

# Financial Results for the Seven Months Ended 31 January 2014

This report summarises the Auckland Transport financial results for the seven months ended 31 January 2014.

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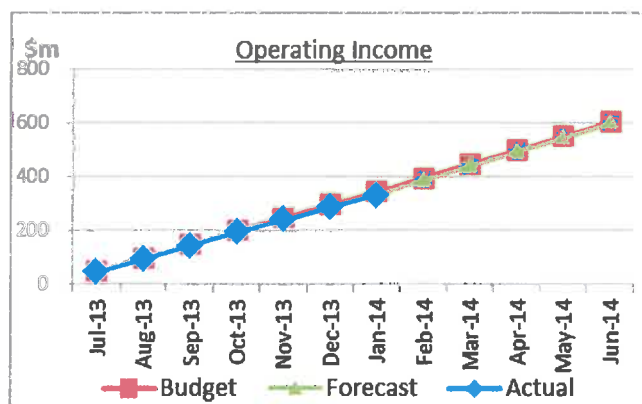
## Executive Summary

### Financial Results for the seven months ended 31 January 2014:

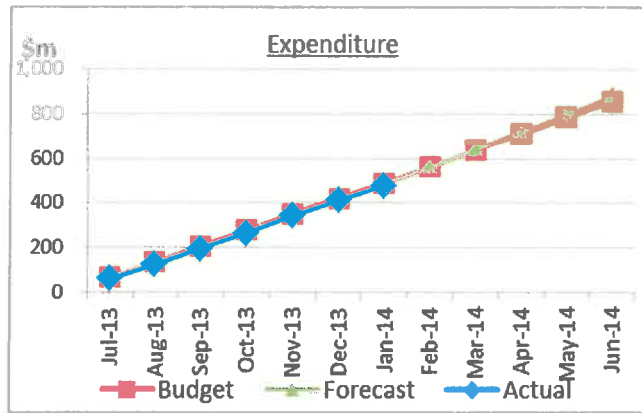
	Current month variance to Forecast \$m	Year to date variance to Forecast \$m	Year to date results	Year to date Actual \$m	Year to date Forecast \$m	Full year Forecast \$m	Full Year Budget \$m
Total operating income	(1.4)	(2.3)	↓ ●	337.2	339.5	601.2	604.0
Total operating expenditure	1.5	7.5	↓ ●	478.4	485.9	875.8	856.7
Surplus/(deficit) from operations	0.1	5.2	↑ ●	(141.2)	(146.4)	(274.6)	(252.7)
Income for capital projects	3.2	40.4	↑ ●	206.9	166.5	295.7	305.8
Net surplus/(deficit) before tax	3.3	45.5	↑ ●	65.7	20.2	21.1	53.1
Total direct capital	13.1	16.6	↓ ●	329.0	345.6	741.8	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



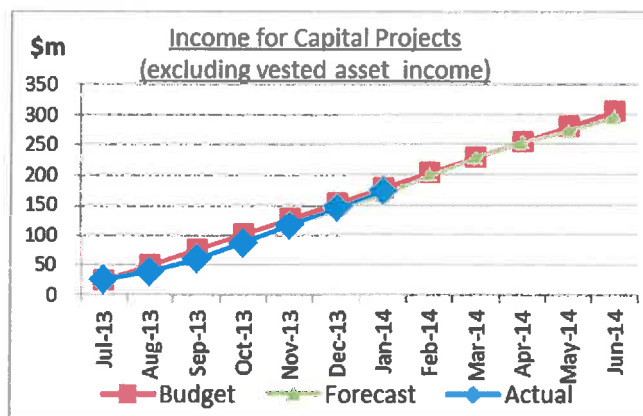
Total operating income year to date is below forecast by \$2.3m mainly due to lower than forecast NZTA operating subsidy of \$1.8m, and parking income of \$0.8m due to lower legacy court receipts.



**Total operating expenditure year to date is below forecast by \$7.5m mainly due to:**

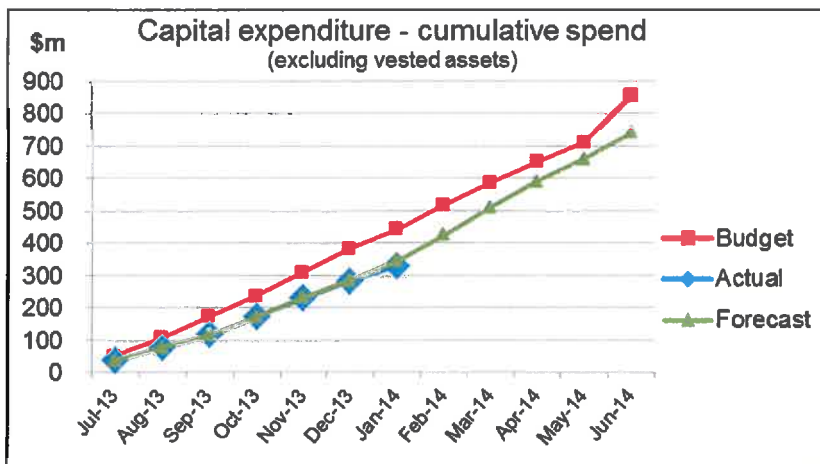
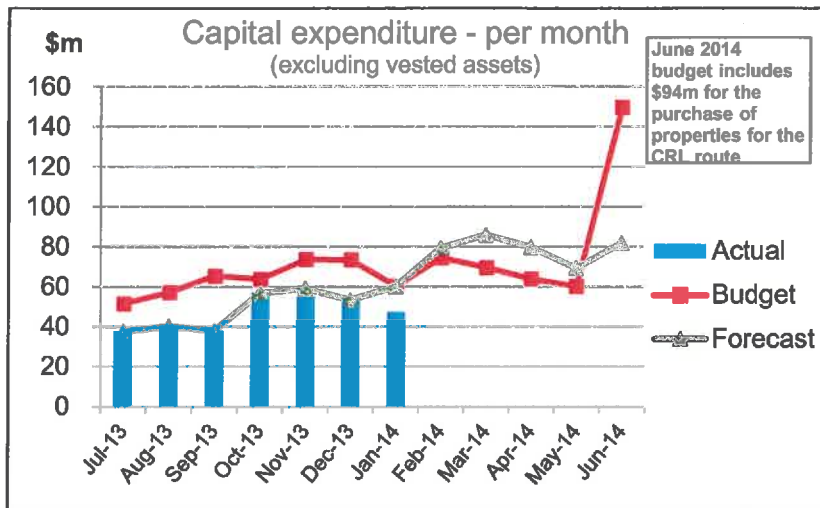
- \$2.8m delayed expenditure for public transport, of which \$1.4m is delayed rolling stock maintenance costs
- \$2.1m favourable variance for depreciation
- \$1.5m delayed roading expenditure
- \$0.7m delayed maintenance cost and reduced lease cost for parking

**Net surplus before tax and derivatives is \$45.5m favourable to forecast, due to higher than forecast operational result of \$5.2m and income for capital projects of \$40.3m.**



**Income for capital projects year to date excluding vested asset is \$6.8m favourable due to higher than forecast NZTA capital funding.**

**Income for capital projects year to date including vested asset income of \$33.5m is higher than forecast by \$40.3m.**



**Capital expenditure year to date excluding vested assets**, was \$329.0m, which is \$16.6m lower than forecast due to new capital of \$9.1m and EMU project \$8.0m, partly offset by higher than forecast and renewal capital of \$0.5m.

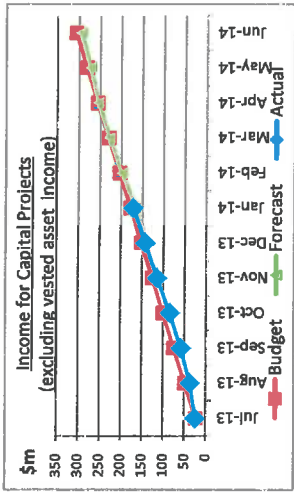
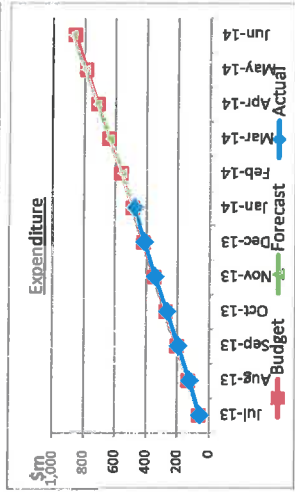
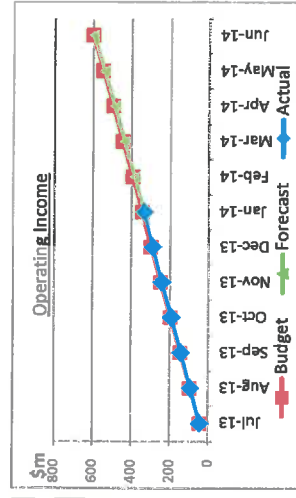
Capital expenditure year to date including vested assets of \$33.5m, was \$362.5m, which is \$16.9m higher than forecast. Further details on the variances are in section 3a.

The **asset position** is sound with net assets of \$14.6 billion at the end of January and cash flow funding arrangements in place to ensure all liabilities can be met.

### Section 2a - Auckland Transport Financial Results for the seven months ended 31 January 2014

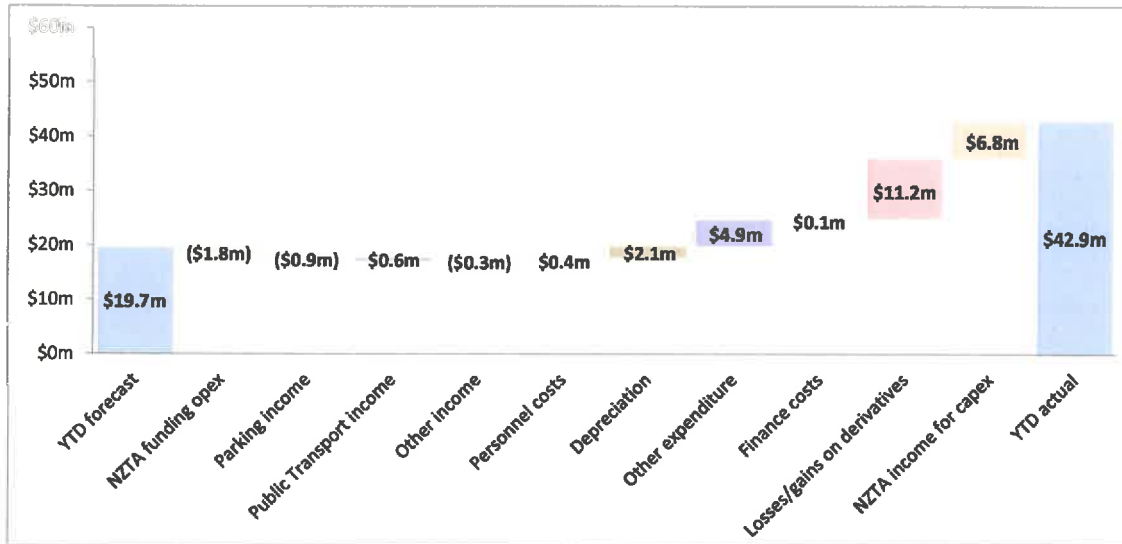
	Current month			Year to date			Full year				
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results achieved	Forecast \$000	Budget \$000	Variance \$000	Results achieved
<b>Income</b>											
<b>Operating income</b>											
Auckland Council funding	19,178	19,178	-	134,247	134,247	-	●	230,138	230,138	-	●
NZ Transport Agency	14,971	16,387	(1,416)	118,889	120,441	(1,752)	●	216,548	219,917	(3,369)	●
Parking and enforcement income	5,210	5,155	55	41,735	42,562	(827)	●	78,275	78,932	(657)	●
Public transport income	3,794	3,837	(43)	28,978	29,368	610	●	52,247	51,379	868	●
Other revenue including other grants and subsidies	1,980	1,984	16	12,558	12,887	(331)	●	24,033	23,620	413	●
<b>Total operating income</b>	45,133	46,521	(1,388)	337,205	339,525	(2,320)	●	601,241	603,986	(2,745)	●
<b>Expenditure</b>											
Personnel costs	8,923	8,525	(398)	61,239	61,747	508	●	113,398	108,471	(4,925)	●
Capitalised personnel costs	(1,874)	(2,194)	(320)	(16,046)	(16,195)	(149)	●	(25,244)	(24,355)	889	●
Depreciation and amortisation expense	23,342	23,453	111	157,791	159,895	2,104	●	277,180	253,422	(23,738)	●
Other expenses	34,783	36,722	1,939	268,227	273,111	4,884	●	495,822	500,865	5,043	●
Finance costs (Electric Trains)	1,148	1,266	118	7,186	7,327	141	●	14,707	18,285	3,578	●
<b>Total operating expenditure</b>	66,322	67,772	1,450	478,387	485,885	7,488	●	875,841	856,688	(19,153)	●
<b>Profit/(loss) from Operations</b>	(21,189)	(21,251)	62	(141,182)	(146,360)	5,188	●	(274,600)	(252,702)	(21,898)	●
<b>Income for capital projects</b>											
NZ Transport Agency	18,261	15,068	3,193	98,594	91,762	6,832	●	167,525	177,839	(10,114)	●
Auckland Council capital grant	10,678	10,878	-	74,749	74,749	-	●	128,140	128,140	-	●
Other capital grants	-	-	-	-	-	-	●	-	-	-	●
Vested asset income	-	-	-	33,530	-	33,530	●	-	-	-	●
<b>Net surplus/(deficit) before tax and derivatives</b>	28,939	25,746	3,193	208,873	166,511	40,362	●	295,665	305,779	(10,114)	●
Losses/(gains) on derivatives	7,750	4,495	3,255	65,681	20,151	45,530	●	21,065	53,077	(32,012)	●
Income tax expense/(benefit)	4,553	-	(4,553)	(10,726)	458	11,184	●	458	-	(458)	●
<b>Net surplus/(deficit) after tax and derivatives</b>	3,197	4,495	(1,298)	76,459	19,883	56,766	●	20,807	53,077	(32,470)	●

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

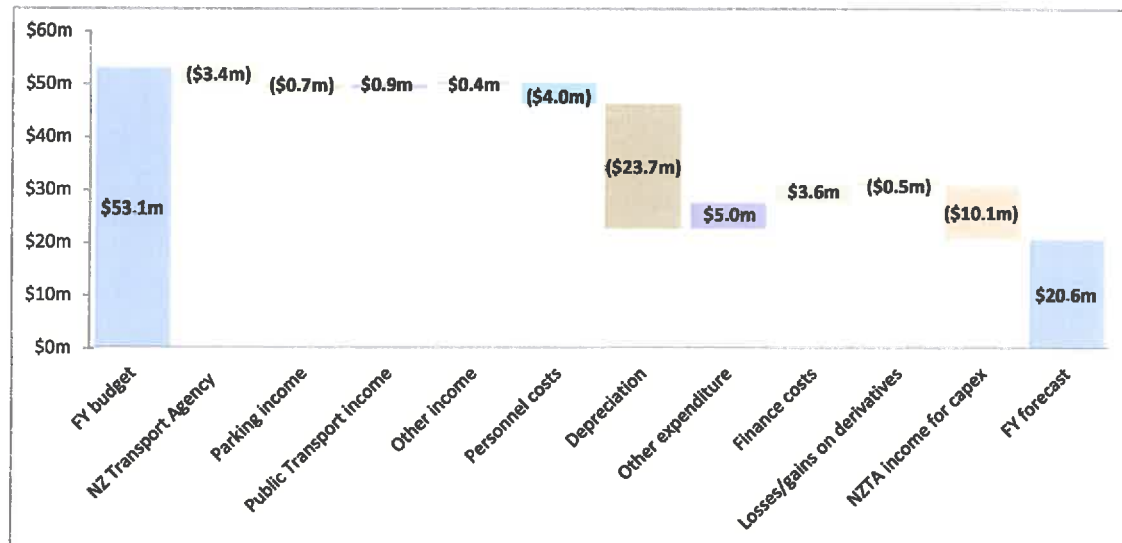


**Section 2b - Net surplus/(deficit) waterfall**

**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 seven months ended 31 January 2014**

	Current month			Year to date			Full Year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance
	\$000	\$000	\$000	\$000	\$000	\$000	30 Jun 2014 \$000	30 Jun 2014 \$000	\$000
<b>Operating Income</b>									
Rail	5,645	7,014	(1,369)	50,569	52,234	(1,665)	98,959	105,077	(6,118)
Bus	6,936	6,987	(51)	52,726	52,316	410	93,062	93,188	(126)
Ferry	835	808	27	5,448	5,398	50	9,890	9,832	58
Other Public Transport	1,743	1,950	(207)	14,225	13,984	261	24,669	24,640	29
Parking	3,114	2,555	559	22,023	21,580	443	37,741	37,942	(201)
Enforcement	2,096	2,600	(504)	19,712	21,002	(1,290)	40,534	40,990	(456)
Roading and footpaths	3,487	3,806	(319)	26,971	27,946	(975)	45,532	46,034	(502)
Internal support	2,089	1,623	476	11,284	10,838	446	20,716	16,145	4,571
Auckland Council operating funding	19,178	19,178	-	134,247	134,247	-	230,138	230,138	-
<b>Total operating income</b>	<b>45,133</b>	<b>46,521</b>	<b>(1,388)</b>	<b>337,205</b>	<b>339,525</b>	<b>(2,320)</b>	<b>601,241</b>	<b>603,986</b>	<b>(2,745)</b>
<b>Operating Expenditure</b>									
Rail	8,618	10,585	1,967	73,635	76,039	2,404	142,695	147,095	4,400
Bus	11,415	11,542	127	88,283	88,506	223	158,979	157,836	(1,143)
Ferry	1,221	1,179	(42)	8,140	8,075	(65)	15,127	14,915	(212)
Other Public Transport	3,263	3,163	(100)	22,718	22,971	253	43,424	44,025	601
Parking	1,217	1,325	108	7,388	8,243	855	14,899	14,586	(313)
Enforcement	1,681	1,667	(14)	11,556	11,475	(81)	20,109	20,976	867
Roading and footpaths	8,511	8,589	58	63,696	65,147	1,451	115,691	115,997	306
Internal support	7,053	6,289	(764)	45,190	45,534	344	87,755	87,857	102
Depreciation	23,343	23,453	110	157,791	159,895	2,104	277,162	253,421	(23,741)
<b>Total operating expenditure</b>	<b>66,322</b>	<b>67,772</b>	<b>1,450</b>	<b>478,397</b>	<b>485,885</b>	<b>7,488</b>	<b>875,841</b>	<b>856,688</b>	<b>(19,153)</b>
<b>Profit/(loss) from Operations</b>	<b>(21,189)</b>	<b>(21,251)</b>	<b>62</b>	<b>(141,192)</b>	<b>(146,360)</b>	<b>5,168</b>	<b>(274,600)</b>	<b>(252,702)</b>	<b>(21,898)</b>

## Section 2c - Rail Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Activity Income	1,266	1,586	(320)	16,512	16,637	(125)	29,503	29,715	(212)
Other income	86	145	(59)	591	740	(149)	1,461	1,460	1
NZTA operating subsidy	3,503	4,417	(914)	28,523	29,815	(1,292)	57,951	62,305	(4,354)
NZTA operating subsidy - Electric Trains	790	866	(76)	4,943	5,042	(99)	10,044	11,597	(1,553)
<b>Total operating income</b>	<b>5,645</b>	<b>7,014</b>	<b>(1,369)</b>	<b>50,569</b>	<b>52,234</b>	<b>(1,665)</b>	<b>98,959</b>	<b>105,077</b>	<b>(6,118)</b>
<b>Operating Expenditure</b>									
Personnel costs	168	205	37	968	1,083	95	2,185	2,343	158
Capitalised personnel costs	(9)	(39)	(30)	(89)	(176)	(87)	-	-	-
Service delivery costs and professional services	5,581	7,091	1,510	53,389	55,400	2,011	100,788	101,554	766
Occupancy costs	371	366	(5)	2,415	2,569	154	4,800	4,660	(140)
Track access charges	1,403	1,314	(89)	7,509	7,429	(80)	15,199	15,258	59
Other expenditure	(44)	382	426	2,257	2,426	169	5,015	4,995	(20)
Finance costs (Electric Trains)	1,148	1,266	118	7,186	7,328	142	14,708	18,285	3,577
<b>Total operating expenditure</b>	<b>8,618</b>	<b>10,585</b>	<b>1,967</b>	<b>73,635</b>	<b>76,039</b>	<b>2,404</b>	<b>142,695</b>	<b>147,095</b>	<b>4,400</b>
Depreciation	3,612	4,047	435	22,857	24,971	2,114	45,208	33,897	(11,311)
<b>Surplus/(deficit) from Operations</b>	<b>(6,585)</b>	<b>(7,618)</b>	<b>1,033</b>	<b>(45,923)</b>	<b>(48,776)</b>	<b>2,853</b>	<b>(88,944)</b>	<b>(75,915)</b>	<b>(13,029)</b>
Internal support costs	1,629	1,500	(129)	10,588	10,878	290	20,949	21,727	778
<b>Surplus/(deficit)</b>	<b>(8,214)</b>	<b>(9,118)</b>	<b>904</b>	<b>(56,511)</b>	<b>(59,654)</b>	<b>3,143</b>	<b>(109,893)</b>	<b>(97,642)</b>	<b>(12,251)</b>

### Major variance explanations:

#### Operating Income

Lower than forecast year to date and month NZTA revenue due to lower than forecast expenditure.

Full year forecast for NZTA subsidy is lower than budget due to subsidy that was budgeted as operating but is actually renewal.

Full year forecast for NZTA subsidy for Electric Trains is lower than budget due to lower than budgeted interest costs, resulting from lower than planned borrowings.

#### Operating Expenditure

Lower than forecast service delivery costs for the month due to \$1.4m of rolling stock maintenance costs forecast for January that will now occur in February.

Other expenditure is favourable for the month due to insurance premium paid in December being transferred to prepayments in January.

Full year finance costs have been forecast down due to lower than planned borrowings.



**Section 2c - Bus Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Activity income	728	883	(155)	6,715	6,547	168	10,917	10,620	297
Other income	825	444	381	1,673	1,299	374	2,162	2,238	(76)
NZTA operating subsidy	5,383	5,660	(277)	44,338	44,470	(132)	79,983	80,330	(347)
<b>Total operating income</b>	<b>6,936</b>	<b>6,987</b>	<b>(51)</b>	<b>52,726</b>	<b>52,316</b>	<b>410</b>	<b>93,062</b>	<b>93,188</b>	<b>(126)</b>
<b>Operating Expenditure</b>									
Personnel costs	217	211	(6)	1,204	1,204	-	2,579	2,605	26
Capitalised personnel costs	5	(5)	(10)	174	98	(76)	73	-	(73)
Service delivery costs and professional services	10,908	11,168	260	85,756	86,197	441	154,436	151,861	(2,575)
Occupancy costs	84	101	17	605	585	(20)	1,121	2,463	1,342
Other expenditure	201	67	(134)	544	422	(122)	770	907	137
<b>Total operating expenditure</b>	<b>11,415</b>	<b>11,542</b>	<b>127</b>	<b>88,283</b>	<b>88,506</b>	<b>223</b>	<b>158,979</b>	<b>157,836</b>	<b>(1,143)</b>
Depreciation	120	119	(1)	833	832	(1)	1,426	658	(768)
<b>Surplus/(deficit) from Operations</b>	<b>(4,599)</b>	<b>(4,674)</b>	<b>75</b>	<b>(36,390)</b>	<b>(37,022)</b>	<b>632</b>	<b>(67,343)</b>	<b>(65,306)</b>	<b>(2,037)</b>
Internal support costs	1,748	1,609	(139)	11,361	11,672	311	22,479	23,314	835
<b>Surplus/(deficit)</b>	<b>(6,347)</b>	<b>(6,283)</b>	<b>(64)</b>	<b>(47,751)</b>	<b>(48,694)</b>	<b>943</b>	<b>(89,822)</b>	<b>(88,620)</b>	<b>(1,202)</b>

**Section 2c - Ferry Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Operator access fees	380	308	72	1,917	1,777	140	3,059	3,075	(16)
Activity Income	18	47	(29)	352	381	(29)	500	500	-
Other Income	67	63	4	457	448	9	802	787	15
NZTA operating subsidy	370	390	(20)	2,722	2,792	(70)	5,529	5,470	59
<b>Total operating income</b>	<b>835</b>	<b>808</b>	<b>27</b>	<b>5,448</b>	<b>5,398</b>	<b>50</b>	<b>9,890</b>	<b>9,832</b>	<b>58</b>
<b>Operating Expenditure</b>									
Personnel costs	76	64	(12)	377	376	(1)	853	781	(72)
Capitalised personnel costs	-	-	-	(71)	(52)	19	-	(22)	(22)
Service delivery costs and professional services	855	895	40	6,263	6,232	(31)	11,582	10,940	(642)
Other expenditure	290	220	(70)	1,571	1,519	(52)	2,692	3,216	524
<b>Total operating expenditure</b>	<b>1,221</b>	<b>1,179</b>	<b>(42)</b>	<b>8,140</b>	<b>8,075</b>	<b>(65)</b>	<b>15,127</b>	<b>14,915</b>	<b>(212)</b>
Depreciation	177	174	(3)	1,223	1,217	(6)	2,087	2,074	(13)
<b>Surplus/(deficit) from Operations</b>	<b>(563)</b>	<b>(545)</b>	<b>(18)</b>	<b>(3,915)</b>	<b>(3,894)</b>	<b>(21)</b>	<b>(7,324)</b>	<b>(7,157)</b>	<b>(167)</b>
Internal support costs	165	152	(13)	1,074	1,103	29	2,124	2,203	79
<b>Surplus/(deficit)</b>	<b>(728)</b>	<b>(697)</b>	<b>(31)</b>	<b>(4,989)</b>	<b>(4,997)</b>	<b>8</b>	<b>(9,448)</b>	<b>(9,360)</b>	<b>(88)</b>

**Section 2c - Other Public Transport Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Other Income	424	361	63	1,761	1,539	222	3,843	2,984	859
NZTA operating subsidy	1,319	1,589	(270)	12,464	12,425	39	20,826	21,656	(830)
<b>Total operating income</b>	<b>1,743</b>	<b>1,950</b>	<b>(207)</b>	<b>14,225</b>	<b>13,964</b>	<b>261</b>	<b>24,669</b>	<b>24,640</b>	<b>29</b>
<b>Operating Expenditure</b>									
Personnel costs	1,198	1,148	(50)	7,831	7,918	87	14,887	14,838	(49)
Capitalised personnel costs	(35)	(127)	(92)	(345)	(559)	(214)	(331)	(636)	(305)
Service delivery costs and professional services	1,271	1,407	136	9,391	10,257	866	18,727	23,618	4,891
IT costs	128	120	(8)	1,130	1,178	48	1,778	1,635	(143)
Other expenditure	701	615	(86)	4,711	4,177	(534)	8,363	4,570	(3,793)
<b>Total operating expenditure</b>	<b>3,263</b>	<b>3,163</b>	<b>(100)</b>	<b>22,718</b>	<b>22,971</b>	<b>253</b>	<b>43,424</b>	<b>44,025</b>	<b>601</b>
Depreciation	742	772	30	5,323	5,403	80	9,261	8,698	(563)
<b>Surplus/(deficit) from Operations</b>	<b>(2,262)</b>	<b>(1,985)</b>	<b>(277)</b>	<b>(13,816)</b>	<b>(14,410)</b>	<b>594</b>	<b>(28,016)</b>	<b>(28,083)</b>	<b>67</b>
Internal support costs	487	449	(38)	3,169	3,256	87	6,270	6,503	233
<b>Surplus/(deficit)</b>	<b>(2,749)</b>	<b>(2,434)</b>	<b>(315)</b>	<b>(16,985)</b>	<b>(17,666)</b>	<b>681</b>	<b>(34,286)</b>	<b>(34,586)</b>	<b>300</b>

**Major variance explanations:**

**Operating Expenditure**

Year to date favourable variance partly due to delayed service delivery costs, and partly due to costs forecast under service delivery related to other expenditure.

**Section 2c - Parking Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Other income	80	60	20	519	518	1	879	771	108
Parking fees	3,034	2,495	539	21,504	21,062	442	36,862	37,171	(309)
<b>Total operating income</b>	<b>3,114</b>	<b>2,555</b>	<b>559</b>	<b>22,023</b>	<b>21,580</b>	<b>443</b>	<b>37,741</b>	<b>37,942</b>	<b>(201)</b>
<b>Operating Expenditure</b>									
Personnel costs	292	251	(41)	1,794	1,828	34	3,292	1,870	(1,422)
Capitalised personnel costs	1	(17)	(18)	(100)	(90)	10	(174)	(202)	(28)
Service delivery costs and professional services	321	327	6	1,636	1,907	271	3,630	4,315	685
Occupancy costs	496	503	7	3,547	3,724	177	6,329	6,518	189
(Profit)/loss on disposal of assets	-	-	-	52	52	-	52	-	
Other expenditure	107	261	154	459	822	363	1,770	2,065	295
<b>Total operating expenditure</b>	<b>1,217</b>	<b>1,325</b>	<b>108</b>	<b>7,388</b>	<b>8,243</b>	<b>855</b>	<b>14,899</b>	<b>14,566</b>	<b>(281)</b>
Depreciation	580	589	9	4,118	4,129	11	7,075	6,442	(633)
<b>Surplus/(deficit) from Operations</b>	<b>1,317</b>	<b>641</b>	<b>676</b>	<b>10,517</b>	<b>9,208</b>	<b>1,309</b>	<b>15,767</b>	<b>16,934</b>	<b>(1,115)</b>
Internal support costs	161	149	(12)	1,048	1,077	29	2,074	2,152	78
<b>Surplus/(deficit)</b>	<b>1,156</b>	<b>492</b>	<b>664</b>	<b>9,469</b>	<b>8,131</b>	<b>1,338</b>	<b>13,693</b>	<b>14,782</b>	<b>(1,037)</b>

**Major variance explanations:**

**Operating Income**

Parking fees for the month of January includes revenue that was forecast for December but received in January. Year to date parking is favourable due to higher occupancy rates than forecast.

**Operating Expenditure**

Full year personnel costs higher than budget due to restructure moving personnel who were budgeted for under enforcement into parking.

Service delivery costs are favourable year to date due to delayed maintenance costs. Other expenditure is favourable year to date due to the forecast including an increase in lease costs that has not occurred.

**Section 2c - Enforcement Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Infringement income	2,096	2,600	(504)	19,712	21,002	(1,290)	40,534	40,990	(456)
<b>Total operating income</b>	<b>2,096</b>	<b>2,600</b>	<b>(504)</b>	<b>19,712</b>	<b>21,002</b>	<b>(1,290)</b>	<b>40,534</b>	<b>40,990</b>	<b>(456)</b>
<b>Operating Expenditure</b>									
Personnel costs	942	899	(43)	6,250	6,212	(38)	10,894	11,906	1,012
Capitalised personnel costs	(3)	-	3	56	23	(33)	23	-	(23)
Service delivery costs and professional services	115	124	9	1,000	923	(77)	1,648	1,607	(41)
Other expenditure	627	644	17	4,250	4,317	67	7,544	7,463	(81)
<b>Total operating expenditure</b>	<b>1,681</b>	<b>1,667</b>	<b>(14)</b>	<b>11,556</b>	<b>11,475</b>	<b>(81)</b>	<b>20,109</b>	<b>20,976</b>	<b>867</b>
Depreciation	12	20	8	159	143	(16)	245	1,091	846
<b>Surplus/(deficit) from Operations</b>	<b>403</b>	<b>913</b>	<b>(510)</b>	<b>7,997</b>	<b>9,384</b>	<b>(1,387)</b>	<b>20,180</b>	<b>18,923</b>	<b>1,257</b>
Internal support costs	232	214	(18)	1,510	1,551	41	2,987	3,098	111
<b>Surplus/(deficit)</b>	<b>171</b>	<b>699</b>	<b>(528)</b>	<b>6,487</b>	<b>7,833</b>	<b>(1,346)</b>	<b>17,193</b>	<b>15,825</b>	<b>1,368</b>

**Major variance explanations:**

**Operating Income**

Year to date infringement income is unfavourable to forecast due to lower than forecast legacy court receipts received.

**Operating Expenditure**

Full year personnel costs lower than budget due to restructure moving personnel who were budgeted for under enforcement into parking.

## Section 2c - Roading and Footpaths Operations for the seven months ended 31 January 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
<b>Operating Income</b>									
Petrol tax	798	723	75	4,973	4,969	4	8,585	8,677	(92)
Other income	344	255	89	2,307	1,998	309	3,283	2,795	488
NZTA operating subsidy	2,345	2,828	(483)	19,691	20,979	(1,288)	33,664	34,562	(898)
<b>Total operating income</b>	<b>3,487</b>	<b>3,806</b>	<b>(319)</b>	<b>26,971</b>	<b>27,946</b>	<b>(975)</b>	<b>45,532</b>	<b>46,034</b>	<b>(502)</b>
<b>Operating Expenditure</b>									
Personnel costs	1,324	1,240	(84)	9,824	9,720	(104)	17,821	17,154	(667)
Capitalised personnel costs	(319)	(485)	(166)	(2,569)	(3,235)	(666)	(5,550)	(5,459)	91
Service delivery costs and professional services	5,582	6,410	828	45,042	47,441	2,399	83,562	84,300	738
Occupancy costs	1,667	1,027	(640)	8,614	8,182	(432)	14,557	15,347	790
IT costs	43	48	5	115	224	109	832	2,249	1,417
(Profit)/loss on disposal of assets	(74)	-	74	(364)	-	364	-	-	-
Other expenditure	288	329	41	3,034	2,815	(219)	4,469	2,406	(2,063)
<b>Total operating expenditure</b>	<b>8,511</b>	<b>8,569</b>	<b>58</b>	<b>63,696</b>	<b>65,147</b>	<b>1,451</b>	<b>115,691</b>	<b>115,997</b>	<b>306</b>
Depreciation	17,347	17,143	(204)	120,034	119,780	(254)	205,495	196,142	(9,353)
<b>Surplus/(deficit) from Operations</b>	<b>(22,371)</b>	<b>(21,906)</b>	<b>(465)</b>	<b>(156,759)</b>	<b>(156,981)</b>	<b>222</b>	<b>(275,654)</b>	<b>(266,105)</b>	<b>(9,549)</b>
Internal support costs	1,284	1,183	(101)	8,349	8,578	229	16,520	17,134	614
<b>Surplus/(deficit)</b>	<b>(23,655)</b>	<b>(23,089)</b>	<b>(566)</b>	<b>(165,108)</b>	<b>(165,559)</b>	<b>451</b>	<b>(292,174)</b>	<b>(283,239)</b>	<b>(8,935)</b>

### Operating Income

Lower than forecast year to date NZTA revenue due to lower than forecast expenditure.

### Operating Expenditure

Favourable year to date expenditure due to delayed Road Corridor Maintenance contractor costs.

Occupancy costs are higher for the month as it includes electricity costs relating to November and December.

Gain on disposal of assets relates to release of revaluation reserve on transfer of property assets to Auckland Council.

## Section 2c - Internal support for the seven months ended 31 January 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
<b>Operating income</b>									
Other income	839	987	(148)	5,276	5,920	(644)	12,167	12,149	18
NZTA operating subsidy	1,260	636	624	6,008	4,918	1,090	8,549	3,996	4,553
<b>Total operating income</b>	<b>2,099</b>	<b>1,623</b>	<b>476</b>	<b>11,284</b>	<b>10,838</b>	<b>446</b>	<b>20,716</b>	<b>16,145</b>	<b>4,571</b>
<b>Operating Expenditure</b>									
Personnel costs	4,706	4,507	(199)	32,989	33,426	437	60,885	56,973	(3,912)
Capitalised personnel costs	(1,516)	(1,522)	(6)	(13,102)	(12,206)	896	(19,286)	(18,036)	1,250
Directors Fees	42	33	(9)	275	250	(25)	416	399	(17)
Service delivery costs and professional services	1,194	1,779	585	12,321	13,107	786	26,251	21,062	(5,189)
Other expenditure	2,627	1,492	(1,135)	12,707	10,957	(1,750)	19,489	27,459	7,970
<b>Total operating expenditure</b>	<b>7,053</b>	<b>6,289</b>	<b>(764)</b>	<b>45,190</b>	<b>45,534</b>	<b>344</b>	<b>87,755</b>	<b>87,857</b>	<b>102</b>
Depreciation	753	589	(164)	3,244	3,420	176	6,365	4,419	(1,946)
Taxation	-	-	-	(52)	-	52	-	-	-
<b>Surplus/(deficit) before allocation of costs</b>	<b>(5,707)</b>	<b>(5,255)</b>	<b>(452)</b>	<b>(37,098)</b>	<b>(38,116)</b>	<b>1,018</b>	<b>(73,404)</b>	<b>(76,131)</b>	<b>2,727</b>
Internal support costs	(5,707)	(5,255)	452	(37,098)	(38,116)	(1,018)	(73,404)	(76,131)	(2,727)
<b>Total internal support allocation</b>	<b>(5,707)</b>	<b>(5,255)</b>	<b>452</b>	<b>(37,098)</b>	<b>(38,116)</b>	<b>(1,018)</b>	<b>(73,404)</b>	<b>(76,131)</b>	<b>(2,727)</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Operating Income

Unfavourable year to date other income partly due to lower than forecast rental income from residential and commercial properties.

Year to date favourable NZTA subsidy includes \$0.6m of NZTA administration subsidy.

### Operating Expenditure

Lower than forecast year to date personnel costs due to staff vacancies.

Higher than forecast year to date capitalised personnel costs.

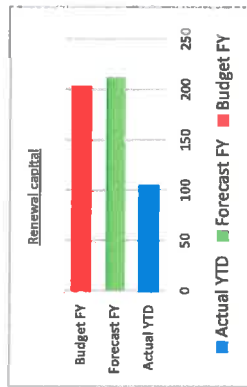
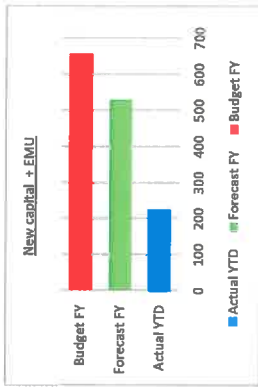
Unfavourable year to date other expenditure due to IT costs \$0.9m, CDD costs \$0.6m and provision for doubtful debts \$0.3m. These variances are offset by favourable personnel costs, capitalised costs and service delivery costs.

### Section 3a - Summary of Capital Expenditure for the seven months ended 31 January 2014 Split by activity

Notes	Current month			Year to date			Full year	
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Results Achieved	Variance \$'000
<b>New capital expenditure</b>								
Roads and footpaths	12,324	16,986	4,672	112,350	115,066	2,706	●	232,562
Public transport	5,994	11,249	5,255	46,329	52,772	7,443	●	256,838
Parking operations	8	124	116	186	252	66	●	8,299
Internal support	1,539	2,634	1,095	8,134	7,012	(1,122)	●	4,712
<b>Total new capital</b>	<b>19,865</b>	<b>31,003</b>	<b>11,138</b>	<b>165,999</b>	<b>175,092</b>	<b>9,093</b>	●	<b>502,411</b>
<b>Renewal capital expenditure</b>								
Roads and footpaths	14,142	15,795	1,653	96,524	95,684	(830)	●	188,200
Public transport	1,719	2,113	394	7,400	7,872	472	●	12,722
Parking operations	107	15	(92)	644	548	(96)	●	2,121
Internal support	-	-	-	-	-	-	●	-
<b>Total renewal</b>	<b>15,968</b>	<b>17,923</b>	<b>1,955</b>	<b>104,568</b>	<b>104,114</b>	<b>(454)</b>	●	<b>203,043</b>
<b>Electric multiple units (EMUs)</b>								
Procurement	10,359	11,308	949	51,478	60,775	9,297	●	135,589
Depot	976	-	(976)	6,919	5,607	(1,312)	●	18,429
<b>Total EMUs</b>	<b>11,335</b>	<b>11,308</b>	<b>(27)</b>	<b>58,397</b>	<b>66,382</b>	<b>7,985</b>	●	<b>154,018</b>
<b>Total direct capital</b>	<b>47,168</b>	<b>60,234</b>	<b>13,066</b>	<b>328,964</b>	<b>345,588</b>	<b>16,624</b>	●	<b>859,472</b>
<b>Vested assets</b>	-	-	-	33,530	-	(33,530)	●	-
<b>Total capital</b>	<b>47,168</b>	<b>60,234</b>	<b>13,066</b>	<b>362,494</b>	<b>345,588</b>	<b>(16,906)</b>	●	<b>859,472</b>

Notes: (Year to date)

1. New - Road and footpaths: \$2.7m underspend is mainly driven by timing of AMETI property acquisitions.
2. New - Public transport: \$7.4m underspend is mainly due to City Rail Link (\$2.8m, timing of property acquisitions); Construction costs of Manukau City Rail Link (\$1.2m), Platform Extensions (\$0.6m) and New Lynn Rail Station Electronic Gates (\$0.8m) tracking lower than plan; and Bus Stations & Shelter (\$0.5m, signing of variations to contracts and internal design work delays).
3. New - Internal support: \$1.1m overspend is mainly due to a number of IT works not yet transferred to the appropriate activities where they were budgeted.
4. Renewal - Public transport: \$0.5m underspend is mainly from Rolling Stock renewals, which is expected to be within the full year forecast.
5. Renewal - Parking: \$0.1m overspend is mainly due to off street carparks renewal works brought forward.
6. EMU: \$8.0m underspend is largely driven by changes agreed to the timing and delivery of EMUs.
7. Vested assets: \$19.2m land under roads, \$14.2m infrastructure assets and \$0.1m street trees and gardens.

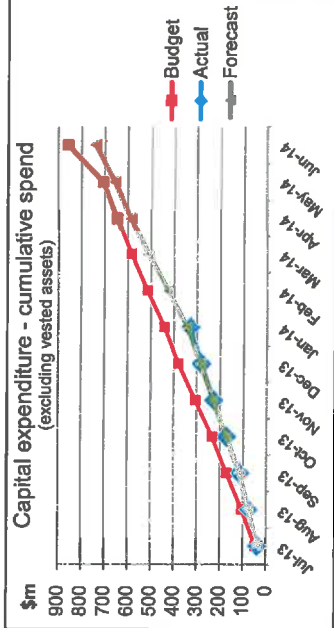
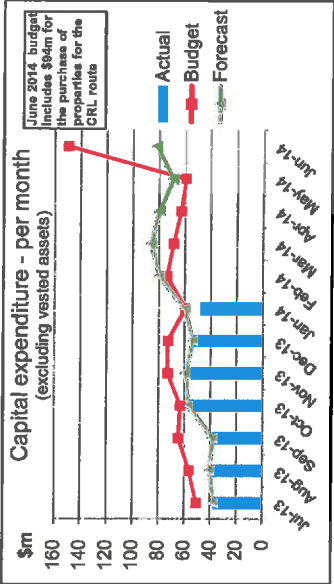


● : Largely on track  
● : Some issues or risks  
● : Project issues or risks



### Section 3b - Capital Expenditure Funding for the seven months ended 31 January 2014

	Current month			Year to date			Full year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000
<b>Funding</b>									
NZTA - new capital	6,940	7,338	(398)	47,066	45,322	1,734	91,558	111,621	(20,063)
NZTA - renewal capital	11,321	7,731	3,590	51,538	46,440	5,098	75,967	66,019	9,948
Other grants and subsidies	-	-	-	-	-	-	-	-	-
Auckland Council funding (Non EMU)	17,572	33,867	(16,285)	171,973	187,444	(15,471)	425,511	527,814	(102,303)
Auckland Council loan (EMU)	11,335	11,308	27	58,397	66,382	(7,985)	148,722	154,018	(5,296)
Vested assets	-	-	-	33,530	-	33,530	-	-	-
<b>Total funding</b>	<b>47,168</b>	<b>60,234</b>	<b>(13,066)</b>	<b>362,494</b>	<b>345,568</b>	<b>16,906</b>	<b>741,758</b>	<b>856,472</b>	<b>(117,714)</b>



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

	Note	Actual 31 January 2014 \$000	Actual 31 December 2013 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	64,809	45,281
Trade and other receivables	2	124,577	131,613
Inventories		4,417	4,377
Other assets		10,037	15,139
<b>Total current assets</b>		<b>203,840</b>	<b>196,410</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		14,051,175	13,989,704
Property, plant and equipment - work-in-progress		648,634	701,964
Intangible assets		88,490	74,336
Derivative financial instruments	3	-	4,131
Amounts due from related parties		46,000	46,000
<b>Total non-current assets</b>		<b>14,834,299</b>	<b>14,816,135</b>
<b>Total assets</b>		<b>15,038,139</b>	<b>15,012,545</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	20,897	20,617
Trade and other payables	4	129,595	123,010
Employee benefit liabilities	5	9,595	8,915
Borrowings	6	1,766	1,766
<b>Total current liabilities</b>		<b>161,853</b>	<b>154,308</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	12,843	14,706
Employee benefit liabilities	5	851	851
Borrowings	6	261,594	261,735
Deferred tax liability	7	9,121	9,121
<b>Total non-current liabilities</b>		<b>284,409</b>	<b>286,413</b>
<b>Total liabilities</b>		<b>446,262</b>	<b>440,721</b>
<b>Net assets</b>		<b>14,591,877</b>	<b>14,571,824</b>
<b>Equity</b>			
Contributed equity		13,083,752	13,068,902
Retained earnings/(losses)		395,169	391,970
Reserves		1,112,956	1,110,952
<b>Total equity</b>		<b>14,591,877</b>	<b>14,571,824</b>

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

	Actual 31 January 2014	Actual 31 December 2013
	\$000	\$000

**1 Cash and cash equivalents**

Cash at bank - Trading	14,942	13,298
Till floats	275	275
Cash investment with Auckland Council	49,592	31,708
<b>Total cash and cash equivalents</b>	<b>64,809</b>	<b>45,281</b>

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

**2 Trade and other receivables**

Trade debtors	4,595	4,873
Finance lease receivable	54	55
Infringements receivable	16,290	17,295
Amounts due from related parties	68,423	67,410
Accrued income	34,488	36,853
Goods and services tax	2,993	7,393
	<b>126,843</b>	<b>133,879</b>
Less provision for impairment of receivables	(2,266)	(2,266)
<b>Total trade and other receivables</b>	<b>124,577</b>	<b>131,613</b>

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 2014 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	105,609	-	105,609
Past due 1 - 30 days	1,423	-	1,423
Past due 31 - 60 days	2,405	-	2,405
Past due 61 - 90 days	1,637	-	1,637
Past due > 90 days	15,769	(2,266)	13,503
	<b>126,843</b>	<b>(2,266)</b>	<b>124,577</b>

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:

	<b>Actual \$000</b>
At 1 July 2013	1,754
Additional provisions made	515
Provisions reversed	(3)
Receivables written-off	-
<b>At 31 January 2014</b>	<b>2,266</b>

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

	Actual	Actual
	31 January 2014	31 December 2013
	\$000	\$000

**3 Derivative financial instruments**

**Non-current asset portion**

Interest rate swaps - cash flow hedges	-	4,131
<b>Total derivative financial instrument assets</b>	<b>-</b>	<b>4,131</b>

**Current liability portion**

Forward foreign exchange contracts - cash flow hedges	20,897	20,617
Forward foreign exchange contracts - not hedge accounted	-	-
<b>Current derivative financial instruments</b>	<b>20,897</b>	<b>20,617</b>

**Non-current liability portion**

Interest rate swaps - cash flow hedges	421	-
Forward foreign exchange contracts - cash flow hedges	12,422	14,706
<b>Non-current derivative financial instruments</b>	<b>12,843</b>	<b>14,706</b>
<b>Total derivative financial instrument liabilities</b>	<b>33,740</b>	<b>35,323</b>

**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 \$311m. The foreign currency principal amount was USD \$220m. These cash flow hedges have been accounted for as effective and the loss of \$15m 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 \$313m. At 31 January 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.13% to 5.41%. The gain on their revaluation of \$11m has been recorded in the Statement of Financial Performance.

**4 Trade and other payables**

Creditors	18,031	11,388
Accrued expenses	89,708	87,483
Retentions	6,259	6,220
Amounts due to related parties	14,231	16,452
Income in advance	1,366	1,467
	<b>129,595</b>	<b>123,010</b>

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 2014**

	Actual 31 January 2014	Actual 31 December 2013
	\$000	\$000

**5 Employee benefit liabilities**

**Current portion**

Accrued salaries and wages	3,764	2,665
Accrued leave	5,831	6,250
<b>Current employee benefit liabilities</b>	<b>9,595</b>	<b>8,915</b>

**Non-current portion**

Retirement gratuities	383	383
Long service leave	468	468
<b>Non-current employee benefit liabilities</b>	<b>851</b>	<b>851</b>

**6 Borrowings**

**Current portion**

Loans from Auckland Council	1,598	1,599
Finance Leases	168	167
<b>Current borrowings</b>	<b>1,766</b>	<b>1,766</b>

**Non-current portion**

Loans from Auckland Council	261,227	261,354
Finance Leases	367	381
<b>Non-current borrowings</b>	<b>261,594</b>	<b>261,735</b>

Weighted average cost of funds on total borrowings	5.53%	5.53%
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Auckland Transport's loan debt of \$263m is issued at fixed rates of interest ranging from 4.20% to 6.06%. The interest rate on finance leases is 3%.

**7 Deferred tax liability**

	Property, plant and equipment	Other provisions	Tax losses	Actual 31 January 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	-	-	-	-
<b>Balance at 31 January 2014</b>	<b>(9,121)</b>	<b>-</b>	<b>-</b>	<b>(9,121)</b>

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

	Current month		Forecast rolling 3 months		
	Actual	Forecast	Forecast	Forecast	Forecast
	\$000	\$000	Feb 2014 \$000	Mar 2014 \$000	Apr 2014 \$000
<b>Cash flows from operating activities</b>					
Total cash provided	78,176	72,135	82,174	81,005	77,083
<b>Cash applied to:</b>					
Payments to suppliers, employees and directors	37,928	45,462	48,218	50,587	49,998
Interest paid	2,058	1,267	1,226	1,437	1,460
Goods and services tax (net)	-	-	-	-	-
<b>Total cash applied</b>	<b>39,986</b>	<b>46,729</b>	<b>49,444</b>	<b>52,024</b>	<b>51,458</b>
<b>Net cash from operating activities</b>	<b>38,190</b>	<b>25,406</b>	<b>32,730</b>	<b>28,981</b>	<b>25,625</b>

<b>Cash flows from investing activities</b>					
<b>Cash provided from:</b>					
Sale of property, plant and equipment	(72)	-	-	-	-
<b>Total cash provided</b>	<b>(72)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>					
Capital expenditure projects	40,640	60,235	79,368	85,850	79,802
<b>Total cash applied</b>	<b>40,640</b>	<b>60,235</b>	<b>79,368</b>	<b>85,850</b>	<b>79,802</b>
<b>Net cash from investing activities</b>	<b>(40,712)</b>	<b>(60,235)</b>	<b>(79,368)</b>	<b>(85,850)</b>	<b>(79,802)</b>

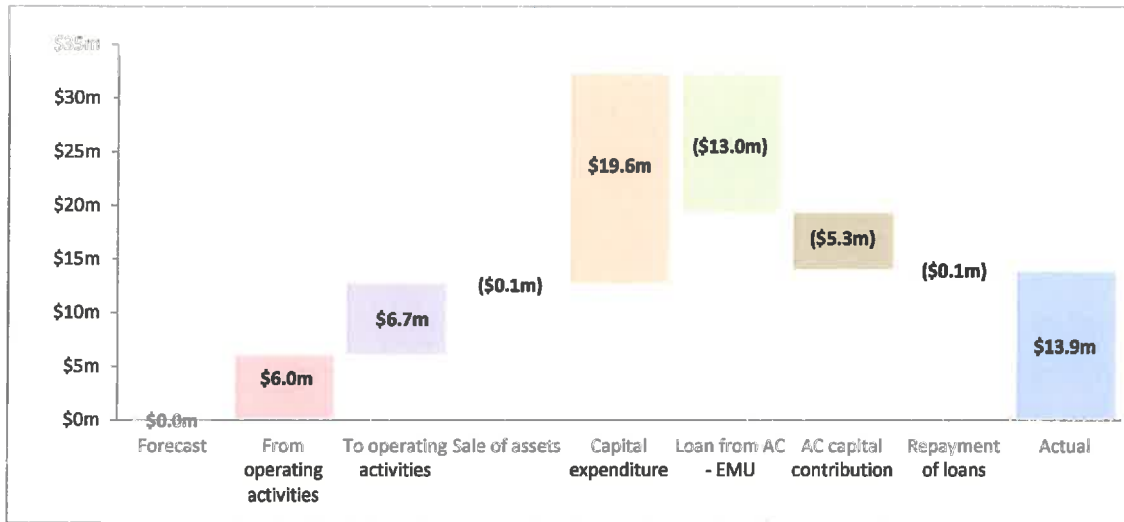
<b>Cash flows from financing activities</b>					
<b>Cash provided from:</b>					
Loan from Auckland Council - EMU	-	13,000	13,000	36,000	11,000
Capital contribution from Auckland Council	16,527	21,829	33,638	20,869	43,177
<b>Total cash provided</b>	<b>16,527</b>	<b>34,829</b>	<b>46,638</b>	<b>56,869</b>	<b>54,177</b>
<b>Cash applied to:</b>					
Repayments of EMU loan from Auckland Council	128	-	-	-	-
Repayments of finance lease principal	14	-	-	-	-
<b>Total cash provided</b>	<b>142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>16,385</b>	<b>34,829</b>	<b>46,638</b>	<b>56,869</b>	<b>54,177</b>

<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>13,863</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening cash balance	50,946	-	-	-	-
<b>Closing cash balance</b>	<b>64,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities		Current month
Surplus/(deficit) after tax		\$000 3,197
<b>Add/(less) non cash items</b>		
Depreciation and amortisation		23,342
Vested assets		-
Loss on disposal of property, plant and equipment		(74)
Loss on asset write off		-
Revaluation decrement		-
Foreign exchange gains		-
Loss on interest rate swaps		4,553
Income tax		-
		<b>27,821</b>
<b>Add/(less) movements in working capital</b>		
Decrease/(increase) in debtors and other receivables		3,914
Decrease/(increase) in inventories		(40)
(Decrease)/increase in creditors and other payables		1,262
(Decrease)/increase in employee benefits payable		679
(Decrease)/increase in investment funding from AC		1,357
		<b>7,172</b>
<b>Net cash flow from operating activities</b>		<b>38,190</b>

**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 January has 95.6% (98.9% December) of adjusted Debtors in 30 and 60 days.

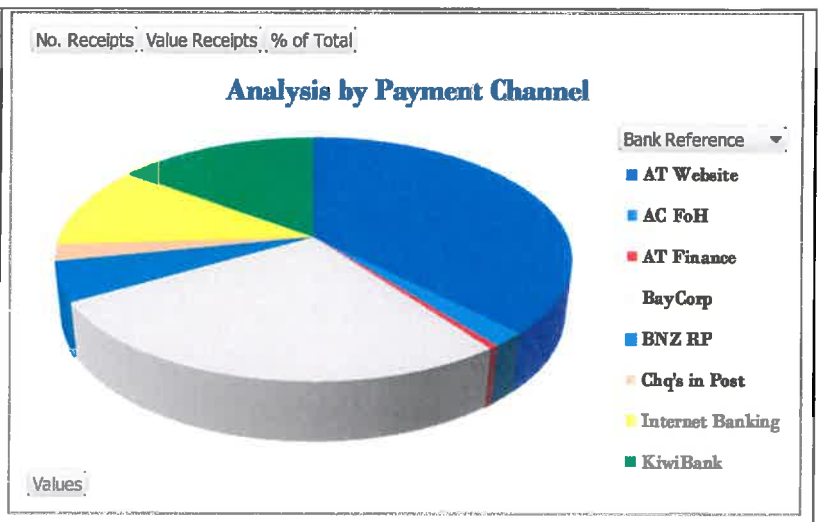
<u>Debtors Ageing Analysis as at 31 January 2014</u>								
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
<b>Debtors Ageing 31 Jan</b>	<b>98</b>	<b>5,237,929</b>	<b>1,940,176</b>	<b>84,520</b>	<b>743,565</b>	<b>72,505</b>	<b>2,397,164</b>	
		100.0%	37.0%	1.6%	14.2%	1.4%	45.8%	
O/s Related Parties	52	643,185	525,969	11,810	1,052	49,436	54,918	1
<b>Trade Debtors</b>	<b>119</b>	<b>4,594,744</b>	<b>1,414,207</b>	<b>72,710</b>	<b>742,513</b>	<b>23,069</b>	<b>2,342,245</b>	
		100.0%	30.8%	1.6%	16.2%	0.5%	51.0%	
Queried Invoices	234	326,813	6,487	6,903	7,899	3,039	302,486	2
Cell Sites - Property	408	2,650,440	0	9,989	668,926	5,689	1,965,836	3
To Baycorp (Collection)	450	29,863	0	204	690	5,304	23,665	4
Payment Arrangement	2	936	936	0	0	0	0	5
Lodged Courts (Damages)	133	117,107	43,430	14,016	14,475	-400	45,586	6
<b><u>Adjusted Debtors</u></b>	<b><u>N/a</u></b>	<b><u>1,469,584</u></b>	<b><u>1,363,353</u></b>	<b><u>41,598</u></b>	<b><u>50,524</u></b>	<b><u>9,437</u></b>	<b><u>4,672</u></b>	
		100.0%	92.8%	2.8%	3.4%	0.6%	0.3%	

- 1 - Relates to amounts owed by related parties (inter-company).
- 2 - This comprises invoices which have been queried or disputed by customers. The debtors and the relevant Departments are engaged in an effort to resolve these queries. PT Ops have again indicated that recovery of the \$152k is unlikely, but are meeting with the Debtors CEO on 27 February in an effort to finalize the matter. This outstanding amount has been provided as doubtful at the half year audit. An amount of \$104k outstanding from a group of apartments with increased parking charges under dispute are with the Property Group. These amounts have been provided as doubtful at the half year audit. Property have sent correspondence to the groups, providing legal opinion and giving them till 7 March to pay the outstanding amount in full.
- 3 - The outstanding amount relates to the ongoing cell sites dispute. Following the rejection of an offer by one of the Telco's late last year, a meeting has been scheduled with Simpson Grierson to discuss the merits of the case and decide upon possible legal action. An amount of \$1.9m was provided as doubtful as at December in respect of these matters.
- 4 - This section comprises accounts lodged with Baycorp for collection. Some of these outstanding amounts may be written off in the future. All amounts written off are approved by the CFO in compliance with accepted policy.
- 5 - Slow payers with payment arrangements. These Debtors are being monitored to ensure that arrangement terms are met.
- 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.

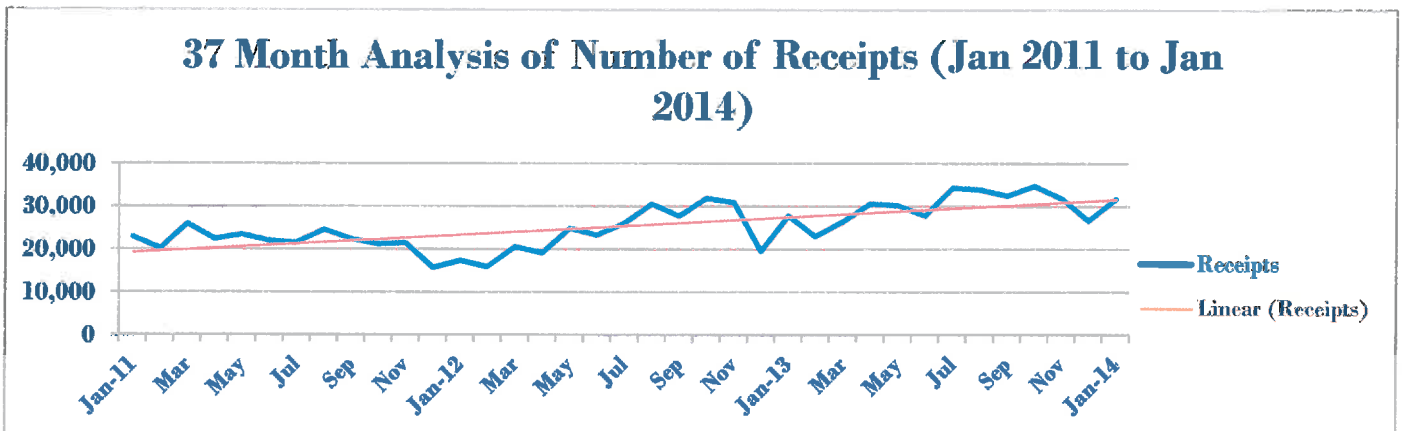


## Infringement Overview

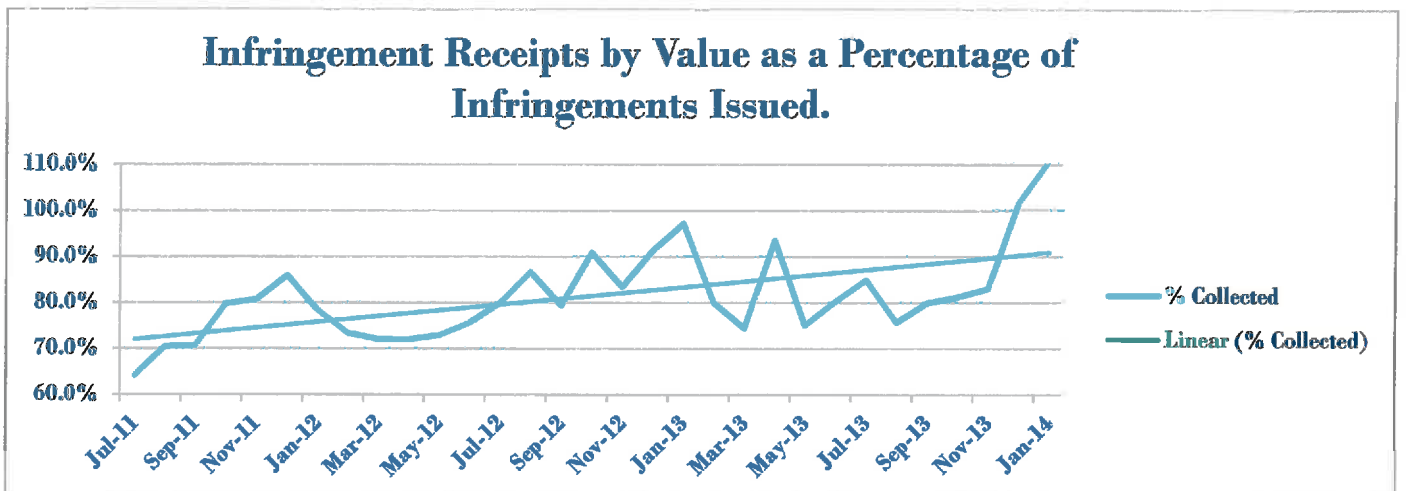
Bank Reference	No. Receipts	Value Receipts	% of Total
AT Website	11,879	\$622,591	34.0%
AC FoH	621	\$72,000	3.9%
AT Finance	139	\$5,955	0.3%
BayCorp	8,470	\$493,113	26.9%
BNZ RP	1,644	\$82,830	4.5%
Chq's in Post	721	\$93,001	5.1%
Internet Banking	3,513	\$207,615	11.3%
KiwiBank	4,720	\$253,322	13.8%
Grand Total	31,707	\$1,830,427	100.0%



January's Infringement receipts by volume are almost 19% up on December (19 working days in January compared with 17 in December). We recorded abnormally high numbers of receipts in December (excluding the 8,500 receipts carried forward into January) and followed this up with the highest number of receipts ever in January, which is usually very low.

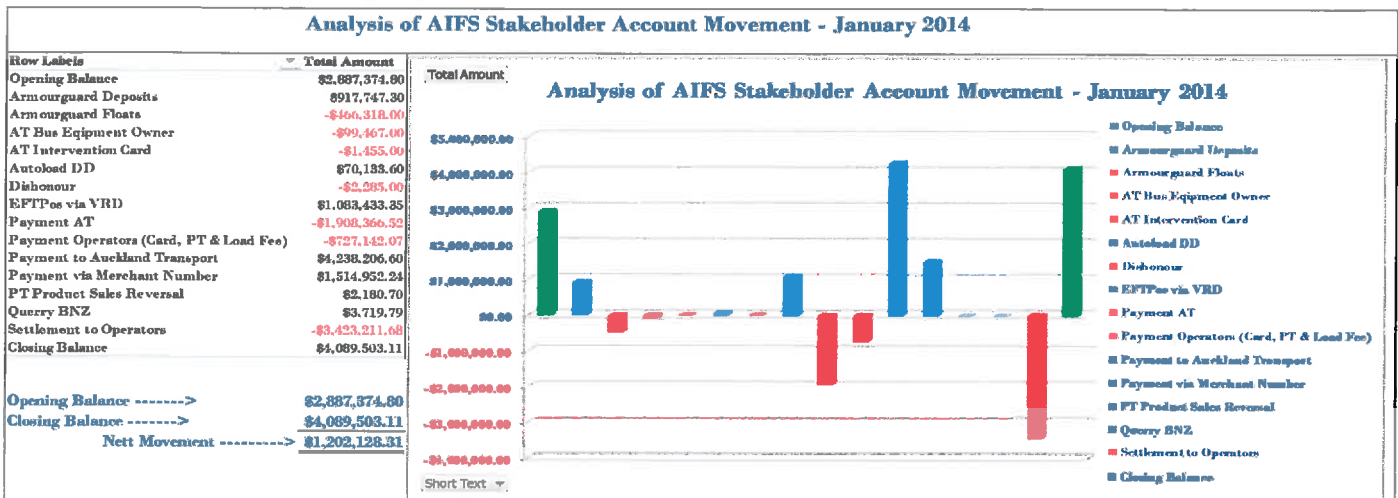


The graph above includes all receipts through AT and Baycorp. The trend line clearly shows improved collection rates over the 3 year period.

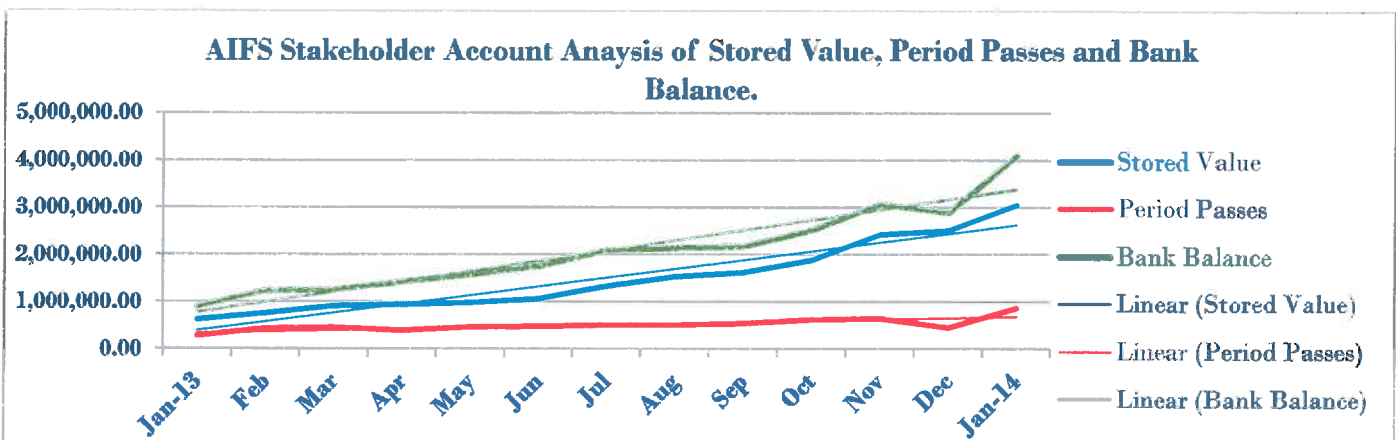


## Section 7 - AIFS Stakeholder Monthly Report (Does not form part of AT results)

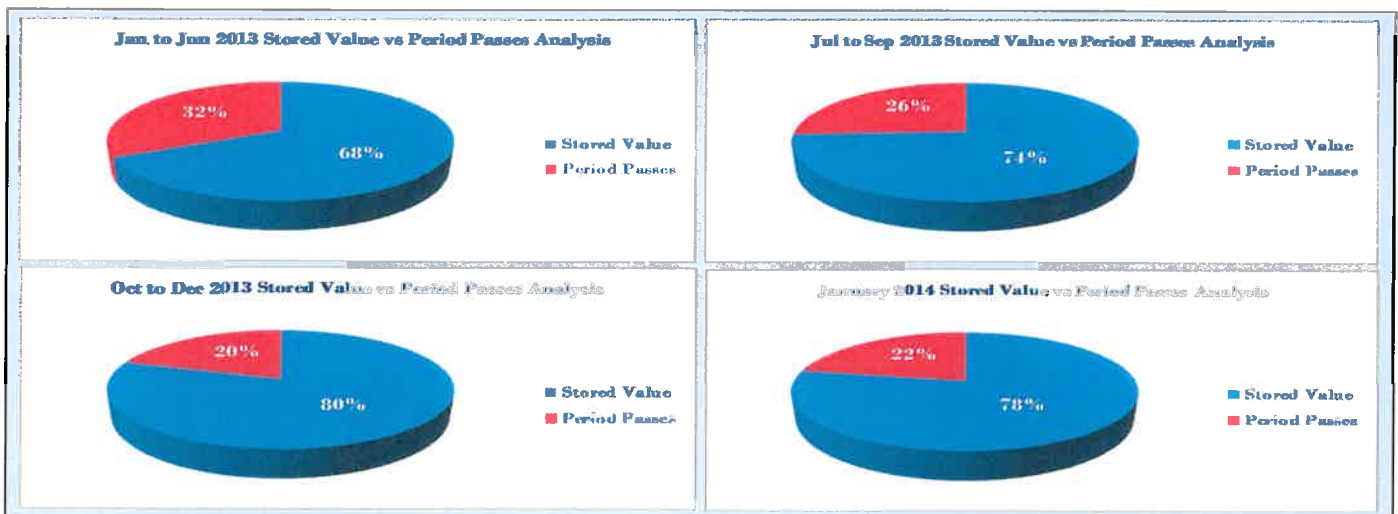
The analysis of the AIFS Stakeholder account below for January shows an increase in funds held of 41% following the decrease of 5.8% in the bank balance in December which was as a result of the start of the holiday period.



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 increased substantially in January and while Stored Value showed a large increase, Period Passes increased by 90%, primarily as a result of the Northern Express bus go live.



The pie graphs below illustrate the split between stored value and period passes. There has been a slight change in the analysis for January compared with 2013. For the first time since HOP started, we have Period Passes increasing its overall percentage. This is probably as a result of Northern Express going live with North Shore customers favouring Period Passes.



## Recommendation

It is recommended that the Auckland Transport Board receive the report.

<b>Prepared by</b>	<b>Katy Wang</b> Planning and Reporting Accountant  <b>Susan Cairns</b> Senior Financial Reporting Accountant	 
<b>Recommended by</b>	<b>Julian Michael</b> Financial Reporting Manager  <b>Stephen Smith</b> Finance Manager	 
<b>Approved for submission</b>	<b>David Warburton</b> Acting Chief Financial Officer	