 363 | 411 | (48) | 708 | 787 | (79) |
| NZTA operating subsidy | 659 | 712 | (53) | 4,535 | 4,618 | (83) | 8,180 | 6,181 | 1,999 |
| Total operating income | 1,186 | 1,146 | 40 | 7,193 | 7,204 | (11) | 12,642 | 10,634 | 2,008 |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 110 | 86 | (24) | 708 | 639 | (69) | 1,067 | 1,063 | (4) |
| Capitalised personnel costs | - | (2) | (2) | - | (9) | (9) | (20) | (27) | (7) |
| Service delivery costs and professional services | 1,213 | 1,272 | 59 | 7,670 | 7,662 | (8) | 14,016 | 12,661 | (1,355) |
| Other expenditure | 240 | 266 | 26 | 1,608 | 1,772 | 164 | 2,947 | 2,959 | 12 |
| Total operating expenditure | 1,563 | 1,622 | 59 | 9,986 | 10,064 | 78 | 18,010 | 16,656 | (1,354) |
| Depreciation | 233 | 240 | 7 | 1,631 | 1,657 | 26 | 2,856 | 3,034 | 178 |
| Surplus/(deficit) from Operations | (610) | (716) | 106 | (4,424) | (4,517) | 93 | (8,224) | (9,056) | 832 |
| Internal support costs | 283 | 225 | (58) | 1,642 | 1,689 | 47 | 2,796 | 2,670 | (126) |
| Surplus/(deficit) | (893) | (941) | 48 | (6,066) | (6,206) | 140 | (11,020) | (11,726) | 706 |

Section 2c – Other public transport operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Other Income | 636 | 537 | 99 | 3,744 | 3,756 | (12) | 6,616 | 5,637 | 979 |
| NZTA operating subsidy | 1,428 | 1,739 | (311) | 11,458 | 11,854 | (396) | 21,111 | 22,690 | (1,579) |
| Total operating income | 2,064 | 2,276 | (212) | 15,202 | 15,610 | (408) | 27,727 | 28,327 | (600) |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 1,049 | 1,005 | (44) | 7,268 | 7,130 | (138) | 12,397 | 13,589 | 1,192 |
| Capitalised personnel costs | 98 | (186) | (284) | 303 | (936) | (1,239) | (1,486) | (854) | 632 |
| Service delivery costs and professional services | 1,034 | 1,328 | 294 | 8,338 | 8,905 | 567 | 16,739 | 19,876 | 3,137 |
| IT costs | 326 | 128 | (198) | 1,202 | 915 | (287) | 1,564 | 1,685 | 121 |
| Other expenditure | 623 | 866 | 243 | 5,270 | 5,822 | 552 | 10,675 | 9,097 | (1,578) |
| Total operating expenditure | 3,130 | 3,141 | 11 | 22,381 | 21,836 | (545) | 39,889 | 43,393 | 3,504 |
| Depreciation | 1,287 | 1,342 | 55 | 9,174 | 9,344 | 170 | 16,055 | 15,918 | (137) |
| Surplus/(deficit) from Operations | (2,353) | (2,207) | (146) | (16,353) | (15,570) | (783) | (28,217) | (30,984) | 2,767 |
| Internal support costs | 626 | 498 | (128) | 3,637 | 3,741 | 104 | 6,193 | 5,913 | (280) |
| Surplus/(deficit) | (2,979) | (2,705) | (274) | (19,990) | (19,311) | (679) | (34,410) | (36,897) | 2,487 |

Section 2c – Parking operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Other income | 91 | 73 | 18 | 650 | 564 | 86 | 946 | 771 | 175 |
| Parking fees | 3,332 | 3,322 | 10 | 23,299 | 23,386 | (87) | 40,143 | 41,265 | (1,122) |
| Total operating income | 3,423 | 3,395 | 28 | 23,949 | 23,950 | (1) | 41,089 | 42,036 | (947) |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 248 | 276 | 28 | 1,729 | 1,708 | (21) | 2,983 | 3,418 | 435 |
| Capitalised personnel costs | (1) | (17) | (16) | (24) | (93) | (69) | (176) | (202) | (26) |
| Service delivery costs and professional services | 265 | 381 | 116 | 1,604 | 1,787 | 183 | 3,334 | 3,618 | 284 |
| Occupancy costs | 535 | 500 | (35) | 3,261 | 3,623 | 362 | 6,486 | 6,033 | (453) |
| Other expenditure | 67 | 99 | 32 | 418 | 549 | 131 | 1,062 | 1,603 | 541 |
| Total operating expenditure | 1,114 | 1,239 | 125 | 6,988 | 7,574 | 586 | 13,689 | 14,470 | 781 |
| Depreciation | 535 | 531 | (4) | 3,782 | 3,768 | (14) | 6,422 | 6,674 | 252 |
| Surplus/(deficit) from Operations | 1,774 | 1,625 | 149 | 13,179 | 12,608 | 571 | 20,978 | 20,892 | 86 |
| Internal support costs | 215 | 171 | (44) | 1,248 | 1,284 | 36 | 2,125 | 2,029 | (96) |
| Surplus/(deficit) | 1,559 | 1,454 | 105 | 11,931 | 11,324 | 607 | 18,853 | 18,863 | (10) |

Section 2c – Enforcement operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Infringement income | 1,922 | 2,609 | (687) | 18,434 | 21,279 | (2,845) | 36,919 | 37,666 | (747) |
| Total operating income | 1,922 | 2,609 | (687) | 18,434 | 21,279 | (2,845) | 36,919 | 37,666 | (747) |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 782 | 873 | 91 | 5,894 | 5,646 | (248) | 10,067 | 10,105 | 38 |
| Capitalised personnel costs | 22 | - | (22) | 127 | 34 | (93) | 34 | - | (34) |
| Service delivery costs and professional services | 107 | 99 | (8) | 924 | 929 | 5 | 1,600 | 1,497 | (103) |
| Other expenditure | 841 | 711 | (130) | 4,160 | 4,512 | 352 | 7,968 | 8,258 | 290 |
| Total operating expenditure | 1,752 | 1,683 | (69) | 11,105 | 11,121 | 16 | 19,669 | 19,860 | 191 |
| Depreciation | 2 | 19 | 17 | 17 | 82 | 65 | 174 | 212 | 38 |
| Surplus/(deficit) from Operations | 168 | 907 | (739) | 7,312 | 10,076 | (2,764) | 17,076 | 17,594 | (518) |
| Internal support costs | 309 | 246 | (63) | 1,793 | 1,845 | 52 | 3,054 | 2,916 | (138) |
| Surplus/(deficit) | (141) | 661 | (802) | 5,519 | 8,231 | (2,712) | 14,022 | 14,678 | (656) |

Section 2c – Roading and footpaths operations

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|------------------|----------------------------|-------------------|----------------------------|------------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Petrol tax | 763 | 813 | (50) | 5,112 | 5,226 | (114) | 8,720 | 8,677 | 43 |
| Other income | 703 | 407 | 296 | 3,159 | 3,273 | (114) | 5,310 | 4,016 | 1,294 |
| NZTA operating subsidy | 2,796 | 2,553 | 243 | 20,444 | 21,212 | (768) | 30,166 | 33,159 | (2,993) |
| Total operating income | 4,262 | 3,773 | 489 | 28,715 | 29,711 | (996) | 44,196 | 45,852 | (1,656) |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 1,792 | 1,604 | (188) | 12,976 | 12,768 | (208) | 23,716 | 23,314 | (402) |
| Capitalised personnel costs | (782) | (633) | 149 | (2,717) | (2,779) | (62) | (5,539) | (5,865) | (326) |
| Service delivery costs and professional services | 5,966 | 6,409 | 443 | 45,056 | 45,612 | 556 | 80,087 | 79,173 | (914) |
| Occupancy costs | 1,181 | 1,189 | 8 | 9,499 | 9,045 | (454) | 15,379 | 14,921 | (458) |
| IT costs | 34 | 135 | 101 | 99 | 489 | 390 | 1,267 | 2,037 | 770 |
| Other expenditure | 271 | 215 | (56) | 2,309 | 1,811 | (498) | 3,281 | 2,604 | (677) |
| Total operating expenditure | 8,462 | 8,919 | 457 | 67,222 | 66,946 | (276) | 118,191 | 116,184 | (2,007) |
| Depreciation | 18,599 | 18,755 | 156 | 128,366 | 129,431 | 1,065 | 223,204 | 221,881 | (1,323) |
| Surplus/(deficit) from Operations | (22,799) | (23,901) | 1,102 | (166,873) | (166,666) | (207) | (297,199) | (292,213) | (4,986) |
| Internal support costs | 1,855 | 1,477 | (378) | 10,775 | 11,084 | 309 | 18,351 | 17,520 | (831) |
| Surplus/(deficit) | (24,654) | (25,378) | 724 | (177,648) | (177,750) | 102 | (315,550) | (309,733) | (5,817) |

Section 2c – Internal support

| | Current month | | | Year to date | | | Full Year | | |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|-------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 | Budget \$000 | Variance \$000 |
| Operating Income | | | | | | | | | |
| Other income | 791 | 982 | (191) | 7,094 | 6,858 | 236 | 11,939 | 13,003 | (1,064) |
| NZTA operating subsidy | 897 | 933 | (36) | 6,302 | 6,241 | 61 | 15,103 | 9,963 | 5,140 |
| Total operating income | 1,688 | 1,915 | (227) | 13,396 | 13,099 | 297 | 27,042 | 22,966 | 4,076 |
| Operating Expenditure | | | | | | | | | |
| Personnel costs | 5,537 | 5,470 | (67) | 41,054 | 40,769 | (285) | 71,444 | 65,522 | (5,922) |
| Capitalised personnel costs | (1,431) | (2,063) | (632) | (13,604) | (14,090) | (486) | (24,501) | (23,054) | 1,447 |
| Directors Fees | 42 | 54 | 12 | 310 | 322 | 12 | 594 | 504 | (90) |
| Service delivery costs and professional services | 2,662 | 1,860 | (802) | 13,261 | 14,709 | 1,448 | 24,392 | 21,437 | (2,955) |
| Other expenditure | 2,154 | 1,933 | (221) | 14,906 | 13,967 | (939) | 23,860 | 24,237 | 377 |
| Total operating expenditure | 8,964 | 7,254 | (1,710) | 55,927 | 55,677 | (250) | 95,789 | 88,646 | (7,143) |
| Depreciation | 1,009 | 1,258 | 249 | 5,941 | 6,929 | 988 | 13,218 | 12,574 | (644) |
| Taxation | - | - | - | (344) | - | 344 | - | - | - |
| Surplus/(deficit) before allocation of cc | (8,285) | (6,597) | (1,688) | (48,128) | (49,507) | 1,379 | (81,965) | (78,254) | (3,711) |
| Internal support costs | (8,285) | (6,597) | 1,688 | (48,128) | (49,507) | (1,379) | (81,965) | (78,254) | 3,711 |
| Total internal support allocation | (8,285) | (6,597) | 1,688 | (48,128) | (49,507) | (1,379) | (81,965) | (78,254) | 3,711 |
| Surplus/(deficit) | - | - | - | - | - | - | - | - | - |

Section 3a – Summary of Capital Expenditure Split by activity

| | Current month | | | Year to date | | | Results Achieved | Revised Budget \$000 |
|---------------------------------------|---------------|----------------------|----------------|----------------|----------------------|-----------------|------------------|----------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | | |
| New capital expenditure | | | | | | | | |
| Roads and footpaths | 6,941 | 13,927 | 6,986 | 71,134 | 87,286 | 16,152 | ● | 173,989 |
| AT Metro (includes CRL) | 3,137 | 6,387 | 3,250 | 61,264 | 67,822 | 6,558 | ● | 128,236 |
| Parking operations | (10) | 55 | 65 | 369 | 642 | 273 | ● | 8,229 |
| Internal support | 3,272 | 1,483 | (1,789) | 15,067 | 10,410 | (4,657) | ● | 12,392 |
| Total new capital | 13,340 | 21,852 | 8,512 | 147,834 | 166,160 | 18,326 | ● | 322,846 |
| Renewal capital expenditure | | | | | | | | |
| Roads and footpaths | 17,552 | 14,921 | (2,631) | 98,612 | 102,616 | 4,004 | ● | 188,271 |
| AT Metro | 168 | 235 | 67 | 1,541 | 2,172 | 631 | ● | 4,850 |
| Parking operations | 79 | 175 | 96 | 398 | 638 | 240 | ● | 2,200 |
| Total renewal | 17,799 | 15,331 | (2,468) | 100,551 | 105,426 | 4,875 | ● | 195,321 |
| Electric multiple units (EMUs) | | | | | | | | |
| Procurement | 21,713 | 24,313 | 2,600 | 128,980 | 128,658 | (322) | ● | 214,237 |
| Depot | 307 | 75 | (232) | 578 | 321 | (257) | ● | 997 |
| Total EMUs | 22,020 | 24,388 | 2,368 | 129,558 | 128,979 | (579) | ● | 215,234 |
| Total direct capital | 53,159 | 61,571 | 8,412 | 377,943 | 400,565 | 22,622 | ● | 733,401 |
| Vested assets | 24 | - | (24) | 77,559 | 43,003 | (34,556) | ● | 43,003 |
| Total capital | 53,183 | 61,571 | 8,388 | 455,502 | 443,568 | (11,934) | ● | 776,404 |

Section 3b – Summary of Capital Expenditure Split by category

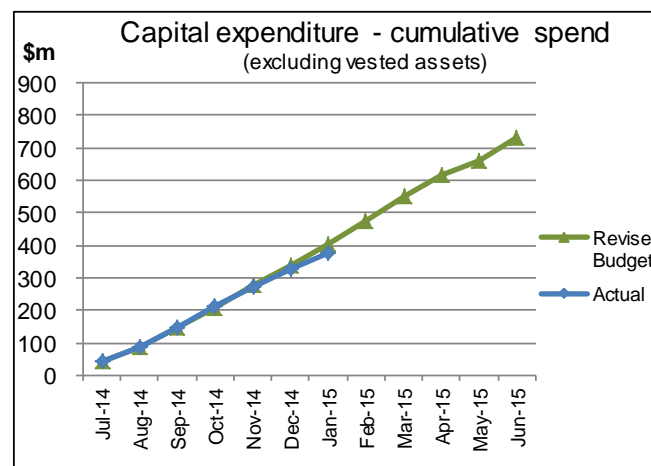
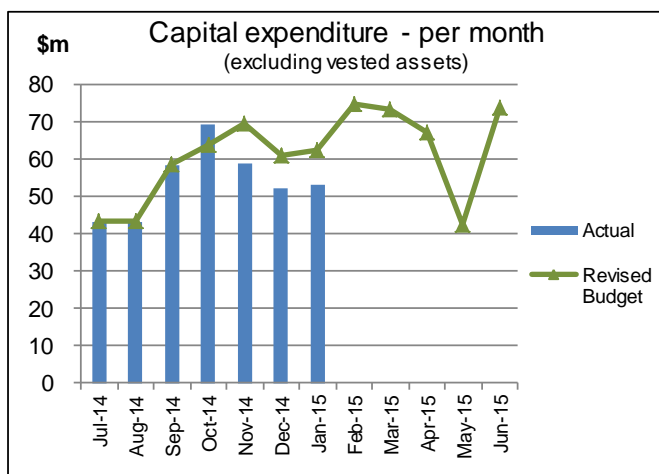
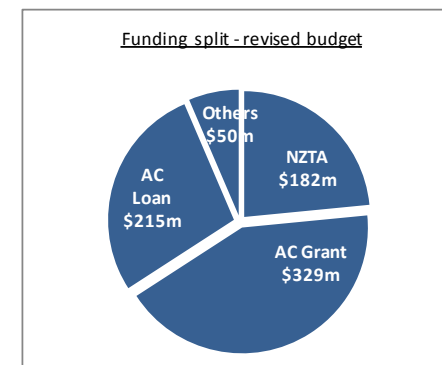
| | Current month | | | Year to date | | | Full year |
|---|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Core capital expenditure | | | | | | | |
| New capital | | | | | | | |
| Capital land acquisition | 511 | 4,164 | 3,653 | 16,143 | 25,721 | 9,578 | 35,391 |
| Roads and footpaths | 6,292 | 9,258 | 2,966 | 54,115 | 60,621 | 6,506 | 127,815 |
| AT Metro | 1,272 | 3,092 | 1,820 | 14,595 | 16,899 | 2,304 | 49,462 |
| Parking operations | (10) | 55 | 65 | 369 | 642 | 273 | 8,229 |
| Internal support | 3,205 | 1,483 | (1,722) | 14,798 | 10,350 | (4,448) | 12,345 |
| Total new capital core expenditure | 11,270 | 18,052 | 6,782 | 100,020 | 114,233 | 14,213 | 233,242 |
| Renewal | | | | | | | |
| Roads and footpaths | 17,552 | 14,921 | (2,631) | 98,612 | 102,616 | 4,004 | 185,768 |
| AT Metro | 168 | 235 | 67 | 1,541 | 2,172 | 631 | 4,850 |
| Parking operations | 79 | 175 | 96 | 398 | 638 | 240 | 2,200 |
| Total renewal core expenditure | 17,799 | 15,331 | (2,468) | 100,551 | 105,426 | 4,875 | 192,818 |
| Total core capital expenditure | 29,069 | 33,383 | 4,314 | 200,571 | 219,659 | 19,088 | 426,060 |
| Ring fenced capital expenditure | | | | | | | |
| City Rail Link- others | 1,452 | 1,795 | 343 | 19,689 | 19,626 | (63) | 35,592 |
| City Rail Link- land | 224 | 1,435 | 1,211 | 26,381 | 30,097 | 3,716 | 41,470 |
| EMU depot | 307 | 75 | (232) | 578 | 321 | (257) | 997 |
| EMU procurement | 21,713 | 24,313 | 2,600 | 128,980 | 128,658 | (322) | 214,237 |
| Local Board initiatives | 172 | 440 | 268 | 959 | 1,491 | 532 | 9,973 |
| Others | 222 | 130 | (92) | 785 | 713 | (72) | 5,072 |
| Total ring fenced capital expenditure | 24,090 | 28,188 | 4,098 | 177,372 | 180,906 | 3,534 | 307,341 |
| Total direct capital excluding vested assets | 53,159 | 61,571 | 8,412 | 377,943 | 400,565 | 22,622 | 733,401 |
| Vested assets | 24 | - | (24) | 77,559 | 43,003 | (34,556) | 43,003 |
| Total capital | 53,183 | 61,571 | 8,388 | 455,502 | 443,568 | (11,934) | 776,404 |

Section 3c – Capital Expenditure Funding

| | Current month | | | Year to date | | | Full year |
|--|---------------|----------------|----------|--------------|----------------|----------|----------------|
| | Actual | Revised Budget | Variance | Actual | Revised Budget | Variance | Revised Budget |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |

Funding

| | | | | | | | |
|------------------------|---------------|---------------|----------------|----------------|----------------|---------------|----------------|
| NZTA - new capital | 8,239 | 8,421 | (182) | 34,659 | 41,528 | (6,869) | 101,395 |
| NZTA - renewal capital | 7,684 | 6,631 | 1,053 | 43,167 | 47,788 | (4,621) | 80,523 |
| AC funding (Non EMU) | 11,208 | 11,208 | - | 78,459 | 78,459 | - | 134,501 |
| Investment by AC | 4,008 | 10,923 | (6,915) | 85,064 | 96,775 | (11,711) | 194,712 |
| AC loan (EMU) | 22,020 | 24,388 | (2,368) | 129,558 | 128,979 | 579 | 215,234 |
| Vested assets | 24 | - | 24 | 77,559 | 43,003 | 34,556 | 43,003 |
| Sale of assets | - | - | - | 7,036 | 7,036 | - | 7,036 |
| Total funding | 53,183 | 61,571 | (8,388) | 455,502 | 443,568 | 11,934 | 776,404 |



Section 4a – Statement of Financial Position As at 31 January 2015

| | Note | Actual 31 January 2015 \$000 | Actual 31 December 2014 \$000 |
|--|------|------------------------------------|-------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 1 | 9,688 | 16,955 |
| Trade and other receivables | 2 | 135,184 | 140,362 |
| Inventories | | 3,156 | 2,961 |
| Other assets | | 16,254 | 20,087 |
| Non-current asset held for sale | | 5,000 | 5,000 |
| Total current assets | | 169,282 | 185,365 |
| Non-current assets | | | |
| Property, plant and equipment - assets | | 15,526,818 | 15,499,019 |
| Property, plant and equipment - work-in-progress | | 580,220 | 580,004 |
| Intangible assets | | 111,318 | 110,361 |
| Amounts due from related parties | | 52,000 | 52,000 |
| Total non-current assets | | 16,270,356 | 16,241,384 |
| Total assets | | 16,439,638 | 16,426,749 |
| Liabilities | | | |
| Current liabilities | | | |
| Derivative financial instruments | 3 | 3,667 | 12,295 |
| Trade and other payables | 4 | 147,429 | 139,402 |
| Employee benefit liabilities | 5 | 11,661 | 11,443 |
| Borrowings | 6 | 3,915 | 3,849 |
| Total current liabilities | | 166,672 | 166,989 |
| Non-current liabilities | | | |
| Derivative financial instruments | 3 | 12,071 | 8,933 |
| Employee benefit liabilities | 5 | 745 | 745 |
| Borrowings | 6 | 462,446 | 457,788 |
| Deferred tax liability | 7 | 10,544 | 10,888 |
| Total non-current liabilities | | 485,806 | 478,354 |
| Total liabilities | | 652,478 | 645,343 |
| Net assets | | 15,787,160 | 15,781,406 |
| Equity | | | |
| Contributed equity | | 13,313,582 | 13,315,747 |
| Retained earnings/(losses) | | 486,873 | 487,627 |
| Reserves | | 1,986,705 | 1,978,032 |
| Total equity | | 15,787,160 | 15,781,406 |

Section 4b – Notes to the Financial Statements As at 31 January 2015

| | Actual 31 January 2015 \$000 | Actual 31 December 2014 \$000 |
|--|------------------------------------|-------------------------------------|
| 1 Cash and cash equivalents | | |
| Cash at bank - Trading | 9,413 | 16,680 |
| Till floats | 275 | 275 |
| Total cash and cash equivalents | 9,688 | 16,955 |

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

2 Trade and other receivables

| | | |
|--|----------------|----------------|
| Trade debtors | 3,933 | 3,804 |
| Finance lease receivable | 93 | 94 |
| Infringements receivable | 18,663 | 19,457 |
| Amounts due from related parties | 78,179 | 82,077 |
| Accrued income | 35,785 | 30,500 |
| Goods and services tax | - | 5,899 |
| | 136,653 | 141,831 |
| Less provision for impairment of receivables | (1,469) | (1,469) |
| Total trade and other receivables | 135,184 | 140,362 |

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 January 2015 is detailed below:

| | Gross \$000 | Impaired \$000 | Net \$000 |
|-----------------------|----------------|-------------------|----------------|
| Not past due | 117,641 | - | 117,641 |
| Past due 1 - 30 days | 1,723 | - | 1,723 |
| Past due 31 - 60 days | 1,781 | - | 1,781 |
| Past due 61 - 90 days | 1,605 | - | 1,605 |
| Past due > 90 days | 13,903 | (1,469) | 12,434 |
| | 136,653 | (1,469) | 135,184 |

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

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

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

| | Actual \$000 |
|----------------------------|-----------------|
| At 1 July 2014 | 1,179 |
| Additional provisions made | 376 |
| Provisions reversed | (86) |
| Receivables written-off | - |
| At 31 January 2015 | 1,469 |

Section 4b – Notes to the Financial Statements As at 31 January 2015

| | Actual 31 January 2015 \$000 | Actual 31 December 2014 \$000 |
|--|------------------------------------|-------------------------------------|
| 3 Derivative financial instruments | | |
| Current liability portion | | |
| Forward foreign exchange contracts - cash flow hedges | 3,667 | 12,295 |
| Current derivative financial instruments | 3,667 | 12,295 |
| Non-current liability portion | | |
| Interest rate swaps - cash flow hedges | 12,053 | 8,870 |
| Forward foreign exchange contracts - cash flow hedges | 18 | 63 |
| Non-current derivative financial instruments | 12,071 | 8,933 |
| Total derivative financial instrument liabilities | 15,738 | 21,228 |

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 \$112m. The foreign currency principal amount was USD \$78m. These cash flow hedges have been accounted for as effective and the gain of \$38m 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 \$107m. At 31 January 2015 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.34% to 5.41%. The loss on their revaluation of \$7m has been recorded in the Statement of Financial Performance.

4 Trade and other payables

| | | |
|--------------------------------|----------------|----------------|
| Creditors | 13,909 | 12,840 |
| Goods and services tax | 1,541 | - |
| Accrued expenses | 105,507 | 99,906 |
| Retentions | 6,620 | 6,402 |
| Amounts due to related parties | 18,938 | 19,528 |
| Income in advance | 914 | 726 |
| | 147,429 | 139,402 |

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 January 2015

| | Actual 31 January 2015 \$000 | Actual 31 December 2014 \$000 |
|---|------------------------------------|-------------------------------------|
| 5 Employee benefit liabilities | | |
| Current portion | | |
| Accrued salaries and wages | 4,478 | 3,619 |
| Accrued leave | 7,183 | 7,824 |
| Current employee benefit liabilities | 11,661 | 11,443 |
| 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 | 3,869 | 3,800 |
| Finance Leases | 46 | 49 |
| Current borrowings | 3,915 | 3,849 |
| Non-current portion | | |
| Loans from Auckland Council | 462,444 | 457,784 |
| Finance Leases | 2 | 4 |
| Non-current borrowings | 462,446 | 457,788 |
| Weighted average cost of funds on total borrowings | 5.73% | 5.74% |

Auckland Transport's loan debt of \$466m is issued at fixed rates of interest ranging from 3.78% to 6.22%. The interest rate on finance leases is 3%.

7 Deferred tax liability

| | Property, plant and equipment | Other provisions | Tax losses | Actual 31 January 2015 Total |
|-----------------------------------|-------------------------------------|---------------------|---------------|------------------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July 2014 | (10,888) | - | - | (10,888) |
| Charged to profit and loss | 344 | - | - | 344 |
| Charged to equity | - | - | - | - |
| Balance at 31 January 2015 | (10,544) | - | - | (10,544) |

Section 5a – Cash Flow

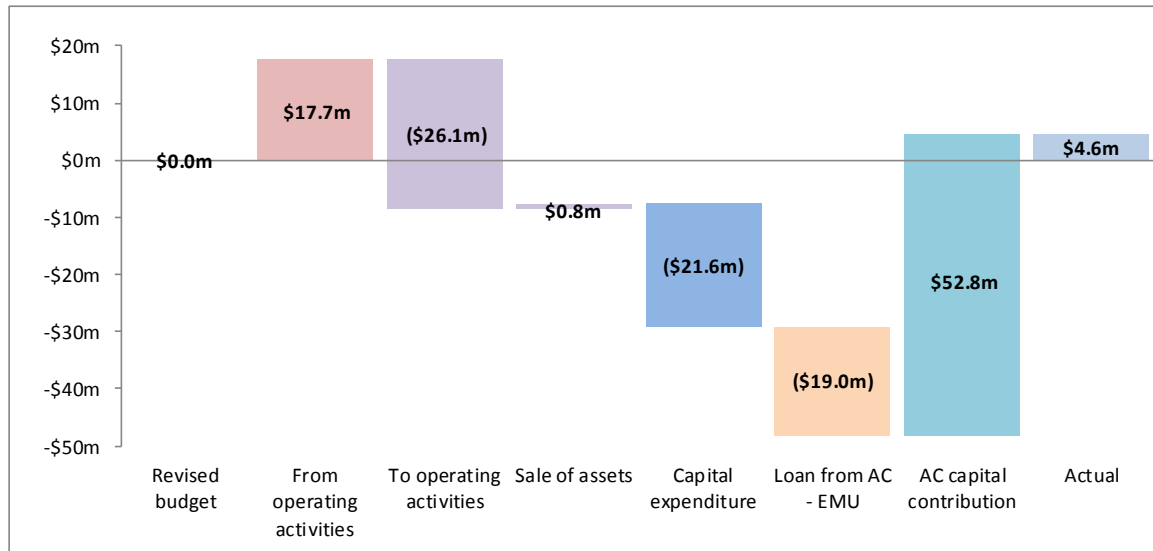
| | Year to date | | Full year |
|---|------------------|----------------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Revised Budget \$000 |
| Cash flows from operating activities | | | |
| Total cash provided | 549,431 | 531,745 | 943,616 |
| Cash applied to: | | | |
| Payments to suppliers, employees and directors | 373,760 | 347,389 | 596,931 |
| Interest paid | 13,599 | 13,868 | 26,706 |
| Total cash applied | 387,359 | 361,257 | 623,637 |
| Net cash from operating activities | 162,072 | 170,488 | 319,979 |
| Cash flows from investing activities | | | |
| Cash provided from: | | | |
| Sale of property, plant and equipment | 804 | - | - |
| Total cash provided | 804 | - | - |
| Cash applied to: | | | |
| Capital expenditure projects | 422,198 | 400,565 | 733,401 |
| Total cash applied | 422,198 | 400,565 | 733,401 |
| Net cash from investing activities | (421,394) | (400,565) | (733,401) |
| Cash flows from financing activities | | | |
| Cash provided from: | | | |
| Loan from Auckland Council - EMU | 110,000 | 128,979 | 215,234 |
| Capital contribution from Auckland Council (Note 1) | 155,679 | 102,840 | 201,748 |
| Total cash provided | 265,679 | 231,819 | 416,982 |
| Cash applied to: | | | |
| Repayments of EMU loan from Auckland Council | 1,715 | 1,708 | 3,510 |
| Repayments of finance lease principal | 34 | 34 | 50 |
| Total cash provided | 1,749 | 1,742 | 3,560 |
| Net cash from financing activities | 263,930 | 230,077 | 413,422 |
| Net (decrease)/increase in cash and cash equivalents | 4,608 | - | - |
| Opening cash balance | 5,080 | - | - |
| Closing cash balance | 9,688 | - | - |

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

| Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities | |
|---|-----------------|
| | Actual \$000 |
| Surplus/(deficit) after tax | 67,808 |
| Add/(less) non cash items | |
| Depreciation and amortisation | 165,556 |
| Vested assets | (77,559) |
| Found assets | (15,185) |
| Loss on disposal of property, plant and equipment | 6,025 |
| Loss on asset write off | - |
| Revaluation decrement | - |
| Foreign exchange gains | - |
| Loss on interest rate swaps | 7,090 |
| Income tax | (344) |
| | 85,583 |
| Add/(less) movements in working capital | |
| Decrease/(Increase) in debtors and other receivables | 16,533 |
| Decrease/(Increase) in inventories | 1,044 |
| (Decrease)/Increase in creditors and other payables | (10,779) |
| (Decrease)/Increase in employee benefits payable | 1,883 |
| | 8,681 |
| Net cash flow from operating activities | 162,072 |

Section 5b – Cash Flow Waterfall

Cash flow – Year to date revised budget to actual



Section 6 – Accounts Receivable Report

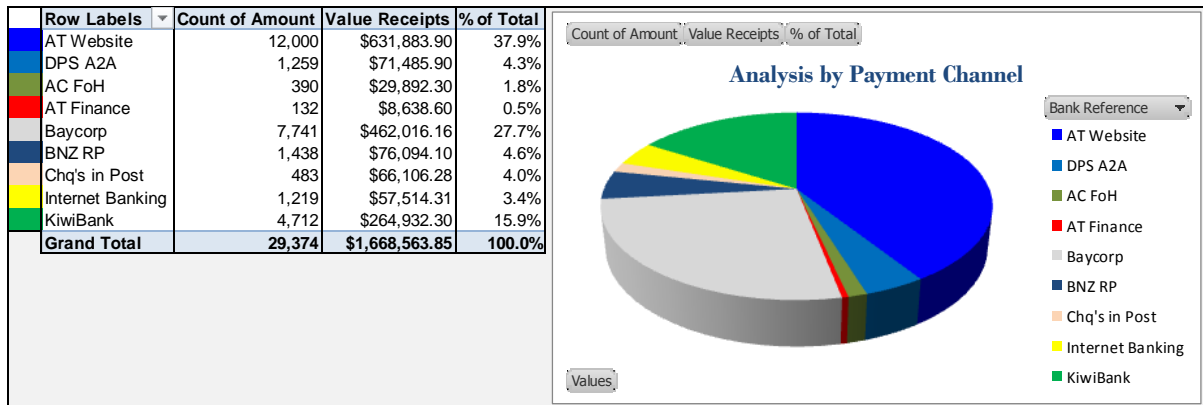
Accounts Receivable

An overview of the Debtors as at 31 January has 98.6% (99.6% December) of adjusted Debtors in 30 and 60 days, or not yet due.

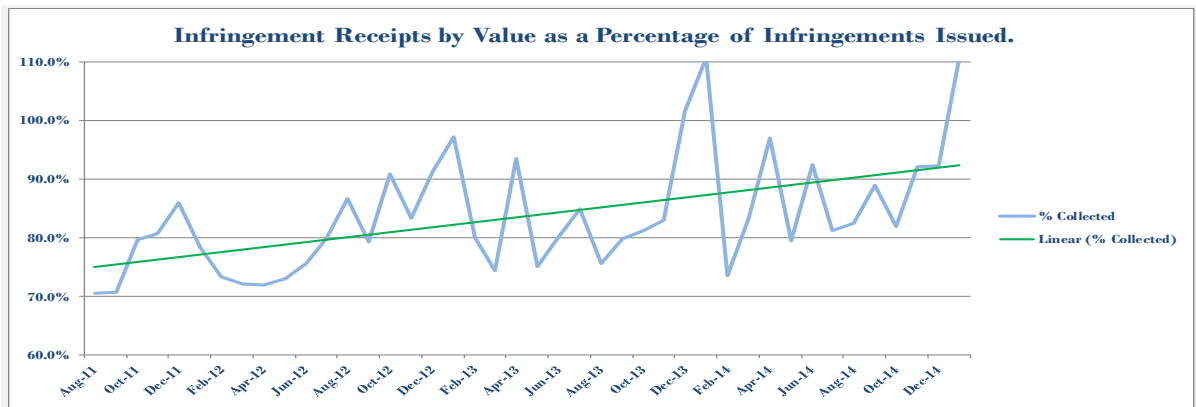
| <u>Debtors Ageing Analysis as at 31 January 2015</u> | | | | | | | | | |
|--|-----------------|------------------|--------------------|----------------|----------------|----------------|-----------------|------------------|--------------|
| <u>Description</u> | <u>Ave Days</u> | <u>Total O/s</u> | <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 31 Jan | | 3,992,173 | 1,398,934 | 434,769 | 214,871 | 399,903 | 38,129 | 1,505,566 | 1 |
| Parking Permit Debtors | | 19,424 | 0 | 14,570 | 2,503 | 525 | 1,826 | 0 | 2 |
| Total Debtors | | 4,011,597 | 1,398,934 | 449,339 | 217,374 | 400,428 | 39,955 | 1,505,566 | |
| | | 100.0% | 34.9% | 11.2% | 5.4% | 10.0% | 1.0% | 37.5% | |
| O/s Related Parties | 15 | 78,085 | 11,769 | 44,501 | 17,314 | 39 | 2,369 | 2,093 | 3 |
| Trade Debtors | 116 | 3,933,511 | 1,387,165 | 404,838 | 200,060 | 400,388 | 37,586 | 1,503,473 | |
| | | 100.0% | 35.3% | 10.3% | 5.1% | 10.2% | 1.0% | 38.2% | |
| Queried Invoices | 278 | 135,191 | 0 | 4,915 | 6,403 | 3,549 | 9,088 | 111,237 | 4 |
| Cell Sites - Property | 549 | 1,519,223 | 0 | 541 | 0 | 288,291 | 13,681 | 1,216,709 | 5 |
| To Baycorp (Collection) | 548 | 37,693 | 0 | 476 | 4,235 | 45 | 3,887 | 29,050 | 6 |
| Payment Arrangement | 22 | 549 | 0 | 0 | 549 | 0 | 0 | 0 | 7 |
| Lodged Courts (Damages) | 254 | 249,496 | 10,259 | 924 | 55 | 89,719 | 4,495 | 144,043 | 8 |
| Adjusted Debtors | N/a | 1,991,360 | 1,376,906 | 397,981 | 188,818 | 18,784 | 6,435 | 2,435 | |
| | | 100.0% | 69.1% | 20.0% | 9.5% | 0.9% | 0.3% | 0.1% | |

- 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. The issues previously reported on around a group of apartments disputing parking charges with Property is understood to have been resolved, but to date we have not yet received settlement of the disputed amounts. Finance is still awaiting an update from Property on this matter.
- 5 - Relates to the ongoing cell sites dispute. Two of the four accounts in dispute have been resolved and discussions have started to achieve resolution on the remaining Telco's. The balance owing by the Telco's has been fully impaired as at 31 December 2014 and may be written off in the future. Legal opinion has been sought and negotiations continue.
- 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.

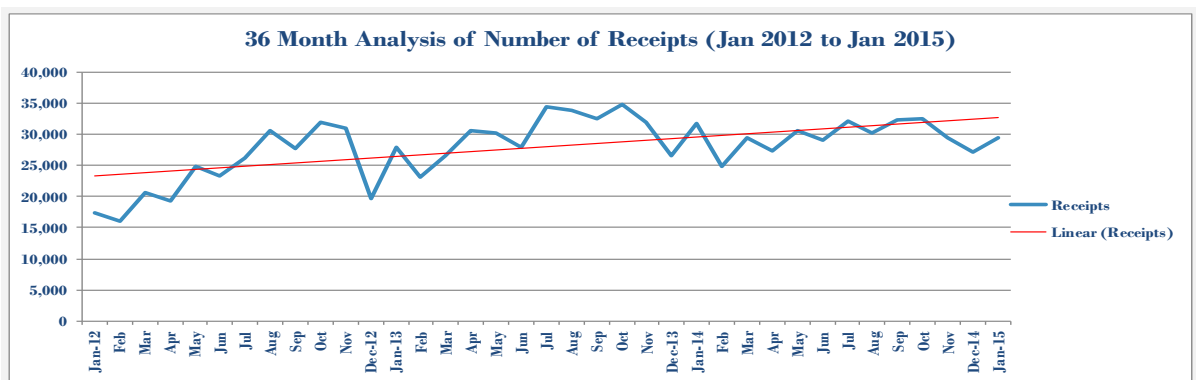
Infringement Overview



December's Infringement receipts by volume are 8.2% up on December (19 working days in January compared with 18 in December). Of the customers not paying in response to a Baycorp letter of demand, 67% are making use of our electronic payment methods (66% in December).



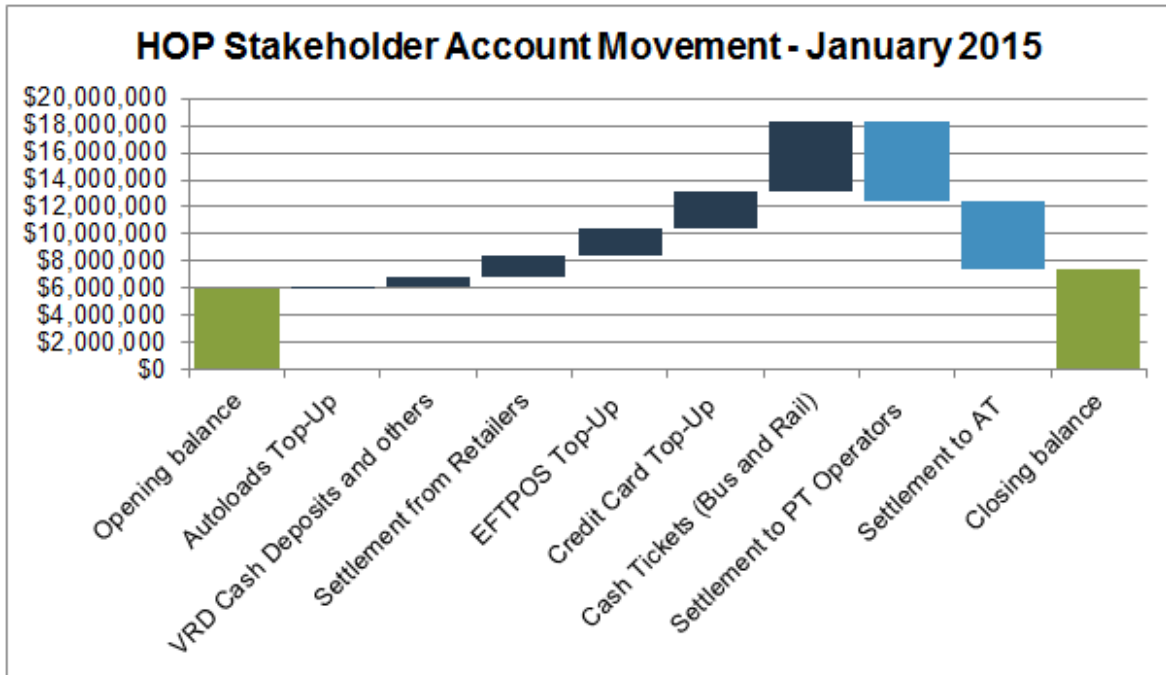
The graph above includes all receipts through AT, Baycorp and MOJ but excludes legacy receipts. The spike in December and January is normal when compared with Jan 2014 and Jan 2013, as infringements issued over this period are down. The trend line clearly shows improved collection rates over the 3 year period.



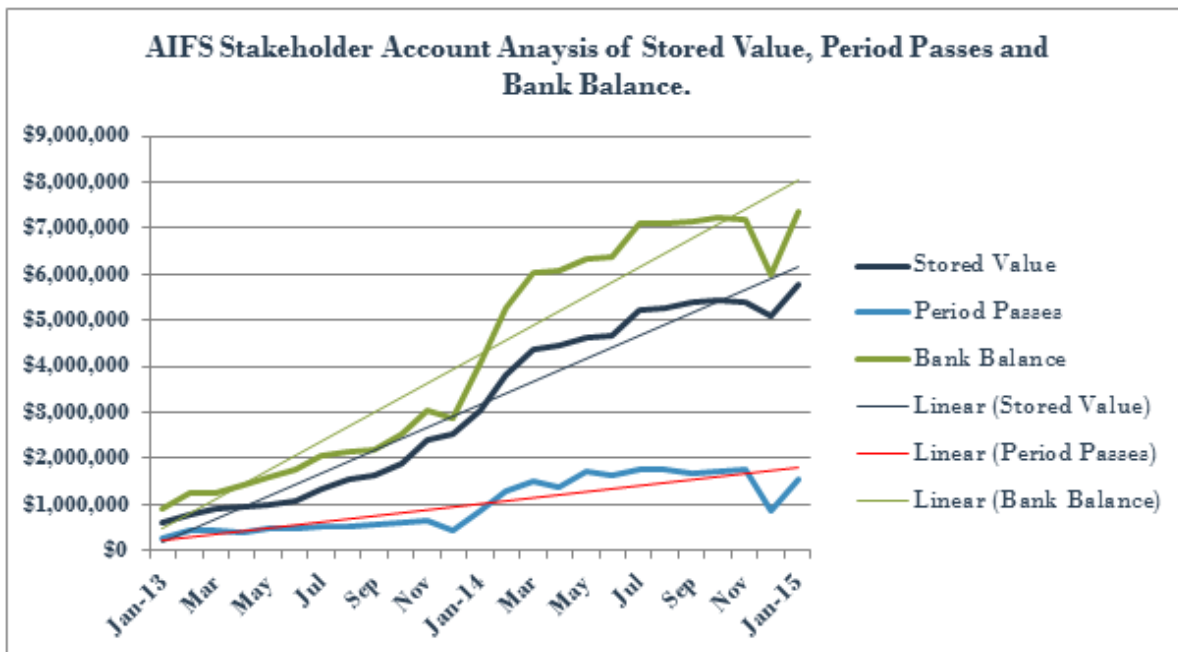
The 37 month analysis of receipts by volume shows a decrease of 8.2% in January compared with December. Following the launch of the Baycorp Project in 2012, AT's receipts have maintained steady growth.

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





The AT HOP Stakeholder bank account increased by 22.7%, from \$5.98 million to \$7.34 million, in January 2015.



The following graph provides an overview of monthly balances for Stored Value, Period Passes, and the AT HOP Stakeholder Account together with trend lines. December 2014 dropped due to the impact of Christmas Holidays on the value of period passes purchased.



Document ownership

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